

HEALTH CARE CONSUMER

Fall

Newsletter of the Champaign County Health Care Consumers

1992



Imani Bazzell, Chairperson of the Health Care Consumers, speaks at a news conference in Champaign announcing the formation of the Public Interest Fund of Illinois (story on page 8). Photo by Brigid Nagle, The Daily Illini.

Mental Health Plan Angers Consumers, Providers

Consumers and health care providers are up in arms over a managed care contract for many state employees. The services affected are mental health benefits (such as counseling and substance abuse), and the contract is with the Budyne Corporation.

Within weeks of its signing, consumers and mental health providers began calling the Health Care Consumers to express their outrage over the new contract. These complaints fall into two general categories: the state's manipulation of mental health benefits, and Budyne's approach to managing mental health services.

Many state employees were outraged when the state announced it was signing the contract just ten

days after the close of the open enrollment period. This is the period when state employees can choose between health care benefit plans. Many consumers argued they would have made a different choice if they knew that the state was going to sign a contract with Budyne.

On top of this, the state is now indicating that employees who opt out of the Budyne program and pay 50% or more of their treatment costs will be further penalized. These payments apparently will not count toward the limit on out-of-pocket expenses, making these consumers potentially liable for hundreds of dollars of additional medical costs.

Much of the uproar over the contract with Budyne reflects

MAYOR KILLS HEALTH CARE REFERENDUM

Despite a 5 to 1 vote by the Urbana City Council to place a referendum on National Health Care on the November ballot (and overwhelming support for it by his constituents), Urbana Mayor Jeffrey Markland went to great lengths to kill the referendum. Aware that the Council had enough votes to override his decision, Markland refused to veto the referendum until it was too late for an override to place the referendum on the ballot.

In opposing the referendum, Markland cynically argued that he was "protecting the voters in Urbana" from what he called a meaningless referendum. Unfortunately, the Mayor was clearly in a minority. According to his own figures, calls and letters to his office were overwhelmingly in favor of placing the referendum on the ballot, with 71% urging him to support the referendum. The referendum asks voters:

Should the State of Illinois urge the Congress and the President of the United States to enact a publicly funded national health insurance program that provides comprehensive health care for all citizens, while giving everyone the right to choose their own hospital, doctor, or other health care professional?

One of Markland's complaints was that the wording guaranteed approval by voters. During Council debate he stated, "Of course people

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Report Hits Prescription Costs

"Prescription price gouging is America's other drug crisis," according to Ron Pollack, Executive Director of the Families USA Foundation, which released a national study on how much money Americans spend on prescription medications. The report, *"Prescription Costs: America's Other Drug Crisis,"* examines the costs of the 20 most frequently prescribed drugs, and the profits of their manufacturers from 1985-1991.

Although there are thousands of drugs on the market, the twenty most prescribed drugs dominate sales. For the elderly, the top 20 drugs account for 37% of their purchases, and 27% of the purchases by non-elderly Americans are from the top 20 list. Not surprisingly, the cost for these most commonly prescribed drugs have increased dramatically in recent years. In the period from 1985-1991, the cost of the top 20 drugs prescribed to the elderly increased 79%, and the top 20 prescribed to non-elderly patients increased a whopping 82%. During this period, the general inflation rate was 21% -- **meaning that the cost of the most widely used drugs went up nearly four times faster than other costs.**

The report places the blame for the cost increases squarely at the feet of the pharmaceutical companies. In

the period from 1987 to 1991, the inflation rate for all retail prescription drugs rose 66%, while general inflation grew only 21% in the same period. At the same time, the manufacturers of the top 20 most purchased prescription drugs made profits which were two to seven times greater than those of the median Fortune 500 companies over the past seven years. In 1991, for example, these large drug manufacturers made a profit of 15.1% of their total sales, compared to 3.2% for the median Fortune 500 company.

