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Health Plan Cost Cutting Becoming Discriminatory

Analysis of California's Health Care Crisis Shows Hispanics at Greatest Risk

Washington, D.C. (December 5) – A report released today by The Latino Coalition Foundation (TLCF) shows the rising price tag for health care means Californians will pay more for even fewer care options. The report – *A Gathering Storm in California Health Care* – details how shifting health care costs to employers and consumers threatens Hispanics' access to insurance and quality health care services. California's changing managed care system and its 11 million Hispanics provide a model of previously unanalyzed national trends.

“Available research evaluating the cause and effect of rising health premiums completely ignores cultural considerations. Cultural differences matter in terms of the types of diseases affecting groups, how groups access care and what treatments work best,” said TLCF Chairman Mario Rodriguez, from San Clemente, California. “As health plans limit services and treatments for chronic conditions and ask consumers to pick up the tab or forgo care, Hispanics are at greatest risk. These cost-cutting strategies discriminate against Hispanics whose level of insurance, available income and health status fall below national rates.”

According to TLCF's report, skyrocketing health plan premiums will reduce Hispanics' option for employer-based coverage and increase the ranks of the uninsured. Hispanic workers are predominantly employed by small businesses or within the service and agriculture industries. These types of employers, however, are most likely to drop health benefits or raise personal contributions to a level that discourages employees from selecting coverage. Prior to the current cost crisis, California Hispanics ranked as the lowest group with employer-based health insurance (43 percent) and highest group of uninsured (28 percent).

TLCF's research found that rates of insurance compound Hispanics' ability to manage the chronic illnesses that disproportionately affect them, like diabetes and asthma. Hispanics overall develop diabetes at twice the rate of other ethnic groups; and one in seven Hispanic children have asthma. In an attempt to save money, California health plans have taken steps to steer patients toward generics and over-the-counter medications. Hispanics, as a result, wind up paying more out of their own pockets to receive the specific diabetes and asthma-related treatments they need. Considering that cost factors have been shown to influence nearly half of all individuals with a chronic illness to delay or avoid treatment altogether, the report suggests health plans actually incur more expenses when patients stop managing their illness and need to use a more expensive service when an illness complication arises.

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TLC Press Release on Managed Care Cost Cutting Efforts

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“The health care outlook for California's Hispanics is anything but healthy. Consumers, employers and legislators are not fully aware of the implications of the health plan trend to charge more and deliver less, especially at a time when health plan profits are strong," said Robert de Posada, President of The Latino Coalition. “This research amplifies the need for Hispanics to become more aware of how these changes directly affect California workers and their families."

The Latino Coalition is a non-profit, non-partisan organization based in Washington, D.C. The Coalition was established to address policy issues that directly affect the well being of Hispanics in the U.S. For more information, visit www.TheLatinoCoalition.com or www.TLCFoundation.com.

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