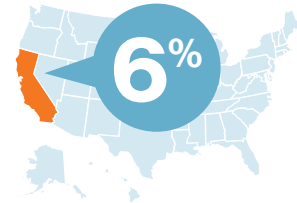


Default Rates Don't Protect Patients, Don't Reduce Costs, And Don't Ensure Access

California hospitals are working hard to help manage the cost of care.



California hospital costs per capita are 6% below national average

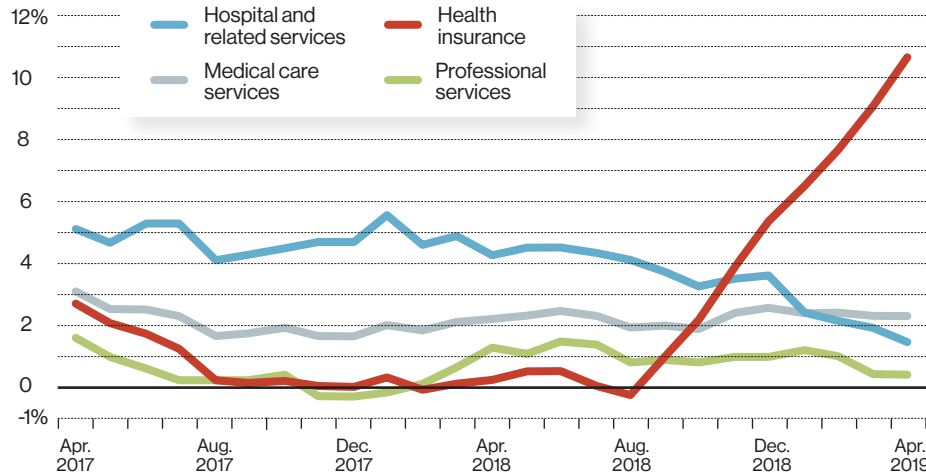
4.1% average annual growth in hospital spending on care over past 3 years

Share of national health care spending attributable to hospital down by 17% since 1980

Health insurance prices rising fast

Unadjusted percentage change from previous year

Sources: U.S. Bureau of Labor Statistics monthly consumer price index reports; www.modernhealthcare.com



Default rates compound the problem:

- the potential for more narrow networks
- a "thumb on the scale" for insurers
- reduced access to a full range of health care services



91% of California's health plan market controlled by **6** companies

Premiums up **23.7%** for employer sponsored coverage over past 3 years

2X: percentage of workers in high deductible health plans between 2009 to 2017