

EMBRACE DIFFERENCES, LEARN TOGETHER

Robert Hughes, Ph.D., President and CEO, and Kristy Klein Davis, Deputy Chief of Staff, Missouri Foundation for Health

The Grantmakers In Health annual meeting theme invites foundations to envision how to navigate effectively in an uncertain and rapidly changing environment. The national health landscape over the past five years—the recession, health care components of the American Recovery and Reinvestment Act, partisan passage of the Affordable Care Act (ACA), strong and sustained attempts to undo the law, and the recent Presidential elections in which the candidates put forth starkly different visions for health care's future and government's role in it—underscores the depth, pace, and unpredictable dynamics of change. With the majority of ACA implementation yet to come, the next five years are likely to be equally tumultuous.

Yet while all foundations are likely to be influenced by these recent events and the changes to come, each foundation will also have a set of unique environmental factors that shapes its work. Each of us knows our own circumstances so well that we may overlook their importance when we focus on the macro changes that influence us all. This period of significant national change gives us the opportunity to reflect on our distinctive circumstances and how they are changing. It is the combination of macro dynamics and foundation-specific environments that shapes our decisions. Somewhat counterintuitively, in these rapidly changing times we should pause, reaffirm our core values, and use them to guide us as we make strategic decisions.

The Missouri Foundation for Health (MFH) is a regional foundation with annual program investments of over \$40 million. One of the most exciting aspects of today's philanthropic environment is the opportunity to respond to the challenges posed by the theme of this conference: How can we be most effective in achieving our mission in these dynamic times? This essay describes what we are doing at MFH and how those decisions flow from an assessment of our environment and our distinctive role. It is intended to be an initial effort to use one foundation's story as an example of what we will need to share with one another as a prelude to learning together. It concludes by suggesting six topics as a possible learning agenda for health foundations.

Each foundation must craft a strategy, make decisions, and develop blueprints for action that make sense in its particular circumstances. Only by first being clear about who each of us is in our environment can we then come together and learn from each other. The strength of our learning together as a field depends on understanding our similarities and

differences, not just in programs and strategies, but in our values, our histories, our origins, our governance, and—perhaps most importantly—in the distinctive environments in which we work.

EMBRACING DIFFERENCES: MFH'S STORY

► **MFH Formation, Mission, and Values:** Formed in 2000, MFH is a health conversion foundation serving approximately three-fourths of the state of Missouri. MFH has a 15-member board of directors that has ultimate responsibility for all foundation activities. In addition, MFH has a 13-member community advisory council, which is responsible for nominating a slate of candidates for new board members, as well as conveying community perspectives on MFH's agenda and performance.

MFH's purposes are ambitious and guide the foundation's work. Among the key elements are:

- filling gaps in public and private health services,
- addressing the needs of the uninsured and the underinsured,
- addressing unmet health needs for underserved populations where MFH can have a significant and objectively verifiable impact, and
- supporting programs that can maximize the foundation's limited resources for the greatest possible effect on the communities we serve.

To fulfill MFH's purposes, MFH has a set of core values that guides its work.

- Foundation programs and grants will supplement and not supplant the activities of established governmental and nongovernmental health programs.
- Health program initiatives will be designed with the flexibility to incorporate ongoing community input and collaboration in their definition and implementation.
- The foundation will incorporate population-based vital statistics and other health indicators relevant to local communities in its strategic decisionmaking and funding priorities.
- The foundation will seek opportunities to collaborate with other foundations, as well as public and private

organizations, in the pursuit of its health-related purposes and goals.

- The foundation will from time-to-time establish multiyear health program initiatives based on a systematic strategic planning process.

The purposes and core values are MFH's touchstones for all its work. They help shape thinking and inform MFH's program approaches.

- **Environmental Context:** The MFH service region covers roughly 75 percent of the state of Missouri and includes one major city (St. Louis), four metropolitan statistical areas, several micropolitan cities, and a significant number of rural communities.