"Drug company lobbyists say skyrocketing drug prices reflect research needs, but the truth is that their pricing policies reflect nothing but greed," stated Pollack.

"We are getting more and more calls from people who are having problems paying for their prescription drugs," commented Health Care Consumers Hotline Coordinator David Hunt. "We are hearing from employers who are having prescription coverage in their insurance reduced or eliminated, as well as from consumers who face greater out-of-pocket costs because of much higher co-payments for those drugs, or overall caps on prescription drug coverage." For example, one employer recently contacted Health Care Consumers

regarding the new benefit package being offered by their HMO. The HMO was limiting members to 25 prescriptions a year at \$10 each, while the previous year they paid \$5 apiece for unlimited prescriptions.

The report reflects a growing movement around the country to combat the cost of skyrocketing prescriptions. For example, Indiana senior citizens have begun to put pressure on pharmaceutical giant Eli Lilly to hold down costs (see below).

Seniors Target Eli Lilly & Co.

United Senior Action of Indiana (USA), a statewide senior citizens organization, has launched a Campaign for Fair Drug Prices to combat what it calls "unreasonable, unfair, and out-of-control drug prices."

Earlier this year, about 200 USA members participated in a public meeting on prescription drug prices. They then took their Campaign for Fair Drug Prices directly to Eli Lilly and Co. executives and stockholders.

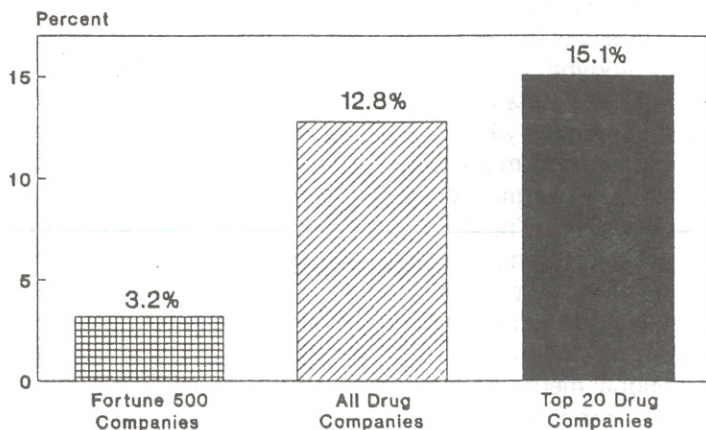
USA members rallied outside a theater in downtown Indianapolis, where the Eli Lilly annual shareholders meeting was being held. Information about the crisis of skyrocketing prescription prices, including a survey of the 59 most commonly prescribed Lilly products, was passed out to Lilly stockholders.

Inside the Lilly meeting, USA Executive Director Paul Severance summarized the crisis which skyrocketing drug prices are causing for the nation's elderly and disabled. Severance also asked Lilly president Vaughn Bryson if he would meet with representatives of five Indiana senior organizations to discuss drug prices.

"They thought that if they ignored our efforts, we would just go away," explained Severance. "So we decided to come to their turf to show how serious this problem is."

Although Mr. Bryson did not answer the question at the meeting, USA recently announced that Lilly officials have finally agreed to meet senior citizen leaders this fall. For more information about the efforts in Indiana, call Jason Gascoyne at the Health Care Consumers office.

**Makers' of Top 20 Drugs Profits
Compared to Others', 1991**



Note: Profit margins are profits as a percent of sales.

Top 20 drugs measured by total expenditures for all persons.

Source: Compiled by Stephen W. Schondelmeyer from data in *Fortune* and other sources.



CCHCC Board Member Scott Peters moderates a candidates' forum for the State Representative race in the 103rd District. Democrat Laurel Prussing (right) and Republican Greg Cozad (left) debated on health care issues at the Sept. 17 forum.

Candidates Differ on Health Care Reform

Voters in the 103rd legislative district will have a clear choice on November 3 when it comes to health care reform. Speaking at a September 17 forum sponsored by the Health Care Consumers, Democrat Laurel Prussing strongly endorsed a single-payer health care plan to offer universal coverage, while Republican Greg Cozad opted for minor adjustments that simply maintain the status quo.

