

THE BOOTSTRAP APPROACH: REFORMING HEALTH CARE AT THE LOCAL LEVEL

Report of the Second Annual Forum on Health Care Reform

On a sunny Friday in May 2008, over 140 people gathered at the Cocoanut Grove on Santa Cruz's Boardwalk to attend the Health Improvement Partnership (HIP) of Santa Cruz County's second annual forum on health care reform.

This newsletter provides highlights of remarks by speakers and from the discussions that followed, along with information on how to learn more about some of our local "bootstrap" efforts to improve health — and health care — in Santa Cruz County.

Sam Farr: Insights on National Health Care Reform

Congressman Sam Farr (D-Carmel) gave the Forum participants a glimpse of a Congress in disarray, mired in petty disagreements and posturing instead of addressing the country's many serious problems. The two areas he described as "most broken" in America are education and health care.

On the health care front, Congressman Farr found Michael Moore's movie "Sicko" to be the best primer – especially in terms of presenting options from other countries. The profound problems of our existing healthcare system, Congressman Farr believes, will not be repaired by "tinkering." Instead, he suggested, a far more radical approach will be required, more akin to starting over – and such an effort will have to come from and be led by the next President.

He praised Santa Cruz County for its efforts to figure out what's broken and move quickly to fixing it. "I'm so proud of this County," he said. As the nation looks at comprehensive approaches, he continued, "This County will be one the Nation is looking to."

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The Health Improvement Partnership of Santa Cruz County is a nonprofit coalition of public and private health care leaders dedicated to increasing access to health care in Santa Cruz County and to building stronger local health care systems.



"I'm so proud of this County. This County will be the one the Nation is looking to . . . "

Employer Panel: Health Care Challenges and Workplace Solutions

Cynthia Mathews moderated a panel that explored how four local employers — key players in our local health care system — have faced the economic challenge of providing health insurance benefits and workplace wellness programs for their employees.

Casey Coonerty Protti, second-generation owner/operator of **Bookshop Santa Cruz**, described

Bookshop's health insurance commitment to employees, which dates from the 1970s. For 40 years, Bookshop has offered insurance to its 40 – 50 employees, who cover about 23 full-time positions among them. The store's loyalty to its employees is mutual: over 25% of the employees have worked at Bookshop for over 15 years, and some have been there for over 30 years.



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John Laird: The State – Friend or Enemy of Health Care Reform?

Assemblymember **John Laird** tried to strike an optimistic note when he observed that in the broader sweep of history, change does happen — despite recent evidence to the contrary. While the negotiations to save children's health care coverage have failed, he noted that an important shift has occurred in the debate. Universal coverage for children seems like a more widely accepted near-term step, along the way to a single-payer health system.

When children's health insurance was proposed as a phased program over a 3-year period, the budget and

assembly were primed — but the Governor wasn't on board. Now, the Governor is ready, but there are no funds. The confusion and maneuvering may have created one of those rare moments, Laird said, when waiting for next year might be a good thing, because it provides a chance to start again.

Laird described the budget crisis as "an unmitigated disaster," with particularly tough hits falling in the healthcare sector. The hurdle of preserving California's safety net looms large, with Laird predicting that cutting reimbursement rates to providers may be the

proverbial "straw that breaks the camel's back," pushing them out of the system. Another threat is one by state Republicans to raid First 5's coffers of their \$2 billion balance, which they don't consider to be obligated funds — even though First 5 has sizable ongoing annual commitments to helping families enroll in subsidized programs or find alternatives. By 2010, Laird expects a ballot measure that will fund children's health insurance via funding from tobacco taxes. Still, Laird noted, if coverage issues could be addressed in the Assembly, we wouldn't have to use individual bills to deal with them.



Bootstrap Panel: Community-wide Health Care Reform Initiatives

Eleanor Littman, RN, HIP's Executive Director, introduced the Bootstrap Panel, featuring several initiatives that HIP and its partners have promoted and strengthened during the past year as part of their effort to improve not only health and the quality of health care, but also to increase efficiencies and reduce costs.

