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Health Insurance Industry Profits Down in 2007: Executives Explain Why

By **Nora Haile**

Contributing Editor

Washington Healthcare News



Financials from Washington State insurers came in this month and it's evident that the real estate and mortgage industries weren't the only ones feeling the pinch after a rocky 2007. Overall, the state's insurance companies saw net income decrease by \$185 million while enrollment and revenues increased by 38,298 and \$550.2 million, respectively.

We talked to executives at several of the Evergreen State's insurance companies to get their perspective on the changes. Specifically, what they thought were the causes for enrollment changes, what factors were driving the stability (or instability) of the fully insured market, and if they saw a significant migration of clients to high de-

ductible or self-insured plans.

The table on page 6 summarizes the 2006 and 2007 domestic health insurance industry financial results according to the Washington State Office of Insurance Commissioner annual statement filings. It's important to note the figures show fully insured business only and don't include the substantial amount of self-insured business the companies administer. Self-insured financial information is not publicly available so the figures used in this article are for fully insured business only.

Enrollment increases minimal at best

Group Health Cooperative's strong focus on minimized rate increases and cost reductions didn't help enrollment. Holding at 402,011 members, GHC's revenues were down \$59.6 million from 2006. Net income was also down, ending 2007 at \$64.2 million. But they've committed to holding the course. According to Ric Magnuson, the Group Health Cooperative CFO, "We are looking to maintain a 3 percent average margin over the next five years."

Premera Blue Cross reported a slight enrollment increase of 15,437. Still, net income was flat overall at \$105.9 million, just

\$2.8 million more than 2006. Kent Marquardt, Premera's CFO, said they consciously invested more in prevention and wellness programs. "We've focused on creating a culture of health and correspondingly, put more dollars toward prevention and wellness programs. Studies have shown that potentially 25% of health care

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Letter from the Publisher and Editor

Dear Reader,

3,348 health care leaders in the Northwest received the Washington Healthcare News last month. Significant industry sectors included hospitals, medical clinics, insurance agencies, insurance companies, consultants to health care organizations and government.

Although the News has more health care leaders on its distribution than any other monthly trade journal targeted to Northwest health care administrators, we are now focused on increasing our distribution by adding those people that administer medical clinics or those, in all other sectors, with "manager" in their title. The News will continue to be distributed at no cost or obligation.

The News has been described as a "friendly, interesting and informational" publication that many people look forward to receiving each month. Many don't know there's also a website (www.wahcnews.com) where archive editions can be viewed and career opportunities are posted. Our other services include a monthly announcement via e-mail of advertised "career opportunities" and our monthly print announcement (see page 26 of this edition) of new or recently promoted health care leaders.

We hope you will help us increase our distribution and would appreciate it if you provided us, via e-mail to dpeel@wahcnews.com, the following information for those you know that administer a medical clinic or those with "manager" in their title.

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Once received, the new recipient will be added to the distribution at no cost or obligation. We appreciate your help and look forward to hearing from you.

David Peel, Publisher and Editor

Washington Healthcare News 2008 Editorial Calendar

Month and Year	Theme of Edition	Space Reservation	Distribution Date
January 2008	Healthcare Public Policy	December 3, 2007	December 21, 2007
February 2008	Urban Medical Clinics	January 7, 2008	January 25, 2008
March 2008	Rural Hospitals	February 4, 2008	February 22, 2008
April 2008	Insurance Carriers	March 3, 2008	March 21, 2008
May 2008	Healthcare IT	April 7, 2008	April 25, 2008
June 2008	Rural Medical Clinics	May 5, 2008	May 23, 2008
July 2008	Healthcare Facilities	June 2, 2008	June 22, 2008
August 2008	Healthcare Human Resources	July 7, 2008	July 25, 2008
September 2008	Community Health Centers	August 4, 2008	August 22, 2008
October 2008	Third Party Administrators	September 8, 2008	September 26, 2008
November 2008	Insurance Brokers and Agents	October 6, 2008	October 24, 2008
December 2008	Urban Hospitals	November 3, 2008	November 21, 2008

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Health Insurance Industry Profits Down in 2007: Executives Explain Why

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costs are preventable through lifestyle change.” Premera also has sought to cut costs with streamlining of processes. Three years ago, the company began using Lean manufacturing methods, known for eliminating waste and improving quality in processes. According to Mr. Marquardt, “We have achieved faster claims turnaround, increased auto-adjudication rates and better control of administrative overhead. In fact, streamlining our claims processing operations improved that area by 17% in a single year. The Lean methods worked so well in the claims area we are looking to apply them to customer service areas in the near future.”

Filings for the state’s largest insurer, Regence BlueShield, show they ended 2007 with 884,409 members, down from 2006 by 61,545. However, according to President Mary McWilliams, “Regence BlueShield didn’t suffer a decline in net membership. The apparent loss, as reflected in the filing, is really just a change in the way we accounted for dental members.”

Net income for Regence was down \$39.2 million from 2006. “Regarding our income, we have intentionally targeted a lower underwriting gain four years in a

row,” Ms. McWilliams explained. “These lower results are aligned with our not-for-profit philosophy of making ‘just enough’ money to serve members. We funded activities to engage members in care, increase transparency and promote evidence-based practices, while remaining financially strong to continue serving them, no matter what happens in the market.”



Kent Marquardt, CFO
Premera

Bremerton-based KPS Health Plans reported a 4% increase in enrollment over 2006 numbers. Enrollment and rate increases raised premium revenue by about 9%; however, the plan was down \$7.3 million in net income compared to 2006 numbers. CFO Jim Page summarized, “Net income was down significantly in 2007 primarily because of higher than expected claims expense.”

Enrollment was relatively flat for the state’s largest Medicaid plan, Molina Healthcare of Washington. Jennifer Freeman, Molina’s Washington State CFO, said, “Membership in one of our programs, Washington Medicaid Integration Partnership (WMIP), grew by 4% from 2006 to 2007. WMIP is a demonstration part-

nership in Snohomish County between Molina and the Department of Social and Health Services (DSHS) to develop an innovative program for the aged, blind or disabled Medicaid clients.”

On the dental insurance side, Washington Dental Service reported a successful 2007 with more than 40,000 members added to their book of business. CFO/COO Tracy Warner explained, “The small-group market has been the focus for an expanded presence, with renewal rate predictability helping bolster subscribers over the past several years.”

Washington Dental Services also reported increased revenues of \$23.3 million and decreased net income of \$8.6 million. This was consistent with the trend of all other dental and vision carriers who saw an overall decrease in net income of \$9.6 million.