Although he acknowledged there is a serious problem with health care in Illinois, Cozad stated his opposition to single-payer universal health care, especially at the state level. Admitting that he received \$3,000 in PAC money from the State Medical Society, Cozad argued that his opposition to a Canadian-style system arises from a concern that businesses would be driven out of the state by an increased tax burden. But Cozad failed to respond to Prussing when she noted corporations were actually closing their U.S. plants and moving to Canada because of lower health care costs.

Cozad's argued that we only need minor adjustments in the system. Among the reforms he supports: requiring insurers to cover people in small groups with pre-existing conditions; expanding Medicaid and Medicare funding;

simplifying insurance forms; promoting healthy lifestyles; limiting payments to victims of malpractice; and offering vouchers to pay for health care. However, none of the reforms promoted by Cozad would lower costs, and many would require higher taxes.

On the other hand, Prussing pointed out that skyrocketing health care costs are one of the major reasons for the current budget crisis, and the fundamental cause of our current health care crisis. "I prefer the Canadian plan," Prussing stated, adding that she believed a single-payer universal health care system would best solve the health care problems of Illinois. Prussing stressed that the U.S. and South Africa are the only industrialized nations which do not have a universal health care system, and that we could draw on the experience of the rest of the world in establishing a system for the U.S.

"Illinois can't afford to wait around, it must move forward," stressed Prussing as she vowed her support for a single-payer universal health care bill in the Illinois House.

When it came to the issue of paying for the reforms each

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CCHCC Briefs

Bake Sale Nets \$550

On July 18, CCHCC's Senior Citizens' Task Force raised \$550 at their Fourth Annual Bake Sale, up over \$100 from last year's record.

Held at Lincoln Square Mall in Urbana, the bake sale reached new heights because of the efforts of 60 volunteers who baked, wrapped, and helped staff the table. We want to thank everyone who worked so hard to make this year's bake sale a success.

"We couldn't have done it without the volunteers," explained Task Force staff member Kay Fiedler. "It's so rewarding to see how much people support the work we do."

Best Wishes

We want to extend the best of luck to several staff members who are moving on to new careers. First, we want to thank Kathryn Danyluk and Aimee Lorts for their contributions the past two years. Aimee returned to her home town of St. Louis, and is helping organize election day efforts for the AFL-CIO. Kathryn has moved to Los Angeles to pursue her dream of working with the stars, and is currently employed at a big time public relations firm in Los Angeles.

We'd also like to acknowledge the tremendous contributions of Mary Kelly, who left in August to work in the election. Over the past four years, Mary has been one of the leading organizers working with our Low-Income and Women's Health Task Forces. Mary's enthusiasm and hard work will be hard to replace.

Finally, we'd like to thank Julie Thomas, who has been part of our door-to-door canvass the past three summers, serving as Canvass Director the past two years. This summer's canvass set new records for total contributions (over \$30,000) and new members (668). Julie has returned to college in Pennsylvania, and we remain hopeful that she'll work for us again in the near future.

\$17,500 Pledged

Phone-A-Thon Generates Member Support, Action

In a tremendous outpouring of support, nearly 1800 Health Care Consumer members responded to a call for action during our 4th annual Phone-A-Thon. While hundreds of members agreed to send a special message to the President and Congress calling for comprehensive health care reform, many others volunteered to help with a campaign to end Medicaid discrimination at Christie Clinic. Volunteers making the calls also received financial pledges from nearly 1000 members totaling

more than \$17,500, making this year's Phone-A-Thon our best.

"This was the first time I've volunteered to help with the Phone-A-Thon," explained CCHCC member Jenny Putman. "It was a great time and very rewarding. We really enjoyed ourselves -- and the food was delicious."

