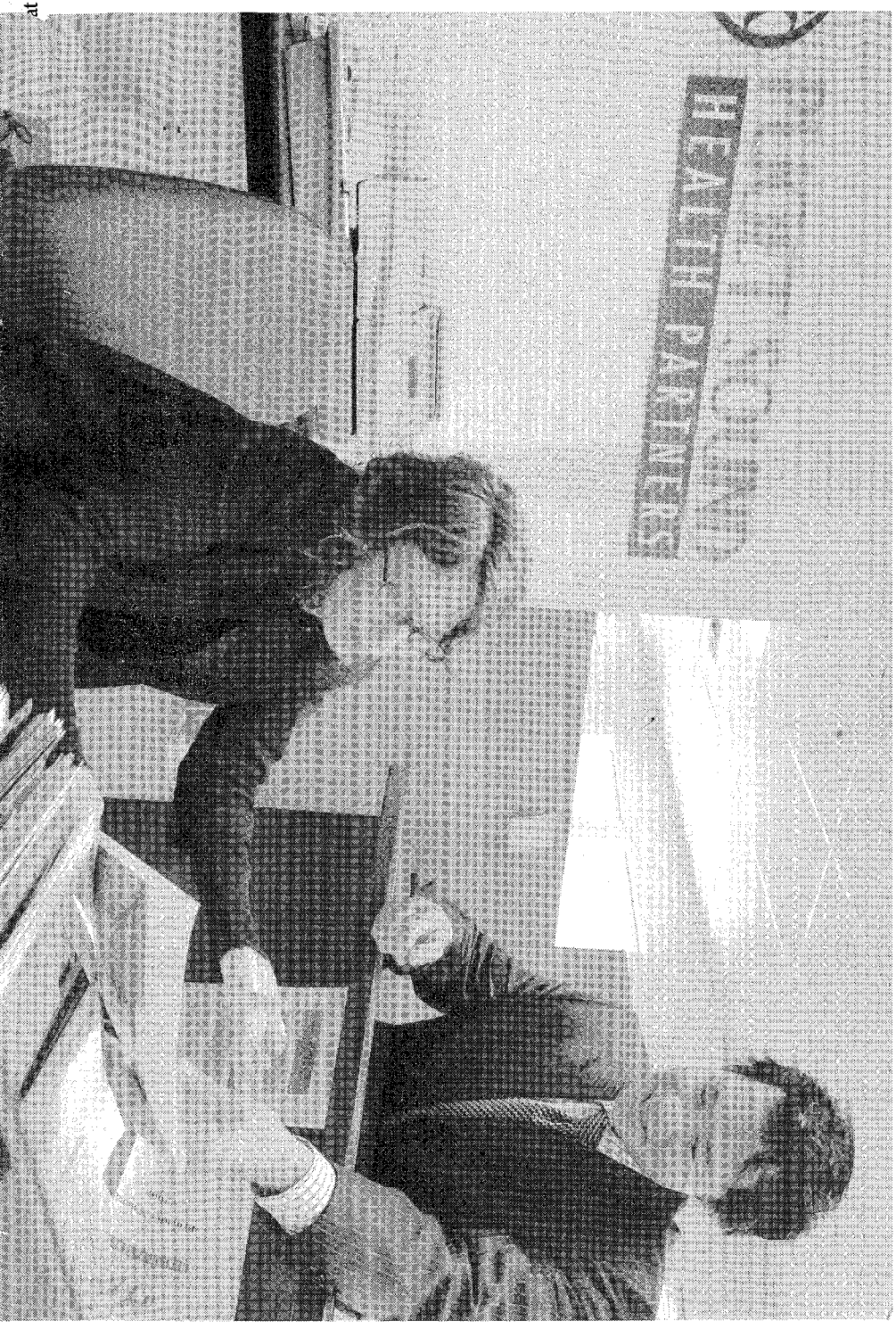


HEALTH CARE

HEALTH CARE & INSURANCE

April 4



Puget Sound Health Partners CEO Larry Loo finds himself shuttling between offices, medical meetings and talks with his staff as he coordinates the efforts of his company, a local provider of Medicare coverage.

