



## The **Health Consumer Alliance**

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### **EMBARGO UNTIL 12:01 AM, JUNE 29, 2000**

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*Call for local spokespeople in Fresno, LA, Orange, Sacramento, San Diego and Bay Area counties*

## **Unprecedented \$8.5 Million Awarded to Help California Consumers Obtain Health Coverage and Get Care from HMOs**

### **The California Endowment Funding Creates Nation's Largest Pilot Project to Help Consumers Navigate the Health Care System**

**SAN DIEGO, CA** — In the largest private grant of its kind ever, seven consumer groups will receive \$8.5 million from The California Endowment to help Californians navigate the state's complex health care system and secure essential medical care. The three-year grant will also fund a statewide system to track consumer health care trends, making the program the largest privately funded pilot project of its kind in the nation's history. The grant will be announced at joint press conferences in San Diego and Fresno on June 29.

Through February 2003, six Health Consumer Alliance (HCA) assistance centers located in six California counties and the Sacramento-based Health Rights Hotline will receive \$6.8 million and \$1.7 million, respectively, to help consumers solve health care access problems. The Endowment's announcement comes on the heels of recent studies finding that millions of uninsured California children and parents qualify for public programs but are not enrolled and that Californians are far more likely to be uninsured than are other Americans. Other recent studies find that, although many HMO consumers have problems getting care, most do not understand their rights, and fully 84% believe that independent assistance programs would be valuable to help solve these problems.

“As families struggle to find their way through an increasingly complex and confusing health system, independent consumer assistance programs will play a critical role,” said Stan Dorn, Project Director of HCA. “We help the uninsured gain coverage. We also help insured consumers troubleshoot the system, getting essential care from HMOs and other insurers.”

With The Endowment's support, these programs will gather critical data about consumers' experiences with the health care system, explained Shelley Rouillard, Program Director of the Health Rights Hotline. “HCA and Health Rights Hotline interact one-on-one with numerous consumers and rigorously track broad trends. We are thus in an ideal position to diagnose the systemic issues facing health consumers and to share such findings with the public and key opinion leaders.”

In recent years, federal and state lawmakers have considered public funding for independent consumer assistance, which a number of states and counties already provide. To help the public and policy makers assess the potential benefits and drawbacks of such assistance, today's grant funds University of Southern California researchers to evaluate HCA and the Health Rights Hotline over a three-year period.

Beginning July 1, when California's Department of Managed Health Care officially opens, consumer assistance programs expect to work closely with the new statewide department. Under the HMO reform package signed by Governor Davis last year, the Department, charged with regulating the HMO industry, is required to collaborate with independent consumer groups like HCA and the Health Rights Hotline. Independent assistance programs supplement the Department's work by providing local expertise in solving consumer problems and furnishing intensive assistance to individual consumers when necessary.

"These programs have the expertise to clarify and resolve problems at an early stage, *before* they endanger consumers' health," noted Gwen Walden, a Senior Program Officer with The California Endowment. "Independent consumer assistance programs help make the voices of the most vulnerable Californian consumers heard in the health care debate."

With the National Health Law Program as its lead agency, HCA is a partnership of legal services programs that address the health problems of low-income consumers. HCA centers serve Fresno, Los Angeles, Orange, San Diego, San Francisco and San Mateo counties. More than three in five low-income state residents live in these six counties. Since opening their doors in 1998 and 1999, they have helped more than 17,000 consumers with health access problems.

The Health Rights Hotline is a free source of information and assistance for all health care consumers regardless of income level, in El Dorado, Placer, Sacramento and Yolo counties. The Hotline provides counseling, referrals, direct assistance and printed educational materials related to consumers' rights and responsibilities. Since its inception in 1997, the Health Rights Hotline has assisted more than 8,500 consumers in that four-county region.

The California Endowment was established in 1996 as a private foundation. With offices in Los Angeles, Sacramento, San Francisco, Fresno and San Diego, The Endowment is the largest private health funder in California. The mission of The California Endowment is to expand access to affordable, quality health care for underserved individuals and communities, and to promote fundamental improvements in the health status of all Californians. The Endowment makes grants to organizations and institutions that directly benefit the health and well being of the people of California.

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