The three initiatives, described in greater detail below, have several important features in common: they are based on data and respond to gaps identified through the annual Community Assessment Project, they connect with and extend the efforts of community coalitions and partners beyond the narrowly defined health care silos, and they bolster programs or ideas that already have demonstrated some success and are on their way to even more progress.

Make Your Wishes Known. Ann Pomper, Executive Director of Hospice of Santa Cruz County, opened her remarks with a story that was very close to home. She spoke of her own

father, Bill, who was being cared for at home during the last stages of a terminal illness. Although his wife and daughters knew he wanted to stay at home and avoid the hospital, one of his sons — who returned from out of town for Bill's final days — wanted to intervene and send Bill to the hospital. To keep the family peace, and in the absence of any written directive, Bill's family reluctantly agreed and he did spend his final days in the hospital. The situation is all too common, Pomper said, because so many people find a conversation about their wishes at the end of life uncomfortable.

As the more public cases of Karen Ann Quinlan, Nancy Cruzan, and Terri Schiavo demonstrate, the end of life can happen to any of us very unexpectedly (all were relatively young women), and yet the absence of written directives can lead to unnecessary discord and interventions.

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Bootstrap Panel *(Continued from page 3)*

Make Your Wishes Known makes advance directive forms available through physicians' offices and the Web, in both English and Spanish (www.makeyourwishesknown.org). Trained presenters also can speak to groups about the forms and how to fill them out. To avoid the situation her family faced, Pomper urged Forum participants to learn about and complete an advance directive if they had not already done so, and to talk with health care providers and loved ones about their wishes. Another step is to prompt and help others fill out advance directives by sponsoring a group discussion at work or in another setting. The group hopes that by 2010, 50% more adults in Santa Cruz County will have completed an advance directive — and that in the not-too-distant future, a discussion about end-of-life wishes will be a routine feature of the patient-physician relationship.

52-10 Childhood Overweight Initiative. Shelly Wingert, RD, represented the County-wide Go for Health! collaborative, which brings together over 150 members working together to promote healthy eating and physical activity. Wingert shared slides compiled by the federal Centers for Disease Control and Prevention (CDC) that showed annual escalations in the rates of obesity among adults across the country. In 1989, about 20 states had adult obesity rates between 10-14% — and that was the upper limit. By 2006 (the most recent year for which data are available), only two states had rates below 20%. Several had even edged past the 30% rate, meaning that a third of the adult population is obese in these states.

California's adult obesity rate, which hovers between 20% and 24%, mirrors increases in obesity among children. As Wingert explained, the dramatic increases in childhood obesity are not the result of any biological changes, but rather of changes in lifestyle — more fatty and sugary foods, larger servings, and much less physical activity. The causes of the current obesity epidemic are not medical in nature, but the costs — in terms of treating diabetes, hypertension, and cardiovascular disease — are going to have a significant impact on our health system for years to come. Sadly, this may be the first generation in history whose health is so compromised that their longevity is less than that of their parents.

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Employer Panel *(Continued from page 2)*

One challenge Bookshop faces is how to balance the varying needs of different employees. For example, some are seasonal employees who help during the holiday rush; many other work part-time throughout the year. Currently, Bookshop offers health insurance to employees who work 24 hours or more each week. The intent was to keep the threshold for health insurance relatively low, since so many employees work part-time. The insurance plan covers health and dental care, with vision care optional under a pay-as-you-go plan. Bookshop pays 70% of the health insurance premium and employees pay 30%; the dental premium is split 50-50. Bookshop also covers significant portions of the \$2,000 deductible – 100% of the first \$500 incurred, and 70% of the remaining \$1,500 – as a way of encouraging employees to seek and obtain preventive care.

Protti noted that surveys of employees have bolstered anecdotal evidence that health insurance coverage — along with a love of books — is a major reason why employees seek jobs at Bookshop, and also a major reason why they stay. Many employees work other jobs (often as waiters and waitresses in local restaurants), but they keep their Bookshop hours to maintain their access to health insurance coverage.

