Grantmakers Are from Mars;
Policymakers Are from Venus:
Is There Hope for This Relationship?

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How can health grantmakers and state policymakers collaborate and when does it make sense to try? What does it take to develop and sustain these relationships? Mark Smith provided his insights on the pitfalls and potential of collaborations between funders and policymakers during Grantmakers In Health’s 2000 Washington Briefing, *The Intersection of Health Policy and Philanthropy*, November 3, 2000. The following article is based on those remarks.

If grantmakers are from Mars and policymakers from Venus, how can we learn to communicate and carry on a productive dialogue? The first step, I submit, is to better understand our respective worldviews and how we see one another. The second is to use this knowledge and appreciation of the unique strengths and shortfalls of each to work together toward the common good.

For example, most foundation folks privately think of government as stodgy, bureaucratic, risk averse, and slow to move. As for the reputation of foundations in government circles, we are seen as self-important and isolated – from political reality, from clinical reality, and from economic reality. We are regarded as insulated from business cycles, from the need to get re-elected, and from the opinions of the media.

While these divergent perspectives have elements of truth, they are not the whole truth. We don’t *want* government to move with the lightening speed of the market, or to be as nimble as the private sector. Rather, we want government to be somewhat more deliberate, thoughtful, considered; we want it to move a little more slowly. These qualities are the essential nature of government. And in my view – despite room for improvement – these features deserve adjustment and accommodation, not automatic condemnation.

For their part, policymakers correctly recognize that foundations are not hampered by the political constraints faced by government, or the economic constraints bearing down on the provider world. And while this freedom can, indeed, lead to arrogance, dilettantism, and other bad traits among philanthropic organizations, it also affords us the luxury and privilege of being able to do certain things government and the private sector cannot.

This freedom means that there is room for foundations to do different things, and to do them differently. There is great richness and diversity among foundations – from our asset sizes and missions to our geographic limitations and responsibilities, from our boards and staffs to our strategies. I believe this diversity is good, and a source of strength for our nation.

But it can also be a source of confusion. Sometimes even those of us in the field have a tendency to pronounce how foundations “should” operate, what we should and should not do, and, in particular, what roles we should play in the public policy arena, if, indeed, any.

I maintain that there is no cookie-cutter approach for any aspect of our work. When it comes to policy, our diversity means we will have different interests, involvement, and competency. And that, too, is a good thing.

For instance, some of our colleagues are eager to tackle policy as a means to get at the fundamental issues, in addition to supporting a clinic or subsidizing someone’s health care. Still others are full-time, genetically hard-wired “policy animals” who put policy at the top of the food chain, relegating traditional philanthropy and charity to the bottom. And some health foundations believe they exist solely to fund the good works of others, and simply do not “do policy” at all.
Yet at the most basic level, we all need, at the least, to understand policy discussions that affect the issues we care about, regardless of our mission or strategy. Foundations cannot afford to ignore or disdain policy, because someone in Sacramento or Washington can flip a switch and undo 20 years of effort, either to the good or to the ill.

Simultaneously, we need to be cognizant of our unique position in society, and what we can and cannot accomplish solely through grantmaking. That is a key point to remember. For the principal task of philanthropy is to figure out where it can strategically make a difference which – in many cases, especially health care – means more than throwing dollars at a problem.

Let me illustrate using my own institution, the California HealthCare Foundation. Our mission is to improve the health care of Californians, particularly the underserved. Our payout is about $48 million annually. While that is substantial, it isn’t even a rounding error for the California health care system. One midsize public hospital in California, a safety net institution everyone thinks is woefully underfunded, will see approximately that amount in a budget increase this year to take care of fewer patients than it had last year. And the Medi-Cal program spends more money every hour than my foundation spends all year.

The bottom line? If you weigh what the California HealthCare Foundation can do to help meet safety net needs, it’s clear we can’t do much by mere money alone. At the end of the day, foundations’ assets are marginal compared with those of the government or the private sector.

Ironically, the flip side of this coin is how government views our assets. And in attempting to work with government, we need to develop a better understanding between the two sectors on this key point.

To many people – including some in government – the tremendous new wealth created in health philanthropy is a windfall. Much like the tobacco settlement money, our assets are tantalizing as a supplemental source of funds, particularly when – for political or other reasons – tax dollars are not available. In California, some legislators have flirted dangerously with this temptation; foundations in other states may face similar situations in the future.

Such attempts to suggest how foundation funds should be spent raise an important governance issue. Foundations are accountable to a board of directors that, in turn, is responsible for allocating our resources. And I think we should no sooner accept the rights of others to make allocations of our resources than we would the rights of our boards to allocate state resources.

I offer this as a caution to others in the philanthropic pool, especially new foundations: We all need to be aware of the seductive power of foundation money, and be alert to its potential to lure governments in search of additional funding sources.

So, is there any hope for this relationship? Is there any role we can play in partnership with government? My response, and that of my foundation, is a resounding yes. There are times when we can, and should, work with government, including funding projects that some might say were the government’s responsibility.

For instance, working with The California Endowment, we have supported a breast cancer treatment fund to ensure that no woman with a diagnosis of breast cancer forgoes state-of-the-art treatment due to lack of care. Should the government do this in an ideal world? Absolutely. Does it? No. But we could spend our whole lives not doing useful things because of “should have,” “would have,” “could have” – because it’s somebody else’s responsibility.

In the end, we cannot have hard-and-fast rules about when we use money to work with, to supplement, or sometimes to replace dollars from other sources. At the same time, we need to look at where foundation and government responsibilities start and stop. We need to do this because, despite our assets, the amounts we have to spend are marginal compared with those of the government or the private sector. Service to our mission is achieved not through money alone, but through strategic leverage, communication, and collaboration.

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