



JOURNAL

Expanding the Civic Imagination



Demonstrating results in an era of fragmented politics and processes

By Bob DeBoer

What is the measure of policy success in 2012, when success doesn't only mean passing bills at the Minnesota Legislature and working through other government institutions?

And how does a multi-partisan, multi-issue organization like the Citizens League draw on a 60-year history of affecting policy at the government level, at the same time that we develop and demonstrate a new approach to policy making?

The answer is: "not as easily as we would like." Even while developing our new approach—called civic policy making—we have remained active in governmental policy. In this issue we highlight areas, including health care, education and prosperity for low-income Minnesotans, where the Citizens League has contributed to or demonstrated results over the last few years.

The Citizens League was an important part of the state's most recent health care reforms and has [decades of policy history](#) relating to reforms passed in a [bi-partisan effort in 2008](#) to improve Minnesota's health care system.

The ultimate direction of the 2008 reforms was to work towards a Total Cost of Care approach that rewards health organizations for keeping people healthy rather than for treating illness. To highlight our results and the ongoing efforts at progress, we present you with the following in this issue:

- A reminder of what the Health Care Transformation Task Force recommended with a shortened reprint from the 2008 Minnesota Journal by Maureen Reed ([page 7](#)). For the full version, [click here](#).
- An updated view from Walt McClure and Tim McDonald of where the reforms are today and where we need to go from here ([page 5](#)).
- Some of the work to develop measures for a Total Cost of Care approach from Susan Knudson at HealthPartners ([page 6](#)).

- The current Citizens League effort with the Bush Foundation to engage Minnesotans in supplying key information on their values and choices related to health care reform ([page 9](#)) and report it to the bipartisan Health Care Reform Task Force.

The Task Force is attempting to pick up on the 2008 efforts, so the Citizens League is well-positioned to bring these ideas around the state and authentically engage Minnesotans by employing civic policy making to find out what they really think.

But health care isn't the only area in recent years in which the Citizens League has demonstrated results.

Our ongoing [Pathways to Prosperity](#) project established a framework for change that supports prosperity rather than reacts to poverty. Two early measures that support this framework that the Citizens League aggressively supported are Human Capital Performance Bonds ([see page 10](#)) and Parent Aware early learning ratings ([see page 11](#)).

Finally, in 2011 the Minnesota Legislature and the Governor created alternative pathways for teaching certification, which the Citizens League was uniquely positioned to support due to our [recent work](#) on immigrant students ([see page 12](#)).

These are just a few of the areas where the Citizens League is demonstrating results through civic policy making which is based on a set of [operating principles](#). In decades past, most of the results were focused on redesigning the role of government. Today we know that many of the solutions we seek must start with people and organizations in other places, and that government must ultimately be receptive and supportive of the needed changes to produce solutions that endure. ●

Bob DeBoer is the Citizens League's director of policy development and a member. He can be reached at bdeboer@citizensleague.org 651-289-1071.

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CONNECTIONS

Building a League of Citizens

MEMBERS SPOTLIGHT

JANNE K. FLISRAND

Janne K. Flisrand is an Urban Sustainability Consultant at Flisrand Consulting and has been a member of the Citizens League for six years. She has most recently been involved with the Water Policy Study Committee.



Why did you join the Citizens League?

I love thinking about policy from 30,000 feet in the air and in new ways. The Citizens League gives me the chance to do that. I like how the League is starting new conversations and exploring places where more people can participate.

The Citizens League believes everyone is a policy maker.

How do you see yourself as one?

I experience most of my activities as policy making. When I ask a store to install bike parking, I'm trying to change their policy. When I work with neighborhood associations, the city, the Minneapolis Bicycle Coalition and businesses to develop and implement a bike parking program, I'm creating new policy. I own a tiny 4-unit apartment building, and the way I structure my rents (no free parking) is creating policy. Heck, even talking about which side of the street is nicer to walk on (did I mention it's unpleasant to walk past parking lots?) is affecting policy. I do things other than parking too. At work, I'm participating in a project to provide more transparent information on utility use in multifamily buildings to building owners and affordable housing funders, that's changing policy.

ANDREA DREWEK

Andrea Drewek is an apparel and general merchandise buyer at Normandale Community College and has been a Citizens League member for two years. She is a member of both the Communications and Membership Committees, and has recently been involved in the Pathways to Prosperity Project.



Why did you join the Citizens League?

As a Wisconsin transplant, I had never heard of the Citizens League, despite its longevity and major accomplishments—including influencing the creation of Metropolitan State University, which I was attending at that time—but I was immediately drawn to the community engagement approach the Citizens League uses in its work.

I admire the combination of academic/professional research with on-the-ground citizen engagement in forming policy solutions and recommendations, and I value the Citizens League's dedication to multi-partisanship and demonstrated ability to include all interested Minnesotans on issues that matter to them.

I have to admit, when I first joined I was skeptical of the Citizens League's assertion that "everyone is a policy maker." Now, just one year later, I am invested in advancing the Family Independence demonstrations and changing the face of public assistance in Minnesota.

I view the Citizens League as one of the most powerful tools we citizens have for making Minnesota a better place. Membership in the Citizens League is what you make of it—and I am proud to know that my individual contribution has the potential to benefit hundreds, even thousands of Minnesotans.

Thank you to our newest sustaining members, Kate Cimino and Jean Nitchals!

Sustaining members schedule regular monthly or quarterly payments of any amount, or schedule automatic annual donations. Become a sustaining member today at www.razoo.com/citizensleague.

Thanks to our new and rejoining members and contributing organizations as of 3/31/12

Individual members

Mariah Levison
John Wilcox
Toni Wilcox
Julie Sergot
Andrew LaValle
Julia Quanrud
Dan Hammer
Mary Dye

Melanie Tuve
Jennifer Kehr
Deb Most
Ashley Peters
Tariq Samad
Megan Hoyer
Janis Stoven
Kate Knuth
Matthew Lemke
Erik Tomlinson

Gail Wolfson
Rob Longendyke
Magdalena Wells
Kyle Shannon
Jean Krause
Dannette Coleman
Chris Coleman
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Charles Weber
Laura Bishop

Lynn Gitelis
Paul Scott
Andrea Brockmeier
Andrea Nelson
Stefanie Konobeck

Organizational members

Blue Cross and Blue Shield of Minnesota

Best Buy Co. Inc.
Advance Consulting LLC
Himle Rapp & Company, Inc.
Minnesota YMCA Youth in Government
Care Providers of Minnesota
Goff Public
City of Moorhead

GET INVOLVED

What We're Doing and How You Can Get Involved

HELP SOLVE TWO PROBLEMS FACING HIGHER EDUCATION

In Phase I of our [Higher Education Reform](#) effort, a diverse group of individuals identified two key "real world" issues facing Minnesota today: low completion rates and the skills gap.



As we begin Phase II of a [multiphase effort](#) launched in partnership with the [Bush Foundation](#), we need your help to identify "real world" solutions to those issues—and we're seeking that help through a completely online process.

Citizens League staff will gather information offline by conducting focus groups and interviews. We will provide those offline findings to committee members who will use them to raise and discuss questions online, via [CitiZing](#), our online project platform.

