

2003 Annual Report



# National Health Foundation

*“Striving to improve the healthcare  
delivery system”*

## Our Mission

To improve and enhance the health of the underserved by developing and supporting innovative programs that 1) can become independently viable, 2) provide systemic solutions to gaps in healthcare access and 3) delivery and that have the potential to be replicated nationally.

*and*

## Our Vision

NHF must continually evolve and remain at the forefront of improving and enhancing the healthcare system. Keys to its success include:

- ◆ constantly assessing health and healthcare issues and problems,
- ◆ strategically investing in staff and core competencies,
- ◆ embracing diversity in all areas, and
- ◆ attending to the replication of innovative models beyond California.

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## 2003 Annual Report

### Message from the Incoming President/CEO



As the new President/CEO, I am pleased to present the National Health Foundation's accomplishments for FY 2002-2003 and to offer my thoughts about the upcoming year. In the present year, we met five major goals.

These goals included: expanding and strengthening the Board, diversifying the program revenue mix, increasing the Endowment, creating greater visibility for our activities, and continuing to provide excellent programs. The goals were achieved by:

- Obtaining new grants from foundations and contracts from the private sector that reduced our dependence on government funding. (Revenues from operations were almost \$2 million, the highest ever.)
- Achieving Endowment growth by reversing past trends of drawing down for operating needs, generating higher net proceeds from our annual golf tournament, and increasing Board contributions.
- Initiating a series of Trustee Forums that provided participants with opportunities to hear unique views of California's health care crisis and to discuss the results of NHF's assessment of the impact of public sector hospital and clinic closures on private sector hospitals and emergency rooms.
- Redesigning NHF's website, logo and letterhead and changing our website and email addresses to make it easier for you to contact us. Our new website is [www.nhfca.org](http://www.nhfca.org) and I urge you to check it out.

These successes occurred even as staff continued to conduct a broad range of outreach, education, training, facilitation and research projects. Those working with women and children in six Southern California counties, were trained to help families obtain appropriate health coverage through a variety of public and private programs and we supplemented this information and these activities with CHAMP-Net, an interactive website for organizations and families. Clinics and community-based organizations were helped to increase their evaluation and data collection capacities; hospitals were informed about nursing student program availability and a collaborative project concerned with chronic disease management was designed for four hospitals.

As you can see, NHF has had a successful year. The upcoming year however, will be especially challenging. Nationally the economy has not yet recovered, there may be continuing economic consequences of the war with Iraq, and California is in a major budget crisis. State cutbacks could adversely affect NHF's ongoing programs and make it difficult to secure new State funding, even as Foundations cut back their program support because of poorly performing portfolios. Nevertheless, I know that NHF's solid base of services and programs and its hard working board and staff will allow it to weather these challenges. I look forward to another year of progress and accomplishments.

  
J. Eugene Grigsby, III

## Message from the Chairman



In this Annual report, I am delighted to formally welcome NHF's new President/CEO, Dr. J. Eugene Grigsby, III. He began this position in July 2002 and over the last year has clearly made his mark on the organization (with much more to come).

Before coming to NHF, Gene was a professor at UCLA's School of Public Policy and Social Research where he taught urban planning and consulted for the UCLA Medical Center, the California Hospital Medical Center and other government and private sector clients. Gene brings some wonderful skills to NHF, he is a dynamic speaker and, importantly for NHF, takes a systems approach to problem solving. However, he is not simply a theorist. Even as Gene envisions how the healthcare system can be improved, he is realistic about the types and speed of changes that can be made to it.

In a very challenging and uncertain economic and healthcare marketplace, NHF has had an excellent year. As we move forward into the still uncertain and therefore challenging new year, Gene and the NHF team will need all of their talented skills and a great deal of support and assistance to grow the organization to its next level. Dedicated Trustees, Fellows and supporters who help sustain NHF projects and activities are critical to NHF's growth and impact. In addition, I am pleased by how active the Board has become in many key initiatives including funding, program development, and marketing. We have a very talented Board that has wholeheartedly embraced its new responsibilities, and are committed to supporting Gene and his team in bringing NHF to the next level. I want to thank the entire NHF team and supporters for their commitment to achieving NHF's mission, and I look forward to working with them during the next year as NHF seeks to truly improve the health of the underserved.

  
Russell K. Nash

# 2003 Annual Report

## 2003 Highlights & Activities

### *NHF Welcomes Seven New Board Members*

NHF is pleased to announce the election of the following new Board members.