Dinners for the 97 volunteers, many of whom helped out more than one night, were donated by local restaurants, as were gift certificates and prizes for the volunteers.



CCHCC member Jack Green raised \$388 in pledges.

"We want to salute the volunteers and businesses who contributed their time and products to this year's Phone-A-Thon," said coordinator John Solomon. "Without their participation, it would be impossible to repeat this event each year."

Several campus organizations also participated, including Volunteer Illini Projects (VIP), Alpha Angels, Pi Beta Phi, the Minority Organization for Pre-Health Students, Interns for Action (INFACT), and Residents Active in Volunteer Efforts (RAVE). A \$100 contribution will be made in the name of VIP to the charity of their choice, for raising the most by a campus group (\$1720).



CCHCC members Jane Betts (left) and Lorraine Sapp encouraged others to pledge their support at this year's Phone-A-Thon.

Volunteers:

Gary Adelman
Hannah Anderson
Jenny Barrett
Jane Betts
Lucreasie Bolden
Marjorie Booth
Louise Brewer
Eddie Burch
Corky Burdette
Ruth Burnett
Vera Capan
Eddie Carter
Bettina Chapman
Myrtle Chatman
Anna Clayton
Karen Colbert
Lillian Conley
William Creswell
Lavida Davis
Jerry Dewitt
Mike Doyle
James Duffett
Audra Dulkshys
Tiffany Elkins
Catherine Fiedler

Mildred Flynn
Genevieve Forson
Lottie Foster
Mary Fulster
Regina Galer-Unti
Jason Gascoyne
Dana Gass
Mary Glasgow
Judy Godwin
Bill Gorrell
Jack Green
Cheryl Greenwalt
Marion Gushee
Elizabeth Hageman
Clare Harlow
Thelma Hasler
Laird Heal
Eugenia Hilligoss
Ted Hirshfield
David Hunt
Diane Hunt
Jennifer Hwu
Kendall James
Punit Jasuja
Billy Kirby

Ellie Kuehn-Kaastra
Chawn Lewis
Rosalind Lewis
Ted Long
Shirley Lux
Miriam Marx
Ernest & Dorothy Moeller
Garnett Morris
Marlene Moshage
Juanita Nesbitt
Wynn Newberry
Terry Olive
Esther Patt
Lilia Peters
Scott Peters
Delores Phillips
Marilyn Pratt
Jennifer Putman
Angela Reggans
David Rein
Mildred Renn
Jeann Rice
Lorraine Sapp
Renee Schloupt

Bertha Schmidt
Lori Schneider
Elizabeth Scholebo
Banita Sehgal
Mona Shah
Miraj Shariff
Mamie Smith
Maria Somma
Alice Stewart
Chris Stimer
Dave Stith
Carol Thompson
Barbara Trist
Maurice Verplank
Janus Wehmer
Jayne Westerland
Laura Wetzel
Nancy Wey
Faye Wilson
Janice Wilson
Sarah Wiseman
Nancy Yeagle
Mary Jo Zeter

Special thanks to business that donated meals & materials.

Blockbuster Video - Champaign

**Coslow's
Domino's**

Eagle Foods - Cunningham Ave.

**Garcia's
Grandy's**

**House of Hunan
Jerry's IGA**

**Jewel Foods - Country Fair
Jewel Foods - Green Street**

**Kamala
Kinko's**

**Minneeci's
Pepsi Bottling**

**Pizza Hut
Pizza World**

**Record Service
Rogards**

**Stars and Stripes Video
Subway**

**Sunnycrest Video
Taco Bell**

Christie Board Fails to Approve Proposals

In a disappointing turn of events, Christie Clinic's Board of Directors undermined a package of three proposals intended to reduce discrimination at the Clinic. The proposals had been hammered out with Clinic administrators during a series of meetings over the summer.

The negotiations between the Clinic administrators and community representatives (including the Health Care Consumers, the Ministerial Alliance, and other community groups) were initiated after nearly 200 residents marched to Christie last May. That demonstration called for an end to policies that discriminated against public aid patients.

