

23. Grape boycott and Medi-Cal

David: We're back and it's February 10th. Here we go.

Henry: Last time I talked a good deal about things which happened in a certain month involving my participation in the Farm Labor movement. I didn't say much about my work for the Health Department but I was reminded of something that happened in June of 1965, which is possibly worth mentioning. I had forgotten that I had managed to produce a monograph about things that happened in Santa Cruz County before I ever joined the Health Department.

A number of other people had been interested in the subject of the health care of old aged people in that county, which has an unusually high number of persons over 65. They are about 1/3rd of the population, so they are an object of some research among various hands which lay fallow until a medical care studies unit was created in the State Public Health Department under the leadership of a public health physician named Lester Breslow. I became a member of that unit and it fell to me to pull together these scraps of research that had been done by a number of other people over the years, and to try to make a monograph out of it. I had forgotten that I did in fact produce such a thing and that it turned out to be 137 pages long. It was published in a fairly neat looking format. That was in June of 1965.

Then, I went back to my own piece of research in Santa Cruz County, in which I did a study of every person over 65 years of age in one of the towns in Santa Cruz County, called Capitola. We had a questionnaire for these people and then it was a matter of coding the results and starting to try to analyze them with a new computer that the Health Department had acquired. This went very slowly so that things in the Farm Labor field seemed to me to take precedence and I have to admit that I spent more time on that than perhaps I should have, but there didn't seem to be much for me to do at the Health Department.

In September of 1965, I think it was the 16th (which happens to be a national holiday in Mexico, what they consider to be their Independence Day - not to be confused with Cinco de Mayo, which was kind of their equivalent to overthrowing their domestic tyrant rather than freeing themselves from Spain, which took place way back in 1830 or somethings like that), the organization which had been started by Cezar Chavez in 1962 was faced with a dilemma. The Filipinos in the Delano area made up a substantial part of the labor force in grapes, which was the principal crop in that area. The Filipinos were an important part of the farm labor force but not the majority force, but they had enjoyed a success in a little strike in the Coachella Valley in the Spring. They felt that they were entitled to get the same sort of wages and working conditions in Delano that they achieved in Coachella Valley and so they struck again.

Chavez and his small organization (not a Union - he was very careful to call it an "association" - Farm Workers Association - FWA) were the majority labor force in the Delano area. If they continued to work, it would wipe out any chance that the Filipino workers would succeed in their 'work action,' as they called it. So there was a rally and Chavez tried to make it clear to his

membership that it was not going to be a piece of cake. He had planned, when he began his organizing efforts in 1962, that it might be 5 years before they were strong enough to have a good chance of any such thing as a strike. Here it was 2 years ahead of schedule and yet they were on the horns of this dilemma. He was no rabble-rouser and he could try to tip the scales one way or another, but the members of the organization were gung ho to become more active than they had up to that point and so they voted overwhelmingly, in fact unanimously, to join the Filipinos on strike.

It wouldn't do to have two separate organizations and so they formed what they called the United Farm Workers Organizing Committee (UFWOC), in which supposedly the Filipino element and the Mexican element were equals. The Filipinos were led by a man named Larry Itleong, who had been a staff member with AWOC for some years, and the Farm Workers Association being headed by Chavez himself. From that point on, the organization that I had started, called Citizens for Farm Labor, became sort of a spear carrier with UFWOC leading the way.

We existed, primarily, to help them in whatever ways we could, without being in any sense dominant. We didn't want to be involved in the decision-making processes. We did things like organize car caravans loaded with supplies that the strikers would need and we relied entirely upon their wishes. We didn't have barrels outside of supermarkets in which well-meaning people could throw a can of tomatoes or something or other from time to time. The organizations down in Delano wanted things in bulk. They wanted 100 pound sacks of beans. They wanted 100 pound sacks of flour. They wanted cases of canned goods, not a can here and there.

So we, the Citizens for Farm Labor, would help in ways like loading a pickup truck with boxes of canned goods. There is a picture of one of our active members named Bob Calligen, and that's his pickup truck and he painted on the side "Citizens for Farm Labor" and I guess down on the bottom "supporting the strikers." We began devoting much of our monthly magazine (what we called our monthly magazine although it was often bimonthly) to news of the strike in that way and in various ways, in speeches and so forth.

