

# San Diego Business Journal

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## Two Insurers Join List Offering Binational Health Services

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Two more insurance companies are offering binational health plans, bringing the region's total to five.

Just a few years ago, no such plan existed here. But today, insurance companies say market demand is such that all of these plans, which allow employees to go to the doctor in Mexico, can co-exist.

Cypress-based PacifiCare announced this month it will partner with Mexican company SIMNSA to offer its members access to SIMNSA's network of 200 doctors in Baja California, Mexico. It was perhaps SIMNSA's entrance to the market in 2000 as the first cross-border health maintenance organization, or HMO, and rapid enrollment of its more than 17,000 members, that called attention to a nearly untouched market — the working uninsured.

San Diego County has 600,000 uninsured people, according to the San Diego County Medical Society.

SIMNSA, which stands for Sistemas Medicos Nacionales, S.A. de C.V., is the only plan based in Mexico that has received a permit to market its services in California. It is because of this restriction that only Mexican nationals qualify for coverage under SIMNSA's plan. Those who sign up to be covered at SIMNSA's clinics through PacifiCare must also be Mexican nationals.

### Reaching Into Mexico

A new San Diego-based insurance company called Sekure Health is the first binational plan to extend its coverage far into Mexico's interior. Other plans have clinics only in Baja.

Blue Shield's Access Baja and Sekure's binational offering — both designed by Jim Arriola, who founded Sekure last year — are open to anyone employed by a member company, regardless of nationality.

Sekure is an employer-sponsored limited benefits program, not an HMO, so premiums are lower and benefits are not as full coverage. But Arriola, who left his position overseeing cross-border health care at Blue Shield three years ago, said Mexicans who work legally here may tend to move around, so an HMO, where members must choose a single primary care physician, isn't practical.

"It's much easier if the worker doesn't have to be tied to a specific doctor," he said, adding, "The cost of HMOs is rising faster than inflation, so more people are going without insurance."

Arriola said Sekure's network in Mexico will span 350 cities within the next year. The company offers a 24-hour phone service manned by doctors who speak English and Spanish. Sekure contracted with Lake Forest-based Beech Street Corp., a preferred provider organization, or PPO, network, and Seattle, Wash.-based Symetra Life Insurance Co., an underwriter, to begin its offerings in January.

### Negotiating With Large Insurers

Arriola, a first-generation American and graduate of the U.S. Military Academy at West Point, said Sekure is in negotiations with several major health insurance companies.

"We see an opportunity to help them offer binational health plans," he said. "Other plans, like SIMNSA, only cover Baja."

Arriola is also hoping the guest-worker program, backed by President Bush and still under debate in Congress, gets approval because it could boost Sekure's business.

Health Net of California, of Woodland Hills, is the region's fifth company that offers binational care, and it, too, has an agreement with SIMNSA. Health Net has 20,000 enrollees in its binational plan statewide.

The health plans say they save money for companies because health costs in Mexico are 30 percent to 50 percent less, studies show. Some small local companies, like SOS Metals Inc., in Chula Vista, has said its employees save about \$100 a month on health care by using SIMNSA's doctors in Mexico.

California has more Hispanics than any other state, but do enough of them have dependents in Mexico to make these new offerings profitable for insurance companies? Access Baja membership has remained steady in the last year at 3,000, said Blue Shield spokesman Brian Bell.

A year ago, PacifiCare said it was not interested in pursuing a binational health plan, saying the company would rather invest money in its services in the United States.

But then in late 2005, PacifiCare began quietly negotiating to use SIMNSA's networks.

Using SIMNSA's network makes a binational offering more affordable for PacifiCare, said Russell Bennett, vice president of the company's Latino Health Solutions division.

Members of PacifiCare will be able to sign a separate contract with SIMNSA within the same family so dependents living in Mexico will be able to visit doctors in border towns, while the U.S. worker, who may not be able to get home often, utilizes California doctors.

Bennett said 10 percent to 15 percent of members at the companies PacifiCare serves in California want to go to the doctor in Mexico. United Healthcare acquired PacifiCare in July 2005, though the companies are still using separate names and computer systems for a couple more years, Bennett said. Collectively, the companies have 210,000 members in San Diego County, and 46,200 are Hispanic.

"We feel (the binational health offering) is really a great advantage for U.S. employers because Mexican health care is so much less expensive," Bennett said. "These employees may otherwise decline coverage."

### **Hospital Burdened**

Local hospitals have said they are burdened by the increasing number of uninsured using emergency rooms for primary care.

In the end, hospitals raise rates to make up for money they lose, and health insurance companies follow suit, experts have said.

Worse, untreated illnesses and diseases make it difficult to keep tabs on possible pandemics. So health experts argue that offering coverage for workers' dependents in Mexico is crucial.

A report published this summer by the San Diego-based international Community Foundation, suggested binational health plans as one way businesses can help prevent the spread of disease.

"It's one way of addressing the working uninsured," Bennett said. "There's no one-size-fits-all insurance plan in the U.S."

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