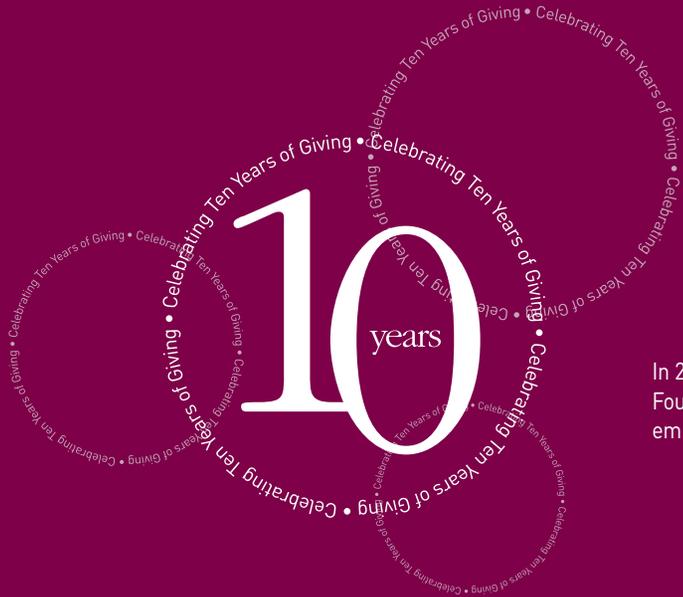




*Living
the
Giving*

PacifiCare[®]
Foundation

Caring is good. Doing something is better.



In 2003, the PacifiCare Foundation celebrated 10 years of living the giving. During that time, the Foundation has given more than \$24 million to hundreds of nonprofit programs and PacifiCare employees have given countless hours in the spirit of community involvement.

On the cover

Actor and philanthropist Paul Newman and PacifiCare's Chairman and CEO Howie Phanstiel are shown with children who have benefited from programs from the I Have A Dream Foundation. Foundation programs include year-round academic enrichment through after school and summer programs, mentoring and tutoring programs, social, cultural and recreational activities and scholarship assistance to high school graduates. Newman presented Phanstiel with an award from the I Have A Dream Foundation.

PacifiCare

PacifiCare Health Systems is one of the nation's largest consumer health organizations with more than \$11 billion in annual revenues. Primary operations include health insurance products for employer groups and Medicare beneficiaries, serving more than three million members. Other specialty products and operations include pharmacy and medical management, behavioral health services, life and health insurance and dental and vision services. More information on PacifiCare Health Systems can be obtained at www.pacificare.com.

PacifiCare Health Systems also operates a nonprofit organization called the PacifiCare Foundation, that is devoted to charitable and educational causes that enhance the health, wellness and welfare of individuals, families and the public at large.

Secure Horizons Senior Solutions, a division of PacifiCare, offers health, financial and lifestyle services tailored to meet the specific needs of today's mature population. Senior business products include Medicare+Choice plans, Medicare Supplement insurance plans and Secure Horizons Prescription Advantages Plan.

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Living the Giving

A letter from the Foundation president

Caring about the people and the communities we serve is at the heart of our mission at PacifiCare Health Systems. But caring would mean little if we didn't back up our concern with deeds that make a difference.

This dynamic approach is captured in our credo: "Caring is good. Doing something is better."

It's also evident in our actions at the PacifiCare Foundation, as we strive to demonstrate every day that we are "Living the Giving."

We support charitable causes great and small, national and local with financial gifts that translate directly to improved lives. In the Foundation's 10 plus years, we've contributed more than \$24 million for food, shelter, medicine, counseling, education and other vital goods and services in the communities we call home.

But "Living the Giving" carries a commitment of more than money. Our people also donate their time and expertise to meet needs no matter when and where they arise.

In 2003, that commitment took us to the Second Harvest Food Bank in Orange County, Calif., where one day each month, PacifiCare employees packed boxes for delivery to the hungry. It took us to Bennett Pass in the Cascade Mountains of Oregon, where our people provided sustenance and support to cyclists raising money for diabetes research. And it took us to athletic courts and fields of Denver, Colo., where employees made and served meals to Special Olympians, who passed out hugs in return.

These are just a few of the ways in which we connected with our communities during the past year. You'll read more about the people who sustain our outreach efforts in the "A Touch Above" section of this PacifiCare Foundation report.

Among our front-line contributors are members of our allocation committees. These volunteers evaluate requests and decide what local nonprofit agencies will receive grants. More than administrators, they are passionate advocates for neighbors in need.



For more than 12 years, volunteers from PacifiCare have been key contributors to the Second Harvest Food Bank of Orange County, Calif. By sorting and boxing goods for delivery to charities, PacifiCare employees help the food bank feed more than 200,000 people each month.

In the "Partners in Health" section of this report, you'll find stories on some of our more far-reaching projects. For instance, the Foundation's partnership with the American Diabetes Association is now four years old and more than \$3 million strong.

Our resources fund research and education programs and our people organize and staff grassroots fundraising events that spread the word about diabetes prevention and treatment.

The project has been so successful that we have embarked on a similar partnership with the American Heart Association, targeting the prevention and treatment of heart disease among women.

Another team effort in which the Foundation plays a key role is the Health Funders Partnership of Orange County. This four-pronged project targets systemic change in the way diabetes is identified, treated and managed in Orange County.

In 2003, we also teamed with the Dream Foundation to fulfill the wishes of adults facing terminal illness. As Dream Foundation founder Thomas Rollerson says, "When research and medicine no longer help, we care for the heart, we care for the family." And we at the PacifiCare Foundation are honored to help, as we did when an Oregon man with pancreatic cancer dreamed of attending the Denver Grand Prix and meeting Paul Newman.

With help from Newman, whose CART racing team PacifiCare sponsors, we were able to give Tom Leavitt and his family a weekend to cherish.

The hopes and wishes of young people also drive our actions, as you'll see in our section titled "A Brighter Future." Here you'll learn about our efforts to immunize children who might otherwise fall through the cracks of public programs.