**Melinda Beswick** – CEO for Anaheim Memorial Medical Center . Ms. Beswick is responsible for the operations of Anaheim Memorial Center (AMMC), a 224-bed not-for-profit acute care community hospital. AMMC offers a wide variety of inpatient and outpatient services, including community education and outreach programs. Ms. Beswick’s additional responsibilities include collaboration with the Board, management and medical staff leadership to achieve the clinical and service quality objectives, and business development and fiscal performance targets, which are the overall goals of AMMC.



**Sherwin L. Memel, Esq.** – Partner, Business & Transactions Division for Manatt, Phelps & Phillips, LLP a premier law and consulting firm. Mr. Memel represents a broad cross-section of the healthcare industry, including hospitals, multi-hospital systems, nursing homes, residential care companies, healthcare lenders, IPAs, PPOs, HMOs and other managed care organizations. He also advises health and workers’ compensation insurance companies, governmental entities, biotechnology research organizations, universities, university faculties and other physical groups, individual physicians, trade associations, medical product companies and health-related services companies.



**Ava M. White** – Director of Human Resources for The Beverly Hills Hotel, Beverly Hills . Ms. White is responsible for the overall human resources operations that include employee/labor relations, training, staff development and development of company policy and procedures. Additional duties include administering the 401-K pension plan, as well as developing and administering benefits for 450 non-union employees. She ensures proper compliance with SB198, OSHA regulations, Bloodborn Pathogens, SCAQMD regulations XV, and other legal issues through comprehensive management and supervisory and staff training and education.



**Vinod “Vin” Sodhi** - President & CEO for EdgeStream, Inc., a technology company founded in March 2000 to build a software platform and supporting technologies that optimize the delivery of rich media content over the public Internet. Mr. Sodhi has served as Founder/Group Program manager of Xerox Communications Terminal Division, Chief Operating Officer of Magnetic Information Technology (MIT) a multinational manufacturer that was taken public, and Founder/CEO of Indus Systems. As entrepreneur, founder and executive, Mr. Sodhi has led three companies to profitability with significant revenues.



**Robert Gregory Splawn, M.D.** - the Medical Director for California Hospital Medical Center's J. Thomas McCarthy Center for Emergency Services. Dr. Splawn oversees the care of more than 4,000 patients each month, making the center one of the busiest emergency services in Los Angeles. He is also President & CEO of Metropolitan Emergency Physicians Group, a hospital-based physician group with over 30 employees. In addition to the above responsibilities, Dr. Splawn is also founder and Medical Director of both the Sexual Abuse Response Team (SART) and the Domestic Assault Response Team (DART), two highly innovative programs that provide victims of sexual assault and domestic violence with comprehensive medical, social and law enforcement services



**Jess Womack** - Associate General Counsel for the Los Angeles Unified School District. Mr. Womack has also served as General Counsel for the Los Angeles Community Development Bank, a position he assumed following an 18-year career with the Atlantic Richfield Company from which he retired as Senior Corporate Counsel of Environmental Affairs. Mr. Womack is active in a number of organizations. He is Vice President of the Los Angeles Conservancy, on the Board of Directors of the Environmental Law Institute, a member of the Board of Trustees of Albion College, a member of the Advisory Board of the *California Lawyer*, a legal journal and past President of the American Corporate Counsel Association.



**Fran Spears** - Executive Director for the National Conference for Community and Justice's Los Angeles Region (NCCJ/LA). In this role, Ms. Spears manages more than 20 human relations programs annually serving thousands of youth, faith leaders, community members, law enforcement officers, business leaders, and educators, as well as the overall operations and fundraising for the region. Ms. Spears was drawn to the organization's mission to fight bias, bigotry, and racism in America and to promote understanding and respect among all races, religions, and cultures, because diversity issues must be effectively addressed if our increasingly multi-cultural community is to be successful.

### ***NHF holds Quarterly Trustee Forums***

One of the activities launched to increase visibility for NHF has been the initiation of a series of Trustee forums. The first Forum, on November 2, 2002 featured Jim Ludlam discussing California's health care crisis. The second Forum on February 24, 2003 focused on the results of NHF's impact study with reactions from representatives from hospitals, community clinics, and the unions.

