

CREATING CHANGE BY

Stimulating Innovation

There was a time when philanthropists believed that it was their role to supply early backing to social innovators, who would then take their promising new strategy or program to others in hopes of securing broader notice. Often the goal was for government to help disseminate the novel approach, using generous policies and the promise of funding to attract the other sources of sustainable support necessary to implement and duplicate it in additional sites (Racine 1998). Tight budgets and differing ideas about the role of government in disseminating social innovations, however, have made this mode of diffusion rare, and funders have learned that they have a role both in supporting good ideas and building the infrastructure for their adoption.

Foundation support has become a driving force behind the development, evaluation, and replication of new ways of approaching health problems and meeting health needs. Over time, grantmakers have used both top-down and bottom-up strategies to identify new ideas and replicate models that work. A number of funders have underwritten multisite grantmaking initiatives. The idea for such initiatives is often identified within the foundation or in consultation with external experts. Grantees tend to be chosen through a competitive process, and an intermediary organization may be employed to administer the project for the foundation and offer technical assistance to the sites. In-depth evaluation is usually a central part of the initiative (David 2000). Funders have also supported local-level experimentation and innovation, offering grantees funding for core support, professional development, and coalition building, as well as technical assistance and seed dollars to test new ideas. This approach nurtures diverse indigenous approaches, with the belief that different locally-grown processes may lead to similar overall results. For foundations interested in investing in new ways of doing business and disseminating those findings across a wide audience, both of these approaches allow grantmakers to test theories, stimulate innovation, and advance knowledge in their particular field of interest (David 2000).

Foundations and corporate programs are sometimes criticized for placing too much emphasis on innovation and viewing grantmaking for start-up ventures as more desirable than helping existing organizations maintain their current efforts, build capacity, or strengthen their infrastructure. Investing in innovation is certainly a vital function for foundations, but there is clearly a need to strike a balance between project support and grants that are responsive to the operating needs of nonprofit organizations (David 2001). It is also

important to emphasize the essential role of evaluation in the journey from idea generation to replication, since by definition, model programs require evidence of effectiveness.

“It is this combination of values and knowledge – the pairing of human concern with the learned pursuit of the best, smartest, most effective methods and tools – that distinguishes philanthropy from either pure charity or pure science.”

Gordan Conway, president, The Rockefeller Foundation

OPPORTUNITIES FOR GRANTMAKERS

The following examples highlight how funders can – and do – transform health systems by generating new ideas, financing demonstration projects, evaluating effectiveness, and replicating models that work.

► **Seeking new ideas** – In 2003, The Robert Wood Johnson Foundation reconceptualized its grantmaking into four measurable portfolios – targeted, human capital, vulnerable populations, and pioneer. The pioneer portfolio seeks innovative projects that can lead to fundamental breakthroughs in health and health care. Similar to research and development investments in the for-profit sector, projects in the pioneer portfolio are future-oriented and often look to nontraditional sources and fields to make significant improvements in health. While the foundation has always been interested in pursuing cutting-edge ideas to improve health and health care, establishing this pioneer portfolio in 2003 was the first time that a discrete pool of funding had been set aside specifically for the purpose of investing in high-return ideas that could have major impact. By remaining open to ideas across a wide range of topics within health and health care, the pioneer portfolio provides a distinct alternative to programming aimed at specific problems targeted by the foundation. The foundation anticipates that about 5 percent of its investments will eventually be devoted to the pioneer portfolio. The pioneer portfolio seeks to make investments that may significantly influence the health and health care of Americans in the future, even though the probability that portfolio projects will lead to such breakthroughs may be uncertain. To respond to this uncertainty and to be as open to the field for project ideas as possible, the portfolio funded

a diversified group of projects in the first year, many at an early stage of development. Funded projects are attempting to create a set of universal symbols to help patients – especially those with limited English proficiency – more easily navigate health care facilities; explore how the emerging discipline of complexity science can inform health care quality and chronic illness management strategies; design a more rational, alternative system of medical justice; and produce a roadmap for accelerating the development of a national health information network.

