The Relevance of Health Reform to Community Health and Development

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Over the past twelve months, Congress and the nation have been engaged in a discussion about how to make significant changes in the provision of health insurance and the financing of health care in the United States. The debate has seen its highs and lows: from the raucous August town hall meetings and charges that the reform would institute "death panels" for the elderly and lead to government-run health care to more candid conversations about the affordability of health insurance for typical Americans and the real impact of an inefficient and underperforming health-care system on the U.S. economy.

Fundamentally, at their core, the bills recently passed by the House and Senate seek to increase access to health insurance, improve the quality of medical care, and control health-care spending. Although considerable evidence shows that health at a population level is determined by social and economic factors that fall primarily outside the medical-care system, 90 percent of the new health-reform dollars would be spent to make health insurance more affordable for low- and moderate-income Americans (McGinnis and Foege, 1993; Mokdad et al., 2001; Long, 2008). As a result, several commentators have suggested that the health insurance reform debate has very little to do with improving the health of the U.S. population (Halfon, 2008; Klein, 2009). Given the narrow focus of the debate and its still undetermined fate, we address two questions: Why should individuals engaged in community economic development get involved in the details of health reform, and why should they participate in the design of the implementation plan if and when the legislation is passed?

Beneath the surface of the contentious issues in the headlines and the hundreds of billions of dollars allocated to subsidize health insurance premiums, the final health reform bill is likely to contain a significant number of provisions that have the potential for community health infrastructure to deliver better population health outcomes. Although these public and population health initiatives represent a fraction of total proposed spending, and are considered relatively minor provisions by most observers, passage of a health reform bill would nonetheless present a number of promising opportunities for community health

1 The views expressed here are those of the authors and not the Henry J. Kaiser Family Foundation or the University of California, Los Angeles.

and development. The emerging legislation contains a number of specific examples of new policy directions that could impact health and development at the community level and provide opportunities for engagement to shape their final implementation.

Potential Benefits

There are both direct provisions designed to improve health at a community level and a number of indirect pathways that could influence community health and development. For example, both the House and Senate versions of the bill contain provisions that would create and fund major grant programs for public and population health functions (Senate bill passed December 24, 2009, and House bill passed November 7, 2009). Although small in comparison to total proposed spending, these grants represent a significant infusion of up to $10 billion annually in new resources to support effective public health programs in states and communities across the country and enjoy bipartisan support. One specific example is the childhood obesity grant program in the Senate bill. This provision has been praised by foundation leaders as a means to reduce health disparities and promote equity (Healthy Eating Active Living Convergence Partnership, 2009). Community-based initiatives that address the multiple causes and impact of obesity are also likely to result in new investments and policy changes that extend beyond the traditional medical and public health sectors into other aspects of community and civic life. At their best, these grant programs have the potential to stimulate new pathways for promoting health and preventing disease that not only could be scaled and spread but could be adapted to other health conditions with similar complex causal pathways requiring broader community wide approaches for amelioration.

Both bills would support innovation networks and learning collaboratives[2] where evidence of successful practices in treating patients with chronic conditions could be diffused, scaled, and replicated. This support would reduce the time between the generation of knowledge, piloting, and its widespread diffusion.

Through the increases in insurance coverage, all bills would allocate significant new resources to health-care providers in local communities across the nation. Representing one-sixth of the Gross Domestic Product (GDP), the health-care sector is one of the largest sectors of the economy in many communities. Increasing the number of Americans with health insurance will also lead to increased demand for goods and services, generating additional health-care spending and demand for health care workforce (Office of the Actuary, Centers for Medicare and Medicaid Services, 2009). Previous studies have quantified the multiplier effects that federally funded health insurance expansions can have on local economies (Families USA, 2008).

A number of provisions in various bills are designed to "bend the health-care cost curve,"

2 ACOs represent a new organizational structure that could knit individual and population health outcomes together and link short- and long-term time horizons. While they have the potential to be the engine that drives a more efficient health-care system, many other necessary precursors are not in place.

such as bundling payments for services and incentives to prevent hospital readmissions (Senate Finance Committee, 2009). These provisions are grounded in the belief that if the nation can reduce spending levels in the inefficient health-care sector by one or two percent of GDP, additional resources will be freed up to generate more productive and efficient economic growth in green technology, education, or other sectors.

The potential expansion and use of health information technology (HIT) provides an opportunity for communities to update and upgrade their health measurement and monitoring systems, as well as the measurement of other social factors that influence health outcomes. While HIT innovations are beginning in the doctor's office and hospitals, advanced HIT systems will undoubtedly include community health measures. Similarly the focus on comparative effectiveness research is likely to begin with comparisons of drugs and medical procedures, but it could also advance our ability to assess how different community infrastructures and interventions can result in better and more cost effective health outcomes.

Potentially Adverse Elements

As any introductory public policy text warns, every piece of legislation has intended and unintended consequences. With bills as complex as the emerging health reform proposals, it is not surprising that they offer some new tools and resources to promote population health like the ones noted above and make other policy choices that could inhibit community development or make certain activities more difficult.

For example, provisions in the bills that force employers to either pay into a health insurance pool or purchase insurance for their workers could have negative economic impacts on small and medium employers, who would be required to pay for a portion of health insurance premiums. Given that the cost of purchasing health insurance is roughly equal to the cost of hiring a minimum-wage employee for a year, provisions requiring employers to pay for insurance may prevent future hiring or limit job growth (Kaiser Family Foundation, 2009).

In addition, the exclusion of certain immigrants from health insurance subsidies and the portion of the population remaining uninsured after full implementation will necessitate the need to maintain a separate health-care safety net to provide them with free or low-cost medical care. These exclusions will have disproportionate impacts on states such as California, New York, Texas, and Florida and certain communities within those states that have the largest numbers of undocumented immigrants and remaining uninsured.

The Way Forward

Because two bills are being combined into a final piece of legislation before a final vote by the House and the Senate, specific provisions within the House and Senate bills could change, but the overall direction is clear. Because of the complexity of the policy changes under consideration, the final bill is likely to provide only a broad policy framework, particularly for policies that would affect community health and development, leaving the details

to federal agencies, state governments, new commissions, and other entities. These details will be crafted over the next several years through regulations, program descriptions, other guidelines, and real-world experience.

Health reform is important to examine not only from a community economic development perspective, but these practitioners will be important actors in determining its ultimate success, since the final verdict on the value of health reform is likely to be delivered by communities across the country over the next decade or longer. As such, health reform provides many opportunities for practitioners working at the community level to promote innovation, share promising models from other sectors and identify new linkages among community development, a high-performing health-care system, and population health measures. Community development practitioners also have the tools and know-how that is needed to scale and diffuse successful pilots and demonstrations, which have real potential to transform health-care delivery systems and improve the nation's health.

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