Mission Statement

The California Association of Health Plans is the statewide trade association that represents 31 Knox-Keene licensed health plans that provide health coverage to more than 21 million Californians.

The Association’s mission is to improve the health of California’s communities by promoting the growth of health plans dedicated to providing high quality, affordable, accessible health care to their members. We do this by:

Promoting cooperative efforts among health plans and providers to improve the quality, effectiveness and efficiency of care and service.

Advocating for the interests of health plans and their members on legislative and regulatory issues.

Educating policymakers and the public about the philosophy of managed care and the benefits that health plans provide.

Every year, it seems, the message delivered on this page—via varying examples and updates—is strikingly similar: managed care health plans and those who represent them face a daunting organizational and economic challenge. They must endeavor to meet the ever-growing consumer demand for greater quality, choice and breadth in health care services. At the same time they have to keep the premium charged for those services affordable. In short, they are challenged to provide much more in services for little or no more in price.

In most industries, this problem takes care of itself. Demand is largely controlled by ability to pay. In health care—and health insurance in particular—the rules are different. Those making the demands for more do not face the full economic consequences of those demands. Employers pay most of the premiums, insurers pay most of the bills. The gap that is inevitably created—between demand and ability to pay—often must be bridged by the health plan, not the consumer. A daunting challenge indeed.

This year, the challenge grew even stiffer. The one clear success for which managed care had been awarded widespread credit—the control of health care costs—seemed to be evaporating. For the third year in a row, health care premiums rose, in most cases by double digits. To knowledgeable industry observers, the causes of these increases were fairly obvious: an aging population, new technology, stronger hospital and physician bargaining units, a turning away from the tools that enabled managed care plans to control demand and costs, soaring pharmaceutical costs, etc. Still, the task of explaining that premiums are rising because costs are rising was one more burden for the industry and its spokespersons.
“This year, for the first time in years, affordability became the key issue in managed care debates, and with all the expected results.”

But here comes the good news: either we did a pretty good job of explaining the new realities or state opinion leaders — including state legislators — somehow got the picture by other means. This year, for the first time in years, affordability became the key issue in managed care debates and with all the expected results. Concerned about the potential impacts of rising costs — the most extreme being the loss of insurance altogether — state legislators rejected virtually all proposals that would have contributed significantly to rising health care costs and premiums. Among the causalities were:

- Eighteen proposals for new benefits and services, all victims ultimately of an extraordinary Assembly Health Committee moratorium on new mandates.
- California Medical Association (CMA)-sponsored legislation to provide physicians with an exemption to antitrust laws or with a private right of action to sue health plans over payment rates.
- Trial attorney-supported legislation to ban health plans from using mandatory arbitration in resolving disputes with consumers.

In addition to state legislators, other critical opinion leaders and organizations seemed more attuned to affordability concerns. For the first time in anyone’s recollection, leading California labor unions responded to health plan approaches and opposed the CMA-sponsored legislation noted above. And major press outlets, most notably the Sacramento Bee and the Los Angeles Times, backed health plans on several key cost-related issues.

Next year may be different. The drumbeat of demand may return louder than ever. But, working together, the health plan community — with CAHP as its spokesperson — has begun to raise the right questions and to stimulate the dialogue that may provide some viable answers. We do so with the help of many unsung supporters who work for our member plans and who supply us with information, analyses and contacts without which we would be far less effective.

Their support, the broader support of our member plans and the knowledge that all of us together are pursuing the goal of high quality, affordable health care for Californians enables us to face the tough challenges and attempt to bridge the economic and political divides. We sincerely thank you for that support.
From its humble beginnings in the 1970s to the tremendous growth of the 1990s, the California Association of Health Plans remains a committed advocate for its 31 member plans and the Californians enrolled in them. The Association has a long and proud history, including actively sponsoring legislation that benefits Californians, helping to expand health services and products through our advocacy efforts and promoting high quality health care at affordable costs.

The California Association of Health Plans and its members in 2002 were able to turn an unusually challenging year into a number of key successes on various fronts while forging unprecedented alliances with California unions, including the California Teachers Association.

CAHP during 2002 emphasized rising health care costs as the core of our legislative, media and outreach efforts. This theme was used as we fought key legislation, lobbied regulatory issues, implemented our media strategy and called attention to the impact of these costs on working families.
Legislative Activities

CAHP began the year by launching a new grassroots program and resuming its aggressive lobbying activities in the regulatory and legislative arenas. Atop CAHP’s “most dangerous bills” list was AB 1600, California Medical Association-sponsored legislation that would have—depending on the version—created a antitrust exemption, a private right of action or a new regulatory process that might empower physicians in contract negotiations with health plans. At the outset of the year, AB 1600 was just one legislative step from the Governor’s desk.

Rumors of AB 1600 draft amendments and legislative action on the measure soon began circulating throughout the Capitol on a regular basis. CAHP quickly launched a three-pronged anti-AB 1600 assault—lobbying, coalition building and proactive media.

The effort produced one of our key alliances of the year when California’s top labor organizations signed on as solid AB 1600 opponents. The bill ultimately sat without legislative consideration most of the year and then died for lack of action as lawmakers adjourned the session on Aug. 31.

Earlier in the year, CAHP and its member plans scored another major legislative victory when 18 newly introduced bills proposing additional health coverage mandates were effectively killed. Following their introduction, CAHP coordinated a lobbying, media and grass roots campaign against the bills. As a result, anti-mandate editorials and columns appeared in the Los Angeles Times and the Sacramento Bee.

Assembly Health Committee Chair Helen Thomson also publicly disclosed her concern about the measures’ impact on already rising health care costs. She then took action—convincing the committee to hold the bills in her committee and preventing further legislative consideration.

The mandate measures were just part of the large contingent of health care bills introduced and considered by lawmakers in the 2001-2002 legislative session. Prominent among these were bills that would have barred plans from using mandatory arbitration for dispute resolution and required plans to prominently disclose percentages of premium dollars spent on administrative costs. In all but a few instances, CAHP lobbyists, along with lobbyists representing member plans, were able to either defeat such legislation or amend them in ways that removed health plan objections.

Only three CAHP-opposed bills were sent to the Governor at the end of the session.

Regulatory Activities

CAHP also was actively involved in the Dept. of Managed Health Care’s growing array of regulatory issues, some of which were adopted during the year. Others are still pending. Among those adopted were regulations involving administrative processes and public records, acts of war and a new electronic filing process. The pending issues include SB 260 (financial solvency of medical groups) and grievance/independent medical review regulations, and AB 1455, unfair claims settlement practices.

CAHP continues to coordinate regulatory activities for plans through its Legal Affairs Committee, comprised of attorneys and other regulatory personnel from member plans. The Committee meets three to four times a year and supplements these meetings with conference calls as necessary.

Earlier this year, CAHP for the first time hosted a single-day regulatory conference in Sacramento. The successful event attracted more than 200 attendees, far in excess of the anticipated turnout.

A special feature of the event was the announcement of a survey conducted by CAHP to determine how our members feel about the relatively new Dept. of Managed Health Care. Surprisingly, many of the comments were positive, but most respondents believe the Department has overstepped its authority on a number of issues.

New Alliances

Another first this year was CAHP’s alliance with the California Teachers Association (CTA) to promote the Healthy Families and Medi-Cal Programs. (This collaboration was in addition to our earlier breakthrough with labor on AB 1600, making our outreach to labor a major story in 2002.)

CAHP has been active for years in attempting to enroll more children in the programs, but realized that the effort could be accelerated with the help of teachers.

After CAHP invited the CTA to participate, teachers—responding in focus groups in key areas of the state—overwhelmingly expressed their eagerness to help in the process of enrolling an estimated 1 million uninsured California children who are eligible for either the Healthy Families or Medi-Cal Programs.

The California Endowment, responding to a funding request, subsequently made a $547,000 grant available to make the collaborative effort a reality. Under the new program, health plans will instruct teachers about Healthy Families and Medi-Cal. In turn, teachers will conduct an outreach project to help bring the eligible children into the two programs.

CAHP and CTA announced the joint effort at five, same-day news conferences on Sept. 4. The conferences—in Los Angeles, Sacramento, San Diego, Fresno and San Jose—attracted considerable media response, especially television and radio. Associated Press coverage of the conferences was published by many newspapers around the state. The events were featured in the CTA’s magazine for teachers, the Educator, as well as in CAHP’s newly revamped newsletter, CAHPital Report.

In the past, CAHP has coordinated numerous Healthy Families/Medi-Cal events with legislators at schools in their respective districts. CAHP will continue to organize these individual Healthy Families/Medi-Cal programs.

Overall, the year 2002 was a good one for CAHP. We continued to score successes in various venues while acquiring new allies and moving ahead on positive programs such as Healthy Families.
Overall, 2002 was a successful legislative year for the plans. We stopped AB 1600 – which in its first iteration would have created an antitrust exemption and, in later versions, a private right of action for physicians. At the same time, the Assembly Health Committee rejected 18 CAHP-opposed mandate bills. Industry opposition also defeated a legislative effort to require plans to prominently disclose percentages of premium dollars spent on administrative costs. While the Governor did sign a few bills that present challenges to health care service plans, he shared the plans’ opinion that cultural and linguistic standards should retain maximum flexibility and vetoed AB 2739. A great number of other bills were amended to address many of the concerns raised by the health plan community, resulting in the removal of CAHP opposition. Following is a brief summary of 2002 bills that were passed by the Legislature and acted on by the Governor:

**CAHP Supported Bills**
The following CAHP supported bills were signed into law:

**AB 1996 (Thomson)** University of California: analysis of legislation mandating health care benefits and services - Chapter 795
This measure requests the University of California to assess legislation proposing mandated health care benefits and to prepare a written analysis.

**AB 2364 (Negrete McLeod)** Medi-Cal: study - Chapter 452
This measure requires a non-state funded study on how the administration of the Medi-Cal program might be simplified, with a focus on creating efficiency in the system and reducing costs to the program, health care service plans and health care providers.

**SB 283 (Speier)** Healthy Families Program - Chapter 667
This bill authorizes, until Jan. 1, 2006, plans participating in the Healthy Families Program, to provide application assistance directly to an applicant.

**CAHP Opposed and Vetoed Bills**
CAHP requested and received a veto on the following bill:

**AB 2739 (Chan)** Health care coverage: multilingual information and services - Chapter 795
This bill would have placed in statute a requirement on managed care plans, participating in the Medi-Cal program, and/or the Healthy Families Program, to take specific actions to provide culturally and linguistically appropriate services to enrollees.

**Other Significant Legislation Signed into Law**

**AB 1401 (Thomson)** Health benefit coverage - Chapter 794
This bill revises certain provisions of Cal-COBRA and other existing laws that require plans and insurers to offer health benefit coverage to certain individuals.

**AB 2052 (Goldberg)** Health care service plans and health insurance: group contract or policy rate changes - Chapter 336
This measure prohibits a plan – after the start of an open enrollment period or after receipt of the premium payment for the first month of coverage from changing its premium rates or applicable co-payments or coinsurances or deductibles after the group contract-holder or group policyholder has delivered written acceptance of the contract or policy. The bill would provide for exemptions from the prohibition where the change is authorized under a preliminary agreement or is mutually agreed to in writing, as specified.

**AB 2085 (Corbett)** Living wage health care coverage - Chapter 649
This bill provides that an employer subject to a local living wage law will be a small employer for purposes of obtaining coverage under the small employer provisions.

