

blue shield  
of california  
foundation

what matters  
most

# what matters most?

It's a question we all must ask ourselves in order to remain strategic. But, the answer becomes even more pertinent when times get tough. That's why we're focusing more than ever on the people and solutions that meet our state's urgent needs, while opening the door to the healthy California we all dream about.

# letter from the president

**“Through these difficult times, Blue Shield of California Foundation’s investments will be guided by our mantra: core support, capacity building, and leadership. That’s because we know that transformation – personal, professional, or societal – requires a focus on what matters most.”**

Every day we make choices. Set priorities. Decide what is essential.

In philanthropy, these choices bring a special burden of responsibility – and the excitement of opportunity. Especially now, when the stakes have never been higher for Californians and the future of health care. This is a moment when every dollar, decision, and commitment counts.

The searing effects of the recession and deep budget cuts have left many of our safety net grantees struggling to meet growing demand with less. Clinics see more of the sick, needy, and unemployed. Domestic violence shelters report more demand for beds as they struggle to remain open.

The economic crisis is a powerful reminder that we must continue to focus our resources where they matter most: on core support, capacity building, and leadership. Our strategy hasn’t changed, but it’s intensified. Partnering with our grantees, we’re meeting the needs of today while leading change for tomorrow.

Yes, there is hope on the horizon. We’re seeing a renewed focus on reforming our healthcare system. As California learned, change won’t come easily. There will be bumps in the road and some unexpected detours. But, together, we can help spur innovation and bring fresh voices and ideas to the dialogue.

As Californians, we know how to be resilient, resourceful, and creative – and how to remake ourselves. Through these difficult times, Blue Shield of California Foundation’s investments will be guided by our mantra: core support, capacity building, and leadership. That’s because we know that transformation – personal, professional, or societal – requires a focus on what matters most.



Crystal Hayling  
President and CEO

# the safety net matters

400,000

According to the California Primary Care Association, Californians were already increasingly relying on safety net organizations before the recession. In 2007, 400,000 more patients relied on the state's 800 community clinics than in 2005, raising the total number of patients to 4 million.

**“Our most significant change has been the economic downturn, which has placed challenges on an already burdened population. We see many patients forgoing necessary exams to avoid co-pays or sliding-scale fees. They are choosing food and necessities over mammograms, checkups, or sick visits.”**

Los Angeles clinic

50%

**more need the safety net now**

According to the California Primary Care Association, the state's 800 community clinics have seen a 50 percent increase in uninsured patients in 2009 alone.



Phil Channing

In community health clinics across California, the struggling economy has made itself apparent in crowded waiting rooms, a jump in new patient calls, and month-long wait times for medical appointments.

"There are a lot of people having to look for care here who haven't done so before," Liz Forer, chief executive of the Venice Family Clinic (a Foundation grantee) told the *Los Angeles Times*, referring to the influx of people who have lost their jobs and insurance.

Meanwhile, declines in funding and revenue have forced many safety net providers to make painful cuts at a time when demand is greater than ever. Domestic violence shelters, many of which were struggling before the recession, are turning people away for lack of beds.

Supporting the organizations on the front lines matters now more than ever, which is why the Foundation is focusing on relevant and timely solutions to strengthen California's safety net. We awarded nearly \$9.3 million in general operating support to approximately 200 community clinics and 100 domestic violence providers in 2008.

The grants are part of our commitment to protect and expand the safety net in both the short and long term, given research that shows many safety net providers regularly operate within the thinnest of margins.

When we asked domestic violence shelters, service providers, and government funders about the most pressing needs in the field, these stakeholders expressed a consistent need for more general operating support, since shelters do so much above and beyond what government funding will cover.

The goal is to build a sturdier foundation for the thousands of Californians who will rely on community clinics and shelters during the current storm – and beyond.

