

---

11<sup>TH</sup> ANNUAL

**KNOX-KEENE  
HEALTH PLAN  
EXPENDITURES  
SUMMARY**

FY 2002-2003



CALIFORNIA MEDICAL ASSOCIATION

Knox-Keene Health Plan Expenditures Summary

FY 2002-2003

---

Table of Contents

Executive Summary ii

TABLES

Table I - Full-Service Health Plans, Public and Limited License Health Plans 1

Table II - Expenditure Ratios over Five Years 4

Table III - Ten Highest Medical Loss Ratios 7

Table IV - Ten Lowest Medical Loss Ratios 8

Table V - Non-Profit Plans 9

Table VI - For-Profit Plans 11

Table VII - General Program Data for Full-Service and Public Health Plans 12

Table VIII - Geographic Coverage - Counties Served 14

Geographic Coverage - Health Plans by Region 17

Geographic Coverage - Counties by Region (map) 19

Table IX - 2002 Executive Compensation 20

APPENDIX

Managed Care Consumer Resources A1

# Knox-Keene Health Plan Expenditures Summary

FY 2002-2003

## Executive Summary

This is the eleventh report published by the California Medical Association in regard to Knox-Keene Health Plan expenditures. The California Medical Association believes that the information provided in this report should be published annually by the Department of Managed Health Care, but, to date, they have chosen not to do so. Thus, we will continue to provide this information to the public.

This report is a compilation of expenditure data reported from managed care plans to the Department of Managed Health Care, and from public annual reports. In an effort to standardize this data, the Department of Managed Health Care (DMHC) has detailed instructions that each plan must follow when reporting expenditures. In this sense, all plans must report similar data even if they are not all alike and may not always be comparable.

While we believe that cost comparisons are a valuable tool in evaluating the performance of a health plan, we recognize that not all plans are alike. Therefore, we note that the reader must be aware of the many differing factors that limit the ability to make comparisons with this data.

We have included three new additions to our report this year. First is the reintroduction of health plans that have become insolvent, filed bankruptcy or who were absorbed by other health plans over the last five years. Second, is the Executive Compensation table that provides a glimpse of salary and bonuses for 2002. Finally, we've included an appendix of websites to access consumer related report cards.

To obtain a copy of this report, contact the California Medical Association at (916) 444-5532. A hard copy of the report is free to CMA members and is available to the public and non-member physicians at a nominal fee.

Report prepared by Fawn Scheer, Dina Marie-McGowan and Dianne Dunlap.

# Knox-Keene Health Plan Expenditures Summary

Full Service Knox-Keene Health Plans, Public Health Plans, and Limited License Plans  
FY 2002-2003

**Table I**

Health Plan	Data Year	Enrollees	Tax Status	Date Licensed	% Revenue Medical Care	% Revenue Administration	% Revenue Profit/Income <sup>i</sup>
<i>Full Service Health Plans</i>							
Aetna Health Care of California	CY02	523,099	For-Profit	08/81	85.2%	9.9%	4.9%
Blue Cross of California <sup>1</sup>	CY02	4,836,701	For-Profit	01/93	78.9%	13.0%	8.1%
Blue Shield of California <sup>2</sup>	CY02	2,298,399	Non-Profit	07/78	82.6%	13.5%	3.9%
Care 1st Health Plan	CY02	196,616	For-Profit	11/95	85.6%	8.1%	6.3%
Chinese Community Health Plan	CY02	10,734	For-Profit	07/87	84.3%	12.1%	3.6%
CIGNA HealthCare of California	CY02	634,568	For-Profit	03/79	84.2%	16.0%	-0.3%
Community Health Group	CY02	95,817	Non-Profit	08/85	88.6%	11.9%	-0.5%
Health Net of California	CY02	2,392,664	For-Profit	03/91	85.6%	10.0%	4.4%
Inter Valley Health Plan	FY03	14,823	Non-Profit	05/79	89.7%	9.6%	0.7%
Kaiser Foundation Health Plan	CY02	6,567,050	Non-Profit	11/77	98.3%	2.4%	-0.7%
Molina Medical Center/American Family Care	CY02	286,180	For-Profit	03/94	82.8%	10.6%	6.6%
On Lok Senior Health Services	FY03	934	Non-Profit	01/99	87.2%	6.9%	5.9%
One Health Plan of California	CY02	59,015	For-Profit	03/96	85.8%	13.8%	0.5%
PacifiCare of California	CY02	1,929,076	For-Profit	05/78	88.0%	9.6%	2.4%
Scripps Clinic Health Plan Services	FY02	151,755	Non-Profit	04/99	95.8%	4.2%	0.1%
Sharp Health Plan	FY02	119,036	Non-Profit	09/92	94.8%	8.3%	-3.1%
SIMNSA Health Plan	CY02	11,764	Non-Profit	01/00	81.2%	13.0%	5.8%
SmartCare Health Plan <sup>3</sup>	FY02	53,455	Non-Profit	11/84	91.8%	8.5%	-0.3%
UHP Healthcare	FY02	108,482	Non-Profit	01/78	84.0%	13.9%	2.1%
Universal Care	FY02	355,204	For-Profit	10/85	91.8%	8.7%	-0.5%
Western Health Advantage	FY02	60,347	Non-Profit	01/97	88.0%	11.8%	0.2%

<sup>1</sup> Blue Cross of California includes their HMO, PPO, and POS products.

<sup>2</sup> Blue Shield of California includes their HMO and PPO products.