Missouri has faced significant economic decline since 2008. With several major employers closing their doors or cutting back jobs, unemployment rates have risen while average household incomes have declined. Impoverished areas of the state have unemployment numbers upwards of 12 percent and poverty rates as high as 31 percent.

Politically conservative, Missouri has been carried by the Republican candidate in the last four presidential elections. At the federal level, Missouri has one Republican and one Democratic senator, while 75 percent of representatives are Republican. At the state level, Missouri recently re-elected a Democratic governor while both the House and Senate have sizable Republican majorities.

MFH's work is supported and enhanced by a strong network of intellectual partner organizations across the state, giving the foundation easy access to resources for better understanding the context in which it works, as well as the efficacy of its programs. Similarly there are thousands of nonprofit organizations in the MFH service region. While this lends itself well to finding partners, organizations operate at varying levels of sophistication and there is significant opportunity to strengthen the sector as a whole.

Finally, there are a number of other funders for MFH to partner with in its service region. These funder partnerships were made stronger in 2010 when MFH was named an intermediary funder through the Corporation for National and Community Service's Social Innovation Fund and worked with communities to generate interest and investment. The community projects addressed obesity prevention and tobacco control and generated over \$3 million in support from 35 diverse funding partners that included foundations, city governments, and individuals.

- **Health Profile:** In 2012 the United Health Foundation's annual *America's Health Rankings* report ranked Missouri 42nd in overall health. While the report listed a few strengths, the challenges noted are daunting. Missouri fares worse than most other states on prevalence of smoking,

prevalence of sedentary lifestyle and obesity, incidence of infectious disease, and immunization coverage. In addition, the percent of the population without insurance has steadily increased to 14.4 percent over the past five years.

This presents a wealth of opportunity for MFH to intervene but also necessitates difficult decisions as the need is greater than our resources can stretch.

- **History of MFH Programs:** Since awarding its first grant in 2001, MFH has tested a variety of grantmaking styles and approaches, each one designed to operationalize the foundation's purposes and values given the context and environment of the time.

MFH's founding documents cite the importance of vital statistics and health indicators in decisionmaking processes and the importance of objectively verifiable impact. Over its 10-year history MFH has conducted more than a dozen grant programs targeted to particular health topics, including mental health, violence against women, chronic disease, obesity, health literacy, and workforce. Topics were selected based on health indicator data, and resulting initiatives typically cost MFH \$12 to \$16 million over a three- to four-year period.

Notably different was MFH's Tobacco Control and Cessation Initiative (TPCI), a nine-year, \$40 million initiative launched in 2004. TPCI featured long-term, sustained support across a variety of dimensions, including cessation and prevention programming, as well as policy and advocacy work. Over the nine-year period, Missouri dropped from the 3rd to 11th highest rate of tobacco use in the country, the 6th to 16th highest rate of heart attack deaths, and saw an 18 percent drop in the number of youth who use tobacco before graduating high school. While MFH funding cannot be credited as the lone cause of these statistically significant changes, it is reasonable to assume that without MFH's funding, the changes may not have been as dramatic.

A hallmark of MFH since its inception has been responsiveness to community needs. In its early years, MFH awarded the majority of its funding through an open call for proposals. While the process is no longer managed through a formal request for applications, MFH has maintained a level of flexibility that allows us to respond to urgent community needs as they arise. For example, in 2011 the town of Joplin was devastated by the deadliest tornado in the United States since 1947. MFH responded with funding for health needs immediately following the disaster and also provided \$1.5 million to support ongoing mental health needs of the community through 2014. While these types of needs cannot always be anticipated in advance, we believe that it is important to be involved in projects that have clear alignment with our mission and vision.

MFH also supports organizations providing critical health services to our target population. This funding is intended to cover overhead expenses and allow organizations to continue providing high-quality services in their communities. Organizations in every county of the MFH service region have received this funding.