**AB 2178 (Goldberg)** Living wage health care coverage - Chapter 649
This bill requires a health care service plan to provide a written acknowledgment of the receipt of a grievance within five calendar days of receipt unless the grievance is received by telephone, fax, e-mail or online and meets specified requirements, unless the grievance is subject to expedited review.

**AB 2085 (Corbett)** Health care grievances - Chapter 796
This bill requires a health care service plan to provide a written acknowledgment of the receipt of a grievance within five calendar days of receipt unless the grievance is received by telephone, fax, e-mail or online and meets specified requirements, unless the grievance is subject to expedited review.

**AB 2079 (Goldberg)** Health care grievances - Chapter 796
This bill requires a health care service plan to provide a written acknowledgment of the receipt of a grievance within five calendar days of receipt unless the grievance is received by telephone, fax, e-mail or online and meets specified requirements, unless the grievance is subject to expedited review.

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This measure requires the Department of Managed Health Care (DMHC) and the Commissioner of Insurance to ensure access to needed health care services in a timely manner. Penalties may be assessed against a plan in specified circumstances for its failure to comply with requirements concerning timely access to care.

AB 2420 (Richman) Health care service plans - Chapter 798
This bill provides that no health care service plan contract that is issued, amended, or renewed in this state on or after July 1, 2003, shall require or allow a health care service provider, to assume or be at any financial risk for certain designated items. The bill would allow a health care service provider to request in writing the ability to assume the financial risk for these items.

AB 2907 (Cohn) Provider contracts - Chapter 925
This measure prohibits provisions in a contract between a health care service plan or health insurer and a health care provider that would allow a unilateral change in a material term of the contract without meeting specified requirements.

SB 398 (Chesbro) Health care service plans: bankruptcy: rural withdrawals - Chapter 928
This legislation requires a health care service plan, except in extraordinary circumstances, to meet and confer with the director at least 10 business days prior to filing a petition for bankruptcy. This bill also requires the plan to provide certain information requested by the director. This measure allows the Department to adopt regulations that establish an extended geographic accessibility standard for access to health care providers served by a health care service plan in small counties. The bill additionally requires a health care service plan at least 30 days prior withdrawing from an area to file a notice of withdrawal and to hold a public meeting. (These provisions chaptered out AB 1282)

AB 2179 (Cohn) Health care service plans: access/time standards Chapter 797
This measure requires the Department of Managed Health Care (DMHC) and the Commissioner of Insurance to ensure access to needed health care services in a timely manner. Penalties may be assessed against a plan in specified circumstances for its failure to comply with requirements concerning timely access to care.

SB 842 (Speier) Health care: prescription drug benefits Chapter 791
This bill, which CAHP opposed, grants the Department of Managed Health Care regulatory powers over prescription drug benefits offered by health plans. This bill would specify that certain provisions of the Knox-Keene Act requiring a health care service plan to include prescription drug benefits shall not be construed to deny or restrict the authority of the DMHC to ensure a plan’s compliance with the act when a plan provides coverage for prescription drugs.

SB 1092 (Sher) Health care service plans: advocate Fees Chapter 792
This bill, which CAHP opposed, requires that the DMHC Director adopt regulations on or before July 1, 2003, to establish the Consumer Participation Program. This program will allow for the director to award reasonable advocacy and witness fees to any person or organization demonstrating that they represent the interests of consumers on the adoption of any regulation or to an order or decision, as specified, made by the director.

SB 686 (Ortúz) Health care service plans: fees - Chapter 790
The bill requires non-specialized health care service plans to pay 65 percent of the DMHC's costs and expenses for the ensuing fiscal year and specialized plans to pay 35 percent of the Department's costs and expenses for the ensuing fiscal year, calculated on a per enrollee basis. The bill would, effective July 1, 2003, remove the director's authority to require a health care service plan to pay an additional assessment to provide the department with sufficient revenue.

SB 1411 (Speier) Health care coverage: maternity services Chapter 880
This measure prohibits, effective July 1, 2003, a health care service plan and a disability insurer from imposing a co-payment or deductible for health care services related to maternity if the amount of the co-payment or deductible exceeds the most common co-payment or deductible imposed for services provided for other covered medical conditions.

SB 1531 (Speier) Health care coverage: MediCare+Choice Chapter 555
This bill expands the eligibility for the guaranteed issuance of a Medicare supplement policy to include an individual enrolled in a MediCare+Choice plan if the plan reduces its benefits, increases the cost-sharing amount or discontinues for other than good cause.
A major change in health plan oversight since the creation of the Department of Managed Health Care has been the increase in promulgated regulations. The Department of Corporations rarely promulgated regulations; the new Department takes pride in pointing to more than 80 new regulations since its creation July 1, 2000.

While many plan representatives give the new DMHC high marks for a more open process, many are increasingly concerned about the Department’s scope of regulatory activity and its tendency to reach beyond its statutory authority.

**Adopted Regulations**

In 2002, regulatory activities have ranged over a wide variety of issue areas. Regulations adopted this year include new policy standards relating to administrative processes and public records, acts of war (adopted in the wake of the September 11 terrorists’ attacks) and a new electronic filing process. The DMHC also adopted new regulations on arbitration and settlements. CAHP continues to express strong opposition to this regulation because of the inclusion of settlement agreements, over which CAHP plans believed the DMHC does not have authority.

**Pending Regulations**

In addition to regulations already promulgated, a sizable number of regulatory processes are ongoing. Three of these continue to demand particular attention of plans.

**SB 260**

**Regulations: Financial Solvency of Medical Groups**

After creating a more robust regulatory record, via additional hearings, to support disclosure of medical group financial data, the Department intends to re-file the SB 260 regulations. They were struck down by the court as the result of a suit brought by the California Medical Association. The new regulations may also face a court challenge. Given all the uncertainty relating to its authority to act on SB 260, the Department has not moved forward on the second phase of the regulations, which deal with corrective action plans.

**Grievance/Independent Medical Review Regulations**

The IMR/Grievance regulations were scheduled to go to the Office of Administrative Law for final adoption by this fall. From the health plan perspective, the most recent version contained several important improvements – many suggested by plans. But plans still had serious concerns regarding the lack of an appropriate definition of “urgent services.”

**AB 1455**

**Regulations: Unfair Claims Payment Practices**

The Department released the initial draft of regulations for formal notice and comment in mid-June and then released a revision for an informal two-week comment period. CAHP continues to work with the Department on refining the language.

**New Regulations**

During the summer, the Department released several new regulations for initial notice and comment. Depending on the level of complexity and concern, some of these regulations may be finalized by the end of the year.

**Assignment of enrollees to capitated providers**

The “assignment” regulations address the questions of (1) when plans that contract with providers on a capitated basis must assign an enrollee to a provider and (2) when plans are required to begin making capitation payments to providers.

**Civil Penalties**

Regulation pertaining to civil penalties would state that for the purposes of Section 1387 of the Health and Safety Code, a violation that is ongoing and continuous is subject to a $2,500 civil penalty for each day that the violation continues.

**Regulations in Development**

The Department continues to develop additional regulations. One regulatory initiative is designed to require plans to submit standardized reports on four prevention measures:

- Smoking/Tobacco-use Cessation
- Chlamydia Screening
- Colorectal Cancer Screening
- Childhood Immunization

The Department also plans to promulgate regulations regarding chiropractic, dental and other specialized plans; benefits provided for speech, occupational, rehabilitative and physical therapy, and provisions that would increase the current Tangible Net Equity requirements.

The Governor signed several bills likely to trigger considerable regulatory activity. SB 842 (Speier) heads this list. It grants the DMHC new rights to regulate prescription drug benefits. Given the costs and powers involved the regulatory process relating to this bill is likely to be contentious and complex.

**CAHP Regulatory Conference**

This year, for the first time, CAHP hosted a conference devoted exclusively to regulatory affairs. The event drew over 200 registrants and featured an array of speakers including Director Daniel Zingale and other DMHC representatives.

CAHP President Walter Zelman opened the conference with the results of a CAHP poll on plan perceptions of the new regulatory regime. It revealed praise for improved DMHC communication, but concerns that some directives lacked statutory authority.

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In this section, we present trend data for California health plans. As these pages show, managed care continues to grow in California, but rising health care costs present significant challenges to the industry, both here and across the country. California still enjoys a health care bargain relative to the rest of the U.S., though the range appears to be narrowing somewhat. Data for 2002 show that increasingly, working families are feeling the effects of rising health care costs directly as employee cost sharing increases and plans develop copayment requirements that attempt to reflect the relative costs for a wider range of services. Finally, 2002 offers no indication that Californians have found a consensus regarding how health care can be kept affordable in future years.

**Enrollment**

Managed Care Enrollment by Plan. Enrollment in managed care plans continues to grow in California. Data from Cattaneo & Stroud, Inc. indicate that approximately 24.5 million Californians were enrolled in managed care health plans in March, 2002. The comparable figure for 2001 was 23.7 million, for an increase of about 700,000 individuals, or 3 percent. Most notably for 2002, however, is that enrollment growth came entirely in PPO arrangements, which now serve 6.2 million Californians. Enrollment in HMO plans remained constant between 2001 and 2002 at 18.3 million.

Figure 1 shows total California enrollment by health plan for 2001 and 2002.

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### California Managed Care Enrollment By Plan*

<table>
<thead>
<tr>
<th>Plan Name</th>
<th>2001</th>
<th>2002</th>
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<tr>
<td>Aetna US Healthcare of CA</td>
<td>1,223,929</td>
<td>1,230,141</td>
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<td>Alameda Alliance for Health</td>
<td>74,909</td>
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<td>Blue Cross of CA</td>
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<td>Blue Shield of CA</td>
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* Figures include HMO, POS, and PPO products licensed by the DMHC, as reported by plans to CAHP or the DMHC. Some plans have additional enrollees in insurance arrangements regulated by the Dept of Insurance.
As Figure 4 indicates, the average monthly premium for single coverage in a California HMO plan is $133, as compared to an average of $160 for the nation as a whole. The difference between California and major states in the Northeast and Midwest is even more striking. In New York, for example, the cost of enrolling in an HMO averages $183 per month, or 38 percent higher than the cost for obtaining health coverage in California.

As shown in Figure 5, the rate of increase in health insurance costs is rising rapidly relative to other important indicators — the rate of overall inflation, and the annual increase in employee incomes. Most observers agree that the rise in health insurance premiums in the last few years is primarily attributable to: dramatic increases in utilization of services (most notably for prescription drugs) technological advancement, and increasingly, the strengthened bargaining power of hospital and other providers, and a less aggressive application of cost control by managed care plans.

As the Center for Studying Health System Change reported in June 2002:

Many providers are taking a hard line in negotiations, threatening to terminate health plan contracts if payment demands go unmet. These contract showdowns signal a shift in the balance of power in local markets toward hospitals and physicians

The gap measured in 2002 between the annual increase in health insurance premiums and employer earnings has not been as great since the early 1990s, when national concern over the ability of the economy to sustain rising health care costs led to the Clinton administration’s proposal for a federal system of universal coverage.
Consumer Attitudes

The challenges for managed care plans in such an environment clearly are significant. No doubt, public policymakers would agree that rising health care costs, both in California and nationally, are a cause for concern. Yet, it appears equally clear that no societal consensus exists as to how cost increases should be made more sustainable in future years. Just one indication of this lack of a workable consensus is shown in Figure 7.