<sup>3</sup> Formerly SCAN Health Plan

Health Plan	Data Year	Enrollees	Tax Status	Date Licensed	% Revenue Medical Care	% Revenue Administration	% Revenue Profit/Income <sup>1</sup>
<i>Public Health Plans</i>							
Alameda Alliance for Health	FY02	85,271	Non-Profit	09/95	91.7%	8.4%	-0.1%
CalOptima	FY03	312,506	Non-Profit	06/00	95.6%	4.2%	0.2%
Central Coast Alliance for Health <sup>1</sup>	CY02	85,098	Non-Profit	06/00	91.9%	6.0%	2.1%
Community Health Plan	FY02	162,089	Non-Profit	12/85	80.0%	9.2%	10.8%
Contra Costa Health Plan	FY02	59,187	Non-Profit	04/78	92.3%	7.6%	0.1%
Health Plan of San Joaquin <sup>2</sup>	FY03	64,418	Non-Profit	01/96	84.7%	11.1%	4.2%
Health Plan of San Mateo	CY02	46,784	Non-Profit	07/98	90.2%	9.2%	0.6%
Inland Empire Health Plan	FY02	241,258	Non-Profit	07/96	89.1%	8.3%	2.6%
Kern Health Systems	CY02	74,712	Non-Profit	05/96	77.9%	7.8%	14.3%
L.A. Care Health Plan	FY02	818,539	Non-Profit	04/97	93.8%	3.8%	2.4%
Partnership Health Plan <sup>3</sup>	FY03	75,219	Non-Profit	05/94	94.8%	5.0%	0.3%
San Francisco Health Plan	FY03	42,356	Non-Profit	08/96	86.1%	9.1%	4.9%
Santa Barbara Regional Health Authority	FY03	54,024	Non-Profit	06/00	87.1%	7.3%	5.6%
Santa Clara Family Health Authority	FY03	91,883	Non-Profit	12/96	84.1%	11.2%	4.6%
University of California Regents (UC San Diego)	FY03	12,920	Non-Profit	11/97	105.1%	14.0%	-19.1%
Valley Health Plan	FY02	45,687	Non-Profit	09/85	88.9%	10.2%	0.9%
Ventura County Health Plan	FY03	10,655	Non-Profit	06/96	87.4%	10.8%	1.8%
<i>Limited License Health Plans<sup>ii</sup></i>							
Cedars-Sinai Provider Plan, LLC	FY02	6,873	Non-Profit	08/98	58.0%	19.0%	23.0%
Heritage Provider Network	CY02	194,574	For-Profit	02/97	98.3%	1.6%	0.1%
PRIMECARE Medical Network	CY02	262,401	For-Profit	10/98	87.4%	12.1%	0.6%
ProMed Health Care Administrators	FY02	9,179	For-Profit	04/99	36.7%	53.5%	9.8%

<sup>1</sup> Central Coast Alliance for Health returned \$5.5 million to its providers during its annual risk settlement for CY2002. These were funds that exceeded the Alliance's regular provider reimbursement.

<sup>2</sup> The Health Plan of San Joaquin receives non-HMO related revenue (\$2.5 million) to administer employee self-funded insurance programs under a Third Party Administrator (TPA) contract. Thus, the percentage of Revenue to Medical Care, as reported, is slightly lower than the amount actually spent per patient, and the percentage of Revenue to Administrative Expense, as reported, is slightly higher.

<sup>3</sup> Values for total revenue, total medical expense, total administrative expense and total income figures for Partnership Health Plan of California were taken from their 2003 public annual report.

Sources:

Department of Managed Health Care List of All Licensed Plans (Public Alpha Report) HMO and Health Plan Financial Statements as submitted to Department of Managed Health Care by licensed Knox-Keene health plans (website: <http://wpso.dmhc.ca.gov/fe/search.asp>)

---

<sup>i</sup> Total profit/income figures represent pre-tax income. The following for-profit plans had provisions for taxes listed in their financial statements submitted to the DMHC: Aetna Health Care of CA: \$21,635,662; Blue Cross of CA: \$304,581; Care 1st Health Plan: \$5,545,826; Chinese Community Health Plan: \$583,618; CIGNA HealthCare of CA: \$2,854,235; Health Net of CA: \$94,220,353; Molina Medical Center: \$7,974,063; One Health Plan of CA: \$358,782; PacifiCare of CA: \$62,102,194; Universal Care: \$(-989,050).

<sup>ii</sup> A Limited License plan was never envisioned in the enactment of the Knox-Keene Act. Limited License plans have been licensed by regulation to assume full-risk (Global Capitation) for physician and hospital services. By regulation, a Limited License plan can contract only with HMOs.

