Hospitals Aligned for Healthy Communities
Leveraging Investing, Purchasing and Hiring for Inclusive Local Impact

David Zuckerman
Manager, Healthcare Engagement
Anchor Institution Initiative
CHA Pre-Assembly Community Benefit Program
New Orleans
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Place Matters

Male life expectancy in Hough and Lyndhurst (Cleveland):

Source: Life expectancy data calculated by Cuyahoga County Board of Health and the Alameda County Health Department
To address health inequities, you must address social and economic inequities.

Social & Economic Factors:
- Education
- Employment
- Income
- Family & Social Support
- Community Safety

Healthy Behaviors
- Access to Care
- Physical Environment
- Quality of Care
- 10%
- 10%
- 10%
- 30%

Adapted from County Health Rankings, University of Wisconsin Public Health Institute.

What drives health outcomes?

The widening U.S. health and wealth gap:

- 22% of children are living in poverty, a percentage that has not changed since 1960.

- The number of people living in concentrated poverty has doubled from 7 to 14 million since 2000.

- White median net wealth is 13x greater than African-American net wealth and 10x greater than Latino net wealth.

- Differences in lifespan after age 50 between the richest and the poorest have more than doubled—to 14 years—since the 1970s.

How can health systems begin to shift these drivers?
“Health disparities are the physical embodiment of inequity in opportunities. And these inequities in opportunity have been socially created, which means we are all a part of creating them and that we can now play a role in actually changing them.”

Jeanne Ayers, Asst. Commissioner, MN Department of Health, March 2016
Community Wealth Building Ecosystem

Local & Shared Ownership
- Cooperatives, ESOPs, Social Enterprises, Enterprise Accelerators, Small Business Capacity Building & Succession Planning

Leveraging Anchor Economic Power
- Hire Local, Buy Local, Invest Local, & Build Local Supply Chain

Individual Asset Building
- CSAs, CITCs, Home Ownership, & Workforce Development

WHAT ARE ANCHOR INSTITUTIONS?
- “Sticky capital”
- **Economic engine**: employer, purchaser, investor
- Nonprofit or public
**The Anchor Mission:**

A commitment to intentionally apply an institution’s long-term, place-based economic power and human capital in partnership with community to mutually benefit the long-term well-being of both.

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**Health system assets:**

**Functional assets:**
- Community planning & leadership
- Business & financing
- Partnering capacity
- Communications
- Government relations
- Public policy
- Healthcare services
- Research, Data, and Technology
- Diversity & Inclusion
- Labor-Management Relations
- Reputation

**Discretionary assets**
- Community Benefit Grants
- Community Health Initiatives
- Social & Economic Support Services
- Foundation & Philanthropic initiatives

**Economic Assets:**
- Hiring and Workforce
- Procurement/Purchasing
- Treasury/Investment
- Construction
- Real Estate/Facilities
Strategies for Deploying Economic Assets:
Hospitals Aligned for Healthy Communities

HospitalToolkits.org

“Rethinking How We Do Business”

Community and healthcare leaders are discovering that hospitals can help heal entire cities through economic development... healthcare systems can create jobs and wealth...And we can earn the trust and goodwill of our neighbors.

Tom Zenty, CEO, University Hospitals System, May 2013
Inclusive, Local Hiring:

Outside In & Inside Up

• **Outside In** - equip local residents for high-demand frontline jobs that are connected to internal pipelines

• **Inside Up** - connecting frontline workers to pathways for career advancement within the institution

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Key Strategies for Outside In:

• Partner with a workforce intermediary

• Utilize a cohort training model focused on specific positions

• Develop a paid internship program with pathways to hire

• Designate geographic focus in high-poverty neighborhoods
Key Strategies for Inside Up:

- Utilize a cohort training model focused on specific positions
- Offer job coaching for new hires and map out potential career pathways
- Provide tuition assistance and advancement for trainings accessible to frontline employees
- Provide additional supports to build employee and community wealth

UNIVERSITY HOSPITALS
Cleveland, OH

Program mission: Enable people to develop careers in which they can meet their potential, aspirations, and earning power and help University Hospitals meet its workforce needs.

