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**WESTERN HEALTH ADVANTAGE LAUNCHES HSA-
COMPATIBLE, HIGH DEDUCTIBLE HEALTH PLAN**

*Sacramento-based HMO only second in state to offer this innovative benefit design.
WHA endorses industry-leader Sterling HSA to administer plan.*

(SACRAMENTO, Calif.) – Western Health Advantage (WHA), a Sacramento-based not-for-profit health plan, announced today that it is offering a high deductible health plan (HDHP) that is health savings account (HSA)- compatible. WHA will be only the second HMO in California, and the only open-physician-network insurer, to offer such a plan to businesses. Employer groups may sign up now for coverage effective March 1, 2007.

WHA’s new HDHP/HSA plan offers up to an additional 28% savings over WHA’s existing low-cost health plans.

“With recent emphasis on expanding access and affordability to health coverage, we were eager to offer another insurance option. Many employers who previously could not afford health coverage for their employees now have the opportunity with this new plan,” said Garry Maisel, president and CEO of WHA. “WHA’s new HDHP fits perfectly within our suite of benefit plans, including existing HDHP and traditional co-payment options, created to meet the needs of local business.”

Western Health Advantage has endorsed Sterling HSA as its preferred HSA administrator. Sterling HSA was founded in 2004 and has been one of the innovators in the growing HSA industry. Company founders and executives have deep health insurance experience making Sterling a strong partner for WHA. “Sterling HSA and Western Health Advantage are very consumer centric organizations. Our common goal in this partnership is to provide a personal, reliable and satisfying customer experience to our clients,”

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*A low-cost,
high-satisfaction
health plan
for local business.*

said Cora M. Tellez, CEO and founder of Sterling HSA. “We’re delighted to have been selected by this high quality health plan.”

HSAs have been lauded across the country as a popular way to control premium costs while still providing quality health coverage to employees. Currently there are 3.6 million HSA accounts open in the nation with \$5 billion in assets under management. Created by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, HSAs are employee-controlled investment accounts which roll-over money year-to-year, similar to 401(k) or IRA retirement accounts and are used to pay for future medical expenses.

Western Health Advantage (westernhealth.com) is a Sacramento-based, not-for-profit health plan, created and sponsored by premier providers Catholic Healthcare West, the UC Davis Health System, and NorthBay Healthcare. Formed in 1997, WHA serves over 92,000 members offering a variety of health-care products and services. With a commitment to quality health care from some of the lowest-cost plans available, WHA also offers award-winning customer service. WHA’s commercial HMO holds the highest accreditation level of “Excellent” by the National Committee for Quality Assurance (NCQA).

Sterling HSA (www.sterlingHSA.com), an independent, privately-held company, specialized in administering HSAs, or health savings accounts. It is led by a team of experienced healthcare executives and advised by a board of distinguished professionals with expertise in healthcare, banking and the law. In conjunction with eligible insurance plans, HSAs provided by Sterling enable employers to control rising health care costs, subscribers to get the services they need and save money, and insurance professionals to enhance the range of services they can offer to their clients.

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