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**NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

**UCLA Research Shows Dramatic Savings for Medicaid When Head Start  
Parents Learn to Care for Kids' Illnesses**

***Health Literacy Training Reduced ER and Clinic Visits and Boosted Parents' Confidence***

LOS ANGELES, Calif., Nov. 7, 2007 – New research proves that a “dose” of hands-on health care training can transform parents’ abilities to care for common childhood ailments at home – and save Medicaid millions of dollars annually.

Tracking 9,240 Head Start families enrolled in a health literacy program – and impacting nearly 20,000 children in 35 states – researchers found that visits to a hospital ER or clinic dropped by 58 percent and 42 percent, respectively, as parents opted to treat their children’s fevers, colds and earaches at home. This added up to a potential annual savings to Medicaid of \$554 per family in direct costs associated with such visits, or about \$5.1 million annually, according to the UCLA/Johnson & Johnson Health Care Institute for Head Start, which conducted the study.

Moreover, parents’ being better informed about handling their children’s health needs translated to a 42 percent drop in the average number of days lost at work (from 6.7 to 3.8) and 29 percent drop in days children lost at school (from 13.3 to 9.5). Parents also reported feeling more confident in making health care decisions and in sharing knowledge with others in their families and communities.

Underwritten by Johnson & Johnson, the program carried a one-time cost of \$60 per family on average, including pre-visits, hands-on training sessions and post-training follow up. Using \$320 as the average cost for a visit to a hospital’s emergency room and \$80 for a clinic visit, researchers at UCLA Anderson School of Management, which houses the Institute, estimated that savings could reach many millions per year if training were provided for the nearly one million families served by Head Start, many of whom depend on Medicaid. The Institute’s 10-year goal is to serve 400,000 Head Start families, reaching approximately half the Head Start agencies in the United States.

“Head Start parents want to be the first line of defense in their children’s health care, and our research leaves no doubt that they *can* be, once they have the tools to make the best choices,” said Ariella Herman, Ph.D., Research Director of the Health Care Institute at UCLA Anderson School of Management and author of the study<sup>1</sup>, which builds on the findings of the Institute’s groundbreaking pilot study that was published in 2004.

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<sup>1</sup> *Empowering Parents, Benefiting Children: A Study of the Impact of Health Literacy Training on Head Start Parents and the Healthcare System*

## **What to Do at 99.5°F**

Parents were surveyed about their family's health care habits three months prior to the training and six months afterward.

At the outset, 60 percent said that they did not have a health book at home to reference when a child fell ill. As part of the study, each Head Start family was given a low-literacy medical guide, *What to Do When Your Child Gets Sick*, by Gloria Mayer, R.N., and Ann Kuklierus, R.N., which offers clear information on more than 50 common childhood illnesses. The Health Care Institute training is adapted to various languages and cultural needs of the participating families.

Prior to the training, parents said they were "very confident" about caring for their sick children – yet, in reality 69 percent reported taking a child to a doctor or clinic at the first sign of illness. Almost 45 percent said they would take their child to a clinic or emergency room for a cough rather than provide care at home, with 43 percent doing so for a mild temperature of 99.5°F.

Post training, researchers found a marked improvement in parents' self confidence, with only 32 percent indicating that they would still go first to a doctor or clinic. More significantly, the number of parents using the medical guide as a first source of help jumped from five percent to 48 percent, indicating a better understanding and higher comfort level in dealing with common childhood illnesses.

"The Health Care Institute has provided a creative and practical solution for parents, giving them access to essential information and the confidence to address their children's basic health care needs," said Sharon D'Agostino, Vice President, Corporate Contributions and Community Relations for Johnson & Johnson. "The program has also helped these parents set a powerful example for others in the community, and is playing a role in raising the quality of health care in the communities where it has been implemented."