Bookshop's strong commitment to providing health insurance coverage to workers is challenged, as it has been for other businesses, by escalating costs. In the last two years, for example, the cost of providing health insurance has increased 42%. Protti noted a few strategies she is considering to counter these challenges: doing a better job of communicating the value of health coverage to employees; hiring a broker to help explore and negotiate complex plans and options; and gaining a better understanding of the relationship between Bookshop's total compensation package and turnover costs; or perhaps considering higher

deductibles that would lower a plan's overall costs. No matter what the future holds, the challenge remains the same: finding a way to preserve the commitment to provide health insurance to employees, while keeping Bookshop's doors open in a very competitive environment.

Miles Reiter, President and CEO of **Driscoll's Berries**, explained that Driscoll's does not actually grow berries itself, but contracts with independent growers to supply the North American market with strawberries, blackberries, raspberries, and blueberries. At the firm's Watsonville headquarters, specialists develop unique varieties and license growers to propagate, pick, and ship them to market. Separate from Driscoll's, Reiter and his brother also own and operate a farm that does directly employ field workers.

In both operations, the field workers are almost all Mexican or of Mexican descent. The workforce is relatively young — in their 20s — and generally divides into two groups: those who live in one place, and those who are more mobile and move to and from other berry-picking operations. Those who live here tend to be a bit older, married, and from the Central Mexican highlands, while the more mobile population of field workers is younger, single, and from Southern Mexico (usually Oaxaca and Chiapas).

Because the work is physically demanding, the field workers tend to be young and most are generally healthy. Driscoll's offers health insurance coverage that covers 75% of costs up to \$8,000, 100% of costs between \$8,000 and \$25,000, and nothing above that amount — typical, Reiter said, of most field worker health plans. However, fewer and fewer farms are offering this type of insurance as margins become even lower in this competitive, labor-intensive business.

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DISCUSSION

Where Are You On the Health Commons?

The “health commons” is a concept borrowed from the idea of an economic commons, in which participants pursue a common good, which is driven in part by their own self-interest. In that spirit, forum participants identified a range of issues that warrant more attention and resources. “Standing on the health commons” highlighted the need to approach local health care as a comprehensive system that is much greater than the sum of its parts.

Suggestions, also captured by a graphic recorder in the poster below, included:

- Paying attention to **substance abuse** and **mental health**, not just physical health
- Continuing to work on delivering health care better in **community settings**, rather than emergency departments
- Preparing for the demographic impact of an **aging population**, especially skilled nursing care and alternatives; the availability of beds in skilled nursing facilities and few alternatives for end-of-life care
- Including **oral health** in future solutions, especially with the potential financial impact of Medi-Cal cuts on the County’s oral health care providers
- Focusing on the link between health and **housing** — particularly coordinating

services so that people don’t bounce around and incur expensive care costs that could be more efficiently delivered in other ways

- Adding **vision care** to the coverage equation; it is too often considered a separate (and expendable) add-on
- Easing the capacity constraints in the community’s **Safety Net** clinics, many of which require 3-month waits for appointments (in part, because fewer and fewer providers see Medicaid patients)
- Understanding the impact of health care costs on **small businesses** – not just as an expense, but as a feature of small local businesses that want to do right by their employees and their community (unlike national franchises)
- Continuing to emphasize **prevention and education**, which down the line will help avert treatment costs — and particularly emphasizing workplace wellness programs
- Helping **farm workers** make a healthier transition to management roles, perhaps with nutrition education and screening programs for diabetes
- Improving **cultural competence** and outreach to the southern part of the county.



