

# Health Care and Housing

## Making the Case to Invest

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NANCY A. MYERS, PhD, and GRETCHEN WILLIAMS TORRES, MPP

Improving the health of individuals, and their neighborhoods and communities as a whole, is one of the most pressing challenges today in the United States. Given the myriad social, environmental and economic factors that contribute to health, making meaningful and sustainable improvements in the well-being of individuals and creating healthy communities cannot be accomplished by one organization or sector alone.

Hospitals and health systems — as anchor organizations, or economic engines that tend to remain in regions where they are established — have the opportunity to meet this challenge of improving the health of individuals and their neighborhoods by making meaningful upstream investments to improve community health. While these organizations have a long history of providing more than stand-alone acute care services by contributing crucial services in communities, innovative approaches are needed to address systemic barriers to create truly thriving environments. Applying strategies from across sectors, such as community development and investing, may activate systemic change that health care-driven strategies have not yet been able to accomplish.

The Accelerating Investments for Healthy Communities initiative of the Center for Community Investment is addressing systemic barriers by helping a group of hospitals and health systems already investing in affordable housing expand the scale and impact of their work, using a defined framework.

### HEALTH AND HOUSING

Given the inextricable link between affordable, quality housing and good health, housing is one area that hospitals are starting to focus on more and more. Existing and emerging affordable housing initiatives are designed to address the growing mismatch between people's income levels and housing costs by preserving or building homes that are not being produced by traditional mar-

ket dynamics. Many of these initiatives focus on disadvantaged communities where the need is great but the conventional market is not able to meet that demand. However, funding streams that hospitals have historically used for contributing to the community, such as community or philanthropic grants, may be neither sustainable nor adequate for scaling the project or truly revitalizing the community.

That's where upstream investment comes into play. Investing—paying for goods and services that will have value over time, with the expectation of some form of return—as compared to spending is an emerging tactic for addressing social determinants of health. An overall system of community investment has developed to help overcome market failures and transform disadvantaged communities. Hospital-driven investment in affordable housing initiatives can contribute to this system.

The Center for Community Investment at the Lincoln Institute of Land Policy has developed a “capital absorption framework” to help improve a community's ability to attract needed resources. By working through three core functions — establishing shared priorities, creating a pipeline of investable projects and strengthening investment — communities can engage new stakeholders, attract new capital and increase the speed and scale of investments. This framework helps hospitals and health systems assess their local community investment system. In turn they can explore potential roles in bringing new



ideas, assets and partnerships to help strengthen the system and accelerate efforts to address the social determinants of health.

### ACCELERATING INVESTMENTS FOR HEALTHY COMMUNITIES

With support from the Robert Wood Johnson Foundation, the Center for Community Investment launched the Accelerating Investments for Healthy Communities initiative to help a group of hospitals and health systems already investing in affordable housing expand the scale and impact of their work, using the capital absorption framework. The focus is on a cohort of hospitals and health systems to better understand what it takes to get started on this work and any barriers to implementation.

As evaluation partners on the project, the American Hospital Association and a nonpartisan research institution, NORC at the University of Chicago, are following the cohort to gain insight into what it takes for hospitals to do this work. During the initial phase, the participating hospitals were introduced to the capital absorption framework and the concept of community investment. The American Hospital Association and NORC identified two emerging themes for getting buy-in and making the case for investing in affordable housing: mission-driven commitment and strategic alignment.

■ **Mission-driven commitment:** All participating hospitals and health systems demonstrated an underlying commitment and drive to address the social determinants of health, with an emphasis on housing. They expressed widespread acceptance that, if their goal were to advance equity and improve health, it was their responsibility to support their communities. This mission-driven commitment was linked to certain characteristics of the different types of hospitals and health systems, including anchor organizations, nonprofit, safety-net and faith-based.

■ **Strategic alignment with payment and care models:** While mission is a driving factor, the old mantra, “no margin, no mission” also applies for many. New care delivery and payment models are creating the strategic alignment to augment support for affordable housing. Participating hospitals described how affordable housing aligned with their organization’s strategy, particularly when they had a health insurance plan or accountable care organization.

As part of its work providing technical assistance to the Accelerating Investments for Healthy Communities sites, The Center for Community Investment identified other factors that influence hospitals’ and health systems’ work investing in affordable housing. In addition to achieving return on investment and advancing their mission, these organizations view upstream investments as ways to enhance their reputation and competitiveness, strengthen community relationships, meet their obligations to the community and leverage their assets to move strategically toward a health care future focused more on value than volume.

Over the next two years, project partners in the healthy communities work will continue examining what drives hospitals and health systems to invest in affordable housing and what makes these projects successful. This work may serve as a path forward for other health care organizations looking to invest in addressing the social determinants of health.

**NANCY A. MYERS** is vice president, leadership and system innovation at the American Hospital Association. **GRETCHEN WILLIAMS TORRES** is principal research scientist – NORC at the University of Chicago.

### REFERENCES

Information provided here is excerpted from two recent issue briefs: American Hospital Association and NORC at the University of Chicago, “Making the Case for Hospitals to Invest in Housing,” May 2019, <https://www.aha.org/issue-brief/2019-04-24-making-case-hospitals-invest-housing>; Center for Community Investment at the Lincoln Institute of Land Policy, “Why Pioneering Health Institutions Are Investing Upstream to Improve Community Health,” July 2019, <https://centerforcommunityinvestment.org/sites/default/files/2019-07/CCI-%20Hospital%20Motivations%20Paper.pdf>.

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