## Table of Contents

About Us ........................................... 2  
Message from the Board .................... 4  
Highlights ........................................ 5  
Using Evidence ................................. 6  
Working Together .............................. 8  
Advancing Change ............................. 12  
Coalition Leadership ......................... 14  
Finances ......................................... 16  
Member Organizations ....................... 17
Led by John Rother, the National Coalition on Health Care (NCHC) was formed more than two decades ago to achieve comprehensive health system change.

The strength of the Coalition lies in its members. NCHC is a nonpartisan and nonprofit coalition of organizations that represents more than 80 participating organizations, including medical societies, businesses, unions, health care providers, faith-based associations, pension and health funds, insurers, and groups representing consumers, patients, women, minorities, and persons with disabilities. Collectively, the Coalition represents— as employees, members, or congregants—more than 100 million Americans.

Since its creation in 1990, NCHC has consistently advanced health system change to improve the accessibility, affordability, quality, and cost effectiveness of care. Coalition members have shared a common understanding that the cost and quality of health care affect every American and every segment of American life. While the Affordable Care Act expanded access to health care to more than 32 million Americans and included important strategies for lowering health care costs and improving quality, health care costs and total spending continue to soar for government, businesses, and families.

The overarching goal of affordable care for all cannot be met without meeting the systemic, interrelated challenges of cost reduction and quality in both the public and private sectors. Recognizing that an affordable, high-quality health care system is critical to the physical and financial health of the United States, the Coalition has consistently advanced health system changes to improve the accessibility, affordability, quality, and cost-effectiveness of care.

In 2011, NCHC remained committed to the reality that lowering costs and improving quality will only be achieved through shared responsibility and effective collaboration between all of the key players in the health system.
Our Mission:
To bring together key stakeholders in order to achieve an affordable, high-value health care system for patients and consumers, for employers and other payers, and for taxpayers.

Our Vision:
To be a leader in promoting a healthy population and a more effective, efficient, and responsive health system that provides quality care for all.

“The National Coalition on Health Care provides a rare arena for vigorous discussions of ideas, questions and proposals to fortify the search for robust cost containment strategies that are always linked directly to improving access to care, affordable coverage and the improvement of health care quality and safety.”

- Mary Andrus, VP, Easter Seals

NCHC takes a comprehensive approach to solving the health care issue by using evidence, working together and advancing change for today and tomorrow.
2011 was a year of significant advances and change for the National Coalition on Health Care. The Coalition launched an aggressive effort to promote health system change that can ensure the affordability and sustainability of health care for all. The Coalition staff team has expanded, recruiting new talent into positions in development, communications, policy and programs. Finally, the Coalition appointed a new President and CEO in John Rother—a national policy leader with 30 years of experience with AARP and the United States Senate.

New President and CEO John Rother and outgoing President and CEO Ralph Neas worked closely to achieve a smooth leadership transition. Following two momentous years under Ralph’s leadership, John took the reins of a pro-active organization with increasing influence in Washington. In his first three and a half months, John hit the ground running, working with the Board of Directors to develop and begin implementing an aggressive three-year plan to develop and unite key stakeholders around new policy solutions that enhance health care affordability and lower costs, while preserving quality and access.

The Board of Directors has also seen exciting changes this year. In the last quarter of 2011, our new President and CEO helped to bring Tom Daschle, former Senate Majority Leader, and Charlie Kolb, President and CEO of the Committee on Economic Development, to the Coalition’s Board of Directors. These two leaders join four other new NCHC board members in guiding the organization, including Cheryl Matheis, Senior Vice President at AARP; Jack Lewin, CEO of the American College of Cardiology; David Dobbins, COO of the American Legacy Foundation; and former Senator David Durenberger, as well as the other longstanding members of our Board.

With its expanding Board, a dynamic staff team led by John Rother, and an aggressive plan to advance truly system-wide approaches to health system affordability, the National Coalition on Health Care is poised to continue to shape our nation’s health and fiscal policy in the coming years. As you peruse this report’s description of our work in 2011, I hope you’ll consider joining us in our efforts over the coming year.

