

blue shield
of california
foundation

a catalyst for change

blue  of california

2006–2007



catalyst

cat·a·lyst (k_ŕ'l_ŕst), *noun*

In chemistry, a catalyst is a substance that starts or accelerates a chemical reaction. By bringing people together and investing in big ideas, Blue Shield of California Foundation serves as a catalyst for change.



letter from the president

Change can take decades – or happen overnight. It can grow out of long efforts or burst forth in a “big bang” of sudden movement and illumination. But the light, unfortunately, can flicker. Lasting change – the kind that makes a real difference in our lives – is a shining but often elusive goal.

Philanthropy, though never content with the status quo, typically struggles to define its unique role in creating change. Some foundations stick to the cautious path of incrementalism, marking modest steps toward a larger goal. Others set a more ambitious agenda, only to find that external realities do not match elaborate “theories of change” outlined in boardrooms.

At Blue Shield of California Foundation, we aim to be a catalyst for change. In the real world, right now, wherever necessary. That means watching for sparks of opportunity – and moving quickly to capitalize on them. It means doing the hard work of figuring out which strategies promote positive change over the long-term and staying committed to those strategies and grantees.

Today, California stands at the cusp of sweeping healthcare change. After long years of work by many, the moment arrived in an instant. If we are not courageous, it could pass as quickly. We must translate this opportunity into real accomplishments: expanding health coverage to all and addressing issues of cost and quality.

Tackling complex challenges takes allies, and our Foundation's most potent partners are our hundreds of grantees. With them, we are working to find new ways to ignite and maintain progress in communities across the state. Our grantees capture the pulse of healthcare provision and reform in California. And sometimes they add a jolt to the system.

Change happens. But often it needs that little spark.



Crystal Hayling
President and CEO





CaliforniaSpeaks, a groundbreaking, eight-city, technology-enabled event brought together 3,500 Californians for a statewide conversation on health reform. The day was co-sponsored by Blue Shield of California Foundation, The California Endowment, and The California Wellness Foundation.

health care and coverage: building bridges to coverage for all

In California, where nearly one in five residents goes without health insurance, support for universal coverage has reached critical mass. Yet reform will only happen with collaboration, which is why the Foundation is convening forums and working groups with policymakers, healthcare experts, advocates, providers, and business leaders. We're working to find common ground and seed new strategic ideas.

Since the 1980s, California has not taken full advantage of federal Medi-Cal dollars by leveraging waivers, something many other states have done. To change this, the Foundation is sponsoring a Working Committee on Waiver Development and Medi-Cal Expansion, which brings state and national experts together to explore a new Medi-Cal waiver.

The bottom line: accessing more federal dollars, flexibility, and support to help our state provide coverage for more Californians. "I'm looking forward to learning about the innovative ideas the Committee will help generate," said California Health and Human Services Secretary Kim Belshé.

domestic violence: prevention in the workplace

Domestic violence doesn't stay at home when a victim goes to work. But coworkers often feel ill-prepared to recognize or deal with evidence of abuse.

As part of its historic commitment to ending domestic violence, Blue Shield of California Foundation created the Employer Outreach Program to teach managers and coworkers what to do when they witness signs of domestic violence. Program experts offer free awareness trainings for universities, businesses, and government agencies.

The statewide program has helped more than 10,000 employees learn how to connect victims with counseling, legal assistance, mental health and substance abuse referrals, child care, and support for relocation.

health and technology: best practices

Forging connections is at the heart of our efforts to create system-wide changes that can truly transform patient care.

The Foundation spearheads the California Technology Assessment Forum, which brings together medical professionals across disciplines to review emerging technologies. The Forum then issues recommendations to the broader care-provider network on the safety and effectiveness of new products, ranging from breathing-control devices for hypertension to cardiac defibrillators.