**72%**  
shelters turning people away

**In a 2008 survey of domestic violence shelters in California, we found that more than 72 percent had to turn people away because they didn't have enough beds.**

# health care for all matters

## health care and coverage

With so many Californians lacking health coverage, more are seeking shelter in this economic storm. That's why the Foundation is working to sustain a vibrant network of community clinics and health centers that can meet the urgent needs of the uninsured today, while laying the groundwork for a future where affordable care is available to all.

**Providing Core Support:** Running a community health center is an art and a science, best accomplished with robust core support funds that managers can deploy wherever they're most needed – whether it's covering uncompensated costs of care or fixing a leaky roof. In 2008, the Foundation provided \$7 million to the state's community clinics and consortia, and we exceeded that amount in 2009.

**Investing in Tomorrow's Leaders:** To strengthen the management teams at community clinics, we fund the Clinic Leadership Institute (CLI). This signature program of the Foundation, administered by the Center for the Health Professions at UCSF, prepares emerging leaders of California's clinics to be effective and passionate agents of change. CLI graduated its inaugural class in June 2009 and welcomed 34 participants into its second cohort.



Phil Channing



Phil Channing

*Top: A patient receives her annual flu shot at Share Our Selves, a clinic grantee that serves all of Orange County.  
Bottom: Staff of The Saban Free Clinic, a grantee that provides health care and services at four Los Angeles locations.*

# 12 mil symptoms of a bad economy

Approximately 12 million Californians did not have health insurance for one month or more in 2007 or 2008, according to a report from Families USA.



*Clinic Leadership Institute (CLI) participant, Nina Vaccaro, receives her certificate of completion at the inaugural CLI graduation in June 2009.*

**“The (CLI) seminars gave me the opportunity to be exposed to the many dimensions of the community healthcare field and to have relationships with so many other people that share my passion for helping the underserved.”**

**Lourdes Acevedo, CLI Graduate,  
Vista Community Clinic**

# health reform matters

60%

Employer-based coverage is declining: 60 percent of U.S. employers offered health benefits in 2009, down from 69 percent in 2000 (according to the Kaiser Family Foundation's "Employer Health Benefits" survey in 2009).

We believe in California's potential – and the Foundation has focused on achieving that potential by seeding innovation, expanding coverage, and spurring health reform through a shared responsibility approach to universal coverage. Here's how we're doing it:

**Find Solutions:** Because soaring costs remain the biggest challenge to reform, we granted \$200,000 to the New America Foundation to convene a California-based task force of high-level stakeholders to find innovative ways to bend the healthcare cost curve.

**Engage Small Businesses:** Small businesses employ more than half of the nation's workforce, but their voices are often unheard in the healthcare debate. The Foundation awarded close to \$1 million to the Small Business Majority to fund education efforts aimed at getting small businesses to stake their position on healthcare reform.

**Improve Medi-Cal:** We're helping stakeholders and policymakers explore new ways of expanding coverage through a new Medi-Cal state waiver. We supported research to help further the thinking on a new waiver, and we convened stakeholder groups to discuss how new waivers can provide better, coordinated care to more Californians.

**Learn from Experience:** In March 2009, the Foundation sponsored a briefing in Washington, D.C., to share lessons learned from the California health reform experience with national policymakers. The candid analysis identified critical factors for success, including a strong labor-business coalition, an engaged public, and a committed but moderate approach from both parties.

**Invest in Fresh Thinking:** How can we improve the quality of care and change the way we pay for it so that doctors and hospitals have incentives to prevent disease, not just treat conditions? The Foundation funded "FRESH Thinking" (Focused Research on Efficient, Secure Healthcare), to stimulate innovative thinking from more than 175 leading healthcare experts about more effective healthcare delivery systems.



Brendan Hoffmann



Phil Channing

Top: Former Calif. Assembly Speaker Fabian Núñez at the D.C. briefing. Bottom: Lucien Wulsin of Insure the Uninsured Project at a New America Foundation task force meeting.