Sincerely,

George Diehr, Ph.D
Chair, NCHC Board of Directors
In 2011, the National Coalition on Health Care engaged with Congressional staff in support of system-wide policies to control health costs. NCHC held meetings and regularly communicated with Congressional staff to discuss policy options, serving as a resource for Congressional staff on policies that improve value and reduce costs.

In particular, NCHC spent 2011 intensively engaged with the so-called Gang of Six and the Joint Select Committee on Deficit Reduction (the “super committee”), as well as other policymaker and stakeholder groups, all of whom took up the challenging work of producing bipartisan compromise on deficit reduction with varying degrees of success.

In May, given the large number of deficit reduction proposals produced by Members of Congress, special committees and commissions, NCHC released a special resource for media and policymakers entitled, “A Compendium of Cost Containment Options,” which compiled health care proposals from competing deficit reduction plans. This was cited as a resource in both the media and policy briefs.

In September, NCHC submitted its own recommendations to the super committee identifying concrete policy options to curb the upward trend in health costs by addressing the value and quality of care. Recommendations focused on the “right way” and “wrong way” to reduce health costs, encouraging policies that addressed health costs in a system-wide manner, rather than simply shifting costs to states, employers or families.

Throughout 2011, the National Coalition on Health Care evaluated key policy proposals for impact on the health system and provided analysis to participating organizations, media and Congressional staff. The Coalition spoke out in support of proposals likely to have an impact on cost and quality throughout the health system. For example, the Coalition used its diverse membership to highlight a bill introduced over the summer—the Medicare and Medicaid Fighting Fraud and Abuse to Save Taxpayer Dollars Act of 2011 (FAST Act)—as a commonsense way to reduce some of the $800 billion wasted in the health system each year. Beyond calling national attention to the legislation, the Coalition also highlighted bill provisions that would have increased the availability of good data on the Medicare and Medicaid systems, allowing for better analysis of future policy proposals.
USING EVIDENCE

“Good policy comes from good data.”

The Coalition in committed to using the best possible information to define the challenges facing the health system and formulate policies that are responsive to those challenges. However, there is not enough good data on the relationship between cost and quality.

In 2011, NCHC contracted with the Center for Studying Health System Change, led by Dr. Paul Ginsburg, to develop the research design for a project to analyze trends in health cost and quality across geographic areas, practice settings, insurance sources and other factors. The research project has developed a publicly available database with information on cost and quality. The second phase will include the finalization of the database, analyses of health cost and quality trends and the development of a web tool to make the data easily accessible and understandable to policymakers and stakeholders.

This research is intended to inform and clarify the policy development process as NCHC staff and members discuss potential proposals to reduce costs and increase quality. The information will help policymakers and stakeholders to understand the relationship, or lack thereof, between cost and quality, and will highlight areas of particular health system success or failure.

“The National Coalition on Health Care offers a unique and much needed voice to the national dialogue on health care. They understand that access, quality and affordability are not mutually exclusive goals. As a company that is committed to making better health more accessible, Teva shares this mission and looks forward to working towards a better health care system that benefits all Americans.”

—Debra Barrett, Senior VP, Teva Pharmaceuticals
WORKING TOGETHER
NCHC is an organization representing more than 80 participating organizations, including medical societies, businesses, unions, health care providers, faith-based associations, pension and health funds, insurers, and groups representing consumers, patients, women, minorities, and persons with disabilities. Our member organizations collectively represent - as employees, members or congregants - over 100 million Americans.

NCHC continues to leverage the breadth of its membership and its bipartisan history and leadership to serve as an important forum for multi-stakeholder consensus building. In 2011, the Steering Committee was renamed the Policy Committee and restructured to bring Coalition member organizations together to actively examine policy challenges and develop fact-based, consensus-driven solutions. During the autumn of 2011, Policy Committee efforts were dedicated to off-the-record discussions of challenging policy topics, including prescription drug pricing, medical liability reform, and the role of non-physician providers in new delivery models. These meetings form the beginning of a process to develop a comprehensive initiative for reducing health costs, both in the federal budget and throughout the health system. The Policy Committee meetings were designed to explore possible areas of compromise and agreement to inform Coalition staff as they develop a first draft of this initiative in 2012.