Who Should Control Health Care Costs?

In response to the question “Who should have primary responsibility for controlling health care costs?” a poll conducted on behalf of the Association found that Californians overwhelmingly believe health care costs should be controlled primarily by patients and physicians – those who utilize those services and those who provide them – or no one at all. Just one in three respondents believes that cost containment is an appropriate role for the public and private entities that must ultimately pay the bill for California’s health care, and the three actors that are best suited to control costs – insurers, physicians, and government – get the least support for assuming that role.

Impact on Employee Cost Sharing

The impact of rising health care costs is increasingly being felt by enrollees directly. As shown in Figure 6, the average employee contribution for family coverage rose to $174 nationally – more than three times the average contribution that was required in 1988. Despite significant increases in the last few years, it is worth noting that the percentage of the total cost for family coverage that is being met by employee contributions remains at 27 percent – unchanged from 2001, with employers continuing to cover the remainder.

These data suggest that rising health insurance costs in future years may increasingly be considered a pocketbook issue not just by employers, the traditional financers of health insurance coverage, but by employees individually as their out-of-pocket costs for coverage increase at a rate that is closely tied to the overall increase in premium costs.

Prescription drug coverage continues to be a significant focus of employee cost sharing. Copayments now average $9 for generics and $17 for formulary drugs without generic equivalents. Copayments for name drugs that have generic equivalents increased significantly, from $21 last year to $26 in 2002. The use of three-tier pharmacies doubled in 2002. Fully 85 percent of covered workers now have some type of tiered cost sharing arrangement for prescription drugs. Similarly, in California, 2002 saw the beginning of tiered approaches for hospital utilization. These trends undoubtedly reflect the reality that health insurance costs for prescription drugs and hospital stays are growing at an explosive pace, driven in large part by consumer advertising for new drugs and the dramatically strengthened negotiating clout of hospital chains.

Beyond higher employee cost sharing, the extent of employer-based coverage may be at risk as health insurance costs increase. In a recent report, the Kaiser Family Foundation concluded:

Multiple years of accelerating premium growth and a weakened economy may have begun to erode the coverage improvements of the past few years.

The report sounded “a cautionary note,” primarily due to a drop in the number of small businesses offering coverage (from 65 percent in 2001 to 61 percent in 2002) and the fact that nearly two-thirds of employers worry that the cost of health insurance will increase at a rate that is greater than they can afford.

* Source: Kaiser Family Foundation/HRET Employer Health Benefits Survey

* Source: California Association of Health Plans

![Figure 7: Who Should Control Health Care Costs?](image)
| County       | Alameda | Alpine | Amador | Butte | Calaveras | Colusa | Contra Costa | Del Norte | El Dorado | Fresno | Glenn | Humbolt | Imperial | Inyo | Kern | Kings | Lake | Lassen | Los Angeles | Mendocino | Merced | Modoc | Mono | Monterey | Napa | Nevada | Orange | Placer | Plumas | Plumas | Point | San Benito | San Bernardino | San Diego | San Francisco | San Joaquin | San Luis Obispo | San Mateo | Santa Barbara | Santa Clara | Santa Cruz | Shasta | Sierra | Siskiyou | Solano | Sonoma | Stanislaus | Sutter | Tehama | Trinity | Tulare | Tuolumne | Ventura | Yolo | Yuba |
|--------------|---------|--------|--------|-------|-----------|--------|-------------|----------|-----------|--------|-------|---------|----------|------|-----|-------|------|--------|------------|------------|---------|-------|-------|--------|---------|------|-----|--------|-------|--------|----------|------------|------------|------------|-------------|--------------|-------------|-------------|-----------|-----------|--------|--------|---------|--------|
| Number of Plans Present in 2002 | 9       | 3      | 6      | 7     | 5         | 6      | 9            | 5        | 9         | 8      | 6     | 5       | 6        | 5    | 10 | 8     | 6    | 5      | 5          | 16          | 7        | 8     | 5     | 5      | 10      | 8    | 5   | 5     | 8     | 8      | 10       | 8           | 7          | 8         | 5           | 6           | 9           | 8           | 6       | 6      | 6      |
Member Plans

Aetna US Healthcare of California, Inc.
Alameda Alliance for Health
Blue Cross of California
Blue Shield of California
Care 1st Health Plans
Chinese Community Health Plan
CIGNA Healthcare of California
Community Health Group
Community Health Plan
Contra Costa Health Plan
Health Net of California, Inc.
Health Plan of San Joaquin
Health Plan of San Mateo
Inland Empire Health Plan
Inter Valley Health Plan
Kaiser Foundation Health Plan, Inc.
L.A. Care
LifeGuard, Inc.
Molina Healthcare of California
On Lok Senior Health
One Health Plan of California, Inc.
PacificCare of California
San Francisco Health Plan
Santa Clara Family Health Plan
SCAN
Sharp Health Plan
UHP Healthcare
Universal Care, Inc.
Valley Health Plan
Western Health Advantage

Associate Members

3M Pharmaceuticals
Adventist Health Managed Care
Amgen
Angela A. Mickelson, Inc.
CIGNA Behavioral Care
GlaxoSmithKline
HMSA
LifeMasters Supported SelfCare
Medical Eye Services
Meridian Health Care Management
Miller & Holguin
Nossaman, Gunthner, Knox, Elliot
Pearle Visioncare, Inc
Procter & Gamble
TAP Pharmaceuticals
UCSD Health Plan
ValiCert, Inc
Word & Brown

Executive Officers

National President
Ronald A. Williams
National CEO
John W. Rowe, M.D.
California CEO
Thomas Williams
Regional CFO
Lee Aurich
National CIO
Wei-Tih Cheng

Executive Staff

Medical Director
Milton Schwartz, M.D.
Chief Legal Counsel
Mary V. Anderson
Marketing Director
Mary Kyriopoulou
Pharmacy Director
Yrena Friedman
Employer Relations
Darlene Swenson
Provider Relations
Curtis Terry

Member Relations
Diane Souza

Primary Contacts

Government Relations
Vanda B. McMurtry
860-273-0721
Public Affairs
Rachelle Cunningham
925-543-8686

Plan Organization

Parent Company/Affiliate
Aetna, Inc.
Recent mergers or acquisitions within California
None
Year Founded
1981
Year Licensed
1981
Tax status
For profit
Number of employees
3,115 fulltime
Enrollment
14,406,000 National
1,320,141 California

Plan-Provider Arrangements

Model types (ranked in descending order)
Network of Medical Groups and IPAs, Direct Contracting with Physicians, Single Medical Group
Number of medical groups
0 owned, 223 contracted
Number of IPAs
0 owned, 223 contracted
Number of hospitals
0 owned, 353 contracted

Compensation Methods

Physicians-primary care (ranked by method)
Group Capitation, Individual
Physicians-specialty (ranked by method)
Group Capitation, Individual
Hospitals (ranked by payment type)
Capitation, Other (Negotiated Fee Schedule), Other (Global Capitation)

Plan Products

Products currently offered
Individual enrollment
N/A
Small group (1-50 employees) enrollment
N/A
Large group (>50 employees) enrollment
N/A
Medicare
HMO
Medicaid (i.e. MediCal)
N/A
Access for Infants and Mothers
N/A
Healthy Families
N/A
Other (Indemnity)
HMO, PPO, POS, Other

Range of services offered on a bundled basis
HMO: Vision
PPO: Chiropractic, Vision
POS: Chiropractic, Vision

Range of services offered on a stand-alone basis
HMO: Dental, Prescription Drugs, Long Term Health Care, Life Insurance, Accidental Death & Dismemberment
PPO: Dental, Prescription Drugs, Long Term Health Care, Life Insurance, Accidental Death & Dismemberment
POS: Dental, Prescription Drugs, Long Term Health Care, Life Insurance, Accidental Death & Dismemberment
Executive Officers
CEO
Irene M. Ibarra
Subsidiaries
None
Recent mergers or acquisitions within California
None
Year founded
1993
Year licensed
1995
Tax status
None profit
Number of employees
120 full-time, 4 part-time
Enrollment
$5,778 California

Plan-Provider Arrangements
Model types (ranked in descending order)
Direct Contracting with Physicians, IPAs, Other 0 owned, 136 contracted
Number of medical groups
Number of IPAs
Number of hospitals
0 owned, 2 contracted
0 owned, 11 contracted

Compensation Methods
Physicians-primary care (ranked by method) Individual Capitation, Group Capitation, Fee-For-Service
Physicians-specialty (ranked by method) Fee-For-Service, Group Capitation
Hospitals (ranked by payment type) Diagnosis Related Group, Capitation

Plan Products
Products currently offered
Individual enrollment
HMO
Small group (2-50 employees) enrollment
None
Large group (50+ employees) enrollment
None
Medicare
None
Medicaid (i.e. MediCal)
HMO
Access for Infants and Mothers
None
Healthy Families
HMO
Major Risk Medical Insurance
None
Other
HMO
(In-home supportive services workers in Alameda County)

Range of services offered on a bundled basis
HMO
Acupuncture, Chiropractic, Dental, Substance Abuse, Prescription Drugs, Durable Medical Equipment, Rehabilitation
PPO
None
POS
None

Range of services offered on a stand-alone basis
HMO
None
PPO
None
POS
None

Primary Contacts
Government Relations
Nina Maruyama
510-895-4506

Public Affairs
Duane Ohinomi
510-895-4582

Member Relations
Troy Lam

Executive Officers
CEO
Duane Oshinomi
Public Affairs
510-895-4582

Nina Maruyama
Government Relations

Primary Contacts
Government Relations
Robert Scarlett
916-447-2211

Public Affairs
Max Brown
805-557-6777

Range of services offered on a bundled basis
HMO
Acupuncture, Vision, Dental, Prescription Drugs, Durable Medical Equipment
PPO
Acupuncture, Vision, Dental, Prescription Drugs, Durable Medical Equipment
POS
Acupuncture, Vision, Dental, Prescription Drugs, Durable Medical Equipment

Range of services offered on a stand-alone basis
HMO
Dental
PPO
Dental
POS
Dental
### Blue Shield of California

50 Beale Street, San Francisco, CA 94105
415-229-5000 www.mylifepark.com

#### Executive Officers
- California CEO: Bruce Bodaken
- CFO: Paul Swanson
- COO: Kenneth Wood
- CIO: David Bowen

#### Executive Staff
- Medical Director: Eric Brook
- Chief Legal Counsel: Seth A. Jacobs, Esq.
- Marketing Director: Teri Levine
- Pharmacy Director: Lisa Farnan
- Provider Relations: Debbie Naegle, Pharm.D.
- Employer Relations: Herbert Woo
- Executive Staff: Lisa Farnan

