

Lessons for Grantmakers from the Battle for Health Care Reform

By Sean Dobson

Over the past 30 years, as the U.S. health system fell ever further behind those of other developed democracies in terms of outcomes and cost, every reasonable observer knew that the basic cause was our country's disgraceful lack of a government guarantee of health care for all. Yet, during these same decades, most health care grantmakers ignored this elephant in the room by funding mostly service provision instead of the kind of advocacy¹ that would make enactment of government-guaranteed health care more likely.

Finally, toward the end of George W. Bush's second term as president, a group of labor leaders, nonprofit leaders and philanthropists realized that a number of factors had created a once-in-a-generation opportunity to finally enact health care for all, including:

- An upcoming election in 2008 that would likely give Democrats control of the White House and both chambers of Congress.
- Health care for all was a top priority for all three top Democratic presidential candidates and therefore probably of the next president.
- Unprecedented consensus among progressives that had coalesced around a reform plan that actually could pass Congress and also, thanks to the invention of the "public option," hold the allegiance of most of the progressive base of the Democratic party.
- Progressive activists had learned valuable lessons from the defeat of Hillarycare in 1993–94 and were ready to fight smarter.

- Historical opponents of reform would likely be weak or neutral in 2009 because the GOP was discredited by the disastrous Bush presidency while some special interests that had played a key role in blocking Hillarycare, especially doctors, had softened their opposition due to relentlessly rising health care costs.

The reformers seized this historic opportunity, coming together as Health Care for America Now (HCAN) in 2008. HCAN grew into a mighty coalition and made history by playing an indispensable role in enactment of the biggest progressive reform in a generation: the Patient Protection and Affordable Care Act of 2010 (ACA).

Richard Kirsch tells this amazing story in his recently published *Fighting for Our Health: The Epic Battle to Make Health Care a Right in the United States* (Rockefeller Institute Press, Albany, 2011). This book is the best account of the biggest domestic reform in a generation. Kirsch is uniquely well qualified to tell the tale; he is a gifted writer, one of the nation's foremost health care advocates with decades of experience. As founding executive director of HCAN, he not only witnessed every twist and turn in this "mother of all political battles," he also played a key role in leading the grassroots army that out-mobilized the Tea Partiers while pressuring and cajoling federal lawmakers to finally take care of, in the words of former Senator Ted Kennedy, "the great unfinished business of our society."

Here are the types of readers who must devour this book right away – and why:

- **Practitioners and students of American politics** will learn every aspect of how a major reform bill becomes law: conception, drafting, messaging, coalition-building, grassroots lobbying, earned and paid media, direct lobbying, etc. They will witness the fascinating (and sometimes unseemly) process by which Congress and the White House grind the legislative sausage. And they will enjoy the perfect thumbnail sketches, some in acid, of many of our nation's most powerful leaders.
- **Nonprofit advocates** (and those contemplating a career as such) will learn the joys and sorrows of this type of public service from Kirsch's description of his long career as an organizer culminating in leadership of HCAN. From the detailed description of HCAN's inner workings, they will see how to conceive and execute a model campaign. I hope advocates notice in particular HCAN's wise decision to make authentic grassroots organizing the centerpiece of the campaign – as opposed to the all-too-frequent dependence on paid media or parachuting Beltway operatives into localities to try to fake grassroots mobilization with "Astroturf" actions.
- This brings me to the final audience that must read this book: **grantmakers**. Obviously, health grantmakers will be curious to learn how the biggest step forward in U.S. health care



Demonstrators during a June 2009 rally at Senate Park organized by Health Care for America Now. Photos courtesy of HCAN.

in generations actually happened. Kirsch's book will show them how funding advocacy gets better return on investment than funding service provision. And they will learn *how* to fund advocacy by observing the wise decisions of HCAN's biggest benefactor, the Atlantic Philanthropies, which invested approximately \$26.5 million in HCAN over several years. Consisting of 501(c)(4) dollars, Atlantic's investment was complemented by 501(c)(3) grants from other funders, notably the California Endowment, to the HCAN Education Fund. All these investments in HCAN are arguably the most effective philanthropy in a generation in terms of return-on-investment.² Hopefully, health grantmakers will act on these lessons right now by investing to ensure that ACA gets implemented properly. HCAN continues to do great work on implementation (and other issues).³ And there are many other opportunities right now at the national and state levels to fund ACA implementation, documented in a recent NCRP report⁴ and NCRP's archived January 24th webinar on this topic.⁵

Not only health funders, but indeed all grantmakers, should read this book, for it teaches many general philanthropic lessons, including:

- The superiority of investing in advocacy over service provision. As the experience with HCAN shows, such investments are even better if the grantee has a 501(c)(4) sister organization, in which case the (c)(3) dollars are more clearly segregated for exclusively (c)(3)-appropriate activities.
- Within the broad category of "advocacy," grassroots organizing often is more effective than (or at least an indispensable complement to) top-down types of advocacy such as think-tank policy development and paid media.
- Investment in existing, strong groups generally is wiser than investment in small or new groups. Hundreds of nonprofit organizations were part of the HCAN coalition, but in each state, HCAN worked through a "state coordinator." Wisely, HCAN carefully vetted the nonprofit landscape in each state, choosing as its state coordinator a *powerful* and *existing* organization with a *proven* winning record staffed by *native* leaders with *long-standing* relationships with that state's most important lawmakers (full disclosure: before my current job at NCRP, I was executive director of Progressive Maryland, which was HCAN's coordinator in the Terrapin State).