The recipe for raising the quality of life for all Californians involves innovation and the will for change. Connecting the right people provides the sparks to set this in motion – and keep it moving forward.

ready, set, reform: realizing the goal of health care for all

Lack of health insurance and the skyrocketing cost of health care are exacting a terrible toll on Californians. A staggering one in five people in our state is uninsured, and millions more struggle with the cost and poor quality of the care we do receive. One devastating accident or lingering illness can clean out an entire family's savings account and send them spiraling into debt.

Little wonder that 81 percent of Californians want the government to prioritize access to affordable coverage, according to a January 2007 Field Poll. It's an issue that touches all of us, directly or indirectly.

"We are way past the tipping point," said Brenda Solórzano, Director of the Health Care and Coverage program. "The price tag for health insurance is rising twice as fast as wages and inflation. Californians are waiting hours in the ER to see a doctor. The question is not when, but how we're going to make wholesale healthcare reform a reality."

With a rising tide of concern and activism, the state has a now-or-never opportunity to reform its broken healthcare system. As Californians, we're in this one together. And we'll find the solution together. The Foundation's role is to meet the urgent healthcare needs of Californians while supporting the momentum for systemic change.

bringing community voices to the table

It's crucial, in finding real answers, to ensure that policy discussions reflect the concerns and realities of California's diverse communities. That's why the Foundation is funding groups such as the Pacific Institute for Community Organizations (PICO) to organize and educate its 19 faith-based coalitions (representing 450,000 families) to become engaged

in the dialogue on statewide health reform. Through PICO's outreach, Californians from every region of the state will do everything from participating in public forums to engaging their local policymakers.

To bring the voice of ordinary Californians to the state's health reform dialogue, the Foundation co-sponsored CaliforniaSpeaks, a groundbreaking multi-site event in August 2007. At eight sites across the state, elected leaders from both parties listened to the views of thousands of Californians about the complex trade-offs involved in health reform.

access to primary care

Because universal coverage won't happen overnight, the Foundation invested nearly \$4 million in 2006 in programs that provide health coverage to uninsured Californians. This included providing premium funding to Children's Health Initiatives in 19 counties, which make health insurance available to children who are ineligible for government programs. For hundreds of needy children, this means getting essential preventive care or timely treatments that keep them thriving, growing, and learning.

strengthening the safety net

As the only medical option for many of California's 6.5 million uninsured, community health clinics are the backbone of the healthcare system. To support this crucial lifeline, the Foundation invested nearly \$7 million in 2006 – in core support dollars that clinics can apply to their most strategic needs. A recent evaluation of the Foundation's core support grantmaking found that these funds strengthen the entire safety net by reducing patient loads elsewhere, helping clinics raise additional funds, and allowing them to make new hires, which boosts morale and prevents burnout.

Venice Family Clinic: a safety net for the uninsured

health care & coverage



Photo: Margaret Malloy

When it comes to health coverage, there is no more stark evidence of the growing gaps in our healthcare system than the needy patients who turn up every day at Venice Family Clinic, the largest free clinic in the nation.

“Our patients are typically working people who have jobs, children, and sometimes aging parents,” said Elizabeth Benson Forer, CEO of the Venice Family Clinic, which serves Los Angeles’ Westside. “For many of them, our clinic is the only place they can turn to for help.”

The Clinic is leveraging a \$40,000 core support grant from the Foundation to meet urgent needs. The funds support health management programs for patients with chronic conditions, and help clinic doctors and educators teach patients how to prevent costly trips to the ER through diet, exercise, and regular medical care.

As rates of insurance from employers decline and premiums increase, Forer anticipates that larger numbers of uninsured adults will place greater demand on clinics, putting a premium on core support grants provided through the Foundation’s Community Clinics Initiative.

“When we receive unrestricted support, such as our grant from Blue Shield of California Foundation, we put that money where funding is otherwise scarce and people are in greatest need,” Forer said.