# Knox-Keene Health Plan Expenditures Summary

## Full Service and Public Health Plan Expenditure Ratios

1998-2002

### Table II

	% Revenue Medical Care				% Revenue Administration				% Revenue Profit/Income						
	2002	2001	2000	1999	1998	2002	2001	2000	1999	1998	2002	2001	2000	1999	1998
<b>Full Service Health Plans</b>															
Aetna Health Care of California	85.2	93.3	87.9	86.5	85.5	9.9	11.4	12.4	12.8	11.2	4.9	-4.7	-0.3	0.7	3.3
Blue Cross of California <sup>1</sup>	78.9	78.9	76.4	77.5	77.9	13.0	13.8	14.3	14.5	14.0	8.1	7.3	9.3	8.1	8.1
Blue Shield of California <sup>2</sup>	82.6	85.4	83.6	82.6	84.8	13.5	13.2	16.9	16.8	**	3.9	1.4	-0.5	0.5	**
BPS HMO*	**	**	**	81.5	87.5	**	**	**	18.2	13.2	**	**	**	0.3	-0.7
Care 1st Health Plan	85.6	83.3	85.1	84.5	82.8	8.1	10.4	12.7	13.5	16.1	6.3	6.3	2.2	2.0	1.1
Chinese Community Health Plan	84.3	81.4	80.3	80.1	79.1	12.1	15.0	18.3	18.2	18.8	3.6	3.6	1.4	1.7	2.1
CIGNA HealthCare of California	84.2	82.7	82.2	82.5	82.6	16.0	17.6	15.7	13.0	13.0	-0.3	-0.3	2.1	4.5	4.5
Community Health Group	88.6	82.9	79.9	82.1	77.3	11.9	15.2	15.8	15.5	22.0	-0.5	1.9	4.3	2.4	0.7
Health Net of California	85.6	87.0	83.6	86.4	88.0	10.0	9.4	9.7	9.1	10.6	4.4	3.6	6.7	4.5	1.4
Health Plan of the Redwoods*	**	**	89.3	88.3	88.5	**	**	13.2	13.3	12.1	**	**	-2.5	-1.6	-0.6
Inter Valley Health Plan	89.7	91.8	90.7	87.3	87.9	9.6	10.4	10.8	12.1	12.8	0.7	-2.2	-1.5	0.6	-0.7
Kaiser Foundation Health Plan <sup>3</sup>	98.3	94.9	95.6	**	**	2.4	3.7	3.2	**	**	-0.7	1.4	1.2	**	**
Kaiser Foundation Health Plan - N. CA	**	**	**	96.0	97.1	**	**	**	3.0	3.3	**	**	**	1.0	-0.4
Kaiser Foundation Health Plan - S. CA	**	**	**	96.1	97.1	**	**	**	3.5	4.0	**	**	**	1.2	-0.6
Lifeguard*	**	**	84.6	83.2	83.7	**	**	17.7	16.5	15.0	**	**	-2.3	0.3	1.3

<sup>1</sup> Blue Cross of California includes their HMO, PPO, and POS products.

<sup>2</sup> Blue Shield of California includes their HMO and PPO products.

<sup>3</sup> Kaiser Foundation Health Plan previously reported financial figures for both Northern and Southern California, but currently reports the values combined (for the entire state).

\* Plans active during the past five years have been included to show which plans have been absorbed by other health plans or ceased conducting business under Knox-Keene licensure.

\*\* Financials unavailable

	% Revenue Medical Care					% Revenue Administration					% Revenue Profit/Income				
	2002	2001	2000	1999	1998	2002	2001	2000	1999	1998	2002	2001	2000	1999	1998
Maxicare*	**	**	**	88.6	88.1	**	**	**	12.3	8.9	**	**	**	-0.9	3.0
Molina Medical Center/American Family Care	82.8	80.2	77.1	79.8	87.3	10.6	9.3	12.3	11.0	9.1	6.6	10.5	10.6	9.2	3.6
National Health Plans*	**	88.2	98.2	90.3	92.7	**	9.9	10.2	10.7	12.7	**	1.9	-8.4	-1.0	5.4
OMNI Healthcare*	**	**	**	**	88.6	**	**	**	**	13.1	**	**	**	**	-1.7
On Lok Senior Health Services	87.2	84.2	84.2	**	**	6.9	6.6	5.8	**	**	5.9	9.2	10.0	**	**
One Health Plan of California	85.8	87.0	66.6	54.5	63.8	13.8	14.2	14.1	13.4	19.6	0.5	-1.2	19.3	32.1	16.6
PacifiCare of California	88.0	90.4	87.6	84.3	83.9	9.6	8.6	8.5	8.8	9.3	2.4	1.0	3.9	6.9	6.8
Prudential HealthCare Plan of California*	**	**	**	86.1	86.3	**	**	**	14.4	13.2	**	**	**	-0.5	0.5
Scripps Clinic Health Plan Services	95.8	**	**	**	**	4.2	**	**	**	**	0.1	**	**	**	**
Sharp Health Plan	94.8	94.8	91.6	90.9	86.8	8.3	8.6	8.8	9.8	11.8	-3.1	-3.4	-0.4	-0.7	1.4
SIMNSA Health Plan	81.2	81.2	**	**	**	13.0	13.1	**	**	**	5.8	5.7	**	**	**
SmartCare Health Plan <sup>1</sup>	91.8	87.9	84.3	80.1	78.9	8.5	11.8	13.7	17.3	20.1	-0.3	0.3	2.0	1.7	1.0
Tower Health*	**	**	**	73.8	71.4	**	**	**	17.2	17.8	**	**	**	9.0	10.8
UHP Healthcare	84.0	**	85.8	82.3	81.7	13.9	**	18.0	17.6	17.7	2.1	**	-3.8	0.1	0.6
United Healthcare*	**	**	**	91.5	94.0	**	**	**	12.1	18.5	**	**	**	-3.6	-12.5
Universal Care	91.8	94.1	88.2	88.9	85.5	8.7	9.5	10.0	10.5	11.1	-0.5	-3.6	1.8	0.6	0.4
Western Health Advantage	88.0	87.3	84.6	84.1	85.8	11.8	12.8	16.2	20.9	26.5	0.2	-0.1	-0.8	-5.0	-12.3
<b>Public Health Plans</b>															
Alameda Alliance for Health	91.7	97.0	83.3	77.3	76.9	8.4	7.8	8.4	8.3	8.3	-0.1	-4.8	8.3	14.4	14.8
CalOptima	95.6	92.5	92.3	88.7	87.4	4.2	4.6	5.9	5.3	5.5	0.2	2.9	1.8	6.0	7.1
Central Coast Alliance for Health	91.9	87.4	89.8	88.2	82.0	6.0	5.7	5.9	8.3	7.3	2.1	6.9	4.3	3.5	10.7

<sup>1</sup> Formerly SCAN Health Plan

\* Plans active during the past five years have been included to show which plans have been absorbed by other health plans or ceased conducting business under Knox-Keene licensure.

