

**BEFORE & AFTER RESULTS OF THE PROPOSED
CALIFORNIA HMO ACQUISITIONS¹
USING MARCH 31, 2015 ENROLLMENT DATA**

- **Combined lines of HMO business** (Commercial, Medicare & Medi-Cal)
 - Concentration – minor changes in enrollment numbers resulting in 3 plans representing 54% of market to 55%; however, there will be fewer competitors in many counties (see remarks under Commercial and Medicare)
 - Rankings – Blue Shield (w/Care 1st) moves from 5th to 4th and United moves from 7th to 5th
- **Commercial**
 - Concentration – continues to increase with 5 plans representing 96% of market (up from 90%); and **the combinations of: 1) Blue Cross/Cigna reduces competitiveness in 31 counties²; and 2) United with Aetna reduces competitiveness in 30 counties³**
 - Ranking – Blue Cross (w/Cigna) moves from 4th to 2nd
- **Medicare**
 - Concentration – minor changes in enrollment numbers resulting in the first 5 plans in either scenario; however, **the combinations of: 1) Aetna/Humana reduces competitiveness in 8 counties⁴; and 2) United/Aetna/Humana reduces competitiveness in 27 counties**, and reduces more than 1 competitor in 7 of the 27 counties⁵
 - Rankings – Blue Shield (w/Care 1st) moves up over 4th place SCAN and Aetna (w/Humana) moves into 6th from not being ranked in the top 10 in the “before” scenario
- **Medi-Cal**
 - Concentration – little change
 - Ranking – no change
- **Overall Observation** – **major concentration** has already occurred **prior** to the currently proposed mergers and/or acquisitions; however, the proposed further exacerbates the concentrations. In addition, there will be a **reduction of competing plans in the majority of California counties**, which will most likely result in increased contracting pressure on delegated medical groups

¹ Aetna acquiring Humana
Anthem Blue Cross acquiring Cigna
California Physicians Services (Blue Shield) acquiring Care 1st
Centene (aka in California as California Health and Wellness) acquiring Health Net
UnitedHealth acquiring Aetna (including Humana)

² 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, Sutter, Tulare, Ventura & Yolo.

³ Alameda, Contra Costa, El Dorado, Fresno, Imperial, Kern, Kings, Los Angeles, Marin, Merced, 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.

⁴ Fresno, Kern, Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura.

⁵ Alameda, Amador, Contra Costa, El Dorado, Fresno, Kern (2), Los Angeles (2), Madera, Merced, Orange (2), Placer, Riverside (2), Sacramento, San Bernardino (2), San Diego (2), San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus, Tulare, Ventura (2) & Yolo.

See attached tables

FULL SERVICE HMO PLANS' ENROLLMENT FOR MARCH 31, 2015
ENROLLMENT IS CURRENT STATUS (BEFORE) & WITH POSSIBLE ACQUISITIONS (AFTER) (see Notes on page 5)

CURRENT (BEFORE)			
TOP 10 HEALTH PLANS (Commercial HMO enrollees) - 2015	Commercial	Running %	Rank
Kaiser Foundation Health Plan, Inc (Lic#933-0055)	6,092,389	61%	1
California Physicians' Service dba Blue Shield of California (Lic#933-0043)	908,798	70%	2
Health Net Plans (see "Notes" on Page 5)	788,100	78%	3
Blue Cross of California dba Anthem Blue Cross (Lic#933-0303)	735,308		
CareMore Health Plan (Lic#933-0408)	0	86%	4
UHC of California dba UnitedHealthcare of California (Lic#933-0126) (PacifiCare/Secure Horizons)	448,895	90%	5
Aetna Health of California Inc (Lic#933-0176)	387,428	94%	6
Cigna HealthCare Plans (see "Notes" on Page 5)	183,466	96%	7
Western Health Advantage (Lic#933-0348)	117,448	97%	8
Sharp Health Plan (Lic#933-0310)	103,890	98%	9
L.A. Care Plans (see "Notes" on Page 5) (IHSS only)	45,992	99%	10
All Others (12, 5 are IHSS only)	125,172	100%	
TOTAL COMMERCIAL	9,936,886		

