GIH

Helping grantmakers improve the health of all people

GRANT MAKERS IN HEALTH

Dear Colleague:

2012 was a year of great flux and anticipation for Grantmakers In Health (GIH), the field of health philanthropy, and the nation. GIH faced a leadership transition, the fate of the Affordable Care Act was in the hands of the U.S. Supreme Court, and the candidates for U.S. President held radically different stances on health care and coverage. All the while, GIH kept its finger on the pulse of issues important to health grantmakers and provided a wide range of programming aimed at informing the work of the field.

Our efforts and the services we offer are made possible by the continued commitment, support, guidance, and participation of GIH Funding Partners, as well as other program partners. **Thank you**. We will continue to work diligently, thoughtfully, and collaboratively to help GIH Funding Partners and others bring about positive change and create new opportunities for the communities they serve.

In the meantime, we invite you to read GIH's *2012 Annual Report*, which summarizes organizational highlights of the year and key facts about GIH's operations and governance. Further details about the items mentioned in the report are available at www.gih.org.

Sincerely,

Faith Mitchell

Faith Mitchell, Ph.D.
President and CEO
Grantmakers In Health

1100 CONNECTICUT AVENUE, NW ■ SUITE 1200 ■ WASHINGTON, DC 20036 ■ 202.452.8331 ■ FAX 202.452.8340 ■ www.gih.org

GRANTMAKERS IN HEALTH

2012 ACTIVITIES AND PUBLICATIONS

MEETINGS AND EVENTS

Each year Grantmakers In Health (GIH) brings foundation staff and trustees from across the nation together at major national meetings and smaller more focused events. These meetings serve important educational objectives and give grantmakers the opportunity to connect with colleagues.

Health and Equity for All

Annual Meeting on Health Philanthropy

March 7-9 | Baltimore, Maryland

The 2012 annual meeting reflected *Healthy People 2020's* vision of good health for Americans across the life course. The meeting critically examined philanthropy's role in moving the nation's health agenda forward, focusing on wide-reaching areas, including social and physical environments that promote good health; freedom from preventable diseases, disabilities, and injuries; and access to quality health care services. Sessions at the meeting introduced funders to people and organizations making progress through public health and delivery system improvements, policy change, and other strategies.

Building a Better Mousetrap: System Reform to Improve Care

Preconference Session to the Annual Meeting on Health Philanthropy

March 7 | Baltimore, Maryland

Transforming health systems to better meet the needs of patients will require changes to strengthen delivery of care for those who have good access to care, as well as to improve care for those who find it harder to obtain timely and effective services. Foundations are well-positioned to help. In this preconference session, participants heard from leading thinkers and doers about their vision for a redesigned delivery system. They then worked together to construct a roadmap for the future, considering examples of successful transformation and discussing the roles grantmakers can play in accelerating change.

Reading for Life: Early Childhood Literacy and Health

Preconference Session to the Annual Meeting on Health Philanthropy

March 7 | Baltimore, Maryland

For far too many children, particularly those in low-income families, learning to read is a major challenge, placing them at increased risk for high school dropout, criminal activity, incarceration, unemployment, and long-term poverty. Reading ability is also the strongest individual predictor of adult health status and is often related to child health issues such as developmental problems and frequent school absence due to illness. In this preconference session, attendees examined research linking early childhood literacy to health; promising interventions involving children, parents, teachers, and pediatricians; and policy changes that can help move this work forward.

Promoting Integrated Behavioral Health and Primary Care: A Meeting of Public and Private Funders

March 9 | Baltimore, Maryland

GIH hosted this meeting in an effort to build on discussions during GIH Behavioral Health Funders Network webinars around issues of behavioral health and primary care, as well as partnerships with federal agencies. The meeting provided participants with the opportunity to further discuss developments around these efforts, promoting bidirectional health care integration, and public/private partnership opportunities.