## 2003 Annual Report

### *1st Annual Board Retreat*

NHF held its first Board retreat at the Beverly Hills Hotel on April 9. This excellent session attended by nearly 75% of the members resulted in the Board identifying three key focus areas for the coming year. They included:

- Programs
  - Keep a focus on training
  - Leverage NHF's core competencies
  - Employ technology where possible
  - Identify viable funding sources
  - Research cutting edge issues
- Image and Marketing
  - Use web site as primary marketing tool
  - Create new logo
- Board Growth and Development
  - Recruit new Board members from:
    - A Health Plan
    - Corporate leaders
    - Major hospital system CEO
    - Government/Public Affairs expert
  - Develop Board Manual
  - Develop Board self-assessment mechanism



*Julia Pennbridge, V.P. Research & Evaluation, reviews material for the Board Retreat*



*Eugene Grigsby, President/CEO, leads work group session at annual retreat*

### *2002 Annual Fundraising Golf Classic*

The Hospital Association of Southern California (HASC) and the California Association of Physician Organizations (CAPO) held their 34th Annual Charity Golf Classic on September 19th. The event was held at Coyote Hills Golf Course in Fullerton and raised nearly \$40,000 to benefit NHF, more than double last year's figure. The tournament was a sell out with 157 players and more than 20 sponsors in addition to silent and live auction sponsors. NHF is grateful to receive the proceeds from this event and sends many thanks to HASC, CAPO and AllHealth staff and members, the tournament's sponsors/contributors and everyone who participated. The funds will assist NHF in developing new programs to address healthcare issues impacting underserved communities and those without access to health services.



*George Grayson practices for the \$10,000 putting contest at the HASC/CAPO Golf Tournament*

### *NHF Welcomes new staff*

The National Health Foundation welcomed three new staff members. They are:

**Shu Li** - a recent graduate of USC and is fluent in Mandarin. She split her time between outreach activities in the San Gabriel Valley and application assistance, primarily with Asian families.

**Diana Peña** - a recent graduate of Loyola Marymount University, is fluent in Spanish. Her outreach activities focus in the southern part of Los Angeles County, an area that has not had a full-time outreach worker in many years.

**Darrielle Ehrheart** - who was recruited from UCLA to be the assistant to the President/CEO, has 7 years experience in management and administration with technology-based industries and spent four years working as an independent computer consultant to 20 LAUSD Independent Study Sites, various small businesses and non-profits.

*Quinnie Le, Socorro Meza*



*Elena Franco, Mary Espinoza*



*Patricia and Natalie Bitetti*



*Diana Pena, Stephanie Ha*

## 2003 Annual Report

### 2003 Program Year

#### *Access for Infants & Mothers*

Access for Infants and Mothers (AIM) is a state-subsidized low-cost healthcare program for uninsured pregnant women and their infants whose family incomes are too high to qualify for no-cost Medi-Cal, or for women who can not afford private insurance, or who have private maternity insurance with a high deductible or co-payment for maternity services. Through the AIM program, mid-income pregnant women and their infants who meet all eligibility criteria, can receive temporary health insurance at a cost of 2% of the annual family income and can be reimbursed up to \$125 for prior prenatal services. Benefits through AIM include, services during pregnancy, hospital delivery, postpartum care, and infant health care for the first year and optional coverage for a baby's second year.

Begun in 1992 and subsidized by Proposition 99 Tobacco Tax funds, AIM provides community outreach activities and application assistance in seven Southern California counties (Los Angeles, Orange, Riverside, San Bernardino, Ventura, Santa Barbara and San Luis Obispo). It's bilingual, bicultural staff creates a diverse outreach program targeting health care providers, the insurance industry (health plans and insurance agents), businesses and community-based organizations along with assisting potential applicants. These combined outreach and assistance activities created community awareness about the program helping thousands of pregnant women to gain access to needed prenatal and infant care.

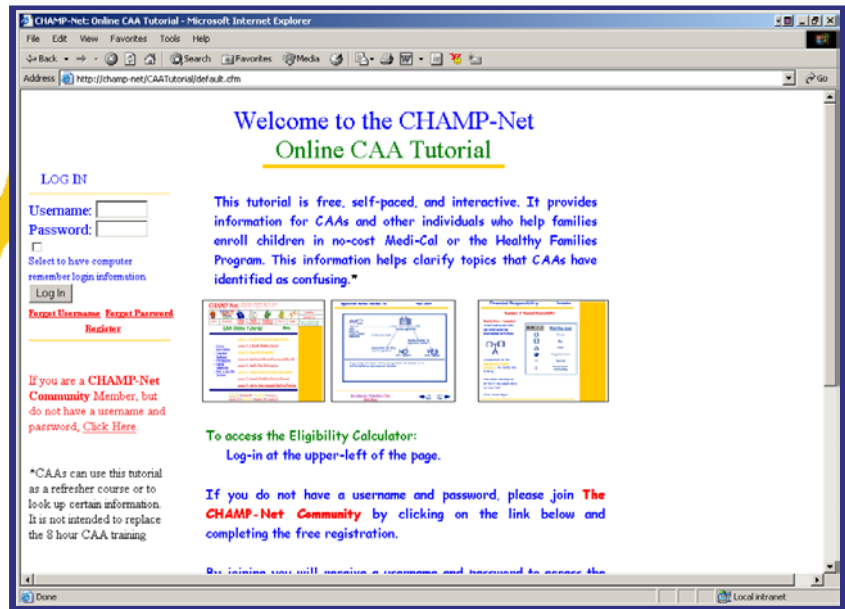
Funding for statewide outreach is facing cuts in this year's budget, potentially ending 11 years of community outreach activities for the AIM program.



