partners for the public good:
foundations and government

Perspectives on the appropriate role of philanthropy relative to government are varied and passionately held. At one extreme is the belief that philanthropy should remain completely distinct and isolated from government to ensure an independent, private force in civic affairs. At the other end of the spectrum is the view that philanthropy should focus its energies exclusively on reorienting public policies in order to foster lasting, systemic change. In between are positions that acknowledge the relative strengths and weaknesses of each sector and strive to align these different skills and capacities in complimentary, constructive ways.

The following narrative largely focuses on this "middle ground," presuming that some level of interaction between government and philanthropy is both advantageous and widely desired. As health funders know all too well, however, divining the right "mix" of public-private contributions can be tricky business. Foundation staff and boards frequently struggle to find the optimal balance between philanthropic and governmental action and may question whether they have positioned their resources effectively relative to the public sector.
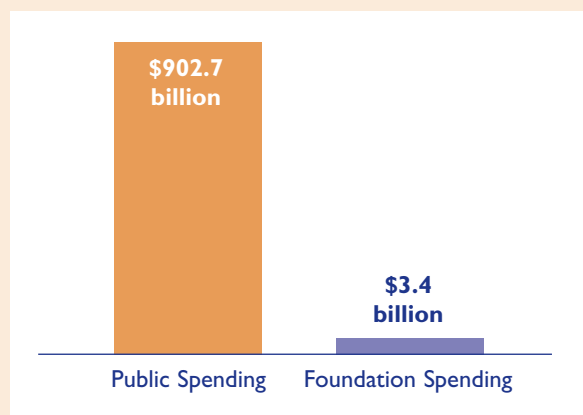
YOU SAY TOMATO…

Partnerships between philanthropy and government are inherently prone to tension. These societal institutions share the common goal of promoting the public good. But the values, ideologies, expectations, and competencies each sector brings to this challenge are often very different – and frequently in conflict. These tensions can be a source of frustration and failed experiments. Yet when harnessed effectively, some degree of tension can also be healthy and productive, guiding discourse and promoting mutually reinforcing roles.

Neither government nor philanthropy is monolithic. Government operates through administrative, legislative, and judicial branches; has authority vested at federal, state, and local levels; and assumes an array of functions and organizational structures that vary significantly across jurisdictions. Each node in this complex web of governmental entities has its own culture, legal framework, and operating procedures. Similarly, philanthropy includes diverse organizations with differing missions, priorities, restrictions, postures, and resources.

Despite these complexities, broad generalizations regarding philanthropy and government are commonly made and are, therefore, useful to consider. Government is typically viewed as stable, accountable, and able to command the level of resources needed to bring interventions to scale in a sustained manner over the long term. These same characteristics also engender perceptions that government is resistant to change, overly cautious, slow to act, beholden to the status quo, and tolerant of mediocrity. Philanthropy is viewed as more nimble; receptive to experimentation; and open to nontraditional, creative approaches. These innovative traits can also be seen in a less positive light, with some feeling that foundations can be capricious, impatient, and faddish. These are obviously simplistic generalizations, but they help to explain both the power and pitfalls of partnerships between philanthropy and government.

Tightly integrated collaborations are clearly more challenging to implement than more loosely structured partnering arrangements. Both government and philanthropy are likely to opt for the minimal degree of entanglement needed to achieve shared objectives. These cross-sectoral collaborations can take many forms and rely on a variety of resource sharing arrangements. Some common models for how foundations partner with government are described below.

HEALTH SPENDING BY FOUNDATIONS AND GOVERNMENT, 2005

Source: CMS 2005a and Foundation Center 2007

HOSTESS WITH THE MOST-EST

The siloed, categorical nature of government can be a major barrier to engaging the public sector in holistic strategies, but

NAVIGATING THE MANY FACETS OF GOVERNMENT

Addressing the broad social and environmental determinants of health requires the involvement of a wide array of government entities, moving well beyond traditional relationships with health departments and Medicaid agencies. Housing authorities, child protective services, criminal justice systems, welfare agencies, schools, employment bureaus, public transportation, and many other government functions play key roles in both influencing the conditions that mediate health status and delivering services that help individuals manage disease and disability. This maze of overlapping and unfamiliar government bureaucracies appears daunting and might dampen the collaborative interests of even the most committed health funder.

