

HMO Members Up 2% in OC; PPO Numbers Rise 3%



'High-tech' center: first example in OC of new-generation Kaiser Permanente medical facility

Health Plans Grow Value-Care Partners

By SHERRY HSIEH

Orange County's top health maintenance organizations experienced modest growth during the 12 months through July. Those ranked on the Business Journal's annual list by local membership figures combined for 1.3 million local members, up 2% from last year's 1.2 million.

■ Oakland-based **Kaiser Permanente** leads the pack with 560,000 local members, up 5.7% from a year earlier. The self-contained integrated system—comprised of a health plan that bears

insurance risk; medical groups of physicians; and a hospital system—plans to drive down healthcare costs through investment in technology and facilities, such as a new La Habra medical office building.

The facility, which opened last week, consists of a 28,300-square-foot "high-technology" office. Some of the concepts include appointment check-in via cellphone 24 hours in advance, as well as self-service check-in and payment kiosks. The example of how future Kaiser medical office buildings

will be is the first such facility to be built in OC and one of 10 medical centers to be rolled out throughout Southern California.

■ Indianapolis-based **Anthem Inc.** through its Anthem Blue Cross continues to be the list's No. 2 plan with an estimated 290,000 local members, followed by **Blue Shield of California**, **Health Net of California Inc.** and **UnitedHealthcare**, ranked No. 3 through No. 5.

■ The steepest membership decline among ranked HMOs came at No. 4, Health Net of California. Local membership of the unit of St. Louis-based **Centene Corp.** fell 7% to 90,000. The insurer said it lost members in its individual health plan business.

■ **Cigna Healthcare** jumped from No. 7 to No. 6 with 61,620 OC members, switching places with **Aetna Health of California**, whose membership is at an estimated 61,055. Both companies are based in Connecticut.

Cigna has been growing its local presence as it expands its joint venture product with Irvine-based **St. Joseph Hoag Health**, HMO St. Joseph Hoag Select, and St. Joseph Health Flex, an "exclusive provider organization" with a narrowly tailored network. It's broadened that market, forming other joint venture partnerships with healthcare providers in San Diego and Los Angeles County.

■ No. 8 on the list is Long Beach-based **Scan Health Plan**, which serves Medicare beneficiaries. Scan posted a nearly 6% membership gain to just over 29,000. This year, the health plan includes a new program that offers lower co-payments for prescription drugs when filling prescriptions at a "preferred pharmacy," including Albertsons, Costco, Express Scripts, Rite Aid and Walgreens.

PPOs

Preferred provider organizations on the Business Journal's directory combined for a 1 million-plus local membership, up about 3% from a year earlier.

Three plans provided enrollment figures, and the Business Journal estimated the membership of the remaining six plans.

PPOs are historically more expensive than HMOs for users. The tradeoffs, however, include more options and flexibility on certain aspects of healthcare, including the right to see specialists without a gatekeeper primary care doctor, as well as coverage for some elective procedures, such as weight-loss surgery, that aren't covered by HMOs.

There are now also lesser-known exclusive provider organization plans. EPOs are much like PPOs in terms of flexibility, offering services to members such as the ability to make appointments directly with providers with no prior physician referral necessary. EPOs, however, have extremely limited provider networks and require 100% self-pay if members visit providers outside of the network.

■ Membership at Costa Mesa-based **Blue Shield of California** increased by 15% to 215,653.

■ Cigna Healthcare saw a more modest increase of 3%, totaling 76,208 local members.

■ Huntington Beach-based **Health Net Life Insurance Co.** experienced the steepest membership decline—20% to 16,000 members. ■