\*\* Financials unavailable

	% Revenue Medical Care					% Revenue Administration					% Revenue Profit/Income				
	2002	2001	2000	1999	1998	2002	2001	2000	1999	1998	2002	2001	2000	1999	1998
Community Health Plan	80.0	89.7	87.7	84.6	85.0	9.2	9.5	9.0	7.7	14.9	10.8	0.8	3.3	7.7	0.1
Contra Costa Health Plan	92.3	94.8	90.9	91.9	92.6	7.6	5.0	8.9	7.6	6.6	0.1	0.2	0.2	0.5	0.8
Health Max America*	**	**	**	**	77.0	**	**	**	**	37.4	**	**	**	**	-14.4
Health Plan of San Joaquin	84.7	83.3	80.8	76.9	77.5	11.1	13.0	12.0	11.3	11.5	4.2	3.7	7.2	11.8	11.0
Health Plan of San Mateo	90.2	99.6	95.6	90.3	88.4	9.2	10.8	12.0	12.0	11.3	0.6	-10.4	-7.6	-2.3	0.3
Inland Empire Health Plan	89.1	90.1	89.0	89.0	85.5	8.3	8.0	7.7	9.2	11.1	2.6	1.9	2.3	1.8	3.4
Kern Health Systems	77.9	77.4	73.4	65.8	71.0	7.8	10.6	11.1	11.2	11.0	14.3	12.0	15.5	23.0	18.0
Key Health Plan*	**	**	**	**	96.3	**	**	**	**	24.2	**	**	**	**	-20.5
L.A. Care Health Plan	93.8	93.5	94.4	**	94.0	3.8	5.0	4.9	**	5.6	2.4	1.5	0.7	**	0.4
Partnership Health Plan	94.8	93.4	91.7	90.6	92.2	5.0	4.9	5.3	5.5	5.3	0.3	1.7	3.0	3.9	2.5
San Francisco Health Plan	86.1	85.6	85.4	86.4	85.4	9.1	9.3	9.1	10.7	9.1	4.9	5.1	5.5	2.9	5.5
Santa Barbara Regional Health Authority	87.1	95.2	94.0	91.9	92.1	7.3	7.9	8.1	7.7	8.5	5.6	-3.1	-2.1	0.4	-0.6
Santa Clara Family Health Authority	84.1	81.8	81.5	74.9	80.6	11.2	11.5	12.7	13.4	11.6	4.6	6.7	5.8	11.7	7.8
University of California Regents (UC San Diego)	105.1	85.1	88.9	**	84.4	14.0	22.5	11.8	**	46.9	-19.1	-7.6	-0.7	**	-31.3
Valley Health Plan	88.9	88.3	86.7	91.0	89.6	10.2	10.4	10.8	8.6	9.9	0.9	1.3	2.5	0.4	0.5
Ventura County Health Plan	87.4	92.4	88.5	88.7	87.4	10.8	10.8	12.5	10.9	12.4	1.8	-3.2	-1.0	0.4	0.2

Sources:

Department of Managed Health Care List of All Licensed Plans (Public Alpha Report)

HMO and Health Plan Financial Statements submitted to Department of Managed Health Care by licensed Knox-Keene health plans (website: <http://wpso.dmhcc.ca.gov/fe/search.asp>)

\* Plans active during the past five years have been included to show which plans have been absorbed by other health plans or ceased conducting business under Knox-Keene licensure.  
 \*\* Financials unavailable

# Knox-Keene Health Plan Expenditures Summary

10 Highest Medical Loss Ratios  
FY 2002-2003

Table III <sup>1</sup>

Health Plan	Tax Status	% Revenue Medical Care	% Revenue Administration	% Revenue Profit/Income
Kaiser Foundation Health Plan	Non-Profit	98.3%	2.4%	-0.7%
Scripps Clinic Health Plan Services	Non-Profit	95.8%	4.2%	0.1%
CalOptima	Non-Profit	95.6%	4.2%	0.2%
Sharp Health Plan	Non-Profit	94.8%	8.3%	-3.1%
Partnership Health Plan	Non-Profit	94.8%	5.0%	0.3%
L.A. Care Health Plan	Non-Profit	93.8%	3.8%	2.4%
Contra Costa Health Plan	Non-Profit	92.3%	7.6%	0.1%
Central Coast Alliance for Health	Non-Profit	91.9%	6.0%	2.1%
Universal Care	For-Profit	91.8%	8.7%	-0.5%
SmartCare Health Plan <sup>2</sup>	Non-Profit	91.8%	8.5%	-0.3%

Sources:

Department of Managed Health Care List of All Licensed Plans (Public Alpha Report)

HMO and Health Plan Financial Statements as submitted to Department of Managed Health Care by licensed Knox-Keene health plans (website: <http://wpso.dmhc.ca.gov/fe/search.asp>)

<sup>1</sup> Small (i.e., plans with enrollment below 20,000) and start-up plans were excluded from this table for comparative purposes. CMA feels it unfair to compare smaller plans that are unable to spread their administrative costs over a larger population or may be in a start-up phase, wherein administrative costs are invariably higher.