It struck the public imagination in ways that no other farm labor strike in the long history of such things in California had ever done before. It's hard to know exactly why, but I'm sure it's a combination of things. The times were ripe for social action. It was taking place, of course, in the area of civil rights. There was no immediate problem with racial discrimination in California and so people were looking for other forms of social injustice. That was one of the things that we stressed in our organization (the Citizens for Farm Labor). Our slogan was "equal rights for farm workers" because in fact there was just as much discrimination in the economic field against that particular industry (that is to say that particular form of workers) as there was against Negroes in the South when it came to voting or various other forms of social participation

People flocked to Delano to volunteer their help with the strike. We lost most of our best workers who were helping put out the magazine and various other activities of the CFL. But we were happy to help in that way. There were so many hundreds of others, students and others, who went to Delano to offer their services on the picket lines or whatever else they might do. It became a problem for Chavez and the other leaders of that group down there because of lot of these kids were very immature and all of them were totally ignorant about the realities of farm work, ignorant about the realities of unionism. It was a watchword in the labor movement that volunteers were really a danger and they frequently did more harm than good. As the saying went, "since they hadn't been hired, they can't be fired." So college students were simply not allowed in many organizing efforts and strikes by established unions.

Since neither the Filipinos nor the Mexicans in Delano had established unions, they were happy to have volunteers as long as the volunteers were willing to submit to a reasonable amount of discipline. The leadership had to lay down certain rules. They had rules about substance abuse. I don't think that they had any drinking or any pot smoking. I think that they probably had some reasonable limitations on hanky panky between the boys and the girls. I'm sure a number of people were simply told, "Please go back where you came from. We don't want your presence here any longer."

It worked. They were able to maintain picket lines and attracted a lot of attention from the media, all of which was favorable. The media loved the idea of a David vs. Goliath confrontation. They had a number of pretty good public speakers who were able to get sound bites to the television crews who came around. Chavez himself was not among the most polished at making those sound bites, so he let other people do that. They began experimenting with different tactics than those used before. There had been a lot of efforts to organize farm workers in the State of California, dating back at least to the 1910s when the IWW had a presence here. There were serious efforts to organize unions in the 1930s, all of which were crushed. There were efforts in the 1950s before AWOC, and then of course there was AWOC itself, if you want to call that a serious effort (at least it spent a lot more money than the others ever had).

It occurred to the leadership of UFWOC to try to get the consuming public involved in a way which had never been tried before, and that is to call for a boycott of a specific agricultural product (namely grapes), which was produced in a specific area (namely the lower end of the San Joaquin Valley). For all practical purposes, this meant a boycott of table grapes wherever they might be sold, because that particular area had a virtual monopoly on the production of that crop in the country, and even overseas. It was a matter of getting people to be really seriously committed to making a personal sacrifice by leaving home and going out and organizing boycotts in various cities around the country and to some extent even overseas. They organized a national, and even international boycott, of California table grapes, which was for all practical purposes a boycott of grapes, period. It worked.

The strikers were helped greatly by the cooperation of certain other unions, particular the International Longshore and Warehouse Union (the ILWU), which was a very well known left-wing union centered in San Francisco. It has contacts in other ports and (laugh) the ILWU is in theory bound by U.S. labor laws. In the 1940s, when the Republicans were for a time in control of Congress, they passed something called the Taft-Hartley Act which, among other things, forbade secondary boycotts. A union couldn't boycott a product in sympathy with some other union. That was called a secondary boycott - it was illegal - and the union guilty of it could be severely penalized. The ILWU didn't care. It went ahead with the secondary boycott and had the strength and the financial resources to fight any effort to prevent their doing so. By the time these legal battles could be fought the season was over and the whole things became mute. So that was very effective.

Volunteers from this group of mostly young students (some of them dropped out of school and were willing to devote a year or whatever they could spare to help in the union) would go to these towns around mostly big cities, scattered around the country and on into Canada. They would sit outside of supermarkets with tables of literature and they would talk to people. This was all perfectly legal. The stores sometimes would try to roust them out for trespassing but the union was able to call upon some volunteer lawyers who argued that they had the right under the free speech amendment, and they almost always won those fights. The boycott was not 100%, but sufficiently effective that it made a difference.

