

## University Physicians Health Plans

### >>At a glance

**Award:**

University Physicians  
Health Plans

**Category:** Services

**Year established:** 1985

**AZ Employees:** 136

**Web:** www.uphcg.com



*The health plan now covers more small business and self-employed than at any other time in its 20-year history.*

As CEO of University Physicians Health Plans, a division of University Physicians Healthcare of Tucson, Kathleen Oestreich is a seasoned health-care administrator with more than 25 years of leadership experience. Offering University Family Care (a Medicaid HMO) and University Physicians Healthcare Group of Arizona (a plan specifically tailored to small businesses) under contract with Arizona Health Care Cost Containment System, this is the largest Healthcare Group of Arizona plan in southern Arizona. In October 2005, University Physicians Health Plans was awarded the management contract of Maricopa Health Plan. Maricopa Health Plan is a Medicaid HMO serving the citizens of Maricopa County. Through this award, University

Physicians Health Plans now manages the health-care services of an additional 36,000 members.

Oestreich believes her position gives her an opportunity to make a real difference by providing health coverage to those in need. Due in large part to her efforts, this state-sponsored health plan is growing at a rapid pace. University Physicians Healthcare Group has grown from 5,676 to 8,173 in the last year; a growth rate of about 43 percent. The health plan now covers more small business and self-employed than at any other time in its 20-year history. Other states are looking towards Healthcare Group of Arizona as a possible model to solve their healthcare coverage issues.

# THE ARIZONA REPUBLIC

VALLEYWIDE

azcentral.com

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## New Plan is Available

**Health plan is available:** University Physicians Health Plans, a division of University Physicians Healthcare based in Tucson, is offering its Healthcare Group of Arizona plan for small businesses and the self-employed for the first time in Maricopa County. Healthcare Group of Arizona is the state-sponsored health plan that covers almost 23,000 Arizonans. It was created in 1985 to serve businesses with 50 employees or fewer. Almost 1 million Arizonans, 17 percent of the state's population, are without health insurance, though most of them are employed. [www.uphcg.com](http://www.uphcg.com)

**bizAZ**  
January/February 2006 magazine

[biz letters]

YOUR JULY/AUGUST 2005 issue quotes long-time Tucson business and community leader Dorothy Finley as stating that one of her pet peeves is "health benefits for companies with less than 50 employees. Our legislators need to work with small businesses and listen to their needs and wants . . ."

I would like to thank both Ms. Finley as well as bizAZ for bringing attention to the challenges facing small businesses looking for high quality

and affordable health-care coverage. As it turns out, small business owners, including numerous entrepreneurs, do have a great option of which many are not aware: Healthcare Group of Arizona.

A state-sponsored, member-funded program for the self employed and small businesses, Healthcare Group provides a variety of reasonably priced, accessible health-care plans. Rates are not based on the health conditions of indi-

vidual members. Premiums start around \$100 and there are numerous flexible, quality plans from which to choose. The payments can be funded by employers, employees, or both, and one plan option requires no primary care co-pays.

With almost a million working uninsured in the state, awareness of these options is crucial for entrepreneurs and their employees and families. Thanks for helping to spread the word!

**Kathleen Oestreich, CEO, University Physicians Health Plans, Tucson**



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# The Business Journal

 phoenix.bizjournals.com

PHOENIX

NOVEMBER 3, 2006

## Health Insurer Bringing New Small Business Health Plan Options to the Valley

**BY ANGELA GONZALES**  
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Small businesses in the Valley that have been turned away by some commercial insurance carriers are about to get another choice.

A Tucson health plan is moving into the Phoenix market with a hospital network previously not offered by existing health plans and contracting with small-business provider Healthcare Group of Arizona.

The new insurance plan, University Physicians Healthcare Group, has a network of more than 2,000 doctors and other health care specialists as well as 21 local hospitals, including Banner Health, Abrazo Healthcare, John C. Lincoln Health Network and Maricopa Medical Center.

"By adding University Physicians to the Maricopa market, it provides more choice for small-business owners," said Mary Steigerwald, assistant director of health plans and group benefits for Healthcare Group of Arizona.

While not state subsidized, Healthcare Group is administered by the Arizona Health Care Cost Containment System, or AHCCCS. The plan offers a safety net of health insurance to small businesses that previously were denied coverage by commercial health insurers because of employees' pre-existing health conditions such as cancer, AIDs and other diseases.

Before University Physicians expanded into the Valley, the only two health plans providing coverage under the Healthcare Group of Arizona contract were Mercy Healthcare Group and Care 1st Health Plan. University Physicians has been providing Healthcare Group coverage in Southern Arizona since 1987 and has 8,749 members in that region.

"If they can bring something different than one of the other health providers is bringing, then we'll consider it," Steigerwald said. "Because they were bringing different physicians, they were approved."

University Physicians brought to the table MedPro, the multispecialty physician group that works at Maricopa Medical Center, adding a component that had never been offered by Healthcare Group, Steigerwald said.

"Bringing Maricopa Integrated Health Systems and their hospital and physician network has been a great asset we didn't have available before," she added.

Kathleen Oestreich, chief executive and plan administrator for University Physicians, said her goal is to have 3,000 members in the Valley within a year.

"The plans are differentiated based on their network and customer service," Oestreich said. "The benefit packages are the same across the plans."

Health insurance coverage is at the top of the minds for small-business owners, many of whom can't afford coverage

because they don't have enough employees to spread the risk over a large group of enrollees.

A September survey of small businesses by American City Business Journals found that rising health insurance costs is the single-most important issue on the minds of small-business owners. The Charlotte, N.C., parent company of the Business Journal polled 608 business owners nationwide and found that 75 percent rated the cost of health care coverage as their greatest concern.

Henry GrosJean, a small-business insurance broker and owner of GrosJean & Associates, said the rates for Healthcare Group are competitive with commercial insurance carriers. Plus, he said, small businesses are guaranteed to get health insurance coverage while commercial carriers can turn away business from small employers if the risk is too great.

Overall, however, GrosJean said commercial carriers need to look at ways to provide more affordable coverage to small businesses.

"Insurance companies have successfully been able to avoid certain risks," GrosJean said.

With limited resources, Healthcare Group has struggled to make itself known to small businesses. It has been self-sufficient without any state subsidies since July 2005.



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