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June 26, 2017

Employer First Employer Last Mailing Address 1 Mailing Address 2 City, State Zip

Dear Employer First:

It is important that we communicate news regarding UC Davis Health changes and how you and your employees will be impacted. WHA recently received notification that UC Davis Health intends to exit the WHA provider network effective January 1, 2018.

Members with a UC Davis Medical Group Primary Care Physician (PCP) will be required to select a new PCP within the next six months. Members currently receiving treatment may request continuity of care allowing them to temporarily remain with their existing UC specialty provider during their treatment plan. Additionally, WHA is working with UC Davis Health to revise their provider agreement to allow access to UC Davis Medical Group specialty services and to the UC Davis Medical Center with a direct referral.

Your employees will want to know why this has happened. UC Davis Health made this unilateral decision due to today's challenging and uncertain healthcare climate. They determined the high cost structure of their academic medical center is no longer compatible with a regional HMO like WHA, whose business strategy is to be a market leader in affordability.

In our opinion, and in the opinion of our other provider partners, WHA's collaborative model is the future of healthcare. WHA will continue to grow (as demonstrated by last week's announcement of our 2018 reentry into CalPERS), will continue to expand its service area, and will continue to prosper.

We understand this change will cause distress and inconvenience. WHA is committed to doing everything we can to support you and your employees to ensure the smoothest possible transition and provide continuing access to convenient, affordable and quality healthcare.

WHA's provider network remains strong with more than 80% of physicians in our network in the Sacramento region welcoming new patients. Members can choose from approximately 275 PCPs via Hill Physician Medical Group, Mercy Medical Group, Woodland Clinic Medical Group and NorthBay Healthcare.

We are here to support you during this process. As more information becomes available, we will provide you with details regarding our member service support, employer and member communications plans, and our community engagement strategy.

Thank you for choosing Western Health Advantage. We look forward to continuing to serve you.

Sincerely,

Garry Maisel President & Chief Executive Officer Western Health Advantage

CC: Broker Name