Anyone interested in participating in Phase II should review our [Phase I findings](#), [Phase II outline](#) and our [online participation overview](#), then contact Lindsey Alexander at lindsey@citizing.org or 651-329-1328.

BRING COMMON CENTS TO YOUR ORGANIZATION

Last year, more than 600 Minnesotans across the state engaged in our [Common Cents](#) project to discuss: "What values and priorities are important to solving Minnesota's budget challenges?"



This year, we are again partnering with the [Bush Foundation](#) on a second round of state budget workshops and online activities, and

we'd like you (and your elected representatives) to join us.

We're bringing Minnesotans' ideas and values to the Legislature and Gov. Mark Dayton to inform next year's discussion. And this year, we're adding a second workshop on tax reform.

Would you like to bring a workshop to your workplace, club, church or other group? We're scheduling them and looking for hosts now.

All workshops are presented free of charge. Hosts will be responsible for meeting logistics and for recruiting at least 20 participants of mixed backgrounds and/or ideologies.

For more information or to schedule a workshop, contact Lindsey Alexander at lindsey@citizing.org.

LEGISLATURE: APPROVE I-35E MnPASS EXPANSION

An open letter to Minnesota legislators:

We believe now is the time to expand the innovative, cost-effective and popular MnPASS program.

We're writing to let you know that the Citizens League strongly supports the expansion of MnPASS to the I-35E corridor.

- Residents in the east and north Twin Cities metropolitan area deserve the same choices and congestion reduction benefits that residents in the south and west parts of the region currently enjoy on I-394 and I-35W.
- MnPASS benefits all motorists and transit users in a congested corridor, not just those who choose to pay for the benefit.
- In addition, expanding the program in other parts of the metro area will increase usage everywhere as the practicality and "usability" of the program increases.

Those who do participate in MnPASS will also be able to use their transponders along I-35W and I-394, moving toward a greater metrowide impact on reducing congestion.

When all lanes of a freeway are allowed to congest to the point of stop-and-go, fewer vehicles get through the corridor than if free flow is maintained in one lane. Thus, maintaining free flow in just one lane benefits everyone, including solo drivers who choose not to participate in MnPASS. MnPASS is a new level of choice that benefits all commuters.

MnPASS is a key element to providing the greatest number of choices to all commuters, and East Metro commuters should not be denied additional choices and benefits that are afforded others in the region.

We urge you to support the expansion of MnPASS to I-35E and to contact us with any questions.

Thank you for your consideration.

Sincerely,

Sean Kershaw, *Executive Director*

Bob DeBoer, *Director of Policy Development*

The Citizens League involves people of all backgrounds, parties and ideologies to create and advance solutions for Minnesota. The Citizens League's approach to policy—civic policy making—results in the civic policy agenda, our case for action that is based on the belief that all people and organizations play essential roles in developing the ideas, skills and resources to govern for the common good. Visit www.citizensleague.org/who/identity to find out more.



Learn more information about all of our work at www.citizensleague.org.

If you have questions about any of these projects or others, contact Policy Manager Annie Levenson-Falk at alevensonfalk@citizensleague.org or 651-289-1072.



From “Sunset Boulevard” to Sky Blue Waters

What can Norma Desmond teach us about a better regional strategy?

by Sean Kershaw

In the classic film noir “Sunset Boulevard,” when formerly famous silent movie star Norma Desmond is confronted with the reality of her diminished movie star status (“You *used* to be big!”), she shoots back the famously delusional line “I *am* big. It’s the pictures that got small!”

The same could be said about our approaches to solving regional problems. Our thinking and politics used to be big but have gotten smaller and disconnected from reality over time. It’s time to bring renewed creativity and urgency to this issue. We need to bring “big” back, on a small scale.

BIG

The Twin Cities used to be a national leader for our innovative approaches to regional governance. Tax-base sharing (Fiscal Disparities) and the Metropolitan Council were examples of innovative ideas that became reality because we had the “civic infrastructure,” not just to think of them, but also to implement them. Responding to real needs, leaders in all sectors stepped up to make possible what was needed.

Our past economic success and quality of life are the results of thinking big about regionalism. Income growth, world-class cultural amenities, numerous Fortune 500 headquarters and an amazing system of regional parks are all products of this.

And our future success is arguably more dependent on effective regional strategies. We’re competing with mega-regions around the globe that are making smart investments in their physical and human infrastructure and approach regional problem-solving with the right mix of innovation and practicality.

NOT SMALL, BUT STUCK

For Desmond, it wasn’t that movies got smaller—it was that they changed dramatically with the advent of sound, while she remained frozen in another era.

Like Desmond, over time, Minnesota’s regional imagination and mechanisms

have not adjusted to dramatic changes. Given this, it’s only natural for parochialism to creep in and for formerly innovative ideas to seem less effective. Examples are all around us today:

- Cities think they lose through tax-base sharing, forgetting that financially healthy and stable communities make for a stronger region.
- Transit governance becomes less cost-effective and poorly coordinated between suburbs and the core cities, and regional investments in transit don’t match regional needs.
- The Met Council is largely ignored in a billion-dollar decision about a new football stadium while communities compete for it.
- Thought leaders diminish people for identifying more as Minnesotans than as residents of the Twin Cities.
- Leaders are pushing ideas—such as the proposal to remove transit operations from the Met Council or to transform the Met Council into a council of municipal and county officials—that are tantamount to saying “we are not a region and don’t need to think like one.”

A NEW MODEL: BIG AND SMALL

We need a new model for policy and problem-solving that matches the reality of what our region needs. The Citizens League’s mission, “rebuilding civic imagination and capacity,” is a good start.

If people in the Twin Cities want to identify as Minnesotans—*great!* We should challenge *everyone* to connect what they do *every day, in all types of organizations*, with what’s good for Minnesota. This is a new civic imagination that matches our civic and economic reality.

And rather than continually acting like government is either the only problem or the only solution, we need to build our civic capacity to solve problems in *all* organizations: workplaces, schools, community

groups and congregations. The choices we make in these seemingly small places matter to Minnesota.

NEW CRISES AND OPPORTUNITIES

New regional problems are on the horizon that will only be solved through this new approach.

Look at the headlines. We’re facing a regional crisis in water quality that no government agency can solve on its own. The solution depends on farmers, cities, property owners and businesses of all sizes to change their individual actions related to run-off (non-point source pollution).

As Baby Boomers age in the suburbs, and as we confront the potential for dramatically higher gas prices, we face transportation problems that current systems can’t solve. What role do businesses, nonprofits, congregations, schools and families have in seeing that people can get to where they need to be as efficiently as possible? What’s the next innovation in ride-sharing and transit?

In the past, our breakthrough was creating new forms of government and policy to address our regional challenges. We need the Met Council more than ever, and we have to stop current efforts that diminish its role in municipal/county interests. It is clear we can no longer delegate regional governance to government alone.

How do we build on what Minnesotans have and imagine a way forward that strengthens our region? How can we capitalize on the capacity that Minnesotans possess by connecting it to incentives and policies that guide their daily actions in the places where they spend time and can make a difference?