Reforming Local Health Care: Key Indicators

Alan McKay, Executive Director of the Central Coast Alliance for Health and President of HIP's Board of Directors, opened the Forum with an overview of 10 key indicators relevant to reforming health care in Santa Cruz County and to assessing the status of our system of health care in terms of access, coordination, affordability, and quality. The indicators included:

1. The percentage of **uninsured adults** (between the ages of 18 and 64, to exclude those covered by Medicare) hovers just above 17% (or 28,000 people) in Santa Cruz County, compared to 20.8% in California and 19.8% nationwide. Although Santa Cruz County's percentage of adult uninsured looks better than the state and national averages, it is a snapshot that may vary at different points during the year, since many people move in and out of health insurance coverage.
2. The numbers and proportion of **uninsured children** is a true local success story, with only 2% (1,200 children) uninsured, compared to 10.3% in California and 9.3% nationwide. This is due largely to the Healthy Kids program, a locally designed and funded program that was discussed in greater detail during the Bootstrap panel.
3. The **cost of coverage** in Santa Cruz County is relatively high, due in part to our higher cost of living.
4. **Federal payment rates to physicians** for office visits lag behind state and national averages because of the County's antiquated federal designation as a rural county, which suppresses federal Medicare payments to physicians well below the rates for neighboring Santa Clara County and California generally. Looming cuts to Medicaid reimbursement rates will pose even greater challenges in the months ahead.
5. Our rates of **overweight children** — 31%, or 18,000 children — are very high, on par with California's (33%). This trend has many important implications not only for the immediate health and well-being of our children, but for their future health as well — and the costs of treating diseases like diabetes. As a result, pediatric obesity is one of HIP's major areas of emphasis.
6. Thanks to programs like Make Your Wishes Known, the proportion of adults in Santa Cruz County who have **advance directives** — the documents that let physicians and loved ones know your wishes at the end of life — is higher than state and national averages (43% in Santa Cruz County, 36% in California, and only 29% nationwide). This is another important indicator because so many health care costs are incurred at the very end of life, often with little or no benefit in terms of prolonging the length or quality of life.
7. More Santa Cruz physicians are using **electronic medical records** (EMRs) — 46% of local doctors in 2007 (up sharply from just 7% in 2004), compared to 37% in California and 28% nationwide.
8. Santa Cruz County also boasts high rates of **childhood immunizations** — 85% of children covered by Medi-Cal, compared to 77% in California. This is an important measure of both access to care and of making sure we taking advantage of opportunities to prevent disease across the entire County's population.



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Bootstrap Panel *(Continued from page 4)*

To counter these trends, the Go for Health! partners (including HIP) launched a new campaign to prevent childhood obesity – the 52-10 campaign. The campaign helps physicians, parents, and others present a consistent, memorable, and research-based message to kids: each and every day, eat 5 or more servings of fruits and vegetables, limit TV and computer screen time to 2 hours, play vigorously for at least 1 hour, and consume 0 sugar-sweetened drinks.

Healthy Kids. Leslie Conner, HIP's Program and Policy Director, began her presentation about Healthy Kids with a photo of 6-year-old Damien Cervantes. Damien suffers from a congenital abnormality that, as a pre-existing condition, excluded him from most private insurance plans and he did not qualify for publically subsidized health insurance plans such as Healthy Families. His mother was relieved to learn about Healthy Kids – a local health insurance product financed by over \$2.1 million in philanthropic, government, business, and private support from HIP member organizations and others who work with children and low-income families.

So far, these generous contributions have covered the health insurance premiums of 3,087 children since the program was launched 4 years ago – children like Damien who would not have qualified for other programs. Currently, 1,900 children are enrolled in Healthy Kids, including 350 children who were on a waiting list but whose premiums will now be covered by a grant from Sutter.

Healthy Kids aims to expand health insurance coverage for Santa Cruz County children. The first step is to determine whether children might be eligible for an existing program.

Streamlined enrollment procedures; trained helpers stationed in clinics, schools, and family resource centers; and the addition of Web-based enrollment have made it possible to extend coverage to thousands of other children, besides the ones enrolled in Healthy Kids itself.

As demonstrated in studies of other California counties with similar programs, providing subsidized health insurance coverage to kids like Damien has tremendous payoffs. A study of nine of these counties (including Santa Cruz County) found that the programs had averted 1,050 preventable hospitalizations for conditions such as asthma, bacterial pneumonia, and other illnesses best handled by a primary care doctor, rather than an emergency room. At an average cost of \$7,000 per hospitalization, the savings add up quickly.