And then there's our Latino Health Scholars project, which we launched in 2003 to help meet an acute need for Spanish-speaking nurses and other health care professionals. For starters, we awarded scholarships to 33 bicultural high school seniors pursuing careers in health care, helping these teens achieve their career dreams and opening new lines of communication to underserved communities.

The many and varied programs detailed in this report made 2003 a year of special achievement for the PacifiCare Foundation. Our commitment to action begins with our corporate board of directors, who this past year allocated more than \$4 million to the Foundation, allowing us to double our grant output from a year ago.

When we say we are "Living the Giving," that commitment clearly begins at the top.

What's more, we continued to show in 2003 that when we commit to a project, we do so for the long haul. For instance, our association with the Second Harvest Food Bank of Orange County is 12 years old and still gaining strength.

Also growing is our support for the Urban Entertainment Institute (UEI), to which we awarded a three-year grant for \$105,000 to further develop their musical curriculum and to get more young people involved in a program that is particularly close to our hearts.



The Urban Entertainment Institute performed at PacifiCare's 25th anniversary and the Foundation's 10th anniversary. Founded as an alternative to the streets for inner-city teenagers, the group received a three-year grant from the Foundation to further develop their musical curriculum and to get more young people involved in the program.

We met these talented young people when they performed for 5,000 PacifiCare employees, community leaders and other dignitaries at a dual celebration marking the 25th anniversary of our company and the 10th anniversary of our Foundation.

They sang our uplifting theme song, "From Now On," and the message of resiliency and hope still resonates throughout our organization.

"These students are not only singers but also fighters," says Fred Martin, the group's founder and musical executive director. "They come from broken and abusive homes. The song's lyrics inspire them to continue moving forward in life and overcoming obstacles to earn 'a better day' for themselves."

Martin founded the group as an alternative to the streets for inner-city teenagers. They brought the crowd to its feet at our celebration, and now they're also earning royalties thanks to the group's performance in our latest commercial.

What better way to show that our efforts to improve lives touch every aspect of our organization and reach deep into our communities?

At our celebration, the UEI performers sang, "From now on, it's going to be a brand new day, a better way."

We couldn't have said it better ourselves.

Sincerely,

Bill Wood

President, PacifiCare Foundation
Vice President, Community Relations
PacifiCare Health Systems

A Touch Above

From the start, our people have shown a passion for improving the communities we serve. We replenish that spirit with our annual “Touch A Life” Employee Giving Campaign, but each year PacifiCare people go far above and beyond just a financial commitment. We volunteer our time at schools, clinics, health fairs and food banks. Employees serve on allocation committees that decide what nonprofit agencies will receive Foundation grants. We respond systematically to local needs in all of our markets. The length of our outreach and the breadth of our involvement is what we mean when we say we are “Living the Giving.”



Actor, race driver, humanitarian, friend. When Paul Newman takes on a role, he does so completely, as we at PacifiCare learned during a year that took us well beyond our sponsorship of the Newman-Haas auto racing team. The spirit of giving we share with Newman is a team effort to make dreams come true. Foundation grant support helps to enrich young lives at The Painted Turtle, the latest of Newman's Hole in the Wall Camps for critically ill children.

Renewing our commitment to living the giving

At PacifiCare, fall is a time of renewal, as employees pledge their support for the Foundation and its ideals. In 2003, we received another heartening response.

Our most recent Foundation Employee Giving Campaign netted \$505,000 for those in need throughout all of PacifiCare's markets. What's more, we enjoyed a 56 percent participation rate.

Because PacifiCare matches each donation from employees, the fund drive generated more than \$1 million. What's more, the company pays all of the Foundation's operating expenses, which means contributions go directly to the nonprofit agencies making a difference where we live and work.

During the Giving Campaign, we highlighted our connection with Paul Newman, the Newman's Own® charities and specifically the Hole in the Wall Camps for critically ill children. We introduced employees to the newest camp, The Painted Turtle in Southern California.

Foundation support will help provide a tuition-free camp experience for children who otherwise might never be able to enjoy a week in the outdoors.

The camps' life-changing vision reflects the Foundation's own ideals. We change lives for the better every day as we embody the PacifiCare credo: “Caring is good. Doing something is better.”

Thanks to our employees, that legacy only grows stronger.

Employee Allocation Committees

Dozens of employees serve on allocation committees, representing each of PacifiCare's markets as well as each of our funding categories. These dedicated volunteers are both foot soldiers and generals in the PacifiCare Foundation's campaign to improve lives.

Committee members evaluate proposals from nonprofit agencies seeking funding. Then they make site visits and recommend worthy programs to the Foundation Board of Directors.

Like other committee members, Sally Killman knows first hand what it means to be “Living the Giving.”

Killman began applying her caring spirit to allocation committee service six years ago. She was recruited by her friend and co-worker Sara Hilt, who knew of Killman's particular affinity for causes benefiting children and women.

“Sara indicated how great it is to represent our company in a positive way in the community,” Killman said. “You meet people from the nonprofits and you're part of the decision process. Our success really wouldn't be possible without a team effort.”

Killman is co-leader of the Women's Health committee, a funding category first added in 2002. The other five focus areas are Child/Youth Services, Senior Needs, Health Prevention and Promotion, Human/Social Services, and Education.

Committee members pair up for site visits and then report back to the group. Next comes the give and take of deciding which grant requests to recommend for Foundation funding.

After meeting agency representatives and seeing their programs in action, committee members can form strong opinions and attachments. Reports are often passionate and sometimes tearful, Killman said. But though meetings can be spirited, committee members never forget that theirs is a collaborative process.

And no matter how much they give, Killman said, committee members always get more in return.

"You don't realize until you get involved that giving feels so good," she said. "When we can give an agency money or volunteer our time, expertise and effort, there's a feeling of pride that what we're doing matters. That feeling flows into the agencies we help and back to us. The whole really is greater than the sum of the parts."

Supporting U.S. troops

The caring spirit of PacifiCare's people isn't reserved just for causes within our markets. In 2003, our thoughts, concerns and contributions traveled halfway around the world.