As veteran leaders of these clinics retire, a new guard must step forward to carry the torch. In 2007, the Foundation, in partnership with UCSF Center for the Health Professions, launched the Clinic Leadership Institute to engage and prepare the next generation of emerging clinic leaders to be change agents in a rapidly evolving healthcare environment. The Institute will use a learning model that applies textbook knowledge to “real world” situations, with the help of coaching and peer networks. This new cadre of innovative and mission-driven leaders will be positioned to head up strong and vibrant community clinics in the future.

The Foundation is also working to influence the philanthropic sector to make core support grants more of a priority, for clinics and other nonprofit healthcare organizations.

“Those of us in the philanthropic community must ask ourselves, ‘Are we doing everything we can to move toward our goal of health care for all?’” Solórzano said. “Our Foundation has found that we need to come at it from three directions at once – addressing the systemic policy challenges, meeting the immediate needs of the uninsured, and strengthening the safety net. By doing this, we’re making real progress toward achieving our vision of health care for all Californians.”

advancing 21st century patient care

New technology – which ranges from electronic records to the latest in cardiovascular devices – is transforming medicine as we know it. Yet with new technology comes great responsibility. In 2006, Blue Shield of California Foundation's Health and Technology program gave more than \$7.6 million in grants to organizations that promote safety, access, and best practices throughout healthcare systems by making sure technology serves patients first.

"Change in this arena is moving at warp speed," said Health and Technology Director Deborah Schwab. "We need to make sure that it's supported by solid evidence and moves us in the direction of greater effectiveness and improved quality of care. That's the driving force behind our Health and Technology program."

protecting patients from hospital error

The Foundation is a major funder of the Institute for Healthcare Improvement's "5 Million Lives Campaign," a national effort to reduce medical errors and drive down incidents of physical injury. Since the campaign launched in 2006, 38 Foundation-funded hospitals in California have adopted measures to minimize human error. The national goal is to prevent 5 million incidents of medical harm by December 2008.

In California alone, hospital-acquired infections account for 9,000 deaths a year, most of which can be prevented by better sterilization techniques. To reduce hospital-acquired infections, the Foundation is pioneering a demonstration project, the Healthcare-Associated Infection Prevention Program. In this program, 11 hospitals will test sophisticated data-mining technology to track and detect infection outbreaks early.

ensuring that new products are safe and effective

In recent years, the medical device industry has reported a revenue boom, thanks largely to new cardiology and orthopedics products. But many of these new technologies are hitting the market without research to prove that they're safe or actually improving health.

The Foundation is funding the Integrated Healthcare Association, the Institute of Medicine's Roundtable on Evidence-Based Medicine, and the Center for Medical Technology Policy to generate clinical evidence about new technologies' safety and effectiveness. In addition, the Foundation supports the Harvard Medical School's Center for Clinical and Economic Review to develop appraisal methods for analyzing new devices' cost-effectiveness, so health plans and providers can make informed decisions about whether to purchase these products. The Foundation also spearheads the California Technology Assessment Forum (CTAF), a multidisciplinary panel of clinical experts, to issue assessments of new and emerging medical technologies.

expanding long-distance care

The state's population boom, particularly in rural and underserved areas in Southern California, has created tremendous demand for distance care (also known as "telemedicine"). In response, the Foundation funded the California Health Foundation and Trust to build a Telemedicine Learning Center that provides technical assistance and training for local, up-and-coming telemedicine programs. By August 2008, the Learning Center intends to establish a videoconference network with at least 10 hospitals

The Whittier Institute for Diabetes: eye-catching mobile medical unit

health & technology



Visitors at community health clinics across San Diego, especially in predominantly Latino neighborhoods, have gotten used to seeing a blue, 40-foot bus in the parking lot.

The bus is the Whittier Institute for Diabetes' Mobile Medical Unit, which screens drop-in patients for diabetic eye disease by taking snapshots of their retinas. An ophthalmologist reviews the snapshots for the tell-tale splotches of the disease.

A two-year, \$106,398 grant from the Foundation helps fund the medical unit, which travels to community clinics across San Diego.