A model developed by the Council of Michigan Foundations may provide a template for unraveling these complexities and expediting government relations. At the council's urging, Governor Jennifer Granholm established a cabinet-level Office of Foundation Liaison (OFL) in 2003 to broker strategic partnerships between state government and philanthropy. Funded initially by the Hudson-Webber Foundation, Charles Stewart Mott Foundation, Kresge Foundation, W.K. Kellogg Foundation, and The Skillman Foundation, OFL has successfully linked philanthropic leaders and government officials to share ideas, develop plans, and secure investments in joint initiatives. Issues identified early for collaborative intervention include workforce development, early childhood, and land use.

The OFL has recently begun preliminary work on health-related endeavors. For example, OFL has supported the establishment of the Michigan Food Policy Council, which seeks to cultivate a safe, healthy food supply while building on the state's agricultural diversity to enhance economic growth.

The success of the effort is partially explained by the selection of mutually recognized priorities, but OFL staff resources have proved pivotal. OFL personnel have prior experience in both government and philanthropy. Their sophisticated understanding of both sectors favors the selection of feasible strategies and helps resolve conflicts that arise. Furthermore, access to and support from the governor ensure attention and response from agency personnel and minimize inter-departmental roadblocks.

health funders have played an important role in bridging these divides. The complexity and multiple units of government often hinder effective working relationships both among government agencies and with private sector collaborators – resulting in fragmentation of services and impenetrable regulatory structures. Philanthropic leadership can be instrumental in cultivating understanding and fostering cooperation among multiple stakeholders.

Foundations are uniquely well suited to act as neutral brokers in bringing diverse parties together because they generally command wide respect and are usually not perceived to have their own vested interests. These attributes give philanthropy the latitude to help government agencies rise above internal turf battles and to open dialogue with other private sector organizations (such as business, health care providers, and not-for-profit agencies) that may have had strained relationships with government in the past.

Convening stakeholders to focus on shared priorities can be a relatively low-cost investment that yields significant benefits. For example, a $2,500 grant from the Rhode Island Foundation provided support for a daylong conference to bring both public and private health professionals together to improve awareness of the mental health needs of veterans returning from deployments in Iraq and Afghanistan. This initial meeting led to a broader initiative, which mapped the needs of and services available to veterans and their families and created a blueprint for improving available services and filling service gaps. Philanthropic dollars provided important seed money to improve communication and coordination among the federal Veterans Affairs medical centers, the state National Guard unit, a variety of state health and human service agencies, the criminal justice system, and private health and mental health provider organizations.

Bringing multiple stakeholders together to share and plan is an important step, but implementation efforts frequently encounter barriers and take time to unfold. For example, a $30,000 grant from the Raymond John Wean Foundation to the Mahoning County (Ohio) Board of Health supported public-private collaboration on childhood immunizations. After using a self-assessment tool developed by the National Association of City and County Health Officials, the board of health identified the need for more private sector involvement to address low rates of preschool immunization. The county then sought foundation funds to launch an immunization coalition, which included area safety net providers. The coalition identified neighborhoods with concentrated needs, sought to encourage more private sector outreach, and attempted to increase private medical practice participation in the state's immunization registry. Staffing changes and technological difficulties related to the interoperability of data systems have slowed progress, but the board of health

continues to engage with private clinicians and can now more effectively position its immunization clinics relative to private sector capacity.

BUILD A BETTER MOUSETRAP

Interactive dialogue and information sharing often reveal the need for a more ambitious level of collaborative activity wherein philanthropy provides resources designed to amplify the impact of publicly sponsored activities. The influence of public programs permeates society, and health funders have wisely sought to build on these vast resources in a variety of ways. These strategic endeavors typically seek to add services, functionality, or competencies that are missing from existing government programs. Funding may be provided to grantees who also receive public dollars to augment their capabilities, or financial support may be given directly to government agencies.