In October of 2011, new President and CEO John Rother began sending exclusive monthly memos to NCHC member organizations. Memos included updates on the status of health care costs, policy and legislative developments, staff and policy committee updates, and updates on the work of NCHC. They also typically include ways in which members can help with various NCHC initiatives.

The National Coalition on Health Care continues to distribute the twice monthly newsletter Vital Signs. This provides tools and resources for advocacy organizations without a dedicated health policy staff, enabling their effective engagement in state and federal health policy decisions. Vital Signs also offers member organizations an opportunity to share their news, tools and events with other Coalition members and the wider community. NCHC also conducts public education activities intended to increase understanding of the impact of system-wide health cost and quality problems on health care and the economy. NCHC’s website offers an array of key resources on health issues designed for the broader public.
“The National Coalition on Health Care has been a strong voice for replacing today’s costly health care system with exactly the sort of effective preventive services and affordable health care needed to stem the tide of tobacco-related disease and other chronic conditions. The American Legacy Foundation could not be more proud and excited to be part of this work.”

—Dave Dobbins, COO, American Legacy Foundation

NCHC welcomes our new members to the Coalition in 2011:

**Blue Cross Blue Shield Association:**
The Blue Cross and Blue Shield System consists of 38 independently operated Blue Cross and Blue Shield member companies, a Federal Employee Program and an Association, which serves the collective needs of the Blue Cross and Blue Shield Plans.

**Catholic Health Association of the United States:**
Catholic health care is a ministry of the Catholic Church continuing Jesus’ mission of love and healing in the world today. Comprised of more than 600 hospitals and 1,400 long-term care and other health facilities in all 50 states, the Catholic health ministry is the largest group of nonprofit health care providers in the nation.

**Committee for Economic Development (CED):**
CED is a non-profit, non-partisan business-led public policy organization. CED conducts research on major economic and social issues and actively informs and engages the business community in an effort to achieve policy reform for the good of the nation. Membership is made up of some 200 senior corporate executives and university leaders who lead CED’s research and outreach efforts.

**Georgetown Center for Children and Families (CCF):**
The Center for Children and Families (CCF) is an independent, nonpartisan policy and research center whose mission is to expand and improve health coverage for America’s children and families. CCF is based at Georgetown University’s Health Policy Institute (HPI). HPI is a multi-disciplinary group of faculty and staff that is dedicated to conducting research on key issues in health policy and health services. HPI is affiliated with the University’s public policy graduate program (the Georgetown Public Policy Institute).
Paul G. Rogers Memorial Scholars Program

2011 marked the third year of NCHC’s Paul G. Rogers Memorial Scholars Program. Last year’s Rogers Scholars had the opportunity to work with staff in the Coalition’s ongoing activities as well as spearhead individual projects related to their degree work. During the summer of 2011, Scholars participated in Congressional briefings, legislative and legal research, and health policy analysis. They also completed individual projects related to pharmaceutical policy, health law litigation and non-profit management.

Admission to the Scholars Program has proven highly competitive, allowing the Coalition to benefit from the skills and knowledge of some exceptional young professionals. Averaging an acceptance rate of less than 10 percent, the applicant pool is full of future leaders in the fields of health law, policy and non-profit management.

The Scholars Program has not only added to the Coalition’s prestige, it has also helped some Scholars to find positions of influence after graduation, strengthening NCHC’s relationships with entities such as the Senate Finance Committee and Academy Health.

2011 Scholars

Vicky Bass
Vicky Bass came to the Coalition as a second year Master of Public Health student in Public Health Administration and Policy at the University of Minnesota School of Public Health. She was a Quality Improvement Representative for the Pharmacy and Therapeutics Committee at the Phillips Neighborhood Clinic, a free, student run clinic in Minneapolis.

