

## EXECUTIVE SUMMARY

## IMPLEMENTING HEALTH CARE REFORM:

*Funders and Advocates Respond to the Challenge*

On March 23, 2010, President Obama signed into law the Patient Protection and Affordable Care Act (PPACA). The law set forth a new framework that will provide health insurance coverage to more than 32 million Americans, establish oversight of the health insurance market, reform the health care delivery system, provide new opportunities to promote prevention and public health, and establish a number of new programs and services. The law's provisions, many of which require extensive planning and preparation, are staged to take effect at various times over the next four years. To support philanthropy's response to this unprecedented development, Grantmakers In Health (GIH) is tracking and reporting foundation activities. The purpose of this initial report, which is based on interviews with 43 national and state funders and advocates, is to:

- identify key strategies under consideration by national, state, and local foundations;
- provide an overview of the plans, strategies, and challenges of national and state-based consumer education and advocacy organizations; and
- offer a set of recommendations and a menu of options for funders considering engagement and support of health care reform efforts.

## CRITICAL ISSUES

Although there are a wide range of issues related to health care reform implementation that demand attention, two issues emerged, in particular, as the most critical to address over the next year.

- ▶ **Public Education** – Most polls show large segments of the public still unclear about what the new law will do, and skepticism and opposition remain. Efforts are needed to explain the law in ways that people can understand and to target groups who might benefit from early implementation provisions.
- ▶ **Laying the Groundwork for Implementation** – The law presents numerous implementation challenges at both the federal level and across all 50 states. Starting immediately, state government officials must develop new state laws, regulations, and structures, and many federal agencies will need to develop regulations and guidance, as well as provide oversight over a host of new insurance-related issues.

## KEY CHALLENGES

As foundations consider what activities to support, they must take into account three main challenges – political climate, lack of government capacity, and gaps in policy expertise. These clearly are beyond the reach of philanthropy alone to address, but they will shape the context for the roles philanthropy can play.

- ▶ **Political Climate and November Elections** – Controversy surrounded passage of the PPACA and will likely continue at least through the November 2010 elections. Those elections have implications for how states begin the implementation process, and the state political environment also has implications for how a foundation may choose to set priorities.
- ▶ **Lack of Government Capacity** – Virtually every state foundation and advocate expressed concern about the capacity of state governments to implement the PPACA because of budget deficits, staff reductions, and potential turnover due to the fall elections. Moreover, multiple agencies will need to be involved, with some having little experience with health care insurance issues. Health advocates may also have had little experience working with new agencies.

- ▶ **Gaps in Policy Expertise** – Among the hundreds of provisions of the PPACA are those that set up a new mechanism for expanding health insurance coverage – the health insurance exchange – and that establish broad oversight of the private insurance marketplace. There are concerns about advocates and health agencies having little experience or expertise in these areas and a lack of sufficient health consulting firm capacity to meet the demands of all 50 states.

## FUNDERS' ACTIVITIES

Irrespective of whether a foundation has been involved with health care reform activities in the past, the post-enactment period presents many opportunities for advancing the goals of health care reform, as well as a foundation's individual goals. Because reform implementation has a significant state-based component, state and local foundations can actively engage where they might not have during the pre-enactment phase. Building on previous experiences with both health care reform and other programs, foundations identified six main categories of activities.

- ▶ **Public Education** – There is a broad lack of understanding about the new health care reform law, prompting many foundations at the state and national levels to make public education a priority for the next year, including educating grantees, funding public education campaigns, and polling.
- ▶ **Partnering with Government** – Given fiscal constraints in many states and the amount of work that states are undertaking to implement reform, foundations are examining how they can partner with government. Examples include direct funding for personnel or programs, supporting local and state governments to apply for federal grants, and supporting data collection and evaluation.
- ▶ **Advocacy** – In order for there to be sufficient advocacy capacity to ensure that the consumer voice has a strong presence in all aspects of implementation, funders can support core operations, efforts to apply for federal grants, capacity building, and other activities.
- ▶ **Policy Research** – Because of the numerous issues addressed in the PPACA, foundations can make an enormous contribution by supporting policy research and analysis to help inform grantees, policymakers, the media, and the public about key provisions.
- ▶ **Convening** – Foundations are uniquely positioned to bring together grantees, experts, stakeholders, and policymakers to share information, discuss strategies, and build networks and coalitions to work on specific issues related to the PPACA.
- ▶ **Program Innovation and Reform** – The PPACA provides new opportunities to advance funder priorities within the framework of the law, particularly around the range of health delivery system and payment reform innovations. They also provide opportunities for national and state funders to collaborate.