Tracy Warner, CFO/COO
Washington Dental Service

Fully-insured market factors in healthcare costs

All companies offering fully-insured plans cited upward trends in health care costs as the major contributor to a less stable fully-insured market. Mr. Marquardt said, “There is an underlying cost trend of 10-12% that is driven by the population’s general lack of good health, as well as the trend to use the latest and greatest tech-

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Washington State Insurance Company Financial Results

Domestic Health Carriers

Calendar Year Ended 2007 versus 2006

Insurance Company	Year Ending Enrollment			Total Revenues (000's omitted)			Net Income (000's omitted)		
	2007	2006	Change	2007	2006	Change	2007	2006	Change
Health									
Regence BlueShield	884,409	945,954	(61,545)	2,214,886	1,967,975	246,911	66,598	105,848	(39,250)
Premiera Blue Cross	729,843	714,406	15,437	2,489,848	2,334,038	155,810	105,875	103,062	2,813
Group Health Cooperative	402,011	400,867	1,144	2,242,125	2,301,743	(59,618)	64,175	222,332	(158,157)
Molina Healthcare of WA	283,485	281,356	2,129	652,790	612,313	40,477	45,477	46,490	(1,013)
Community HP of WA	231,673	224,686	6,987	521,334	464,786	56,548	5,548	(4,550)	10,098
Group Health Options	105,769	102,551	3,218	386,852	403,207	(16,355)	143	3,784	(3,641)
Asuris Northwest Health	91,092	96,999	(5,907)	170,369	131,636	38,733	5,787	(1,865)	7,652
LifeWise Health Plan of WA	90,500	85,729	4,771	177,676	180,709	(3,033)	1,149	6,185	(5,036)
Pacificare of Washington	51,465	62,159	(10,694)	470,824	514,720	(43,896)	54,016	42,709	11,307
KPS Health Plans	44,846	43,106	1,740	150,899	137,973	12,926	(2,557)	4,715	(7,272)
Columbia United Providers	35,684	35,251	433	74,223	70,851	3,372	(2,281)	(772)	(1,509)
LifeWise Health Plan of AZ	29,247	25,641	3,606	65,565	43,788	21,777	(14,426)	(11,004)	(3,422)
Arcadian Health Plan	19,157	12,304	6,853	158,278	80,025	78,253	4,598	(5,083)	9,681
Timber Prod. Mfg Trust	17,541	10,613	6,928	28,026	28,473	(447)	634	(912)	1,546
Washington Employers Trust	7,553	9,229	(1,676)	34,440	40,155	(5,715)	(1,149)	(2,964)	1,815
Aetna Health	6,655	9,693	(3,038)	28,013	36,157	(8,144)	2,279	2,529	(250)
WA State Auto Dealers Ins. Trust	3,160	3,528	(368)	11,700	5,501	6,199	(905)	(3,809)	2,904
Puget Sound Health Partners	0	0	0	0	0	0	(3,620)	0	(3,620)
Totals Health Insurance	3,034,090	3,064,072	(29,982)	9,877,848	9,354,050	523,798	331,341	506,695	(175,354)
Dental and Vision									
Washington Dental Service	925,417	884,468	40,949	380,971	357,623	23,348	15,762	24,340	(8,578)
Vision Service Plan	552,312	529,188	23,124	24,873	24,200	673	6,945	6,915	30
Williamette Dental of WA	72,461	71,461	1,000	23,240	22,681	559	662	692	(30)
Dental Health Services	25,621	22,414	3,207	6,713	4,864	1,849	(1,412)	(366)	(1,046)
Total Dental and Vision Insurance	1,575,811	1,507,531	68,280	435,797	409,368	26,429	21,957	31,581	(9,624)
Totals Health, Dental and Vision	4,609,901	4,571,603	38,298	10,313,645	9,763,418	550,227	353,298	538,276	(184,978)

Source: Washington State Office of Insurance Commissioner Annual Statement Filings

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nology for medical treatment.” Mr. Page added, “Instability through acquisition pricing is another factor because new competitors may be unfamiliar with the Washington State insured market.”

The consensus was that preventive care and wellness packages are the proactive approach to health care cost control. Better use of evidence-based medicine, adopting more consumer-driven benefit plans and targeting specific disease management programs were some systems Washington State plans are putting into practice.

From Molina Healthcare’s perspective, knowing that Washington State has a long term vision and commitment to managed care for government programs plays an important role in ensuring a stable managed care market. According to Ms. Freeman, “(other) elements of a stable managed care market include a diverse geographic provider network with reimbursement rates that are sustainable for the long term to ensure access for members, a favorable regulatory environment, mandatory enrollment for Medicaid eligible beneficiaries, and a partnership with the state where ideas are encouraged and concerns are addressed.”



**Jennifer Freeman, CFO
Molina of Washington**

Moving away from comprehensive, fully insured plans

When asked if more customers are migrating from fully insured plans to either high deductible health plans or self-insured arrangements, KPS Health Plans, Group Health and Premera answered in the affirmative.

Mr. Page of KPS Health plans notes “We are definitely seeing a movement towards higher deductible, consumer driven types of plans. There is also some momentum towards self-insured arrangements but not as pronounced as the increase in high deductible plans.”

Group Health Cooperative is also responding to demand for more high deductible plans. The insurer feels it’s important to offer an option that allows for quality care at an affordable cost. But they also feel these types of plans are a stop-gap measure. According to Mr.

Magnuson, “These high-deductible plans may not be the answer to challenges facing health care. The better long-term solution is to provide health care that is affordable, that is based on the best medical evidence and that incents people to get the health

care they need when they need it.”

Mr. Marquardt points to their affiliate LifeWise Health Plan of Washington as a prime example of the market shift. “We recently introduced a new product suite within LifeWise that provides a benefit design offering preventive care at nominal fees with higher deductible levels for acute care. The customer pays a lower overall premium as a result.”

Ms. McWilliams noted, “Such plans are especially in demand among smaller businesses, as Regence found when it rolled out new ‘self-managed’ plans last year for 2-99 groups. The plans combine low co-pay upfront preventive care with high value services like health coaching and flexible benefit options, unusual in the

low premium/high deductible market.”

In the government programs sector, we asked Molina if they’d seen a significant migration of customers to the fee-for-service (FFS) model and received a firm “No.” According to Ms. Free-

man, “Quality, coordinated care, and specific disease management programs are just three of the reasons members stay in Molina managed care plans.”

What about our dental plans?



**Ric Magnuson, CFO
Group Health Cooperative**

Continued on next page

Continued from prior page

Washington Dental Service's Warner asserted that the state's efforts to add more mandated benefits continued to influence an ongoing trend of employers moving to self-funded dental plans.

According to Warner, "Currently there are more than 80 state and federally mandated benefits for medical plans. By changing a company's medical plan to a partially self-funded plan, the employer is able to reduce or eliminate the state-mandated benefits. Employers are taking on greater

risk and sacrificing predictability to avoid mandates."

Washington Dental Service reports no trends to move to high-deductible dental plans.

According to Warner, "Unlike traditional medical plans, our dental plans are structured to encourage prevention and discourage expensive later-stage treatments with appropriate financial incentives. Accordingly, we have not seen a move to high-deductible dental plans."

Nominal enrollment increases, ever-growing costs, and the

steady shift (for most) to self-insured and higher deductible plans paint a less than rosy picture for the fully insured health insurance industry. Combine that with the current fickle economy, and its' clear Washington State insurers have their work cut out for them.

Nora Haile is a contributing editor to the Washington Healthcare News, as well as principal and owner of NHaile Solutions, LLC, a communications services firm in Seattle, WA. She can be reached at nora.haile@comcast.net.



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Sexual Harassment: Don't Be Surprised by the Three Big Surprises

By Jathan Janove, Partner
Labor and Employment Group
Ater Wynne LLP



When sued for sexual harassment, employers find themselves facing many unpleasant surprises. Fortunately, three of the biggest are fairly easy to prevent.