Promoting Public-Private Collaboration to Improve Maternal and Child Health DHHS Region III

March 9 | Baltimore, Maryland

Philanthropic organizations and public-sector maternal and child health (MCH) agencies often share a variety of strategic goals and can play synergistic roles in improving health. Despite this strategic alignment, maintaining vibrant relationships between philanthropy and government is often challenging. During this invitational meeting, participants discussed strategic priorities, identified potential opportunities for enhanced collaboration, and explored the factors likely to influence the success of cooperative activities.

Returning the Mouth to the Body: Integrating Oral Health and Primary Care

A GIH Issue Dialogue

April 17 | Washington, DC

The United States continues to struggle with widespread and untreated dental disease in what the Surgeon General has dubbed a "silent epidemic." A concept at the forefront in many circles is to coordinate and integrate oral health into primary care, reversing the traditional divide between medical and dental care. This Issue Dialogue examined the various paths to integration, including evolving oral health models and what can be learned from behavioral health models currently being used, opportunities for increased integration within the framework of health reform and federal policy, and examples of how oral health has been integrated successfully into primary care.

Investing in Opportunities and Assets: Lessons from the South for the Nation

September 6-7 | New Orleans, Louisiana

This working session was designed to explore key approaches for building the capacity of the nonprofit sector to promote the health of vulnerable communities in the South. Participants heard from nonprofit advocacy and direct service organizations from across southern states regarding challenges and opportunities they experience in promoting health across the region. Participants considered how lessons from the South could be applied to efforts around the country.

Supporting End-of-Life Issues

September 12 | Washington, DC

Building off the GIH audioconference *Critical Conversations: A Discussion with Don Berwick and Ellen Goodman about End-of-Life Planning*, this invitational meeting discussed how best to capitalize on the work of funders on aging issues, how The Conversation Project could most appropriately fit in this landscape, and how these activities could be mutually reinforcing of one another's work. In addition to the discussion on how best to harmonize the work of different funders and organizations focused on end-of-life issues, this meeting also provided a chance to discuss how GIH and funders could start elevating the visibility of end-of-life issues among the broader field of health philanthropy.

Foundations and Health Reform 2012

September 12-13 | Washington, DC

This invitational meeting focused on what a patient-centered health system looks like, how to achieve it, and what foundations can do to accelerate the change process. Discussion topics covered a wide range of areas, including successful foundation-funded work that put the patient front and center and potential synergies with government,

academia, and the health sector; the latest developments in systems transformation focused on patients, including unfolding implications of the U.S. Supreme Court ruling and the upcoming election; and advancing and enhancing conversations with grantmaking colleagues that began at the *Foundations and Health Reform* 2010 and 2011 meetings and continued in GIH working groups, webinars, and meetings.

Innovations Summit: Understanding and Addressing Population Health
(cosponsored with the National Association of Public Hospitals and Health Systems)
September 19 | Washington, DC

This summit provided a forum for funders, policymakers, and leading safety net hospitals and health systems to discuss potential collaborations that address elements of population health. Participants from major safety net health systems around the country described their approaches to better the health of their communities.

Terrance Keenan Institute for Emerging Leaders in Health Philanthropy
October 2-3 | Washington, DC

The Terrance Keenan Institute for Emerging Leaders in Health Philanthropy is a living legacy through which Terrance Keenan's words and deeds continue to inspire future leaders in the field. The institute is an opportunity for foundation leaders to enhance the professional development of their most promising staff. It aims to nurture talented practitioners who have shown the potential to be among the next generation of leaders in the field of health philanthropy, to build relationships among this cadre of emerging philanthropic leaders, and to connect them with established figures in the field.

Start Smart: Healthy Weight in Early Childhood
A GIH Issue Dialogue
October 16 | Washington, DC

More than half of obese children are overweight by age two, and approximately one in five are overweight or obese by their sixth birthday. Across the country, families, child care providers, and health care professionals are tackling this crisis head on. Recognizing that a focus on the first five years of a child's life holds great potential, innovators are working at the national, state, and local levels to ramp up and replicate promising solutions. This meeting zeroed in on early childhood obesity prevention policies, highlighting recent successes; remaining challenges; and areas where philanthropic support could catalyze swift, smart policy change and improved family support and engagement.