*Judy Via, AIM Representative, leads training session for the AIM program*

## CHAMP/CAA Training Grants

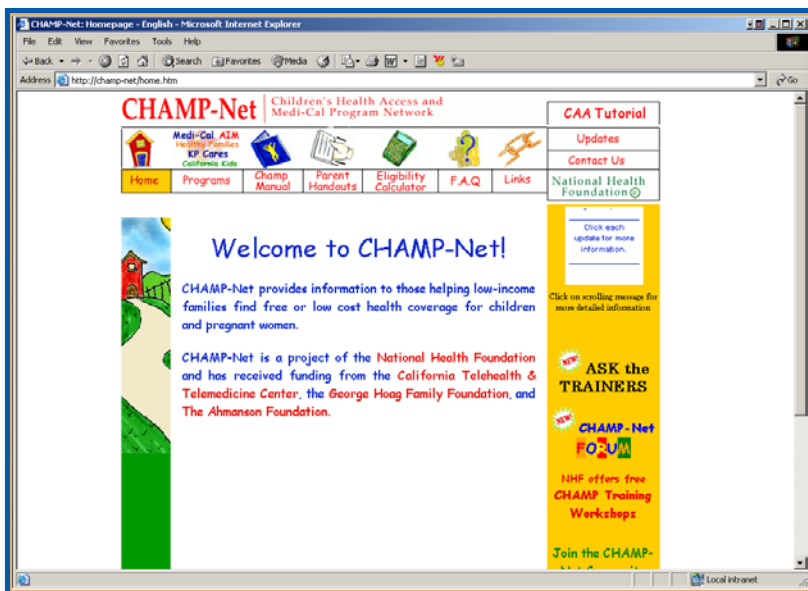
Through two training contracts, one from the County of Los Angeles and the other from the State of California, NHF provided CHAMP and Certified Application Assistant (CAA) training in Los Angeles, Orange, Riverside, San Bernardino, Santa Barbara and Ventura counties. The trainings gave more than 2,440 individuals who work with uninsured families the knowledge and tools to enroll uninsured children in appropriate government or private healthcare programs.



## Children's Health Access & Medical Program Network (CHAMP-Net)

CHAMP-Net is a virtual network that uses communications technology to connect staff from schools, hospitals, community-based organizations and county agencies to current, comprehensive information about public and private health coverage programs for uninsured children and pregnant women in California . CHAMP-Net's website,

www.CHAMP-Net.org (available in English and Spanish), features an eligibility calculator to screen families for Medi-Cal, Healthy Families, Kaiser Permanente Cares for Kids Child Health Plan-1, CaliforniaKids, AIM and local county programs. It also links individuals to information about county-specific health programs available in Alameda , San Francisco and Santa Clara counties. NHF is currently adding a tutorial for Certified Application Assistants to the website. Initial funding for CHAMP-Net was provided by the California Telemedicine and Telehealth Center, which is supported by the California Endowment.