UFWOC also found that a lot of the grapes were being diverted from the fresh market to the manufacture of alcoholic beverages, so they extended their boycott to the producers of wines and liquors. Somehow, the Schenley Corporation became one of their big targets. I don't know exactly why, but possibly because the strike leaders had reason to believe that the Schenley Corporation was vulnerable. Low and behold, that was the first capitulation by an employer.

Another one of the tactics which the union hit upon was a march from Delano to the capital of California, which was about 250 miles or maybe more than that. It was going to be a march just to publicize their cause, counting on the fact that it would be considered newsworthy, and in fact it was. A number of well-known people took part, at least for one stage or another, on this long march. Chavez himself and a number of other members stayed with it for the entire length. Movie stars, for example, would take part for 10 miles or 20 miles or something like that. By the end of this march, about 10,000 people had joined for the final stage, and there was an enormous rally on the grounds of the State Capitol.

I guess one of the reasons for the march was to influence the State Legislature, which was in session. There were bills before this Legislature of California, trying to get the passage of certain laws which would have conferred equal rights upon farm workers that they had never enjoyed before, such as coverage by unemployment insurance and a minimum wage and collective bargaining rights and so forth. I don't think that the Legislature passed any of these laws on this particular session, but in time it did.

All this was taking time from the activities of Citizens for Farm Labor, such as the production of our magazine, so it became impossible to do it every month. It was increasingly difficult for me, without the help of Wendy Goepel and Bill Escher and Kathy Lynch and others who were all down in Delano. I just wasn't able to do it all by myself (but I persevered as best I could) because I now was juggling my responsibilities in the Health Department.

Just a few months before the grape strike began in Delano, in December, a dramatic event took place in Washington DC which, in the long historical view, was a good deal more important. On July 30th of 1965, the Congress had passed two amendments to the Social Security Act, and they had been signed into law by Lyndon Johnson. Technically, they were called Title 18 and 19 of the original Act which had been passed back in 1936. Title 18 created a program called Medicare and Title 19 created a program called Medicaid. These had been violently opposed, of course, by the American Medical Association, which considered them to be socialized medicine.

The Medicare program said, in so many words, that anyone over 65 regardless of their income was eligible to be covered by this program of health insurance, which was largely to be paid for by contributions to a new withholding fund from one's income. Title 19, the Medicaid program, was a program for those who were not able to afford to pay anything toward the maintenance of the system. It was based upon need and it had no age requirements. This was a veritable revolution in health care. The Medicare program was entirely administered by the Federal Government. The Medicaid program is different in that it was optional, state by state. If a state wanted to take part it could do so by paying half the costs and the Federal Government would pay the other half. In order for that to happen in a given state, the State Legislature would have to vote to approve participation and to vote the funding for its half of it. This in turn meant that there might have to be a special session of the Legislature called, and that might take some time. California (I think) was in the middle of a legislative session in 1965 and in December (I believe), the Legislature did vote for participation in the Medicaid system, voted to appropriate some hundreds of millions of dollars or something of the sort. It gave the California version of the program its own name, "Medi-Cal."

It seems that this was a logical place for the medical care studies unit (which had been set up by Dr. Breslow a considerable time before it was ever known that there was going to be such a thing passed by the National Congress) to have certain responsibilities for the administration of the Medi-Cal program. I'm not privy to what must have gone on but it seems that there was a tug of war between the State Department of Public Welfare and the State Department of Public Health as to how the responsibilities could be divided up. The Welfare Department obviously had some considerable experience with establishing the eligibility of people who were low income, as to whether they were eligible for other types of social welfare programs. On the other hand, the Welfare Department didn't know much about medical care. So there must have been a lot of back room haggling. All I do know is that the end result was that the Welfare Department got the biggest slice of the pie, if that's the right way to look at it.