"Although the proposals did not eliminate all policies at the Clinic that discriminate against public aid patients, they were a step in the right direction," according to Maria Somma, who participated in the meetings. "We had some fairly positive discussions with the Christie

representatives, and felt that these changes would be the basis for future cooperation. Frankly, we were disappointed that the Board reacted as they did."

The committee that met with Christie officials during the summer identified three basic proposals they felt would move the process forward. Under these proposals, Christie:

a) would implement a new patient acceptance reporting procedure that would make known which Christie doctors accepted public aid patients each month;

b) would institute an internal referral process to assist Medicaid recipients in need of care; and

c) would explore and develop a joint program for a community immunization outreach program in Champaign County.

In response to the Board's action, several community leaders signed a letter to Dr. Cooper, the

President of the Clinic's Board of Directors, saying that:

"To our dismay, the Christie Board failed to act favorably on any of these proposals. Specifically, your response: a) eliminated a guarantee that the community would have access to information from the "New Patient Acceptance Reporting" policy at the clinic; b) failed to indicate any Board action on a referral process for Medicaid recipients seeking care at Christie; and c) rejected an offer to have our organizations work together to develop a plan for addressing a real community need concerning immunizations..."

"Overall, we believe the Board actions fail to move us forward in addressing the issues that brought us together in the first place."

The letter also indicated a willingness to "meet with Christie officials if Christie Clinic is willing to develop solutions that are mutually agreeable."

Biodyne

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concerns about how this corporation will go about saving money through its managed care techniques.

American Biodyne is known for extremely restrictive policies, which make it difficult for both providers and patients to continue treatment.

Biodyne is a favorite of Wall Street investors. As the fastest growing company in its field, it's revenues nearly tripled, from \$10.7 million in 1989 to \$27.7 million in 1990, and doubled again in 1991.

But recent reports have raised questions about the quality of care under Biodyne management. In December, 1991, the *New Republic* magazine did an expose on managed care companies such as Biodyne, and related this tragic story:

"On April 11, 1990, Lawrence Megge, a 34-year-old machine-part designer, rammed his car into a highway stanchion near Detroit, killing himself and his wife. Megge had repeatedly sought treatment for extreme depression, suicidal

tendencies, delusion, and sexual abnormalities. He believed his boss was the archangel Michael, and that his colleagues were out to kill him. Megge's health plan, SelectCare, provided generous mental health benefits. However, in an effort to cut its costs, SelectCare had recently contracted with a company called Biodyne, which specializes in an aggressive brand of managed care..."

"According to medical records, on two occasions Biodyne psychologists had overruled emergency room doctors who suggested that Megge be hospitalized, recommending instead that he use a drop-in therapy group, or stay in touch by phone. Megge's family says that in the two days before his death, calls to his Biodyne therapist went unreturned."

Similar concerns are already emerging under the state's contract with Biodyne. Many patients had just signed treatment contracts for the upcoming year. These contracts were nullified by Biodyne, which insists on reviewing treatment every 3 to 6

visits. This policy seems to be more a barrier to treatment than a legitimate cost control measure. Also, Biodyne representatives conducting these reviews are not required to have any qualifications for this critical task.

In response to these practices and other policies, many providers are refusing to sign on with Biodyne. This forces consumers to change therapists, or pay a much higher percentage of treatment costs.

"What we are hearing from consumers and providers alike is a real concern for the patient," explained CCHCC staffer John Solomon. "Because of the stigma our society attaches to mental illness and substance abuse, many consumers affected by Biodyne's new, restrictive policies are very reluctant to speak out publicly. This seems to be another case of the targeting of vulnerable groups to achieve cost reductions, with little regard for the patients affected."

Anyone who has a complaint about Biodyne, or wants to help change this situation, contact John Solomon (352-6533). As always, your privacy will be respected.