Next Steps for Promoting Integrated Behavioral Health and Primary Care
(cosponsored by the National Council for Community Behavioral Healthcare)
November 14 | Washington, DC

This meeting was designed to continue conversations from the March 9th meeting with federal agencies that have invested in integrated care and the April 14th Foundations' Summit on Integration hosted by the National Council for Community Behavioral Healthcare. The agenda focused on challenges faced by foundations related to integrated care workforce, metrics, and the development of action steps for moving forward.

Health Care Transformed: Better Delivery for Those Most in Need
Fall Forum
November 15-16 | Washington, DC

At the 2012 Fall Forum, an annual gathering focused on the intersection of health policy and health philanthropy, discussion concentrated on improving the delivery of health services, particularly for vulnerable patients. Day one of the meeting centered on transforming care for high-cost, high-need patients, while day two spotlighted the creation and expansion of patient-centered medical care, especially within the safety net. The meeting also provided attendees with the opportunity to discuss their related work and to hear from fellow funders supporting coordinated care efforts in their communities.

Supporting Healthy Weight Interventions in Child Care Settings
December 5 | Washington, DC

Intended as a follow-up to the GIH Issue Dialogue *Start Smart: Healthy Weight in Early Childhood*, this was a highly interactive working meeting in which participants focused specifically on obesity prevention in early care and education. Participants reviewed the evaluation results of promising interventions; identified areas where additional research and evaluation are needed; and discussed policy and practice opportunities at the federal, state, and local levels.

Post-Election Philanthropy: Votes, Values, and Vision
(cosponsored with Grantmakers Income Security Taskforce, and Grantmakers for Children, Youth, and Families)
December 17-18 | Washington, DC

This briefing informed grantmakers about the outcomes of the national and state elections, and opportunities and challenges for the short and medium term. It also provided a forum for funders to identify strategies for individual and collective action. In addition, several concurrent roundtable discussions enabled grantmakers to delve more deeply into specific issues.

WEBINARS

Webinars give health foundation staff the opportunity to come together throughout the year to address timely health topics and funding strategies. Calls are open to GIH Funding Partners and generally include presentations by experts and leaders in health philanthropy, followed by in-depth discussion among participants. Audioconferences held during 2012 include:

ACCESS

- *Kids' Access Funders Network Call*, February 7
- *Kids' Access Funders Network Call*, May 1
- *Kids' Access Funders Network Call*, July 10
- *Kids' Access Funders Network Call*, September 4

AGING

- *Developing/Revitalizing Aging and Disability Stakeholder Coalitions* (cosponsored by Grantmakers In Aging), January 30
- *Critical Conversations: A Discussion with Don Berwick and Ellen Goodman about End-of-Life Planning*, May 30
- *50+ and Hungry in America: Funders' Briefing Call*, September 21

BEHAVIORAL HEALTH

- *Building the Infant Mental Health Workforce*, May 10
- *Integrated Care at AHRQ: Current Efforts and Opportunities for Foundations*, June 5
- *Behavioral Health, Health Equity, and the Affordable Care Act Ruling*, July 17
- *Investing in Adolescent-Centered Health Care to Address Risk Behaviors*, October 10

DISPARITIES

- *Investing Upstream and Downstream: Broadening Collaboration to Tackle Health Disparities* (cosponsored by Health and Environmental Funders Network), January 31
- *Using the Telenovela to Increase Latino Enrollment in Medicaid and CHIP*, February 16

- *Health in Mind: Addressing Disparities at the Intersection of Health and Education*, June 27
- *What Health Funders Need to Know about HIV/AIDS: Part I*, August 15
- *Briefing on* Striving for Health Equity: Opportunities as Identified by Leaders in the Field, August 29