WITH POSSIBLE ACQUISITIONS (AFTER)			
TOP 10 HEALTH PLANS (Commercial HMO enrollees) - 2015	Commercial	Running %	Rank
Kaiser Foundation Health Plan, Inc (Lic#933-0055)	6,092,389	61%	1
Blue Cross of California dba Anthem Blue Cross (Lic#933-0303)	735,308		
CareMore Health Plan (Lic#933-0408)	0		
Cigna HealthCare Plans (see "Notes" on Page 5)	183,466	71%	2
California Physicians' Service dba Blue Shield of California (Lic#933-0043)	908,798		
Care 1st Health Plan (Lic#933-0326)	0	80%	3
UHC of California dba UnitedHealthcare of Calif (Lic#933-0126) (PacifiCare/Secure Horizons)	448,895		
Aetna Health of California Inc (Lic#933-0176)	387,428		
Humana Health Plan of California, Inc (Lic#933-0476)	0	88%	4
California Health & Wellness (Lic#933-0493) (Centene)	0		
Health Net Plans (see "Notes" on Page 5)	788,100	96%	5
Western Health Advantage (Lic#933-0348)	117,448	97%	6
Sharp Health Plan (Lic#933-0310)	103,890	98%	7
L.A. Care Plans (see "Notes" on Page 5) (IHSS only)	45,992	99%	8
Santa Clara County Plans (see "Notes" on Page 5)	20,186	99%	9
Molina Healthcare of California (Lic#933-0322)	19,481	99%	10
All Others (11, 5 are IHSS only)	85,505	100%	
TOTAL COMMERCIAL	9,936,886		

FULL SERVICE HMO PLANS' ENROLLMENT FOR MARCH 31, 2015
ENROLLMENT IS CURRENT STATUS (BEFORE) & WITH POSSIBLE ACQUISITIONS (AFTER) (see Notes on page 5)

CURRENT (BEFORE)			
TOP 10 HEALTH PLANS (Medicare HMO enrollees) - 2015	Medicare	Running %	Rank
Kaiser Foundation Health Plan, Inc (Lic#933-0055)	1,036,159	46%	1
UHC of California dba UnitedHealthcare of California (Lic#933-0126) (PacifiCare/Secure Horizons)	328,034	61%	2
Health Net Plans (see "Notes" on Page 5)	191,700	69%	3
SCAN Health Plan (Lic#933-0212)	148,662	76%	4
California Physicians' Service dba Blue Shield of California (Lic#933-0043)	112,761	81%	5
Blue Cross of California dba Anthem Blue Cross (Lic#933-0303)	15,490		
CareMore Health Plan (Lic#933-0408)	55,895	71,385	84%
Humana Health Plan of California, Inc (Lic#933-0476)	61,723	87%	7
Care 1st Health Plan (Lic#933-0326)	57,577	89%	8
Easy Choice Health Plan (Lic#933-0457)	33,644	91%	9
Central Health Plan of California (Lic#933-0404)	26,675	92%	10
All Others (17)	186,135	100%	
TOTAL MEDICARE	2,254,455		

WITH POSSIBLE ACQUISITIONS (AFTER)			
TOP 10 HEALTH PLANS (Medicare HMO enrollees) - 2015	Medicare	Running %	Rank
Kaiser Foundation Health Plan, Inc (Lic#933-0055)	1,036,159	46%	1
UHC of California dba UnitedHealthcare of Calif (Lic#933-0126) (PacifiCare/Secure Horizons)	328,034		
Aetna Health of California Inc (Lic#933-0176)	16,801		
Humana Health Plan of California, Inc (Lic#933-0476)	61,723	406,558	64%
California Health & Wellness (Lic#933-0493)	0		
Health Net Plans (see "Notes" on Page 5)	191,700	191,700	72%
California Physicians' Service dba Blue Shield of California (Lic#933-0043)	112,761		
Care 1st Health Plan (Lic#933-0326)	57,577	170,338	80%
SCAN Health Plan (Lic#933-0212)	148,662	87%	5
Blue Cross of California dba Anthem Blue Cross (Lic#933-0303)	15,490		
CareMore Health Plan (Lic#933-0408)	55,895		
Cigna HealthCare Plans (see "Notes" on Page 5)	0	71,385	90%
Easy Choice Health Plan (Lic#933-0457)	33,644	91%	7
Central Health Plan of California (Lic#933-0404)	26,675	92%	8
Inland Empire Health Plan (Lic#933-0346) (IEHP)	24,765	94%	9
Inter Valley Health Plan (Lic#933-0151)	22,287	95%	10
All Others (16)	122,282	100%	
TOTAL MEDICARE	2,254,455		

FULL SERVICE HMO PLANS' ENROLLMENT FOR MARCH 31, 2015
ENROLLMENT IS CURRENT STATUS (BEFORE) & WITH POSSIBLE ACQUISITIONS (AFTER) (see Notes on page 5)