- Funders must overcome their fetish for "new," as if that is always "better." After all, the goal of investment should be support of *effective* organizations, not *new* organizations. In a nutshell, "Small is NOT always beautiful" because small usually lacks enough power to win. HCAN won because it had enough to power to overcome the combined might of the GOP, the Tea Party, the Chamber of Commerce, the insurance industry and the National Federation of Independent Business (NFIB) – plus an ever-shifting constellation of other special interests rotating in and out of opposition to (or malicious "neutrality" vis-à-vis) ACA.
- In most cases, HCAN selected as its state anchors multi-issue organizations over single-issue organizations. That's because multi-issue organizations usually are stronger. Most funders are issue-focused and therefore too often fund single-issue grantees. But an organization working on only one issue often finds it difficult to amass enough size, strength or experience to achieve much impact.
- Investment in coalitions (or groups that work well in coalition) usually is preferable to investment in loner organizations. HCAN was a coalition

of hundreds of pre-existing organizations all held in concert through the masterful leadership of Kirsch and his relatively small staff in DC. At the state level, anchors were chosen precisely for a track record of exemplary coalitional leadership.

- Patient capital in the form of general operating support and multi-year grants is better than project-specific and one-year grants. Yes, the Atlantic Philanthropies did plenty of due diligence before investing in HCAN, for example by requiring a very detailed strategic plan as a condition of the grant. But once Atlantic decided to invest, it did so as a big general operating and de facto multi-year grant. This constitutes good philanthropic practice because nobody has a crystal ball to predict the exact date or manner of victory in a big legislative or regulatory battle. Thus, investment capital needs to be patient and allow nonprofit leaders flexibility to adjust plans in response to rapidly changing circumstances. To its eternal credit (and I mean “eternal” because ACA was one of the biggest reforms in American history), Atlantic did just that.

What would happen if more grantmakers heed the lessons of HCAN? The U.S. would have more permanent progressive nonprofit infrastructure that could quickly form coalitions to exploit opportunities for reform to benefit underserved communities. This same infrastructure would be strong enough *after* elections to hold lawmakers accountable.

Lawmakers to be held accountable include Democrats. Too many liberals – grantmakers included – still seem to believe that if Democrats win an election, then progressive reforms happen automatically. Kirsch’s book shows once again that this is poppycock. Semi-corrupted by the campaign finance system and the revolving door to K Street, Democratic lawmakers *never*, of their own

volition, live up to their stated principles by voluntarily enacting the progressive reforms they espouse on the campaign trail. There is only one thing that can oblige them to do so: strong and permanent progressive grassroots infrastructure that cajoles, encourages, lobbies and pressures them round-the-clock.

Lest readers think I am picking only on current Democratic lawmakers for their dilatory performance in enacting ACA, just ask yourself a simple question: Would LBJ have enacted the Civil Rights Act and Voting Rights Act without a militant civil rights movement pressuring him from the streets? And even my personal hero, FDR himself, once admitted to a group of progressive reformers, “I agree with you. I want to do it. Now make me do it.”

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What else but permanent, strong progressive nonprofit infrastructure can “make them do it”? What else can help regular Americans (the 99%) offset the overweening power of the multinational corporate special interests (now stronger than ever thanks to *Citizens United*), an increasingly hard-right GOP, and a Democratic Party semi-beholden its big campaign donors?

My only quibble with Kirsch’s book is this: he never explains why Democrats did not choose to pass the bill in the Senate via simple majority using Rules of Reconciliation instead of allowing Republicans and a handful of conservative Democrats to hold the bill hostage for months and months with filibusters (and the mere threat thereof). As ACA clearly would have helped close the budget deficit, why could it not be passed via reconciliation?

But that is just a nitpick. Stop what you are doing, buy this brilliant book and read it – especially if you are a grantmaker. ■

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Notes

1. See Terri Langston, *Towards Transformative Change in Health Care: High Impact Strategies for Philanthropy* (Washington, D.C.: National Committee for Responsive Philanthropy, April 2011), <http://www.ncrp.org/paib/health-philanthropy>.
2. Sean Dobson, “A Number Every Grantmaker Should Memorize: 0.1%,” *Keeping a Close Eye ...*, September 26, 2011, <http://blog.ncrp.org/2011/09/number-every-grantmaker-should-memorize.html>.
3. See <http://healthcareforamericanow.org/>.
4. See Langston.
5. See <http://www.ncrp.org/partners-members/pulse-events>.