Medigap Changes Represent Victory for Consumers

In response to consumer complaints about fraud and confusion in the \$20 billion a year market for Medicare supplemental, or "Medigap" insurance, Congress recently enacted major legislation designed to simplify consumer choices and strictly prohibit abusive and fraudulent sales practices. Beginning July 2, 1992, every new Medigap policy sold in America must conform to these new restrictions, and consumers throughout America will be protected when they purchase coverage for health costs that aren't covered by Medicare.

Two provisions of this new law are particularly important. First, the 1990 law determined that every new Medigap policy sold must conform to one of ten standardized plans of benefits. These plans, labeled A through J, range from basic to "cadillac" coverage (see table). Keep in mind that you are not required to purchase new coverage if you already have satisfactory Medigap coverage.

These standard plans will vastly simplify consumer choices and make it possible to directly compare policies. Not only is the combination of benefits identical, for example, when two insurance companies are trying to sell you Plan B, but the definition of the benefits is identical

from one policy and one insurance company to another. This guarantees that home health coverage will mean the same thing whether you buy it from Company A, B, or C.

The second important new provision assures a window of opportunity for new Medicare beneficiaries interested in buying a Medigap policy. Medicare beneficiaries who are 65 or older cannot be turned down for coverage by any Medigap insurer -- for any reason, including any preexisting health condition -- within the first six months after they sign up for Medicare Part B. And the premium paid for that policy must be community rated: in other words, it cannot be tied to the purchaser's medical condition.

This means that even if you have serious heart disease or cancer, for

example, you must be accepted into any Medigap plan you select, and you cannot be charged more for that coverage due to your health condition -- as long as you buy the policy during that six month window when you first become eligible for Medicare. The insurer may impose a six-month waiting period for preexisting conditions, but once you have met this six-month wait, you can change policies without any preexisting condition limitation.

United Seniors Health Cooperative has prepared a very helpful consumer guide to the new Medigap law. To receive a free copy, send a self-addressed business-sized envelope with 52 cents postage to: USHC, 1331 H Street, N.W., Suite 500, Washington, DC 20005.

This article was adapted from the a.s.a.p. Update of August, 1992.

Prussing & Cozad

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candidate advocated, there was a sharp difference. Prussing, who gained a reputation for holding the line on taxes as the County Auditor for the past eight years, indicated that the problem with our health care system isn't that we need to spend more money. She cited a GAO study which reported that more than \$67 billion could be saved each year through the efficiency of a single-payer, universal health care system. Cozad, on the other hand, was not clear what new taxes he

would support to pay for expanding Medicaid or tax vouchers.

Despite their disagreements over how to fix the health care system, the candidates did agree on several issues. Both candidates agreed there is a shortage of general practitioners, and that incentives should be provided to encourage more medical students to take this route instead of becoming specialists. The candidates also agreed the insurance industry should not be in the field of deciding how many days and what type of mental health and substance abuse treatment should be given to their

subscribers. Both candidates believed it was inappropriate and inequitable for the insurance industry to make these kind of decisions.

The final question of the night was asked by Mary Glasgow, a member of the Health Care Consumers' Universal Health Care Task Force. She asked each of the two candidates whether they would sign a pledge to support approval of a single-payer universal health care bill if they are elected. Cozad declined to sign, while Prussing, who spoke of the merits of the Canadian system all evening, quickly agreed to sign.

