

## **Health Care Working Group**

*Chair:* Jim Roosevelt, President and CEO, Tufts Health Plan

*Coordinator:* Valerie Fleishman, COO, New England Healthcare Institute

### **Case Study:**

#### **Business Leadership and Public Leadership: Driving Massachusetts Health Care Reform**

#### **Biography – Philip J. Edmundson:**

Philip J. Edmundson is Chairman and Chief Executive Officer of William Gallagher Associates, the largest independently owned insurance brokerage in New England. He co-founded the company in 1983. He is an honors graduate of Amherst College, where he was elected to Sigma Xi, the national scientific honor society. He received his Master of Business Administration degree with honors from Babson College. He also received a Master of Public Policy degree from the Kennedy School at Harvard University.

Age: 49

#### **Company Background**

Founded in 1983, William Gallagher Associates is a leading provider of insurance brokerage, risk management and employee benefits services to companies with complex risks, within industries that include high technology, life sciences, financial risks, healthcare services, energy, aviation and environmental services.

#### **Introduction**

In April 2006, Massachusetts passed an unprecedented health care reform law expanding health insurance coverage to nearly everyone in the state. This groundbreaking reform was the result of many years of effort on the part many leaders in the public and private sectors. This case study follows the path that one business leader took in driving the health care reform legislation forward and the critical role he played in connecting business leadership with public leadership.

#### **The Challenge:**

In the year 2000, Philip J. Edmundson, CEO and Chairman, of William Gallagher Associates, the largest independent insurance brokerage in New England, made a pivotal personal decision that he wanted to have more involvement in public policy. He had recently been elected town selectman in Hingham, but for him that was not enough. He wanted to find some place where he could make a difference in a broader, more lasting way.

While his business expertise was in property insurance, his personal interest and passion were in health care and specifically, in expanding health insurance access to all. He was not driven by business interests (although as an employer, he deeply believed that employers should provide health insurance for their employees); he was driven by own personal conviction that it was the right thing to do.

The questions Phil asked himself were “How could I help? How could a business leader with no experience in health policy contribute in a meaningful way to the pursuit of expanding health care access for all?”

## **Critical Factors:**

### *Laying the Groundwork (2000 – 2003)*

In seeking answers to these questions, Phil made two important decisions that ultimately provided the foundation and platform for his leadership in health reform.

The first decision Phil made was to pick up the phone and call Rob Restuccia, a Founder and Executive Director of Health Care For All (HCFA), a consumer advocacy organization focused on expanding health care coverage in the state. Phil asked Rob to meet with him, as he wanted to learn about the issues and find opportunities to get involved in the policy side of HCFA. By reaching out to an organization that was aligned with his interests, Phil laid the groundwork for his involvement.

The second critical decision Phil made was to take a one year hiatus from running William Gallagher Associates to pursue a mid-career masters in public administration at Harvard University's Kennedy School of Government. While at the Kennedy School, he focused on business and government and specifically on issues of health care policy and financing. Phil traces his contributions to health reform to four "epiphanies" he had while at the Kennedy School:

1. Government leaders want to hear from business leaders – they want to make good decisions and are eager for information that will help them do that,
2. Business leaders have high credibility with government leaders, particularly on issues they are personally passionate about and not just issues that advance their business or trade group, and
3. Business leaders tend to discount their own background and experiences and yet they are often extremely valuable to policymakers, and
4. The words of advice from Michael Dukakis', former Governor of Massachusetts and longtime supporter of universal health insurance, "You won't get anything done (in health care reform), if you don't work with the business community".

These insights on the value of public-private partnerships shaped and spurred Phil's involvement in health reform over the years to come.

During this time, Phil continued to stay in touch with HCFA, and as he likes to put it, John McDonough, the new Executive Director at HCFA, "just inherited me". In 2004, HCFA, launched a new coalition called Affordable Care Today (ACT). ACT brought many groups together – physicians, unions, consumer groups – and began developing proposals to place health care access expansion on the state's policy agenda.

The members of ACT, approached Phil and asked him to chair the coalition and by doing so help bring out the critical voice of the business community. Despite feeling "under-qualified" and reluctant at first to take on such a public role, he was driven by his conviction that all people should have health care coverage. He wanted to help. He agreed to do it.

### *Becoming a Public Voice on Health Care Reform (2004 – 2006)*

With Phil as Chair, ACT became an increasingly powerful voice in the debate on health reform. In addition to filing early versions of the health care insurance reform bill, in the summer of 2005

ACT launched a grassroots voter initiative petition for the November 2006 state election. The petition not only drove public support for the legislation, but also served as a threat to legislators that if the legislation did advance, it would be put on the ballot in November of 2006.

During the fall of 2005, Phil, as chair of ACT and a business leader and employer in the state, thrust himself into the public eye on health reform. He wrote op-eds, appeared often in the media, on the evening news and on radio and met frequently with legislators. While Phil represented the voice of the business community within ACT, the business community itself was strongly divided on the critical issue of employer assessment.

As conflict in the business community grew, Phil wondered if clients would object to his new public role and worried about potential impact on his business at William Gallagher. As CEO, he fielded questions from concerned clients and succeeded in satisfying any skeptics. Through that process, however, he became acutely aware of the balancing act required when personal interests intersect and/or potentially conflict with business interests. It is one of the realities he faced head on.

### **Results:**

By late 2005, ACT volunteers had collected over 83,000 signatures, enough to qualify the initiative for the ballot. During the final months of debate, Phil continued to speak out publicly and meet with legislators.

On April 12, 2006, Chapter: 58, An Act Providing Access to Affordable, Quality Accountable Health Care was enacted into law (for more information see [The New York Times article](#)<sup>1</sup>). The cornerstone of the law is shared responsibility among government, employers and individuals to expand health insurance access across the state. While the final legislation represents a compromise from many parties, it achieved the critical goals that ACT, Phil, and others had pushed so hard for.

Phil modestly attributes his own contributions to merely “being in the right place at the right time”, but it’s clear, there was much more to it than that.

When asked what advice he has to give other CEOs and business leaders on how to get involved in public policy, Phil says: “Go with something you’re passionate about, something that’s important in life, build a coalition, and just do it”. And that’s exactly what he did.

*A panel session at the PBLN’s October 26<sup>th</sup> conference will extend on this case study and further explore how business leaders can get involved in the implementation of health care reform.*

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<sup>1</sup> Belluck, Pam; Zezima, Katie, “Massachusetts Legislation on Insurance Become Law”, The New York Times, April 13, 2006.