CURRENT (BEFORE)			
TOP 10 HEALTH PLANS (Medi-Cal HMO enrollees) - 2015			
ENROLLMENT COUNTS AFTER SUBCONTRACTING			
	Medi-Cal	Running %	Rank
Health Net Plans (see "Notes" on Page 5)	1,496,165	17%	1
Blue Cross of California dba Anthem Blue Cross (Lic#933-0303)	1,101,913		
CareMore Health Plan (Lic#933-0408)	0	30%	2
Inland Empire Health Plan (Lic#933-0346) (IEHP)	951,755	41%	3
Orange Prevention & Treatment Integrated Medical Assistance dba CalOptima (Lic#933-0394)	690,850	49%	4
Kaiser Foundation Health Plan, Inc (Lic#933-0055)	525,141	55%	5
Molina Healthcare of California (Lic#933-0322)	390,424	60%	6
Care 1st Health Plan (Lic#933-0326)	356,150	64%	7
L.A. Care Plans (see "Notes" on Page 5)	291,212	67%	8
San Joaquin Health Commission/dba Health Plan of San Joaquin (Lic#933-0442)	289,331	71%	9
Alameda Alliance for Health (Lic#933-0328)	209,186	73%	10
All Others (18)	2,305,905	100%	
TOTAL MEDI-CAL	8,608,032		

WITH POSSIBLE ACQUISITIONS (AFTER)			
TOP 10 HEALTH PLANS (Medi-Cal HMO enrollees) - 2015			
ENROLLMENT COUNTS AFTER SUBCONTRACTING			
	Medi-Cal	Running %	Rank
California Health & Wellness (Lic#933-0493) (Centene)	169,374		
Health Net Plans (see "Notes" on Page 5)	1,496,165	19%	1
Blue Cross of California dba Anthem Blue Cross (Lic#933-0303)	1,101,913		
CareMore Health Plan (Lic#933-0408)	0	32%	2
Inland Empire Health Plan (Lic#933-0346) (IEHP)	951,755	43%	3
Orange Prevention & Treatment Integrated Medical Assistance dba CalOptima (Lic#933-0394)	690,850	51%	4
Kaiser Foundation Health Plan, Inc (Lic#933-0055)	525,141	57%	5
Molina Healthcare of California (Lic#933-0322)	390,424	62%	6
California Physicians' Service dba Blue Shield of California (Lic#933-0043)	0		
Care 1st Health Plan (Lic#933-0326)	356,150	66%	7
L.A. Care Plans (see "Notes" on Page 5)	291,212	69%	8
San Joaquin Health Commission/dba Health Plan of San Joaquin (Lic#933-0442)	289,331	73%	9
Alameda Alliance for Health (Lic#933-0328)	209,186	75%	10
All Others (17)	2,137,404	100%	
TOTAL MEDI-CAL	8,608,905		

FULL SERVICE HMO PLANS' ENROLLMENT FOR MARCH 31, 2015
ENROLLMENT IS CURRENT STATUS (BEFORE) & WITH POSSIBLE ACQUISITIONS (AFTER) (see Notes on page 5)

CURRENT (BEFORE)					
TOP 10 HMOs, TOTAL ALL TYPES OF HMO ENROLLEES AFTER SUBCONTRACTING			Total	Running %	Rank
Kaiser Foundation Health Plan, Inc (Lic#933-0055)			7,653,689	37%	1
Health Net Plans (see "Notes" on Page 5)			2,475,965	49%	2
Blue Cross of California dba Anthem Blue Cross (Lic#933-0303)			1,852,711		
CareMore Health Plan (Lic#933-0408)			55,895		
			1,908,606	58%	3
L.A. Care Plans (see "Notes" on Page 5)			1,178,489	64%	4
California Physicians' Service dba Blue Shield of California (Lic#933-0043)			1,021,559	68%	5
Inland Empire Health Plan (Lic#933-0346) (IEHP)			976,520	73%	6
UHC of California dba UnitedHealthcare of California (Lic#933-0126) (PacifiCare/Secure Horizons)			776,929	77%	7
Orange Prevention & Treatment Integrated Medical Assistance dba CalOptima (Lic#933-0394)			703,794	80%	8
Partnership HealthPlan of California (Lic#933-0416)			474,112	83%	9
Molina Healthcare of California (Lic#933-0322)			431,069	85%	10
All Others (47)			3,198,641	100%	
TOTAL ALL HMO ENROLLEES			20,799,373		