Standardized Medigap Insurance Plans

MEDIGAP BENEFITS	A	B	C	D	E	F	G	H	I	J
Basic Benefits	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Part A: Hospital Deductible		✓	✓	✓	✓	✓	✓	✓	✓	✓
Part A: Skilled Nursing Home Co-payment			✓	✓	✓	✓	✓	✓	✓	✓
Part B: Deductible			✓			✓				✓
Foreign Travel Emergency			✓	✓	✓	✓	✓	✓	✓	✓
At-Home Recovery				✓			✓		✓	✓
Part B: Excess Doctor Charges						100%	80%		100%	100%
Preventive Screening					✓					✓
Outpatient Prescription Drugs								BASIC	BASIC	EXTENDED

Physician Kickbacks Targeted by State

When Sears was recently caught ripping off consumers by performing unnecessary repairs on cars, state officials in California, New Jersey, Illinois, and elsewhere moved in quickly under consumer fraud laws to stop the practice and win rebates for customers. What millions of Americans don't realize is that they face similar rip-off schemes from their physicians. The big difference is that most state laws do more to protect consumers from their mechanics than from unscrupulous doctors.

One of the largest sources of waste in U.S. health care is needless tests and procedures. Although the medical lobby tries to place the blame on "defensive medicine," whereby doctors run unnecessary tests to protect themselves from malpractice claims, a growing number of studies point to financial conflicts of interest as the cause.

Increasingly, consumers are finding themselves being referred to labs and clinics in which their doctor has a financial interest. Many of these clinics specialize in diagnostic imaging, clinical lab work, and physical therapy services. The doctors are often recruited as limited partners, meaning they are exempt from any losses if the business does not succeed. What the doctors provide is a virtually guaranteed supply of patient referrals.

Several studies have documented the correlation between these joint ventures and the rapid increase in unnecessary medical tests and

procedures. A Florida study of clinical labs owned by referring physicians showed patients were receiving an average of 3.3 diagnostic tests, compared to 1.7 tests per patient performed at similar labs not owned by physicians. The average charge is \$43 per patient, compared to \$20 per patient in labs without physician ownership. The study also found patients at joint venture physical therapy centers received an average of 16 visits, compared to 11.2 visits per patient at independently owned centers.

The Medicare program has also looked into the extra utilization from physician-owned labs. The Inspector General discovered Medicare patients whose doctors had ownership interest in labs received 34% more lab services and 13% more other diagnostic services than other Medicare patients. These extra services cost the program millions of dollars in unnecessary procedures.

Doctors are lured to enter into these joint ventures because of the promise of great return on their investment. The prospectus published by International Magnetic Imaging Inc., a Florida based company which operates MRI facilities (including several in Illinois), tells physicians they could earn a 46% return on their investment. In Illinois, the period from April, 1991 through April, 1992 saw 22 permits for MRI machines approved, almost half the total (50) which had been applied for in the previous five years.

The growing impact these arrangements are having on health care costs is producing changes in laws to minimize conflict of interest within the medical industry. In the last legislative session, the Illinois General Assembly passed a bill which would prohibit doctors from investing in a lab or clinic to which they would refer patients. The bill was signed by the Governor at the end of September. The law requires doctors who currently invest in this type of arrangement to sell their interest by 1996. However, critics say the legislation has too many loopholes. For example, the bill provides exemptions for communities which can prove they could not provide the services without physician investment and for group practices of physicians which own their own labs and x-ray equipment.

It is still unclear how these exemptions will be implemented and by what criteria they will be measured. Still, the law is a move in the right direction, even though more needs to be done. With the passage of this law, Illinois joins Michigan, New Jersey, and Florida as states having prohibitions against certain physician referral arrangements.

Markland

from page 1

are going to vote in favor of this -- who would be opposed?" What he failed to point out is that every candidate in his party running to represent residents of Urbana at either the state or national levels is opposed to such a proposal.

"The Mayor claims to be protecting the voters from this terrible referendum, when in fact his real motivation is to protect the political cronies in his party who are completely out of touch with the voters on this issue," responded CCHCC Executive Director Mike Doyle. "It's the kind of cynical behavior from career politicians that turns off voters."

CCHCC MEMBERSHIP FORM

(Please clip out and return with your membership dues.)

☐ Enclosed is my check
for \$ _____

☐ Please bill my credit
card.