#### Primary Contacts
- Government Relations: Monica Wagener 916-552-2962
- Public Affairs: Tom Epstein 415-229-5110

#### Plan Organization

<table>
<thead>
<tr>
<th>Plan-Provider Arrangements</th>
<th>Model types (ranked on descending order)</th>
<th>Compensation Methods</th>
<th>Plan Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent Company/Affiliate</td>
<td>California Physician Services</td>
<td>Fee-For-Service (PPO), Global Capitation (HMO)</td>
<td>Products currently offered</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>CPIC Life</td>
<td>Fee-For-Service (PPO), Global Capitation (HMO)</td>
<td>Individual enrollment</td>
</tr>
<tr>
<td>Recent mergers or acquisitions within California</td>
<td>None</td>
<td>Per Diem, Case Rates, Discounted Chageted, Capitation</td>
<td>Small group (2-50 employees) enrollment</td>
</tr>
<tr>
<td>Year founded</td>
<td>1999</td>
<td>Per Diem, Case Rates, Discounted Chageted, Capitation</td>
<td>Large group (50+ employees) enrollment</td>
</tr>
<tr>
<td>Year licensed</td>
<td>1999</td>
<td>Per Diem, Case Rates, Discounted Chageted, Capitation</td>
<td>Medicare</td>
</tr>
<tr>
<td>Tax status</td>
<td>Non profit</td>
<td>Per Diem, Case Rates, Discounted Chageted, Capitation</td>
<td>Medicaid</td>
</tr>
<tr>
<td>Number of employees</td>
<td>3,816 fulltime, 551 part-time</td>
<td>Per Diem, Case Rates, Discounted Chageted, Capitation</td>
<td>Medicaid (i.e. MediCal)</td>
</tr>
<tr>
<td>Enrollment</td>
<td>2,131 fulltime, 5,151 part-time</td>
<td>Per Diem, Case Rates, Discounted Chageted, Capitation</td>
<td>Access for Infants and Mothers</td>
</tr>
<tr>
<td></td>
<td>1,866,975 California</td>
<td>Per Diem, Case Rates, Discounted Chageted, Capitation</td>
<td>HealthCare Families</td>
</tr>
</tbody>
</table>

#### Plan Products

- Products currently offered
  - Individual enrollment
  - Small group (2-50 employees) enrollment
  - Large group (50+ employees) enrollment
- State funded programs
  - Medicaid
  - Medicare (i.e. MediCal)
- Access for Infants and Mothers
- Major Risk Medical Insurance
- Other (Dental)

#### Range of services offered on a bundled basis

- HMO: None
- PPO: None
- POS: None

#### Range of services offered on a stand-alone basis

- HMO: Acupuncture, Chiropractic, Vision, Dental, Substance Abuse, Prescription Drugs, Durable Medical Equipment, Rehabilitation, Life Insurance, Accidental Death & Dismemberment
- PPO: Acupuncture, Chiropractic, Vision, Dental, Substance Abuse, Prescription Drugs, Durable Medical Equipment, Rehabilitation, Life Insurance, Accidental Death & Dismemberment
- POS: Acupuncture, Chiropractic, Vision, Dental, Substance Abuse, Prescription Drugs, Durable Medical Equipment, Rehabilitation, Life Insurance, Accidental Death & Dismemberment

* = Incorporated in plan benefit

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### Care 1st Health Plans

1000 S. Fremont Ave., Bldg. A-11, #22, Alhambra, CA 91803
626-239-4599 fax: 626-438-0415 www.care1st.com

#### Executive Officers
- President: Refaat Abraham, M.D.
- CFO and COO: Anna Tran

#### Executive Staff
- Medical Director: Jorge Weingarten, M.D.
- Counsel, Director: Gamini Gunawardane, J.D.
- Marketing Director: Felicia DufPah
- Pharmacy Director: Jamie Ueoka
- Provider Relations: Remon Walker
- Member Services: Tazie Howell

#### Plan Organization

<table>
<thead>
<tr>
<th>Plan-Provider Arrangements</th>
<th>Model types (ranked in descending order)</th>
<th>Compensation Methods</th>
<th>Plan Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent Company/Affiliate</td>
<td>None</td>
<td>Group Capitation, Individual Capitation</td>
<td>Products currently offered</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>None</td>
<td>Fee-For-Service (PPO), Global Capitation (HMO)</td>
<td>Individual enrollment</td>
</tr>
<tr>
<td>Recent acquisitions within California</td>
<td>None</td>
<td>Fee-For-Service (PPO), Global Capitation (HMO)</td>
<td>Small group (2-50 employees) enrollment</td>
</tr>
<tr>
<td>Year founded</td>
<td>1994</td>
<td>Fee-For-Service (PPO), Global Capitation (HMO)</td>
<td>Large group (50+ employees) enrollment</td>
</tr>
<tr>
<td>Year licensed</td>
<td>1995</td>
<td>Fee-For-Service (PPO), Global Capitation (HMO)</td>
<td>Medicare</td>
</tr>
<tr>
<td>Tax status</td>
<td>Fee profit</td>
<td>Fee-For-Service (PPO), Global Capitation (HMO)</td>
<td>Medicaid</td>
</tr>
<tr>
<td>Number of employees</td>
<td>110 fulltime, 0 part-time</td>
<td>Fee-For-Service (PPO), Global Capitation (HMO)</td>
<td>Medicaid (i.e. MediCal)</td>
</tr>
<tr>
<td>Enrollment</td>
<td>201,317 California</td>
<td>Fee-For-Service (PPO), Global Capitation (HMO)</td>
<td>Access for Infants and Mothers</td>
</tr>
</tbody>
</table>

#### Plan Products

- Products currently offered
  - Individual enrollment
  - Small group (2-50 employees) enrollment
  - Large group (50+ employees) enrollment
  - Medicare
  - Medicaid (i.e. MediCal)
- Access for Infants and Mothers
- HealthCare Families
- Major Risk Medical Insurance
- Other (Dental)

#### Range of services offered on a bundled basis

- HMO: None
- PPO: None
- POS: None

#### Range of services offered on a stand-alone basis

- HMO: Acupuncture, Chiropractic, Vision, Dental, Substance Abuse, Massage Therapy, Prescription Drugs, Durable Medical Equipment, Rehabilitation, Long Term Health Care, Life Insurance, Accidental Death and Dismemberment, Workers’ Compensation
- PPO: None
- POS: None

* = Incorporated in plan benefit
Chinese Community Health Plan

170 Columbus Avenue #210, San Francisco, CA 94133

Executive Officers
CEO
Richard Loos
CFO
Steve Tsang
Associate Administrator
Catherine Benedict

Executive Staff
Medical Director
Edward Chow, M.D.
Marketing Director
Yolanda Lee
Member Relations
Irene Louie

Primary Contact
Government Relations
Jerry Hill
415-771-8710

Plan Organization
Parent Company/Affiliate
None
Subsidiaries
None
Recent mergers or acquisitions within California
None
Year founded
1987
Year licensed
1987
Tax status
For profit
Number of employees
N/A
Enrollment
10,431 California

Plan-Provider Arrangements
Model types (ranked in descending order)
Network of Medical Groups and IPAs
Number of medical groups
0 owned, 0 contracted
Number of IPAs
0 owned, 1 contracted
Number of hospitals
0 owned, 7 contracted

Compensation Methods
Physicians-primary care (ranked by method)
N/A
Physicians-specialty (ranked by method)
N/A
Hospitals (ranked by payment type)
N/A

Plan Products
Products currently offered
Individual enrollment
HMO
Small group (1-50 employees) enrollment
HMO
Large group (50+ employees) enrollment
None
Medicare
HMO
Medicaid (i.e. MediCal)
None
Access for Infants and Mothers
None
Healthy Families
None
Major Risk Medical Insurance
None
Other
None

Range of services offered on a bundled basis
HMO Acupuncture, Vision, Prescription Drugs, Durable Medical Equipment
PPO None
POS None

Range of services offered on a stand-alone basis
HMO None
PPO None
POS None

CIGNA HealthCare of California

420 N. Brand Blvd. #550, Glendale, CA 91205

Executive Officers
President
Patrick Welch
CFO
Jean-Francios Beaule
CIO
Kumar Chatani

Executive Staff
Medical Director
James Wang, M.D.
Chief Legal Counsel
William Jameson, Esq.
Marketing Director
Christine Kerns

Plan Organization
Parent Company
CIGNA, Inc.
Affiliates
CIGNA Dental Health of CA, Inc., CIGNA Behavioral Health
Recent mergers or acquisitions within California
None
Year founded
1929
Year licensed
1979
Tax status
For profit
Number of employees
504 fulltime, 60 part-time
Enrollment
638,430 California

Plan-Provider Arrangements
Model types (ranked in descending order)
Network of Medical Groups and IPAs, Direct Contracting with Physicians
Number of medical groups
0 owned, 92 contracted
Number of IPAs
0 owned, 98 contracted
Number of hospitals
0 owned, 337 contracted

Compensation Methods
Physicians-primary care (ranked by method)
Group Capitation, Fee-For-Service
Physicians-specialty (ranked by method)
Group Capitation, Fee-For-Service
Hospitals (ranked by payment type)
Per Diem, Capitation, Discounted Charges

Plan Products
Products currently offered
Individual enrollment
HMO
Small group (1-50 employees) enrollment
HMO, POS
Large group (50+ employees) enrollment
HMO, POS
Medicare
None
Medicaid (i.e. MediCal)
None
Access for Infants and Mothers
None
Healthy Families
None
Major Risk Medical Insurance
None
Other
None

Range of services offered on a bundled basis
HMO Acupuncture, Chiropractic, Vision, Dental, Substance Abuse, Massage Therapy, Prescription Drugs
PPO None
POS Acupuncture, Chiropractic, Vision, Dental, Substance Abuse, Massage Therapy, Prescription Drugs

Range of services offered on a stand-alone basis
HMO Vision, Dental, Substance Abuse
PPO None
POS Vision, Dental, Substance Abuse
### Executive Officers

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>Norma Diaz</td>
</tr>
<tr>
<td>CFO (Interim)</td>
<td>Norma McGuire</td>
</tr>
<tr>
<td>COO</td>
<td>Ann Warren</td>
</tr>
</tbody>
</table>

### Executive Staff

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Director</td>
<td>Glenn Perelson, M.D.</td>
</tr>
<tr>
<td>Chief Legal Counsel</td>
<td>Michael Scarno</td>
</tr>
<tr>
<td>Marketing Director</td>
<td>Joseph Garcia</td>
</tr>
<tr>
<td>Pharmacy Director</td>
<td>Noreen Koizumi, Pharm.D.</td>
</tr>
<tr>
<td>Provider Relations</td>
<td>Lee Harris</td>
</tr>
<tr>
<td>Member Relations</td>
<td>Nora Hintz</td>
</tr>
</tbody>
</table>

### Plan-Provider Arrangements

#### Model types (ranked in descending order)
- Direct Contracting with Physicians, Network of Medical Groups and IPAs
- Group Capitation, Fee-For-Service
- Individual Capitation

<table>
<thead>
<tr>
<th>Number of medical groups</th>
<th>Number of IPAs</th>
<th>Number of hospitals</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Compensation Methods

<table>
<thead>
<tr>
<th>Physicians-primary care (ranked by method)</th>
<th>Group Capitation, Fee-For-Service, Group Capitation, Fee-For-Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitals (ranked by payment type)</td>
<td>Per Diem</td>
</tr>
</tbody>
</table>

### Plan Products

<table>
<thead>
<tr>
<th>Products currently offered</th>
<th>HMO</th>
<th>PPO</th>
<th>POS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual enrollment</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Small group (1-25 employees) enrollment</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Large group (26+ employees) enrollment</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Medicare</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Medicaid (i.e. MediCal)</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Access for Infants and Mothers</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Health Families</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Major Risk Medical Insurance</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Other</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Range of services offered on a bundled basis</th>
<th>HMO</th>
<th>PPO</th>
<th>POS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acupuncture, Vision, Dental, Prescription Drugs</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Durable Medical Equipment</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Range of services offered on a stand-alone basis</th>
<th>HMO</th>
<th>PPO</th>
<th>POS</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