First of all, know the surprises: (1) employees who engage in sexual behavior in the workplace are disproportionately likely to become *plaintiffs* alleging they are victims of sexual harassment; (2) true victims seldom sue and often don't complain; and (3) most "harassers" are unaware that what they're doing offends others.

Surprise Plaintiffs

Few managers suspect that the person most likely to engage in sexual behavior in the workplace happens to be the person most likely to sue an employer for sexual harassment.

The phenomenon of surprise plaintiffs crosses gender lines. They include a computer techni-

cian who brought penis-shaped cakes to company birthday celebrations, a manager who became her office's "Dr. Ruth," a waitress fired for stripping off her clothes and changing into her uniform in the presence of customers and co-workers, and a muscle-bound warehouse worker who aggressively pressured male and female co-workers for sexual favors.

As shocking as such behavior is, more shocking to company management is the assertion by such employees that *they* are victims. Although many plaintiffs do not fit this provocative paradigm, one should avoid the unfortunate assumption made by many managers that because a particular employee behaves lewdly, he or she is not a threat to bring a claim.

Surprise Victims

One should not infer from the prevalence of surprise plaintiffs that there aren't real victims. It's just that true victims typically don't sue. Instead, they often remain quiet, quit their jobs, transfer or try to tolerate the offensive behavior as best they can.

Why is this so? Many victims express a fear of retaliation and a strong desire to avoid conflict. Denial or self-blame also may play a role. The unfortunate result is that the offensive behavior continues and intensifies.

Surprise Harassers

Although one tends to think of

"sexual harassers" as predators or perverts, the vast majority of them don't fall neatly into such categories. For the most part, he or she (by a wide margin, it's still a "he") is not a predator in the sense that he intends to cause pain. Rather, he usually assumes the opposite, that his behavior is "welcome." The sexual harassment claim then comes as a big surprise to him as well as his employer.

Sexual Harassment and the 55-MPH Speed Limit

Given the proliferation of such surprises, what preventative steps can an employer take? The answer lies in an analogy to an historical event. In the 1970s, following the OPEC oil embargo, Congress passed a law capping all speed limits at 55 miles per hour.

Here's how the analogy works: Unlike actual harassment laws which don't prohibit sexual conduct unless it's "pervasive or severe" or involves a "tangible employment action" (think 75-MPH), the 55-MPH speed limit draws the line at sex. If the behavior is in any way sexual, it exceeds the speed limit and stays out of the workplace. 55-MPH adherents avoid risks that come with legalistic thinking as to whether or not admittedly sexual conduct crossed the legal line. A 55-MPH approach avoids the

[Please see> Harassment, P24](#)

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An Interview with David Weber, MD of Wenatchee Valley Medical Center

David L. Weber, MD is the CEO and Chairman of the Board of Wenatchee Valley Medical Center. (WVMC) Located in Wenatchee Washington, the Wenatchee Valley Medical Center is the 2nd largest physician owned organization in the Northwest. This interview was held in late 2007.

Editor: What is your background?

Weber: I attended the University of Iowa where I received my M.D. in 1968 and my training in radiology in 1975. I became board certified in both Diagnostic Radiology and Radiation Oncology. I have been with Wenatchee Valley Medical Center since 1975 as a radiologist and have been CEO and Chair since 2002.

Editor: Describe WVMC.

Weber: WVMC is a physician owned and led organization with a 20 bed general medical, surgical, and rehabilitation hospital and 8 clinical sites throughout North Central Washington and the Columbia Basin. Under the umbrella of WVMC is Wenatchee Valley Hospital and clinical sites in Wenatchee, East Wenatchee, Moses Lake, Tonasket, Oroville, Royal City, Cashmere, and Omak. Our governing body is an elected, seven physician Board of Directors. The Medical Director and Senior Administrator assist the board in its responsibilities along with various administrative support staff.

Editor: What is the Mission of WVMC?

Weber: *"To provide our patients with the highest quality healthcare and service in a friendly and caring atmosphere.*

Our organization is also committed to assisting in the development of one of the nation's best rural healthcare delivery systems."

Editor: What services does WVMC provide?

Weber: We have 171 physicians and 65 midlevels providing the full spectrum of medical, surgical, and ancillary services with 31 specialties and sub-specialties represented. Our physicians provide primary care to area residents and also draw patients from throughout the region for specialty care. Our Cancer Treatment Program is affiliated with Seattle Cancer Care Alliance

Editor: What are your concerns about the future of Washington State health care?

Weber: Several things immediately come to mind. The immediate threat to our system is potential federal legislation that would effectively eliminate physician ownership of hospitals. Since our organization and our hospital are wholly physician owned we would be faced with the need to divest ourselves of our hospital or reorganize to one of several not-for-profit models if this legislation were to pass. That would

have serious financial and organizational implications. We await the next Medicare bill due in the summer of 2008 to find out if we will be affected. Needless to say we're working hard with our legislators and Washington, D.C. advocate to alter or prevent this legislation from passing.

The second thing is the challenge that all physicians face and that is the funding gap between Medicare/Medicaid reimbursement and the cost of providing the care. Combined, fifty-two percent of our patients are Medicare or Medicaid. Fortunately, we are designated as a Rural Health Clinic and therefore receive cost based reimbursement for certain of our services. Additionally our hospital provides direct revenue and also allows to us to bill as provider based for most of our services.

We have also seen a tremendous increase in uncompensated care. In 2002 we provided \$800,000 in charitable care. This increased to about \$3 million in 2007. This change is an indicator of the growing number of uninsured patients.

Lastly, there has been a tremendous increase in demand for care as our region has grown. We are seeing 500-600 new patients each month. Finding and hiring enough physicians and support staff to meet the need is a real and very tough challenge.

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Since 1992, Northwest Health Care Linen has provided comprehensive linen services to the health care industry. The company has developed a solid reputation for high quality, superior customer service and competitive pricing.

Washington State's aging demographics and its impact on the health care system has also impacted the use of linen services and Northwest Health Care Linen has successfully managed this rapid growth.

According to James Hall, Chief Executive Officer of Northwest Health Care Linen, "In 2003 we processed 6 million pounds of linen. We expect to process 13 million pounds of linen in 2008. Our customers have grown dramatically and we've been with them, step by step, to make sure our comprehensive linen services were available when they were needed."

Increasing Capacity

Key to the successful management of this growth was the recent addition of a second tunnel wash system. A tunnel washer,

also called a continuous batch washer, is an automated wash, press, and dry system designed to handle high volume health care products. Bill Akers, Vice President of Customer Relations summarized the benefits to the customer of the second machine, "adding this second machine not only provided additional capacity to meet our customer needs but also provides redundancy during maintenance or down time."

Customer Impressions

Customers are impressed with Northwest Health Care Linen.

Karen Parish, Vice President of Support Services for Minor & James Medical observes, "The service level has been exceptional over the 10 plus years I've been working with Northwest Health care Linen."

Connie Johnson, Account Manager and Human Resources Administrator offered her thoughts, "We have piece of mind now. We really appreciate knowing that our linens are going to be here when we need them and that they are going to be in excellent shape."


Health Care Specialization

Northwest Health Care Linen only serves the health care industry. Mr. Hall explains, "We feel specialization in health care sets us apart from our competitors. We understand how the quality of linen a patient is using will impact their overall level of customer satisfaction."