Membership Levels:

\$50 - Friends of CCHCC

\$36 - Family Membership/Adopt-A-Senior

\$25 - Individual Membership

\$15 - Senior Citizens/Students/Fixed Income

Check one: ☐ VISA ☐ MasterCard Expiration Date: ____/____

Account number: _____

Contributions to CCHCC are tax deductible.

Please return to: CCHCC, 44 E. Main, Suite 208, Champaign, IL 61820

New Fund Expands Donor Choice

On September 2, the Health Care Consumers joined with 19 community organizations from across Illinois to announce the formation of the Public Interest Fund of Illinois.

Established to support organizations actively engaged in community improvement, social change, citizen education, and empowerment, the Fund five charities based in Champaign County. In addition to the Health Care Consumers, the Fund represents the Community Recycling Center, the Champaign-Urbana Tenant Union, the Illinois Center for Citizen Involvement, and WEFT Community Radio. The principle goal of the Fund is to provide financial support through payroll deductions.

"This culminates more than two years of hard work," explained CCHCC Chairperson Imani Bazzell.

In 1990, more than \$205 million in payroll deductions was contributed to 134 alternative funds.

"One of the largest hurdles we had to clear was qualifying for the State Employee and University Combined Appeal (SECA). Last April, we filed petitions signed by more than 5,000 state employees, well over the 4,000 needed to qualify for SECA. Our next task is informing workers about the Fund and encouraging our supporters to contribute through payroll deductions."

In fact, to remain eligible for participation in the SECA campaign, the Fund and its participating organizations must receive at least 500 payroll deductions from state and university employees this fall.

That goal is complicated by the fact that employees at the Urbana campus of the University of Illinois will not be able to contribute directly to the Fund this year. Because the Urbana campus has an earlier cut-off

date, the Fund won't be officially listed until the fall of 1993. In the meantime, the five charities based in Champaign County will be listed at the Urbana campus under the Black United Fund of Illinois.

"We are encouraging our supporters to make their annual contributions through payroll deductions this year," explained Esther Patt of the Tenant Union. "By doing so, their contribution is twice as valuable, because it counts toward the 500 payroll deductions we need to remain eligible."

Having qualified for the SECA campaign this fall, the Fund will also be able to participate in a number of other workplace campaigns around the state. Here in Champaign County, employees of Parkland College, Champaign and Urbana schools, the MTD, the Urbana Champaign Sanitary District, Champaign County, and the County Forest Preserve will be able to contribute to the Fund.

The Public Interest Fund is one of a growing number of alternative funds throughout the U.S. In the past, the United Way has had a monopoly on charitable contributions through payroll deductions. That has begun to change as other charities, ineligible for United Way support, have sought to broaden choices for workplace donors.

In 1990, more than \$205 million in payroll deductions was contributed to 134 alternative funds. One of the fastest growing segments of the alternative fund movement is made



PUBLIC INTEREST FUND OF ILLINOIS

A World of Change in Your Own Backyard

44 EAST MAIN STREET
SUITE 208
CHAMPAIGN, IL 61820

up of progressive, social change organizations. Twenty years ago, only one such alternative fund existed -- the Brotherhood Crusade/Black United Fund in Los Angeles. By 1980, the number had risen to 15 funds, which raised about \$1 million. Today, the National Committee for Responsive Philanthropy (NCRP) reports that 56 of the 134 alternative funds raised workplace contributions for racial/ethnic minorities, women, social change, and environmental organizations. In 1990, they raised \$42 million in payroll deductions.

According to *The Chronicle of Philanthropy*, "on-the-job giving drives set up as alternatives to United Way posted broad gains in 1990." In analyzing 18 social action funds, the *Chronicle* found that total revenues climbed 12%, from \$5.2 million in 1989 to over \$5.8 million in 1990. Although United Ways continued to show steady growth (a 4.4% increase from 1989-1990), social action and other alternative funds have filled a void for donors.

Champaign County
Health Care Consumers
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Champaign, IL 61820

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