In addition to staying out of the emergency room, children with health insurance coverage are more likely to have access to preventive care and immunizations, which protects the public's health as well. And the benefits aren't just medical. Kids who are insured miss less school, and their parents miss fewer workdays because they don't have to stay home with a sick child.

Santa Cruz County is justifiably proud of this local bootstrap solution to the problem of uninsured kids, but it will be difficult to sustain at this level indefinitely. Other counties feel the same way; 30 counties have banded together to advocate for permanent state-wide solutions so that all of California's low-income kids will have access to Healthy Kids or something like it, and their parents will enjoy the peace of mind that is another important benefit of expanded coverage.

Employer Panel *(Continued from page 5)*

Workers who have worked 80 hours in the prior month are eligible for the following month, but just under half choose to enroll. Reiter believes this is because of the strong motivation to save money earned in the fields. As a result, many choose to go without insurance — and for the same reason, they tend to avoid going to the doctor because even a routine visit will take them away from productive time in the field.

Among those who are insured, dental care is the most heavily used service. Both insured and uninsured rely on *curanderos* — traditional and homeopathic healers. In Reiter's opinion, what would be most helpful would be greater use of mobile clinics, which could bring a range of services directly to the field. As a company, Driscoll's is considering a company clinic (either mobile or fixed) that would make access to preventive care easier and less time-consuming, as well as other health-promoting activities such as athletic activities for the children of farm workers.

Reiter noted that all of the company's supervisors, management, and new farm owners move up from the population of field workers. As they do so they lose the level of physical activity they had in the fields, and nutrition and obesity problems begin to emerge — along with elevated levels of diabetes. This, too, is a trend that Driscoll's is monitoring and hopes to address in the near future.

Dick Wilson, Santa Cruz's City Manager, came to Santa Cruz in 1979. At that time, the city was self-insured, administering its own health care plan and purchasing additional, inexpensive coverage that provided superb benefits at a low cost. In one year, the system unraveled when three expensive

medical situations (two brain tumors and a heart attack) each

incurred costs over

\$1 million. This situation reflects a classic health care dilemma, Wilson said, in which small numbers incur a huge proportion of the costs. Suddenly, the city couldn't purchase its additional coverage, so it joined the Public Employees Retirement System (PERS).

Across California, other local governments were experiencing similar difficulties, but Wilson explained that Southern California governments have many more low-cost options available to them than Northern California does. As Southern California plans have absorbed more and more of the low-cost pool, the PERS universe has become more and more costly.

"No one would design anything remotely like what we have now," Wilson observed. "We don't really have a plan — we stumble and do the best we can."

Bruce Woolpert, CEO of **Graniterock**, described the company's history, which spans over a century. Graniterock has low turnover and views its employees — all of whom receive health insurance coverage — as part of a large family. Recently, though, Woolpert and others at the company realized that their Graniterock family was not a terribly healthy one. Fifteen years ago, smoking was so prevalent at the company that meetings could not be held in nonsmoking hotels. The deaths of several employees from lung cancer moved the management team to take action by offering \$500 bonuses to anyone who quit smoking and did so for over

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a year. The program was a huge success, with the incidence of smoking among employees dropping to half the state average. Now, a similar campaign is underway to address chewing tobacco use among younger employees.

Another visible sign of poor health was the number of overweight employees. At first, the company sponsored a marathon fitness program, fielding a team in the Big Sur marathon and in several Napa marathons. They soon realized that they had inadvertently sent the wrong message — that fitness required something as grueling as a 26-mile endurance run. Undeterred, the team learned from this and now promotes brisk walking every day.

Woolpert's own experience in regaining control of his health influenced the company's latest workplace wellness offerings. Last August, after a visit to the doctor, Woolpert learned that his blood pressure had been creeping up. His doctor offered him two options: losing weight, or taking medication. Woolpert, leery about going on medication, chose the first option. His doctor was pleased, but surprised, noting that most patients quickly choose the easier medication option.