### Contact Information

- **Address**: 740 Bay Blvd., Chula Vista, CA 91910
- **Phone**: 619-422-6042, Fax: 619-422-5910, www.chgsd.com

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### Community Health Plan

#### Community Health Plan

**Plan Organization**

- Parent Company/Affiliate: None
- Subsidiaries: None
- Recent mergers or acquisitions within California: None
- Year founded: 1982
- Year licensed: 1985
- Tax status: Non profit
- Number of employees: 143 fulltime, 17 part-time
- Enrollment: 96,353 California

#### Plan-Provider Arrangements

- Model types (ranked in descending order)
  - Network of medical groups and IPAs
  - Staff

<table>
<thead>
<tr>
<th>Number of medical groups</th>
<th>Number of IPAs</th>
<th>Number of hospitals</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

#### Compensation Methods

- Physicians-primary care (ranked by method)
  - Individual Capitation
  - Group Capitation, Fee-For-Service, Group Capitation, Fee-For-Service
- Hospitals (ranked by payment type)
  - Per Diem

#### Plan Products

- Products currently offered
  - Individual enrollment
  - Small group (1-25 employees) enrollment
  - Large group (26+ employees) enrollment
  - Medicare
  - Medicaid (i.e. MediCal)
  - Access for Infants and Mothers
  - Health Families
  - Major Risk Medical Insurance
  - Other

<table>
<thead>
<tr>
<th>Range of services offered on a bundled basis</th>
<th>HMO</th>
<th>PPO</th>
<th>POS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acupuncture, Vision, Dental, Prescription Drugs, Durable Medical Equipment</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Range of services offered on a stand-alone basis</th>
<th>HMO</th>
<th>PPO</th>
<th>POS</th>
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</thead>
<tbody>
<tr>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

### Contact Information

- **Address**: 1000 S. Fremont Ave., Bldg. A-9 East, 2nd Fl., Unit 4, Alhambra, CA 91803-3333
- **Phone**: 626-299-5300, Fax: 626-488-6782

---
### Contra Costa Health Plan

**Executive Officers**
- CEO: Milton S. Camhi
- CFO: Patrick Godley
- COO: Richard Harrison
- CIO: Jeff Wanger

**Plan Organization**
- **Parent Company/Affiliate:** Division of Contra Costa County Health Services Dept.
- **Subsidiaries:** None
- **Year founded:** 1973
- **Year licensed:** 1973
- **Tax status:** Non profit
- **Number of employees:** 81 full time, 36 part time
- **Enrollment:** 36,932 California

**Plan-Provider Arrangements**
- **Number of medical groups:** 0 owned, 0 contracted
- **Number of IPAs:** 0 owned, 0 contracted
- **Number of hospitals:** 1 owned, 4 contracted

**Compensation Methods**
- **Physicians-primary care (ranked by method):** Fee-For-Service, Salary
- **Physicians-specialty (ranked by method):** Fee-For-Service, Salary
- **Hospitals (ranked by payment type):** Per Diem

**Plan Products**
- **Products currently offered:**
  - Individual enrollment (HMO)
  - Large group (50+ employees) enrollment (HMO)
  - Medicare
  - Medicaid (i.e. MediCal)
  - Access for Infants and Mothers
  - Healthy Families
  - Major Risk Medical Insurance
  - Other (e.g., Commercial: In Home Support Service Workers-IHSS)
  - (Public: Basic Health Care – County Indigent Program)

<table>
<thead>
<tr>
<th>Range of services offered on a bundled basis</th>
<th>HMO</th>
<th>Acupuncture, Chiropractic, Vision, Dental, Substance Abuse, Prescription Drugs, Durable Medical Equipment, Rehabilitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>POS None</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Range of services offered on a stand-alone basis</th>
<th>HMO</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>POS None</td>
<td></td>
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</tr>
</tbody>
</table>

### Health Net of California

**Executive Officers**
- National President and CEO: Jay M. Gellert
- California CEO: Christopher P. Wing
- CFO: Barry Shane
- COO: Kate Longworth-Gentry
- Executive Staff: Richard Simmons, Frank Lee

**Plan Organization**
- **Parent Company/Affiliate:** Health Net, Inc.
- **Subsidiaries:** Health Net Life Insurance Co.
- **Year founded:** 1979
- **Year licensed:** 1979
- **Tax status:** For Profit
- **Number of employees:** 2,657 fulltime, 36 part-time
- **Enrollment:** 5,273,000 National, 2,471,800 California

**Plan-Provider Arrangements**
- **Number of medical groups:** 0 owned, 241 contracted
- **Number of IPAs:** 0 owned, 431 contracted
- **Number of hospitals:** 0 owned, 365 contracted

**Compensation Methods**
- **Physicians-primary care (ranked by method):** Group Capitation, Other (RBRLS)
- **Physicians-specialty (ranked by method):** Group Capitation, Other (RBRLS)
- **Hospitals (ranked by payment type):** Capitation, Per Diem, Discounted Charges

**Plan Products**
- **Products currently offered:**
  - Individual enrollment (HMO, PPO)
  - Large group (50+ employees) enrollment (HMO, PPO, POS, Indemnity)
  - Medicare
  - Medicaid (i.e. MediCal)
  - Access for Infants and Mothers
  - Healthy Families
  - Major Risk Medical Insurance
  - Other (Salud Con Health Net)

<table>
<thead>
<tr>
<th>Range of services offered on a bundled basis</th>
<th>HMO</th>
<th>Acupuncture, Chiropractic, Vision, Dental, Substance Abuse, Prescription Drugs, Durable Medical Equipment, Rehabilitation, Long Term Health Care, Life Insurance, Accidental Death &amp; Dismemberment, Worker's Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>POS None</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Range of services offered on a stand-alone basis</th>
<th>HMO</th>
<th>Acupuncture, Chiropractic, Vision, Dental, Substance Abuse, Prescription Drugs, Life Insurance, Accidental Death &amp; Dismemberment</th>
</tr>
</thead>
<tbody>
<tr>
<td>POS None</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Health Plan of San Joaquin

1550 W. Fremont Street #200, Stockton, CA 95203

Executive Officers
CEO
Terry G. Mack
CFO
Chet Uma
CIO
Michael Tyler

Executive Staff
Medical Director
Sylvia Gates Carlisle, M.D.
Chief Legal Counsel
Michael McGrew
Provider Relations
Rocky Call
Member Relations
Rosi Gallegos

Primary Contacts
Government Relations
Nancy Raymond
Public Affairs
David Hurst

Plan Organization
Parent Company/Affiliate
None
Subsidiaries
None
Recent mergers or acquisitions within California
None
Year founded
1995
Year licensed
1996
Tax status
Non profit
Number of employees
91 fulltime
Enrollment
61,544 California

Plan-Provider Arrangements
Model types (ranked in descending order):
Direct Contracting with Physicians, Network of Medical Groups and IPAs
Number of medical groups
0 owned, 18 contracted
Number of IPAs
0 owned, 1 contracted
Number of hospitals
0 owned, 12 contracted

Compensation Methods
Physicians-primary care (ranked by method): Individual Capitation
Physicians-specialty (ranked by method): Fee-For-Service including withhold or bonus
Hospitals (ranked by payment type): Per diem

Plan Products
Products currently offered:
Individual enrollment
None
Small group (2-50 employees) enrollment
None
Large group (>50 employees) enrollment
None
Medicare
None
Medicaid (i.e. MediCal)
HMO
Access for Infants and Mothers
None
Healthy Families
HMO
Major Risk Medical Insurance
None
Other
None

Range of services offered on a bundled basis:
HMO: Acupuncture, Chiropractic, Vision, Prescription Drugs, Rehabilitation
PPO: None
POS: None

Range of services offered on a stand-alone basis:
HMO: None
PPO: None
POS: None

Health Plan of San Mateo

701 Gateway Blvd., Suite 200, So. San Francisco, CA 94080
650-616-0050 Fax: 650-616-0060 www.hpsm.org

Executive Officers
CEO
Michael W. Murray
CFO
James J. Sheremeta

Executive Staff
Medical Director
Melissa Welch, M.D.
Employer Relations
Craig A. Kellar
Public Affairs
David Hurst

Plan Organization
Parent Company/Affiliate
None
Subsidiaries
None
Recent mergers or acquisitions within California
None
Year founded
1986
Year licensed
1987
Tax status
Non profit
Number of employees
83 fulltime, 1 part-time
Enrollment
44,444 California

Plan-Provider Arrangements
Model types (ranked in descending order):
Direct Contracting with Physicians, Network of Medical Groups and IPAs
Number of medical groups
0 owned, 25 contracted
Number of IPAs
0 owned, 0 contracted
Number of hospitals
0 owned, 3 contracted

Compensation Methods
Physicians-primary care (ranked by method): Individual Capitation, Fee-For-Service
Physicians-specialty (ranked by method): Fee-For-Service including withhold or bonus
Hospitals (ranked by payment type): Per Diem, Discounted Charges

Plan Products
Products currently offered:
Individual enrollment
None
Small group (2-50 employees) enrollment
None
Large group (>50 employees) enrollment
None
Medicare
None
Medicaid (i.e. MediCal)
HMO
Access for Infants and Mothers
None
Healthy Families
HMO
Major Risk Medical Insurance
None
Other
HMO

(Publicly Funded Health Insurance for IHSS Workers in San Mateo County)

Range of services offered on a bundled basis:
HMO: None
PPO: None
POS: None

Range of services offered on a stand-alone basis:
HMO: None
PPO: None
POS: None
**Inland Empire Health Plan**

303 E. Vanderbilt Way Ste 400, San Bernardino, CA 92408
909-890-2010 fax 909-890-2019 www.iehp.com

**Executive Officers**
CEO
Richard Bruno

**Executive Staff**
Medical Director
Bradley P. Gilbert, M.D.

Operations Director
Phil Brunetter

Chief Legal Counsel
Lucy Furuta

Marketing Director
Carl Maier

Provider Relations
Lynn Borup

**Primary Contact**
Government Relations/Public Affairs
Richard Bruno 909-890-2010

---

**Plan Organization**

<table>
<thead>
<tr>
<th>Parent Company/Affiliate</th>
<th>None</th>
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<tbody>
<tr>
<td>Subsidiaries</td>
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<td>Recent mergers or acquisitions within California</td>
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<td>Year founded</td>
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<td>Year licensed</td>
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<tr>
<td>Tax status</td>
<td>Non profit</td>
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<tr>
<td>Number of employees</td>
<td>318 full-time, 0 part-time</td>
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<td>243,000 California</td>
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**Plan-Provider Arrangements**

<table>
<thead>
<tr>
<th>Model types (ranked in descending order)</th>
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</thead>
<tbody>
<tr>
<td>Network of Medical Groups and IPAs</td>
</tr>
<tr>
<td>Number of medical groups</td>
</tr>
<tr>
<td>Number of IPAs</td>
</tr>
<tr>
<td>Number of hospitals</td>
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</table>