**“The reform stakeholders are still energized and committed to assisting in passage of the federal reform efforts, and to designing the best ways for California to participate.”**

**Lucien Wulsin, Executive Director,  
Insure the Uninsured Project**

**41%**  
**income spent on health insurance**

**New America Foundation reports that, by 2016, Californians could be spending almost \$26,000 (41 percent of median household income) on health insurance for themselves and their families. And it's projected that nearly a million more Californians could lose their health insurance coverage by 2010, according to a report from Families USA.**

## projects promoting quality

Prioritizing means making hard decisions about what we fund. After reviewing the Foundation's strategic direction in 2008, we made the decision to end our Health and Technology program. But the Foundation continues to spearhead key efforts to promote quality and safety in our healthcare system.

### **a litmus test for new medical technology**

New medical technologies make headlines each day, but “new” does not always translate into improved health outcomes. That's why the California Technology Assessment Forum (CTAF) remains so essential. As new and emerging technologies enter the market, CTAF reviews them for their effectiveness.

CTAF focuses its lens of objective scrutiny to sort the winners from the losers. In fact, it was among the first to verify that bone marrow transplants are not an effective treatment for breast cancer.

### **keeping hospitals safe**

Because healthcare-associated infections (HAIs) contribute to more deaths each year in this country than AIDS or auto accidents, the Foundation committed \$4million to extend the California Healthcare-Associated Infection Prevention Initiative (CHAIFI).

CHAIFI leaders work with 51 nonprofit hospitals to eliminate HAIs through a series of learning sessions and monthly webinars on topics ranging from hand hygiene to reducing catheter-related infections. CHAIFI is also helping hospitals sustain the gains that they make.

# ending domestic violence matters

## blue shield against violence

A fresh survey of the domestic violence field has triggered a new strategic direction for the Foundation and sharpened our focus on protecting the safety of those at risk today while finding new ways to prevent future violence. We're building a stronger network of providers while sparking innovation. Here's how:

**Safety Net Support:** Critical to innovation and change is a strong safety net, which is why, in 2008, we awarded \$2.3 million in core support to approximately 100 domestic violence service providers through a two-year initiative. We're also developing new programs that will provide support to California's domestic violence organizations and leaders to build a field that is sustainable, innovative, and collaborative.

**Primary Prevention:** Through grantee Youth Radio, the groundbreaking BOM ("Boss of Me") multimedia campaign went statewide in 2009. As the California partner for the Robert Wood Johnson Foundation's "Start Strong: Building Healthy Teen Relationships" (a multi-year, youth violence prevention initiative), we're supporting Los Angeles-based Peace Over Violence.

**Military Families:** There are roughly 290,000 Californians on tours of duty. Post traumatic stress disorder has been linked to family violence, yet interventions are almost non-existent. We're convening experts and funding innovative prevention efforts to help returning combat veterans leave behind the violence they've experienced in Iraq and Afghanistan.



Top: Youth leaders from grantee Peace Over Violence at the first annual meeting for "Start Strong: Building Healthy Teen Relationships."  
Bottom: Grantee Catalyst Domestic Violence Services of Butte County, which aims to prevent and reduce violence through crisis intervention and community education.

## 25% women experiencing abuse or threats

According to the Centers for Disease Control and Prevention, nearly one in four women is threatened or abused (physically, sexually, or emotionally) by a current or former partner. And a 2009 study by Liz Claiborne Inc. and the Family Violence Prevention Fund also found that one in three teens reported being physically or sexually abused – or threatened – by dating partners.



Wall mural at grantee Rainbow Services of Los Angeles County, which provides support and assistance for women and children dealing with family violence.

**“With the challenges facing our community in this difficult economic time, and domestic violence on the rise, the Blue Shield Against Violence program’s general operating support has helped our organization ensure that no victim of domestic violence is ever turned away and no family is denied safety.”**

Joelle Gomez, Executive Director,  
The Women’s Center of San Joaquin County

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

The company's commitment to the Foundation reflects the corporate mission and values.