With a revamped diet and exercise regimen, Woolpert was able to lose 46 pounds. His weight loss drew the attention of other employees; the management team took advantage of their interest and launched a new company-wide program called Healthy Me. Through Healthy Me, employees will have access to a health "coach" — a physician from one of three participating medical practices — who will help customize weight management, dietary choices, and exercise routines. The program is voluntary



"We have 14.5 tons of overweight as a company, so we have a long way to go!" . . . "

and confidential, and Graniterock will give employees work release time to meet with their doctors. "We have 14.5 tons of overweight as a company," Woolpert commented, "so we have a long way to go!" Other features of Healthy Me include "polite nagging" for recommended screening tests, options for auditory testing, encouraging tobacco cessation, and an employee assistance program for concerns or problems such as alcohol or drug abuse, major life transitions, or difficult decisions.

Key Indicators *(Continued from page 7)*

9. We don't know exactly what Santa Cruz County's **primary care capacity** is, but do know that the U.S. Department of Health and Human Services predicts that by 2010, 96 full-time primary care providers will be needed for every 100,000 people – and we are probably not close to that figure.
10. Finally, 91% of Santa Cruz County residents reported in the 2007 Community

Assessment Project (CAP) survey that they had a **regular source of health care**, which is much higher than the national average of 82% (from 2004, the most recent year for which data are available). Still, the comparable figure for Pajaro Valley in 2007 was 82%, indicating inequities in access to care within

our County. With the help of our partners, HIP will continue to track these important indicators to help us focus our efforts and monitor progress — progress we are determined to continue, no matter what happens at the state and national levels.

Next Steps

HIP remains committed to local level problem-solving in order to address our community's health care challenges. Working together, we believe it is possible to build a strong local health care system that provides better quality health care to more residents for less cost.

There are things you can do to improve your own health, the health of your neighbors and, as a result, the health of Santa Cruz County. In turn, a healthier community enjoys lower health care costs and a better quality of life.

Here's what **you** can do:

- Complete your advance directive. Log onto the *Make Your Wishes Known* web site (www.makeyourwishesknown.org) or call the help line (831-469-6222) to get a free advance health care directive and for help to complete the forms.
- Businesses can call 469-6222 to schedule a *Make Your Wishes Known* presentation for their employees.
- Live and share the message of *52-10*; stay tuned for a community-wide *52-10* Campaign to help reduce and prevent overweight in children. Visit www.unitedwaysc.org for more information on Go For Health!
- Refer the uninsured to the Santa Cruz County Health Care Access Line: 831-763-8568 or 831-454-2515 for bilingual information on applying to Healthy Kids, Healthy Families or Medi-Cal
- Visit the California Children's Health Initiatives web site, to learn how Healthy Kids programs in 30 counties are advocating for insurance coverage for all California children: www.cchi4kids.org



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- Sponsor Healthy Kids coverage for one local child for a month (\$85) or a year (\$1,020). Any amount will help and all contributions are tax deductible: www.schealthykids.org

At the same time, HIP will continue to work on systems change, to improve coordination and effectiveness of the health care delivery system as well as advocate for effective health policies.

Here's what **HIP** will do:

- Continue to approach health care reform from a systems perspective by reducing fragmentation among providers in order to increase access, reduce costs and improve the quality of care
- Convene providers and other stakeholders to address issues that affect our whole community such as the rising numbers of uninsured, rising cost of coverage for consumers and employers, emergency room overcrowding, inadequate provider reimbursement rates, and other access issues

- Work with providers to address chronic conditions such as diabetes and obesity that undermine health and are extremely costly
- Advocate for policies that support systemic change, including our own bootstrap programs outlined above
- Advocate for a rational State budget that doesn't borrow against the future health and well-being of low-income Californians, including children
- Develop new partnerships with organizations such as the Chamber of Commerce to engage local businesses and other stakeholders in local reform initiatives
- Track key community indicators and report back on progress in improving the health care system in Santa Cruz County at the third annual Forum on Health Care Reform, May 2009.

We welcome your feedback and ideas, so please send questions or comments to admin@hipscc.org or call 831.430.5606.