Some of these efforts focus on expanding the reach of public health insurance programs in terms of both enrollment and covered benefits. Medicare and Medicaid together account for over 37 percent of total health care spending (CMS 2005b). The size and scope of these public insurance programs provide rich opportunities for improving access and quality. For example, The Commonwealth Fund and the Robert Wood Johnson Foundation have partnered to create State Solutions, an initiative focused on increasing enrollment in Medicare Savings Programs (MSPs). MSPs provide financial assistance for premiums and other cost-sharing requirements for low-income Medicare beneficiaries who do not qualify for full Medicaid coverage. Only half of the five million people eligible for this public subsidy are enrolled (Rutgers Center for State Health Policy 2007). The federal government determines eligibility and funds the MSPs, but enrollment is administered by the states, which have some discretion in establishing income and asset verification processes. The State Solutions project has effectively engaged with policymakers in five states to streamline application procedures and improve outreach activities. All five states participating in the project increased enrollment levels. This success was facilitated by the motivation and attention of state policymakers who recognized the untapped potential of these programs in improving access to care, as well as communication among grantees to share best practices (Summer 2006).

In a similar vein, the California HealthCare Foundation supported the development of Health-e-App, a Web-based,

electronic enrollment process for Healthy Families and Medi-Cal for Children, California's joint State Children's Health Insurance Program (SCHIP). Deloitte Consulting, selected through a competitive bidding process, developed the on-line tool working closely with the state Medicaid agency, the Healthy Families administrators (Managed Risk Medical Insurance Board), and county health and human service agencies responsible for program enrollment. Pilot tested in San Diego County, Health-e-App proved to be extremely effective and efficient, reducing workloads for county personnel, decreasing time lags for application approvals, reducing error rates, and even identifying technical discrepancies between county and state application requirements (The Lewin Group 2001). The effort was bolstered by gubernatorial support and facilitated by careful work to analyze and address the structure and requirements of existing information systems. The tool has since been implemented statewide, and an enhanced One-e-App has

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been developed to incorporate county-based insurance expansion programs, indigent care programs, and Medi-Cal for adults.

Other efforts have sought to improve the effectiveness of public insurance programs by focusing more directly on the nature and quality of covered services. For example, the John A. Hartford Foundation provided a $1.7 million, four-year grant to a home health agency to reduce medication errors in the dually eligible Medi-Cal recipient population. Under a federal home- and community-based services waiver, the state Medi-Cal program was funding home health services for low-income, frail elderly persons who would otherwise be eligible for nursing home placement. Waiver requirements mandated that home health providers track all medications used by program participants. These data were being collected and stored in patients' charts, but previously little effort had been made to analyze the information to ensure appropriate medication management. Hartford funds allowed home health agencies to invest in handheld computers that store prescription drug data along with select clinical information regarding patient conditions. Electronic transmission to consulting pharmacists and physicians allows possible errors or inappropriate medication management practices to be identified. The project has been successful in improving prescription drug use in a population extremely

vulnerable to adverse drug events that might lead to placement in a nursing home. It has also been useful to the home health agencies in their staff recruitment and retention efforts. In 2008 the project will be expanded to three other states.

Foundation-funded enhancements to public programs extend far beyond those addressing Medicaid and Medicare. Leveraging public insurance programs may be particularly attractive to private funders because these programs are entitlements that guarantee sustained public funding. Other types of government spending are subject to yearly budget and appropriation processes. These discretionary programs create special challenges for long-term planning. Despite these difficulties, many health funders have made major investments in improving the capacity and functionality of discretionary programs, particularly those targeting public health agencies.

Some political jurisdictions impose rather narrow restrictions on the activities of governmental public health, limiting public funding to traditional functions like sanitation and communicable disease control. In light of these limitations, philanthropic support has been an important catalyst for nurturing innovation within the governmental public health infrastructure. The Turning Point Initiative, jointly funded by the W.K. Kellogg Foundation and Robert Wood Johnson Foundation, improved the capacity of 23 state and 41 local public health departments to engage private sector partners in community health promotion. By providing staff, resources for commu- nications and data collection activities, technical assistance expertise, and national collaboratives, the Turning Point Initiative helped health departments reorient their role in

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assuring population health. These grant resources allowed public health officials to mobilize community assets beyond those services directly provided by the health agency and to assume a broader leadership role in health promotion.

