

Exhibit 1-1: (cont'd)

Year	Health Care Cost and Control Events
1977	VHA established by 30 hospital CEOs – first national cooperative of not-for-profit health care organizations
1979	"Healthy People" released, the Surgeon General's first report on health promotion and disease prevention
1980	National health care spending as a portion of GDP is 8.9 percent
1980	HMO enrollment at 9.1 million
1982	Medicare risk-contract legislation enacted for HMOs
1983	Prospective Payment System (PPS) based on diagnosis-related groups (DRGs) mandated for hospitals under Medicare
1989	"Stark I" legislation prohibits physician self-referrals for lab services
1989	Medicare represents 68 percent of physicians' income
1989	Omnibus Budget Reconciliation Act reforms Medicare physician payment
1990	National health care spending as a portion of GDP is 12.2 percent
1990	Ryan White Act passes providing federal assistance for low-income AIDS patients and for AIDS testing and counseling
1991	National Committee for Quality Assurance begins accrediting managed care organizations
1992	HCFA adopts resource-based relative value scale (RBRVS), which increases payments to primary care physicians and reduces payments to specialists
1992	Buyers Health Care Action Group, an employer purchasing group, forms in Minneapolis
1993	Managed care enrollment exceeds 50 percent of those with job-based coverage
1993	Oregon's Medicaid health care rationing "experiment" approved
1993	Family and Medical Leave Act passed
1993	President Bill Clinton introduces American Health Security Act, a health-reform plan based on managed competition
1994	Oregon passes Death with Dignity Act giving residents the right to obtain prescriptions for self-administered lethal medications from physicians
1995	Blue Cross of Washington and Alaska becomes the first major insurer to reimburse for alternative medical treatments such as acupuncture and homeopathy
1995	Major federal crackdown on health care fraud begins