Impact:
- 111 hires in 2.5 years
- Reduced interview to hire ratio
- 1-year retention rate at 80% for pipeline graduates, compared with 66% overall

Key Strategies:
- Designate geographic focus in high-poverty neighborhoods
- Set aside positions for cohort graduates
- Offer job coaching for new hires
- Partner with local community organizations
- Provide tuition assistance

POSITIONS OF FOCUS
- Environmental services
- Nutrition services
- Patient care assistant
- Operating room assistant
- Medical assistant
CASE STUDY

Inclusive, Local Sourcing:
Creating Connections & Building Capacity

- **Creating Connections** - connecting existing local and diverse vendors to contracting opportunities within your institution

- **Building Capacity** - building up the ability of the local business community to meet health system supply chain needs.
Key Strategies for Creating Connections:

- Create a full-time coordinator role
- Establish local and diverse spending goals and embed them into RFPs and contracting processes
- Conduct outreach and education on how to work with the health system
- Leverage upcoming construction and capital expansion projects
- Unbundle contracts and carve out opportunities for new diverse and local vendors

Key Strategies for Building Capacity:

- Leverage the expertise and purchasing power of existing vendors
  - Require majority-minority contracts and subcontracting to local, diverse vendors
  - Facilitate a Mentor-Protégé Program
- Promote business incubation and expansion
- Provide technical assistance and capacity-building training
UNIVERSITY HOSPITALS
Cleveland, OH

University Hospitals is firmly committed to supporting minority; women; LGBT; and local business enterprises

Impact:
- Total Spend in 2015: $832 million
- MWBE vendors: $62 million
- Cleveland vendors: $199 million
- Ohio vendors: $363 million

Key Strategies:
- Connect to existing inclusive economic development partnerships
- Support inclusive business structures
- Leverage large capital projects
- Establish local and diverse spending goals and benchmarks
- Leverage contracts with large vendors and GPOs

AREAS OF FOCUS:
- Construction
- Worker owned cooperatives in:
  - Produce
  - Laundry
  - Energy efficiency & retrofits
- Distribution
Place-Based Investment Across Asset Classes

- **Cash and cash equivalents**: deposits in local community development banks and credit unions
- **Fixed income**: geographically targeted private and public debt investments
- **Private equity and venture capital**: equity investments in local private enterprises with positive community benefits
- **Real assets**: investments in local infrastructure, real estate, and commodities with positive social and environmental impacts

Current Allocation: $100 million (1% of investible assets); up to 5% of investible assets could be allocated

**CASE STUDY**

**DIGNITY HEALTH**
Headquartered in San Francisco, CA

*Dignity Health investments are to be used by nonprofit organizations for community economic development benefitting low-income underserved populations*

**Focus Areas:**
- Economic development
- Affordable housing
- Renewable energy
- Arts and education
- Alternatives to predatory lending
- Healthcare access

**Key Strategies/Investment Vehicles:**
- Secured and unsecured loans
- Intermediary investment (CDFIs)
- Line of credit
- Loan guarantees
- Linked deposits (credit unions and community banks)
- Equity capital
GUNDERSEN HEALTH SYSTEM  
La Crosse, WI

Gundersen used their investments to finance the development of multiple renewable energy projects—all within the areas that the health system serves.

**Investment size:** $30 million (5% of portfolio)

**Key Strategies/Investment Vehicles:**
- Leverage investment portfolio to achieve goal of 100 percent energy independence
- Support local economy through investments in local renewable energy projects
- Make direct equity investments in small, local, and/or diverse businesses based in the community

**FOCUS AREAS:**
- **Renewable energy**
  (wind, biomass, solar, & digesters)
- **Job creation**
  investments into energy projects and local businesses
- **Regional agriculture**
  Supporting multi-stakeholder food co-op
CASE STUDY

BON SECOURS HEALTH SYSTEM
Headquartered in Marriottsville, MD

The goal of the program is to make Impact Investments with institutions and/or projects to promote access to jobs, housing, food, education and healthcare for low-income and/or minority communities

Fund size: $26 Million to date (2.5% of long term reserves, with goal of 5%)

Key Strategies/Investment Vehicles:
- Intermediary investment (CDFIs)
- Internal green revolving loan fund
- Align community benefit with place-based investing strategies
- Cash and cash equivalent assets into local banks and credit unions

FOCUS AREAS:
- Affordable food
- Housing affordability
- Local and small business development
- Other financial intermediaries that serve Bon Secours’ communities
HEALTH SYSTEMS ADOPTING ANCHOR STRATEGIES

LOCAL & DIVERSE PROCUREMENT

University Hospitals (Cleveland, OH)
- Saved $23 million on a 12-month construction project.
- Developed an equity-based procurement process.
- Awarded contracts to minority-owned businesses.
- Increased diversity in the construction workforce.

