FOR IMMEDIATE RELEASE

December 11, 2008

Media Contacts:

Carmella Gutierrez
Catholic Healthcare West
415-438-5508
carmella.gutierrez@chw.edu

Erica Perng Blue Shield of California 415-229-6171 erica.perng@blueshieldca.com

Elizabeth Carpenter New America Foundation 401-529-9379 (cell) 202-986-2700 (office) carpenter@newamerica.net

California Health Industry Leaders Help Launch National CEO Coalition for Health Reform

Bodaken and Dean bring lessons learned from California reform debate to national group that embraces transformational change

(Washington, DC) – Two leading proponents of comprehensive health reform in California – Catholic Healthcare West (CHW) President / CEO Lloyd Dean and Blue Shield of California Chairman and CEO Bruce Bodaken – are founding members of Health CEOs for Health Reform (HC4HR), a diverse national coalition of health industry leaders dedicated to achieving sustainable universal health coverage for all. The new group of business leaders, which was assembled by the New America Foundation, also includes chief executives of the Billings Clinic, Denver Health, the Virginia Mason Medical Center, and Merck & Co. Inc.

"What sets this organization apart from other health policy coalitions is the commitment of CEOs to accept changes to their business models to help achieve comprehensive reform," said Len Nichols, Director of the Health Policy Program at the New America Foundation and HC4HR's facilitator. "HRC4R will help policymakers identify solutions that ensure everyone has quality, affordable health coverage within a system that delivers high value for every health care dollar."

"It's time for health industry CEOs to step up and say what has to be said—that achieving coverage for all will require each of us to change the way we do business," said Bodaken, who first proposed a universal coverage plan in 2002. "With regard to health plans, that means giving up the right to pick and choose our customers based on how healthy they are."

"This is a time of rare challenge and of equally rare opportunity. In order to seize it, we must all do our part," said Dean. "Hospitals and physicians must be accountable for the quality and affordability of the care they deliver," added Dean. "They should be paid based on quality outcomes, not on the number of services they provide."

CHW and Blue Shield of California played an active role in supporting the comprehensive California healthcare reform legislation that failed to pass earlier this year. Despite the bill's defeat, California stakeholders made significant progress on important policy details that can inform the upcoming federal deliberations on similar issues.

"As long-time advocates for healthcare reform and universal coverage, we are encouraged by the ideas and energy we see in Washington today," said Dean and Bodaken in a joint statement. "We look forward to adding our insights to those of other leaders to advance the growing momentum for comprehensive reform."

About HC4HR

Founding Members

Bruce Bodaken Chairman and CEO Blue Shield of California

Lloyd H. Dean President / CEO Catholic Healthcare West

Patricia Gabow, MD Chief Executive Officer Denver Health

Gary Kaplan, MD Chairman and CEO Virginia Mason Medical Center (Seattle, WA)

Nicholas Wolter, MD Chief Executive Officer Billings Clinic

Kenneth W. Frazier President, Global Human Health Merck & Co. Inc.

Principles

Members of HC4HR believe in the following three principles:

1. Health reform is an urgent priority for our nation and should not be postponed.

- 2. Meaningful health reform entails quality, affordable health coverage for all and delivery system reform. This will require all stakeholders to move away from "business as usual."
- 3. A more sustainable health system will require all health carehealth care stakeholders to offer and accept changes to their business models as part of a catalytic package that will better serve everyone.

Goals and Mission

HC4HR will demonstrate to the policy community and the American people that health industry CEOs and physicians are willing to be proactive leaders in calling for transformative reforms of our health system. These reforms include quality, affordable coverage for all *and* significant restructuring of our health care delivery system.

HC4HR will not protect outdated business models. Instead, it will work with lawmakers to identify policy solutions that meet the long-term goals of comprehensive health reform in a way that is operational and practical for health care leaders.

HC4HR will capitalize on its relationships with affinity organizations to nurture physician and stakeholder leadership. HC4HR's members will lead through example and encourage like-minded health care visionaries to join in their cause.

About Catholic Healthcare West

Catholic Healthcare West (CHW), headquartered in San Francisco, CA, is a system of 41 hospitals and medical centers in California, Arizona and Nevada. Founded in 1986, it is the eighth largest hospital system in the nation and the largest not-for-profit hospital provider in California. CHW is committed to delivering compassionate, high-quality, affordable healthcare services with special attention to the poor and underserved. The CHW network of nearly 10,000 physicians and approximately 53,000 employees provides healthcare services to more than five million people annually. In 2008, CHW provided \$967 million in charity care and unsponsored community benefit. For more information, please visit www.chwHEALTH.org.

About Blue Shield of California

Blue Shield of California, an independent member of the Blue Shield Association, is a not-for-profit health plan dedicated to providing Californians with access to high quality care at a reasonable price. Founded in 1939, it now has 3.4 million members, 4,700 employees, one of the largest provider networks and more than 20 office locations, providing a wide range of commercial and government products throughout the state. The company has contributed \$100 million over the past three years to the Blue Shield of California Foundation to fund nonprofit organizations that improve access to quality health care in California. Contact your local agent or broker for more information about Blue Shield products and services, or visit the Blue Shield web site at www.blueshieldca.com.

About the New America Foundation

The New America Foundation is a nonprofit, post-partisan public policy institute whose purpose is to bring exceptionally promising new voices and new ideas to the fore of our nation's public discourse. The Health Policy Program works in Washington, DC and across the nation to advance and protect a bipartisan dialogue about comprehensive health reform. Specifically, the Program promotes policy solutions that address the weaknesses in our health system related to cost, coverage, and quality. The Health Policy Program publishes the New Health Dialogue Blog, linked here. For more information please visit the Health Policy Program website.