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II. PROFILE

Government And Health Funding
By The Kaiser Family Foundation
by Lee L. Prina and Jane H. White

The Henry J. Kaiser Family Foundation launched its Government and Health program in 1991, under the direction of vice-president Dennis Beatrice. The program aims to push the U.S. health system reform debate forward. Program priorities include helping to set new directions in such public-sector programs as Medicaid and Medicare; strengthening the role of the states in providing effective and efficient health care; and helping to develop minority health leadership in the public sector.

The Government and Health program reflects the foundation’s interest in public policy. The other major Kaiser initiative, the Poverty and Health program, directed by vice-president Mark Smith, also focuses heavily on policy issues, primarily in the areas of contraception, family planning, and acquired immunodeficiency syndrome (AIDS) policy. The Government and Health program has focused its initial efforts on Medicaid, with the formation of the Task Force on Medicaid Managed Care, the Commission on the Future of Medicaid, and the Center for Vulnerable Populations.

Foundation funding under the Government and Health program and other Kaiser grants aimed directly at government total almost $20 million since 1991. Kaiser has a “long-term commitment to [this] tough area” and wants to “stick with it” to have a sustained impact on the role of government in health, Beatrice explained in a telephone interview. “It’s in vogue to stand outside the fray and take potshots at government. We wanted the foundation to be a constructive force to make government better instead of being just one more critic,” he added. This profile examines a number of the significant projects begun under the Kaiser Government and Health program.

National Task Force on Medicaid Managed Care. This task force, begun in 1991, was convened by the National Academy for State Health Policy (NASHP) in Portland, Maine, which is directed by Trish Riley. The task force is composed of state and federal policymakers and representatives of managed care plans and consumer advocate groups, and provides a rare opportunity for these health leaders to interact and communicate. The group’s goal is “to examine barriers to growth in Medicaid managed care” and to advise NASHP on the development of legislative proposals for reform, said Maureen Booth, academy fellow, Edmund S. Muskie Institute of Public Affairs, University of Southern Maine.

The task force endorsed reforms proposed by the Health Care Financing Administration (HCFA) that would strengthen quality assurance in Medicaid managed care plans. A three-state demonstration project, funded by Kaiser and HCFA, to test these quality assurance reforms is now under way. The foundation’s board planned to vote in December 1992 on whether to allocate funds for evaluating the demonstration. For a preview of the task force’s report, Proposals for Reforming Medicaid Managed Care, see page 247 of the Update section in this volume.

Kaiser Commission on the Future of Medicaid. Medicaid at the Crossroads: A Report of The Kaiser Commission on the Future of Medicaid, published in November 1992, is the first report of the Kaiser-funded panel set up in 1991 to examine and recommend ways to reform Medicaid. This well-written and informative report, which is meant to be a Medicaid primer, presents Medicaid’s role today, points out its strengths and weaknesses, and describes the panel’s own challenges for the future. The report discusses such controversies as federal and state rules that prevent many poor people from being eligible for coverage, the ability of wealthier persons to obtain Medicaid assistance for nursing home care, and the federal/state partnership vis-a-vis Medicaid program design, scope, flexibility, and financing. “Low-income families constitute 72 percent of...
Medicaid's beneficiaries, but account for less than 30 percent of program spending," the report notes. The commission is located at The Johns Hopkins University in Baltimore.

In late July 1992 the Kaiser Commission on the Future of Medicaid also sponsored a roundtable discussion by federal and state legislative and executive officials and health policy analysts on the topic of "Medicaid Financing Crisis: Balancing Responsibilities, Priorities, and Dollars." Commission-sponsored research papers presented at the meeting addressed the nature and causes of Medicaid spending increases, expanding access and paying providers, and federal and state roles in financing Medicaid. "By exploring these issues with policymakers and other experts in the roundtable, the commission intends to establish the foundation of knowledge on which to build its recommendations for the future," said the commission's associate director, Judith Feder, in an introduction to the research papers. Kaiser is seeking to publish the collected papers by spring 1993, according to the commission's executive director, Diane Rowland.

Center for Vulnerable Populations. Kaiser awarded a grant in December 1991 to NASHP and Brandeis University to establish and develop the Center for Vulnerable Populations. This center will focus on persons with developmental, mental, and physical disabilities and those needing long-term care. The center, guided by an advisory committee, will conduct research and policy analysis, examine promising state practices for serving these populations, and provide information to state officials. Four key policy issues for consideration in the first year include the development of flexible community-based systems of care; the process for targeting clients and what benefits they receive; the financing of a broad array of cost-effective services; and the role of institutional services in the delivery of care.

On health care reform and its effect on these most vulnerable of American citizens, Richard Celeste, chair of the center's advisory committee, spoke eloquently at an August 1992 NASHP meeting in Minneapolis. "The question is: Can we create a national health insurance system . . . that is in fact universal, or will we leave out for further consideration those individuals who need it most—the frail elderly, people with mental health problems and disabilities? We can't afford not to address these issues; those involved in state health care are paying for it anyway," the former Ohio governor said.

A key issue for states will be the effect of the newly implemented Americans with Disabilities Act (ADA). In August 1992 Secretary of Health and Human Services Louis W. Sullivan cited potential breach of the ADA as the reason for denying Oregon's request for a waiver from federal Medicaid program requirements. Celeste questioned this reasoning: "The administration's use of the ADA to block the Oregon waiver was a very cynical act. It is profoundly wrong to pit individuals with disabilities against health care reform in this country." The center has convened a work group to examine the implications of the ADA on state and national health care reform. A chartbook was scheduled to be published in November 1992.

Surveys. Results of a national in-person survey of low-income persons on access and satisfaction issues were expected in late November 1992. National Opinion Research Center conducted the poll, which is being analyzed by Robert Blendon and colleagues at the Harvard School of Public Health.

Other surveys funded by Kaiser include a poll after Pennsylvania's special U.S. Senate election in fall 1991 and polls following the New Hampshire and California primaries. These all ranked health care as number two in importance to voters, behind economy/jobs. A national survey was conducted in February 1992 to get a better sense of the public's views on and desire for health system reform. This survey was cofunded by The Commonwealth Fund and conducted by Louis Harris and Associates. The funders hope this survey will serve as a benchmark of public opinion on health care reform and plan to repeat the survey in early 1993.

NOTE