The answer matters to all of us. On the new global big screen, Minnesotans need to be ready for our “close-up”. ●

Sean Kershaw is the executive director of the Citizens League and a member. He can be reached at skershaw@citizensleague.org, 651-289-1070, @seankershaw (Twitter), or Facebook.



Better care at less cost

The strategy underlying Minnesota's growing health reforms

By Walter McClure and Tim McDonald

Minnesota has an opportunity to lead the country in health care reform by focusing on market reform as a more desirable alternative to either the present unsound market or full government control—which may be the inevitable result if inefficiency continues to grow uncontained.

As the Legislature closes the 2012 session, many questions regarding state and national health reform remain open. To date, the focus of the health care debate at the federal level appears to be mainly over side issues. The central issue on which all else depends—the gorilla in the room, if you will—is cost containment. And it is being glossed over by the national debate on universal coverage.

Expansion of coverage must either accompany or follow cost containment. Everything we want to do as a country, and in our state, depends on how well this gorilla can be tamed.

In economics jargon, the present health care system is an unsound market with exactly the wrong cost-raising incentives.

As we learned from Medicare, if we simply extend coverage to everybody and try to add on cost containment instead of beginning with it, we will only pour gasoline onto an already runaway fire. We risk making our private sector uncompetitive in world markets. Health care will continue to place ever greater pressure on other areas of public spending vital to the nation's, and this state's, well-being. Yet if we ignore access and quality, costs will be managed by excluding people and decreasing quality, defeating the purpose of health reform in the first place.

THE STRATEGY: RESTRUCTURE THE SYSTEM'S INCENTIVES

The key question for policy is: How do we significantly control health care cost (that is, lower the rate of escalation to match the rest of the economy) without compromising quality and access to care?

To construct a successful strategy to meet the goals of quality, affordability and access simultaneously, we must appreciate the root cause of the health care system's malperformance—what causes its variable quality and access and, above all, its runaway cost. It is not greed, it is not profits, and it is not insurers.

The fundamental cause is the powerful perverse incentives our present system places on providers. Any provider who raises costs prospers. Any provider who tries to be maximally efficient goes broke. The more efficient a provider is (i.e., better outcomes for less), the more severe the punishment. The provider earns that much less per patient and does not gain a single additional patient as a result.

The good news is that the best, most efficient providers today achieve outstanding outcomes for 20 percent less cost than the national average. The bad news is, with few exceptions, nobody knows who these good, efficient providers are. And even if patients did know the true quality and efficiency of every provider, they have reason only to choose for quality, not efficiency.

In economics jargon, the present health care system is an unsound market with exactly the wrong cost-raising incentives. Unless and until this unsound market is corrected to reverse these incentives, we believe cost-control strategies will continue to fail or else brutalize quality, efficiency and access to care.

There are essentially three steps to a market-reform strategy. Patients must receive information identifying the quality and the efficiency of all providers based on severity-adjusted outcomes. In other words, they must know which providers are better for less. And they must have rewards in their insurance to pick the more efficient over the more costly.

The best, most efficient providers would then get the patients. The less good and less efficient would lose patients, and either improve or face going out of business. The result should be sound incentives on providers and patients alike, maximizing quality, efficiency and steady productivity gain.

MINNESOTA'S HEALTH REFORM STRATEGY TO DATE

While the rest of the country has focused on other questions, business and political leaders in Minnesota have begun to put in place the pieces necessary to reward providers that are doing better for less. The task now is to get the pieces to mesh properly.

Four years ago this month, in the March-April 2008 issue of the *Minnesota Journal*, Citizens League member Maureen Reed described the work of the Health Care Transformation Task Force convened by statute in 2007. Its report served as a leading document for the health reforms that were enacted the next year.

The task force comprised active industry, political and civic participation—including the Citizens League—and came forward with a series of recommendations that sought to build on the remarkable progress of leadership in the private health care sector. The task force's report advocated the necessary components for state health care policy based on market reform.

That private leadership included health providers like HealthPartners, Mayo Clinic and Park Nicollet Health Services, which collaborated in the 1990s to form the [Institute for Clinical Systems Improvement \(ICSI\)](#) and later with others to form [Minnesota Community Measurement](#) to help providers assess and compare quality on uniform objective measures. Because of this voluntary effort, Minnesota leads the nation on provider quality assessment, which has helped our providers improve their already high quality of care.

A key recommendation of the task force was to publish the results of providers by outcomes and cost, and this became a centerpiece of the 2008 legislative initiative. Another key

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Addressing health care costs by understanding them better

Total Cost of Care measures help bend the health care cost curve

By Susan M. Knudson

In 2009, Minnesotans spent more than \$36 billion on health care, or more than 14 percent of Minnesota's gross state product. We've seen a slowing in the spending growth rate since 2008, but nevertheless the Minnesota Department of Health projects health care spending in Minnesota will reach \$78 billion, or 19.5 percent of gross state product, by 2019.

Not surprisingly, there's growing interest and awareness among health care stakeholders in the cost of care, how resources are used and health care spending overall. Affordability is a key element in encouraging long-term sustainability for the health care system in Minnesota and across the country. Among many organizations working to promote affordability, HealthPartners has developed and implemented a Total Cost of Care (TCOC) measurement system and has released it publicly.

WHAT IS "TOTAL COST OF CARE?"

The term "Total Cost of Care" is becoming common in health care circles. It generally refers to a method of measuring health care affordability. Rooted in deep analytical science, these measures are powerful tools for health plans, providers, medical groups, government agencies, employers and others with a stake in reducing health care cost trends. They can help pinpoint ways to make health care more affordable without sacrificing quality or experience.

Many organizations have experimented with similar models in recent years. The HealthPartners model, with more than a decade of development and use behind it, is unique in one significant way: In addition to measuring cost of care provided to a patient (or "Total Cost Index"), it measures resources used in providing that care (or "Total Resource Use Index"). When used in combination, these measures yield more comprehensive, revealing and actionable results than do cost measures alone.

NATIONAL QUALITY FORUM ENDORSEMENT

Until January 2012, there was no common TCOC measure available because no measures had been endorsed by a major health care standards-setting body. This gap prompted the call for national voluntary consensus standards by the National Quality Forum (NQF) in January 2011.

NQF represents health care stakeholders: consumer organizations, health plans, health professionals, providers, public and community health agencies, public and private purchasers, and health care research and improvement organizations across the nation. Its structure helps private- and public-sector stakeholders work together to craft and implement solutions that drive continuous quality improvement in the American health care system.

A 23-person steering committee, representing providers and other health care stakeholder groups, reviewed the HealthPartners measure submissions and conducted a detailed review over several months, leading to an endorsement recommendation. Following member and public comment and a member vote, the measures received the first-ever endorsement of the NQF Board of Directors in January.

IMPLICATIONS AND BENEFITS FOR MINNESOTA

As a nonprofit, mission-driven, integrated care and financing organization, HealthPartners is committed to achieving the Institute for HealthCare Improvement's Triple Aim: improving health, enhancing patient experience and making health care more affordable. In step with that commitment, HealthPartners has publicly released all information about the Total Cost of Care and Total Resource Use measurement approach so others can use it in their own communities and organizations. This release includes guidance on using the measures, technical guidelines, detailed scientific background, reference guides and sample applications.

