



CaliforniaChoice
Your Health. Your Choice.



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**More Options in Today's Healthcare Benefits
Change Open Enrollment Choices for California Employees**

***Industry Leader Cites Options Available and Urges Employees
to Choose Benefits and Prices That are Right for Them***

(ORANGE, CA – November 8, 2004) — As millions of working Californians make their annual healthcare benefit selections during a time known as “open enrollment,” one of the industry’s leading authorities on healthcare benefits advises consumers to look carefully at all the options now available to them.

“In the past year, there have been a lot of new developments in healthcare benefits and it is very important that consumers be aware of these options and take the time to choose a health plan that best matches their family’s needs and budget,” says Ron Goldstein, president of CaliforniaChoice. “Making this important decision is much simpler if companies offer their employees more than just one health plan to enroll in.”

A decade ago, only large companies offered multiple health plan choices to their employees, as smaller employers shied away from the administrative complexities of managing several plans for a small workforce. Fortunately, today’s small-group health purchasing alliances have made it possible for employers with as few as two employees to offer several HMO and PPO benefit designs through multiple health plans.

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“Health purchasing alliances also balance the scale between an employer’s budget and an employee’s out of pocket expenditures,” says Goldstein, a 20-year veteran of the health insurance industry and one of the nation’s leading architects in the creation and acceptance of employee-choice health plans. “Companies offering these programs put the decision making and control where it belongs – with the employee.”

According to Goldstein, there are multiple factors an employee should consider when making their health plan selection. In addition to evaluating costs, employees should consider health plan reputation, benefit design, physician and hospital network, and prescription drug formulary. There is a lot of information about doctors, health plans and formularies available to employees to help them with their decision. There is also a growing library of reliable data that allows employees to compare hospitals by evaluating factors such as surgical outcomes, costs, and patient satisfaction.

Over the past 12 months, another option has emerged that combines lower premiums with higher deductibles. These consumer-directed plans are best suited for those who want maximum control over their healthcare dollars and the quality of their care. Many high-deductible PPO plans are compatible with Health Reimbursement Arrangements (HRAs), Health Savings Accounts (HSAs) and Flexible Spending Accounts (FSAs), which are tax-favored, consumer directed healthcare spending and savings accounts designed to give employers and employees greater ability to manage their own healthcare spending.

An HRA is a tax-free healthcare reimbursement arrangement established and funded by employers. An HSA is a tax-advantaged trust or custodial account in which contributions can be made by the employer, employee or someone else (subject to a gift tax). An FSA account is funded by the employee through pre-tax payroll deductions and can be used to pay for eligible health and dependent care expenses.

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“If your employer offers a consumer-directed health plan program,” says Goldstein, “you should take the time to look at it carefully, educate yourself about the options, and decide if it’s right for you. By looking at your family’s health history, patterns in using healthcare services and insurance plans, your current financial situation and the ability to make informed decisions about healthcare spending, you can see if you’re a good candidate for this model or choose to remain with a more traditional HMO or PPO design with higher monthly premiums, but lower out of pocket expenses. The important thing is that now, more than ever, consumers do have a choice.”

CaliforniaChoice is a product of CHOICE Administrators, the nation’s leading administrative company for employee-choice health benefits. Based in Orange, California, CaliforniaChoice currently delivers health coverage to over 150,000 members through more than 10,000 employer groups with 2-50 employees. In 2002, the Health Insurance Association of America honored CaliforniaChoice with its prestigious “Innovators Award,” an annual recognition for a select company whose contributions have led to “true industry advancement.”

CHOICE Administrators recently introduced CaliforniaChoice 51+, a new product that will provide a way for business owners with 51 to 199 employees to offer quality healthcare benefits while managing escalating premiums.

More information about CaliforniaChoice is available at www.calchoice.com.

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