The Kansas Health Foundation has also pursued an ambitious effort to strengthen the state's public health system through multiple grants targeted at the public health infrastructure. This support has been credited with creating significant positive change in workforce competencies, information technology capacity, epidemiological and disease surveillance capabilities, leadership development, and organizational structure. For example, funding for the

statewide association of local health directors played an important role in facilitating regional approaches to emergency preparedness planning. Increasing coordination among local health departments served to build the relationships needed for joint operations and resource sharing. Many believe that sustained support and informed participation from the foundation were instrumental in achieving these outcomes.

STIMULATING POLICY CHANGE

Foundations often undertake government partnerships in the hopes that the public sector will eventually adopt successful pilot programs more broadly, replicating the interventions beyond the demonstration sites to achieve universal penetration. These hopes can go unfulfilled for a variety of reasons. Often the value of a successful program is acknowledged by government partners, but the public sector remains unable or unwilling to take on the expense associated with the intervention. Alternatively, public agencies may deny responsibility for activities that are perceived to fall outside the scope of appropriate government action. The political climate of any given jurisdiction clearly influences receptivity to public spending, as well as the expansiveness of definitions regarding legitimate government roles. Interventions regarding behavioral health issues, such as safe sex, healthy eating, and substance abuse, frequently run afoul of political norms regarding "appropriate" government intervention in light of personal liberty concerns or, conversely, collective values.

In other cases, the evidence base does not support the effectiveness of experimental approaches. The benefits and associated costs of some successful efforts are not well documented and, there- fore, vulnerable to political inertia. In other instances demonstration projects fail to prove their utility to policymakers precisely because prevailing public policies have undermined or limited their effectiveness. Existing regulatory strictures or statutory limits may make it difficult or impossible for creative approaches to function.

Government officials can occasionally be allies in identifying "loopholes" to work around policies that frustrate innovation. For example, at the height of the HIV/AIDS crisis in San Francisco, public health officials declared a public health emergency every Friday to allow for a needle exchange program. Although the program was sponsored by a group of private funders, the city needed to suspend prohibitions regarding the distribution

of needles to ensure the legality of the program and protect not-for-profit volunteers from liability. In this case the stakes were very high, and the political climate was tolerant of bold decisions on the part of public health officials (Hernandez 2007).

Opportunities and motivation for government officials to push the limits of established policy are limited. More commonly, formal changes to ordinances, regulations, budgets, and statutory law are needed to clear a path for broad implementation of innovative approaches. Many health funders have recognized both the permissibility and importance of policy advocacy to advance their objectives. Some have done so in very visible ways, supporting grassroots advocacy organizations and communications campaigns. For example, the Connecticut Health Foundation has funded a variety of program and policy efforts to expand access to oral health services within the state. Foundation funds have supported advocacy, coalition building, and education by the Connecticut Oral Health Initiative, as well as a comprehensive policy analysis of the actions needed to improve the accessibility and quality of oral health services within HUSKY, the state's Medicaid and SCHIP program. Others have focused more specifically on developing and disseminating evidence to inform policy decisions. For example, The Henry J. Kaiser Family Foundation has sponsored a broad array of analytic products to support policymaking, such as a compilation of key legislation introduced in the 110th Congress to reduce racial and ethnic health disparities and a survey of public opinion regarding the quality of long-term care services.

Even those funders actively engaged in public policy work may struggle with the most appropriate ways to advocate for specific policy changes that emanate from their program grants. For example, a number of national, state, and local funders have sponsored programs to develop supportive housing opportunities for the chronically homeless. These programs provide a broad constellation of services to persons who have been homeless for long periods of time. These individuals generally need affordable housing options, employment assistance, income support, substance abuse and mental health treatment, other types of medical services, nutritional support, and a range of social services. Although such services can be accessed through multiple programs, the complexity of navigating multiple application processes is daunting. Supportive housing programs knit these disparate services together in a cohesive fashion to meet the unique needs of this vulnerable population.