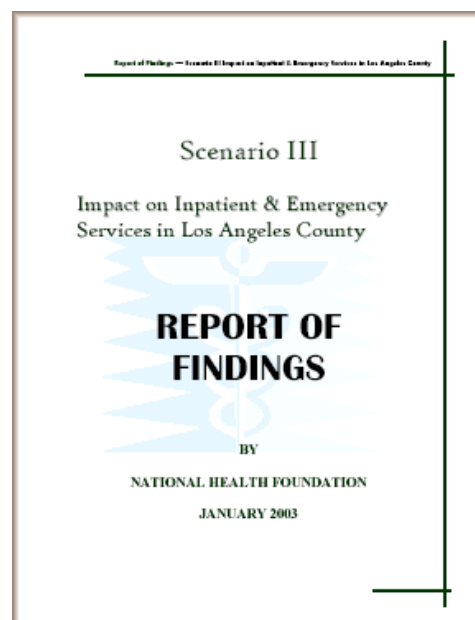
## 2003 Annual Report

### *Los Angeles County Scenario III Impact Study*

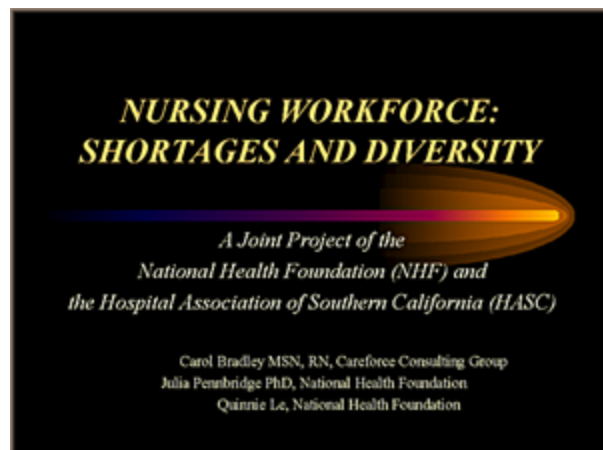
Funded by the Hospital Association of Southern California, the California HealthCare Foundation and The California Endowment, this study assessed the impact of implementing Scenario III of the 2002 Los Angeles County's Department of Health Services' Restructuring Recommendations. This Scenario includes closing hospital beds and reducing ambulatory care services. The Model focuses on the impact of the hospital-based changes and does not include any changes to ambulatory care.

A Technical Advisory Committee reviewed all Model development, including discussions about data (Office of State Health Planning & Development data supplemented by a hospital survey), Model assumptions and patient routing rules (details are provided in the Technical Report that accompanies the Findings). All Model impacts are reported at the countywide and individual SPA levels.

Overall, it showed that implementing such changes would have little impact on hospitals throughout the County although the situation will worsen for DHS hospitals that, pre-Scenario III, were operating at maximum capacity virtually all the time. It also showed that physicians would have more difficulty finding hospital beds for patients they want to admit immediately, for psychiatric patients, and for patients needing rehabilitation services. Patients without health insurance coverage will bear the brunt of these changes.



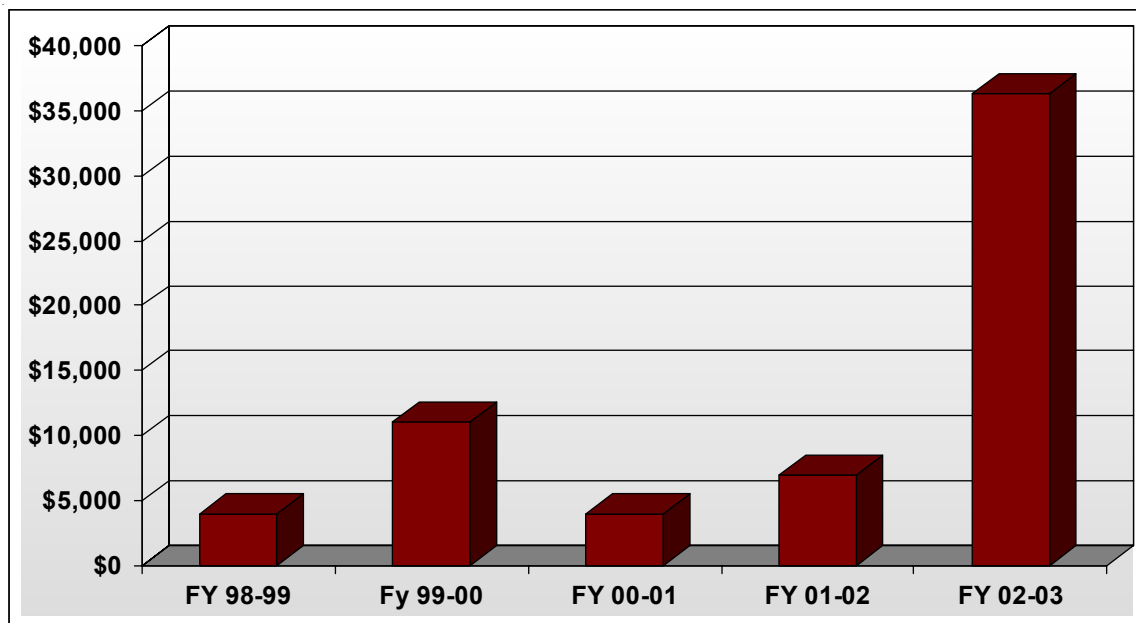
### *Nursing Workforce Initiative*



NHF obtained UniHealth Foundation and The California Endowment funding to administer and analyze the second Nursing Workforce Initiative survey (HASC conducted the first survey in 2001) and to analyze the data it generated. Hospitals and colleges with nursing programs in the HASC member area were surveyed to understand hospitals' nursing workforce needs, colleges' experiences with enrolling and graduating nursing students, and existing hospital-college partnerships dedicated to graduating more nurses. A report for UniHealth Foundation analyzed the experiences of the hospitals it supports and a report for The California Endowment focused on the issues surrounding workforce diversity.

