To Subscribe:  https://fulfillment.healthaffairs.org
Health Care Reform And Grantmakers: Survey Report
by Marion Ein Lewin, Catherine E. McDermott, and Mary C. Backley

In response to the heightened public- and private-sector interest in health care reform, Grantmakers In Health (GIH) conducted a survey of its eighty-one funding partners in spring 1994 to assess the scope and kinds of activities that health philanthropy has mounted in the past two years. GIH was interested in learning not only how foundations were responding to the Clinton administration's call for health care reform legislation but, perhaps more important, how national and local health philanthropies were responding to the major changes in health care markets already under way in states and communities across the nation. GIH wanted to use the survey results to help focus and direct its future program activities.

GIH, founded in 1978, is a nonprofit educational organization that is a resource in the fields of health and human services philanthropy for private foundations and corporate giving programs. GIH's mission is to increase the capacity and knowledge base of private-sector grant making through a variety of educational, networking, and technical assistance activities directed at more than 500 grant-making organizations. The funding partners (foundations and corporate giving programs that annually provide grants in support of new and existing GIH initiatives) involved in the survey represent over three-quarters of a billion dollars in annual philanthropic giving. The majority of funding partners are state and local grantmakers that target their primary efforts and resources at the state, community, or region in which they are located.

Methodology. A two-page, five-question survey was sent to the eighty-one GIH funding partners. Grantmakers were asked if they were active in any of eight program areas (Exhibit 1). Follow-up phone interviews were conducted with several respondents to get further details on the rationale and major objectives of these particular activities.

Grantmakers that had initiated activities were asked to describe briefly the kinds of programs that had been developed; whether the relative funding level of the new project(s) represented a minor, average, or major commitment of resources; and whether these new activities were focused primarily on the national, state, or local level. Grantmakers that had not mounted any new activities related to health care reform in the past two years were asked whether they had such activities in the pipeline.

Survey results. Of the eighty-one grantmakers that were sent the questionnaire, fifty-eight (72 percent) responded. Of those, thirty-seven (64 percent) had developed or funded a new activity in the past two years specifically in response to the heightened focus on health care reform (Exhibit 1). Most of the new programs were primarily focused at the state (57 percent) and local (49 percent) levels. Grant-making activities with a national focus accounted for 46 percent of programs mentioned; regionally focused programs accounted for only 11 percent. Many respondents listed programs with a "mix" of primary geographic focus (for example, national/state) and are therefore listed in more than one category. All of the major national foundations that responded to the survey had mounted significant activities at the national level. Corporate grantmakers tended to fund a combination of local reform-related activities within communities in which they have a major presence, and more policy-oriented strategies (such as surveys and public opinion polls) at the national level.

The new activities represented the following relative financial commitment of the grantmakers' resources: 19 percent said that

Marion Ein Lewin is senior staff officer at the National Academy of Sciences' Institute of Medicine. She also is a senior consultant to Grantmakers In Health (GIH). Catherine McDermott is president, and Mary Backley, director of administration, of GIH.
Exhibit 1
Activities Newly Funded By Grantmakers, 1992-1994

<table>
<thead>
<tr>
<th>Activity</th>
<th>Number</th>
<th>Percent of funders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessing needs of special groups</td>
<td>21</td>
<td>57%</td>
</tr>
<tr>
<td>Convening activities</td>
<td>21</td>
<td>57%</td>
</tr>
<tr>
<td>Public education</td>
<td>19</td>
<td>51%</td>
</tr>
<tr>
<td>Analytic work, research</td>
<td>19</td>
<td>51%</td>
</tr>
<tr>
<td>Public/private partnership</td>
<td>11</td>
<td>30%</td>
</tr>
<tr>
<td>Demonstrations</td>
<td>10</td>
<td>27%</td>
</tr>
<tr>
<td>Media education</td>
<td>5</td>
<td>14%</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: Grantmakers In Health.
Note: Many of the respondents had mounted activities in several areas and are therefore listed in more than one category.

the commitment was major; 27 percent, above average; 8 percent, average; 22 percent moderate; and 24 percent, minor.

Of the other twenty grantmakers (34 percent)—including one that returned the survey but answered none of the questions—responded that they had funded no new activities related to health care reform, eight (40 percent) had an activity in the pipeline. Seven others (58 percent) provided a specific reason why they were not now funding in this area (for example, working in the area but on projects begun at an earlier date; health care reform/policy work not part of the grant-making portfolio; waiting until a bill passes Congress).