Finally, MFH views policy as a critical and integral change strategy. As such, MFH has an active Policy area that is not only a source of nonpartisan information, but also a leader in policy-related health philanthropy. The Policy area took a leadership position in preparing Missouri for the implementation of the ACA. Using a variety of channels, the Policy team works to make sure that citizens, small business owners, policymakers, providers, and other stakeholders understand the impact of the ACA on their employees, families, and the health care system. In addition, the Policy area has offered a variety of funding and training opportunities in direct support of state-level advocacy work and has also played an important role in fostering collaboration with the public sector.

- **A Portfolio Approach:** MFH has just concluded a strategic planning process in which we paused and asked: How can we be most effective in achieving our mission of improving the health of the underserved in these dynamic times? Derived from our history and experience, our core values, and our mission, we have adopted a portfolio approach to grantmaking. By allocating resources to each of three portfolios—Targeted, Responsive, and Policy/Analysis—MFH will utilize a variety of change strategies all aimed at achieving our mission.
- **Targeted Portfolio:** Through its Targeted Portfolio, MFH has selected four important health issues and will take a proactive leadership role in achieving measurable improvement on those issues for up to 10 years. Topics selected, based on judgments about where MFH can have the greatest impact, are Childhood Obesity Prevention, Oral Health, Increased Enrollment in Health Insurance Coverage, and Infant Mortality Reduction. Similar to the TPCI, MFH will use a variety of change strategies, significant resources, and long-term planning to achieve measurable impact on these complex topics. A major benefit of this strategy is potential for systems change through sustained deployment of resources over a long period. Conversely, we must accept the risk that it can be difficult to make detectable progress on these issues at the population level. In addition, we must be disciplined to stay with these topics—and not introduce more—for a defined period of time. Executed correctly, the targeted portfolio will meet MFH’s purpose of achieving “significant and objectively verifiable impact” on unmet health needs for underserved populations.

- **Responsive Portfolio:** MFH has a responsibility to help communities and nonprofits that improve the health of the most vulnerable, by being responsive to their individual situations—strengths, weaknesses, opportunities, ideas for improvements, economic challenges, and needs—taking into account the variety of circumstances in which the most vulnerable are served. The advantage of this strategy is that it fosters flexible responses across many communities on a variety of issues, thereby supporting improvements that fit the diverse local priorities and characteristics across the region.
- **Policy Portfolio:** MFH will continue the important work of its Policy area and also expand its role to take on an analysis function for the organization. In addition, MFH will explore ways to better integrate policy work with programmatic activities in the Targeted Portfolio. Relative to analysis, the Policy area will design systems for MFH to keep a better “finger on the pulse” of people’s health in our region, as well as track the impact of the foundation’s collective work over time.

In combination, the three portfolios have different time frames, utilize different but complementary change strategies, achieve different aims, use different levels of resources, and require different skills and relationships with stakeholders. Taken together they diversify MFH investments and provide an array of tools for health improvement.

LEARNING TOGETHER

The overview of MFH is intended to provide a profile of one foundation’s circumstances. Each foundation has its own story, and these different stories are important. But before we can effectively learn with others, we must have a clear conception of who we are and how our distinctive attributes influence our work. We must check the impulse to assume that we have common purposes, common values, and common environments with other health foundations. Nevertheless, we are likely to face common issues that can form the basis of learning together.

- **The Context of Health Foundations:** A learning agenda for health foundations should begin with a clear-eyed assessment of our collective context—a high-cost health system that is inefficient in delivering better health for our population; insufficient access to basic health care for too many people; a culture that systematically fosters unhealthy behavior; and a society that values charity but eschews government to help those in need, and is too tolerant of business behavior that neglects broad social obligations.

This challenging environment will generate even greater demands on foundations in the future, especially health foundations. But it also is the starting point for questions about the roles and limits of charity that can generate a shared learning agenda. How does each of us handle the challenges of leveraging scarce resources given the huge

need of the problems we work on? How do we balance focus and fairness? What are the avenues for sustainability in a dynamic environment?

