

# The evolution of a **community health plan**

## **Our History**



### **Serving Lane County, Oregon: 1933–1973**

PacificSource was founded in 1933 by a group of 21 physicians who staffed and operated Pacific Christian Hospital in Eugene, Oregon. Within two years the company covered 600 employees, hired the first full-time manager, and took on the name Pacific Hospital Association (PHA).

By 1940, the not-for-profit PHA focused on providing health coverage to mostly wood product companies and government employers, such as Giustina Brothers Lumber Company, Westfir Lumber Company, Lane County, and the City of Eugene. PHA fulfilled the needs of local employers who wanted to ensure their employees could access care if they were sick and would be protected financially.

Slow, steady growth and solid resources made PHA an attractive company, and twice during the early 1940s the firm rejected offers to merge. By 1945, PHA insured 4,500 working men and women at \$2 per month. The company celebrated its 20th anniversary in 1953 with 10,500 members, 123 business contracts, and 67 physicians.

### **Expanding throughout Oregon: 1973–2005**

By 1975, PHA had become a major health insurer for Lane County, Oregon, residents. During the financially difficult 1980s, thanks to conservative underwriting practices and measured growth, PHA avoided the large financial losses that plagued many other health insurers and emerged stronger than ever. In 1985 and 1986, PHA expanded its western Oregon marketing area to include Douglas, Linn, Coos, and Benton Counties.

The company grew dramatically in the 1990s thanks to aggressive provider contracting and marketing efforts. In 1992, PHA opened an office in Portland, Oregon, and in 1994, the company launched its own line of group dental plans. The organization adopted the name PacificSource Health Plans in October 1994 to better reflect its mission as a health insurer. By the late 1990s, PacificSource had become a statewide plan, providing businesses and individuals in all corners of Oregon with flexible health and dental insurance.

To better serve its growing customer base, PacificSource opened offices in Bend in 2000 and in Medford in 2004. In 2003, PacificSource acquired two third-party administrators: Manley Services, an administrator of flexible spending accounts, health reimbursement arrangements,

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***PacificSource is dedicated to providing affordable, quality healthcare and personal service at the local level throughout the Northwest.***



and COBRA benefits; and Select Benefit Administrators (renamed PacificSource Administrators), an administrator of self-funded employee benefit plans. These new product lines allowed PacificSource to offer a full range of benefit solutions to employers and paved the way for growth beyond Oregon.

## From Statewide to Regional: 2005–Present

In 2007, PacificSource achieved a key goal of its expansion strategy by entering the Idaho market and opening a regional office in downtown Boise, Idaho. It celebrated its 75th anniversary in 2008, ending the year with 150,000 covered members and newly acquired licensure in Washington.

In 2009, PacificSource enhanced its Idaho market presence and its dental membership through two acquisitions: Primary Health, Inc. of Idaho, including Primary Health Plan, Riverside Benefit Administrators, and Idaho Physicians Network; and Advantage Dental's commercial dental business. Through this growth PacificSource finished 2009 with 206,000 members.

In keeping with its vision of becoming the leading community health plan in the region, PacificSource entered the Medicare and Medicaid markets in 2010 through the acquisition of Clear One Health Plans, Inc. This union combined Clear One's expertise in government programs with PacificSource's longstanding leadership as a commercial health plan, providing greater opportunity to collaborate with providers across a broader spectrum of patients to improve healthcare quality and access.

Through the acquisition of Clear One, PacificSource also gained a foothold in the Montana market with 1,500 members and began its expansion in that state. In 2011, PacificSource opened an office in Helena, achieved licensure in Montana, and signed an agreement to purchase a portion of New West Health Services' commercial health insurance business.

Now, as a full-service organization with licensure in four states, PacificSource is well positioned to expand on its role as a community healthcare asset. Offering healthcare solutions for individuals, small companies, large organizations, and government programs, PacificSource is able to meet the needs of all community members.

*Questions? If you would like more information about our products or services, please contact us.*



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