Discussion. The results indicate that a large segment of health philanthropy is actively involved in helping to educate and prepare their communities for major changes in the organization and financing of health care. In reviewing the results, Dennis Beatrice, vice-president of The Henry J. Kaiser Family Foundation and GIH chair, noted, “This is not the time for health philanthropy to be on the sidelines, and the survey suggests that they are not. Every community is struggling with how to deal with the new world of managed care. Governments, providers, and consumers . . . are all being pulled into new and untested waters.”

Grantmakers appear to be focusing on funding convening and educational activities designed to help communities respond adequately and effectively to the new infrastructure of managed care and integrated health care systems. They appear to be particularly interested in assessing how these forces will affect special groups, especially those that are vulnerable. Karen Wolk Feinstein, executive director of The Jewish Healthcare Foundation of Pittsburgh, expressed a view widely shared by many of the survey respondents: “As a grantmaker, we are putting major efforts behind preparing our local health care market to survive in a whole new world of managed care and integrated care. Left unguided, the potential impact of these unprecedented and rapid changes on communities can be likened to plopping the Queen Elizabeth in Lake Cuyahoga . . . [y]ou could end up with a lot of displaced water and vessels tossed and blown all over the place. We are particularly concerned in making sure that neighborhood and community organizations that have a history of serving the vulnerable and poor are brought up to speed. Unless state and county provider groups can adapt to the major changes in the market, they may become irrelevant.”

More than half of the grantmakers responding to the survey were funding research and analytic work—many at the national level—to inform the discussion and raise the level of knowledge about such issues as the impact of managed competition on major stakeholders, such as academic health centers and specialty providers; com-
paring the experiences of people enrolled in managed care plans with those of people not enrolled in managed care; assessing how the various reform proposals will affect the structure of and payment for mental health services; and researching how reform will affect vulnerable groups such as the elderly, the chronically ill, and poor women and children. Funding in this area also was being directed to help state-based reform efforts and to develop managed care models for special populations.

Almost a third of the grantmakers funding reform-related activities were supporting public/private partnerships. All of these programs are directed at critical aspects of health care reform such as assuring adequate health care delivery in rural and underserved areas; developing models to address several nonfinancial access barriers; and helping states, local governments, and medical schools to respond to new requirements, such as developing a health professions work force that is more oriented toward primary care.

Paul S. Jellinek, a vice-president at The Robert Wood Johnson Foundation (RWJF) and chair of GIH’s program committee, commented that a number of large health foundations such as RWJF have been “stretched” by health care reform to test some new types of grant-making activities, particularly in the area of public education. In June 1994, for example, RWJF sponsored an NBC News special on health care reform to educate the public on the complexities of the various reform strategies being considered by Congress. Jellinek observed, “Such activities have been criticized in some quarters, but the foundation believes that the urgency and importance of the issue for all Americans calls for some bolder, and perhaps riskier, grant-making strategies.” Likewise, the Kaiser Family Foundation has funded a series of advertisements or “spots” for both television and print media that are designed to educate the public about who the uninsured are, Kaiser also has helped to develop better information on some of the major issues at the heart of the health care reform debate, so that “issues can be decided on the basis of knowledge and evidence rather than surmise and rhetoric,” according to Beatrice.

In terms of the relative financial commitment made to the new projects, two grantmakers noted in the survey that the level of funding for such activities as convening, public education, and assessing the needs of special groups does not adequately reflect the major investment of time that foundation staff make when “nurturing” helping grantees to prepare for the new world order in health care. This sentiment was echoed in many of the follow-up interviews we conducted. Robert E. Eckardt, senior program officer of The Cleveland Foundation, noted: “Foundations can foster coalition building among groups that do not traditionally work together, but who have common interests. Grantmakers also can encourage a variety of consumer voices to be heard at the local level, especially vulnerable, high-need groups. These kinds of activities are not necessarily big-dollar items, but they consume a great deal of staff time and effort.” The Cleveland Foundation is an example of a grantmaker with activity in the pipeline: Foundation staff have been doing extensive strategic planning to develop technical assistance programs to prepare community-based agencies for a restructured system.

Conclusion. Even before a bill is passed in Congress, sweeping changes in the organization and management of health care services are already taking place. This survey of grantmakers indicates that philanthropies are already heavily engaged in helping to educate and prepare their publics be they national, state, or local—for major change. Through extensive convening and public education activities, some grantmakers, for example, are taking a leadership role in assisting the key stakeholders in their communities to participate in a constructive dialogue and to plan for a successful transition to a new infrastructure of health care delivery based on managed care and integrated health care systems. Major support is being directed at building a better knowledge and analytic base to inform not only policy development in health care reform but its critical implementation aspects as well.