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## UA doctors selling health care in Valley

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University Physicians Healthcare, a doctors group based in Tucson, is making inroads in Maricopa County.

Through its health-plan division, UPH is offering coverage for small-business owners, Medicaid patients, and next year it hopes to introduce a new type of drug plan for Medicare and Medicaid patients.

The doctors group is made up of the faculty of the University of Arizona College of Medicine. It was created in the 1980s and has branched out to run health plans as well as a hospital in Tucson.

Since October, when UPH started to sell its Healthcare Group in Maricopa County, it has signed up a couple of hundred members, said Kathleen Oestreich, CEO of University Physicians Health Plans, a subsidiary of UPH.

Overall, UPH, the largest Healthcare Group plan in southern Arizona, has seen its overall membership increase more than 40 percent over the past year to 8,400 members.

Healthcare Group plans are seen as an alternative to large commercial carriers and can offer better rates than other insurers.

Even though it may offer lower rates, Healthcare Group is not an easy sell, Oestreich said.

Few business owners know about the program, and it's difficult for them to imagine that they can afford any type of health coverage.

"These are small-business owners. Their most pressing problem that day may be that all of their staff called in sick. It's hard for them to think about health insurance while running their business at the same time," she said.

For plans like UPH, signing up Healthcare Group members is different from the way large commercial insurers book business.

Larger insurers can get hundreds of members with a single contract. The average contract for University Physicians Healthcare Group is 2.5 members.

"A couple hundred members for us is real achievement," Oestreich said.

UPH is also signing up members for the Maricopa Health Plan, a local Medicaid HMO. In 2005, UPH was awarded management of the plan, which was losing \$300,000 a month while being run by Maricopa County.

Since then, UPH has been trying to rebuild the plan's credibility among prospective members.

Nonetheless, membership dropped from 36,000 in 2005 to 33,500.

The health plan has also formed a joint venture with Maricopa Integrated Health System, which owns the Medicaid program and Maricopa Medical Center, to offer a Medicare/Medicaid drug program in 2008.

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