## **Program Success Attracts More Support**

Earlier this year, the State of New Mexico adopted the Health Care Institute's training program with support from Pfizer and will begin implementation this month with 5,000 Head Start families. Washington State Governor Chris Gregoire has also signed on and is currently planning a pilot implementation for an estimated 6,800 Head Start and Early Childhood Education and Assistance Program (ECEAP) families.

"Clearly, the health care training model can be easily replicated in many more states and by countless other community-based groups, extending the ripple effect far beyond Head Start families and significantly increasing the benefits to our health care system exponentially," Dr. Herman said.

## **Inspired by Head Start Directors**

The Health Care Institute is an outgrowth of the UCLA-Johnson & Johnson Head Start Fellows Program, comprised of Head Start agency directors who have gone through management training at UCLA Anderson School of Management. Founded in 1991, 1050 Head Start directors have participated in the Fellows program to date, under the leadership of Senior Associate Dean

Alfred E. Osborne, Jr., Faculty Director of the Harold and Pauline Price Center for Entrepreneurial Studies.

According to Dr. Osborne, the Head Start Fellows recognized that if parents could become better informed about fundamental health issues, it could lead directly to healthier outcomes for their children. “The leadership of Head Start directors has enabled the Health Care Institute to produce these benefits for families across the country and, ultimately, for Medicaid,” noted Dr. Osborne. “Their discipline, integrity, operational abilities and single-minded focus have enriched the lives of countless children in the U.S. – and now, helped them be healthier.”

For more information (including charts), please visit the website at <http://www.anderson.ucla.edu/hci.xml>. B-roll is also available.

#### **About the UCLA/Johnson & Johnson Health Care Institute**

The UCLA/Johnson & Johnson Health Care Institute was inspired by Head Start Directors who were graduates of the Head Start-Johnson & Johnson Management Fellows Program, an annual training program held at the UCLA Anderson School of Management. Founded in 1991, it is the only executive management program of its kind. In 2000, a survey of Head Start-Johnson & Johnson Fellows from around the U.S. revealed a shared concern: parents simply lacked the time and basic health care knowledge to become better informed about their children’s health. The Fellows, all Head Start Directors themselves, believed that better informed parents could lead directly to healthier outcomes for their children.

**Johnson & Johnson** is the world's most comprehensive and broadly based manufacturer of health care products, as well as a provider of related services, for the consumer, pharmaceutical, and medical devices and diagnostics markets. The more than 250 Johnson & Johnson operating companies employ approximately 120,000 men and women in 57 countries and sell products throughout the world.

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## YEARLY COST SAVINGS PER FAMILY (Based on 9,240 Families Trained 2003-2005)

