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An Interview with Ken Provencher, President and Chief Executive Officer of PacificSource Health Plans

Ken Provencher is the President and Chief Executive Officer of PacificSource Health Plans. The PacificSource service area includes Oregon, Idaho and now Washington State. David Peel, Publisher of the Washington Healthcare News asked Mr. Provencher a few questions in this February 2009 interview.

What 100 words best describe the PacificSource organization?

PacificSource is an independent, not-for-profit health plan with a 76-year history. Founded in Eugene, Oregon, we now serve all of Oregon and Idaho and were recently granted licensure in Washington. Our core values of partnership, community, and service excellence are demonstrated in the personal relationships we create with our customers and business partners.

Our mission is simple: helping people get the healthcare they need. We display our commitment to that mission through our personal approach to customer service, our partnership with healthcare providers and other community stakeholders, and our involvement in various healthcare reform efforts at the local and state levels.

What are your significant products and services?

PacificSource offers medical and

dental coverage in the small and large group markets in Oregon and Idaho. We also offer individual and family health plans in Oregon and we are preparing to introduce individual products in Idaho this year.



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Our organization also includes two subsidiary third-party administrators who provide additional services to employers. Manley Services administers flexible spending accounts, health reimbursement arrangements, and other tax advantaged benefit plans, while Select

Benefit Administrators specializes in self-funded employee health benefit plans.

You recently announced PacificSource received a license to do business in Washington State. Why did you chose to expand into Washington State and not California?

We believe Washington is a good fit for our growth strategy because it shares many similarities with Oregon. Historically, we've been most successful in small to mid-size cities like Eugene, Bend, and Medford, Oregon, where we've been able to truly become part of the local healthcare community.

That's really become our niche, and we believe Washington has a number of communities where there's an opportunity for that model to work. Many employers are also located across Oregon-Washington-Idaho markets and we believe that our stronger regional presence will enhance our ability to serve those customers.

Washington State has a reputation as having a difficult regulatory climate for health insurance companies. In addition, the competitive environment is oligopolistic in nature with the "big three" of Premera, Regence and Group Health Cooperative controlling over 90% of the non-Medicaid fully insured

health insurance market. How are you going to manage the regulatory issues in Washington State and, at the same time, take market share away from these three large, well established players?

Historically, we've been able to grow and remain independent by taking a slow and deliberate approach to growth; we've never focused primarily on market share.

We identify communities where we believe there's an opportu-

nity for our community-based approach to be successful.

For that to work, we need to be on the ground, working side by side with the local healthcare delivery systems, safety net clinics, and business community to provide solutions that will ultimately result in more people having better access to quality healthcare services.

That's not an approach that many of the larger health plans can, or would likely want to, pursue.

Is there anything you would like to share with our readers about PacificSource?

We are a mission-driven organization that is committed to delivering the best value possible to our customers, a high level of personal service, and a deep focus on the communities where we do business. Our history, our commitment to doing this right, and our strong group of dedicated employees help us achieve those goals.

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