According to Dr. Athena Phillis-Tsimikas, Whittier's executive director, many low-income and uninsured people don't get screenings early enough. "We've had people come in who have already lost their vision because they haven't had the symptoms detected."

The mobile unit – an innovation in the field of "telemedicine" because it makes community clinics "one-stop shops" for other medical services onsite – is able to screen more patients vulnerable to this disease.

"Eye clinics that serve the poor and uninsured often have months-long waiting lists," added Phillis-Tsimikas. "Many patients have challenges with transportation and taking off time from work. We're bringing this service directly to the community."

and clinics in Riverside, San Diego, and Los Angeles, which will provide remote training to 200 additional healthcare professionals, and the capacity to train many more in the future.

better health through electronic record-keeping

Many of California's community clinics are using outmoded and inefficient health information systems. Joining forces with two other funders, the Foundation made a \$1.6 million grant to the Tides Center. The grant will help incubate at least three scalable, sustainable "hubs" of centralized support to help clinics shift from filing cabinets to electronic health records (EHR). These collaborative hubs, which will purchase, host, and maintain the EHR system, will help clinics overcome challenges related to costs and economics of scale as they prepare to finance and adopt this new technology.

Today's medical technology field is moving at lightning speed. When the pace of change is this rapid, we must be equally swift in testing the safety and effectiveness of emerging technologies. Along with its grantees, the Foundation is working to make sure patients and healthcare providers have the evidence-based information they need to feel confident in their care.

ending domestic violence: it takes a community

In 2005, California law enforcement officials logged an average of one domestic violence call every three minutes. While the violence may happen behind closed doors, the ripple effects of abuse extend well into a victim's community.

But changes in the perception of domestic violence – from a private to a more public concern – have created more opportunities for intervention. That's why Blue Shield Against Violence invested more than \$4 million last year in grants across four core areas:

front-line response: raising awareness and tracking trends

In 2006, the Foundation's Shelter Initiative maintained its unprecedented level of direct support – \$2.12 million in grants – to 99 domestic violence shelters across the state.

To get a clearer picture of domestic violence across our state, the Foundation funded a \$450,000 grant to the University of California, Los Angeles Center for Health Research Policy. Through this funding, a cluster of questions about violence will be added to the California Health Interview Survey (CHIS). The result: population-based data on domestic violence in our communities for use by front-line service providers, researchers, state, county, and city departments, as well as advocates working to address this important issue.

youth-focused prevention: taking on teen dating violence

According to the American Medical Association, one in five adolescent girls reports being physically or sexually abused by a dating partner. To help prevent violence before it starts, the Foundation is funding

key organizations that work with youth. To increase the reach of Break the Cycle's Ending Violence program, for example, a recent grant will make groundbreaking training material available on a classroom-friendly DVD. Another recent grantee, Helpline Youth Counseling, takes their Teen Dating Violence Prevention Workshops directly to young people so they can listen and learn. The mission of prevention is so compelling that the Foundation is now planning a major youth-focused campaign aimed at reducing dating violence.

victim independence: from crisis to confidence

The Foundation's work also focuses on economic independence as a crucial strategy to help women escape violence at home. To give a broad reach to this effort, a multi-year grant to the Legal Aid Society – Employment Law Center supports a major initiative targeting three key audiences: labor unions, human resources professionals, and Employee Assistance Programs (EAPs). Attorney teams are criss-crossing the state, conducting dozens of trainings and presentations, to provide special expertise on the employment needs of domestic violence survivors, and to guide them through the complexities of the law. This grant directly bolsters the Foundation's "Independence" strategy by educating these powerful players in the workplace.

The Foundation's longstanding Employer Outreach Program continues to expand its reach into workplaces across California. For example, the program trained hundreds of employees at the Eureka Department of Transportation. A successful session in Mariposa included Yosemite Park personnel, small business owners, and elected officials and dignitaries.

Youth Radio: taking on teen dating violence

blue shield against violence



For the staff at Youth Radio, an incident close to home spurred their decision to create a program on teen dating violence.