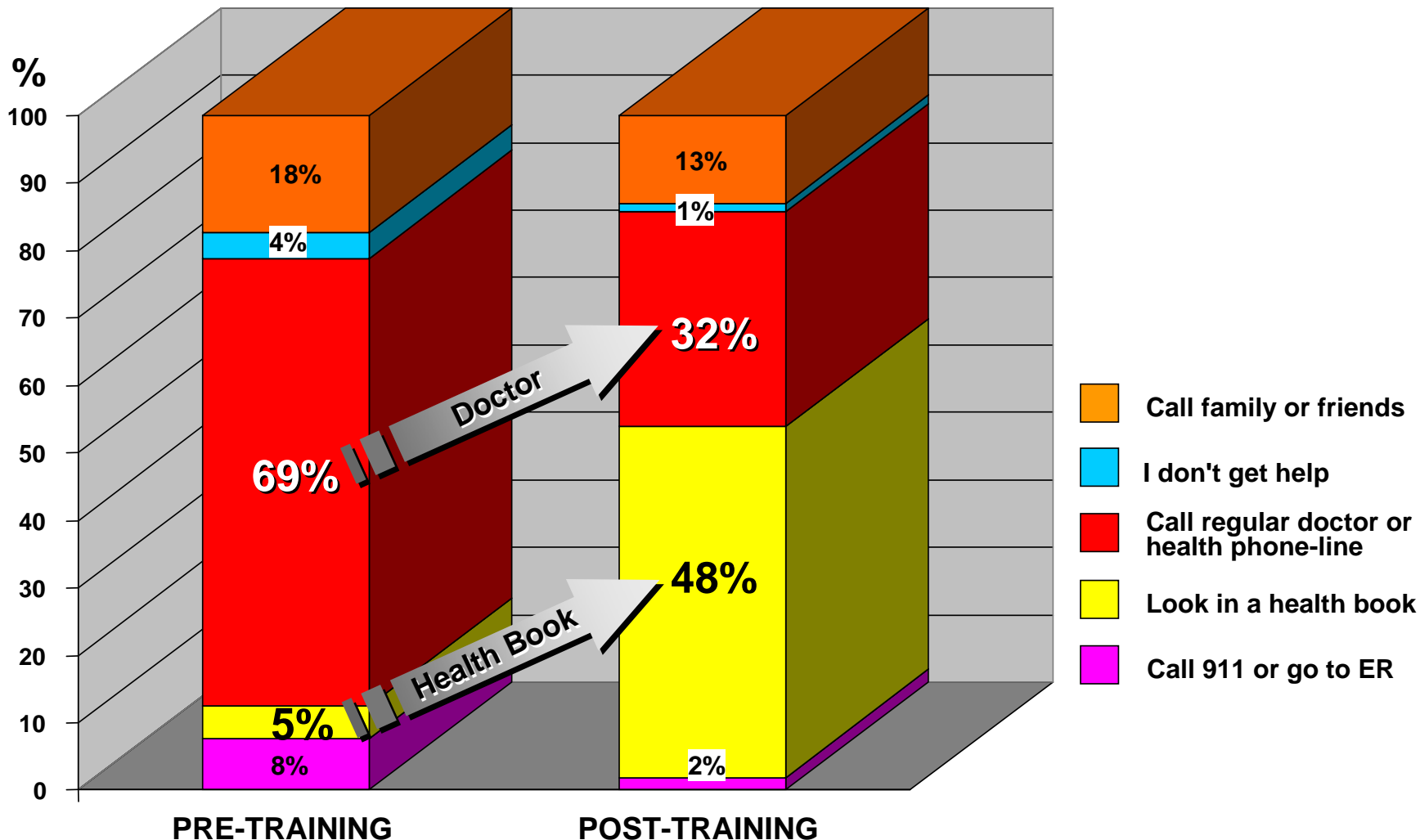
DOCTOR/CLINIC	
Cost per visit	\$80
Decrease in # doctor/clinic visits (CHILD/YEAR)	1.4657
Cost Savings (child/year)	\$117.26
Cost Savings (family/year)*	\$246.25
*Assuming 2.1 children/family	
<b>TOTAL COST SAVINGS</b>	<b>\$2,275,350</b>
(for 9,240 families)	

EMERGENCY ROOM	
Cost per visit	\$320
Decrease in # ER visits (CHILD/YEAR)	0.4591
Cost Savings (child/year)	\$146.09
Cost Savings (family/year)*	\$308.49
*Assuming 2.1 children/family	
<b>TOTAL COST SAVINGS</b>	<b>\$2,850,448</b>
(for 9,240 families)	