**Compensation Methods**

<table>
<thead>
<tr>
<th>Physicians-primary care (ranked by method)</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
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<table>
<thead>
<tr>
<th>Physicians-specialty (ranked by method)</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hospitals (ranked by payment type)</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Plan Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products currently offered</td>
</tr>
<tr>
<td>Individual enrollment</td>
</tr>
<tr>
<td>Small group (2-50 employees) enrollment</td>
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<tr>
<td>Large group (50+ employees) enrollment</td>
</tr>
<tr>
<td>Medicare</td>
</tr>
<tr>
<td>Medicaid (i.e. MediCal)</td>
</tr>
<tr>
<td>Access for Infants and Mothers</td>
</tr>
<tr>
<td>Healthy Families</td>
</tr>
<tr>
<td>Major Risk Medical Insurance</td>
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<tr>
<td>Other</td>
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<table>
<thead>
<tr>
<th>Range of services offered on a bundled basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>HMO</td>
</tr>
<tr>
<td>PPO</td>
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<td>POS</td>
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<table>
<thead>
<tr>
<th>Range of services offered on a stand-alone basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>HMO</td>
</tr>
<tr>
<td>PPO</td>
</tr>
<tr>
<td>POS</td>
</tr>
</tbody>
</table>

---

**Executive Officers**
CEO
Michael Nelson

CFO
Donald D. McCain

COO
Kurt Hubler

IT Director
Dan Edgcomb

**Executive Staff**
IT Director
Dan Edgcomb

**Primary Contact**
Government Relations/Public Affairs
Richard Bruno

---

**Inland Empire Health Plan**

303 E. Vanderbilt Way Ste 400, San Bernardino, CA 92408
909-890-2010 fax 909-890-2019 www.iehp.com

**Executive Officers**
CEO
Michael Nelson

CFO
Donald D. McCain

COO
Kurt Hubler

**Executive Staff**
IT Director
Dan Edgcomb

**Primary Contact**
Government Relations/Public Affairs
Richard Bruno

---

**Inter Valley Health Plan**

300 South Park Avenue, Pomona, CA 91769-6001
909-651-6333 fax: 909-622-2907 www.ivhp.com

**Plan Organization**

<table>
<thead>
<tr>
<th>Parent Company/Affiliate</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Subsidiaries</td>
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<tr>
<td>Recent mergers or acquisitions within California</td>
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<tr>
<td>Year founded</td>
<td>1979</td>
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<td>Year licensed</td>
<td>1979</td>
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<tr>
<td>Tax status</td>
<td>Non profit</td>
</tr>
<tr>
<td>Number of employees</td>
<td>93 full-time</td>
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<tr>
<td>Enrollment</td>
<td>16,748 California</td>
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**Plan-Provider Arrangements**

<table>
<thead>
<tr>
<th>Model types (ranked in descending order)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network of Medical Groups and IPAs</td>
</tr>
<tr>
<td>Number of medical groups</td>
</tr>
<tr>
<td>Number of IPAs</td>
</tr>
<tr>
<td>Number of hospitals</td>
</tr>
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</table>

**Compensation Methods**

<table>
<thead>
<tr>
<th>Physicians-primary care (ranked by method)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Capitation</td>
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</table>

<table>
<thead>
<tr>
<th>Physicians-specialty (ranked by method)</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hospitals (ranked by payment type)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capitation / Per Diem</td>
</tr>
</tbody>
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**Plan Products**

<table>
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<th>Products currently offered</th>
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<tbody>
<tr>
<td>Individual enrollment</td>
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<tr>
<td>Small group (2-50 employees) enrollment</td>
</tr>
<tr>
<td>Large group (50+ employees) enrollment</td>
</tr>
<tr>
<td>Medicare</td>
</tr>
<tr>
<td>Medicaid (i.e. MediCal)</td>
</tr>
<tr>
<td>Access for Infants and Mothers</td>
</tr>
<tr>
<td>Healthy Families</td>
</tr>
<tr>
<td>Major Risk Medical Insurance</td>
</tr>
<tr>
<td>Other</td>
</tr>
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</table>

**Range of services offered on a bundled basis**

| HMO | N/A |
| PPO | N/A |
| POS | N/A |

<table>
<thead>
<tr>
<th>Range of services offered on a stand-alone basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>HMO</td>
</tr>
<tr>
<td>PPO</td>
</tr>
<tr>
<td>POS</td>
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</table>
Kaiser Permanente (Kaiser Foundation Health Plan, Inc.)
Northern California Region: 1950 Franklin Street, 20th Floor, Oakland, CA 94612
510-987-0000 Fax: 510-987-4103 www.kaiserpermanente.org
Southern California Region: 191 East Walnut Street, Pasadena, CA 91101
626-405-1000 Fax 626-405-583 www.kaiserpermanente.org

Executive Officers
National CEO
George C. Halvorson
Northern California
President
Mary Ann Thode
Southern California
President
Richard Cordova

Executive Staff
Medical Director
Robert Jones, M.D.
Chief Legal Counsel
Mark Wasser, Esq.
Marketing Director
Janet Sanders
Pharmacy Director
Hal Stewart

Employer Relations
Holly Culhane
PAS Associates
Stacy Reeves
Member Relations
Dan Alegria

Public Affairs
Kathleen Blackburn (North)
Jeff Rocke (South)

Primary Contacts

Plan Organization
Parent Company/Affiliate
None
Subsidiaries
None
Number of hospitals
N/A
Enrollment
8,161,448 National
3,177,132 Northern California
1,134,104 Southern California

Plan-Provider Arrangements
Model types (ranked in descending order)
Group Model HMO
Number of medical groups
0 owned, 2 contracted
Number of IPAs
N/A
Number of hospitals
27 owned, 17 contracted

Compensation Methods
Physicians-primary care (ranked by method)
Group Capitation
Physicians-specialty (ranked by method)
Group Capitation
Hospitals (ranked by payment type)
Discounted Charges, Per Diem, Case Rates (non-Kaiser)

Plan Products
Products currently offered
Individual enrollment
HMO
Small group (2-50 employees) enrollment
HMO
Large group (50+ employees) enrollment
HMO
Medicare
HMO
Medicaid (i.e. MediCal)
HMO
Access for Infants and Mothers
HMO
Healthy Families
HMO
Major Risk Medical Insurance
HMO

Range of services offered on a bundled basis
HMO
None
PPO
None
POS
None

Range of services offered on a stand-alone basis
HMO
Life Insurance, Accidental Death & Dismemberment, Workers’ Compensation
PPO
None
POS
None

Kern Health Systems
1600 Norris Road, Bakersfield, CA 93308
661-391-4000 fax: 661-391-4057

Executive Officers
President and CEO
Carol L. Sorrell, R.N.
CFO
Tony Borromeo, C.P.A.
DOO
Anita Perrine

Executive Staff
MIS Manager
Frank Ripepi
Medical Director
Robert Jones, M.D.
Chief Legal Counsel
Mark Wasser, Esq.

Marketing Director
Janet Sanders
Pharmacy Director
Hal Stewart

Employer Relations
Holly Culhane
PAS Associates
Stacy Reeves
Member Relations
Dan Alegria

Public Affairs
Kathleen Blackburn (North)
Jeff Rocke (South)

Primary Contacts

Plan Organization
Parent Company/Affiliate
None
Subsidiaries
Kern Family Health Care
Number of employees
87 fulltime, 2 part-time
Enrollment
75,000 California

Plan-Provider Arrangements
Number of medical groups
0 owned, 6 contracted
Number of IPAs
0 owned, 0 contracted
Number of hospitals
0 owned, 14 contracted

Compensation Methods
Physicians-primary care (ranked by method)
N/A
Physicians-specialty (ranked by method)
N/A
Hospitals (ranked by payment type)
N/A

Plan Products
Products currently offered
Individual enrollment
None
Small group (2-50 employees) enrollment
None
Large group (50+ employees) enrollment
None
Medicare
None
Medicaid (i.e. MediCal)
HMO
Access for Infants and Mothers
None
Healthy Families
HMO
Major Risk Medical Insurance
None
Other
None

Range of services offered on a bundled basis
HMO
None
PPO
None
POS
None

Range of services offered on a stand-alone basis
HMO
None
PPO
None
POS
None
### Plan Organization

**Parent Company/Affiliate:** One Corporation  
**Subsidiaries:** None  
**Recent mergers or acquisitions within California:** None  
**Year founded:** 1994  
**Year licensed:** 1996  
**Tax status:** For profit  
**Number of employees:** 2,253 (1,211 fulltime, 1,042 part-time)  
**Enrollment:** 2,225,000 National, 250,000 California

### Plan-Provider Arrangements

**Network of Medical Groups and IPAs, Direct Contracting with Physicians:**  
**Number of medical groups:** 0 owned, 115 contracted  
**Number of IPAs:** 0 owned, 275 contracted  
**Number of hospitals:** 0 owned, 115 contracted  
**Compensation Methods:**  
- Physicians-primary care (ranked by method)  
- Physicians-specialty (ranked by method)  
- Hospitals (ranked by payment type)  
  - Discounted Charges, Per Diem, Case Rates

### Plan Products

**Products currently offered:**  
- Individual enrollment  
- Small group (<50 employees) enrollment  
- Large group (>50 employees) enrollment  
- Medicare  
- Medicaid (i.e. MediCal)  
- Access for Infants and Mothers  
- Healthy Families  
- Major Risk Medical Insurance  
- Other

**Range of services offered on a bundled basis:**  
- HMO: Acupuncture, Chiropractic, Vision, Dental, Substance Abuse, Prescription Drugs, Durable Medical Equipment, Rehabilitation, Life Insurance, Accidental Death & Dismemberment, Other  
- PPO: Acupuncture, Chiropractic, Vision, Dental, Substance Abuse, Prescription Drugs, Durable Medical Equipment, Rehabilitation, Life Insurance, Accidental Death & Dismemberment, Other  
- POS: Acupuncture, Chiropractic, Vision, Dental, Substance Abuse, Prescription Drugs, Durable Medical Equipment, Rehabilitation, Life Insurance, Accidental Death & Dismemberment, Other

**Range of services offered on a stand-alone basis:**  
- HMO  
- PPO  
- POS

### Compensation Methods

- Fee-For-Service Including Withhold or Bonus, Group Captation  
- Fee-For-Service Including Withhold or Bonus, Group Captation

### Plan Products

**Products currently offered:**  
- Individual enrollment  
- Small group (<50 employees) enrollment  
- Large group (>50 employees) enrollment  
- Medicare  
- Medicaid (i.e. MediCal)  
- Access for Infants and Mothers  
- Healthy Families  
- Major Risk Medical Insurance  
- Other

**Range of services offered on a bundled basis:**  
- HMO: Acupuncture, Chiropractic, Vision, Dental, Substance Abuse, Prescription Drugs, Durable Medical Equipment, Rehabilitation, Life Insurance, Accidental Death & Dismemberment, Other  
- PPO: Acupuncture, Chiropractic, Vision, Dental, Substance Abuse, Prescription Drugs, Durable Medical Equipment, Rehabilitation, Life Insurance, Accidental Death & Dismemberment, Other  
- POS: Acupuncture, Chiropractic, Vision, Dental, Substance Abuse, Prescription Drugs, Durable Medical Equipment, Rehabilitation, Life Insurance, Accidental Death & Dismemberment, Other

