

# Two to tango

## Communications professionals need to take the first step to find a partner

The changes brought about by healthcare reform make it even more important for healthcare communicators and government relations specialists to learn to work together, long term. The brief liaison the two parties enjoyed immediately after President Obama was sworn in was short lived, lasting only until the Patient Protection and Affordable Care Act was signed. The dance died, and the partners retreated under the illusion that the main event was over and it was business as usual once again. The truth is, the party is only just getting started.

I spend most of my days trying to help healthcare communications and government relations specialists work together. You could say that my professional life is like a sixth grade dance hall – boys on one side and girls on the other. Each side is more or less aware of the other but is at various stages of engagement. Some want to cross over but are not sure how. Others want someone else to make the first move. Some wonder if the effort is worth it; others are oblivious. Some are unsure just because the person on the other side appears unfriendly.

The reasons for the separation date back to the days when the roles of communications and government relations were quite different. Communications activities helped create a positive marketing and sales environment. Government relations activities helped create a favorable legislative, commercial and regulatory environment for the corporation. The two specialties typically operated in separate spheres of influence.

But the two specialties can also work together. For example, when President Obama was sworn into office and the health reform debate heated up, communications and government relations found themselves in a vigorous fox trot. With so much on the line, communicators knew that corporations had to engage in the debate, and government relations specialists provided the information to develop the communications strategy.

Companies funded conferences, pitched their executives to media and worked hard to defend their interests. When that bill, now known as the Patient Protection and Affordable Care Act (PPACA) was signed, however, the partners stopped dancing and went back to the wall. Why?

I believe it's because communications professionals have fallen victim to three major myths about what PPACA means to their businesses. Everyone thinks the main event is over and we can all get back to business as usual. But communicators, listen up. This act will profoundly affect

your companies. Corporations have more at stake than they know, and my message to you is, stop hugging the wall and get back on the dance floor. Here's why.

### The most important audience

**Myth 1: PPACA strengthened the government's position as an important audience.**

**Fact: PPACA tipped the scales, making the government THE most important audience.**

Of course health systems, providers and patients are still vitally important audiences. But regardless of your specific product, service or cause, if it is in the realm of health care, your most influential stakeholder is government. Period. Recent data from the Centers for Medicaid and Medicare Services' (CMS) actuarial report of national health expenditure projections released in January irrefutably demonstrated this.

- Federal and state government pays for half of all US health spending
- Of insured spending, government programs pay 57 percent of healthcare costs, compared to 43 percent by employers and private health plans
- In any healthcare market segment, Medicare and Medicaid are #1 or #2. Medicare is the largest payor of hospitals, physicians, and prescription drugs. Medicaid is the second largest
- Medicaid is the largest payor of home care and nursing homes, 10 times larger than all private insurers added together.

Mere spending levels fail to demonstrate fully the extraordinary market power and influence of the government. Government's sheer size drives provider behavior, as does its immense regulatory authority over how providers operate and deliver care. Other payors quickly follow government coverage and payment methods.



Increasingly, government programs, such as Medicare and Medicaid, are regulating prices through mandatory rebates, payment caps and similar mechanisms. These, in turn, drive pricing practices across the private sector. And all this was happening before the passage of PPACA.

PPACA makes the government's role as a payer even bigger. Medicaid is expected to grow by at least 25 percent, to over 75 million beneficiaries. The government will be subsidizing coverage to an estimated 25 million people, as well as creating an entirely new, government-run marketplace – called insurance exchanges – where individuals will buy insurance. This will give the government more authority to regulate private healthcare plans' benefits, premiums, competition and spending. In essence, PPACA gives the government the power to define healthcare benefit packages for the vast majority of Americans.

Clearly, with this kind of purchasing power, government audiences should command the top of any healthcare business or organization's stakeholder list. Communicators, you are playing with one hand tied behind your back if you are not coordinated closely and regularly with the people who know how government officials function and think.

### A new era of dialogue

**Myth 2: Health reform is largely over and there will be no more major changes in the foreseeable future.**

**Fact: The PPACA marks the beginning of a new era of healthcare dialogue and policymaking.**

There are still a lot of decisions to be made. The law itself is written in broad strokes, but the regulatory branch will truly define the end result.

PPACA created 105 new agencies, oversight boards and programs. Each of these will have its own set of decision makers and influencers. In addition, there are 1,051 "the Secretary shall" directives in the law. For many of those directives, Congress will direct a Cabinet Secretary, such as Secretary of Health and Human Services, Kathleen Sebelius, to establish a new program or office or write a report to Congress with a recommendation. Each of these actions represents new opportunities and challenges for communications professionals to help influence the outcome and participate in the public dialogue.