One of their receptionists, a teenaged girl, asked her colleagues to say that she wasn't there if a certain boy called. She also started wearing sunglasses at the office to hide bruises.

"It hit me that this was happening with teens, not just adults; it was a real issue, and there was no denying it," said Jacinda Abcarian, managing director of the Oakland-based media production and youth development organization. "The question was: What are we going to do about it?"

With a \$150,000 grant from the Foundation, Youth Radio launched "Youth Sound Off! Dating and Relationships" to draw attention to – and prevent – dating violence among youth ages 14 to 24. The show produces features, PSAs, and other broadcast programming.

The program also hosts a MySpace page (MySpace.com/youthradiolove) and sponsors peer educators to hold workshops in Bay Area high schools. Soon, Youth Radio plans to expand the model to Southern California.

Abcarian hopes the program will break the silence. "Our goal is to make dating violence something that's okay to talk about, so we can put an end to it."

batterers' remediation: a frontier in prevention

How do we stop domestic violence at the source? The Foundation commissioned an environmental scan of batterer intervention programs nationwide that teach abusers to resolve conflicts without resorting to violence, and it will continue to build on this research and engage leaders in the field to guide our funding strategy in this emerging area.

Through these four funding areas, the Foundation is taking on domestic violence on all fronts – because a community problem requires community solutions.

The grantmaking and operations of Blue Shield of California Foundation are entirely funded by an annual contribution of \$30 million from Blue Shield of California.

The company's commitment to the Foundation, which was founded in 1981, reflects the corporate mission and values.

Statements of Financial Position

(Dollars in Thousands)

June 30, 2007

Assets

Cash and Cash Equivalents	\$ 38,578
Investments	12,718
Fixed Assets, Net	183
Other Assets	15
Total Assets	\$ 51,494

Liabilities and Net Assets

Liabilities:

Grants payable	\$ 11,560
Accounts payables	29
Total Liabilities	11,589
Net Assets	39,905
Total Liabilities and Unrestricted Net Assets	\$ 51,494

Statements of Activities and Changes in Net Assets

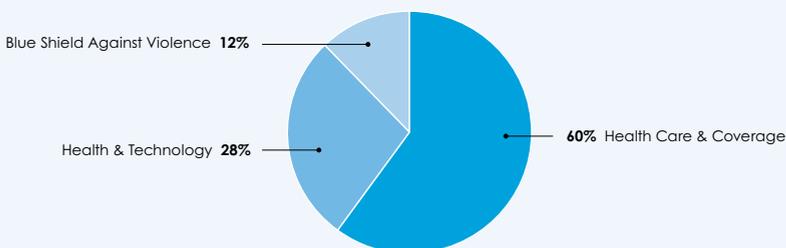
For the 18 Months Ended June 30, 2007

(Dollars in Thousands)

	18-Month Total
Revenue and Support	
Blue Shield of California Contributions	\$ 32,367
Net Investment Income	4,181
Total Revenue and Support	\$ 36,548
Expenses	
Grant Awards	\$ 39,103
Program Expenses	3,519
General and Administrative Expenses	2,023
Total Expenses	\$ 44,645
Increase (decrease) in Net Assets	\$ (8,097)

Grant Awards

January 2006–June 30, 2007



For a list of our grantees, please visit us at blueshieldcafoundation.org

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recent grantee comments

“The stance on universal health care is courageous. The Foundation has ‘stepped out’ of the pack. It is a leader.”

“I speak from a perspective of infection control and can say without hesitation that the Foundation is creating the future. They have looked at what works, and they are making it attainable for organizations like mine.”

“The leadership provided by setting the example of providing ‘no strings’ funding to domestic violence programs statewide is critical to the field. Other foundations need to follow this example.”

“The Foundation has been very active in its public pronouncements, research, and grant funding...The Foundation has indeed influenced health policy.”

www.blueshieldcafoundation.org

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