

EXECUTIVE SUMMARY

HEALTH REFORM FIVE YEARS LATER:

Philanthropy Steps Up to the Challenge

Five years ago, the Patient Protection and Affordable Care Act (ACA) was signed into law, establishing a new framework for providing health insurance coverage to millions of Americans and catalyzing numerous efforts to reform the health care delivery system. Since then, foundations have been engaged in a wide range of activities as the federal and state governments implemented the multifaceted law.

PHILANTHROPY'S IMPACT ON HEALTH REFORM

Health foundations have been engaged in efforts to expand coverage and to reform the health care delivery system for decades. Over the last five years, foundations have stepped up those efforts and have had a significant impact on virtually all aspects of health reform, both related to and independent of the ACA.

- **Foundations elevated health reform as a critical issue and helped keep it on the national and state policy agendas over the course of many years.** Efforts by local, state, and national foundations over the last decade to develop data and policy research about different reform options, support public education and awareness campaigns, and implement pilot projects, among other activities, helped build the policy imperative for action.
- **Foundations invested significantly in outreach and enrollment activities.** Local, state, and national funders invested in outreach and enrollment activities through a number of different strategies, enabling many states to surpass their original projections.
- **Foundations provided long-standing support to advocacy organizations and coalitions.** Philanthropy has invested in a complementary set of strategies over the years, including building and strengthening various aspects of the advocacy infrastructure, such as policy research and analysis, grassroots organizing, and policymaker relationship capacity. However, a wide variation in advocacy funding and capacity remains across the country.
- **Foundations jump-started delivery system reform activities.** Philanthropy has long supported program innovation and pilot initiatives for improving the health care delivery system. With health reform, the imperative to improve quality and outcomes and reduce costs increased, and foundations supported a variety of efforts that capitalized on the momentum and resources being made available under the ACA.

Foundations recognized that, in order to maximize their impact, they needed to change the way they operate—adjusting existing strategies and undertaking new ways of doing business. Funders **modified grantmaking practices**, including increasing funding levels, streamlining processes and procedures, and becoming comfortable with a higher level of risk; **partnered with and funded state government**, such as increasing their level of engagement with and providing critical resources for government in ways that they had not done previously; **exerted leadership in the state** through convening, relationship building, and other activities; and **developed and deepened collaborations** with other foundations, focusing, in particular, on outreach and enrollment activities.

There were myriad challenges during the implementation process, most of which are well known: the significant start-up problems encountered by the federal, as well as many state, insurance marketplace websites; the low level of health insurance literacy of many of the applicants, necessitating lengthy assistor appointments; and the issue of integrating health insurance marketplaces and Medicaid systems, among others. Two challenges stood out, which funders sought to address:

- **Polarization:** The most challenging aspect of engaging in health reform-related activities over the last five years has been the depth of political polarization and resistance to the ACA in many parts of the country.

Nevertheless, funders brought evidence-based nonpartisan analysis and data to inform the debate.

- ▶ **Inadequate State Policy Capacity:** The lack of state government policy and operational capacity to implement the ACA and other health reform activities was an impediment in most states. To overcome this barrier, many funders partnered with and funded government in new ways and at new levels.

GOING FORWARD: REALIZING HEALTH REFORM'S POTENTIAL

Recognizing the many implementation-related issues that still warrant attention associated with the state and federal marketplaces and Medicaid, there are three overarching issues that funders will be addressing going forward:

- ▶ **Targeting Outreach, Enrollment, and Education Activities:** Although millions of Americans have gained access to insurance through both the marketplaces and Medicaid, many still remain uninsured. In particular, enrollment of Latinos has lagged behind, and investment in targeted outreach strategies is needed. The low level of health insurance literacy of many individuals who obtained insurance in the marketplaces during the first enrollment period also suggests the need for education activities.
- ▶ **Accelerating Service Delivery Reform:** Although the philanthropic community has long been involved in efforts related to reforming the health care delivery system and will continue to invest in a range of research and demonstrations, two issues have emerged in the wake of the ACA: health care costs, including payment reform, and the sufficiency of the workforce. In both of these areas, funders are exploring how they can best deploy resources and contribute given the long-term nature of these issues and the significant roles played by government.
- ▶ **Elevating and Advancing Health Equity:** Foundations identify health equity as one of the top issues on the horizon, although there are differences in how funders approach the issue, depending on whether the foundation is a national, state, or local funder and where the foundation operates. Many funders believe that health reform and the ACA, in particular, may provide a springboard to advance a broad-based strategy to achieve greater health equity.

RECOMMENDATIONS

- ▶ **Find the balance between staying the course and advancing new issues on the horizon.** One of the hallmarks of philanthropy is the ability to identify and elevate issues on the horizon. At the same time, many advocates, as well as funders, are concerned that the field may move on to other concerns, even though implementation of the law still faces significant challenges. Health philanthropy will need to find a balance between staying the course and continuing to support both health coverage and service delivery reform issues, with early investments to lay the ground for new issues, such as health equity.
- ▶ **Recognize that service delivery reform efforts will require advocacy organizations to develop new skills and expertise, and invest in their capacity building.** As both funders and advocates increasingly engage in efforts to reform the health care delivery system, consumer advocacy organizations will need to develop new capacities, relationships, and skills. Funders invested for years in coverage issues, and advocates believe a similar timeframe will be needed for service delivery reform efforts.
- ▶ **Build on successful models of collaboration.** Several of the issues on the horizon that funders identified—health equity and prevention-related issues—require cross-sector partnerships. Therefore, health funders will need to collaborate to a greater extent with colleagues from foundations in other fields, such as income security, education, housing, and criminal justice.
- ▶ **Capitalize on and leverage past investments in the advocacy infrastructure for health equity and other goals.** State and national advocates believe that philanthropy played a significant role in the passage of health reform through investments in a variety of activities, particularly the advocacy infrastructure, over the course of many years. Several funders and advocates believe that infrastructure could be a platform for addressing new issues, beginning with those closely related to health reform, such as health insurance literacy, and then moving to a broader range of health equity efforts.