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Rank Prev. Rank	Company •Address	•Website •Email	OC enrollment •yearly % change	Nationwide enrollment	OC physicians under contract	OC hospitals under contract	Coverage offered							Owner/affiliate •Headquarters	Top local official(s) •Title •Phone/fax
							Mental	Medical	Dental	Workers' compensation	Vision	Prescription drugs	Life insurance		
1 (1)	Kaiser Permanente 3460 E. La Palma Ave. Anaheim 92806-2020	kp.org/orangecounty	560,000 6%	11,800,000	1,192	2	Y	Y	Y	Y	Y	Y	N	Kaiser Foundation Health Plan Inc. Oakland	Mark Costa senior VP, area manager (714) 644-4100/(714) 644-4114
2 (2)	Anthem Blue Cross 3080 Bristol St., Ste. 200 Costa Mesa 92626-7315	anthem.com	290,000 ⁽¹⁾ NA	33,700,000 ⁽¹⁾	3,540 ⁽¹⁾	35 ⁽¹⁾	Y	Y	Y	Y	Y	Y	Y	Anthem Inc. Indianapolis	Pam Kehaly president, West region, specialty business (714) 429-2700
3 (3)	Blue Shield of California 555 Anton Blvd., Ste. 800 Costa Mesa 92626-7071	blueshieldca.com media@blueshieldca.com	96,891 -4%	770,293	4,816	27	Y	Y	Y	N	Y	Y	Y	California Physicians' Service San Francisco	Donald Stallings self funding sales consultant (714) 428-4800/(714) 428-4903
4 (4)	Health Net of California Inc. 7755 Center Ave. Huntington Beach 92647-3007	healthnet.com	90,000 -7%	2,700,000	7,000	25	Y	Y	Y	N	Y	Y	Y	Health Net Inc. Woodland Hills	Dan Tyler regional VP (714) 934-3300
5 (5)	UnitedHealthcare 5701 Katella Ave. Cypress 90630-5006	uhc.com	62,800 ⁽¹⁾ NA	30,500,000 ⁽¹⁾	8,449 ⁽²⁾	26 ⁽¹⁾	Y	Y	Y	N	Y	Y	Y	UnitedHealth Group Inc. Minnetonka, Minn.	Rob Falkenberg CEO, UnitedHealthcare of California (866) 288-4993
6 (7)	Cigna Healthcare 26 Executive Park, Ste. 200 Irvine 92614-4745	cigna.com	61,620 5%	517,046	6,882	24	Y	Y	Y	N	Y	Y	Y	Cigna Corp. Bloomfield, Conn.	Gene Rapisardi market president, Southern California (949) 255-1400/(949) 255-1483
7 (6)	Aetna Health of California 2677 N. Main St., Ste. 500 Santa Ana 92705-6628	aetna.com	61,055 ⁽¹⁾ NA	857,846 ⁽¹⁾	4,211 ⁽¹⁾	26 ⁽¹⁾	Y	Y	Y	N	Y	Y	Y	Aetna Inc. Hartford, Conn.	Michael Giar market head, middle market sales (714) 972-3200/(714) 972-3390
8 (8)	SCAN Health Plan 3800 Kilroy Airport Way, Ste. 100 Long Beach 90806-6818	scanhealthplan.com	29,085 6%	187,288	4,022	17	Y	Y	Y	N	Y	Y	N	SCAN Health Plan Long Beach	Chris Wing CEO (562) 989-5100/(562) 989-5200

Abbreviations: NA: not applicable; Y: yes; N: no
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⁽¹⁾ Business Journal estimate
⁽²⁾ Business Journal estimate; number of physicians includes both HMO and PPO