Poised for New Growth

With substantial capacity for new customers the growth continues. Recent customer additions include the Highline Medical Center, The Polyclinic, and Cascade Valley Hospital. Mr. Akers comments on adding these well-known provider organizations to the existing base of Northwest Health Care Linen clients, "Our businesses model is established and has significant capacity for new customers. The Polyclinic, Highline, and Cascade Valley Hospital facilities will receive the same high level of quality and customer service that our existing clients have been receiving since 1992."

To learn more about Northwest Health Care Line contact Bill Akers at 360-647-2974 or by e-mail at bill@nwlinen.com.

 Company Snapshot	
Description	Company information
Key executives	James Hall, CEO; Bill Akers, VP of Customer Relations
Service area	Western Washington
Contact information	bill@nwlinen.com 1-360-647-2974 www.nwlinen.com

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Interested in joining an association of human resource professionals focused on issues relevant to health care?

The Washington State Healthcare Human Resources Association (WSHHRA) is a state-wide professional organization of human resources professionals who work in health care. We have an affiliation with the national association, the American Society for Healthcare Human Resource Administration (ASHHRA). If you are interested in joining the organization, or to learn more, visit www.wshra.org, and click on the "Membership" tab.



Reducing Health Care Costs—Drug Purchasing Coalitions

By Michael Greve, FLMI, CEBS
Employee Benefits Consultant
Baldwin Resource Group, Inc.



The US Department of Health and Human Services expects spending for prescription drugs (projected at \$247 billion in 2008) to increase at almost twice the rate of general inflation through 2017. Many employers, already spending 10-20% of their employee benefits budget on prescription drugs, are raising copays every year in an attempt to control costs. But for some, a better solution could be nearby.

The Concept

Employers that band together into large groups to purchase a drug benefit plan from a Pharmacy Benefit Manager (PBM) are more likely to negotiate favorable discounts, higher rebates, and lower dispensing and administrative fees. Also, large programs often include evidence-based formularies, enhanced drug utilization re-

view, and patient review—features that further drive down costs—for little or no charge. As a result, employers joining pharmacy purchasing coalitions often save over 10% and sometimes as much as 28% of their prescription drug costs.

Participation is a problem for some employers. Due largely to regulatory issues, drug purchasing coalitions do not offer insurance. Groups that join the coalition must self-insure their programs. If drug benefits are insured as part of their current employee medical plan, their insurance carrier must allow drug benefits to be carved out and purchased elsewhere.

Evaluating the Coalition

As the numbers of coalitions expand, employers need to carefully consider which program might be right for them.

All coalitions claim significant savings, but larger coalitions usually get larger discounts. To get a better idea of the savings, some coalitions offer to reprocess past claim experience. For example, an employer submits last year's paid claims for processing, and the coalition reports "amounts that would have been paid" had the employer been a coalition member. This can then be compared to what the employer actually paid under their old program.

Savings is crucial, but there are

other issues to consider, such as the pharmacy network, benefits, and the formulary. For large coalitions with national PBMs, the list of network pharmacies can be impressive. However, the exclusion of just one popular local pharmacy can create a problem for some employees. Also, any required changes in benefits and formularies can be disruptive.

Of course, the reputation and experience of the organization marketing the program, and the underlying Pharmacy Benefit Manager are always critical factors to consider.

Conclusion

Coverage of prescription drugs is an important and visible employee benefit. Drug purchasing coalitions are a tool that more and more plan sponsors are using to negotiate discounts, rebates, and administrative fees, as well as more efficiently manage their programs and benefits. These programs have the potential to improve employee benefit programs while at the same time producing significant savings for the plan sponsor.

Michael Greve, FLMI, CEBS is an employee benefits consultant at Baldwin Resource Group, Inc., in Bellevue, WA. He can be reached at (425) 775-4227, or by email at mgreve@baldwinrgi.com.



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Are You Winning the Customer Attraction Battle?

By Don Morgan
Director of Marketing
Palazzo Intercreative



How high does your company rank on the most popular Internet search engines? Are you at the top of the list when someone types in a keyword search for your product or service? Are you third? Twenty-third? Are you there at all?

A core of web marketing is winning the attraction battle, and if you are looking to boost traffic to your Web site, Search Engine Optimization, or SEO can be a powerful and rewarding tool. It's been proven that the higher you rank, the more traffic (and sales conversions) you can generate. Yet many web sites are virtually invisible to search engines because of their fundamental structure and presentation.

Consumers are using search in record numbers and it is the fast-growing form of digital mar-

keting because it provides a contextual and timely way to reach consumers at a key point in the buying process. You may have heard the terms "organic search" and "paid search". This article is focused on "organic search", or structuring your site so that it naturally ranks high on a search engine.

"A core of web marketing is winning the attraction battle, and if you are looking to boost traffic to your Web site, Search Engine Optimization, or SEO can be a powerful and rewarding tool"

Don Morgan,
Director of Marketing
Palazzo Intercreative

There are three key fundamentals to strong organic search performance.

First, your website must be structured so that search spiders (the automated tools used by search engines) can easily scan and categorize the information on your site.

After choosing the keywords or key phrases that clearly describe the purpose and content of your site, you should add page titles and metatags so that every page contains those key words. Your web page title is very important

because it is what the search engines display as link text as the result of a search.

A metatag is an HTML tag that contains descriptive information about a webpage that is visible to search spiders but does not appear when the webpage is displayed in a browser. A metatag will cause that webpage to turn up as a result of a search engine's search on that keyword, even if the keyword is not included in the body of the web page.

A second fundamental is that your website content is organized in a way that search engines will see your site as high quality and relevant.

The location and frequency of keywords on a web page can affect how relevant your site is deemed. Search engines will check to see if the search keywords appear near the top of a web page, such as in the headline or in the first few paragraphs of text. They assume that any page relevant to the topic will mention those words right from the beginning.

Frequency or keyword density is another factor in how search engines determine relevancy. A search engine will analyze how often keywords appear in relation to other words in a web page. Those with a higher frequency are often deemed more relevant than other web pages.

Continued on next page

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A third fundamental is that your site should be interlinked with other relevant, high quality sites on the Internet.

By analyzing how pages link to each other, a search engine can determine what a page is about and whether that page is deemed to be "important" and thus deserving of a boost in its ranking.

Of course, there are many other factors that must be taken into consideration when optimizing your site. Search marketing is complicated and challenging to execute successfully. It involves several technical disciplines, and may require changes to the HTML source code of your site, so you may want to hire an agency to help you optimize your site.

Perhaps the most important thing to keep in mind is that the competitive landscape is dynamic, and you need to have an ongoing diagnostic process to continually monitor and revise your site to meet changing elements of the search engine's algorithm.

A good SEO strategy is only part of an effective Internet marketing campaign, but it is something that every marketer who wants to build his website traffic should consider if they want to win the customer attraction battle.

Don Morgan is Director of Marketing for Palazzo Intercreative, a full-service Seattle advertising agency that specializes in health-

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A Comprehensive Plan to Address the Current and Projected Nursing Shortage

By **Linda Tieman RN MN FACHE**
Executive Director
Washington Center for Nursing



Washington State is in the midst of a nursing shortage which is predicted to worsen in coming decades. Currently, there are about 5,000 RN vacancies statewide. The combined effects of an aging nursing population, who will be retiring in large numbers in the next decade, and an increased demand for expert nursing care as baby boomers require more health care, will stretch our health care system to its limits. One piece of the nursing shortage puzzle is the educational preparation and supply of nurses to the workforce.

