The Evolution Of Managed Care

The Sacramento area has become a national laboratory for managed care. More than 90 percent of insured people here are covered by some form of managed care, resulting in a new economy for health care -- and new models of health care delivery.

With headquarters in Sacramento, Sierra Health Foundation is in the midst of this evolving health care market. For a number of reasons, managed care is an important emerging area of interest for the Foundation.

A fundamental reason for our interest: This Foundation has roots in the managed care industry. It was created in January 1984 when Foundation Health Plan, a health maintenance organization, was converted from nonprofit to for-profit corporate status. Today, Sierra Health Foundation maintains a connection with that history as two board members -- George Deubel and Jim Schubert, MD, past officers of Foundation Health -- continue to have a keen interest in the evolution of managed care.

Since it was established, the Foundation has focused on improving the delivery of health care services, expanding the efficient use and availability of health care resources, and improving the health of underserved populations. Given Sacramento's status as one of only a few highly penetrated managed care markets in the nation, it makes sense that we look at how managed care influences these basic areas of concern.

Apart from our natural interest in this issue, over the last few years the Foundation has received a growing number of requests (through the Health Grants Program) for funding from health-related organizations seeking support to work more effectively in the changing marketplace. In addition to funding our own market scan of managed care in the Greater Sacramento area, we responded to this growing area of interest with several recent grants listed in the sidebar on this page.

Managed Care Program Grants

Ombudsman Program
In cooperation with the Henry J. Kaiser Family Foundation and The California Wellness Foundation, Sierra Health Foundation is funding a four-year pilot ombudsman program in the Greater Sacramento area to provide information and assistance to consumers who need help in a managed care delivery system. It will start in June 1997 and will be managed by the Center for Health Care Rights.

The Evolution of Managed Care in the Sacramento Region
Sierra Health Foundation is underwriting the publication of a book which details the development of managed care in the Sacramento area. Publication date is June 1997.

Ethics Forums
Working with the University of Washington School of Medicine, Department of Medical History, the Foundation has funded two major forums on the ethics of managed care. The first forum involves medical ethicists and physicians who will identify the ethical issues faced by health professionals in their practices. The second focuses on practical strategies for addressing those issues. The first forum will be held in April 1997 at Sierra Health Foundation's conference facility in Sacramento.
Managed Care Curriculum
A grant issued to the University of California, Davis, School of Medicine will help establish a curriculum for medical students and medical school staff on "Economic and Ethical Considerations of Practice in the Twenty-first Century."

Sierra Health Foundation Scholars Program
The Foundation has funded a program with the University of California, Davis, School of Medicine to train distinguished medical students in the economics and practice of medicine. Graduates will earn MBA degrees along with their MDs to enable them to take leadership roles in the new market-place. The first two medical students selected for the Sierra Health Foundation MD-MBA Scholars Program are featured in this issue of Partnerships (pages one and three).