

Partnering with State Government: Lessons from a Local Funder

ANNIE VAN DUSEN AND PHIL NASH
Rose Community Foundation

Rose Community Foundation (RCF) was created in 1995 with assets of \$170 million from the sale of Rose Medical Center, a nonprofit hospital. Since then, the Foundation's assets have grown to around \$330 million. We annually grant about 5 percent of our assets – \$12.7 million in 1999 – in the six-county Denver metropolitan area, home to more than two million people.

Just as RCF was forming in the mid-1990s, devolution was in full swing. Big federal programs were going away, and state and local governments were challenged to step up to the plate, particularly with regard to welfare and children's health insurance programs. And, to prepare for their expanding role, state and local governments were asking the private sector for help. National foundations responded by making demonstration grants for welfare-to-work programs and for efforts to enroll eligible children in Medicaid and in the new State Children's Health Insurance Program (SCHIP). Perhaps even more than national foundations, local foundations found themselves well-situated to help communities assume these new responsibilities.

It was during this historical shift that RCF began defining itself. We saw devolution as a serious challenge. As a private-sector funder with a mission to broadly support the health of the community, we understood that RCF would have to become more involved in public issues. Today, we have the beginnings of a track record in working with government; we've racked up a few accomplishments and even more lessons. While direct experience is surely the best teacher, we hope that this article imparts what we've learned in a way that is meaningful to other foundations.

Lesson One: Improving access to care necessarily means working with government. Even without devolution, RCF knew that having a significant impact on access to care would require getting involved with government, the largest payer of health care services. Clearly, grants for direct services – even grants for insurance subsidies –

wouldn't make access and navigation of the health care system any easier for low-income people.

As we began to realize this, the State of Colorado was starting to implement its SCHIP, called Child Health Plan Plus (CHP+). Colorado's legislation mandated that CHP+ be developed as a product that would bridge families from the free Medicaid program to the commercial health insurance market. The law required CHP+ to be administered by a private-sector entity that could market CHP+ like a commercial insurance product that low-income families would buy for their children.

To the surprise of few, no for-profit entity stepped forward to take on the state-mandated responsibilities of CHP+ for a price state government was willing to pay. At RCF, we saw opportunity – becoming the private partner in a public-private partnership offering a health access program that fit with our mission. So, in 1998, RCF helped to create Child Health Advocates, a new independent nonprofit organization specifically designed to assume the marketing, eligibility and enrollment, and other administrative functions of the new CHP+ insurance product. It seemed like the responsible thing to do.

Lesson Two: No one said it would be easy, but no one said it would be this hard. With significant technical assistance from RCF, Child Health Advocates sought and won the state contract to administer CHP+. Never mind that Child Health Advocates was the only bidder; the new and energized organization was ready, indeed eager, to enroll the estimated 69,000 children eligible for this new subsidized insurance.

A clue to the tedious nature of these public/private partnerships appeared sometime during the five weeks of contract negotiations with the state. Several RCF trustees who are attorneys volunteered to help staff navigate these negotiations, and, even with their extensive experience, were unprepared for negotiating with state government. Why so

hard? For starters, the state negotiators were the very people who would have run CHP+ had the legislature not required privatization – and they were very ambivalent about handing over the reins to Child Health Advocates. Bringing us to the next lesson.

Lesson Three: Ideas are just ideas. It's the people involved who count. RCF trustees and staff understood the idea behind CHP+ and Child Health Advocates. We saw our role as building a private-sector infrastructure to fulfill the vision of a publicly subsidized commercial-looking health insurance for families not poor enough for Medicaid but unable to afford commercial insurance. We envisioned a health insurance product with appeal for families who wouldn't sign up for a government program, even if they were eligible.

At first, we didn't fully appreciate how much this dream's realization depended on relationships. Some of those involved were fully behind it. Others were against it, believing Colorado should simply expand its Medicaid program. Consequently, RCF staff found themselves serving as conveners (or, more accurately, mediators) of adversarial parties. Quick studies we may be, but mastering conflict mediation has been challenging. But this role has its benefits. For instance, health care and children's health are getting our Governor's attention, and his office looks to RCF for advice. We've earned a reputation as a broker of objective information, capable of getting involved in public policy with no axe to grind, no turf to defend.

Lesson Four: Understand what advocacy is and what your foundation can legally do. The legal limitations on advocacy and public policy vary, depending on each foundation's tax status. However, many foundations avoid advocacy altogether for fear of endangering their tax status. Others are more philosophical, believing government and philanthropy have distinct roles and should keep their distance. Regardless, the result is that state and local government perceive foundations as standoffish.

As RCF helped implement CHP+, we turned some of these notions about foundation aloofness (and the reasons for it) on their heads. First, though, RCF staff had to work internally to convince decisionmakers that we couldn't have a meaningful, long-term impact on access to care without dealing with the largest payer of health services – government. Second, staff had to understand more precisely what we could and couldn't do in our advocacy roles. Seasoned advocates counseled us that lobbying is, in fact, a very small part of advocacy. We also learned that RCF, as a public charity, may lobby as long as such activities are within IRS limits and are properly documented. Our trustees have been informed about the legal issues, and they will be consulted as needed for guidance and clarification on when and how to engage in advocacy. By knowing our respective roles, both trustees and staff are prepared to participate effectively in this CHP+ public-private partnership.

Lesson Five: Act humbly, preferably backstage. Then, quietly create opportunities to celebrate successes. Too many actors are already vying for the spotlight. Throughout the startup of Child Health Advocates, RCF learned the value – and the rarity – of humility. The perceived arrogance of some foundations has, in part, kept government from pursuing partnerships. Providing information and even advice with humility is an art form – one that is underdeveloped in most industries, including philanthropy.

As to celebrating success, we need to do better. Kudos are essential in keeping nonprofit and business leaders involved. And celebrating accomplishments helps to frame the next set of challenges. RCF hopes to get better at celebrating and building camaraderie.

Lesson Six: There's always more to learn. Engaging with government can be messy, even ugly. It contrasts starkly with the clean, controlled work of foundations – environmental scans, requests for proposals, technical assistance, evaluations, and the like. It's much less predictable, demanding flexibility and responsiveness in the moment – while always knowing when to rise above the fray and scan the horizon for the next big problem.

Conclusion: It's well worth the effort. RCF sees the rewards in these public/private partnerships. Child Health Advocates has enrolled more than a third of Colorado's eligible children in CHP+. More important, leaders in government, business, and nonprofits care about what happens next. Due in part to RCF's involvement, a whole cast of characters from all sectors and both political parties act as CHP+ watchdogs. So, when the program falters, as many public programs do, a safety net of smart and invested people are poised to intervene and prevent failure.

By engaging with government, RCF is learning, through both mistakes and successes. Someday, we hope we'll view the risks we've taken as worthwhile and know those efforts have helped, at least in small ways, to open doors to health care services for our low-income neighbors.

Annie Van Dusen and Phil Nash are senior program officer and director of communications, respectively, at the Rose Community Foundation in Denver, Colorado. Rose Community Foundation makes grants and undertakes special projects to benefit the health and well-being of people living in the Greater Denver metropolitan area.

VIEWS FROM THE FIELD is an occasional series offered by GIH as a forum for health grantmakers to share insights and experiences. If you are interested in participating, please contact Leslie Whitlinger, GIH's director of communications, at 202.452.8331 or lwhitlinger@gih.org.