



**CaliforniaChoice**  
*Your Health. Your Choice.*

**News**  
For Immediate Release

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**CaliforniaChoice Announces HSA Qualified Plan**

***CaliforniaChoice PPO 2400 Provides Employees of Small Businesses Comprehensive Healthcare Coverage and Significant Tax Advantage at the Lowest Possible Cost***

(ORANGE, CA – January 19, 2004) — One of the most significant outcomes of the new Medicare Reform laws that took affect January 1 was the creation of Health Savings Accounts (HSAs) as a tax-free way for individuals to pay for select medical expenses. Now CaliforniaChoice, the nation’s foremost consumer-choice exchange model for small group healthcare benefits, has announced the offering of a low-cost, high-deductible plan that qualifies for this exciting new HSA compatible benefit.

The CaliforniaChoice PPO 2400 features the extensive Blue Shield PPO network, the largest assemblance of physicians in California. Enrollees in this plan may choose to open a HSA account at anytime throughout the year (participation in the HSA is not a requirement for plan enrollment). If they do so, both employers and/or employees may annually contribute tax-deductible funds up to \$2,400 for individuals and \$4,800 for families. These funds rollover every year and tax-free withdrawals can be used for co-pays, hospital stays, prescription drugs, eyeglasses, x-rays and more.

“A Health Savings Account is a wonderful benefit that people should take a serious look at as it provides a very real way to impact out-of-pocket healthcare spending,” said Ron Goldstein, president of CaliforniaChoice. “Participating in a low-cost, high-deductible health insurance policy such as our PPO 2400 is a great way to attain comprehensive coverage and have the availability of an HSA.”

***(More)***

CaliforniaChoice PPO 2400 is a consumer-direct product designed for those individuals wishing to take greater control in managing their healthcare decisions and dollars. The high-deductible and low-cost product protects against major or catastrophic illness while providing enrollees the motivation they need to better navigate through the healthcare system and self-direct their own care.

“The HSA is an essential element in this product as it helps create the financial incentives for the employee to be a more prudent purchaser of healthcare,” said Goldstein. “People spending their own money and taking an active role in their decision making will likely think twice before running to the doctor for treatment of a mild fever if they have to lay out \$95 for the visit and \$45 for a prescription as opposed to just \$10 HMO co-pays.”

Because the concept behind consumer-directed care is not right for everyone, CaliforniaChoice concurrently offers small businesses and their employees a wide array of carriers, other plan designs and benefit levels from which to choose. Through its innovative consumer-choice exchange model structure, CaliforniaChoice administers all these options under a single, seamless umbrella. Employers, rather than selecting one health plan for their entire workforce, define a contribution towards their employees’ health benefit. Employees are then free to choose the plan that best matches their needs and pocketbook.

“We are embarking on a new era of health insurance where employers demand cost predictability and better financial management while employees look for greater choice and empowerment,” said Goldstein. “Consumer-choice exchange models address all of these needs and in doing so provide the nation’s best hope for affordable and meaningful health insurance for its working citizens.”

CaliforniaChoice is part of CHOICEAdministrators, the nation’s leading developer and administrator of consumer-choice exchange models. Based in Orange, California, CaliforniaChoice currently delivers health coverage to over 150,000 members at 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.” Further information on CaliforniaChoice may be obtained at [www.calchoice.com](http://www.calchoice.com).