**Range of services offered on a stand-alone basis:**  
- HMO  
- PPO  
- POS

---

**One Health Plan of California, Inc.**

651 North Central Avenue, 19th Floor, Glendale, CA 91204  
818-539-9000 fax: 818-547-5438 www.onehealthplan.com

### Executive Officers

- **President:**  
  - Donna Goldin  
- **California President:**  
  - Wally H. Gomaa  
- **CFO:**  
  - Anand Raghavan

### Primary Contact

- Government Relations:  
  - James Theiring  
  - 818-539-9007

---

**PacificCare of California**

1951 Plaza Drive, Cypress, CA 90630  

### Executive Officers

- **National President and CEO:**  
  - Howard Phanstiel  
- **California CEO:**  
  - James Frey  
- **CFO:**  
  - Susan Brekel

### Primary Contacts

- Government Relations:  
  - Chad Kimball  
  - 916-447-8660

---

**Plan Organization**

- Parent Company/Affiliate: PacifiCare Health Systems, Inc.  
- Subsidiaries: PacifiCare of California/Prescription Solutions, PacifiCare Behavioral Health of California

### Plan-Provider Arrangements

**Network of Medical Groups and IPAs, Direct Contracting with Physicians:**  
**Number of medical groups:** 0 owned, 86 contracted  
**Number of IPAs:** 0 owned, 216 contracted  
**Number of hospitals:** 0 owned, 294 contracted  
**Compensation Methods:**  
- Physicians-primary care (ranked by method)  
- Physicians-specialty (ranked by method)  
- Hospitals (ranked by payment type)  
- None

### Plan Products

**Products currently offered:**  
- Individual enrollment  
- Small group (<50 employees) enrollment  
- Large group (>50 employees) enrollment  
- Medicare  
- Medicaid (i.e. MediCal)  
- Access for Infants and Mothers  
- Healthy Families  
- Major Risk Medical Insurance  
- Other

**Range of services offered on a bundled basis:**  
- HMO: Acupuncture, Chiropractic, Vision, Dental, Substance Abuse, Prescription Drugs, Durable Medical Equipment, Rehabilitation, Life Insurance, Accidental Death & Dismemberment, Other  
- PPO: Acupuncture, Chiropractic, Vision, Dental, Substance Abuse, Prescription Drugs, Durable Medical Equipment, Rehabilitation, Life Insurance, Accidental Death & Dismemberment, Other  
- POS: Acupuncture, Chiropractic, Vision, Dental, Substance Abuse, Prescription Drugs, Durable Medical Equipment, Rehabilitation, Life Insurance, Accidental Death & Dismemberment, Other

**Range of services offered on a stand-alone basis:**  
- HMO  
- PPO  
- POS

---

**Note:** Durable Medical Equipment is a core benefit in HMO, PPO and POS products

**Range of services offered on a bundled basis:**  
- HMO: Acupuncture, Chiropractic, Vision, Dental, Substance Abuse, Prescription Drugs, Life Insurance  
- PPO: Acupuncture, Chiropractic, Vision, Dental, Prescription Drugs, Life Insurance  
- POS: Acupuncture, Chiropractic, Vision, Dental, Substance Abuse, Prescription Drugs, Life Insurance

**Range of services offered on a stand-alone basis:**  
- HMO: Dental  
- PPO: Vision, Dental  
- POS: Dental

---

**Contact Information**

- Fax: 714-226-3514

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**Note:** Durable Medical Equipment is a core benefit in HMO, PPO and POS products.
### San Francisco Health Plan

**Parent Company/Affiliate**: None  
**Subsidiaries**: None  
**Recent mergers or acquisitions within California**: None  
**Year founded**: 1997  
**Year licensed**: 1996  
**Tax status**: Non profit  
**Number of employees**: 88 fulltime, 0 part-time  
**Enrollment**: 80,521 California

#### Plan Products

<table>
<thead>
<tr>
<th>Products currently offered</th>
<th>Individual enrollment</th>
<th>Small group (2-50 employees) enrollment</th>
<th>Large group (50+ employees) enrollment</th>
<th>Medicare</th>
<th>Medicaid (i.e. MediCal)</th>
<th>Access for Infants and Mothers</th>
<th>Healthy Families</th>
<th>Major Risk Medical Insurance</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HMO</strong></td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>HMO</td>
<td>HMO</td>
<td>None</td>
<td>None</td>
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</tr>
<tr>
<td><strong>PPO</strong></td>
<td>None</td>
<td>None</td>
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<tr>
<td><strong>POS</strong></td>
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<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

### Plan Provider Arrangements

**Model types (ranked in descending order)**
- Network of Medical Groups and IPAs, Staff (Kaiser)  
- Number of medical groups: 0 owned, 6 contracted  
- Number of IPAs: 0 owned, 0 contracted  
- Number of hospitals: 0 owned, 6 contracted

**Compensation Methods**
- Physicians-primary care (ranked by method): Group Capitation  
- Physicians-specialty (ranked by method): Group Capitation  
- Hospitals (ranked by payment type): Capitation

### Plan Organization

**Parent Company/Affiliate**: None  
**Subsidiaries**: None  
**Year founded**: 1997  
**Year licensed**: 1996  
**Tax status**: Non profit  
**Number of employees**: 88 fulltime, 0 part-time  
**Enrollment**: 80,521 California

### Executive Officers

**CEO**: Jean S. Fraser  
**CFO**: Jaquelyn Oliveri  
**CIO**: David Kwei  
**Executive Staff**
- Medical Director: Karen K. Smith, M.D.  
- Marketing Director: Robyn Thaw  
- Pharmacy Director: Lucy Saldana, Pharm.D.  
- Provider Relations: Janny Lukawski  
- Member Relations: Mark Villare  
- Primary Contacts
  - Government Relations: Cathy Apple  
  - Public Affairs: Robyn Thaw

### Primary Contacts

**HMO** (Commercial Healthy Workers, Commercial Healthy Kids)
- Range of services offered on a bundled basis:
  - Acupuncture, Chiropractic, Vision, Dental, Substance Abuse, Prescription Drugs, Durable Medical Equipment
- **PPO** None
- **POS** None

**Range of services offered on a stand-alone basis**
- **HMO** None
- **PPO** None
- **POS** None

### San Francisco Health Plan

**Medical Director**: Dolly Goel, M.D.  
**Legal Counsel / VP Compliance**: Sheila Maloney  
**Marketing Director**: Janie Tyre  
**VP Marketing and Member Services**: Janny Lukawski

### Compensation Methods

- Physicians-primary care (ranked by method): Group Capitation  
- Physicians-specialty (ranked by method): Group Capitation  
- Hospitals (ranked by payment type): Capitation

### Plan Products

<table>
<thead>
<tr>
<th>Products currently offered</th>
<th>Individual enrollment</th>
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<tbody>
<tr>
<td><strong>HMO</strong></td>
<td>None</td>
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<td>HMO</td>
<td>HMO</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>HMO</td>
</tr>
<tr>
<td><strong>PPO</strong></td>
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<td><strong>POS</strong></td>
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<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

### Plan Provider Arrangements

**Model types (ranked in descending order)**
- Network of Medical Groups and IPAs, Direct Contracting with Physicians  
- Number of medical groups: 0 owned, 4 contracted  
- Number of IPAs: 0 owned, 2 contracted  
- Number of hospitals: 0 owned, 11 contracted

**Compensation Methods**
- Physicians-primary care (ranked by method): Group Capitation, Fee For Service including withhold or bonus  
- Physicians-specialty (ranked by method): Group Capitation, Fee For Service including withhold or bonus  
- Hospitals (ranked by payment type): Per Diem
Executive Officers
CEO
David Schmidt
CIO
Timothy Schwab, M.D.
Executive Staff
Chief Medical Officer
Timothy Schwab, M.D.
Chief Legal Counsel
Cynthia Patton
Marketing Director
Sherry Stanislaw
Pharmacy Director
Rita Edwards
Provider Relations
Cathy Batter
Member Relations
Grace Mayeda
Primary Contacts
Government Relations
Mike Meyers
Public Affairs
Sherry Stanislaw

Plan Organization
Parent Company/Affiliate
Age Concerns
Subsidiaries
None
Recent mergers or acquisitions within California
None
Year founded
1977
Year licensed
1985
Tax status
Non profit
Number of employees
49 fulltime, 8 part-time
Enrollment
52,446 California

Plan-Provider Arrangements
Model types (ranked in descending order)
Network of Medical Groups and IPAs
Number of medical groups
11 contracted
Number of IPAs
20 contracted
Number of hospitals
79 contracted

Compensation Methods
Physicians-primary care (ranked by method)
Group Capitation
Physicians-specialty (ranked by method)
Group Capitation
Hospitals (ranked by payment type)
Per Diem, Diagnosis-Related Group, Capitation

Plan Products
Products currently offered
Individual enrollment
None
Small group (2-50 employees) enrollment
None
Large group (50+ employees) enrollment
None
Medicare
HMO
Medicaid (i.e. MediCal)
HMO
Access for Infants and Mothers
None
Healthcare Facilities
None
Major Risk Medical Insurance
None
Other
None

Range of services offered on a bundled basis
HMO Vision, Substance Abuse, Prescription Drugs, Durable Medical Equipment, Rehabilitation, Independent Living Power™
PPO None
POS None

Range of services offered on a stand-alone basis
HMO N/A
PPO N/A
POS N/A

Sharp Health Plan
CEO
B. Kathryn Mead
CFO
Jeffrey Willmann
COO
Leslie Pels-Beck

Plan Organization
Parent Company/Affiliate
Sharp HealthCare
Subsidiaries
None
Year founded
1992
Year licensed
1992
Tax status
Non profit
Number of employees
87 fulltime, 2 part-time
Enrollment
114,613 California

Plan-Provider Arrangements
Model types (ranked in descending order)
Network of Medical Groups and IPAs, Direct Contracting with Physicians
Number of medical groups
19 contracted
Number of IPAs
2 contracted
Number of hospitals
14 contracted

Compensation Methods
Physicians-primary care (ranked by method)
Group Capitation, Individual Capitation, Fee-For-Service
Physicians-specialty (ranked by method)
Group Capitation, Fee-For-Service
Hospitals (ranked by payment type)
Per Diem, Capitation, Discounted Charges

Plan Products
Products currently offered
Individual enrollment
None
Small group (2-50 employees) enrollment
HMO
Large group (50+ employees) enrollment
HMO
Medicare
None
Medicaid (i.e. MediCal)
HMO
Access for Infants and Mothers
HMO
Healthcare Facilities
HMO
Major Risk Medical Insurance
None
Other
None

Range of services offered on a bundled basis
HMO Acupuncture, Chiropractic, Vision, Substance Abuse, Prescription Drugs, Durable Medical Equipment
PPO None
POS None

Range of services offered on a stand-alone basis
HMO None
PPO None
POS None
Executive Officers
President and CEO
Howard E. Davis
CFO
Kenneth L. Watkins
COO
Jeffrey V. Davis
CIO (Acting CIO / Director Information Systems)
Dan Sun

Executive Staff
Medical Director
John D. Adams, M.B.A., D.O.
Chief Legal Counsel
William Rustrum, J.D.
Marketing Director
Maria Perez-Flatt
Pharmacy Director
Martin Grubin, M.D.
Employer Relations
Allan Rahn
Provider Relations
Madria Marshall
Marketing Director
John Rupert
Pharmacy Director
Glenn Chavez, Pharm.D.
Provider Relations
Sylvia Grantham
Member Relations
Norma Shishido