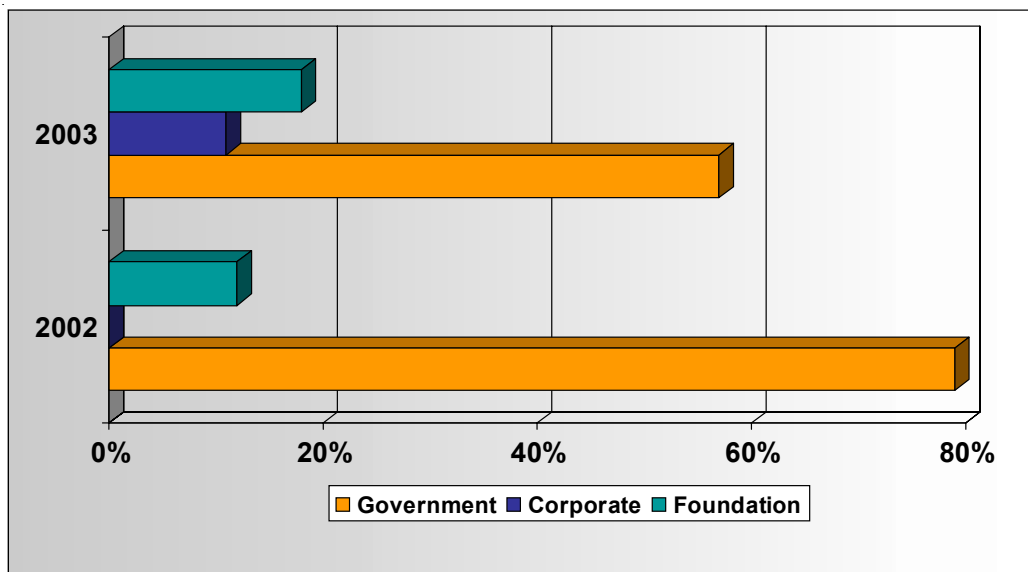
## 2003 Financial Milestones

### Board Contributions



Source: Annual contributions & pledges received by fiscal years 1998-99 through 2003-003

### Revenue Source



Source: NHF Statement of Activity, Years Ending March 31, 2003

# 2003 Annual Report

## 2003 Financial Statements

### *Statements of Financial Position*

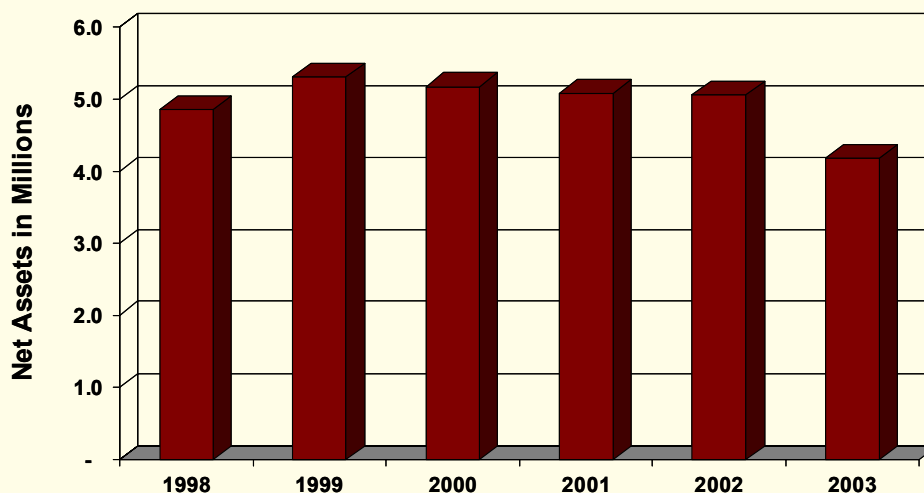
March 31, 2003 (with comparative summarized information as of March 31, 2002)

