

Creating a Colorado Health Care Task Force

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Issue Background

By [Linda Gorman](#)

Synopsis: This bill allows a state task force to receive private funding. It is a trojan horse to allow the Robert Wood Johnson Foundation to push for socialized medicine and various nanny state schemes. The bill is antithetical to the principle that government activities should be paid for (and therefore controlled by) the legislature.

What the Bill Does: This bill creates the Colorado Health Care Task Force consisting of 9 members of the general assembly, 5 from the House of Representatives, and 4 from the Senate. The Speaker of the House and the President of the Senate make the appointments. Members may serve for 2 consecutive terms of 1 year. The task force must meet at least 4 times per year.

Members may appoint subcommittees. The members of the subcommittees will not be paid. Subcommittee members "should" be chosen from the usual suspects health care providers of various stripes, employers of various sizes, hospitals, managed care insurers, HMOs, community activists involved in health issues, and bureaucrats from the Department of Public Health and Environment, and the Division of Insurance.

All task force costs will be reimbursed despite the fact that there will be no legislative appropriation. This is possible because the bill specifically states that the task force may accept and spend "federal funds, grants, gifts, and donations" for purposes of the task forces activities.

Discussion: This bill creates the equivalent of a legislative subcommittee with one important difference--this subcommittees activities can be funded by private organizations with a political agenda. This creates a mechanism by which private organizations can purchase legislative policy recommendations. This is a recipe for bad government. Furthermore, the task forces structure and method of funding make it extremely unlikely that it will be a source of balanced policy advice.

The bill summary states that "members of the general assembly must obtain information on which to base policy decisions in this area [health care]" and says that the task force will help legislators learn about the issue. Recall that legislators terms on the task force are limited to 2 consecutive years. This ensures that members will be forced off the task force just as they become competent. Note that members of the task force subcommittees may serve indefinitely. This means that expertise will likely reside in the subcommittees. With this sort of imbalance, it would be most unusual if subcommittee members did not end up controlling the task forces legislative agenda.

Legislators already specialize in health care issues without a 2-year time limit. They consult with

experts around the state and is the focus of intense educational lobbying campaigns. This bill probably does little to improve the overall competence of the legislative body as a whole. What it does do is put a legislative stamp of approval on public policy recommendations financed by private money.

The problems inherent in allowing government organizations to accept private funding have been known for years. When public officials depend on private money to carry out their jobs, it is impossible to know whom they are working for. Whose interests come first? Those of the people they represent or those of the group providing the cash? Private money always has strings attached. And private groups, even non-profit ones, have their own agendas.

Students of good government know that private interests routinely conflict with public ones. This is why prohibiting the acceptance of any kind of private funding by official bodies is one of the basic building blocks in the institutional firewall protecting citizens from a government in thrall to private agendas. This bill would begin dismantling that firewall by allowing a public body to accept private money for the purpose of developing public policy recommendations. It sends an interesting message about government intentions in a time of heightened cynicism about the motives of government and government officials.

Supporters of private funding argue that governments are trying to do more with less and can use private grants to stretch their policy resources in times of stringency. Colorado government is not now operating in a time of stringency. Even if it were, stringency signals that officials must pare government programs down to a level that taxpayers feel they can support. It is not an excuse for taking money in exchange for doing the things some private group wants done. Private groups have historically been barred from funding government precisely because they have a history of manipulating legislation in their own interest at the expense of the public interest. To see this, one need only look at the history of teacher licensure laws.

Colorado has already had some experience with the deleterious effects of accepting private money for policy formation. Since 1992, the executive branch of state government has received more than \$4.5 million from the Robert Wood Johnson Foundation, a New Jersey non-profit that is one of the 10 largest foundations in the United States. Robert Wood Johnson promotes a particular brand of health care policy, and has been paying state bureaucracies to implement it. There is no evidence to support the claim that the Robert Wood Johnson solution improves individual health.

There is evidence to suggest that taking Robert Wood Johnson money has made the executive branch departments responsible for evaluating health care policy less than candid. In one 1994 example, officials backing school-based health care admitted that the centers "may add to the total cost of care" with school-based health center costs estimated at \$100-\$125 per year per student while health insurers pay about \$120 a year for all primary services. But they assured the Foundation that this was not a problem. "Based upon the Kaiser study [a study that was currently under way]," they wrote, "state staff will assemble evidence that current capitation rates for school-age children are inappropriately low."