For example, despite the rhetoric, PPACA is as much about reforming the process of care delivery as it is about health insurance reforms and coverage access. The

### Key points

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- There are 1,051 directives in the law
- The future impacts of the PPACA on health spending, insured status, individual decisions, and employer behavior are very uncertain
- Companies should take advantage of the opportunities created by PPA to engage in and lead thinking about the future of healthcare
- PPACA made government the most important audience

a quick look

law appropriates \$15bn in new grants for prevention and wellness initiatives and \$10bn for the Center for Medicare and Medicaid Innovation.

These types of grants will test payment and delivery reforms in “demonstration projects” that, if successful, could be rolled out nationwide. If your company participates in a demonstration project, it can claim the mantle of thought leadership and be on the forefront of reform.

Furthermore, participation in demonstration projects allows companies to build relationships with important government leaders and influential third party groups. These projects also provide compelling media stories, filling the need for meaningful content. Finally, companies can demonstrate leadership through deeds, as well as words.

Rather than expend resources on initiatives that transparently serve the interests only of themselves, corporations should take advantage of the many opportunities created by PPA to participate, engage and lead thinking about the future of healthcare. Why? Because by linking to epochal events that are driving their sector, healthcare companies can communicate their own thought leadership, build their own reputations and develop new relationships with like minded stakeholders – in addition to advocating for their own point of view.

**Working together is the only way**

**Myth 3: The government relations professionals should handle government stuff.**

**Fact: Government relations and communications working together is the only way to maximize the opportunities and mitigate the challenges posed by PPACA.**

It’s easy for communications professionals to think that their companies’ government relations departments “have it covered” when it comes to influencing the government and understanding the impact legislation will have on business. There are at least two flaws in this line of thinking that could prove costly.

First, no one really “has it covered.” In April, CMS Chief Actuary, Richard S Foster, reported to Congress that: “The actual future impacts of the PPACA on health expenditures, insured status, individual decisions, and employer behavior are very uncertain. The legislation would result in numerous changes in the way health care insurance is provided and paid for in the US, and the scope and magnitude of these changes are such that few precedents exist for use in estimation. If he doesn’t know what is going to happen, no one knows.

The second flaw is believing that government relations professionals know everything you know about how communications strategy can shape outcomes in the brave new world of health reform. Believe me, they are spending ALL of their time trying to understand the new reforms, which have come in a wave of advisories, solicitations and announcements too numerous to list here.

If you aren’t telling them how Twitter, Facebook, MySpace and good old fashioned print and broadcast media are shaping perceptions of your company and its business practices, no one will. The government relations team is not thinking about how the full breadth of communications

could help further their advocacy goals, and they certainly are not thinking about how their work might help you accomplish your communication goals.

One for profit company I worked with really understands how using issues based communications can advance its own political and communication goals. The company created an initiative to bring together the five major non governmental organizations (NGOs) in the disease category most important to its business, to discuss the key policy issues being debated as part of PPACA. Although the NGOs individually had strong policy platforms, there had been very little coordination among the groups previously. My client dedicated significant company resources from both its government relations and communications divisions to seek commonality and align the groups where possible.

The result was a strong united voice in letters to Congress, press releases and inside the beltway issue ads. Some of the issues discussed were not important to my client’s political agenda at all, which only served to bolster its reputation among the NGOs beyond what the initiative already had accomplished. The effort by my client to convene, converse and promote common purpose among these groups demonstrated that they truly cared about the disease – and not just their own products. Certainly the company’s logo shown alongside the brands of the marquee NGOs was beneficial to its reputation, but the real payoff was the useful and solid relationships built with the NGOs – especially after the passage of PPACA.

**Take the first steps**

Communications specialists have much to gain from – and much to contribute to their counterparts in government relations. Communications professionals are skilled in the nuances of building coalitions and linking corporate interests to stakeholder concerns. Government relations people, through deep understanding of how specific health reform policies and programs will affect healthcare businesses, know where the opportunities exist for like minded allies to partner on important issues. But if you wait for an invitation to this dance, it may never come.

Communications professionals need to take the first steps onto the floor and find a partner.

If you work in healthcare communications and are going about your job the same way you did on January 1 – you might as well be hugging the wall in the 6th grade dance hall. You don’t have to be Fred Astaire to ask someone to dance. But you do need to get out there.



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