Public release of this measurement approach provides a much-needed, fundamental and shared building block for standardizing Total Cost of Care measurement and supporting the development of accountable care organizations and other payment reform models. It carries with it the strong potential for bolstering health care improvement and reform while driving greater value across a diverse range of users and organizations.

HealthPartners' TCOC and resource use measures can support all health care stakeholders in affordability efforts by providing a credible, consistent measurement method.

For...	HealthPartners TCOC and Resource Use Measures...
Insurers	<ul style="list-style-type: none">• Support development of reformed payment approaches such as shared savings agreements, ACO evaluation and improvement strategies• Identify overuse of health care services
Health care providers	<ul style="list-style-type: none">• Allow identification of positions of overall cost, practice efficiency and price competitiveness
Federal government	<ul style="list-style-type: none">• Support the National Quality Strategy with measures to identify affordable care, better care and better health
State governments and policy makers	<ul style="list-style-type: none">• Inform development of exchanges and other innovations to fairly assess plans and providers for cost and resource use
Employers and group insurance purchasers	<ul style="list-style-type: none">• Yield comparable measures of cost and resource use across the marketplace
Individual consumers	<ul style="list-style-type: none">• Support individual decision making for use and cost of health care services• Allow for meaningful cost and quality comparison between providers

Minnesota's longstanding and widespread commitment to transparency has led the nation. We can do it again in health care affordability, and private-sector development of TCOC measures is one of the solutions. By sharing and spreading the use of this methodology and other collaborative advancements, we have the capacity and infrastructure to make real progress against the problem of an unsustainable health care cost trend.

Comprehensive information about the NQF-endorsed HealthPartners Total Cost of Care and Total Resource Use measurement approach is available at www.healthpartners.com/tcoc. ●

Susan Knudson is HealthPartners vice president for Health Informatics.



Transformation Task Force offered 2008 plan for comprehensive health care reform

Excerpts from the March-April 2008 Minnesota Journal by Maureen K. Reed, M.D.

Edited by Bob DeBoer

When the Minnesota Legislature and Gov. Tim Pawlenty agreed to form the Health Care Transformation Task Force in 2007, they boldly demanded that the conundrum of cost, coverage, and quality be resolved. To their credit, goals for our state were established that no other

and children. These menaces require both population-wide and individual approaches.

On the “population” side of the ledger, this plan recommends those tobacco-control actions that are known to work and those especially effective in children: increasing tobacco health impact fees,

funding mass media campaigns, and enforcing access laws. Furthermore, it sets statewide standards for healthy activity and eating, and it asks schools, communities, and workplaces to play their indispensable and unique roles in advancing these initiatives.

On the “individual” side, the task force recommends confidential health risk assessments, differential premiums for people who are tobacco-free and maintain a healthy weight, and requirements for health insurance to cover effective preventive services with little or no cost sharing.

RECOMMENDATION NO. 2: HEALTH CARE

Minnesota already has many of the building blocks in place necessary to dramatically improve our health care. Care improvement coalitions, evidence-based care guidelines, electronic medical records, and public reporting of care outcomes are hallmarks of Minnesota’s cutting-edge health care landscape. Yet consistently excellent, high-value outcomes elude us.

Expanding evidence-based care, establishing minimum care standards, increasing private financial investment in these innovations, and requiring electronic medical records as a condition of payment are just some of the task force recommendations.

Significantly expanding the breadth and depth of comparative outcomes reporting was a core feature of the task force recommendations. Meaningful information on care and cost across a multitude of

services should be so readily available that consumers can quickly compare the performance of providers and act accordingly.

RECOMMENDATION NO. 3: HEALTH CARE PAYMENT

There are few things more toxic to care and cost improvement than the way we currently pay for health care services. Payment is based almost exclusively on volume—the more services delivered, the greater the payment. There is no significant financial incentive for keeping people healthy, coordinating their care, or producing better health outcomes. A health care reform proposal is credible only if it delivers an anti-toxin that neutralizes poisonous incentives.

The task force proposal squarely confronts this challenge. It rewards those providers who deliver great care at lower cost. It also aligns patient incentives with high-value care.

Let’s say I’m a doctor or administrator in ABC Medical Group. I know my group’s cost structure and capabilities. I also know the performance, capabilities, and cost of

Minnesota already has many of
the building blocks in place to
dramatically improve our health care.

state has dared imagine, let alone seriously consider. It asked the task force to come up with a proposal to reduce health care costs by 20 percent, to provide all Minnesotans with health insurance, and to improve the quality of health and health care in the state.

After seven months of difficult but rarely contentious discussion, the task force delivered its comprehensive recommendations to Governor Tim Pawlenty in February 2008. In brief, the report called for five actions:

1. Take a meat ax to the health behaviors that are killing us.
2. Redesign the care delivery system to deliver the best care. Publish the results.
3. Change payment to reward the best care and to control costs.
4. Melt administrative expenses under a bright light.
5. Deliver basic health insurance to all Minnesotans at an affordable price.

The report makes clear that all five actions are necessary—and must occur simultaneously.

RECOMMENDATION NO. 1: HEALTH

The report calls for the adoption of specific and aggressive health goals: Slash tobacco use by 50 percent. Increase to 50 percent the number of Minnesotans with a healthy weight. Decrease binge drinking in adults

There is no significant financial
incentive for keeping people
healthy, coordinating their care, or
producing better health outcomes.

the hospitals and specialists to whom I refer. My knowledge of this care system allows me to determine what it will cost to deliver all the health services that a standardized group of patients will require in a given period. Having calculated this cost, I can now decide the price my care system will charge for delivering these comprehensive services to this standardized group of patients.

This price becomes public information. If the cost for delivering all necessary care

turns out to be less than my care system's price, we will realize financial rewards. If the cost is ultimately more than the price, we will not be allowed to charge for the overage.

My care system is only responsible for the conditions and the care that are under our control and influence. The insurance risk of underlying health conditions, socioeconomic status, and ethnic background of the patients is adjusted out and is not our responsibility.

What are the results? First, the care system with low capital costs and administrative expenses has a distinct advantage. The all-too-obvious current temptation to build unnecessary capacity disappears.

Second, in this new world there are no contentious, expensive, time-consuming negotiations between providers and health plans. Administrative costs are therefore further reduced.

Third, the provider must maximize care outcomes. Every individual and institutional purchaser has full access to comparative information on care outcomes. Because the only way to achieve great care outcomes is to provide timely, coordinated, patient-centered care, every care system must do just that. Becoming a "medical home" for patients with complex, chronic conditions is one step that has since begun to occur in Minnesota.

This information allows consumers to financially reap the benefits of choosing a high-quality, low-cost provider. While patients may choose to get care in a more expensive care system, they will pay more for choosing this option.

RECOMMENDATION NO. 4: HEALTH CARE COSTS

The health measures of recommendation No. 1, the data transparency and quality improvement of recommendation No. 2, and the payment reform of recommendation No. 3 substantially reduce health

costs. But achieving the 20 percent cost reduction goal calls for more—educating consumers, streamlining governmental regulation, eliminating health plan activities unnecessary in the reformed system, and visible public reporting of administrative costs. Because health care costs are fueled in part by the rapid spread of new therapies whose effectiveness is unknown, the task force also recommends assessment of the comparative effectiveness of new therapies. Health insurance should not pay for new therapies that are not known to be better than current treatments.

