COUNTY OF LOS ANGELES
DEPARTMENT OF HUMAN RESOURCES

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MICHAEL J. HENRY
DIRECTOR OF PERSONNEL

July 3, 2008

To: Each Supervisor

From: Michael J. Henry
Director of Personnel

Subject: **PACIFICARE PROVIDER ISSUE**

PacifiCare announced changes in their provider network affecting County employees and their families enrolled in their HMO and PPO plans. Benefits remain unchanged, and there will be no disruption of care.

PacifiCare advised us that negotiations to renew contracts with Integrated Healthcare Holdings, Inc. (IHHI) were unsuccessful. Although PacifiCare proposed multiple offers that were competitive and consistent with market trends, IHHI declined to accept. The following hospitals, Chapman Medical Center, Orange; Coastal Communities, Santa Ana; and Western Medical Center, Anaheim and Santa Ana; are no longer part of the PacifiCare network effective July 1, 2008.

PacifiCare mailed letters to all affected employees announcing the termination and provided instructions for selecting alternate hospitals. Members who are pregnant, currently undergoing a course of treatment, or have a current authorization for health care services may be eligible for services during a transition period as part of the continuity of care program. All network doctors, who admit to IHHI hospitals, received notice of the termination and will arrange for admissions to other hospitals for all PacifiCare members.

If you have any questions, please call me or your staff may call Marian Hall, Senior Human Resources Manager, at (213) 738-2255.

MJH:TJH
MLH:DZF:sl

c: Chief Executive Officer
DCEO, Operations
County Counsel
Executive Officer, Board of Supervisors

H: IHHI - PacifiCare