The Center for Health Workforce Studies at the University of Washington recently estimated that the RN shortfall in Washington State could reach nearly 25,000 RNs by 2020. To meet the predicted de-

mand for RNs under the current system, we would need to increase RN graduation rates by 400 per year *each year* for the next 15 years (Skillman, Andrilla, & Hart, 2007). Attracting people to nursing is not the problem: last year, we had to turn away applicants because we do not have the faculty or facilities to adequately educate our nursing workforce.

What is being done to address the nursing crisis?

Over the past two years, the comprehensive Master Plan for Nursing Education in Washington State has been in development. The purpose of the Master Plan is to ensure that Washington State has an adequate supply of appropriately educated nurses to provide the quality of care that our citizens need and deserve.

This Master Plan is the collaborative product of many individuals and organizations, especially the Washington Center for Nursing (WCN) and the Council for Nursing Education in Washington State (CNEWS). WCN is a non-profit 501c3 organization which focuses on the many and complex facets of the nursing shortage and workforce issue. CNEWS is comprised of the Deans and Directors of all nursing programs in Washington State. One of the roles of CNEWS is to lead nursing educational planning in our state.

A series of focus groups con-

ducted around the state during spring 2007, with nearly 200 individuals participating in these open discussions, provided important input into the plan. The Master Plan was further informed through the Invitational Summit on Nursing Education held in May 2007 with a diverse range of participants. The core themes that knit together the broad vision of this plan are:

- Collaborative planning and regional coordination
- Enhanced partnerships among education, research, and practice
- More effective communication with policy-makers
- Leadership

In order to meet the demands of nursing for the next 25 years it is necessary to redefine and broaden the scope of the education system. As we looked at nursing education and supply, we focused on four fundamental areas: competency, supply, diversity, and distribution.

Competency

We looked at the knowledge and skills expected of nurses today and in the future, the appropriate level and type of education they should receive, their transition from school into practice, and the relationship between educational preparation and the practice

Continued on next page

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environments in which nurses work.

Because the work of nursing is more complex than ever, a solid educational foundation is critical.

We propose enhancing the ability of current Washington nurses and nursing students to pursue their education through the baccalaureate degree and above, using multiple pathways into nursing, strengthening collaboration among programs, ensuring residencies for new graduates, and increasing graduate education.

Supply

The plan focuses on two major barriers to expansion, the shortages of qualified faculty and of sites for clinical education. Proposals in the Plan to deal with the shortage of

nursing faculty include raising faculty salaries, clarifying expectations for faculty workload, increasing and diversifying faculty recruitment efforts, promoting mentoring, and providing additional teaching resources to new faculty. The shortage of clinical sites is addressed through the more effective use of existing sites and expanded use of alternative learning resources, such as Simulation technology.

Diversity

To have a nursing workforce that more closely reflects the racial, ethnic, and cultural richness of the population of Washington, we need focused recruitment and retention programs for minority faculty and students, stronger alliances with K-12 counselors, and better data.

Distribution

Excellent nursing education must be available in all parts of the state, including rural and remote areas. This means enhancing distance learning, on-line education, and creative collaborations between educational programs and education and employers.

When will this plan be complete?

WCN is on contract to submit the plan by March 31, 2008 to the Washington State Department of Health. Planning for implementation will follow once the plan has been accepted by the Department of Health.

A second piece of the puzzle, retention of current nurses, will be addressed in a future article.

Please see> Comprehensive, P25

What if you had 160,000 employees?***You'd save money on prescription drugs.***

Employers joining a new pharmacy purchasing coalition average savings of over 10% compared to their current pharmacy expenditures, and some save as much as 28% of their prescription drug costs.

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For additional information contact Gus Kiss at gkiss@baldwinrgi.com 425.285.2314 or Mike Greve at mgreve@baldwinrgi.com 425.775.4227 or toll free at 877-455-5640.

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The Legislature Acted on HSAs for State Employees – Now Let's Implement Them

By **Linda Evans Parlette (R)**

Senator

12th Legislative District



By **Mark Schoesler (R)**

Senator

9th Legislative District



This year state legislators will consider approval of a state supplemental operating budget totaling more than \$33 billion. The fastest-rising costs in the budget relate to health care, and a big

part of that involves providing health care coverage for state employees.

Unfortunately, our state employees still do not have access to one of the best tools for putting them in the driver's seat of their own health care while keeping down costs. And it's time they did.

Authorized by Congress in 2003, health savings accounts (HSAs) are tax-free, personal accounts

"While HSAs are not the right option for everyone, we think everyone – including state employees – should have the choice"

Linda Evans Parlette (R)
Mark Schoesler (R)

usually coupled with a catastrophic policy for major medical expenses. They are owned by individuals and can be used for all types of health care-related expenses, such as seeing a specialist, dental care, and saving for health expenses down the road. Funds remaining in the account can be rolled over to the next year, and if an employee leaves a job, the money is his or hers to keep as long as it's used for health care.

In 2006, the Legislature passed a bill instructing the Public Employees Benefits Board to develop a health savings account

(HSA) option for state employees. As co-sponsors of the Senate companion bill, we were very pleased that state employees would finally have access to this same important health care option that federal and private-sector employees had been enjoying for some time.

Unfortunately, the victory was short-lived. The state Health Care Authority said it would be at least 2009 before it could offer HSAs, and now it appears that date may be pushed out even further, to 2010 or beyond.

The stakes are just too high to keep putting it off.

A January 2006 Mercer Group study conducted for the Washington Health Care Authority said offering HSAs to state employees would "...help improve health care choice, value and transparency while controlling costs..." How much would it save taxpayers? According to the report, up to \$20 million a year.

Also consider how having an HSA could be particularly helpful to state employees in our rural areas, including the Central and Eastern Washington districts we represent.

While an employee living in Seattle or Olympia may have dozens of options for covered plans, doctors and specialists, one living in Bridgeport may have no choices

[Please see> HSA, P25](#)



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Sexual Harassment: Don't Be Surprised by the Three Big Surprises

<Harassment

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debate entirely since as a matter of company policy, sexual behavior of any kind is unacceptable, welcome or not.

Preventing Unpleasant Surprises

When an organization adopts 55-MPH as its behavioral standard, positive consequences flow:

- (a) Employers rarely if ever encounter surprise plaintiffs. Long before the claim arises, all employees understand that patted rumps or off-color jokes violate company policy regardless of whether or not someone is offended.
- (b) Employers help protect hidden victims because employees can no longer assume that the absence of a complaint means the sexual conduct is okay.
- (c) Employers do their potential "harassers" a favor by educating them about the perils of misperceptions and mistaken assumptions.

A word of caution: if your organization adopts Speed Limit 55 as its behavioral standard, be sure that your written policy does not state or imply that exceeding 55-MPH constitutes "harassment." A clever plaintiff's lawyer may exploit this language. Instead, communicate in terms of company policy and values.