<b>ASSETS</b>	<b>2003</b>	<b>2002</b>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 6,204	\$ 299,610
Grants and pledges receivable - net of allowance for doubtful accounts of \$0 and \$25,000 at March 31, 2003 and 2002, respectively	189,492	159,190
Investments (Note 2)	<u>4,095,758</u>	<u>4,639,815</u>
Total current assets	4,291,454	5,098,615
Furniture and equipment - net of accumulated depreciation of \$89,963 and \$88,402 at March 31, 2003 and 2002, respectively	1,466	1,072
Deposits	<u>4,399</u>	<u>4,399</u>
<b>TOTAL</b>	<u><u>\$ 4,297,319</u></u>	<u><u>\$ 5,104,086</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
LIABILITIES - Accounts payable and accrued liabilities	<u>\$ 120,984</u>	<u>\$ 49,101</u>
<b>NET ASSETS:</b>		
Unrestricted:		
General	508,514	1,130,346
Board-designated (Note 3)	2,500,000	2,500,000
Temporarily restricted (Note 4)	39,102	301,720
Permanently restricted (Note 5)	<u>1,128,719</u>	<u>1,122,919</u>
Total net assets	<u>4,176,335</u>	<u>5,054,985</u>
<b>TOTAL</b>	<u><u>\$ 4,297,319</u></u>	<u><u>\$ 5,104,086</u></u>

**Statements of Activities**

Year ended March 31, 2003 (with comparative summarized information for the year ended March 31, 2002)

	2003			Total	(Summarized Total Information) 2002
	Unrestricted	Temporarily Restricted	Permanently Restricted		
REVENUES, GAINS AND OTHER SUPPORT:					
Contributions and grants	1,369,402	476,067	5,800	1,851,269	1,443,805
Net investment (loss) income (Notes 2 and 3)	(548,806)			(548,806)	249,075
Net assets released from restrictions	738,685	(738,685)			
Total revenues, gains and other support	1,559,281	(262,618)	5,800	1,302,463	1,692,880
EXPENSES:					
Program expenses	1,877,176				1,454,237
General and administrative	254,599				239,932
Fundraising	49,338				24,961
Total expenses	2,181,113				1,719,130
CHANGE IN NET ASSETS	(621,832)	(262,618)	5,800	(878,650)	(26,250)
NET ASSETS, BEGINNING OF YEAR	3,630,346	301,720	1,122,919	5,054,985	5,081,235
NET ASSETS, END OF YEAR	3,008,514	39,102	1,128,719	4,176,335	5,054,985

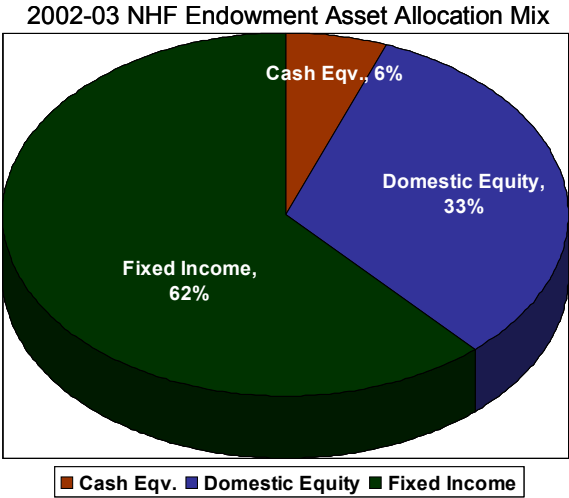


Source: Deloitte &amp; Touche Audit Reports, Year Ending March 31, 1998 through 2003

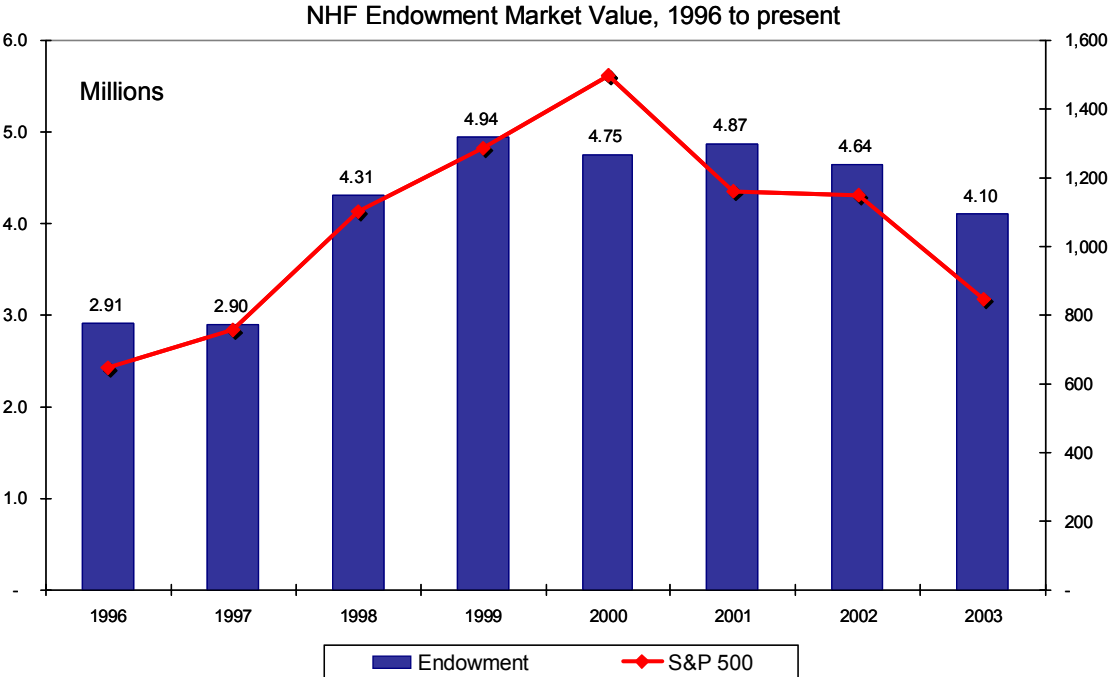
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## Endowment