HEALTH REFORM

- *Funding the Big Idea: How to Build a Coalition to Effect Health System Change*, February 23
- *Inside National Health Reform: The Second Anniversary of the Affordable Care Act*, March 21
- *Investing in Interprofessional Team-Based Education for Health Care Providers*, April 27
- *Supreme Court Decision on the Affordable Care Act* (cosponsored by Council on Foundations), July 11
- *Women and the Affordable Care Act: Factoring in the Supreme Court Decision*, July 12
- *The Supreme Court's Affordable Care Act Decision: What It Will Mean for the Advocacy Agenda*, July 19
- *How Health Reform's Medicaid Expansion Will Affect State Budgets*, July 25
- *State Innovation Models Initiative*, August 22
- *Innovating Care for Chronically Ill Patients*, October 3
- *Enrolling Young Adults: Outreach and Education Strategies from the Field*, December 5

HEALTHY EATING/ACTIVE LIVING

- *Addressing Obesity: Foundation Opportunities to Leverage* The Weight of the Nation, April 12
- *Visualizing the Farm Bill*, April 23
- *From Awareness to Action: Building Greater Public Will for HEAL*, September 13

INTEGRATIVE MEDICINE

- The Bravewell Report*: How Integrative Medicine Is Being Practiced in Clinical Centers across the United States*, May 31
- *Innovative Approaches to Wellness for Veterans and Their Families*, November 2
- *Integrative Health and Seniors*, December 10

MATERNAL AND CHILD HEALTH

- *Building Stronger Systems of Care to Improve Child Health*, February 6
- *MCH Navigator: A New Tool for On-Line Learning*, September 20
- *The Sustainability of School-Based Health Care*, October 23

ORAL HEALTH

- *Addressing the Dental and Medical Workforce Needs of Rural Communities*, August 16
- *Forging Common Ground in Oral Health*, October 16
- P*rotecting Our Nation's Public Health Successes: Community Water Fluoridation*, November 2

PUBLIC HEALTH

- *On the Road to Better Health: County Health Rankings and Roadmaps: Part One*, February 29
- *On the Road to Better Health: County Health Rankings and Roadmaps: Part Two*, April 5

PUBLIC POLICY

- *Estimating "Return on Investment" for Policy and Advocacy Funding*, February 28
- *Engaging Voters to Promote Health*, May 17
- *Why a Strong Public Sector Is Important to Philanthropy*, June 5
- *A Strategic "Field Building" Approach to Advocacy Investments*, September 20
- *Aligning Our National Narratives During an Election Year and Beyond*, October 1

SOCIAL DETERMINANTS OF HEALTH

- *Health, Housing, and Homelessness* (cosponsored by Funders Together to End Homelessness and Grantmakers for Effective Organizations), February 2
- *Health and Wellness of Agricultural Workers,* February 9
- *Making Space for Healthy Communities*, March 20
- *Roots of Health Inequity*, September 27

PUBLICATIONS

GIH publications are intended to keep health grantmakers up to date on current issues and the state of the field, including both quick reads and in-depth reports.

GIH BULLETIN

Each year GIH publishes 12 issues of the *GIH Bulletin,* distributing them to GIH Funding Partners and others with an interest in health philanthropy, such as leaders in health policy, research, and service delivery. Each issue gives readers up-to-date information on new grants, publications and studies, and people in the field of health philanthropy. In addition, each issue contains one or more of the following articles:

➤ Views from the Field

These commentaries provide a forum for health grantmakers and experts in the field to share their perspectives and relate their experiences from working on a variety of health issues. Some report on successful models, while others raise strategic questions or offer new ways of thinking about complex issues.