The Health Department got the right, if it wanted to use it, to conduct surveillance. That was not well defined. In fact, it was ill defined. In fact, it wasn't defined at all. Something called a "surveillance unit" was set up. It had something of a structure within a larger bureau. By this time Dr. Breslow had worked his way up within the bureaucracy to the point where he had become Director of the entire State Public Health Department. He put in charge of this new Bureau of Health Research (or whatever it was called) a man named Eric Reynolds, who had been in private practice in medicine for many years, but retired. Breslow prevailed upon him to be head of the Bureau of Medical Research or whatever it was named (I think that's pretty close). The surveillance unit was one part of this new bureau.

Rick Reynolds, as we called him, had been sufficiently good at the politics of medicine and had been at one time the President of the California Medical Association. He was a good guy and I liked him a lot but he didn't know anything about statistics or how to evaluate programs such as the Medicaid program. We understood in some way or another the surveillance unit was supposed to look at whatever data there might be to judge how well it was performing, how well the Medicaid system was accomplishing what it was intended to do. There were a number of other people in the hierarchy between myself and Eric Reynold, and above him was an Assistant Director named Dr. Day and then there was Breslow.

They all looked to me, maybe because I had a master's degree in medical care administration, to decide what "surveillance" meant (laugh) and how it could be carried out. It was, in a way, a very frightening burden. But on the other hand, it was very good to feel that I was in a position that I might actually accomplish something. In other words, that I might care deeply in what I was doing, and not just be drawing a monthly paycheck. In a way, it was the equivalent of something I had hoped I would feel when I was Research Director for AWOC. It was an opportunity for me to make a difference in the world. That didn't work out. In a way I was able to feel that I was accomplishing something useful as head of Citizens for Farm Labor except it couldn't compare with the importance of what was going on in Delano. But here was something in which I could feel that I was really perhaps making a difference in the world and so I threw myself into it although (laugh), at the time, I still cared very much about the farm labor movement. I should mention that I was also, at the same time, supposedly co-authoring a book with Joan London, which had a publisher by then. I was really juggling things in almost a schizophrenic manner.

When it came to the concept of surveillance of the Medicaid program, what I had to work with was a set of tapes which under agreement between the Health and Welfare Departments were sent at the close of every month from Sacramento to Berkeley. These tapes contained information about every payment that had been made to every vendor of health care services during that month. They contained information identifying the name and license number of the vendor and a code which represented the nature of the service that had been rendered. There were hundreds of codes - procedure codes they were called. They would go into detail such as a brief office visit (defined as 10 minutes or less) and different numbers for an office of 15 minutes or an office visit of a half hour and so forth. There was another code for the nature of

the condition for which the service had been rendered. There would be information about the amount billed, and there was information about the amount actually paid.

I looked at all these things and talked with the head of our tabulation unit (I think that that's what it was called at the time). This fellow was a friend of mine dating back to the very first time that I ever got into the field of public health. It was in San Francisco in November of 1952, when I was at the very bottom of the rung in the Bureau of Records and Statistics, before there was any such thing as a computer (at least we didn't know of any such thing).

By 1965, the Health Department had a fairly advanced model of a computer and therefore we were able to think of ways in which the raw data contained in these tapes that we got from the Welfare Department could be analyzed in a way which would illuminate the question of whether the program was doing what it was intended to, which was to provide medical care of a quality which was equivalent to that which the public had a right to expect. The California version of Medicaid, as we called it Medi-Cal, specifically stated that vendors were allowed to charge their usual and customary fees (the assumption was that this would make the quality of care equal to what the middle-class and upper-class were receiving).

Ideally, we would have been able to link diagnoses with services and we would have been able to make judgments as to whether services were appropriate for the diagnoses. Ideally, we would have been able to make certain judgments as to whether the treatments had been successful. It soon became quite evident that the diagnostic coding was full of errors, so we were forced to fall back on measurements of different indices. It turned out to be usually a matter of quantity of services rather than appropriateness. We were able to look at the sheer number of patients that a doctor claimed he saw per day, that sort of thing. We were able to look at the sheer number of injections that a physician claimed he gave, or chest x-rays, or other types of procedures.