<sup>2</sup> Formerly SCAN Health Plan

# Knox-Keene Health Plan Expenditures Summary

10 Lowest Medical Loss Ratios  
FY 2002-2003

Table IV <sup>1</sup>

Health Plan	Tax Status	% Revenue Medical Care	% Revenue Administration	% Revenue Profit/Income
Kern Health Systems	Non-Profit	77.9%	7.8%	14.3%
Blue Cross of California	For-Profit	78.9%	13.0%	8.1%
Community Health Plan	Non-Profit	80.0%	9.2%	10.8%
Blue Shield of California	Non-Profit	82.6%	13.5%	3.9%
Molina Medical Center/American Family Care	For-Profit	82.8%	10.6%	6.6%
UHP Healthcare	Non-Profit	84.0%	13.9%	2.1%
Santa Clara Family Health Authority	Non-Profit	84.1%	11.2%	4.6%
CIGNA HealthCare of California	For-Profit	84.2%	16.0%	-0.3%
Health Plan of San Joaquin <sup>2</sup>	Non-Profit	84.7%	11.1%	4.2%
Aetna Health Care of California	For-Profit	85.2%	9.9%	4.9%

Sources:

Department of Managed Health Care List of All Licensed Plans (Public Alpha Report)

HMO and Health Plan Financial Statements as submitted to Department of Managed Health Care by licensed Knox-Keene health plans (website: <http://wpso.dmhc.ca.gov/fe/search.asp>)

<sup>1</sup> Small (i.e., plans with enrollment below 20,000) and start-up plans were excluded from this table for comparative purposes. CMA feels it unfair to compare smaller plans that are unable to spread their administrative costs over a larger population or may be in a start-up phase, wherein administrative costs are invariably higher.

<sup>2</sup> The Health Plan of San Joaquin receives non-HMO related revenue (\$2.5 million) to administer employee self-funded insurance programs under a Third Party Administrator (TPA) contract. Thus, the percentage of Revenue to Medical Care, as reported, is slightly lower than the amount actually spent per patient, and the percentage of Revenue to Administrative Expense, as reported, is slightly higher.

# Knox-Keene Health Plan Expenditures Summary

Non-Profit Health Plans  
FY 2002-2003

Table V

Health Plan	Tax Status	% Revenue Medical Care	% Revenue Administration	% Revenue Profit/Income
Alameda Alliance for Health	Non-Profit	91.7%	8.4%	-0.1%
Blue Shield of California <sup>1</sup>	Non-Profit	82.6%	13.5%	3.9%
CalOptima	Non-Profit	95.6%	4.2%	0.2%
Cedars-Sinai Provider Plan, LLC	Non-Profit	58.0%	19.0%	23.0%
Central Coast Alliance for Health	Non-Profit	91.9%	6.0%	2.1%
Community Health Group	Non-Profit	88.6%	11.9%	-0.5%
Community Health Plan	Non-Profit	80.0%	9.2%	10.8%
Contra Costa Health Plan	Non-Profit	92.3%	7.6%	0.1%
Health Plan of San Joaquin	Non-Profit	84.7%	11.1%	4.2%
Health Plan of San Mateo	Non-Profit	90.2%	9.2%	0.6%
Inland Empire Health Plan	Non-Profit	89.1%	8.3%	2.6%
Inter Valley Health Plan	Non-Profit	89.7%	9.6%	0.7%
Kaiser Foundation Health Plan	Non-Profit	98.3%	2.4%	-0.7%
Kern Health Systems	Non-Profit	77.9%	7.8%	14.3%
L.A. Care Health Plan	Non-Profit	93.8%	3.8%	2.4%
On Lok Senior Health Services	Non-Profit	87.2%	6.9%	5.9%
Partnership Health Plan	Non-Profit	94.8%	5.0%	0.3%
San Francisco Health Plan	Non-Profit	86.1%	9.1%	4.9%
Santa Barbara Regional Health Authority	Non-Profit	87.1%	7.3%	5.6%
Santa Clara Family Health Authority	Non-Profit	84.1%	11.2%	4.6%
Scripps Clinic Health Plan Services	Non-Profit	95.8%	4.2%	0.1%
Sharp Health Plan	Non-Profit	94.8%	8.3%	-3.1%
SIMNSA Health Plan	Non-Profit	81.2%	13.0%	5.8%

<sup>1</sup> Blue Shield of California includes their HMO and PPO products.

Health Plan	Tax Status	% Revenue Medical Care	% Revenue Administration	% Revenue Profit/Income
SmartCare Health Plan <sup>1</sup>	Non-Profit	91.8%	8.5%	-0.3%
UHP Healthcare	Non-Profit	84.0%	13.9%	2.1%
University of California Regents (UC San Diego)	Non-Profit	105.1%	14.0%	-19.1%
Valley Health Plan	Non-Profit	88.9%	10.2%	0.9%
Ventura County Health Plan	Non-Profit	87.4%	10.8%	1.8%
Western Health Advantage	Non-Profit	88.0%	11.8%	0.2%

Sources:

Department of Managed Health Care List of All Licensed Plans (Public Alpha Report)

HMO and Health Plan Financial Statements as submitted to Department of Managed Health Care by licensed Knox-Keene health plans (website: <http://wps0.dmhc.ca.gov/fe/search.asp>)

---

<sup>1</sup> Formerly SCAN Health Plan

# Knox-Keene Health Plan Expenditures Summary

For-Profit Health Plans  
FY 2002-2003

**Table VI**

Health Plan	Tax Status	% Revenue Medical Care	% Revenue Administration	% Revenue Profit/Income
Aetna Health Care of California	For-Profit	85.2%	9.9%	4.9%
Blue Cross of California <sup>1</sup>	For-Profit	78.9%	13.0%	8.1%
Care 1st Health Plan	For-Profit	85.6%	8.1%	6.3%
Chinese Community Health Plan	For-Profit	84.3%	12.1%	3.6%
CIGNA HealthCare of California	For-Profit	84.2%	16.0%	-0.3%
Health Net of California	For-Profit	85.6%	10.0%	4.4%
Molina Medical Center/American Family Care	For-Profit	82.8%	10.6%	6.6%
One Health Plan of California	For-Profit	85.8%	13.8%	0.5%
PacifiCare of California	For-Profit	88.0%	9.6%	2.4%
Universal Care	For-Profit	91.8%	8.7%	-0.5%

Sources:

Department of Managed Health Care List of All Licensed Plans (Public Alpha Report)

HMO and Health Plan Financial Statements as submitted to Department of Managed Health Care by licensed Knox-Keene health plans (website: <http://wps0.dmhc.ca.gov/fe/search.asp>)

<sup>1</sup> Blue Cross of California includes their HMO, PPO, and POS products.