Under the leadership of NHF’s previous chair, Leonard D. Schaeffer, Chairman and CEO of WellPoint Health Networks, NHF’s Board recognized the need for funds to initiate important research and quickly develop innovative programs to meet pressing community needs. A permanent source of capital was needed, and Stephen Gamble’s retirement from NHF’s Board and the Hospital Council of Southern California in 1994 provided an opportunity to raise \$328,000 and create the **Gamble Endowment Fund**, an additional \$300,000 was raised for the **James E. Ludlam Endowment**. These Endowment Funds were increased by the **Blue Cross of California Endowment Fund**, which received \$2.5 million from Blue Cross of California. A portion of the interest earned on these endowments is used to provide seed money to support program initiatives in response to pressing health care issues.



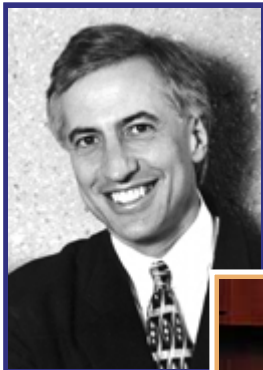
Source: Merrill Lynch Consulting Services, April 29, 2003



Source: Deloitte & Touche Audit Reports, Year Ending March 31, 1996 through 2003

## 2003 Board of Directors

### *Officers:*



**Chair**

**Russell Nash**

Managing Partner

Accenture Health & Life Sciences, West Market Group



**Vice Chair**

**Cynthia McClain-Hill, J.D.**

Managing Partner

McClain-Hill Associates



**Vice Chair Ex Officio**

**James Barber**

President & CEO

Hospital Association of Southern California



**Secretary**

**Gwen Edwards**

Independent Management Consultant



**Treasurer**

**Joseph Salzillo**

Principal

William M. Mercer, Inc.

# 2003 Annual Report

## Board Members:

**Ann Ascher**

*President*  
Ann Asher, Inc.

**Melinda Beswick**

*Chief Executive Officer*  
Anaheim Memorial Medical Center

**J. Nicholas Counter, III**

*President*  
Alliance of Motion Picture & Television  
Producers

**Adrienne Hall**

*President & CEO*  
The Hall Group

**Irene Hirano**

*President & Executive Director*  
Japanese American National  
Museum

**Arthur Johnson, MD, MPH**

*Former Chief of Staff*  
Cedars Sinai Medical Center

**Ruth Lopez-Williams**

*Chief Executive Officer*  
American Oncology and  
Imaging Centers & VivaHealth  
Services, Inc.

**James Ludlam, Esquire**

*Of Counsel*  
Musick, Peeler & Garrett

**Linda McGoldrick**

*Independent Consultant*  
c/o Marsh-MMC

**Sherwin Memel, J.D.**

*Healthcare Industry Partner*  
Manatt, Phelps & Phillips

**Vinod Sodhi**

*President & CEO*  
EdgeStream, Inc.

**Jacque Sokolov, M.D.**

*Chairman & Senior Partner*  
Sokolov, Sokolov, Burgess

**Robert Splawn, MD, MPH, FACEP**

*Medical Director*  
Emergency Services California Hospital Medical  
Center

**Fran Spears**

*Executive Director*  
The National Conference for Community and Justice

**Michael Stephens**

*President*  
Hoag Memorial Hospital Presbyterian

**Ava White**

*Human Resources Director*  
The Beverly Hills Hotel

**Jess Womack**

*Associate General Counsel*  
Los Angeles Unified School District



Back row: Jim Barber, Joe Salzillo, Arthur Johnson, Adrienne Hall, Michael Stephens, Robert Splawn, Cynthia McClain-Hill, Vinod Sodhi Seated: Linda McGoldrick, Eugene Grigsby, Russ Nash, Fran Spears, Jess Womack



**National Health Foundation**

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