Shelley Jazowski
Shelley Jazowski joined us at the Coalition as a second year Master of Public Health (MPH) student in the Health Management and Policy Department at the University of Michigan School of Public Health. Prior to attending graduate school, she worked in the fields of pharmaceutical advertising and health care communications on a variety of issues, including infectious disease epidemics, drug development and health care financing.

Cole Blum
Cole Blum was a rising second year undergraduate student at the University of Pennsylvania studying Biology and Economics. Previously, he carried out nanotechnology research on the components of commercial sunscreens at Stony Brook University during the summer of 2008.

Yue Pui Chin
Yue Pui Chin came to the Coalition as a graduate of the University of Maryland School of Law where she completed a Concentration in Health Law. Previously, she had worked as a student attorney at her law school’s Health Care Delivery and Child Welfare Clinic and at Tompkins/Tioga Neighborhood Legal Services in Ithaca, NY.

Stephanie Verlautz
Stephanie Verlautz was a rising second-year law student at Catholic University’s Columbus School of Law. Prior to attending law school, Stephanie earned a Masters of Public Health in Health Policy at the George Washington University and worked alongside Senator Bernie Sanders for two years as a junior fellow at the George Washington University’s Department of Health Policy.
Building on the achievements in 2011, our Policy Committee will explore new topics in 2012, including palliative care, prescription drug adherence, chronic disease prevention, consumer engagement and physician payment reform. NCHC is currently preparing a background paper “defining the problem of health costs” for public release in 2012. This will serve as a framing document for future policy briefs in critical issue areas.

The background papers examining possible policy solutions, which were prepared for specific Policy Committee meetings, will be refined and released as issue briefs in the summer of 2012. These and the background paper “defining the problem” will lay the groundwork for a large-scale, scorable proposal for reducing health costs in the context of the budget and deficit debate. NCHC will offer this proposal for consideration during the election and in the beginning of the new Congress.

NCHC’s effort will be focused on identifying policy changes that will drive value in the health system by reducing costs while simultaneously improving quality. This proposal will stand as a counterpoint to the many existing proposals that secure cost savings through blunt cuts to provider payment or by shifting costs to states, employers, and families. In addition, NCHC’s proposal will be focused on policies with a positive impact on the federal budget, while also driving change in the entire health system.

In an effort to stimulate dialogue and offer opportunities to learn about emerging and resurgent ideas for addressing the health cost and value crisis, NCHC will launch NCHC Forums, an ongoing program of monthly educational briefings that will showcase a rich variety of speakers and topics. Leveraging the strength of its 80 diverse member organizations, NCHC Forums bring together thought leaders, policymakers and stakeholders for timely public discussions about the future of America’s health system and to draw attention to innovative policy solutions.

“The work of the National Coalition on Health Care has been crucial to improving health care for small business owners and their employees. For too long, small businesses have been burdened by the excessive cost of health insurance, and with the Coalition’s support, we are working to change that.”

—John Arensmeyer, Founder and CEO, Small Business Majority

The Coalition will continue to work with a broad range of organizations and leaders, who share the Coalition’s policy goals and the conviction that in the face of America’s health care challenges, there can be no single vested interests, only collective concerns.
Acknowledgement and thanks to our major funders

The National Coalition on Health Care would like to gratefully acknowledge the generous support from the following partners in our work. Key funding commitments in 2011 included but were not limited to:

CWA-Verizon-IBEW
Health Care Partnership
CalPERS
TEVA Pharmaceuticals
AARP
Blue Cross/Blue Shield Association
American Academy of Family Physicians
American Cancer Society
International Brotherhood of Teamsters
American College of Cardiology
National Coordinating Committee for Multi-Employer Plans
American Federation of Teachers
The California Endowment
The Legacy Foundation
The John T. and Catherine D. MacArthur Foundation

The National Coalition on Health Care welcomed the following new Board members in 2011

The Honorable David Durenberger, Former U.S. Senator
Senior Health Policy Fellow, Graduate School of Business, University of St. Thomas

The Honorable Tom A. Daschle, Former U.S. Senate Majority Leader
Senior Policy Advisor, DLA Piper

Debra Barrett, Senior Vice President,
Government and Public Affairs, Teva Pharmaceuticals

Jack Lewin, CEO, American College of Cardiology

Charles Kolb, President, Committee for Economic Development

The National Coalition on Health Care acknowledges the faithful service and hard work of continuing Board Members.
New Staff Members

The National Coalition on Health Care welcomed two new directors to the team.

