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**CaliforniaChoice Becomes First Health Insurance Exchange  
in America to Reach 20 Million Member-Month Plateau**

*Nation's Oldest Health Insurance Exchange for Small and Mid-Size Employers  
Creates Model for Exchanges Given New Health Reform Mandates*

(ORANGE, CA – August 19, 2010) – CaliforniaChoice® announced today that it has become the first health insurance exchange in the nation to reach the 20 million member-month plateau, solidifying its position as the country's most successful health insurance exchange for small and mid-size employers. Founded in 1996, CaliforniaChoice is a product of CHOICE Administrators®, the nation's leader in developing and administering health insurance exchanges.

Health insurance exchanges promote choice and make health insurance purchasing more value-based by allowing an individual or small business to compare the costs and benefits of various health plans and benefit options. With such information in hand, purchasers are able to do a better job selecting a health plan that best fits their needs and budget. A key part of the recently passed healthcare reform legislation mandates that every state establish a health insurance exchange by January 1, 2014.

Member months reflect how long an individual has been a member of the exchange and are a vital metric for measuring an exchange's ability to retain members over an extended period of time. The 20 million member-month milestone is particularly significant given that similarly structured state-run small-group exchanges have either failed or are still feeling their way, especially in serving the group market. "If done properly – as the privately run CaliforniaChoice has shown it can be – exchanges have the capacity to help us move to a more rational method of purchasing health coverage while getting society closer to achieving the noble goal of universal coverage for all its citizens," said Ron Goldstein, president of CHOICE Administrators.

*(More)*

## **CHOICE Administrators/20 Million Member Plateau**

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Key to the success of an exchange is an integrated and seamless network of strong health plans and decision support tools that bring to the purchaser a wide choice of products at different price points and benefit levels. Participating in California*Choice* are Anthem Blue Cross; Health Net; Kaiser Permanente; Sharp Health Plan; Western Health Advantage; and numerous leading dental, vision, chiropractic and related ancillary benefit plans.

Under the new legislation taking effect January 1, 2014, exchanges must be made available for both individual and family plans (IFP) and small groups with possibly up to 100 employees. Each of the health plans offered in an exchange will include an essential set of benefits that provide comprehensive healthcare services with different levels of cost sharing. Annual out-of-pocket expenses for individuals will be limited to an amount equal to the Health Savings Account current law limit. Multiple benefit categories will exist so purchasers can choose the one that best meets their needs and pocketbook. Individuals who cannot afford to purchase a plan in an exchange may be eligible for a subsidy from the government based on income and family size.

“In many ways the exchange is like a giant, online health shopping mall filled with an assortment of carriers offering their products at various price points and benefits,” said Goldstein. “The California*Choice* model has witnessed unprecedented success, and it’s not a stretch to call it a model for how exchanges should be established and administered under the new regulations.”

*CHOICE* Administrators<sup>®</sup> Exchanges is the nation's leader in developing and administering health insurance exchanges. Currently serving more than 10,500 employers and more than 180,000 members, *CHOICE* Administrators<sup>®</sup> is a member of The Word & Brown Companies, the nation's leading developer and administrator of consumer choice exchange models. Among the products currently operated by *CHOICE* Administrators<sup>®</sup> are the California*Choice*<sup>®</sup> small group (2-50 employees) and mid-market (51- 199 employees ) private exchanges and Quotit, one of the nation’s largest individual/family proposal and online enrollment systems that generated 2.5 million individual health quotes nationally in 2009. Further information may be obtained at [www.choiceadmin.com](http://www.choiceadmin.com).

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