Primary Contact
Government and Public Relations
Robert York
310-681-3387

Plan-Provider Arrangements
Model types (ranked in descending order)
Network of Medical Groups and IPAs, Staff

Number of medical groups
0 owned, 72 contracted
Number of IPAs
0 owned, 76 contracted
Number of hospitals
0 owned, 180 contracted

Compensation Methods
Physicians-primary care (ranked by method)
Group Capitation

Physicians-specialty (ranked by method)
Individual Capitation

Hospitals (ranked by payment type)
Per Diem, Case Rates, Discounted Charges, Diagnosis-Related Group

Plan Products
Products currently offered
HMO

Small group (2-50 employees) enrollment
HMO

Large group (>50 employees) enrollment
HMO

Medicare
HMO

Medicaid (i.e. MediCal)
HMO

Access for Infants and Mothers
HMO

Healthy Families
HMO

Major Risk Medical Insurance
None

Other
None

Range of services offered on a bundled basis
HMO Vision

PPO
None

POS
None

Range of services offered on a stand-alone basis
HMO Chiropractic, Dental, Durable Medical Equipment

PPO
None

POS
None

Executive Officers
President and CEO
Howard E. Davis
CFO
Kenneth L. Watkins
COO
Jeffrey V. Davis
CIO (Acting CIO / Director Information Systems)
Dan Sun

Executive Staff
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Marketing Director
John Rupert
Pharmacy Director
Glenn Chavez, Pharm.D.
Provider Relations
Sylvia Grantham
Member Relations
Norma Shishido

Primary Contact
Government and Public Relations
Robert York
310-681-3387

Plan-Provider Arrangements
Model types (ranked in descending order)
Network of Medical Groups and IPAs, Staff

Number of medical groups
11 owned, 90 contracted
Number of IPAs
0 owned, 175 contracted
Number of hospitals
0 owned, 180 contracted

Compensation Methods
Physicians-primary care (ranked by method)
Group Capitation, Salary

Physicians-specialty (ranked by method)
Group Capitation, Fee-For-Service, Salary

Hospitals (ranked by payment type)
Per Diem, Case Rates, Discounted Charges, Diagnosis-Related Group

Plan Products
Products currently offered
HMO

Small group (2-50 employees) enrollment
HMO, POS

Large group (>50 employees) enrollment
HMO, POS

Medicare
HMO

Medicaid (i.e. MediCal)
HMO

Access for Infants and Mothers
HMO

Healthy Families
HMO

Major Risk Medical Insurance
HMO

Other
HMO

Range of services offered on a bundled basis
HMO Chiropractic, Vision, Dental, Substance Abuse, Prescription Drugs, Durable Medical Equipment, Rehabilitation, Herbal

PPO
None

POS
None

Range of services offered on a stand-alone basis
HMO Dental

PPO
None

POS
None
### Valley Health Plan (Santa Clara County)

- **Executive Officers**
  - CEO: Greg Price
  - CFO: Kim Roberts
  - CIO: Robert Feldman

- **Executive Staff**
  - Medical Director: Kent Imai, M.D.
  - Marketing Director: Susan Brauss
  - Provider Relations: Mira Parsui-Shamel
  - Member Relations: Laura Eglesia

- **Primary Contacts**
  - Government Relations and Public Affairs: Helen Norman
  - 408-883-5607

- **Plan Organization**
  - Parent Company/Affiliate: None
  - Subsidiaries: None
  - Recent mergers or acquisitions within California: None
  - Year founded: N/A
  - Year licensed: N/A
  - Tax status: Non-profit
  - Number of employees: 37 full-time, 3 part-time

- **Plan-Provider Arrangements**
  - Model types (ranked in descending order):
    - Number of medical groups: 0 owned, 1 contracted
    - Number of IPAs: 0 owned, 3 contracted
    - Number of hospitals: 0 owned, 3 contracted

- **Compensation Methods**
  - Physicians-primary care (ranked by method):
    - Group Capitation
    - Individual Capitation
    - Fee-For-Service
  - Physicians-specialty (ranked by method):
    - Group Capitation
    - Fee-For-Service
  - Hospitals (ranked by payment type):
    - Per Diem
    - Capitation

- **Plan Products**
  - Products currently offered:
    - Individual enrollment: HMO
    - Small group (1-50 employees) enrollment: None
    - Large group (50+ employees) enrollment: HMO
    - Medicare: None
    - Medicaid (i.e. MediCal): HMO
    - Access for Infants and Mothers: None
    - Healthy Families: HMO
    - Major Risk Medical Insurance: None
    - Other (Healthy Kids): HMO

- **Range of services offered on a bundled basis**
  - HMO: Acupuncture, Chiropractic, Vision, Substance Abuse, Massage Therapy, Prescription Drugs, Durable Medical Equipment, Rehabilitation, Long Term Health Care
  - PPO: None
  - POS: None

- **Range of services offered on a stand-alone basis**
  - HMO: None
  - PPO: None
  - POS: None

---

### Western Health Advantage

- **Executive Officers**
  - President & CEO: Garry Maisel
  - CFO: Rita Ruecker

- **Executive Staff**
  - Medical Director: Donald Hufford, M.D.
  - Marketing Director: Bill Figenshu
  - Provider Relations: Christine Williams

- **Primary Contact**
  - Public Affairs: Bill Figenshu
  - 916-563-3192

- **Plan Organization**
  - Parent Company/Affiliate: None
  - Subsidiaries: None
  - Year founded: 1995
  - Year licensed: 1997
  - Tax status: Non-profit
  - Number of employees: 59 full-time, 3 part-time

- **Plan-Provider Arrangements**
  - Model types (ranked in descending order):
    - Number of medical groups: 0 owned, 4 contracted
    - Number of IPAs: 0 owned, 2 contracted
    - Number of hospitals: 0 owned, 5 contracted

- **Compensation Methods**
  - Physicians-primary care (ranked by method):
    - Group Capitation
    - Individual Capitation
    - Fee-For-Service
  - Physicians-specialty (ranked by method):
    - Group Capitation
    - Fee-For-Service
  - Hospitals (ranked by payment type):
    - Group Capitation
    - Discount Charges

- **Plan Products**
  - Products currently offered:
    - Individual enrollment: None
    - Small group (1-50 employees) enrollment: HMO
    - Large group (50+ employees) enrollment: HMO
    - Medicare: HMO
    - Medicaid (i.e. MediCal): HMO
    - Access for Infants and Mothers: None
    - Healthy Families: None
    - Major Risk Medical Insurance: None
    - Other: None

- **Range of services offered on a bundled basis**
  - HMO: Acupuncture, Chiropractic, Prescription Drugs
  - PPO: None
  - POS: None

- **Range of services offered on a stand-alone basis**
  - HMO: None
  - PPO: None
  - POS: None
Compensation Methods
Capitation: Provider is paid a fixed, per capita amount for each person served without regard to the actual number or nature of services provided to each person, most common in contracts between plans and medical groups.

Fee For Service (FFS): Provider is paid for each encounter of service rendered. Under fee for service arrangements, expenditures increase if the fees themselves increase, if more units of service are charged, or if more expensive services are substituted for less expensive ones, most common in traditional indemnity and PPO arrangements.

Fee For Service With Withhold: Provider is paid for each encounter or service rendered, and is reimbursed for the amount billed less a specified percentage or "withhold". Withhold is returned to the provider if various agreed-upon targets are met.

Salary: A method of payment whereby an individual provider is paid a fixed salary without regard to the actual number or nature of services provided to each person, most common in staff model HMOs and in some medical groups.

Health Plan Types
Health Maintenance Organizations (HMO): Provides a wide range of comprehensive health care services for a specified group or individual for a fixed premium. There is generally deductible for physician services and only modest co-payments.

Point of Service (POS): An HMO product that allows the enrollee to receive a service from a non-HMO provider at a higher cost in to the enrollee. The higher cost can take the form of a deductible and/or a higher point-of-service charge.

Preferred Provider Organization (PPO): Provides care through a network of physicians, hospitals and pharmacies that have agreed to provide services at a predetermined negotiated fee. Enrollees generally pay a percentage of the provider charge. They may access services from non-participating providers at a higher cost. Most PPOs have a deductible.

HMO Model Types
Group: An organizational form, whereby the HMO contracts for medical services with a specified group or individual for a fixed premium. There is generally deductible for physician services and only modest co-payments.

Independent Practice Association (IPA): A partnership, corporation, association or other legal entity which has entered into an arrangement with persons who are licensed to practice medicine for the provision of their professional services in accordance with a compensation arrangement.

Network, or Medical Groups/IPA Model: HMO contracts with multiple medical groups and independent practice associations to provide medical services to plan enrollees. Groups and IPAs are likely to be paid by capitation. Hospital payment methodologies may vary.

Staff: HMO directly employs the necessary medical talent to provide its medical services.

Provider Types
Primary Care Physician: The physician who assumes responsibility for the comprehensive medical care of an individual on a continuing basis. The physician obtains professional assistance when needed for services he or she is not qualified to provide and coordinates the care provided by other professional personnel or specialists.

Specialty Physician: The physician who assumes responsibility for medical care of an individual for specialized services and generally on a limited basis, usually on referral from a primary care physician.

Range of Services
Bundled Basis: The provision of a wide range of health care services that may be purchased as a comprehensive care package.

Stand-Alone Basis: The provision of special health care services on a service-by-service basis. For example, an individual can choose to purchase vision services separately from the purchase of a comprehensive care package.
CAHP Staff

Walter A. Zelman, Ph.D.
President and CEO

Bill Werhle
Vice President, Legislative Affairs

David Gonzalez
Vice President, Legal and Regulatory Affairs

Bill Packer
Vice President, Communications

Joanne Bovée
Legislative Advocate

Sean South
Director, Grass Roots Operations

Victoria Sanchez
Assistant to Walter Zelman, President and CEO
Administrative Services Manager

Kelly Flynn
Legislative & Political Affairs Administrator

Randi Hutton
Database Administrator

Cara Watson
Communications Administrator

2002 Profile and Annual Report

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President and Chief Executive Officer
Chairman of the Board

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Aetna U.S Healthcare of California, Inc.
Chief Executive Officer
Vice Chair of the Board

B. KATHLYN MEAD
Sharp Health Plan
Chief Executive Officer
Vice Chair of the Board

BUD VOLBERDING
CIGNA HealthCare of California, Inc.
President
Secretary/Treasurer

J. MARIO MOLINA, M.D.
Molina Healthcare of California
President

MILT CAMHI
Contra Costa Health Plan
Chief Executive Officer

JEFFERY V. DAVIS
Universal Care
Chief Operating Officer

DAVID HELWIG
Blue Cross California
President

IRENE IBARRA
Alameda Alliance for Health
Chief Executive Officer

CHRIS WING
Health Net of California
California Chief Executive Officer

KEN WOOD
Blue Shield of California
Chief Operating Officer

STEVE ZATKIN
Kaiser Foundation Health Plan, Inc.
Senior Vice President – Government Relations

JAMES FREY
PacifiCare of California
President

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Bruce Bodaken 1998-2000
Kathleen Swenson 1994-1995
Stuart Byer 1987-1992
Anthony Pescetti 1985-1987
Maree Church 1983-1985

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www.digdesignmedia.com