With so many U.S. troops in harm's way in Iraq, our employees asked: What can we do—both as individuals and as an organization—to demonstrate our caring for U.S. men and women in uniform?

Our response was a drive to aid the American Red Cross Armed Forces Emergency Services fund. During two weeks in April, employees donated \$5,310, which the Foundation matched, dollar for dollar. Our collective contribution of \$10,620 is aiding U.S. troops far from home.

In addition, PacifiCare's commitment to employees in the military reserve earned the company recognition in 2003 as a Patriotic Employer by the National Committee for Employer Support of the Guard and Reserve.

PacifiCare Chairman and CEO Howie Phanstiel was nominated for the award by employee Heather Herbert, who is also a member of the Army Reserve.



The National Committee for Employer Support of the Guard and Reserve recognized PacifiCare's Chairman and CEO Howie Phanstiel (right) as a Patriotic Employer for contributing to national security and protecting liberty and freedom by supporting employee participation in America's National Guard and reserve forces. The award was presented by Col. Tom Umberg, commanding officer of the 78th Legal Support Organization.

In January, Phanstiel announced that PacifiCare would continue the policy it instituted after the Sept. 11, 2001, terrorist attacks. PacifiCare employees called to active duty retain their families' health benefits for one year (instead of the standard 90 days) while they are on military leave.

The company also pays the active reservists the difference between their current salary and their military earnings for one year. Additionally, active reservists are reinstated in their jobs upon their return.

As for the Red Cross contribution, one way it makes a difference is by keeping military personnel in touch with their families after the death or serious illness of a family member.

The Red Cross sends messages quickly, anywhere in the world, including to ships at sea and to isolated military units.

Though our outreach stretches across continents and oceans, it still hits close to home for many PacifiCare employees:

"Please accept this personal thank you from a retiree of our armed forces. This support is and will be appreciated not only by our soldiers but also by their families. Thank you again for your support."

Ric Barber

"Just wanted to thank you for your support of our troops, as this affects my family directly. My brother has been in the Air Force for 23 years and is overseas in this war. Thank you."

Candy Rozelle

"I sent two checks—one from me personally and one from my father's estate. He was a World War II vet and did much philanthropic work for veterans. I know he would have wanted me to support our troops. I pray each day for our soldiers. I am thankful that I work for a company like PacifiCare."

Ann Chan-Verdugo

Partners in Health

Some challenges are best met with a full battery of resources. That's why the PacifiCare Foundation teams with complementary organizations to take on concerns of both national and local import. Our partnership with the American Diabetes Association targets a silent killer of millions of Americans and combines national reach with local involvement. The unique program offers a model for our new partnership with the American Heart Association, focusing on women's heart health. We're also collaborating with local organizations to improve diabetes care and management in Orange County. And we've launched a partnership with the Dream Foundation to fulfill the wishes of adults facing terminal illness, giving them experiences they, their families and we can cherish.



As part of his dream trip to the races, Tom Leavitt road shotgun with Bruno Junquiera, driver of the PacifiCare car, in the pre-race parade at the Denver Grand Prix. Leavitt received VIP treatment at the CART event thanks to the Dream Foundation and the financial support of the PacifiCare Foundation.

Fulfilling special dreams

The Dream Foundation was the first and is now the largest national nonprofit organization that grants wishes to terminally ill adults. The PacifiCare Foundation has shared in that mission since 1998.

"When research and medicine no longer help, we care for the heart, we care for the family," said Thomas Rollerson, Dream Foundation founder. "We care by fulfill-

ing dreams, and our Partner, PacifiCare, helps us keep those dreams alive."

In 2003, PacifiCare chose the Dream Foundation as our charity partner for the 2003 CART auto racing series. We made racing dreams come true at events in Long Beach and Monterey, Calif.; Portland, Ore.; Elkhart Lake, Wis.; Lexington, Ohio; and Miami, Fla.; as well as in Denver, Colo.

In all, the PacifiCare Foundation has contributed \$150,000 to fulfill the dreams of terminally ill patients such as Tom Leavitt.

As a certified auto racing fanatic, Leavitt has always been fascinated by the sport's unadulterated speed. But he wasn't prepared for how fast his own life would turn when he was diagnosed with inoperable pancreatic cancer in July 2003.

When we at PacifiCare learned that Leavitt is a big fan of Paul Newman and the Newman-Haas race team, we quickly recognized a chance to do something special for Leavitt and his family. PacifiCare sponsors the Newman-Haas team.

Our Dream Foundation grant enabled Leavitt, his wife, Jenny, and their daughter, Arcata, to travel from their home in Eugene, Ore., to Denver for the Denver Grand Prix. There, Leavitt met Newman-Haas driver Bruno Junquiera, the defending race champion, as well as Newman.

"Movies and motor sports are two of my passions, and I had always admired Mr. Newman as an artist and successful race driver," Leavitt said. "When he began his charities—Newman's Own® foods and the Hole in the Wall Camps—my admiration for him only grew."



The PacifiCare Foundation and Newman's Own pledged an additional \$50,000 for a total of \$100,000 to the Dream Foundation at the Long Beach Grand Prix. Elizabeth Rorman, second from left, whose wish to attend the event was granted by the Dream Foundation, died three months later. Elizabeth's husband Michael, at left, along with Thomas Rollerson, founder and president of the Dream Foundation, Riva Gebel, director of the PacifiCare Foundation, Paul Newman, and PacifiCare's Chairman and CEO Howie Phanstiel, also attended the event.

In Denver, Leavitt and his family also received a behind-the-scenes look at pre-race activities and watched the event from a trackside suite.

"It's a weekend we will always cherish," said Leavitt, who was told in July he had less than a year to live. "Thank you for a dream come true."

"I'm still touched by the concern and willingness of people—even strangers—to help myself and my family out," Leavitt said in a letter to PacifiCare Foundation Director Riva Gebel.

"I'm feeling much better and stronger than when we met. I've even gained back some of the weight I lost. My oncologist can't explain it but says I should treat this time as a gift.

