The role of philanthropy in financing health, not just healthcare

Elena M. Marks
President and CEO
Episcopal Health Foundation
About episcopal health foundation

Who We Are

$1.2B in assets

$47M annual operating budget

30 staff members

What We Do

Grantmaking

Research

Capacity Building

Community Engagement

Leadership
What is the problem we’re trying to solve?
Determinants of Health

- **Length of Life 50%**
  - Health Behaviors (30%)
  - Clinical Care (20%)
  - Social and Economic Factors (30%)
  - Physical Environment (10%)

- **Quality of Life 50%**
  - Tobacco Use
  - Diet & Exercise
  - Alcohol & Drug Use
  - Sexual Activity
  - Access to Care
  - Quality of Care
  - Education
  - Employment
  - Income
  - Family & Social Support
  - Community Safety
  - Air & Water Quality
  - Housing & Transit

Source: County Health Rankings
And where do we invest

Medical services $3.2T 98%

Public health $81B 2%

Clinical care
- Access to Care
- Quality of Care

• Hospital Care
• Physician and Clinical Services
• Dental Services
• Home Health Care
• Nursing Care Facilities;
Continuing Care Communities
• Prescription Drugs
• Durable Medical Equipment
• Government Administration
• Net Cost of Health Insurance
• Research
• Structures and Equipment

Physical environment

Social and economic factors
- Education
- Employment
- Income
- Family/Social Support
- Community Safety

• Tobacco Use
• Diet and Exercise
• Alcohol and Drug Use
• Sexual Activity

10%
40%
30%
20%
But we have an opening for change....

The Value Conversation
## Value based payment reform

<table>
<thead>
<tr>
<th>CATEGORY 1</th>
<th>CATEGORY 2</th>
<th>CATEGORY 3</th>
<th>CATEGORY 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FEE FOR SERVICE – NO LINK TO QUALITY VALUE</strong></td>
<td><strong>FEE FOR SERVICE – LINK TO QUALITY &amp; VALUE</strong></td>
<td><strong>APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE</strong></td>
<td><strong>POPULATION – BASED PAYMENT</strong></td>
</tr>
<tr>
<td>A</td>
<td>A</td>
<td><strong>Upside &amp; Downside Risk for Cost or Utilization</strong></td>
<td><strong>Condition-Specific Population-Based Payment</strong></td>
</tr>
<tr>
<td>Foundational Payments for Infrastructure &amp; Operations</td>
<td><strong>Upside Rewards for Cost of Utilization</strong></td>
<td></td>
<td><strong>Comprehensive Population-Based Payment</strong></td>
</tr>
<tr>
<td>B</td>
<td></td>
<td></td>
<td><strong>Integrated Finance &amp; Delivery System</strong></td>
</tr>
<tr>
<td>Pay for Reporting</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>C</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay-for-Performance</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Health Care Payment Learning and Action Network
Moving the needle

Funding Healthcare

Funding Health
Impact investing

Source: Adapted from Charities Aid Foundation (CAF) Venturesome (2010). “Financing Big Society: Why social investment matters”
## Impact investing: national foundations

<table>
<thead>
<tr>
<th>Foundation</th>
<th>Endowment Size</th>
<th>$ Allocation to MRI</th>
<th>% Allocation to MRI</th>
<th>Commitment Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ford</td>
<td>$12.0 billion</td>
<td>$1 billion</td>
<td>~10%</td>
<td>By 2027</td>
</tr>
<tr>
<td>Kresge</td>
<td>$3.6 billion</td>
<td>$350 million</td>
<td>~11%</td>
<td>By 2020</td>
</tr>
<tr>
<td>Heron</td>
<td>$300 million</td>
<td>$300 million</td>
<td>~100%</td>
<td>By 2017</td>
</tr>
<tr>
<td>Kellogg</td>
<td>$9.0 billion</td>
<td>$100 million</td>
<td>~1%</td>
<td>Current</td>
</tr>
<tr>
<td>McKnight</td>
<td>$2.0 billion</td>
<td>$200 million</td>
<td>~10%</td>
<td>By 2018</td>
</tr>
<tr>
<td>MacArthur</td>
<td>$6.3 billion</td>
<td>$500 million</td>
<td>~8%</td>
<td>Current</td>
</tr>
<tr>
<td>Knight</td>
<td>$2.4 billion</td>
<td>$20 million</td>
<td>~1%</td>
<td>Current</td>
</tr>
<tr>
<td>Packard</td>
<td>$6.7 billion</td>
<td>$180 million</td>
<td>~3%</td>
<td>Current</td>
</tr>
</tbody>
</table>
Examples of impact investing

- Heron Foundation: All in for social impact
- California Health Care Foundation: Direct investment in mission related companies
- Episcopal Health Foundation: Pay for Success in Houston and Austin
Support Policy development
Fund innovation hubs

- Technical Assistance
- SNAC National Safety Net Advancement Center
- ReThink Health

Research

Dissemination
grants for upstream investment

Prize Philanthropy

Community Centered Health Homes

Making Big Bets