Becky Beauregard, Director of Programs
Becky Beauregard brings to the Coalition more than 30 years of leadership experience with federal, state and local governments as well as nonprofit organizations. Prior to joining the Coalition last November, she directed executive education and training programs for the Department of Health Policy at the George Washington University. From 1970 – 1984, Ms. Beauregard worked as senior policy staff to Committees of the U.S. Senate and House of Representatives on budget, health, aging, housing, consumer and environmental policy issues. In the mid-1980s, she served as Executive Director of New Jersey Governor Thomas H. Kean’s Maternal and Child Health Project, establishing an innovative, evidence-based program to decrease the rate of infant mortality in the state. Ms. Beauregard served her community for more than a decade as Mayor and member of its governing body and as a board member and President of Family and Children’s Services of Central New Jersey. Her recent professional experience includes work as a senior congressional policy advisor to the Population Resource Center in Princeton, NJ and Macro International in Washington, DC. Ms. Beauregard maintains her strong interest in community service as President of the Pearl Merrill Institute for Children, a newly formed organization dedicated to reducing high risk behaviors in children, and as a Washington, DC advisor to Valid Nutrition, an Ireland-based charity.

Tim Wahlers, Director of Development
Tim Wahlers has over fifteen years in Development, Government Relations and Project Management. Prior to joining the Coalition, he spent four years as the Vice President of Development for Planned Parenthood of Metropolitan Washington, overseeing fundraising, communication, and advocacy. He started his fundraising career in 1994 at Beacon Therapeutic School in Chicago. After leaving Chicago to get his MBA, he worked for the American Red Cross for nine years, both at the chapter level and at national headquarters. While at the Red Cross he worked on major gifts, capital campaigns, online giving, direct mail, marketing and research, and grants management. He oversaw fundraising for Louisiana and Arkansas and worked around the country on numerous disasters. He has worked as a consultant with several DC-based organizations, and is an active member of the Association of Fundraising Professionals. He has a Bachelor’s degree from the University of the South and an MBA from the University of Georgia. He lives in DC with his wife, Danielle, and their daughter, Isabella.
## STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
(for the twelve month period ended December 31, 2011)

### REVENUES
- **Contribution revenue**: $697,304
- **Gain on sale of asset**: $4,689
- **Net assets released from restrictions**: $255
- **Total revenues**: $702,248

### EXPENSES
- **Program expenses**: $725,373
- **Support services**
  - **General and administrative**: $301,808
  - **Fundraising**: $81,192
- **Total support services**: $383,000
- **Total expenses**: $1,108,373

### DECREASE IN NET ASSETS
- **Total revenues**: $702,248
- **Total expenses**: $1,108,373
- **Decrease in net assets**: $(406,125)