WITH POSSIBLE ACQUISITIONS (AFTER)					
TOP 10 HMOs, TOTAL ALL TYPES OF HMO ENROLLEES AFTER SUBCONTRACTING			Total	Running %	Rank
Kaiser Foundation Health Plan, Inc (Lic#933-0055)			7,653,689	37%	1
California Health & Wellness (Lic#933-0493) (Centene)			169,374		
Health Net Plans (see "Notes" on Page 5)			2,475,965		
			2,645,339	50%	2
Blue Cross of California dba Anthem Blue Cross (Lic#933-0303)			1,852,711		
CareMore Health Plan (Lic#933-0408)			55,895		
Cigna HealthCare Plans (see "Notes" on Page 5)			183,466		
			2,092,072	60%	3
California Physicians' Service dba Blue Shield of California (Lic#933-0043)			1,021,559		
Care 1st Health Plan (Lic#933-0326)			413,727		
			1,435,286	66%	4
UHC of California dba UnitedHealthcare of Calif (Lic#933-0126) (PacifiCare/Secure Horizons)			776,929		
Aetna Health of California Inc (Lic#933-0176)			404,229		
Humana Health Plan of California, Inc (Lic#933-0476)			61,723		
			1,242,881	72%	5
Inland Empire Health Plan (Lic#933-0346) (IEHP)			976,520	77%	6
Orange Prevention & Treatment Integrated Medical Assistance dba CalOptima (Lic#933-0394)			703,794	81%	7
Partnership HealthPlan of California (Lic#933-0416)			474,112	83%	8
Molina Healthcare of California (Lic#933-0322)			431,069	85%	9
Santa Cruz-Monterey-Merced Managed Medical Care Commission (Lic#933-0410) (Central California Alliance for Health)			320,167	86%	10
All Others (43)			2,824,444	100%	
TOTAL ALL HMO ENROLLEES			20,799,373		

FULL SERVICE HMO PLANS' ENROLLMENT FOR MARCH 31, 2015
ENROLLMENT IS CURRENT STATUS (BEFORE) & WITH POSSIBLE ACQUISITIONS (AFTER) (see Notes on page 5)

Sources:

- * HMO enrollment - from licensed health plans' financial filings with the Department of Managed HealthCare (DMHC), for March 2015 ("Enrollment" and "Write-Ins" Sections).
- * Gold Coast Health Plan HMO enrollment - from the Department of Health Care Services' (DHCS), "Medi-Cal Managed Care Monthly Capitation Reports", March 2015.

Notes:

- * Only full-service licensed Knox-Keene HMOs and Gold Coast Health Plan were included in this report. For DMHC Plans, unrestricted full-service licensed plans were included. Unrestricted plans are considered for this report as primary plans (i.e., enrollees are obtained directly from governments and/or the market place). The plans included in this report must have been in operation (have enrollees) on March 31, 2015.
- * In order to avoid double counting of HMO enrollees, enrollee counts were counted at the primary level or if enrollees were subcontracted, then subcontracted enrollees were counted at the subcontractor.
- * HMO enrollment excludes enrollees associated with: out-of-state, PPO, Medicare Supplement, Administrative Services Only (ASO), dental and Employee Assistance Program (EAP).
- * HMO enrollment includes:
 - Commercial - large group, small group, individual, HMO high deductible, all Point of Service (POS), In-Home Supportive Services (IHSS) and Covered California.
 - Medicare - risk, cost, MedConnect and Medi-Medi
 - Medi-Cal - Medi-Cal, Healthy Families, Healthy Kids, Multipurpose Senior Services Program (MSSP) and Access for Infants and Mothers (AIM).
- * For ease of analysis and data presentation the enrollment of the following plans were combined:
 - Health Net Community Solutions, Inc (Lic#933-0426) & Health Net of California, Inc (Lic#933-0300)
 - Kern Health Systems (Lic#933-0335) & Kern Health Systems Group Health Plan (Lic#933-0425)
 - L.A. Care Health Plan Joint Powers Authority (Lic#933-0504) & Local Initiative Authority for Los Angeles County dba L.A. Care (Lic#933-0355).
 - Santa Clara Family Health Plan QIF (Lic#933-0444) & Santa Clara Family Health Plan (Lic#933-0351)
 - Cigna HealthCare of California (Lic#933-0152) & Cigna Healthcare Pacific (Lic#933-0325)