Researched by Dana Truong

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PPOS

Company •Address	•Website •Email	OC enrollment	Nationwide enrollment	OC physicians under contract	Coverage offered							Owner/affiliate •Headquarters	Top local official(s) •Title •Phone/fax
					Mental	Medical	Dental	Workers' compensation	Vision	Prescription drugs	Life insurance		
Aetna Health of California 2677 N. Main St., Ste. 500 Santa Ana 92705-6628	aetna.com	119,092 ⁽¹⁾	2,373,962 ⁽¹⁾	4,379 ⁽¹⁾	Y	Y	Y	N	Y	Y	Y	Aetna Inc. Hartford, Conn.	Michael Giar market head, middle market sales (714) 972-3200/(714) 972-3390
Anthem Blue Cross 3080 Bristol St., Ste. 200 Costa Mesa 92626-7315	anthem.com	290,000 ⁽¹⁾	5,300,000 ⁽¹⁾	5,600 ⁽¹⁾	Y	Y	Y	N	Y	Y	Y	Anthem Inc. Indianapolis	Pam Kehaly president, West region, specialty business (714) 429-2700
Blue Shield of California 555 Anton Blvd., Ste. 800 Costa Mesa 92626-7071	blueshieldca.com media@blueshieldca.com	215,653	2,344,976	7,801	Y	Y	Y	N	Y	Y	Y	California Physicians' Service San Francisco	Donald Stallings self funding sales consultant (714) 428-4800/(714) 428-4903
Cigna Healthcare 26 Executive Park, Ste. 200 Irvine 92614-4745	cigna.com	76,208	13,065,941	8,089	Y	Y	Y	N	Y	Y	Y	Cigna Corp. Bloomfield, Conn.	Gene Rapisardi market president, Southern California (949) 255-1400/(949) 255-1483
First Health⁽²⁾ 10260 Meanley Drive San Diego 92131-1235	firsthealth.com	101,000 ⁽¹⁾	5,500,000 ⁽¹⁾	6,100 ⁽¹⁾	Y	Y	Y	N	N	N	N	Aetna Inc. Hartford, Conn.	Blaine Faulkner president, First Health (858) 547-2500/(858) 547-2757
Health Net Life Insurance Co. 7755 Center Ave. Huntington Beach 92647-3007	healthnet.com	16,000	120,000	8,200	Y	Y	Y	N	Y	Y	Y	Health Net Inc. Woodland Hills	Dan Tyler regional VP (714) 934-3300
HealthSmart 1776 W. March Lane, Ste. 400 Stockton 95207-6430	healthsmart.com	40,000 ⁽¹⁾	1,800,000 ⁽¹⁾	8,000 ⁽¹⁾	Y	Y	Y	Y	N	Y	N	HealthSmart Holdings Inc. Irving, Texas	wnd (800) 687-0500/(214) 574-2368
MultiPlan Inc. 25500 Commercentre Drive Lake Forest 92630-8855	multiplan.com wnd	15,396 ⁽³⁾	15,400,000 ⁽⁴⁾	6,105 ⁽¹⁾	Y	Y	N	Y	N	N	N	MultiPlan New York	Paul Nappi director, sales and account management (949) 672-1285
UnitedHealthcare 5701 Katella Ave. Cypress 90630-5006	uhc.com	158,800 ⁽¹⁾	30,500,000 ⁽¹⁾	8,449 ⁽⁵⁾	Y	Y	Y	N	Y	Y	Y	UnitedHealth Group Inc. Minnetonka, Minn.	Rob Falkenberg CEO, UnitedHealthcare of California (866) 288-4993

Abbreviations: wnd: would not disclose; Y: yes; N: no
Companies listed alphabetically
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⁽¹⁾ Business Journal estimate
⁽²⁾ First Health does not receive enrollment information; membership is an estimate based on claims data captured in First Health's pricing system

⁽³⁾ Business Journal estimate; OC enrollees includes MultiPlan's primary network PHCS brand
⁽⁴⁾ Business Journal estimate; nationwide enrollees includes MultiPlan's primary and travel networks PHCS, Beech Street, HMA and HEOS brands
⁽⁵⁾ Business Journal estimate; number of physicians includes both HMO and PPO