► ***A Preliminary Learning Agenda for Health Foundations:***

- **Learning More about Each Other:** Health foundations often know about the program activities of peers, but we are less aware of the environments that shape other foundations' missions, goals, and approaches. The variety of governance arrangements, decisionmaking processes, political contexts, source of funds, and the relevant "market" of funders across health foundations is a rich source of comparative information that can deepen understanding of our own particular situations.
- **Developing and Using Effective Feedback Channels to Improve Performance:** Foundations are well known for the lack of formal accountability mechanisms when compared to virtually all other organizations. Yet we need constructive feedback to improve the way we work and to assess performance. Can we share examples from our experiences that illustrate effective use of feedback channels, such as community advisory groups or business roundtables? Have foundations developed innovative ways of eliciting feedback that can be adopted by others?
- **Discussing the Range of Ways Foundations Balance the Twin Imperatives of Charitable Giving and Achieving Social Change:** We are part of the charitable, nonprofit sector, but health foundations often aim to go beyond charity to stimulating lasting social change. The continuum of roles—from charitable banker to complete strategist—is nicely captured in the strategy research of the Center for Effective Philanthropy. Each foundation has implicitly or explicitly adopted policies and practices that determine where it falls along that continuum. Talking with each other about where we are on the continuum, and why, will help clarify foundation work on health issues as the health system changes.

This topic could lead to a related set of discussions between foundations and the publics we serve. To the extent foundations are toward the "complete strategist" end of the continuum, they need to engage their publics around that role. Most of the public has a quite limited understanding of the social change agenda of foundations. Efforts like The Philanthropic Awareness Initiative document the public's perspectives and suggest ways of making progress through education.

- **Assessing the Implications of Information Technology Advances to Rethink the Nature of Philanthropic Work:** Health care is noteworthy for being the last major sector to embrace the information technology revolution. Arguably, philanthropy is not

much better. Much philanthropic work is knowledge-based and could be enhanced through the opportunities presented by new technology and applications. As a start, how can we take advantage of the learning in the nonprofit sector that is already available, but insufficiently used? Significant expertise and resources can be found in affinity groups, consulting groups, and many other sector organizations that provide a rich store of learning through data and tools. Yet the ability to connect foundations effectively to that learning is challenging. How can we work together to get better at making those resources more useful for all of us?

- **Exploring the Role of Governance in Endowed Health Foundations:** The role of governance is an important topic that does not get the sustained attention it deserves. The emergence of health conversion foundations did spark a period of attention, often prompted by the advocacy community. But more generally as a topic of learning and discussion in the field, governance is comparatively underdeveloped. BoardSource does work in the nonprofit field generally, but endowed foundations play a distinctive role in the sector and these entities are sufficiently different that their governance deserves specific attention. Talking about governance can be sensitive, so learning activities should be carefully structured.
- **Learning to Judge if the Next "Big Idea" Has Value:** Apropos of this conference's theme—Big Ideas to Blueprints—assessing the value of a new big idea could be a valuable component of a learning agenda for health foundations. Not all big ideas, no matter how insightful, make sense for all health foundations. In fact, health foundations are in excellent position to judge the value of the next big idea for their communities. A critical link in the value of big ideas is the translation into practice. In their book *What's the Big Idea?*, Thomas Davenport and Laurence Prusak coin the term "idea practitioners" for leaders and managers who take new ideas and implement them in organization practice. Health foundation leaders can play the vital role of idea practitioners, both for their own organizations and as advisors for the nonprofit communities they support.

This suggested learning agenda identifies topics that health foundations with different circumstances can discuss to help each other be more effective. It is intended as a starting point to spark reaction, suggestions for change, and to generate additional topics for discussion. In this way, we can embrace our differences and learn together.