RECOMMENDATION NO. 5: HEALTH INSURANCE

A newly created "health insurance exchange" oversees sweeping insurance reform. This reform includes merging the individual and small group markets, guaranteed issue of insurance regardless of health status, and premium differentials based only on age, geography, and health behaviors. A "risk equalization" mechanism guards against risk avoidance by insurers. And to promote fairness, the task force calls for most employers to offer Section 125 plans that allow employees to purchase insurance with pre-tax dollars.

The task force agrees that people making less than 300 percent of the federal poverty guideline should not be expected to spend more than 7 percent of their income on health care. Under this proposal, people at lower incomes receive subsidies to allow them to purchase affordable basic

health insurance. Furthermore, all citizens will be mandated to purchase a basic, standardized insurance package. This standardized benefits package includes those services known to be effective and of significant value.

This information allows consumers to financially reap the benefits of choosing a high-quality, low-cost provider. While patients may choose to get care in a more expensive care system, they will pay more for choosing this option.

Because the cost of subsidizing care is hefty, the need for effective cost control mechanisms is obvious.

CONCLUSION

If started in 2008, this proposal was expected to deliver truly impressive net savings—14 percent by 2011 and nearly achieving the 20 percent goal by 2015.

The Transformation Task Force demonstrated that there is indeed a way to resolve the cost-quality-coverage conundrum. Any proposal for health care reform that cannot simultaneously improve health and health care, cut costs by 20 percent, and cover all Minnesotans should be rejected. ●

Maureen K. Reed, M.D., F.A.C.P., is a board-certified internist and an independent consultant engaged in state health policy and a Citizens League member. She was formerly the Medical Director for HealthPartners Health Plan, a Regent of the University of Minnesota, and the Independence Party's 2006 candidate for lieutenant governor.

For the full article, see <http://bit.ly/Id9If6>



Health care reform in Minnesota: Citizen Solution forums

Ensuring a meaningful public say

By Annie Levenson-Falk

The Citizens League believes that people who are affected by a problem should help define and solve it. We have put this principle to work on issues such as the state budget debate, transportation, and Legacy Amendment funding for parks and trails, engaging citizens around the state on questions that leaders in St. Paul are struggling with most.

Now we're setting out to bring citizen voices into state discussions about health care reform.

The Citizens League and the Bush Foundation are partnering with organizations statewide to introduce discussions this spring and summer about citizens' and businesses' priorities and values relating to health, health care and health care reform.

This will feed directly to the bipartisan Health Care Reform Task Force. We are working with the task force to identify and understand the biggest policy questions it is wrestling with, so we can focus citizen input on these issues, and we will present a formal report this summer.

VALUES CRUCIAL TO SOLVING POLICY PROBLEMS

While most policy issues have a technical component, virtually all have a value question at their roots. They are difficult precisely because they involve differing values and involve prioritizing different interests. What kind of society do we want to be? What is our collective responsibility to one another? What are we willing to collectively pay for?

These are by nature questions that cannot be solved by the "experts." Answering questions of values requires citizen participation and input.

"Citizen engagement" does not mean creating mini-experts of participants; we already have many excellent experts working on these issues. Instead we give people important, big-picture information to help them discuss and express their values and priorities on key issues.

CITIZEN DISCUSSIONS

With businesses and local partners, we are organizing in-person conversations and an online forum on CitiZing® to dive deep into health care reform.

This spring and summer, the community conversations will provide key facts about health care in Minnesota and lead participants in discussions with their neighbors about their priorities and values concerning the difficult questions facing our state. Two-hour workshops will be hosted around the state.

Workshop participants, policy leaders and other citizens will continue the conversation online.

To join the conversation or to find out how you can attend a workshop in your area, visit www.citizensolutions.org. ●

Annie Levenson-Falk is a policy manager for the Citizens League and a member. She is leading the Citizens League's health care reform work and has led projects on electrical energy, water policy and immigrant students' access to higher education. You can reach her at alevensonfalk@citizensleague.org or 651-289-1072.

State task forces on health reform

In late 2011, two state task forces related to health reform were established:

HEALTH CARE REFORM TASK FORCE

Gov. Mark Dayton established this task force to develop strategies that:

- Improve access to health care for all Minnesotans.
- Lower health care costs by reforming how we pay for health care and changing incentives to encourage preventive care and reward healthy outcomes, not sickness.
- Improve the health of all Minnesotans and address Minnesota's huge health disparities.

The task force includes a bipartisan group of leaders from the legislature, key state agencies, and health care and social service organizations.

The Citizens League and the Bush Foundation are working together to engage citizens in this work.

HEALTH INSURANCE EXCHANGE ADVISORY TASK FORCE

Commerce Commissioner Mike Rothman established this task force to advise the state on the development of a health insurance exchange: a new marketplace for individuals and businesses to purchase insurance.

Insurance exchanges are a requirement of the federal Affordable Care Act (2010). Every state must set up such an exchange by Jan. 1, 2013, or exchanges will be established by the federal government. The exchanges will be in operation by 2014.

Minnesota recently received a \$26 million federal grant to help create the exchange. However, the exchanges have proven to be an especially divisive aspect of health care reform.



Human capital performance bonds

Breaking the human services mold

By Stacy Becker

If you're even a teensy bit familiar with government budgeting, you know it has some serious shortcomings. But there's an experiment brewing in Minnesota—the first of its kind in the U.S.—that could finally bring more sanity to government spending.

Last year the Minnesota Legislature, led by Rep. Keith Downey, R-Edina, and Sen. John Harrington, DFL-St. Paul, passed the “Pay for Performance Act.” Pay for performance is often spoken of in a punitive sense, such as, “Teachers aren’t doing their job, so we should only pay for performance.”

But this legislation recognizes that those offering workforce training, mental health treatment, supportive housing, chemical dependency treatment, and so forth, create value, some of which is financial. The pilot program makes Minnesota the first state in the nation to officially recognize that nonprofits create financial value that can be captured and used to fund services.

The cornerstone is “Human Capital Performance Bonds,” the brainchild of Steve Rothschild, a former General Mills executive and founder of Twin Cities RISE!, an intensive workforce training program. The legislation authorized \$10 million of appropriation bonds for the pilot.

The concept is simple. Nonprofit human service providers generate value to society. Among the many benefits created, there exists a subset of financial benefits that can be measured and have actual cash value to the state. For example, when a workforce training provider helps someone get a better-paying job, the state receives higher income and sales tax revenues, spends less in public benefits and may spend less on incarceration.

The state would enter into a contract with a service provider to pay a given amount (based on projected financial benefits) when certain performance standards are met. Bonds are sold, creating a pool of funds to pay the service providers. As the state begins to reap financial benefits, it sets this money aside to pay back the bonds.