## FUNDER COORDINATION AND COLLABORATION

Greater funder coordination and collaboration on health care reform implementation could stretch scarce resources and enhance the effectiveness of foundation efforts to support implementation. Funders may want to consider coordination and collaboration activities at multiple levels.

- ▶ **Coordination and Collaboration among Funders within a State** – Many state-based funders commented on successful coordination and collaboration efforts that have been established with other funders in their states. This kind of effort can produce added resources, stakeholder partnerships, and leadership for health reform implementation efforts.
- ▶ **Coordination and Collaboration between Funders in Neighboring States** – Funders expressed some interest in regional convenings to learn about what their colleagues are doing. Funders can benefit from sharing information, approaches, and progress as implementation unfolds across states.
- ▶ **Coordination and Collaboration between Local, State-Based, and National Funders** – State and national foundations operate from very different perspectives and bring different expertise to the

implementation process. Coordination and collaboration between state and national funders will be critical to maximizing the effectiveness of all resources, relationships, and strategies.

## ADVOCATES' PRIORITIES AND PLANS

Advocacy organizations played a crucial role during the health care reform debate and ultimate enactment of the PPACA. Going forward, advocates believe that it will be critical to maintain the current capacity at the national level, particularly to engage in the federal regulatory process, while expanding capacity in the states.

► **Key Challenges** – Advocates highlighted three capacity-related challenges that warrant special attention.

- Issue-specific coalitions will need to be developed to focus on the range of issues embodied in the PPACA.
- Advocates in states with a low level of capacity will need additional assistance.
- Deeper policy expertise will be required, particularly on insurance regulation and marketplace issues.

► **Advocacy Activities** – Advocates also identified five high-priority activities going forward.

- **Overarching Blueprints at National and State Levels.** Advocates emphasized a need to create blueprints to identify regulations, timelines, and responsible agencies to enable them to know when and how to engage in the implementation process.
- **Communications and Public Education.** Communications research, support, and technical assistance will continue to be needed at different levels—issue-based, constituency-based, and regional and local – to educate the public about how specific elements of the PPACA will directly affect them.
- **Defensive Advocacy, Including Responding to Negative Attacks and Lawsuits.** Given state lawsuits and legislation to impede implementation of the PPACA, coupled with challenged state budgets, many advocates will likely need to balance defensive activity with proactive advocacy and be prepared to respond on multiple fronts.
- **New Allies.** To move beyond the polarizing partisanship of the health care reform debate, advocates will need to engage mainstream groups, such as disease and provider groups, because of their critical roles in implementation and as credible messengers to the general public.
- **A Multifaceted Infrastructure for Enrollment.** With the potential for tens of millions of Americans to obtain health insurance coverage, there is a critical need for robust outreach and enrollment mechanisms.

## ADVOCATE COORDINATION

State-based and national advocates recognize the importance of coordination among and between each other. This is particularly important since federal agencies will issue regulations and guidance on implementation, which should be informed by state experience, and national standards will need to be carried out in all states.

## SYNTHESIS AND RECOMMENDATIONS

A broad range of national and state advocates and funders identified similar priorities, as well as issues and needs. Moreover, there was strong consensus about the need for building greater:

- government capacity, particularly within the states;
- policy expertise regarding health insurance marketplace issues and the development of exchanges;
- advocacy capacity, particularly in Southern and rural states; and
- coordination among advocates and among funders.

There were also important differences in the perspectives of funders and advocates who work at the state level and those who work at the national level. It is important for funders and advocates who work at the state and national levels to recognize and understand each other's roles and needs in order to reduce competition and fragmentation, and make meaningful coordination possible.

State and national funders are already planning, engaging, and putting into practice a wide spectrum of activities and strategies to support implementation of the PPACA. Although the specific activities and strategies may have evolved since the interviews occurred, they can inform a set of recommendations to help funders considering implementation activities.

- Recognize the unique opportunity provided by the PPACA to advance a foundation's priorities and goals.
- Understand the lay of the land before making any decisions about strategy or grantees.
- Identify state leadership on an issue-by-issue basis.
- Maintain – and increase funding – for advocacy.
- Engage a broad range of stakeholders and constituents.
- Coordinate, coordinate, coordinate.