Johns Hopkins Health System (Baltimore, MD)
- Implemented a minority-owned business mentoring program.
- Developed a procurement strategy to increase minority participation.
- Awarded contracts to minority-owned firms.

University of Chicago Medicine (Chicago, IL)
- Implemented a diversity procurement plan.
- Developed a minority-owned business development program.
- Increased minority participation in construction projects.

COMMUNITY INVESTMENT

Trinity Health (19 U.S. States)
- Launched a $1 billion community investment program.
- Invested in community development initiatives.
- Partnered with community development financing institutions.

Dignity Health (California, Nevada, Arizona)
- Implemented a community investment program.
- Invested in community health initiatives.
- Partnered with community development organizations.

Gundersen Health System (La Crosse, WI)
- Launched a community investment program.
- Invested in community development initiatives.
- Partnered with community development organizations.

LOCAL & INCLUSIVE HIRING

University of Colorado Hospital and Children’s Hospital Colorado (Aurora, CO)
- Developed a community hiring program.
- Partnered with local minority-owned businesses.
- Awarded contracts to minority-owned firms.

Partners Healthcare (MGH & BWH) (Boston, MA)
- Developed a community hiring program.
- Partnered with minority-owned businesses.
- Awarded contracts to minority-owned firms.

University Hospitals (Cleveland, OH)
- Developed a community hiring program.
- Partnered with minority-owned businesses.
- Awarded contracts to minority-owned firms.

UPSTREAM COMMUNITY BENEFIT

Bon Secours Health System (Richmond, VA, Baltimore, MD)
- Developed a community benefit program.
- Partnered with community development organizations.
- Awarded contracts to minority-owned firms.

ProMedica (Toledo, OH)
- Developed a community benefit program.
- Partnered with community development organizations.
- Awarded contracts to minority-owned firms.

Mayo Clinic (Rochester, MN)
- Developed a community benefit program.
- Partnered with community development organizations.
- Awarded contracts to minority-owned firms.

*Case Studies Provided by the Democracy Collaborative*
The purpose of the Healthcare Anchor Network is to help each participant more rapidly and effectively advance an anchor mission approach within our institutions, the communities we serve, and across the healthcare sector.
Health disparities are the physical embodiment of inequity in opportunities. And these inequities in opportunity have been socially created, which means we are all a part of creating them and that we can now play a role in actually changing them.

Jeanne Ayers, Asst. Commissioner, MN Department of Health, March 2016
Thank you!

For more information:
hospitaltoolkits.org
www.democracycollaborative.org

David Zuckerman
Manager, Healthcare Engagement
Democracy Collaborative
dave@democracycollaborative.org

Transforming Communities

Jaime Dirksen
Director, Community Health Institute
June 11, 2017
Our 22-State Diversified Network

- **93** Hospitals* in 22 states
- **47** Home Care and Hospice Locations Serving 116 Counties
- **59** Continuing Care Facilities
- **15** PACE Center Locations
- **4** Mission Health Ministries

<table>
<thead>
<tr>
<th><strong>2.5m</strong> Home Health/Hospice Visits</th>
<th><strong>$15.9b</strong> In Revenue</th>
<th><strong>$1b</strong> Community Benefit Ministry</th>
</tr>
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| **97k** Full-time Employees | **24k** Affiliated Physicians | **5.3k** Employed Physicians |

Trinity Health has been investing in communities for more than a decade

- It began as a way to leverage our strong balance to advance community benefit through using low-interest rate loans
- Our original allocation was $25 M, which at the time represented 1% of Trinity Health’s operating pool. The Board approved an increase to $35 M in 2010 and increase to $75 M in 2016.
- Program is aligned with Trinity Health Transforming Communities Initiatives and prioritizes investments to address social determinants of health
- Our program has governance and leadership support
### Examples of community investments made

