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**CALIFORNIA'S PHYSICIAN GROUPS FORTIFY EFFORTS
TO IMPROVE HEALTHCARE FOR STATE RESIDENTS**

***Association's New Sacramento-Based Operation Enhances Ability
to Shape Important Healthcare Legislation and Regulation***

Los Angeles, Calif., September 27, 2005—The California Association of Physician Groups (CAPG) today announced the opening of a new base of operation in Sacramento, California. Located in the Esquire Building, the office will serve as the focal point for the organization's efforts in all areas of legislative and regulatory advocacy. The facility will also house the recently appointed Vice President of Governmental Affairs, Bill Barcellona.

"The opening of this new office is significant for us because it puts CAPG in the heart of California's political arena and will enable us to more effectively impact healthcare-related legislation," said Donald Crane, president and CEO for CAPG. "California's healthcare system – which is largely built upon the coordinated care delivered by organized physician groups – delivers more value for the premium dollar than any other in the nation. We know that legislators consider hundreds of healthcare-related proposals every year that could impact the state's healthcare system, and in order to preserve this organized model, CAPG needs a strong voice in the legislative process."

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Recent findings released by the Integrated Healthcare Association (IHA), a California healthcare leadership group that tracks performance on clinical quality, patient experience, and investment technology, indicate that California's medical groups and Independent Physician Associations (IPAs) practicing in a coordinated care environment increased cervical cancer screening by as much as 117,260, breast cancer screening by as much as 8,250, diabetes testing by as much as 13,038, and appropriate asthma care by as much as 3,102 in the last year alone. Also, through their disease management programs, organized physician groups delivered significant cost savings for avoidable healthcare services.

In California, Health Maintenance Organization (HMO) premiums are about 36 percent less when compared to Preferred Provider Organizations (PPO) premiums, and are about 9 percent less when compared to HMOs on a national level according to the California Health Care Foundation.

"We are in Sacramento to make an impact on the quality and cost of health care in California and our new office provides a strategic location from which to manage and coordinate activities that will ultimately improve healthcare for the residents of our state, said Crane."

About CAPG

The California Association of Physician Groups (CAPG) is a professional association committed to improving healthcare for Californians. Based in Los Angeles and Sacramento, California, CAPG membership includes over 150 of California's leading physician groups representing more than 40,000 physicians who provide healthcare services to approximately 13 million Californians. For more information about CAPG, please visit www.capg.org.

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