## Statements of Financial Position

(Dollars in Thousands)

June 30, 2009

### Assets

Cash and Cash Equivalents	\$ 42,204
Investments	10,261
Other Assets	152
<b>Total Assets</b>	<b>\$ 52,617</b>

### Liabilities and Net Assets

#### Liabilities:

Grants Payable	\$ 17,150
<b>Total Liabilities</b>	<b>17,150</b>
Net Assets	35,467
<b>Total Liabilities and Net Assets</b>	<b>\$ 52,617</b>

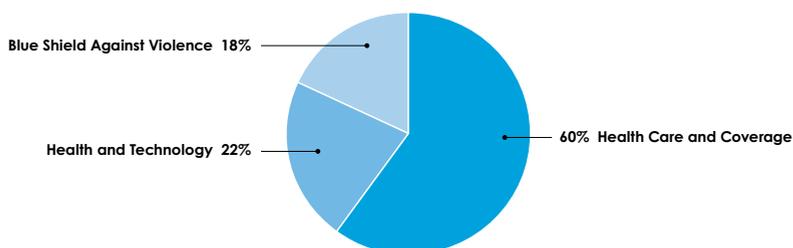
## Statements of Activities and Changes in Net Assets For the 18 Months Ended June 30, 2009

(Dollars in Thousands)

	18-Month Total
<b>Revenue and Support</b>	
Blue Shield of California Contributions	\$ 33,809
Net Investment Income	(1,472)
<b>Total Revenue and Support</b>	<b>\$ 32,337</b>
<b>Expenses</b>	
Grant Awards	\$ 47,393
Program Expenses	8,165
General and Administrative Expenses	2,064
<b>Total Expenses</b>	<b>\$ 57,622</b>
<b>Increase (Decrease) in Net Assets</b>	<b>\$ (25,286)</b>

## Grant Awards

January 2008–June 30, 2009



Percentages based on total dollars awarded. Health and Technology is no longer an active program as of January 2009.

For a list of our grantees, please visit us at [blueshieldcafoundation.org](http://blueshieldcafoundation.org)

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# transparency matters

We believe in detailing which organizations and types of services we fund. It's a critical step toward improving how we allocate funds and work with our partners and

grantees. With this snapshot, our intention is to show how our giving strives to meet both the immediate and future needs of Californians.

## grant award strategy

	Health Care and Coverage	Health and Technology*	Blue Shield Against Violence	All Programs
Capacity building	11%	12%	7%	10%
Convening and Collaboration	1%	9%	20%	6%
Demonstration	0%	36%	28%	13%
Direct Service	74%	3%	29%	50%
Education and Advocacy	12%	17%	5%	12%
Policy	1%	4%	2%	2%
Research and Evaluation	1%	19%	9%	7%
	100%	100%	100%	100%

\*No longer an active Foundation program area as of January 2009.

Data includes all awards made from January 2008 to June 2009 (18 months). Percentages based on total dollars awarded.