# Knox-Keene Health Plan Expenditures Summary

## General Program Data for Full-Service and Public Health Plans

FY 2002-2003

**Table VII<sup>i</sup>**

Health Plan	Model Type	Offers Small Group	Medicare Contract	MediCal Contract	Number of IPAs	Number of Medical Groups	Number of Hospitals	Physician Payment Method
<b>Full Service Health Plans</b>								
Aetna U.S. Healthcare of California	Network of Medical Groups, Single Medical Groups, IPAs, Direct Contracting	No	Yes	No	209	266	3	GC, IC
Blue Cross of California	Direct Contracting, IPA, Network of Medical Groups	Yes	Yes	Yes	132	419	35	IC, GC
Blue Shield of California	Network of Medical Groups, IPAs, Direct Contracting	Yes	Yes	No	395	622	395	GC, FFS
Care 1 <sup>st</sup> Health Plan	Single Medical Group, Network of Medical Groups, IPAs, Staff	No	No	Yes	60	65	5	IC, GC, FFS
Chinese Community Health Plan <sup>ii</sup>	Network of Medical Groups, IPAs	Yes	Yes	No	1	7	0	N/A
CIGNA HealthCare of California	Network of Medical Groups, IPAs, Direct Contracting	Yes	No	No	88	234	54	FFS, GC
Health Net of California	Network of Medical Groups, IPAs, Direct Contracting	Yes	Yes	Yes	118	346	83	GC, Other
Inter Valley Health Plan	IPAs, Network of Medical Groups	N/A	N/A	N/A	9	13	4	GC
Kaiser Foundation Health Plan	Group Model HMO	Yes	Yes	Yes	N/A	27;17	2	GC
Molina Medical Center	Network of Medical Groups, IPAs, Direct Contracting, Staff	No	No	Yes	64	114	46	GC, S, IC, FFS
One Health Plan of California	Network of Medical Groups, IPAs, Direct Contracting	Yes	No	No	16	305	144	FFS/w, GC
PacificCare of California	Network of Medical Groups, IPAs, Direct Contracting	Yes	Yes	No	231	284	85	N/A
SmartCare Health Plan <sup>1</sup>	Network of Medical Groups, IPAs	No	Yes	Yes	19	78	12	GC

<sup>1</sup> Formerly SCAN Health Plan

Health Plan	Model Type	Offers Small Group	Medicare Contract	Medical Contract	Number of IPAs	Number of Medical Groups	Number of Hospitals	Physician Payment Method
Sharp Health Plan	Network of Medical Groups, IPAs, Other	Yes	No	Yes	1	14	2	GC, IC, FFS
UHP Healthcare	Network of Medical Groups, IPAs, Staff	Yes	Yes	Yes	36	72	51	GC, FFS, IC
Universal Care	Network of Medical Groups, IPAs, Staff, Single Medical Group, Direct Contracting	Yes	Yes	Yes	124	170	50	FFS, GC, S, IC
<b>Public Health Plans</b>								
Alameda Alliance for Health	Direct Contracting, IPAs	No	No	Yes	2	11	136	IC, GC, FFS
Community Health Plan	Network of Medical Groups, IPAs, Staff	No	No	No	36:1	81:4	36:1	GC
Contra Costa Health Plan	Staff, Direct Contracting	Yes	Yes	Yes	0	5:1	0	FFS, S
Health Plan of San Joaquin	Direct Contracting, Network of Medical Groups, IPAs	No	No	No	1	12	18	IC, FFS/w
Health Plan of San Mateo	IPAs, Direct Contracting, Network of Medical Groups	No	No	Yes	0	9	25	FFS, IC
Inland Empire Health Plan	Network of Medical Groups, Direct Contracting	No	No	Yes	15	26	N/A	N/A
L.A. Care Health Plan <sup>i</sup>	Plan Partner/Delegated, Network of Medical Groups, IPAs	No	No	Yes	37	50	37	GC, FFS
San Francisco Health Plan	Network of Medical Groups, IPAs, Staff	No	No	Yes	0	6	6	FFS, GC
Santa Clara Family Health Plan	Network of Medical Groups, IPAs, Direct Contracting	No	No	Yes	2	11	4	C, FFS, GC, FFS/w
Valley Health Plan	N/A	No	No	Yes	0	3	1	GC, IC, FFS
Western Health Advantage	Network of Medical Groups, IPAs, Direct Contracting	Yes	Yes	Yes	2	8	5	GC

**Physician Payment Method Key:**  
C-Capitation  
DF-Discounted Fees  
Dis/FFS-Discounted Fee-for-Service  
FFS-Fee-for-Service  
FFS/w-Fee-for-Service w/ Withhold  
GC-Group/Global Capitation  
IC-Individual Capitation  
IC/w-Individual Capitation w/ Withhold  
S-Salary

Source: California Association of Health Plans 2003 Profile and Annual Report

<sup>i</sup> Values following semicolon (;) for Number of IPAs, Medical Groups and Hospitals represents number owned by health plan; all other values represent number contracted.  
<sup>ii</sup> Values for Number of IPAs and Number of Medical Groups are combined values for both.