Demonstration projects have successfully bridged fragmented programs and have reduced homelessness and improved health, but they typically rely on a patchwork of federal, state, local, and private housing and human service

WEATHERING CHANGING POLITICAL CLIMATES THROUGH FLEXIBILITY AND STRONG RELATIONSHIPS

While policy change is frequently viewed as the desired culmination of private-public partnerships, sometimes unanticipated shifts in policy can alter partnership arrangements in unexpected ways. For example, the John A. Hartford Foundation, The Atlantic Philanthropies, and the Starr Foundation have partnered with the National Institute on Aging (NIA) since 2004 to support biomedical research with practical implications for improving clinical practice. The partnership allowed the foundations to expand a program that, since 1995, has trained a cadre of over 120 MD-scientists to stimulate advances in the science of aging and care for older patients.

The Paul B. Beeson Career Development Awards in Aging provide three to five years of mentored development to clinically trained researchers. Philanthropic support provides approximately 30 percent of total award funds and allows the program to include a broad range of mentorship supports that are not standard in government career development grants. The collaboration required that philanthropic partners cede some control over scholar selection mechanisms, but the advantages of the more rigorous federal peer review process merited this flexibility. The program has been extremely successful with Beeson Scholars securing high rates of follow-on funding from the National Institutes of Health (NIH) as their careers develop.

Recent scrutiny over conflict-of-interest policies at NIH required that the collaborative mechanisms of funding and decisionmaking be substantially reworked. The program now operates as a series of grants made in tandem rather than a lump sum donation to the NIH from philanthropic partners. Despite the modifications, the effort has been able to preserve the priorities valued by philanthropy and the NIA, in large part due to strong relationships with professional staff at NIA. Politics almost guarantee a changing cast of policymakers, but professional civil servants often have longer tenure and offer important contributions to any undertaking that involves government partnership.

grants combined with rent subsidies, Medicaid payments, and disability insurance to accomplish these goals. Efforts to sustain these demonstrations or, even more challenging, bring them to scale are stymied by the need for policy change in multiple arenas, including affordable housing development, Medicaid coverage and eligibility restrictions,

and disability determination processes. Progress will depend on policy advocacy on multiple fronts at all levels of government.

STEPPING INTO THE BREACH

In an ideal world, policy change represents a step forward, but in reality new policy directions can mean a step back for community health objectives. Severe cuts in government budgets can have a disastrous impact on programs or organizations important to health funders. Philanthropic organizations are extremely reluctant to step in and pick up the pieces when government retreats from a program or population. Many believe that "rescuing" services cut from public support only decreases the likelihood that government will ever assume responsibility for these services again. Circumstances, however, exist where the consequences of failing to address a government cutback outweigh the jeopardy of discouraging a renaissance in government support. Reductions in federal, state, and local budgets can threaten the continued viability of not-for-profit organizations and public agencies that are key to a foundation's grantmaking strategy and community well-being. Therefore, some foundations have found it prudent to reconstitute activities that many believe *should* be funded through public sector support.

The Missouri Foundation for Health (MFH) faced such a dilemma when the state significantly reduced funding for local public health departments. These local government agencies are critical services providers, particularly in rural parts of the state. Both state and local health officials subsequently reported unmet infrastructure development needs that threatened agency operations. While local health agencies are eligible to compete for MFH program grants, these grants support additive functions rather than basic operating capacity. Furthermore, the foundation's bylaws require that MFH grants supplement, rather than supplant, government funds. The staff and board resolved these tensions by creating a one-time grant program limited to capital investments, such as physical plant improvements, information technology hardware and software, laboratory equipment, and transportation. This approach ensured that important service gaps could be addressed without compromising the foundation's strategic decision to build on, rather than displace, public funds.

CONCLUSION

Philanthropic partnerships with government agencies and programs benefit from shared priorities; committed leadership; realistic and clearly defined expectations; mutual respect for each other's contributions; as well as a mutual understanding of each other's constraints, funding cycles, and accountability mechanisms. Whether the partnership involves cooperative funding, pooled funding, or direct support for government agencies, philanthropy can leverage the size and reach of government while stimulating creative new approaches. But issues of control and ownership are inevitable. Working with government can require patience and a long-term perspective. But this commitment also opens up avenues for creating and sustaining change that private funding alone is unlikely to accomplish.

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