HOW TO BREAK THE MOLD

These performance bonds depart from normal funding arrangements in three important ways. First, using bonds to finance social services is an implicit recognition by the state that benefits often accrue over a number of years. For example, we don’t educate 5-year-olds because we hope they’ll be contributing members of society by the time they are 7. Currently the state tends to under-invest in social services, because budgeting rules recognize payback periods of only two to four years.

Second, budgeting tends to take place inside strict silos, carefully guarded by state agencies. But as the workforce training example showed, costs and benefits are spread over many agencies. The Department of Employment and Economic Development pays for the services. The Departments of Human Services and Corrections see reductions in spending as a result. And the state’s coffers grow from increased tax revenue.

Human Capital Performance Bonds provide a way of accounting for these costs and benefits. For the first time, the budgets of

disparate state agencies will be considered from a single point of view—service providers’ impact on those budgets—and adjusted accordingly. This will help public agencies see and act upon the bigger-picture impact of human services.

Currently, the state tends to under-invest in social services, because budgeting rules recognize payback periods of only two to four years.

Finally, the focus shifts from activity to outcomes. How can we identify and fund those services that contribute to the health of our communities over the long run? Government budgets are notorious for funding activities (i.e., seat time for school children) rather than outcomes (how much they learned).

WHAT'S NEXT?

The legislation establishes an oversight committee, led by Minnesota Management and Budget Commissioner Jim Schowalter, charged with answering these questions: How should we decide what services to include in the pilot program? What standards do we have for performance? How will we know when service providers meet those standards? The committee began meeting in February.

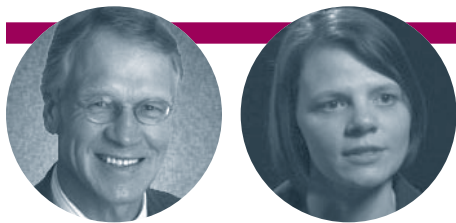
Rothschild created a nonprofit, Invest in Outcomes, with the sole purpose of launching and implementing the pilot program. Wilder Research was hired to look at a variety of service providers to see which of those services are good candidates for performance bonds. Not all are, especially for the purposes of a pilot test. The payback periods might be too long or the benefits might accrue somewhere other than state coffers.

Wilder has also developed an evaluation methodology in coordination with DEED and the Greater Twin Cities United Way, both of which have been developing efforts to measure the financial returns of workforce training programs. Invest in Outcomes is also working with the Nonprofits Assistance Fund on a working capital fund to help service providers with their cash flow needs.

The pilot will help answer many questions. Can we accurately measure financial value? Is this workable from all points of view—service providers, the state and bond investors? How can we improve the program? Can this idea be brought to scale?

It is this last question—scale—that offers so much promise. If the pilot is successful, it could open the door to hundreds of millions of dollars in new funding, expanding human services so that they are funded at an optimal level for society. ●

Stacy Becker is a public policy consultant and Citizens League member. She directed the Citizens League’s Minnesota Anniversary Project (MAP 150) and staffed the Common Cents budget and Citizen Solutions health workshop projects.



Parent Aware early learning ratings go statewide

Helping Minnesotans find high-quality child care

By Duane Benson and Ericca Maas

Up to 90 percent of brain development happens by age 5, making those early years a crucial time for children to be in stimulating learning environments.

Minnesota is not doing well on this front. Less than half of Minnesota children are arriving in kindergarten prepared to succeed. Too many who start behind never catch up, and eventually drop out of school.

Beyond the human tragedy, this also represents a fiscal and economic tragedy. When kids fall behind and ultimately drop out of school, it leaves Minnesota without the educated workforce it needs to compete in the global marketplace.

For taxpayers, ratings served as a warranty to ensure their tax dollars don't flow to providers who are not using school readiness best practices.

It also costs taxpayers billions in unemployment, social services, supplemental education, health care, law enforcement and prison expenses. Because of these expenses, economists Art Rolnick and Rob Gruenwald at the [Federal Reserve Bank of Minneapolis](#) estimated that every \$1 of investment in helping low-income kids access high quality early education yields about \$16 in benefits to society.

But to get that ROI, our investments must be directed to the kind of high-quality early education that actually prepares kids for kindergarten. Investing in low-quality education not only doesn't produce high returns, there is evidence that it sets children back.

In 2006, Minnesota business and non-profit leaders formed the [Minnesota Early Learning Foundation](#) (MELF) to learn more about how to improve early education quality. Through a rigorous evaluation of pilots, MELF found a quality rating and improvement system (QRIS) to be an especially effective and efficient reform tool. The Parent Aware Ratings were a simple-to-use, one-two-four-star rating system for helping parents find child care providers using the best practices for preparing kids for kindergarten.

MELF found Parent Aware to be a versatile reform tool. For parents, ratings served as a sort of Consumer Reports-type resource to better inform their child care shopping. For providers, the rating system provided a clear quality improvement roadmap, and a host of rewards. For taxpayers, ratings served as a warranty to ensure their tax dollars don't flow to providers who are not using school readiness best practices.

In the pilot areas, Parent Aware worked on all fronts. Among childcare providers who have volunteered to be rated (more than 400 so far), 92 percent say that the Parent Aware program

Legislature already backing away from accountability reforms?

Advocates of fiscal accountability and school readiness were encouraged last year by reforms recommended by the Minnesota Early Learning Foundation requiring that public child care dollars only be spent at providers with high Parent Aware Ratings. But rather than applying that reform principle to additional state child care funding streams, members of the Minnesota Legislature may already be backing away from the reform movement.

Under pending changes passed in the Minnesota House, state tax dollars used in the Early Childhood Education Scholarships program actually could go to a child care provider that is not using any of the best practices for preparing children for kindergarten.

"Just as road contractors who accept state transportation funding are expected to adopt quality standards to ensure wise use of tax dollars, child care providers who accept child care funding must be expected to adopt early learning quality standards to ensure wise use of tax dollars," said Robbin Johnson, president of the Cargill Foundation and chair of the Parent Aware for School Readiness board.

These moves away from early education spending accountability are opposed by the Minnesota Chamber of Commerce, the Minnesota Business Partnership, MinnCAN (the Minnesota Campaign for Achievement Now), the Citizens League and, according to a December 2010 statewide survey, 73 percent of Minnesotans.

improved their quality. An overwhelming 96 percent of parents found the information useful, according to a survey. Most importantly, children in child care settings with high ratings showed significant gains in kindergarten readiness measures, such as vocabulary, phonics, print knowledge and social competence.

Because of these encouraging findings, Parent Aware is now starting to become available in new areas of the state. While MELF sunsetted at the end of 2011, Parent Aware will continue in the MELF pilot areas—St. Paul, Minneapolis, Wayzata, and Nicollet and Blue Earth Counties. In 2012, Parent Aware will be expanding to the remainder of Hennepin and Ramsey Counties, as well as Becker, Clearwater, Itasca, and Mahnommen counties. By 2015, the ratings will become available to parents statewide.

Parent Aware is also at the center of the state's plan for improving the school readiness of low-income children as a strategy for closing the achievement gap, as outlined in its winning \$45 million federal Race to the Top (RTT) grant application. For instance, the plan links school-readiness scholarships to Parent Aware, ties incentives for school districts to start and grow pre-

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A new breed of great teachers

Alternative teacher certification will help build new education culture

By Vallay Varro

In 2018, 70 percent of all Minnesota jobs will require some level of higher education. For Minnesota students, the stakes and demands are high.