# Knox-Keene Health Plan Expenditures Summary

## Geographic Coverage Counties Served

FY 2002-2003

**Table VIII**

Health Plan	Enrollees	Counties Served	Regions
<i>Full Service Health Plans</i>			
<b>Aetna Health Care of California</b>	523,099	Alameda, Amador, Contra Costa, El Dorado, Fresno, Kern, Kings, Los Angeles, Madera, Marin, Merced, Monterey, Napa, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, San Joaquin, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus, Tulare, Tuolumne, Ventura, Yolo, Yuba	1, 2, 3, 4, 5, 6, 7, 8
<b>Blue Cross of California</b>	4,836,701	Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Imperial, Inyo, Kern, Kings, Lake, Lassen, Los Angeles, Madera, Marin, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Orange, Placer, Plumas, Riverside, Sacramento, 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	1, 2, 3, 4, 5, 6, 7, 8
<b>Blue Shield of California</b>	2,298,399	Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Imperial, Inyo, Kern, Kings, Lake, Lassen, Los Angeles, Madera, Marin, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Orange, Placer, Plumas, Riverside, Sacramento, 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	1, 2, 3, 4, 5, 6, 7, 8
<b>Care 1st Health Plan</b>	196,616	Los Angeles	7
<b>Chinese Community Health Plan</b>	10,734	San Francisco	3
<b>CIGNA HealthCare of California</b>	634,568	Alameda, Butte, Contra Costa, El Dorado, Fresno, Glenn, Kern, Kings, Los Angeles, Marin, Merced, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, San Joaquin, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus, Tulare, Ventura, Yolo	1, 2, 3, 4, 5, 6, 7, 8
<b>Community Health Group</b>	95,817	San Diego	7

Health Plan	Enrollees	Counties Served	Regions
Health Net of California	2,392,664	Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Imperial, Inyo, Kern, Kings, Lake, Lassen, Los Angeles, Madera, Marin, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Orange, Placer, Plumas, Riverside, Sacramento, 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	1, 2, 3, 4, 5, 6, 7, 8
Inter Valley Health Plan	14,823	Los Angeles, Riverside, San Bernardino	7, 8
Kaiser Foundation Health Plan	6,567,050	Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Imperial, Inyo, Kern, Kings, Lake, Lassen, Los Angeles, Madera, Marin, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Orange, Placer, Plumas, Riverside, Sacramento, 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	1, 2, 3, 4, 5, 6, 7, 8
Molina Medical Center/American Family Care	286,180	Los Angeles, Riverside, Sacramento, San Bernardino, Yolo	4, 7, 8
One Health Plan of California	59,015	Alameda, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Imperial, Inyo, Kern, Kings, Lake, Lassen, Los Angeles, Madera, Marin, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Orange, Placer, Plumas, Riverside, Sacramento, 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	1, 2, 3, 4, 5, 6, 7, 8
PacificCare of California	1,929,076	Alameda, Contra Costa, El Dorado, Fresno, Imperial, Kern, Kings, Los Angeles, Nevada, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, San Joaquin, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus, Tulare, Ventura, Yolo	1, 2, 3, 4, 5, 6, 7, 8
Sharp Health Plan	119,036	Riverside, San Diego	7, 8
SmartCare Health Plan <sup>1</sup>	53,455	Los Angeles, Orange, Riverside, San Bernardino	7, 8
UHP Healthcare	108,482	Los Angeles, Orange, Riverside, San Bernardino	7, 8
Universal Care	355,204	Kern, Los Angeles, Orange, Riverside, San Bernardino, San Diego, Ventura	5, 6, 7, 8
Western Health Advantage	60,347	Colusa, El Dorado, Placer, Sacramento, Solano, Yolo	2, 4

<sup>1</sup> Formerly SCAN Health Plan

Health Plan	Enrollees	Counties Served	Regions
<i>Public Health Plans</i>			
Alameda Alliance for Health	85,271	Alameda	3
CalOptima	312,506	Orange	7
Central Coast Alliance for Health	85,098	Monterey, Santa Cruz	5
Community Health Plan	162,089	Los Angeles	7
Contra Costa Health Plan	59,187	Contra Costa	3
Health Plan of San Joaquin	64,418	San Joaquin	4
Health Plan of San Mateo	46,784	San Mateo	3
Inland Empire Health Plan	241,258	Riverside, San Bernardino	8
Kern Health Systems	74,712	Kern	6
L.A. Care Health Plan	818,539	Los Angeles	7
Partnership Health Plan	75,219	Napa, Solano, Yolo	2, 4
San Francisco Health Plan	42,356	San Francisco	3
Santa Clara Family Health Authority	91,883	Santa Clara	3
University of California Regents (UC San Diego)	12,920	San Diego	7
Valley Health Plan	45,687	Santa Clara	3
Ventura County Health Plan	10,655	Ventura	5

Sources:

Department of Managed Health Care List of All Licensed Plans (Public Alpha Report) HMO and Health Plan Financial Statements as submitted to Department of Managed Health Care by licensed Knox-Keene health plans (website: <http://wpso.dmhca.ca.gov/fe/search.asp>)