"I had no idea so many 'gifts' would come my way."

Supporting local treatment

A unique partnership that is helping to detect and treat diabetes in Orange County, Calif., expanded in 2003 thanks to a \$50,000 grant from the PacifiCare Foundation.

The Health Funders Partnership of Orange County has embarked on four collaborative projects, each targeting systemic change in the way diabetes is identified, treated and managed in Orange County.

The goal is to assure early identification of people at risk of diabetes and to see that they and those already diagnosed get access to needed services, including education and support for lifestyle changes.

The program is enjoying acceptance and success, but several gaps are showing. Phase II of the Partnership's Diabetes Initiative is designed to fill those gaps.

The PacifiCare Foundation's grant is helping to pay for outreach to African Americans. Program officials are recruiting 25 people from a cross-section of African American organizations to serve as Diabetes Advocates. These recruits assist volunteer registered nurses in Type II diabetes presentations at various community events and meetings.

Research indicates that as many as 144,000 or more Orange County adults have been told they have diabetes. But more than one-fourth of those diagnosed may not have seen a health care professional about their diabetes within the past year.

We also know that diabetes among ethnic minorities and adults without health insurance is probably under diagnosed.

With Phase II of the Diabetes Initiative, partnership officials hope to bring disease management programs to 5,000 low-income and people of color who have diabetes. In so doing, the program will reduce their risk of serious complications.

The program also seeks to provide at least 40 percent of these diabetics with ophthalmology services and get them corrective glasses—in many cases for the first time.



PacifiCare employees supported cyclists at the Tour de Cure ride in Long Beach, Calif., to benefit the American Diabetes Association. More than 200 riders and volunteers from PacifiCare participated.

Eye degeneration is one of the key complications associated with diabetes.

In addition, the program is expanding its target audience to include children at risk of developing Type II diabetes. The partnership will seek to map existing programs for these "pre-diabetes" children and then implement a referral system so they don't fall through the cracks of testing and treatment.

The PacifiCare Foundation's support of the Health Funders Partnership of Orange County shows our commitment to innovative programs improving health care access.

Partners in Health

Diabetes project continues to grow

The PacifiCare Foundation's partnership with the American Diabetes Association is four years old and growing stronger.

Since 2000, the Foundation has contributed more than \$3 million to fund research and education projects developed with the ADA. An important project pays for reminder cards that are sent to patients at risk of diabetes complications. The cards encourage patients to get tests that are critical to the early detection and treatment of potentially life-threatening conditions.

In 2003, the reminder-card project was expanded toward a goal of nationwide release.

In addition, the Foundation sponsors grassroots events that raise money and awareness to aid the fight against diabetes. In 2003 alone, we sponsored 18 ADA events—from health fairs to bike rides, golf tournaments to galas. These fundraisers reach out to residents in all of the eight states in which PacifiCare does business.

The combined effort has proved so effective that it forms a model of how a national nonprofit organization and a corporate foundation can unite to bring

about substantive change at both the national and local levels. PacifiCare is now applying the model to a new partnership with the American Heart Association.

In February 2004, the PacifiCare Foundation joined the AHA in its heart health for women campaign. Like the ADA collaborative, this new partnership combines research and education projects of national significance with grassroots involvement by employees. The Foundation will contribute \$2.5 million over three years to help the AHA in its campaign to empower women to lead heart healthy lives.



PacifiCare employees put a new spin on their support of the ADA Walk for Diabetes in Seattle, Wash. Proceeds from the pinwheel sale went to the American Diabetes Association in honor of the memory of employee Tad Degenhardt, who died of diabetes complications in 2001.

Both partnerships demonstrate PacifiCare's robust commitment to improving the health not just of our members but of all Americans.

Even as the heart disease project begins, the diabetes initiative retains its forward momentum. In 2003, more than 600 employees participated in grassroots events, raising \$92,000 for local chapters of the ADA. Over the four years of the partnership, PacifiCare employees have supported better than 50 ADA projects, touching more than 300,000 lives.

PacifiCare people have taken on leadership roles as well, serving on local, regional and national ADA boards. Foundation President Bill Wood continues to serve on the ADA's national Board of Directors.

PacifiCare employees don't have to look far to see the effects of diabetes, which afflicts 200,000 Secure Horizons members. The diabetes fight is particularly close to the hearts of employees at PacifiCare of Washington.

In 2001, PacifiCare facility manager Tad Degenhardt died of diabetes complications.

"You don't realize how many people are affected by diabetes until it hits so close to home," said Ann-Marie Murray.

Murray was one of 35 employees who participated in the ADA Walk for Diabetes last September in Seattle.

PacifiCare sponsored a "Blow Diabetes Away" booth, at which volunteers sold pinwheels, with proceeds going to the local ADA. PacifiCare participants wrote Degenhardt's name on their pinwheels and carried them during the walk to memorialize their friend and co-worker.

Here's a closer look at the Seattle event and three others that reflect just how thoroughly PacifiCare employees are connected to the battle against diabetes:

In Washington, great strides in memory of a friend

For PacifiCare participants, it was a moving sight to see dozens of colorful pinwheels spinning in the middle of the field at the start/finish line of the Walk for Diabetes in Seattle.

Each of the wheels had been placed in the ground at the end of the 5K walk either as a memorial or as a show of support for someone with diabetes.

"Losing Tad was like losing a member of our own family," Murray said. "It was a good place to remember him, and a good feeling to know we were helping to facilitate a cure for not just juvenile diabetes but adult-onset as well."

In Oregon, a peak moment for participants

PacifiCare employee Eileen Morgen has ridden in the Summit to Surf cycling event three times now, and it's still a rush to reach the top of the climb at Bennett Pass and see all of those PacifiCare volunteers cheering wildly for her accomplishment.

Of course, she knows the volunteers are there long before they come into view.

"PacifiCare always has the best booths because our volunteers have the most energy and make the most noise," said Morgen. "I think our people also have the most fun. Riders seem to hang out at our spot longer than they do at any of the others."