With private funding at stake, why let facts get in the way of policy?

State legislators and state researchers ought to work for the public, not for the Robert Wood Johnson Foundation, or other nanny-state organizations.

Linda Gorman, Senior Fellow, Independence Institute

Appendix: More on the Robert Wood Johnson Foundation

IT ISN'T ABOUT KIDS, AND IT ISN'T ABOUT TOBACCO

By Linda Gorman

[Rocky Mountain News, Nov. 9, 1998]

One of the remarkable aspects of the anti-smoking hysteria is the extent to which it has been bankrolled by huge foundations with extremist public policy agendas. One constantly hears about all the money that tobacco companies spend on the issue. One never hears about the millions spent by the big non-profits. They want their share of the additional wealth and power that more tobacco regulation would funnel into government hands, and they are willing to spend big bucks to get it.

In 1993, the Robert Wood Johnson Foundation (RWJ) spent \$10,000,000 on SmokeLess States, a program to create coalitions of activist groups at the state level. In 1996 it added another \$20,000,000 to "fund tobacco control initiatives in 30 states and two cities." In 1996, \$20,000,000 more was appropriated to start the National Center for Tobacco-Free Kids.

In 1995, the foundation spent \$2,500,000 on a pilot program called Smoke-Free Families to develop "electronic tracking of women across preconception, prenatal, and postpartum settings." The "Addressing Tobacco in Managed Care" program spent \$6,760,000, presumably to teach HMOs force their clients to stop. A whopping \$20,500,000 was earmarked to develop "detailed community-level databases" on youth tobacco, alcohol, and "other drug use."

Colorado shared in this wealth. In 1994, the year the \$.50 a pack cigarette tax hike was on the ballot, the Coalition for a Tobacco-Free Colorado received \$1,000,000 from Smokeless States for an "educational" campaign. The Colorado Department of Public Health and Environment, itself a beneficiary of millions of dollars from RWJ, even contributed taxpayer money and staff time to the campaign. That this violated the spirit, if not the letter, of the law prohibiting state government from participating in issues before the electorate, bothered its officials not at all.

Is Robert Wood Johnson spending this kind of money because it really thinks that more regulation, more taxes, and more education will make a difference? Only if it is ignorant of the data already out there, which it undoubtedly is not. It can't argue that people don't know that smoking shortens life. Cigarettes have been called coffin nails since the turn of the century, and

surveys suggest that Americans routinely over-estimate the dangers of smoking.

It can't argue that cigarettes are addictive drugs. Center for Disease Control figures show that the U.S. has more former smokers than smokers and that 90 percent of the former smokers gave up the habit on their own. Nor can it argue that smokers harm others via second hand smoke. Though it failed to find any strong evidence that passive smoke increases health risks, the latest World Health Organisation study on passive smoke found strong evidence that childhood exposure to cigarette smoke cuts the risk of lung cancer by 22 percent.

It can't argue that cigarette taxes should be increased to make up for the costs that smokers impose on what it likes to call "society" (and others call the government's coffers) because smokers pay more than their fair share. Shorter lives result in savings from lower Social Security and pension costs. Those savings exceed the costs that smokers impose by 23 to 53 cents per pack.

They can't even argue that people want more taxes and regulation. Americans generally believe in letting people go to perdition in their own fashion as long as they don't harm others. And tobacco taxes hit the poor hardest. Smokers who earn less than \$10,000 a year pay roughly 13 times more of their income in tobacco taxes than those who earn \$50,000 or more a year. Laws already exist to keep smokers from blowing smoke other people's faces and to prohibit tobacco sales to kids.

Such spending makes sense only when one realizes that tobacco offers the foundation a quicker route to its utopian vision of socialized medicine. If tobacco, along with alcohol, obesity, depression, stress, violence, and anxiety can be said to harm "health," then government must step in to control individuals' behavior for their own good. Because pregnant women might smoke and smoking is bad, millions should be spent to track their tobacco use before, during, and after pregnancy. From there, it is easy to add tracking of other "bad" things. This has happened in Minnesota, where RWJ functionaries have godfathered perhaps the most centralized health care system in the country. There, proposed "health" questionnaires, under the guise of risk management, ask whether one has a gun in the house. In the socialist equation, guns equal violence, and violence is a "health" risk. No doubt one's weight, and the foods one eats, will soon follow.