### NET ASSETS, BEGINNING OF YEAR
- $483,621

### NET ASSETS, END OF THE YEAR
- $77,496

## STATEMENT OF FUNCTIONAL EXPENSES
(for the twelve month period ended December 31, 2011)

<table>
<thead>
<tr>
<th></th>
<th>PROGRAM EXPENSES</th>
<th>GENERAL AND ADMINISTRATIVE</th>
<th>FUNDRAISING</th>
<th>TOTAL SUPPORT</th>
<th>TOTAL EXPENSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$338,150</td>
<td>$103,695</td>
<td>$47,428</td>
<td>$151,123</td>
<td>$509,273</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>$19,491</td>
<td>$9,670</td>
<td>$2,746</td>
<td>$12,416</td>
<td>$31,907</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>$39,279</td>
<td>$25,280</td>
<td>$5,754</td>
<td>$31,034</td>
<td>$70,313</td>
</tr>
<tr>
<td>Professional fees</td>
<td>$3,503</td>
<td>$16,922</td>
<td>$165</td>
<td>$31,034</td>
<td>$20,590</td>
</tr>
<tr>
<td>Accounting fees</td>
<td>$9,829</td>
<td>$14,006</td>
<td>$825</td>
<td>$14,006</td>
<td>$24,662</td>
</tr>
<tr>
<td>Legal fees</td>
<td>-</td>
<td>$11,141</td>
<td>-</td>
<td>$11,141</td>
<td>$11,141</td>
</tr>
<tr>
<td>Supplies</td>
<td>$3,544</td>
<td>$1,880</td>
<td>$270</td>
<td>$2,150</td>
<td>$5,494</td>
</tr>
<tr>
<td>Telephone</td>
<td>$8,271</td>
<td>$2,938</td>
<td>$995</td>
<td>$3,933</td>
<td>$12,204</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>$305</td>
<td>$1,205</td>
<td>$60</td>
<td>$1,265</td>
<td>$5,590</td>
</tr>
<tr>
<td>Rent expense</td>
<td>$64,065</td>
<td>$18,952</td>
<td>$9,555</td>
<td>$28,507</td>
<td>$92,572</td>
</tr>
<tr>
<td>Equipment rental and maintenance</td>
<td>$14,638</td>
<td>$10,425</td>
<td>$1,333</td>
<td>$11,958</td>
<td>$26,616</td>
</tr>
<tr>
<td>Printing and publications</td>
<td>$4,946</td>
<td>$1,136</td>
<td>$115</td>
<td>$1,251</td>
<td>$6,197</td>
</tr>
<tr>
<td>Travel</td>
<td>$15,069</td>
<td>$7,402</td>
<td>$299</td>
<td>$7,701</td>
<td>$22,770</td>
</tr>
<tr>
<td>Conferences, conventions and meetings</td>
<td>$8,272</td>
<td>$1,562</td>
<td>$125</td>
<td>$1,687</td>
<td>$9,959</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>$20,479</td>
<td>$3,930</td>
<td>$2,712</td>
<td>$8,642</td>
<td>$29,121</td>
</tr>
<tr>
<td>Consultants</td>
<td>$91,000</td>
<td>$38,223</td>
<td>$7,668</td>
<td>$65,891</td>
<td>$156,891</td>
</tr>
<tr>
<td>Advertising and promotions</td>
<td>$1,125</td>
<td>$205</td>
<td>$111</td>
<td>$316</td>
<td>$1,441</td>
</tr>
<tr>
<td>Insurance</td>
<td>$560</td>
<td>$2,953</td>
<td>$29</td>
<td>$2,982</td>
<td>$3,342</td>
</tr>
<tr>
<td>Subscriptions and publications</td>
<td>$15,989</td>
<td>$1,967</td>
<td>$36</td>
<td>$2,003</td>
<td>$17,992</td>
</tr>
<tr>
<td>Subgrants</td>
<td>$41,333</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$41,333</td>
</tr>
<tr>
<td>Bank fees</td>
<td>-</td>
<td>$223</td>
<td>-</td>
<td>$223</td>
<td>$223</td>
</tr>
<tr>
<td>Website expense</td>
<td>$5,160</td>
<td>$842</td>
<td>$247</td>
<td>$1,089</td>
<td>$6,249</td>
</tr>
<tr>
<td>Miscellaneous expense</td>
<td>$745</td>
<td>$2,674</td>
<td>$499</td>
<td>$3,173</td>
<td>$3,918</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>$2,575</td>
<td>-</td>
<td>$2,575</td>
<td>$2,575</td>
</tr>
</tbody>
</table>

**TOTAL EXPENSES**
- Program expenses: $725,373
- General and administrative expenses: $301,808
- Fundraising expenses: $81,192
- Total support services: $383,000
- Total expenses: $1,108,373
The Coalition is made up of more than 80 participating organizations, including medical societies, businesses, unions, health care providers, faith-based associations, pension and health funds, insurers and groups representing consumers, patients, women, minorities and persons with disabilities. Our member organizations collectively represent—as employees, members or congregants—over 100 million Americans.