

Peer Assessment:

A PILOT PROGRAM FOR HEALTH PHILANTHROPY

Are we fulfilling our philanthropic mission?

How can we maximize the degree to which our resources achieve measurable and sustainable changes in health systems, communities, and individual behaviors?

Is the world a better place because of our grant-making efforts?

Today, more and more grantmakers are asking themselves such questions. Philanthropy is in the limelight, attracting the attention of community leaders, scholars, the media, government representatives, and politicians with both its wealth and its power to do good. Stock market gains, record levels of gifts, and the creation of new foundations – formed from the conversions of nonprofit hospitals, health plans or systems, as well as by new donors – have all contributed to this heightened public awareness of foundation and corporate giving programs, and the many worthwhile organizations and causes they support.

While this greater appreciation of philanthropy may be welcomed, along with it comes greater expectations and scrutiny, giving rise to the question: How do we, as grantmakers, know that our organizations are working as well and effectively as can be?

Helping foundations help each other to become better grantmakers is an important challenge facing the field of health philanthropy. To help address this issue, GIH has made it a priority to develop a peer assessment pilot program.

BARRIERS TO ORGANIZATIONAL ASSESSMENT

As Denis J. Prager, Ph.D., points out in *Raising the Value of Philanthropy*, private foundations exist, and are legally

protected, as non-governmental, non-commercial entities independent of the usual strictures imposed by the need to please voters, stockholders and contributors. While this lack of clear external accountability is one of philanthropy's major assets, it is also its Achilles' heel. Even though foundations frequently evaluate whether the activities they support are having the desired impact, only rarely do boards and staff make the time to step back and take stock of their own performance, question the consistency of foundation strategies with mission, and in general open themselves up to candid review.

This is due, in part, to the absence of a field-specific system which would help them achieve optimal organizational effectiveness by drawing upon the extensive professional experiences of their peers. Additionally, because of the enormous diversity among individual foundations' scope and scale, it is also difficult to generalize performance measures. In an executive vice president's report of The Commonwealth Fund, John E. Craig Jr. cites other barriers to organizational assessment including:

- Foundations pursue social objectives for which accomplishments are not easily measured or are difficult to trace directly to a particular source.
- Valuing their flexibility, foundations fear that performance assessments will hobble their ability to undertake unusual projects.
- Because most foundations are small, it is hard to take on a systemic assessment in the face of an ever present grants cycle.

“Absence of widespread wrongdoing is no assurance that private foundations are realizing their potential or justifying their uniquely privileged position in American society.” (John E. Craig Jr., *The Commonwealth Fund*)

The purpose of GIH's peer assessment project is to allow foundations at any stage of organizational development to benefit from a confidential and candid assessment of philanthropic performance by a team of grantmaking colleagues, selected specifically for their expertise and experience in a particular area of interest to the foundation. The ultimate goal is to help raise the overall level of professionalism throughout the field of health philanthropy, by sharing best practices and helping foundation peers adapt them to their own circumstances.

PEER ASSESSMENT PILOT PROJECT

GIH's pilot, just now getting under way, involves an intensive examination and focused peer review of two health foundations – Kansas Health Foundation (Wichita, KS) and Quantum Foundation, Inc. (West Palm Beach, FL) – over the next six months. The two foundations have different histories, asset size, staffing structure, and programming goals. They also have equally different needs and expectations of peer assessment. Quantum, created in 1995 from the proceeds of a sale of a medical center, is a newer, locally focused foundation interested in improving operating policies and procedures, generating greater community involvement, and creating collaborative ties with other area funders. Kansas, 15 years after its inception, is embarking upon a comprehensive multiyear evaluation of its philanthropic strategies and directions, and of the overall effects upon the health status of state residents.

Peer assessment is designed to supplement activities such as strategic planning processes, program-level evaluations, leadership development programs, and other critical models of addressing organizational effectiveness. It is not an effort to introduce standardization, regulation, or accreditation. It does not include a rating system for benchmarking against other members of the field.

The pilot has three phases: design, implementation, and postproject evaluation. During the design phase, each foundation will work in collaboration with GIH to identify key areas for assessment and to select a set of peer reviewers from an extensive network of experts. Implementation involves advance preparation and a multiday site visit, at which time peers will review materials provided by the foundation, meet and consult with foundation staff, and give feedback on the strategies each foundation uses to fulfill its mission, among other activities. Preliminary findings and recommendations will be shared with the

foundation leadership, followed by a more detailed written report.

At the conclusion of the pilot project, GIH will issue a report on the potential relevance and suitability of the peer assessment model to other health funders. An evaluation of the practical design issues will determine whether this approach, taken from other professional arenas such as accounting and health delivery systems, is an effective method to deliver candid critiques, helpful hints, and reassurances.

FROM PILOT TO PROGRAM

Peer assessment is not a one-size-fits-all model. Rather, it is based on an individual foundation's uniquely defined mission, set of circumstances, and self-defined parameters. Given the diversity of the field, a key component to sustaining this project will be to test the efficacy and adaptability of the peer assessment model for foundations with different questions and needs. Based on these lessons, GIH will focus on establishing a structure and creating a process to allow peers to have a constructive exchange and relevant dialogue about common concerns, occupational hazards, and professional and organizational growth and goals.

This project is GIH's latest effort in work related to organizational effectiveness and accountability. While these issues have become more prominent in philanthropy in general, they are particularly salient to health philanthropy because of the public scrutiny surrounding the emergence of new foundations created through the conversion of nonprofit hospitals and health plans.

For more information on GIH's Peer Assessment Pilot Project, call Jennifer Fountain, Project Director of the Support Center for Health Foundations, at 202.452.8331, or email jfountain@gih.org.

REFERENCES

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- Prager, Denis J., *Raising the Value of Health Philanthropy: A Synthesis of Informal Interviews with Foundation Executives and Observers of Philanthropy* (Washington, DC: Grantmakers In Health, 1999)