We would were then able to make distributions which would categorize (as we were particularly interested in medical doctors). We grouped them as those, on average, claimed they saw 10 patients per day, 20, 30, 40, 50, etc. We thought that we would select out for particular surveillance those who were at some extreme in the distribution of whatever index we were interested in measuring (those who might fall in top 1 or 2 percent, let's say) because we're talking about 100s and 100s of participating physicians. When we found that there were about a dozen physicians in the upper 1 or 2 percent with respect to patients seen per day, we would ask Steven Gibbons, the head of the tabulation unit, to send us a printout of all the claims of those 10 or 12 physicians during that month. I was given a couple of helpers and we would go over these claims very carefully. We would look up whatever we could find about the physician himself, such as what medical school he had been to, what medical specialty he practiced, where his practice was located, etc.

We found a number of very, very interesting things. We found some physicians who claimed that they were seeing so many patients that it came to an average of about 3 minutes per

patient. We were prepared to judge that they were probably not getting the same quality of care that the average member of the public was receiving. And so it went with the various other things that we might look at. There were cases in which we found that a certain physician was claiming that he was giving an injection to every patient, regardless of the diagnosis. We thought that that was probably not a good quality of care, if in fact it were true. Other physicians were claiming that they were giving every patient a chest x-ray, regardless of the diagnosis. We were greatly struck by a physician who apparently had a practice in the area where the norm was large families. This physician claimed that he would see a mother with 5 or 6 children, all of whom had the same diagnosis, (laugh) which was a common cold...

David: ...and they all received injections?

Henry: ...and they all received injections AND chest x-rays!

David: Oh, my God! A windfall!

(Henry, David, Gene laughing)

Henry: So, you laugh. My helpers and I weren't amused. The program was being "gamed" as they say nowadays. We began sending monthly reports to the State Department of Public Welfare about these guys (they were almost all men, if I remember correctly - there were no women bleeding the system that way). They were largely concentrated in the Los Angeles area. We began sending them the plain record and letting the record speak for itself because the Social Welfare Department had the power of enforcement. We didn't - we were strictly a research unit. The Welfare Department did not take action.

We went up to Sacramento and tried to talk to them about the danger to the program which was going to run into the red in a hurry if this sort of thing continued. We were told that we had to accept that there might be some deviations but that the main thing was to get the program off the ground and to get enough vendors participating to make sure that the needy were able to find people taking part in the program. The Welfare Department was deathly afraid that if the system were too carefully policed that doctors would stop taking part in it altogether.

Then we had the idea of communicating some of these findings to the medical societies in areas such as Los Angeles, in the hopes that they would do something about what we considered to be the rotten apples in their own barrels. I do believe that the head of our bureau (that is Rick Reynolds, who used to be the head of the entire Medical Association for the State) might have used some of his good offices to send his information to the societies down in Los Angeles, perhaps a cover letter and maybe he even telephoned some of these fellows. I'm sure he had friends all over the State, telling them that they might be killing the goose that laid a golden egg if they didn't clean up their act.

We got back the following report. The fellow that we had identified as a guy who specialized in large families had been called to speak to a meeting of his local medical society. He had given

an eloquent defense of his pattern of practice, saying that he was providing a service which should be appreciated by the physicians in the middle-class and upper-class neighborhoods by continuing to serve the people in the ghettos. Otherwise, the tenant dwellers would start to seek care in the middle-class and possibly even the upper-class doctors offices, and how would they like *that* to happen. In the end, according to our information (and I'm sure it was true), they gave this fellow a standing ovation. All of this was disappointing and yet we kept at it. Some changes were made, although not in the direction that we would have liked.

In the next session of the legislature, they had to change the law which had specified "usual and customary fees." They had to establish a fee schedule in the hopes that it would cut down on some of the abuses. In my opinion, it was simply an impossible situation. That is to say that the fee-for-service system itself was the culprit because it was an open invitation to game the system. The fee-for-service system was incompatible with a publicly funded program. The physician could change the coding of the procedure if he wanted to cover up. However, that was not in the cards. The fee-for-service continues, and I've seen it in my own case, and I'm not in a welfare system.

I'm going to have to continue with because I'm not quite finished, but not tonight.