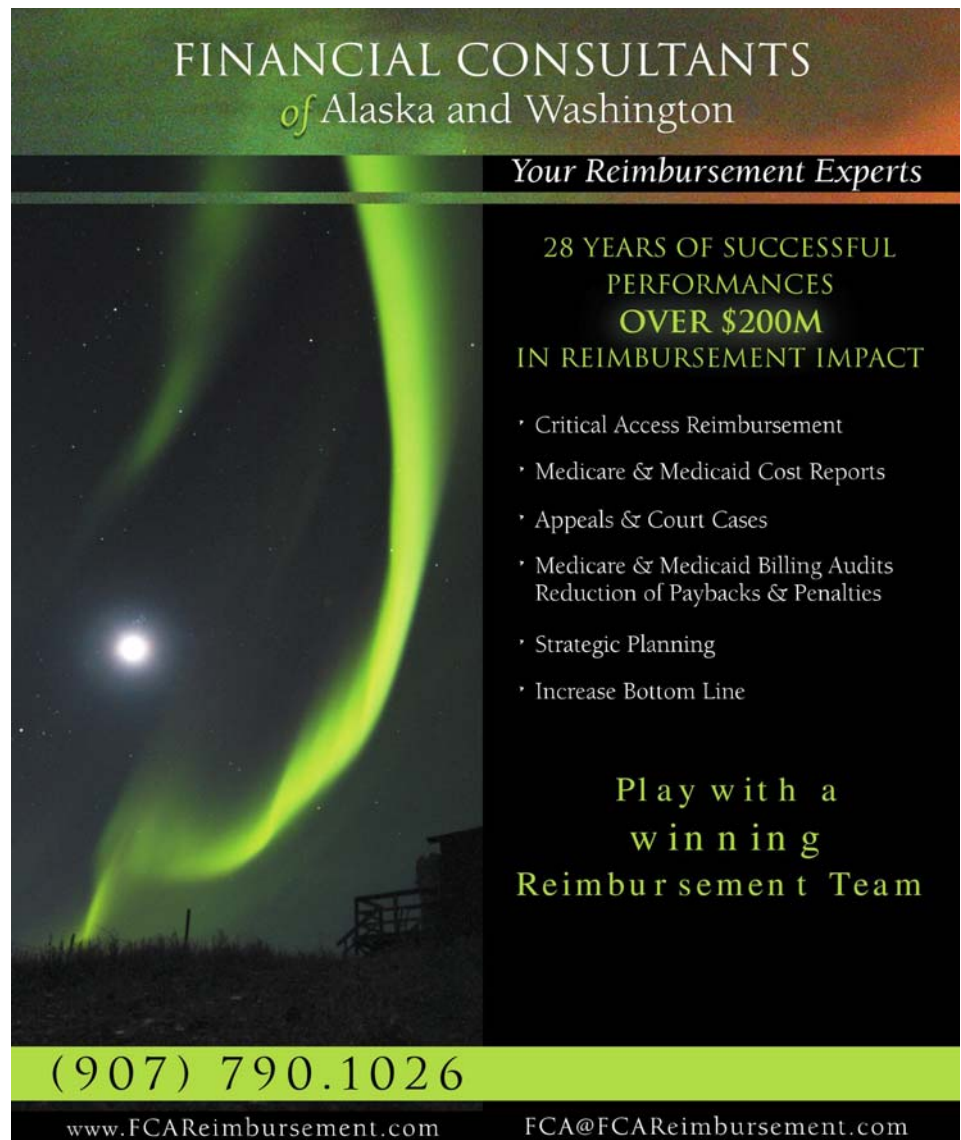
Conclusion

Surprises can be fun—a birthday

party, the reappearance of a long-lost friend or an official notice regarding a lottery ticket you recently purchased. By contrast, workplace harassment surprises aren't much fun. To avoid them, adopt Speed Limit 55. Draw the line at sex, not sexual harassment, and make it a core company value based on human dignity and respect.

Jathan Janove is an employment law partner in the law firm of Ater Wynne LLP with offices in Portland, Seattle, Menlo Park

*and Salt Lake City. He conducts management and workforce training, consults with employers concerning their HR, employment and management needs and defends them when employees assert claims. He is the author of **Managing to Stay Out of Court: How to Avoid the 8 Deadly Sins of Mismanagement** (SHRM & Berrett-Koehler Publishers 2005), and of the upcoming **The Star Profile: A Management Tool to Unleash Employee Potential** (Davies-Black Publishers September 2008).*



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A Comprehensive Plan to Address the Current and Projected Nursing Shortage

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Linda Tieman, RN MN FACHE, has been a nurse for 38 years, with a BSN from the University of Cincinnati (her home town) and Master's in Nursing from the University of Florida. She's had a diverse career, from being a Cardiovascular CNS in a Home Health Agency; staff RN in

Trauma/Surgical ICU and OB/GYN, In-service educator and weekend supervisor; Director of Nursing in San Diego, VP for Patient Care for a 500 bed hospital in Ohio and Area Administrator for Group Health Cooperative. She has also spoken internationally on Quality issues. She's a fellow of the J&J Wharton Nurse Executive Program & the American College of Healthcare Execu-

tives, certified in hospital administration and managed care. She has been the Executive Director for the Washington Center for Nursing since 2004. She believes that healthcare needs to be led by those invested in healthcare by profession and education, and asks, "Who better than nurses to fulfill those leadership roles? Who has the broadest education to understand issues?"

The Legislature Acted on HSAs for State Employees – Now Let's Implement Them

<HSA

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nearby at all. For that employee, the most desirable choice – perhaps visiting a local clinic or seeing a doctor in a neighboring community – just isn't an option. Those living in the Palouse, home to WSU and a significant number of state employees, may want their toddler to visit a doctor or clinic in Colfax, Pullman or Moscow, Idaho, rather than take a whole day off work to travel to a doctor in Spokane. With an HSA, these employees would have the flexibility to do what's best for them and their families rather than be locked into a list of specific plans, providers and locations. They could also choose a nontraditional health care option or pay for noncovered procedures, such as laser eye surgery.

This idea of consumer-driven care is catching on as costs rise. Health and Human Services Secretary Mike Leavitt recently said, "America's per capita health

spending is the highest in the world. There is simply no place on the economic leader board for a nation that spends a fifth of its domestic product on health care." He also pointed out that as rising medical costs are creating anxiety for everyone, they're also creating a political will to change that trend. As he put it, "The only force strong enough to change the course of health care is a marketplace where consumers have the information and the incentive to choose quality and keep costs low."

More and more people are purchasing HSAs. Blue Cross' national accounts that carry HSAs are up from 12 percent in 2005 to 19 percent today. Wisconsin is leading the way, with nearly 30 percent consumer-driven health plans. A recent survey by the Blue Cross and Blue Shield Association showed that participants enrolled in consumer-directed health plans such as HSAs are more likely to plan and save for health care coverage.

While HSAs are not the right option for everyone, we think everyone – including state employees – should have the choice. The bill to give state employees an HSA option passed in 2006 with support from 90 percent of the Legislature. Implementation keeps getting postponed, denying employees options and costing taxpayers up to \$20 million a year.

Our state employees have waited long enough. It's time to make HSAs available to them.