- **Developing demonstration projects** – Programs of All-inclusive Care for the Elderly (PACE) serve seniors with chronic care needs by providing access to the full continuum of preventive, primary, acute, and long term care services. PACE programs take many familiar elements of our traditional health care system and reorganize them in a way that makes sense to families, health care providers, and the government programs and others that pay for care. Foundation support was integral to the development of the PACE model. In 1987, The John A. Hartford Foundation, the Retirement Research Foundation, and The Robert Wood Johnson Foundation provided funding to the first replication sites to support their efforts, which led to the first PACE programs receiving Medicare and Medicaid waivers to operate in 1990, the formation of the National PACE Association in 1994, and the PACE model becoming a permanently recognized provider type under both the Medicare and Medicaid programs in 1997. In 2000, The John A. Hartford Foundation and The Robert Wood Johnson Foundation funded the *PACE Expansion Initiative* to assist the National PACE Association in expanding the benefits of the PACE model of care to more families in need.
- **Evaluating effectiveness** – The Commonwealth Fund is working in partnership with the New York-based Jacob and Valeria Langeloth Foundation and the Aetna health plan to incorporate the Advanced Practice Nurse (APN) Care Model into routine hospital care for older adults. The APN Care Model uses specially trained nurses to work with hospital staff and personal physicians to guide the care for high risk seniors, develop their discharge plans, and provide home visits after discharge. The model has been shown to reduce re-hospitalizations, but it has not been widely adopted by health insurers. The partnership among the foundations and Aetna has resulted in plans to test the model with 20 to 25 high risk elders insured by the company, hopefully as a first step toward its inclusion as a covered service.
- **Replicating models at the state level** – Health grantmakers were among the earliest supporters of mental health courts, which are designed to divert non-violent offenders with mental illness from the criminal justice system when appropriate. The John D. and Catherine T. MacArthur Foundation provided funding to evaluate the effectiveness

of the first mental health court in the country, which began operating in 1997 in Broward County, Florida. Based in part on this evaluation, which found that individuals appearing before these courts were more likely to remain in treatment, the mental health court model has been replicated by communities across the country. The United Hospital Fund in New York and the Jewish Health Care Foundation in Pennsylvania are among the grantmakers supporting the development of mental health courts in their states.

- **Replicating models at the local level** – *Students Run LA* (SRLA) is an innovative after-school intervention program for at-risk middle and high school students in the Greater Los Angeles Area. The program, which teams students with teachers to train for the City of Los Angeles Marathon, has been highly successful, improving the health, self-esteem and school performance of the participating young people. On average, more than 97 percent of SRLA students complete the marathon each year and more than 90 percent of the seniors who complete the marathon graduate from high school – compared with a graduation rate of 65 percent in the Los Angeles Unified School District. A group of Pennsylvania funders – including The William Penn Foundation, Philadelphia Health Management Corporation, Campbell-Oxholm Foundation, Beck Institute for Cognitive Therapy and Research, Keystone Mercy Health Plan, Independence Foundation, Philadelphia Foundation, and Samuel S. Fels Fund – have joined together to support the first full-scale replication of SRLA: *Students Run Philly Style*. The project will begin under the aegis of two well-established nurse-managed health centers located in a low-income, largely African American area of West Philadelphia. By training youth to run local races and the Philadelphia Marathon, the program is expected to increase their fitness and sense of accomplishment and to decrease obesity and truancy. The project will benefit from SRLA brochures and training regimens, as well as a replication tool kit funded through The Robert Wood Johnson Foundation's Local Initiatives Funding Partners program.

This article is part of GIH's portfolio, Agents of Change: Health Philanthropy's Role in Transforming Systems. Each article focuses on an approach grantmakers are using to promote systemic or social change. The entire portfolio is available on GIH's Web site www.gih.org.

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