For decades, our nation touted Minnesota as the home of unrivaled, pioneering public education. But recently, we've slipped and fumbled. You've likely heard the statistics. Our achievement gaps are increasingly widening and polarizing, and they're among the worst in the United States. Our efforts to attract and retain high-caliber teacher candidates are lackluster compared with other states. By many accounts, student learning has diminished, including the 40 percent of Minnesota high school seniors who require remedial math or reading upon entering college.

The tides are turning, I believe. Scores of local foundations, businesses, nonprofits, parents and educators—from the Citizens League to MinnCAN—are rallying for reform.

Independent and academic research, coupled with intuition, tell us that teachers are the most important in-school factors to student success. As a testament to that truth, in March 2011 the Minnesota Legislature and Gov. Mark Dayton created alternative

Minnesota is on its way to building a leadership pipeline and promoting a different culture within teaching.

pathways for talented educators to receive teaching certification. Still in our infancy, MinnCAN (the Minnesota Campaign for Achievement Now) wholeheartedly appreciated the opportunity to collaborate with other forward-looking organizations such as Teach For America—Twin Cities and the Citizens League to achieve passage of this critical bill.

Upon the bill's passage, the Minnesota Board of Teaching adopted and approved a process for alternative teacher certification programs. The guidelines are available [here](#).

Each year, Teach For America—Twin Cities recruits 50 to 100 new teachers to help Minnesota's most struggling students learn the skills to be college- and career-ready. These teachers come from top colleges and universities and are among the most talented and highest-performing in their graduating classes.

Teach For America is certainly not alone in pioneering alternative paths for great teachers, but it is likely to be the first accredited organization the Minnesota Board of Teaching approves for preparing "alternative" teacher certifications. Well under way in the board's comprehensive review program, it may be able to license teachers as early as next year.



Photo courtesy Hiawatha Leadership Academy

The Hiawatha Leadership Academy in Minneapolis, founded in 2007, features a faculty more than 70 percent comprised of Teach for America Corps members and alumni. Last year, more than 90 percent of their students made more than 1.5 years of growth in reading and math on the nationally normed NWEA MAP assessment.

Earlier this year, MinnCAN polled 1,000 Minnesotans to understand their opinions about public school staffing policies. The poll reaffirmed our collective effort to enact meaningful reforms to attract and place great teachers in classrooms. You spoke with a clear voice: 71 percent of voters believe that school districts should give consideration to and recruit educated, high-quality teacher candidates who come from nonteaching backgrounds.

In addition to Teach For America teachers, many other talented educators will find homes in Minnesota public schools. For example, if an economics major from one of our country's best universities wants to teach seventh-grade math in one of our struggling public schools, he or she can demonstrate math proficiency by passing a widely accepted test instead of spending months taking more classes because he or she didn't get a math degree.

Minnesota is on its way to building a leadership pipeline and promoting a different culture within teaching. These are important steps in closing our staggering achievement gaps. Just think, within two years of people like you contributing to a groundswell of support for placing great teachers in our classroom, Minnesota students will begin to reap the benefits.

In celebration of the Citizens League's 60th anniversary, kudos to the organization and members like you for maintaining a legacy of advocating for sound policies, including alternative teacher certification, to keep Minnesota on the map as a top place to live, work and raise a family. ●

Vallay Varro is the founding executive director of MinnCAN: The Minnesota Campaign for Achievement Now.

Better care continued from page 5

recommendation—basing payment to providers on relative quality and cost, not the number of services performed—is the next phase once outcome and cost assessment are in place.

Since 2008, officials across multiple private and public agencies, and through two administrations, have been implementing the health reform statutes. In the process, some challenges and new opportunities have emerged that will need future work.

MARKET REFORM AS AN ALTERNATIVE TO GOVERNMENT CONTROL

The way to sound cost containment is incentives on all providers to steadily improve productivity, not crude controls that make them cut costs by jeopardizing quality, or benefit and coverage cuts that simply exclude patients from obtaining adequate care. Productivity gain comes from sound market incentives, a concept with truly bipartisan appeal.

The distinction between a sound and unsound market is often lost in discussions about reform. Presently the United States has an unsound health care market, and this is what has produced its variable quality and runaway cost. The cost cannot be sustained, and so in frustration people call out for government control. Yet there is a third option: Reform the market to get the incentives

How do we significantly control health care cost ... without compromising quality and access to care?

right. In a reformed market that powerfully rewards quality and efficiency, Minnesota providers will solve the quality and cost problem for us.

If the market reform strategy above proves insufficient, this does not change the diagnosis. The nation must come up with supplementary measures or an alternative strategy to reverse the

perverse incentives on our providers. No matter what that strategy turns out to be, outcomes assessment will clearly have to be an essential part of it, and on this, Minnesota is way out front of the rest of the nation.

If cost is to be controlled nationally, outcomes assessment and information on the cost of care, paired

with payment reform, must become a central thrust of policy.

Fortunately, Minnesota does not need to wait for anyone, including the federal government. We are already well on the way, Minnesota-style, and we need only finish the job. If we do it well, the rest of the nation will be playing catch-up to our example. ●

Walter McClure, PhD., is a Citizens League member and chairman of the board and a senior fellow at the Center for Policy Studies, a nonprofit, nonpartisan policy analysis and design organization in the Twin Cities. Tim McDonald is a fellow at the Center for Policy Studies.

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kindergarten programs to Parent Aware, and targets professional development supports to early childhood educators working in rated programs.

The success of Parent Aware is due in no small measure to Citizens Leagues support. Expanding Parent Aware was one of the solutions suggested in the Citizens League's [Pathways to Prosperity](#) project, and it [sent a letter](#) to Governor Dayton endorsing the RTT grant application. The League is now exploring the use of the Parent Aware approach with [community schools](#).

The Parent Aware Ratings are not a panacea, but they are a foundation to build on. Fortunately, a new business-backed nonprofit group, [Parent Aware for School Readiness](#) (PASR, pronounced like "passer") will be keeping the momentum moving forward by promoting the ratings to parents, and protecting the ratings from political pressures to water down their standards.

"Change" is a popular bipartisan buzzword at the state Capitol. But we saw during the 2011 Legislature that change quickly becomes controversial when it becomes apparent that reform requires adults with a stake in the failed status quo to do things differently.

As Parent Aware expands statewide, politicians, child care providers, parents, interest groups, business leaders and government employees all have to adjust. The needs of kids must supersede the needs of adults clinging to a failed status quo approach that is leaving half our kids behind. If that doesn't happen, a decade from now the situation will be just as bad as it is today, or worse. ●

Duane Benson is the former Executive Director of the Minnesota Early Learning Foundation (MELF), and a member of the Citizens League Board of Directors. Ericca Maas is Executive Director of Parent Aware for School Readiness (PASR).