California Association of Health Plans 2003 Profile and Annual Report

# Knox-Keene Health Plan Expenditures Summary

## Geographic Coverage Health Plans by Region

*FY 2002-2003*

- 1) North Coast  
*Del Norte, Humboldt, Mendocino, Sonoma*  
Plans: Aetna Health Care of California; Blue Cross of California; Blue Shield of California; CIGNA HealthCare of California; Health Net of California; Kaiser Foundation Health Plan, Inc.; One Health Plan of California; PacifiCare of California.
- 2) North Central  
*Butte, Colusa, Glenn, Lake, Lassen, Modoc, Napa, Nevada, Placer, Plumas, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Yuba*  
Plans: Aetna Health Care of California; Blue Cross of California; Blue Shield of California; CIGNA HealthCare of California; Health Net of California; Kaiser Foundation Health Plan, Inc.; One Health Plan of California; PacifiCare of California; Partnership Health Plan; Western Health Advantage.
- 3) Bay Area  
*Alameda, Contra Costa, Marin, San Francisco, San Mateo, Santa Clara*  
Plans: Aetna Health Care of California; Alameda Alliance for Health; Blue Cross of California; Blue Shield of California; Chinese Community Health Plan; CIGNA HealthCare of California; Contra Costa Health Plan; Health Net of California; Health Plan of San Mateo; Kaiser Foundation Health Plan, Inc.; One Health Plan of California; PacifiCare of California; San Francisco Health Plan; Santa Clara Family Health Authority; Valley Health Plan.
- 4) Sacramento Valley  
*Alpine, Amador, Calaveras, El Dorado, Sacramento, San Joaquin, Solano, Yolo*  
Plans: Aetna Health Care of California; Blue Cross of California; Blue Shield of California; CIGNA HealthCare of California; Health Net of California; Health Plan of San Joaquin; Kaiser Foundation Health Plan, Inc.; Molina Medical Center/American Family Care; One Health Plan of California; PacifiCare of California; Partnership Health Plan; Western Health Advantage.
- 5) Central Coast  
*Monterey, San Luis Obispo, Santa Barbara, Santa Cruz, Ventura*  
Plans: Aetna Health Care of California; Blue Cross of California; Blue Shield of California; Central Coast Alliance for Health; CIGNA HealthCare of California; Health Net of California; Kaiser Foundation Health Plan, Inc.; One Health Plan of California; PacifiCare of California; Santa Barbara Regional Health Authority; Universal Care; Ventura County Health Plan.
- 6) Central Valley  
*Fresno, Inyo, Kern, Kings, Madera, Mariposa, Merced, Mono, San Benito, Stanislaus, Tulare, Tuolumne*  
Plans: Aetna Health Care of California; Blue Cross of California; Blue Shield of California; CIGNA HealthCare of California; Health Net of California; Kaiser Foundation Health Plan, Inc.; Kern Health Systems; One Health Plan of California; PacifiCare of California; Universal Care.

7) South Coast

*Los Angeles, Orange, San Diego*

Plans: Aetna Health Care of California; Blue Cross of California; Blue Shield of California; CalOptima; Care 1<sup>st</sup> Health Plan; CIGNA HealthCare of California; Community Health Plan; Community Health Group; Health Net of California; InterValley Health Plan; Kaiser Foundation Health Plan, Inc.; Molina Medical Center; One Health Plan of California; PacifiCare of California; Sharp Health Plan; SmartCare Health Plan; UHP Healthcare; UC San Diego Health Plan; Universal Care.

8) South Inland

*Imperial, Riverside, San Bernardino*

Plans: Aetna Health Care of California; Blue Cross of California; Blue Shield of California; CIGNA HealthCare of California; Health Net of California; Inter Valley Health Plan; Inland Empire Health Plan; Kaiser Foundation Health Plan, Inc.; Molina Medical Center; One Health Plan of California; PacifiCare of California; SmartCare Health Plan; Universal Care; UHP Healthcare.



# Knox-Keene Health Plan Expenditures Summary

## 2002 Executive Compensation

FY 2002-2003

Table IX

Health Plan	Name	Position	Annual Salary	Other Annual Compensation <sup>1</sup>	Total Annual Compensation	Number of Stock Options
Aetna, Inc.	John Rowe, M.D.	Chairman/CEO	\$1,000,000	\$2,589,490	\$3,589,490	350,000
Aetna, Inc.	Ronald Williams	President	\$848,077	\$1,500,372	\$2,348,449	200,000
CIGNA Corp.	H. Edward Hanway	Chairman/CEO	\$1,021,900	\$0	\$1,021,900	328,526
CIGNA Corp.	Patrick Welch	President, CIGNA Health Care	\$426,900	\$800,000	\$1,226,900	30,000
Health Net, Inc.	Jay Gellert	President/CEO	\$754,808	\$765,755	\$1,520,563	325,000
Health Net, Inc.	Marvin Rich	Executive VP, Finance and Health Plan Operations	\$451,923	\$811,133	\$1,263,056	800,000
PacificCare Health Systems, Inc.	Howard Phanstiel	President/CEO	\$917,309	\$2,020,160	\$2,937,469	700,000
PacificCare Health Systems, Inc.	Bradford Bowlus	Executive VP, President/CEO PacificCare Health Plans	\$600,001	\$976,348	\$1,576,349	N/A
WellPoint Health Networks	Leonard Schaffer	Chairman/CEO	\$1,246,155	\$5,831,258	\$7,077,413	553,042
WellPoint Health Networks, Inc.	David Colby	Executive VP/CFO	\$541,231	\$1,340,377	\$1,881,608	N/A

Source: Atlantic Information Services chart (based on company proxy statements): "2002 Executive Compensation and Stock Options at Publicly Traded Managed Care Firms" (website [www.aishhealth.com](http://www.aishhealth.com)).

<sup>1</sup> Other Compensation includes bonuses and other compensation.

# Knox-Keene Health Plan Expenditures Summary

Appendix  
FY 2002-2003

## Managed Care Consumer Resources

- **Consumer Reports article: *HMO or PPO: Picking a managed-care plan***  
[http://www.consumerreports.org/main/content/display\\_report.jsp](http://www.consumerreports.org/main/content/display_report.jsp)
- **Kaiser Family Foundation: State Health Facts**  
<http://www.statehealthfacts.kff.org>
- **Pacific Business Group on Health: HealthScope**  
<http://www.healthscope.org/interface/default.asp>
- **State of California Office of the Patient Advocate: Quality of Care Report Card**  
[http://www.opa.ca.gov/report\\_card/](http://www.opa.ca.gov/report_card/)