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DENTAL HMOS/PPOS

Rank Prev. Rank	Company •Address	•Website •Email	OC enrollment •yearly % change	Nationwide enrollment •yearly % change	OC HMO dentists under contract	OC PPO dentists under contract	Specialists				Owner/affiliate •Headquarters	Top local official(s) •Title •Phone/fax
							Periodontists	Endodontists	Oral surgeons	Orthodontists		
1 (1)	Delta Dental of California 17871 Park Plaza Drive, Ste. 200 Cerritos 90703-8597	deltadentalins.com scasales@delta.org	1,500,000 2%	25,385,000 1%	755	3,734	Y	Y	Y	Y	Delta Dental of California San Francisco	Benjamin Lowry director, Southern California sales (562) 403-4040/(562) 924-3172
2 (3)	MetLife Inc. 5 Park Plaza, Ste. 1900 Irvine 92614-2549	metlife.com	248,805 33%	19,570,815 -13%	1,198	4,496	Y	Y	Y	Y	Metropolitan Life Insurance Co. New York	Justin Funk regional director (949) 851-9123/(949) 851-6323
3 (2)	Anthem Blue Cross 3080 Bristol St., Ste. 200 Costa Mesa 92626-7315	anthem.com	200,000 ⁽¹⁾ NA	9,100,000 ⁽¹⁾ NA	687 ⁽¹⁾	2,386 ⁽¹⁾	Y	Y	Y	Y	Anthem Inc. Indianapolis	Pam Kehaly president, West region, specialty business (714) 429-2700
4 (4)	Cigna 26 Executive Park, Ste. 200 Irvine 92614-4745	cigna.com	170,530 5%	14,868,104 11%	1,042	4,178	Y	Y	Y	Y	Cigna Corp. Bloomfield, Conn.	Gene Rapisardi market president, Southern California (949) 255-1400/(949) 255-1483
5 (5)	UnitedHealthcare Dental 3110 Lake Center Drive Santa Ana 92704-6921	uhc.com	154,805 ⁽¹⁾ NA	10,100,000 ⁽¹⁾ NA	1,009 ⁽¹⁾	2,540 ⁽¹⁾	Y	Y	Y	Y	UnitedHealth Group Inc. Minnetonka, Minn.	Casey Beaumont regional director, Dental Market Solutions, West region (888) 545-5205
6 (6)	Aetna Dental 2677 N. Main St., Ste. 500 Santa Ana 92705-6628	aetna.com	149,518 ⁽¹⁾ NA	12,728,328 ⁽¹⁾ NA	406 ⁽¹⁾	1,331 ⁽¹⁾	Y	Y	Y	Y	Aetna Inc. Hartford, Conn.	Michael Giar market head, middle market sales (714) 972-3200/(714) 972-3390
7 (7)	Guardian Life Insurance Co. of America 888 S. Figueroa St., Ste. 480 Los Angeles 90017-2777	guardianlife.com joe_stefano@glic.com	114,628 2%	6,568,881 -5%	804	2,840	Y	Y	Y	Y	Guardian Life Insurance Co. of America New York	Joe Stefano regional director (949) 885-1720/(310) 765-2040
8 (9)	Western Dental Services Inc. 530 S. Main St. Orange 92863-4525	westerndental.com corporate@ westerndental.com	45,000 ⁽¹⁾ NA	439,998 ⁽¹⁾ NA	419 ⁽¹⁾	NA ⁽²⁾	Y	Y	Y	Y	Western Dental Services Inc. Orange	Daniel D. Crowley/Bill Dembereckij/Jeffrey Miller chairman, CEO/CFO/senior VP, general counsel (800) 579-3783
9 (8)	United Concordia Dental 21700 Oxnard St., Ste. 500 Woodland Hills 91367-3642	unitedconcordia.com laurie.laspina@ ucci.com	43,753 -6%	10,077,641 37%	227	3,140	Y	Y	Y	Y	United Concordia Dental Harrisburg, Pa.	Laurie Laspina division VP sales, Western region (888) 884-8224/(818) 704-9817
10 (10)	Ameritas Group Dental 151 Kalmus Drive, Ste. J-4 Costa Mesa 92626-5973	ameritas.com	41,742 ⁽¹⁾ NA	4,498,395 ⁽¹⁾ NA	NA ⁽³⁾	8,104 ⁽¹⁾	Y	Y	Y	Y	Ameritas Life Insurance Corp. Lincoln, Neb.	Scott Llewellyn regional VP, Western region (800) 776-9446/(402) 309-2333
11 (11)	Smile Brands Inc. 100 Spectrum Center Drive, Ste. 1500 Irvine 92618-4984	smilebrands.com	12,500 ⁽¹⁾ 0%	70,000 ⁽¹⁾ 0%	wnd	wnd	Y	Y	Y	Y	Smile Brands Inc. Irvine	Steven Bilt CEO (714) 668-1300/(714) 428-1300
12 (12)	Premier Access Insurance Co. 8890 Cal Center Drive Sacramento 95826-3200	premierlife.com info@premierlife.com	12,332 ⁽¹⁾ NA	850,892 ⁽¹⁾ NA	941 ⁽¹⁾	2,294 ⁽¹⁾	Y	Y	Y	Y	Guardian Life Insurance New York	Rodney K. Mattos director of sales (888) 326-3210/(916) 646-9000
13 (13)	Dental Health Services 3833 Atlantic Ave. Long Beach 90807-3505	dentalhealthservices.com membercare@ dentalhealthservices.com	6,493 -11%	153,631 20%	788	6,493	Y	Y	Y	Y	Dental Health Services Long Beach	Josh Nace executive VP (562) 595-6000/(562) 424-0150

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⁽¹⁾ Business Journal estimate

⁽²⁾ Western Dental Services does not offer a dental PPO

⁽³⁾ Ameritas does not offer a dental HMO