



For Immediate Release
July 26, 2006

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UC Merced and UC Riverside Receive a \$10 Million Award to Fund Medical Education Feasibility Studies

(Sacramento) – California Business, Transportation and Housing Secretary Sunne Wright McPeak will announce an award of \$5 million each to UC Merced and UC Riverside from UnitedHealth Group, as a part of the charitable commitment negotiated by the Department of Managed Health Care (DMHC) during the 2005 merger of UnitedHealth with PacifiCare of California. The funding will be used to conduct feasibility studies for establishing medical programs at the two newest University of California campuses, both of which serve medically underserved areas with anticipated shortages of medical professionals.

“These grants will help increase the number of health professionals graduating from California schools and practicing in the state, and help alleviate critical shortages of medical professionals in medically underserved communities,” said Sunne Wright McPeak. “They also fulfill the commitments secured by the Department of Managed Health Care to add important protections for California’s health care consumers, while sending a strong message that we are a state with a competitive and healthy marketplace where business is welcome.”

The announcement was made by Secretary McPeak at a Madera County meeting of the California Partnership for the San Joaquin Valley, established by Governor Schwarzenegger in June 2005 to leverage resources to improve the economic vitality of the Valley. One of the Partnership’s top priorities is to address the Valley’s health care challenges, among them a shortage of all health professionals, including nurses, dentists, and physicians, that falls below the state average, exacerbated by a large agricultural and seasonal workforce who face cultural and language barriers.

As a condition of the DMHC approval of the UnitedHealth and PacifiCare merger, a \$250 million commitment was pledged by the company to California, which includes \$50 million for charitable projects. This commitment was made to ensure that the merger of a California health plan with a large national corporation did not adversely affect California consumers. Funds will be used to support various

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programs that help establish health information technology and support low-income population health needs. The \$10 million award to UC meets the criteria for “medical education programs in underserved areas that will provide expanded access and service to traditionally underserved communities in California.”

“Thanks to this generous gift, we are one step closer to training the next generation of top physicians who are both competent in multi-cultural medicine and committed to serving the unique needs of the San Joaquin Valley,” said UC Merced’s Dean of Natural Sciences Maria Pallavicini. “Establishing a UC Merced School of Medicine will help address the health care needs of California and our rapidly growing and diverse population.”

The number of medical schools in California has not increased in 40 years. Expanded medical education is needed to train more physicians and other healthcare professionals to keep pace with the state’s growing, aging and diverse population. The University of California estimates that if the state continues the current level of training it does today; it will face a shortage of 17,000 physicians by 2015. According to a 2005 study commissioned by UC, the need for a larger healthcare workforce is especially acute in the Southern Central Valley and Inland Southern California. Studies show that physicians who train in a region tend to stay and practice there, as is evidenced in the Fresno area where 30% of UCSF Fresno medical graduates have remained in the area.

“UnitedHealth Group’s generous gift has created a strong foundation for our health sciences initiative and provided the momentum for our campus to attract other gifts from foundations, corporations and individuals,” said UC Riverside Chancellor France A. Córdova. “Even more importantly, it will go along way toward supporting the launch of our efforts.”

The California Department of Managed Health Care is the only stand-alone HMO watchdog agency in the nation, touching the lives of more than 21 million enrollees. The Department has assisted more than 633,000 Californians resolve their HMO problems through its 24-hour Help Center, educates consumers on health care rights and responsibilities, and works closely with HMO plans to ensure a solvent and stable managed health care system.

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