Startup requires paperwork, partnerships

By Steve Dunkelberger

Business Examiner Staff

Puget Sound Health Partners CEO Larry Loo runs a company that shuttles between two of the most paper-intensive industries in America: health care and insurance.

There are forms for treatment, forms for billing, forms for regulatory oversight, forms between the various partner agencies and participating doctors, and all the basic forms for payroll and orders for office supplies that shuttle through the office.

The efforts in filling out those forms must be working, since the Lakewood-based startup is going through a growth spurt well before its officials had expected.

"We are well ahead of our target for 2008," said Loo, who has more than 15 years of experience in managed health care in the three largest health plans in Washington.

His 28-worker company formed in January. Its officials predicted it would have about 3,000 members by early 2008 and it now has more than 4,100. There was a day earlier this winter that saw 1,000 inquiry calls in a single day.

"All of this has ramped up very quickly," Loo said.

An insurance plan with 4,100 patients might not seem like a lot, but the program has only been active since January and the growth comes at a time when new patients were being asked

to look at changing plans – something seen as a gamble for many people – to a company that wasn't known in the marketplace.

The business is finding its niche with Medicare patients who want to keep their federal coverage, but don't want to deal directly with government agencies for coverage. Medical Advantage plans are operated by private companies that administer the program for the federal government on behalf of the patients who select one of the insurance plans these companies provide. Some 20 such plans were started in the U.S. last year. Loo's operation is the largest in terms of members.

"I think a lot of people who have not been exposed to this model before are still a bit gun-shy," he said. "But people like that we work directly with local physicians because we were founded by local physicians."

That's where being locally based became an advantage. Offices are local. Phone calls for claims are local, Loo said. Even the main people shown on the company's promotional materials and handbooks are area residents, instead of stock photos bought from some photo agency.

"All of the people here at member services

are not located in another state or anything like that," he added, noting that not only does his office overlook the cubicles for member services representatives, but that office is shared with another person since they have run out of space in the building.

Puget Sound Health Partners is a physician-sponsored, Medicare Advantage health plan that offers coordinated care plans through facilities around King, Pierce and Thurston counties. The firm was formed when Highline Medical Services Organization, a physician-hospital organization in southwest King county; Northwest Physicians Network, an independent physician organization in Tacoma; and Physicians of South

west Washington, an independent physician organization based in Olympia pooled their individual efforts into one umbrella organization. The combined groups represent a network of about 800 physician owners, 1,600 specialists, and a hospital system. The growing framework also includes about 2,000 doctors and nine hospitals.

This partnership came during the Medical

Puget Sound Health Partners

Puget Sound Health Partners is a locally based health plan for Medicare beneficiaries that was formed and supported by area physicians. The company founders include three of the region's largest independent provider organizations consisting of 800 physician owners, 1,600 specialists, and a hospital system.

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Founding member is Highline Medical Service Organization, a South King County, non-profit physician and hospital organization whose members include Highline Medical Center, 71 primary care physicians and 167 consulting specialists.

Northwest Physicians Network, Tacoma

Health care firm bases decisions on what the consumer needs

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care reforms of recent years, when reimbursement rates and rules changed, forcing agencies to streamline their operations if they wanted to earn a profit serving Medicare patents. The merging of efforts by the three medical groups allowed for a simplified and coordinated chain of care, since the Medicare insurance provider and the care giver are organizationally aligned. The startup insurance carrier marked the first new health insurance carrier approved by Washington regulators in more than a decade.

"We believe that there is a real need in the marketplace for Puget Sound Health Partners

because we have a different approach than other plans. The biggest difference is that local physicians, with years of experience coordinating care for Medicare beneficiaries, will determine patient care. We want to enhance the physician-patient relationship and provide continuity of care," Loo said. "We don't have crazy referral rules, and we have a large specialty network.

"As a private, local company, we are building relationships with our members," he said. "We are not making decisions based on what Wall Street expects, we are making decisions based on what is best for our members, who can pick up the phone and talk to someone locally about their health care coverage." **EE**