More than 1,200 riders participated in the July event, which raised better than \$200,000 for diabetes research and education.

The ride begins in Welches in the Mt. Hood National Forest and ends at Hood River. It features an elevation gain of nearly 4,000 feet, which Morgen said drives home a health-related point.

"The two best ways to reduce your diabetes risk are diet and exercise," Morgen said. "You have to pay attention to both to get ready for this ride."



PacifiCare cyclists celebrated their high-riding achievement during the Summit to Surf event in the Mt. Hood National Forest, Ore. The event raised more than \$200,000 for diabetes research and education.

In California, supporters aren't just along for the ride

More than 200 participants and volunteers from PacifiCare took part in the Tour de Cure bike ride that began and ended in Long Beach last May, more than doubling our entries from the previous year.

Those who didn't ride passed out water and information on diabetes at PacifiCare booths at the event.

Employee Lorena Chandler participated in the ride for the first time in 2003. Through pledges and donations, she raised about \$200 for the local ADA chapter.

"The cause is near and dear to my heart because diabetes is one of the leading causes of death among Latinos," Chandler said.

Chandler has also ridden in the National Multiple Sclerosis 150 Bay to Bay Tour in Orange County, at which she teamed with other PacifiCare riders and raised more than \$1,000.

"I enjoy the teamwork—how everyone bands together to help each other through the training as well as the ride,—Chandler said. "It promotes a healthy lifestyle, and I get to meet a lot of great people I probably wouldn't know otherwise."

In Arizona, the walk is just part of the fun

The Tucson version of America's Walk for Diabetes was dubbed Walktoberfest by organizers, but for most of PacifiCare's entrants, the event began with a ride.

That's because 45 of them had to make the 2-1/2-hour trip from Phoenix to participate. So we rented a bus and turned the occasion into a rolling fund-raising party.

The day featured bingo games, prizes and other activities in support of the local ADA chapter.

A Brighter Future

Improving the lives of children in need has always been a PacifiCare Foundation priority. In 2003, we turned our concern into action by attacking a critical need for preventive services. Our support is helping to boost immunization rates among children of low-income families. A multifaceted approach is bringing services to those who might otherwise do without. We're also addressing another serious shortage: bilingual and bicultural health care workers. Our new Latino Health Scholars program gives high school seniors a leg up on careers helping others as it also eases a nationwide shortage of Spanish speakers in nursing and related health fields.

Meeting a critical need

Every child deserves the chance for a healthy start in life.

Fueled by this simple premise, the PacifiCare Foundation in 2003 redoubled its support for the Orange County, Calif., United Way's Success by 6[®] Immunization Strategy.

A Foundation grant of \$40,000 is helping to meet one of Orange County's most critical needs: immunization outreach and education for low-income families.

Preventive care—especially for children—is a passionate pursuit for both PacifiCare and the Foundation. So when we learned that Orange County's immunization rate was a substandard 64 percent, we eagerly joined the United Way's collaborative effort.

The goal is a long-term partnership with service agencies that best reach Orange County's low-income Latino communities. This will help the program connect with the county's Immunization Registry, ensuring that the county's rapidly expanding population of children gets immunized.



Youngsters at the Boys and Girls Club of Garden Grove join the wave of support for the Success by 6[®] Immunization Strategy and the Local Investment in Child Care Project, which the PacifiCare Foundation backed with a \$40,000 grant.

The PacifiCare Foundation's ongoing support is helping to fund three outreach models. One features Spanish-speaking advocates, who make educational presentations at apartment complexes with high concentrations of Latino residents.

In another model, a mobile clinic provides education and immunizations to underserved communities in south Orange County.

The third approach involves service providers and marketing professionals, who have developed a mass-media campaign to promote awareness of the importance of immunization. Brochures, bus cards, grocery bags and theater slides all help spread the word.

The Foundation's grant helped the United Way immunization effort directly connect with 2,500 more low-income children and 7,000 parents during 2003.

"We're proud of the wonderful collaboration we share with the PacifiCare Foundation and the work we've accomplished together," said Carmen Namenek of the Orange County United Way. "We look forward to the opportunity to move forward in this important work."

Tackling a health care shortage

Breaking down barriers to quality health care has long been a defining pursuit of the PacifiCare Foundation. In 2003, we launched a program that presents new opportunities to Spanish-speaking students as it also opens new lines of communication to underserved communities.

The Foundation inaugurated the Latino Health Scholars program by awarding scholarships to 33 Spanish-speaking, bicultural students pursuing careers in the health care industry.

Each of the high school seniors received \$2,000 to help pay for tuition to an approved health care program at a university, community college or accredited technical college. The students are studying to become nurses, health claims examiners, pharmacy technicians and physicians, among other health care roles.

Scholarship winner Arianna Velez of Chula Vista, Calif., is enrolled at the University of California, Davis, and is majoring in psychology. Her goal is to become a general surgeon.

"I want to take what I learn and give back to the community where I grew up and help people live healthier lives," Velez said. "I want to thank PacifiCare for helping me pursue the career of my dreams."

The Foundation-funded Latino Health Scholars program targets a nationwide shortage of bilingual and bicultural health care workers. The scarcity of Spanish speakers in nursing and other allied health fields, coupled with the growth of the Latino population in the United States, highlights the need for more qualified professionals.

In 2004, the Foundation will grant 50 scholarships of \$2,000 to high school seniors in all eight states in which PacifiCare does business. To qualify, students must be U.S. citizens or legal permanent residents, demonstrate a grade point average of 3.0 or better and be fluent in Spanish and English.

"These students express a passion for helping others that bodes well for the future of health care," said Russell Bennett, head of PacifiCare's Latino Health Solutions. "It's clear that they share PacifiCare's belief that 'Caring is good. Doing something is better.'"

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PacifiCare Foundation

Success by 6

PacifiCare-sponsored advertisements in Spanish on buses in Orange County, Calif., educate riders about the importance of childhood immunizations. The campaign is part of PacifiCare's commitment to the Orange County United Way's Success by 6[®] Immunization Strategy.