Sen. Mark Schoesler, R-Ritzville, represents the 9th Legislative District. He serves on the Senate Ways and Means Committee. Sen. Linda Evans Parlette, R-Wenatchee, represents the 12th Legislative District. She serves on the Senate Health and Long-Term Care Committee and the Ways and Means Committee, and has been a leading advocate for sensible health care legislation over her dozen years in the Legislature.

New or Recently Promoted Health Care Leaders

First Name	Middle Initial/ Name	Last Name	Title	Effective Month/ Year	Organization	New or Promoted Leader
Jon		Allen	Director of Finance	02/08	Washington Dental Service	New
Keith		Arnzen MBA	Administrator	12/07	Medical Imaging Northwest	New
Theresa		Boyle	Vice President, Strategy & Business Development	02/08	MultiCare Health System	New
James	C.	Cannon FACHE	Executive Director, Health Information Program	02/08	Washington State Hospital Association	New
Debbie		Garcia	Accounts Receivable Manager	03/08	Medical Imaging Northwest	New
Thomas	A.	Gavinski	Vice President of Healthcare	02/08	I.C. System	New
Clair		Glover	Clinical Education Manager	03/08	The Everett Clinic	New
Catalina		Gorman	Director of Retail Services	02/08	The Everett Clinic	New
Eve		Higgs	Director of Web Services	01/08	Washington Dental Service	New
John		Lenihan MD	Clinical Medical Director of Minimally Invasive and Robotics Surgery	02/08	Multicare Health System	New
Dennis		Olson	Vice President, Risk Management	01/08	Physicians Insurance A Mutual Company	New
Alden		Roberts MD	Vice President of Quality and Medical Affairs	09/07	Southwest Washington Medical Center	Promoted
Joyce		Shaw	Vice President Corporate Communications	12/07	Qualis Health	New
Clair		Spain-Remy MD	Medical Director of Specialty Services	02/08	MultiCare Medical Associates	New
Subbiah		Viswanathan	Director of Operational Excellence	02/08	Evergreen Healthcare	New
Eric		Wall MD	Senior Medical Director	12/07	Qualis Health	New
Janet		Waltheu	Director of Patient Financial Services	01/08	Northwest Hospital and Medical Center	New
Marci		Weis	Chief Operating Officer	11/07	Qualis Health	Promoted
Debra		Wilde	Development Coordinator	02/08	Community Health Association of Spokane	New
Lori		Wild PhD RN CNAA BC	Chief Nursing Officer	02/08	University of Washington Medical Center	Promoted

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An excellent opportunity for an experienced health care professional to provide leadership and direction in the development and oversight of contracting strategies for clinical, facility and ancillary products, programs and services. Assists the CFO and Executive Team with strategic planning relative to payor relations, opportunities for expanding lines of business, and implementing organizational procedures and processes that are contractually required.

Master's degree in Health Care Administration or related field preferred with a minimum of ten years experience in health care clinic or hospital administration. Extensive knowledge of contracting for ambulatory care, surgical specialties and ancillary and imaging operations and facility/ASC contracting required. Salary DOE. We offer an excellent benefit package, EOE and drug-free workplace.

Please e-mail resume to joann.wray@minorandjames.com or mail to: Human Resources, 515 Minor Avenue, Seattle, WA 98104 or fax 206/386-9538.



Director, Healthcare Operations

Adaptis, a Washington based business process outsourcing company serving over 1.2 million members seeks a Director of Healthcare Operations for its downtown Seattle office.

This position is responsible for all of Adaptis production functions including Claims, Providers, Members, Call Centers, Client Financial, etc. for all customers including operations in Seattle, Yakima and other centers as Adaptis business may require.

Current experience managing enterprise-level operations at a Manager or Director level required as well as a Bachelor's degree in Healthcare Administration or related field. For a detailed job description, with additional requirements, visit Adaptis at www.adaptisinc.com and click on the "Careers" tab.

To apply for this position, send your resume to Kym Duncan, at kduncan@adaptisinc.com. EOE



LAKE CHELAN COMMUNITY HOSPITAL
HEALTHCARE CLOSE TO HOME

Quality Assurance/Risk Manager

Lake Chelan Community Hospital is a 25-bed critical access hospital overlooking beautiful Lake Chelan in a setting on the eastern slopes of the Cascade Mountains in North Central Washington.

We are currently seeking a Quality Assurance/Risk Manager. The ideal candidate must have experience with systems based QA and Performance Improvement processes, a strong information management background, working knowledge of quality assurance and a demonstrated ability to work collaboratively with other hospital healthcare providers. In addition, knowledge of QA/Risk Management in a health care setting, excellent verbal and written skills, problem solving techniques, working knowledge of hospital accreditation and the ability to work independently with multi-disciplinary teams is required. An RN license is preferred.

Lake Chelan Community Hospital offers a competitive salary and generous benefits. Our work environment is friendly and promotes patient centered care. We welcome diversity and are an EOE. Fax or email resume to: Nancy Young, nyoung@lcch.net; FAX 509-682-2452.

www.lakechelancommunityhospital.com

Communications Manager

Physicians Insurance A Mutual Company, the premier provider of medical professional liability insurance for physicians and clinics in Washington, is seeking a communications expert to lead and manage the communications team in Seattle. The Communications Manager is responsible for performing editorial, project management, and technical activities for publications, media relations, and advertising. Additional responsibilities include providing communications consulting services to executive leadership and serving as the company spokesperson.

At Physicians Insurance, employees receive an impressive benefits package and work in an exceptional work environment for an industry leader whose programs have a positive impact on the practice of medicine and patient safety. Applicants should read our complete job description at www.phyins.com/about-us/careers.php and send a resume to recruiter@phyins.com.



Career Opportunities



To advertise call 425-577-1334

Washington Healthcare News Now Offers Website Only Job Postings

In response to our customer needs, the Washington Healthcare News now offers discounted rates for job postings on the website (www.wahcnews.com) without the need to advertise in the printed publication. Jobs posted on the website will also be included in the periodic "Career

Opportunities" announcements sent via e-mail to readers.

Until now, the News bundled print advertising, website posting, and participation in the e-mail announcement into one rate. Many customers of the News believe that recruiting through job placement websites provides

enough exposure to attract qualified candidates. Others recruit exclusively through print media. Most do a combination of both. Since both avenues include participation in the e-mail announcement, customers can now choose either of the following options:

Option 1: Website posting, e-mail announcement, print advertising, and follow-up reporting.

Option 2: Website posting, e-mail announcement, and follow-up reporting.

Positions posted on the website are for approximately thirty days, include a full color logo, and allow up to two hundred words of text. Pricing is per position and rates, specifications and deadlines are shown on the website.

Follow-up reporting now shows customers the number of website visits their job received

In addition to allowing customers to purchase website only job postings, the News now provides follow-up reporting that shows how many people visited their job on the website. In many cases, the number of people that visit a job on a website is a good proxy for the number of applications that will be received.

The follow-up report is included in either Option 1 or Option 2 at no additional cost. For additional information or to post a job contact David Peel at dpeel@wahcnews.com or by phone at 425-577-1334.

IMPACT
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What if health care could be different? And what if you could help make it different every day? At Regence, we're striving to transform health care from the inside out. It's a mission we passionately uphold, and one that guides every decision we make. And we seek the visionary, driven individuals bold enough to chart the future with us.