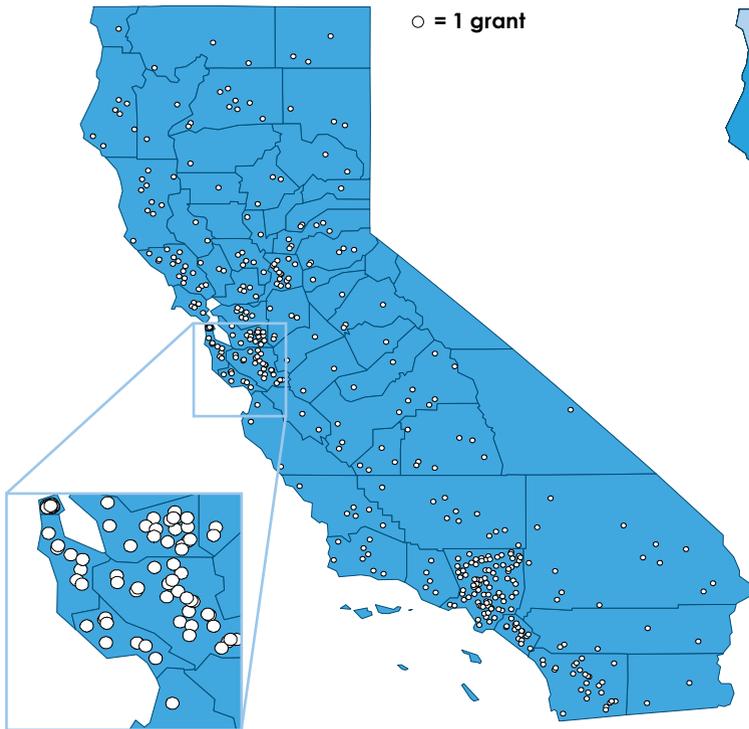
## grant awards by type

	Health Care and Coverage	Health and Technology*	Blue Shield Against Violence	All Programs
Initiative	72%	16%	43%	54%
Proactive	19%	50%	41%	30%
Responsive	9%	34%	16%	16%
	100%	100%	100%	100%

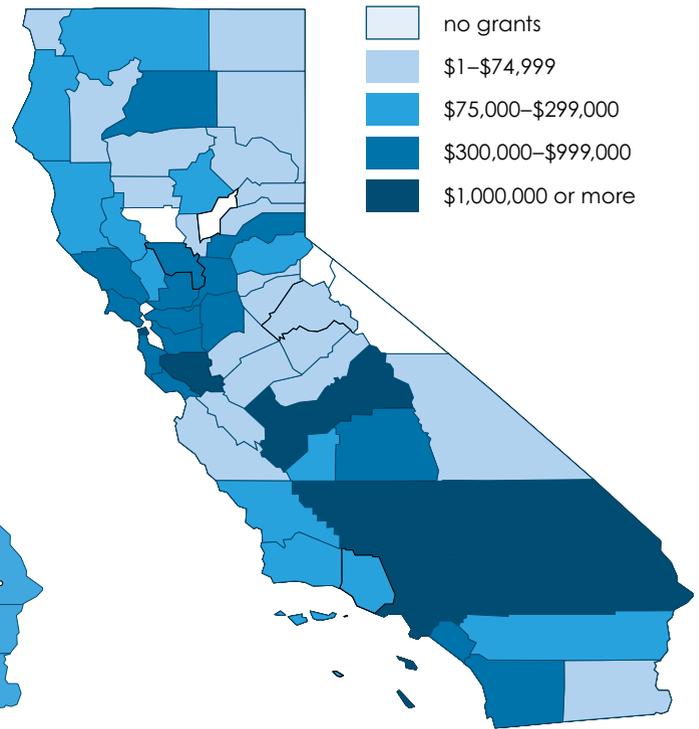
\*No longer an active Foundation program area as of January 2009.

Data includes all awards made from January 2008 to June 2009 (18 months). Percentages based on total dollars awarded.

## number of grants by county



## funding levels by county



region	number of grants	amount awarded	counties
North	54	\$1,642,000	Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Plumas, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Yuba
San Francisco Bay Area	122	\$7,840,122	Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, Sonoma
Sacramento Valley	31	\$1,810,033	El Dorado, Placer, Sacramento, Yolo
Central	83	\$4,849,766	Alpine, Amador, Calaveras, Fresno, Inyo, Kern, Kings, Madera, Mariposa, Merced, Mono, Monterey, San Benito, San Joaquin, San Luis Obispo, Santa Barbara, Santa Cruz, Stanislaus, Tulare, Tuolumne, Ventura
Los Angeles	87	\$8,154,400	Los Angeles
South	63	\$4,254,178	Imperial, Orange, Riverside, San Bernardino, San Diego
Statewide	97	\$18,932,717	
<b>Total</b>	<b>537</b>	<b>\$47,483,216</b>	

Data includes all awards made from January 2008 to June 2009 (18 months).

[www.blueshieldcafoundation.org](http://www.blueshieldcafoundation.org)

**Blue Shield of California Foundation**

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