PERSPECTIVES

Expanding Minnesota's Conversation



Citizen designers

New ways of thinking about policy problems

By Thomas Fisher

We typically think of design in terms of how things look—the color and pattern of clothing or carpets—or how they work—the form and function of cars or laptop computers. But a few in the design community have begun to apply the thinking behind such things to public, private and nonprofit-sector problems that may have few or no physical components to them.

But we don't have to be geniuses like (Steve) Jobs to employ design thinking.

This has happened in part because many of us now recognize that we cannot continue as we have done in the past, consuming financial or environmental resources at rates that are untenable and unsustainable going forward. As a result, political and business leaders have begun to ask questions such as:

- How can we address the growing needs of citizens in an era of diminishing resources by doing more with less?
- How can we create products that have transformative effects by allowing people to live and work in whole new ways?
- How can we provide services in ways that improve their effectiveness and efficiency by reducing errors and improving people's experiences?

Questions like these do not lend themselves to traditional left-brain analysis or linear, bottom-line thinking. They require, instead, more creative responses—imagining ways of doing things that have not been done before and that can bring dramatic improvements in the prosperity, profitability and productivity of people or organizations. For this, we need design thinking.

Steve Jobs showed us what this kind of thinking creates: not just better products,

but whole new devices and services that we didn't know we needed and that we now can hardly live without. But we don't have to be geniuses like Jobs to employ design thinking. It follows a set of steps and uses a number of techniques that anyone can learn to produce useful and even inspired results, with enough practice.

Design thinking, though, does not work like other forms of reasoning. While it uses the deductive logic of math and the inductive methods of science, design also involves what most of us never learned in school—abductive reasoning. This type of reasoning works best when dealing with complex, ambiguous and seemingly paradoxical problems for which no single right answer exists—in other words, most of the problems that we now face as a society.

Abductive reasoning itself seems paradoxical, because it often diverges in order to converge on a better idea; it frequently takes one step back in order to take three steps forward; and it may go in what looks like the wrong direction in order to find a different and more productive path.

To linear thinkers, this can look like craziness. However, every great discovery and every real advance in human history including those in math and science—began with the intuitive hunches and creative leaps of abductive reasoning.

Einstein once said, “We can't solve problems by using the same kind of thinking we used when we created them.” And yet we have been doing just that, often trying to address system breakdowns, service failures and societal crises with the same thinking that helped create them.

Design thinking, in that sense, lets us imagine new ways of thinking about such things, and it does so using some of the following:

- Analogy, which takes something that works in one area and applies it to another area.

- Metaphor, which reinterprets a problem to see it and its possible solutions in a new way.
- Juxtaposition, which combines seemingly unrelated things to discover new connections.
- Improvisation, which appropriates things at hand and makes something useful from their combination.
- Rescaling, which reuses something that works at a different scale or for a different purpose.
- Rearranging, which pulls things apart and puts them back together in new and unexpected ways.
- Reinterpreting, which seeks new ways of explaining a situation or applying a solution.
- Reimagining, which looks at a problem from another, radically different perspective.
- Diagramming, which tries to map relationships or give form to what might not be obvious.
- Modeling, which attempts to give an idea some sort of physical form in order to react to it.
- Prototyping, which allows us to test and critique ideas in order to adjust them and try again.

Such techniques, among many others that designers use, get us to see things and think about them in new ways. Not all of them work in the same situation or for the same person, but all of them have proven useful in finding creative and unconventional solutions to the problems that plague us.

So do what designers do and dive in. Start using these methods whenever you encounter a seemingly insolvable problem and you may soon find yourself at the cutting edge of design, applying such thinking to the toughest challenges of our times. ●

Thomas Fisher is dean of the College of Design at the University of Minnesota.



Design thinking needs you!

Design thinking in the real world

By Virajita Singh

We are citizens of an incredible time period: On one hand, everything seems to be collapsing; on the other, it is all emerging anew. This new emergence has a collective identity to it; its spirit seems to rest in the masses. Note, for example, that *Time Magazine's* Person of the Year for 2011 was The Protester, having no face and many faces all at once.

We can be passive bystanders or active participants in these unusual times of transition. I suggest that actively engaging is by far more fulfilling.

Daniel Pink, in his book *A Whole New Mind*, gives language to this transition when he calls it a shift from the "Information Age" to a "Conceptual Age." He offers us some tools as well when he talks of the six "senses" that will see us through: design, story, symphony, empathy, play and meaning. For those of us who are concerned about being globally competitive, he makes the case that getting comfortable and mastering these aptitudes early would put us on the leading edge.

Design thinking, as Thomas Fisher points out in "Citizen designers," is an important inroad into the world of design. It is an adventure, a venturing into the unknown with a goal in mind, a process of discovery of the unexpected as you make your way to the solution.

For most people, this is an uncomfortable proposition—we'd much rather see very clearly where we're heading and what we must do next. For professional designers, too—fashion designers, interior designers, architects and others—the process isn't always easy, but they've trained themselves to engage in it and trust the process.

It is time for the design process, among others, to be used by the citizens of our time. Because our systems are so broken in so many ways, it will take all of us to engage in the process of redesigning them. And because the systems of our recent past, from the Industrial and Information

Ages, were designed by a few and haven't worked for the many, we need new ways to allow for the many to design. Design thinking is one of the tools to engage in the process of the massive redesign of our human-made world, already under way.

Recently, I led design thinking workshops in support of a larger USDA-funded initiative to provide citizens in three rural communities (in Minnesota, North Dakota and South Dakota) better tools and processes to increase their capacity to grow and deliver local and sustainable foods.

Through each workshop, community participants enacted the design process by reflecting on their personal and community experience of food, building empathy for its unique versions in their community, stating the design problem as designers do, drawing solutions and building prototypes alongside developing vision statements for their community and identifying next steps for implementing the future they want to create. Design, story, symphony, empathy, play and meaning were all present in those moments.

Some developments were magical. In one community, a young champion emerged who committed himself to helping move the work forward, much to the delight of other older community members. An elderly farmer, who joined the workshop halfway through the process and wanted to mostly observe, stepped up at the end, surprising the group by saying he was impressed by what had emerged and that he'd like to offer his farm for the community to work with, if it was interested. "How much land do you have?" someone asked. Four hundred acres, he said, as eyes widened around him at the possibilities.

In another community, the drawings participants made revealed that a dialogue

with the local food inspector was the next step to be taken and that the school teacher was a central figure and partner for working with the community's children to create a new future in terms of healthy local and sustainable foods.

Because our systems are so broken in so many ways, it will take all of us to engage in the process of redesigning them.

And in the third community, the entire group was blown away by the power of the holistic visions that emerged in the prototype they had built: a community kitchen (already in the works) in a sustainable building and powered by wind energy and more.

I was simultaneously struck by the power of what happens when humans give themselves the license to play and inspired to watch the process of citizens expressing their voices through design. Perhaps most important was that joy and optimism were palpable in those workshops. What if redesigning our human-made world (despite the chaos) were an exercise in play—a creative experience of pure joy? What if our being part of the design process were key to creating a better world? Count me in, I'd say; sign me up! Wouldn't you? ●

Virajita Singh is a senior research fellow and adjunct assistant professor at the College of Design, University of Minnesota. She teaches design thinking and works with communities and organizations to apply design thinking principles as they create their futures.

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