We have the resources for you to develop, personally and professionally. To learn constantly. And to excel greatly. Explore our diverse opportunities for people who want to make a significant impact – like you.

We currently have outstanding opportunities available in WA for individuals to join our team in the following dynamic roles:

DIRECTOR OF SALES (Job #16235)

ASST. DIRECTOR – SALES OPERATIONS
(Job #16282)

**DIRECTOR OF REIMBURSEMENT & DELIVERY
SYSTEMS STRATEGY** (Job #15953)

**MEDICAL MANAGEMENT COORDINATOR –
BEHAVIORAL HEALTH** (Job #16223)

SUPERVISOR, POST SERVICE CLAIMS REVIEW
(Job #16233)

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For a complete job description and to apply online, please visit:

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Career Opportunities



To advertise call 425-577-1334



Director Laboratory – Good Samaritan Community Healthcare – Puyallup, WA

About us: Good Samaritan is part of the MultiCare Health System, a comprehensive, private not-for-profit medical system serving the growing populations of Pierce and King Counties in the greater Puget Sound region of Washington.

Provides leadership for all Clinical and Anatomic Laboratory Services. Responsible for all laboratory functions and personnel. Responsible, together with the Medical Director and other pathologists, for providing or arranging for all laboratory services for hospital in- and out-patients, Emergency Department patients as well as selected patients from other components of Good Samaritan Community Healthcare, including home health and hospice patients and referred nursing home clients. Oversees laboratory outreach activities performed by Good Samaritan Hospital and its subcontractors and partners.

Qualifications: Must hold either a Medical Technologist (MT(ASCP) or Clinical Laboratory Scientist (NCA) certification or equivalent. Minimum of 4 years experience at management level (i.e. Supervisor or above), experience in medical laboratory of significant complexity and diverse client base required. Recent acute hospital experience preferred. Bachelor's degree required. Master's degree preferred.

For more information: (253) 697-1512 or e-mail evelynmaritvold@goodsamhealth.org or visit: www.goodsamhealth.org



Chief Executive Officer

The Regional Hospital for Respiratory and Complex Care has retained Deering and Associates to recruit their new Chief Executive Officer.

The Regional Hospital in Seattle, Washington is a 40-bed acute care hospital specializing in providing extended critical care for patients. The non-profit community based hospital is Joint Commission accredited and certified by Medicare and Medicaid.

The Board of Directors is looking for an experienced CEO who has the vision and take the hospital to the next level in its future growth.

A Master's Degree in Business or Health Services is required with at least 10 years of progressive leadership experience within the Health Care industry.

Leadership, management and coaching skills to help others succeed is also required.

If you or anyone you know might be interested in this opportunity strictest confidence with a resume to Deering and Associates or by calling toll free (888) 321-6016 or email at george@deering-associates.com.

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Manager of Patient Outcomes (Longview office)

We are seeking a seasoned professional who has primary responsibility and authority for maintaining/improving quality of patient care, in accordance with the Agency's objectives and policies through planning, coordinating, implementing, supervising and evaluating services. The Manager oversees all components of clinical operations; intake, scheduling, clinical quality documentation, reporting, and outcomes. Requirements include a BSN or equivalent Bachelor-level degree (PT, OT, BSW), current WA or OR nursing license or a discipline-appropriate license, knowledge of home health and hospice regulations, BBP training, experience with third-party reimbursement and prior supervisory experience.

Physical Therapists (Longview and Vancouver offices)

We are seeking physical therapists to plan, give and evaluate skilled physical therapy service and care. Requirements include a current WA or OR physical therapist license and graduation from an accredited physical therapy program.

Both positions also require a valid driver's license, reliable auto, current proof of insurance, proof of TB screening, current CPR card and HIV/AIDS education.

To inquire about or apply for either position contact Terri Brewer at tbrewer@chhh.org.

WWW.CHHH.ORG



Hospital Financial Information

YTD Net Income and Members through 12/31/07 for the Largest Health Plans in Washington State¹

Plan Name	Net Income	Members	Plan Name	Net Income	Members
Health Plans:			LifeWise Health Plans of AZ.	(\$14,426,104)	29,247
Regence BlueShield	\$66,598,417	884,409	Arcadian Health Plan	\$4,598,287	19,157
Premiera Blue Cross	\$105,875,522	729,843	Timber Prod. Manuf. Trust	\$633,552	17,541
Group Health Cooperative	\$64,174,802	402,011	Washington Employers Trust	(\$1,149,392)	7,553
Molina Healthcare of WA	\$45,477,166	283,485	Aetna Health, Inc.	\$2,278,790	6,655
Community HP of WA	\$5,548,137	231,673	Washington State Auto Ins. Trust	(\$904,993)	3,160
Group Health Options	\$142,694	105,769	Puget Sound Health Partners	(\$3,619,579)	0
Asuris Northwest Health	\$5,787,486	91,092	Vision or Dental Plans:		
LifeWise Health Plan of WA	\$1,148,702	90,500	Washington Dental Service	\$15,762,154	925,417
Pacificare of Washington	\$54,015,908	51,465	Vision Service Plan	\$6,945,130	552,312
KPS Health Plans	(\$2,556,888)	44,846	Willamette Dental	\$661,905	72,461
Columbia United Providers	(\$2,281,141)	35,684	Dental Health Services	(\$1,412,266)	25,621

YTD Margin and Days through 09/30/07 for the Largest Hospitals in Washington State²

Hospital Name	Margin	Days	Hospital Name	Margin	Days
Sacred Heart Medical Center	\$41,858,163	112,800	St. Joseph Hospital Bellingham	\$13,364,759	43,285
Swedish Medical Center	\$79,937,119	107,202	Good Sam. Comm. Healthcare	\$36,754,790	41,629
Harborview Medical Center	\$11,535,000	101,165	Valley Medical Center	\$24,428,199	40,121
Providence Everett Med Center	\$23,002,895	75,599	Yakima Valley Memorial	\$5,485,968	37,569
University of WA Med Center	\$24,366,972	73,583	Highline Medical Center	\$6,459,112	35,552
St. Joseph Medical Center	\$59,093,249	69,277	Northwest Hospital	\$4,222,277	30,934
Virginia Mason Medical Center	\$11,629,102	64,481	Swedish Cherry Hill Campus	(\$10,398,308)	30,925
Southwest WA Med Center	\$2,382,889	63,986	Kadlec Medical Center	\$6,098,901	30,386
Providence St. Peter Hospital	\$20,180,986	62,386	Central Washington Hospital	\$10,563,706	30,235
Tacoma General Hospital	\$37,433,609	62,046	Holy Family Hospital	\$799,029	28,828
Children's Hospital	\$34,197,000	49,936	Saint John Medical Center	\$20,986,322	28,022
Deaconess Medical Center	(\$687,439)	49,514	Stevens Hospital	\$1,887,713	24,715
Harrison Medical Center	\$20,068,173	48,955	Legacy Salmon Creek Hospital	(\$4,541,322)	24,029
Overlake Hospital Med. Center	\$10,582,844	44,677	Auburn Regional Medical Center	(\$1,650,027)	23,463

¹Per filings with the WA State Office of Insurance Commissioner. ²Per filings with the WA State Department of Health. Evergreen Healthcare was among the largest hospitals but their complete financial information wasn't available on the WA State Department of Health website at press time.

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