<table>
<thead>
<tr>
<th>Partner</th>
<th>Amount</th>
<th>Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mercy Loan Fund</td>
<td>$4.8 million</td>
<td>Affordable housing in various states</td>
</tr>
<tr>
<td>Finance Fund</td>
<td>$1.25 million</td>
<td>Healthy food financing in Ohio</td>
</tr>
<tr>
<td>IFF</td>
<td>$2 million</td>
<td>Nonprofit facilities in Iowa, Illinois and SE Michigan</td>
</tr>
<tr>
<td>Corporation for Supportive Housing</td>
<td>$1.5 million</td>
<td>Supportive housing in Illinois, Indiana, Ohio, Maryland and Michigan</td>
</tr>
<tr>
<td>Nonprofit Finance Fund</td>
<td>$1 million</td>
<td>Renovation of family shelter in Macomb County, Michigan</td>
</tr>
<tr>
<td>Disability Opportunity Fund</td>
<td>$750,000</td>
<td>Secondary mortgage for nonprofit provider of services to people with disabilities</td>
</tr>
<tr>
<td>First Children’s Finance</td>
<td>$350,000</td>
<td>Improvements to childcare facilities in Iowa, Michigan</td>
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### A Recent Investment Success Story Addressing Food Deserts

Ohio ranks 6th among the top ten states with the worst limited supermarket access (LSA)

Early $1,000,000 investment in Finance Fund Capital Corporation (FCAP) for Healthy Food in Ohio encouraged foundations and banks to bring private funding to HFFO.

FCAP used part of our loan to expand Luc’s Asian Market in our Columbus service area.

**Results:** Increased access to healthy and fresh foods in low income communities; new State funding program launched.
TCI was launched in March 2016 to improve the health and well-being in eight communities

- Anticipated investment of $80 million over 5 years in community health interventions
- Funding national technical assistance partners

Eight communities are now part of TCI, targeting policy, system and environmental changes

- Boise, ID (Promise Partnership)
- Maywood, IL (Proviso Partners for Health)
- Silver Spring, MD (Healthy Montgomery)
- Springfield, MA (Live Well Springfield)
- Syracuse, NY (TCI Syracuse)
- Trenton, NJ (Trenton Health Team)
- Hartford, CT (Well Being 360)
- Fresno, CA (Fresno Community Health Improvement Project)
Community coalitions are driving the success of TCI initiatives

Initiatives include:

• Tobacco 21 and other tobacco control policies
• Complete Streets policies
• Nutrition Standards in Head Start and daycare settings
• Enhancement of Breastfeeding policies within RHM and in the community
• School wellness policies addressing food and beverage environment and increasing physical activity

Trinity Health is driving Tobacco 21 legislation in the communities we serve

220 jurisdictions have passed Tobacco 21 laws in 22 states

Trinity Health Communities
Chicago, IL – March 16, 2016
South Bend, IN – March 29, 2016
Albany, NY – April 26, 2016
State of California – May, 2016
Ann Arbor, MI – August 16, 2016
Schenectady County, NY- September
Genesee County, MI – February 14, 2017
Trenton, NJ – February 16, 2017

Key Partners to achieve this success:
Partnerships to reduce childhood obesity are making great strides

TCI Syracuse (Syracuse, NY)
Working to enact food and beverage standards in corner stores/small retail venues that meet the 2020 Dietary Guidelines for Americans.

Promise Partnership (Boise, ID)
Working with local legislators to remove indecent exposure law that prohibits breastfeeding in public; Working with State to increasing access to safe and supportive breastfeeding space.

Proviso Partners for Health (Maywood, IL)
Engages youth to operate a community garden that provides fresh fruits and vegetables to local organizations in need and is working to build local economy and farm to table opportunity for local restaurateurs.

Live Well Springfield (Springfield, Mass.)
Developing a School Food and School Garden Parent Ambassador Programs to build a core group of parents to advocate for, engage, and mobilize other parents to create a healthy school food system.

Discussion & Questions