This also explains why RWJ, through the Tobacco-Free Kids program, bankrolled recent attack ads claiming that Senators Allard and Campbell voted against a nationwide policy to "protect" kids from "tobacco addiction." Of course they did. This isn't about kids, and it isn't about tobacco. It's about government control of your life.

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Corruptions Dead Canaries

by Linda Gorman

The routine levels of corruption in certain other states make Colorado governments seem positively saintly. Until recently, the states small size and streamlined governmental structures guaranteed the transparency of the political process; dubious practices were easily understood and on display for all to see. But as times have changed, so has Colorado's government. Isolated events over the last decade, like the coal miners canary, suggest that it is time to start thinking about the potential for corruption, and the steps that need to be taken to ensure that it does not take root here.

Corruption occurs when officials undermine the rule of law either by ignoring it or by abrogating government powers to their own use. Bribes and kickbacks are obviously corrupt. But corruption also occurs when public officials make a practice of giving special treatment to selected individuals or groups.

Special treatment undermines the principle of equal treatment under the law by politicizing the use of government power. With it, bureaucrats and elected officials can manipulate the regulatory environment to make it impossible for those in disfavor to compete. They can use public monies to fund the favored, and government resources to mount private media campaigns to push their private agendas.

The recent \$85,000 "loan" by the South Suburban Parks and Recreation District to a political group organized to fight the city of Greenwood Villages annexation of property currently in the District's tax base is a clear case of special treatment. The District, a tax funded government organization in the south Denver metro area, required that the "loan" be paid back only in the event that the measure to block the annexation wins.

Apparently the District board neither knows nor cares that some of the people paying District taxes may favor the annexation. Nor does it care that the money it "loaned" was entrusted to it with the understanding that it be used to provide parks and recreational facilities. Taking tax money intended for parks and recreation and using it to fund a political campaign has nothing to do with recreation and nothing to do with good government. Such special treatment violates public trust and is just another form of corruption.

Obscure local boards are not the only government entities tainted with special treatment corruption. The state does it, in spades. Consider the 1994 tobacco tax initiative, a ballot measure proposed by a group called the Fair Share for Health Committee. Supposedly earmarked "indigent health education and care," in the normal course of events the revenues from the \$.50 a pack tax increase would have been administered by the Colorado Department of Health and Environment (formerly the Colorado Department of Health).

Between 1992 and 1994, the Robert Wood Johnson Foundation gave the Colorado Department of Health and the Governors Office more than \$850,000 in exchange for promoting its policies. The Foundation, a staunch advocate of socialized medicine, had previously paid for millions of dollars of television advertising featuring Hillary Clinton in support of the Clinton campaign to nationalize health care. It promised the state millions more if the state performed as promised (follow-on money was more than \$3,800,000 by mid-1998). In August 1994, Robert Wood

Johnson awarded \$1,000,000 to a group called the Coalition for a Tobacco-Free Colorado. Though ostensibly for "education" a large chunk of the money was spent on television ads that ran before the election.

According to a 1994 article by Al Knight of the Denver Post, the Coalition had "no office or staff of its own apart from state workers." Walter "Snip" Young, director of the states division of prevention programs, just happened to serve as the head of the Coalition, and its records just happened to be stored in state offices. In the grant proposal, Mr. Young proposed "to conduct a statewide public education campaign necessary for an increase in the Colorado tobacco excise tax" and to "conduct planning activities that will prepare us for the eventual tobacco tax revenues." While working for the Coalition, Mr. Young remained on the state payroll. He also directed the Fair Share for Health Committee.

Now this is a clear case of government officials abrogating government powers to promote a private political agenda. But it didnt violate the Campaign Reform Act prohibiting public agencies from using their resources in political contests because, as Secretary of State Vikki Buckley ruled, the health department ceased campaigning when the ballot measure went "before the electorate" as a petition.

These and other incidents are the dead canaries. Government organization should not make "loans" of public money and facilities for private purposes, accept grants from private entities, pass special legislation, or use government resources to plan and set-up "educational" campaigns. Unless one wants Colorado to become synonymous with corruption, the law needs revising.