Funding



PacifiCare Foundation employees, from left, Debbie Green, Nancy Tonner, Bill Wood, Riva Gebel and Carol Toulson.

Arizona Fund

Body Positive, Inc.	Phoenix
Brewster Center Domestic Violence Services	Tucson
Desert Voices Oral Learning Center	Phoenix
Habitat for Humanity, Valley of the Sun	Phoenix
Handi-Dogs	Tucson
Make-A-Wish Foundation—AZ	Phoenix
Mercy Housing SouthWest	Phoenix
Mesa Community Action Network, Inc.	Mesa
Neighbors Who Care, Inc.	Sun Lakes
New Directions Institute for Infant Brain Development	Phoenix
Southern Arizona Children's Advocacy Center	Tucson
Teen Outreach Academy	Phoenix
Tempe Community Action Agency, Inc.	Tempe
Arizona Total:	\$108,875.00

California, Central Fund

Angel Flight—Central CA	Santa Monica
C.R.E.W.	Ojai
Cancer Center of Santa Barbara	Santa Barbara
Caregivers: Volunteers Assisting the Elderly	Ventura
Easter Seals Tri-Counties—San Luis Obispo	San Luis Obispo
Easter Seals Tri-Counties, Ventura County	Ventura
Family Service Agency of Santa Barbara	Santa Barbara
Foodbank of Santa Barbara County	Santa Barbara
National Alliance for the Mentally Ill—Ventura	Ventura
California, Central Total:	\$64,642.00

California, Northern Fund

Alameda County Court Appointed Special Advocates (CASA)	Oakland
Crisis Support Services of Alameda County	Oakland
Diabetes Society of Santa Clara Valley	San Jose
Family Violence Law Center	Oakland
George Mark Children's House	Oakland
Institute On Aging	San Francisco
Joy of Sports Foundation—Alameda	Walnut Creek
Little Brothers—Friends of the Elderly	San Francisco
Oakland Public Library Foundation	Oakland

Pittsburg Pre-School and Community Council	Pittsburg
Project Open Hand	San Francisco
Rebuilding Together—Sacramento	Sacramento
Redwood Heights Parents' Fund Association	Oakland
River Oak Center for Children	Sacramento
San Francisco Community Clinic Consortium	San Francisco
Senior Gleaners, Inc.	North Highlands
California, Northern Total:	\$143,000.00

California, San Diego Fund

Casa de Amparo	Mission San Luis Rey
Challenged Athletes	Del Mar
Child Abuse Prevention Foundation	San Diego
Community Options	San Diego
Fraternity House, Inc.	Escondido
Paradise Valley Hospital	National City
Pazzaz Inc.	San Diego
Sherman Heights Community Center	San Diego
South Bay Community Services Inc.	Chula Vista
SYTES	San Diego
The Children's Initiative	San Diego
Y-Me San Diego	Escondido
California, San Diego Total:	\$69,999.16

California, So. Women's Health Fund

Cordelia Knott Wellness Foundation	Orange
Crystal Stairs	Los Angeles
Girls Inc. Los Angeles	Pasadena
Good Shepherd Communities	Fountain Valley
Human Options, Inc.	Newport Beach
LMWS, Inc. Pacific Lifeline	Upland
Mariposa Women's Center	Orange
Maternal Outreach Management System	Santa Ana
OPCC (Ocean Park Community Center)	Santa Monica
Planned Parenthood Los Angeles	Los Angeles
South Central Family Health Center	Los Angeles
spcaLA	Los Angeles
Women Helping Women, Inc.	Costa Mesa
Women's Transitional Living Center, Inc.	Orange
YWCA North Orange County	Fullerton
California, So. Women's Health Fund Total:	\$140,000.00

California, So. Child/Youth Programs Fund

Big Brothers Big Sisters of the Desert	Palm Desert
Central Orange Coast YMCA	Newport Beach
Children of the Night	Van Nuys
Discovery Arts	Tustin
Girls Incorporated of Orange County	Costa Mesa

Harbor-UCLA Research and Education Institute	Torrance
J.F. Shea Therapeutic Riding Center	San Juan Capistrano
Jewish Family & Children's Service	Long Beach
Journey House, Incorporated	Pasadena
Los Angeles Mission Foundation	Los Angeles
Los Angeles Youth Network	Los Angeles
Make-A-Wish Foundation of Orange County, Inc.	Tustin
Orangewood Children's Foundation	Santa Ana
Pacific Lodge Youth Services	Woodland Hills
Para Los Ninos	Los Angeles
Psychological Trauma Center	Los Angeles
Ride On Therapeutic Horsemanship	Newbury Park
Saint Joseph Ballet	Santa Ana
Shoes That Fit	Claremont
Starlight Children's Foundation—CA	Los Angeles
Students Run LA	Reseda
The Child Share Program	Glendale
Thomas House Temporary Shelter	Garden Grove
California, So. Child/Youth Programs Fund Total:	\$195,000.00

California, So. Education Programs

A Place Called Home	Los Angeles
Aquarium of the Pacific	Long Beach
Camp Fire Boys & Girls, Orange County Chapter	Tustin
Discovery Science Center	Santa Ana
First Book Orange County	Mission Viejo
Haven House, Inc.	Pasadena
Homework House	Orange
I Have a Dream Foundation	Los Angeles
Learning for Life—Long Beach	Long Beach
Los Angeles Child Development Center	Los Angeles
Los Cerritos YMCA	Bellflower
National Federation of the Blind of CA	Burbank
NetDay	Irvine
Orange County High School of the Arts	Santa Ana
Pathways Volunteer Hospice	Long Beach
PHFE Management Solutions	City of Industry
Project Tomorrow	Anaheim
Providence Speech & Hearing Center	Orange
School on Wheels, Inc.	Malibu
Speech and Language Development Center, Inc.	Buena Park
Stop-Gap	Santa Ana
The Oasis Institute	Lakewood
UCI Foundation	Irvine
Weaver Elementary School	Los Alamitos
California, So. Education Programs Total	\$218,500.00