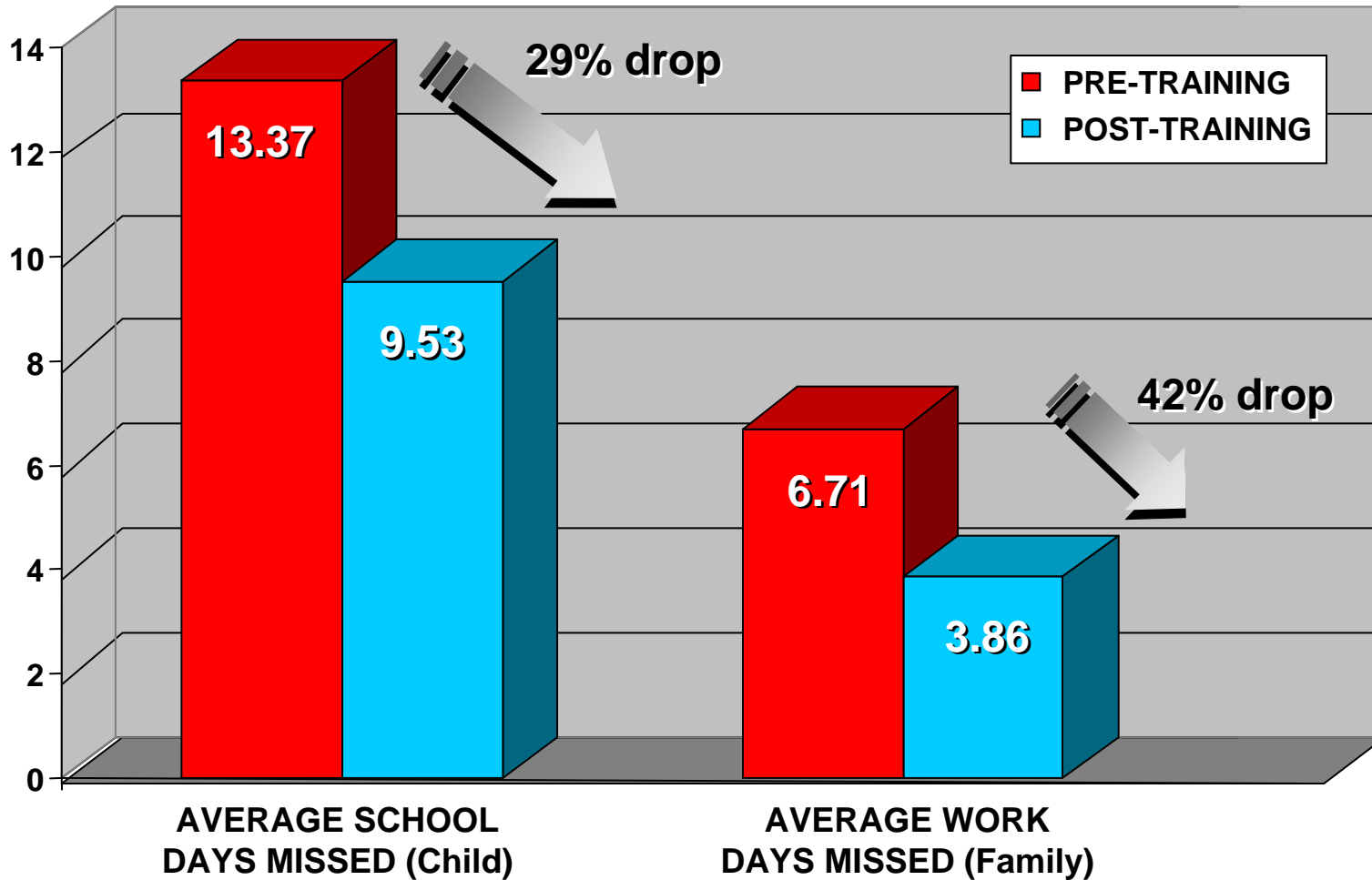
**TOTAL ANNUAL SAVINGS (9,240 families) \$5,125,798**  
**SAVINGS PER FAMILY TRAINED \$554.74**

**By training 20,000 families,  
Medicaid could save \$11,094,800 in unnecessary  
doctor/clinic and E.R. visits annually**

## WHERE HEAD START PARENTS FIRST GO FOR MEDICAL HELP



## YEARLY WORK AND SCHOOL ABSENCES



## Pre and Post Training Behavior DOCTOR & EMERGENCY ROOM VISITS DECREASED