Funding

California, So. Health Promotion Programs

Annie's House	Costa Mesa
Arts and Services for Disabled, Inc.	Long Beach
Beverly Hospital Foundation	Montebello
Caring for Children & Families with AIDS	Los Angeles
Chrysalis Center	Santa Monica
Covenant House California	Hollywood
Family Support Network	Garden Grove
Food Finders, Inc.	Seal Beach
Home Ownership for Personal Empowerment, Inc.	Torrance
Los Angeles Commission on Assaults Against Women	Los Angeles
Orange County ARC	Anaheim
Orange County Human Relations Council	Santa Ana
P.A.T.H. (People Assisting the Homeless)	Los Angeles
Parent Help USA/Mothers & Others Against Child Abuse	Costa Mesa
Saddleback Community Outreach	Laguna Hills
Shelter Partnership, Inc.	Los Angeles
Someone Cares Soup Kitchen	Costa Mesa
Teen Line	Los Angeles
Western Service Workers Association	Santa Ana
Whittier Area First Day Coalition	Whittier
California, So. Human/Social Services Programs Total	\$190,000.00

California, So. Senior Programs

Adult Day Services of Orange County	Huntington Beach
Alzheimer's Association of Los Angeles	Los Angeles
Alzheimer's Association of Orange County	Orange
Assistance League of Southern California	Hollywood
California State University, Fullerton	Fullerton
CareGiving Solutions	Irvine
Chapman University School of Law	Orange
Family Service Association of Western Riverside County	Moreno Valley
Feedback Foundation, Inc.	Anaheim
FISH-Harbor Area, Inc.	Newport Beach
ONEgeneration	Van Nuys
Pomona Valley Workshop	Montclair
Providence St. Joseph Foundation	Burbank
St. Barnabas Senior Center of Los Angeles	Los Angeles
Volunteer Center of Riverside County	Riverside
Volunteers of America of Los Angeles	Los Angeles
California, So. Senior Programs Total	\$130,900.00

Colorado

Adoption Exchange—Colorado	Aurora
Advocates for Children	Aurora
African-American Leadership Institute	Denver
Angel Flight West—Colorado	Denver
Arapahoe House	Thornton
Care & Share Food Bank	Colorado Springs
CASA of Colorado Springs, Inc.	Colorado Springs
Community Partnership for Child Development	Colorado Springs
Compa Food Ministries, Inc.	Denver
Crohn's & Colitis Foundation of America	Denver
Denver Rescue Mission	Denver
Food Bank for Larimer County	Ft. Collins
Hospice of Metro Denver, Inc.	Denver
Junior Achievement, Rocky Mountain, Inc.	Denver
Kempe Children's Foundation	Denver
Poudre School District, SART Peers Program	Fort Collins
Recording for the Blind and Dyslexic	Denver
Respite Care—Colorado	Fort Collins
Rocky Mountain Youth MNC, Inc.	Denver
Salud Family Health Center	Ft. Lupton
Seniors' Resource Center	Wheat Ridge
Special Transit	Boulder
Suicide Education and Support Services	Evans
The Association for Senior Citizens	Denver
Urban Peak	Denver
Colorado Total	\$190,000.00

Guam

American Red Cross, Guam Chapter	Agana
Cal-Islanders Humanitarian Association	Garden Grove
Catholic Social Service/ Alee Shelter	Barrigada Heights
Guam Humanities Council	Tamuning
Palau Red Cross	Koror
Ronald McDonald House Charities of Hawaii	Honolulu
Salvation Army, Guam Corps	GMF
Sanctuary, Inc.	GMF
Trinity Christian School	Yigo
Guam Total	\$32,000.00

Health Care Access

Health Funders Partnership	Irvine
United Way, Orange County	Irvine
Health Care Access Total	\$90,000.00

Ireland

Donegal Community Games	Co. Donegal
H.O.P.E. International	Co. Donegal
Irish Red Cross	Dublin 2
Irish Wheelchair Association	Clontarf, Dublin 3
Special Olympics 2003—Donegal, Ireland	LetterKenny
Ireland Total	\$32,500.00

Nevada

Adoption Exchange—Nevada	Las Vegas
Angel Flight West—Nevada Wing	Santa Monica
Blind Center of Nevada	Las Vegas
Boys & Girls Clubs of Las Vegas	Las Vegas
Foundation for an Independent Tomorrow (FIT)	Las Vegas
Las Vegas Natural History Museum	Las Vegas
Lied Discovery Children's Museum	Las Vegas
Southern Nevada AHEC	Las Vegas
St. Jude's Ranch for Children, Inc.	Boulder City
Street Teens	Las Vegas
The Huntridge Teen Clinic	Las Vegas
Nevada Total	\$65,000.00

Oklahoma

Calm Waters Center for Children & Families	Oklahoma City
CarePoint, Inc.	Oklahoma City
Children's Center, Inc.	Bethany
Contact Crisis Helpline	Oklahoma City
Margaret Hudson Program, Inc.	Tulsa
Parent Child Center of Tulsa, Inc.	Tulsa
Tri-County CASA, Inc.	Claremore
Tulsa Boys' Home	Tulsa
Youth Cornerstone	Oklahoma City
Oklahoma Total	\$70,000.00

Oregon

Bradley-Angle House	Portland
Casa for Children	Portland
Cascade AIDS Project	Portland
Central City Concern	Portland
Community Outreach, Inc.	Corvallis
Habitat for Humanity—Oregon	Florence
Housecall Providers	Portland
North Portland Nurse Practitioner Community Health Clinic	Portland
Oregon Food Bank	Portland

Parkinson's Resources of Oregon	Portland
Tualatin Valley Centers	Portland
YWCA of Greater Portland	Portland
Oregon Total	\$89,570.00

Partners in Health

American Diabetes Association, National Office	Alexandria
American Heart Association	Dallas
Partners in Health Total	\$700,000.00

Texas

American Cancer Society, Texas Division, Inc.	San Antonio
American Red Cross—Dallas	Dallas
Association for Retarded Citizens	San Antonio
Bo's Place	Houston
Boys & Girls Clubs of Arlington	Arlington
Bridge Breast Network	Dallas
Camp Fire USA Lone Star Council	Dallas
Cancer Counseling, Inc.	Houston
Casa De Esperanza	Houston
Child Advocates San Antonio	San Antonio
Cook Children's Health Care System	Fort Worth
Cross Street Project	New Braunfels
Dallas County Medical Society	Dallas
Goodwill Industries of Northeast Texas	Sherman
Interfaith Ministries for Greater Houston	Houston
Partners Together for Health	Fort Worth
Rape Crisis Center	San Antonio
San Antonio Metropolitan Ministry	San Antonio
San Jose Clinic	Houston
Special Care & Career Services	Farmers Branch
St. Peter—St. Joseph Children's Home	San Antonio
Unicorn Centers, Inc.	San Antonio
Texas Total	\$180,000.00

Unrestricted

American Heart Association, California Affiliate	Irvine
American Red Cross, Guam Chapter	Agana
American Red Cross, Orange County Chapter	Santa Ana
Angel Flight West—So. CA Wing	Santa Monica
Big Brothers Big Sisters of Orange County	Tustin
Bowers Museum of Cultural Art	Santa Ana
Boy Scouts of America, Orange County Council	Costa Mesa
Boys & Girls Clubs of Scottsdale	Scottsdale
Brain Injury Foundation	Tustin
California State Library Foundation	Sacramento
Dream Foundation	Santa Barbara
Families Forward	Irvine
Goodwill Industries—Los Angeles	Los Angeles
Goodwill Industries—San Diego	San Diego
Human Options, Inc.	Newport Beach
I Have a Dream Foundation	Los Angeles
Laguna Playhouse	Laguna Beach
Laura's House	San Juan Capistrano
Mardan Center of Educational Therapy	Irvine
Orange Coast College Foundation	Costa Mesa
Orange County Community Foundation	Irvine
Physicians Committee for Responsible Medicine	San Francisco

Scott Newman Center	Torrance
Stop-Gap	Santa Ana
The First Tee of Monterey County	Monterey
The Painted Turtle	Malibu
Unrestricted Total	\$800,174.00

Washington

Assistance League of Everett	Everett
Associated Ministries	Tacoma
Downtown Emergency Service Center	Seattle
Family Services of King County	Seattle
Fremont Public Association	Seattle
Jubilee Women's Center	Seattle
Nativity House	Tacoma
Northwest Leadership Foundation (NLCN)	Tacoma
Pike Market Senior Center	Seattle
Rotary First Harvest	Mercer Island
School's Out Consortium, YWCA	Seattle
South Everett Youth and Community Center	Everett
University Street Ministry	Seattle
Washington Total	\$93,784.00

Grand Total	\$3,813,944.16
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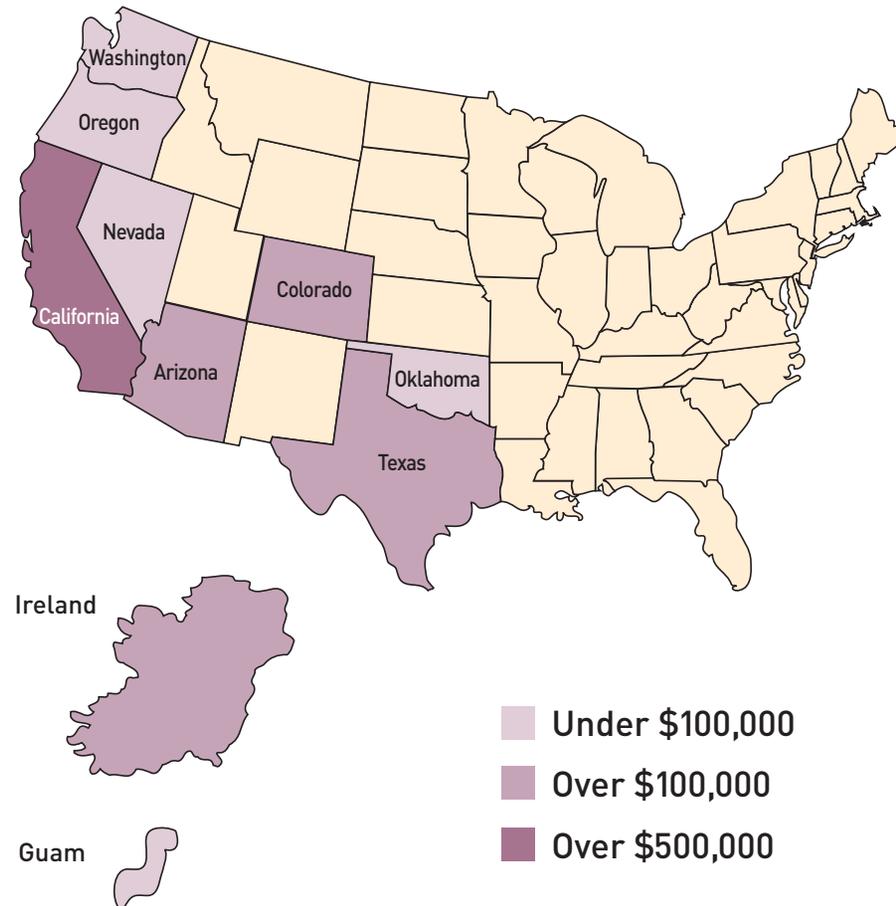
Contributions

PacifiCare community relations and Foundation contributions 2003

Contributions to the community by PacifiCare states:

Arizona	\$113,875
California	\$2,444,105
Colorado	\$237,000
Guam (Asia Pacific):	\$35,000
Ireland	\$32,500
Nevada:	\$65,000
Oklahoma:	\$70,000
Oregon:	\$89,570
Texas:	\$180,000
Washington:	\$93,784
Health Care Access:	\$90,00
Partners in Health:	\$700,000

2003 Grand Total: \$4,150,834





Caring is good. Doing something is better.

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