- "Healthy Places NC: Better Results through Place-Based Philanthropy" by Karen McNeil-Miller, President, and Allen J. Smart, Director-Health Care Division, The Kate B. Reynolds Charitable Trust, January 23
- "Making the Connection with HIT" by Kelly Dunkin, Vice President of Philanthropy, The Colorado Health Foundation, February 20
- "The One that Got Away: Emerging Leaders in Health Philanthropy on Moving up and Moving on" by Veenu Aulakh, Community Clinics Initiative, Tides; Jasmine Hall Ratliff, Robert Wood Johnson Foundation; Elizabeth Krause, Connecticut Health Foundation; and Brenda Solorzano, Blue Shield of California Foundation, February 20
- "The Partnership to Eliminate Disparities in Infant Mortality" by Anna Rough, Public Health Communications Specialist, CityMatCH, March 19
- "Dental Hub and Spoke Project Links Kansans in Underserved Areas to Dental Care" by Brenda R. Sharpe, President and CEO, REACH Healthcare Foundation, June 18
- "Food and Health for All: Health Equity for Agricultural Farmworkers" by Martha Soledad Vela Acosta, Wayne State University and The Kresge Foundation, and Tina Eshaghpour, Philanthropic Advisor, June 18

- "Another Call to Go Upstream" by George Abraham, Chairman of the Board, and Janice B. Yost, President and CEO, The Health Foundation of Central Massachusetts, July 16
- "Integrating Health Services for People with Co-Occurring Mental Health and Substance Use Disorders" by Jacqueline Martinez Garcel, Program Director, and Kelly Hunt, Chief Learning Program Officer, New York State Health Foundation, July 16
- "Health Foundation for Western and Central New York's Maternal and Child Health Initiative" by Kara Williams, Program Manager, Health Foundation for Western and Central New York, August 20
- "Rethinking Juvenile Justice: Promoting the Health and Well-Being of Crossover Youth" by Chet Hewitt, President and CEO, and Matt Cervantes, Senior Program Officer, Sierra Health Foundation, September 17
- "Conceptualizing Best Practices for Maternal and Child Health" by Kate Howe, Program Manager, Child Health, Association of Maternal and Child Health Programs, October 22
- "Improving Systems of Care for Children with Special Health Care Needs" by David Alexander, President and CEO, and Edward L. Schor, Senior Vice President, Lucile Packard Foundation for Children's Health, October 22
- "Coming Soon? The Ongoing Effort to Promote Better Depression Services in Primary Care" by Christopher A. Langston, Program Director, The John A. Hartford Foundation, November 19
- "Partnering with the Private Sector to Achieve Total Health" by Raymond J. Baxter, Senior Vice President, Community Benefit, Research, and Health Policy, Kaiser Permanente, and President, Kaiser Permanente International, December 17
- "Solving the Connecticut Data Deficit through Collaboration" by Alyse Sabina, Program Officer, Aetna Foundation, and Jenn Whinnem, Communications Officer, Connecticut Health Foundation, December 17

➤ Issue Focus

These pieces, written by GIH staff, give readers concise overviews of current health issues of special importance to funders. They focus on strategies and opportunities available to grantmakers to help address pressing health needs.

- "Forging Stronger Relationships with State Title V Agencies," January 23
- "Public Policy Engagement During an Election Year," February 20
- "Intervention Points to Promote Equity: A Funder Strategy," March 19
- "Elder Abuse: Opportunities to Make a Difference," April 16
- "Medical Homes 101," May 21
- "Cultivating Culturally Competent Organizations: Making the Transition for Health Equity," June 18
- "Health Advocacy: Yes, No, or Maybe So?", August 20
- "The Supreme Court Decision on the Affordable Care Act: Forging Ahead," September 17
- "Reducing Hospital Readmissions: What Is at Stake and What Will It Take?", October 22
- "Using Media to Fight Obesity," November 19
- "Innovations in Care for Chronically Ill Patients," December 12

➤ Grantmaker Focus

Throughout the year, GIH helps grantmakers showcase their work through snapshots of their organizations. The following grantmakers were featured in 2012:

- Hogg Foundation for Mental Health, January 23
- Robert Wood Johnson Foundation, February 20
- Kaiser Permanente, March 19

- The David and Lucile Packard Foundation, May 21
- Nemours, July 16
- REACH Healthcare Foundation, September 17
- The Harvest Foundation, November 19

➤ Issue Briefs

Weaving together background research with practical insights, Issue Briefs examine health issues of interest to grantmakers and share advice from experts and colleagues on how to address them. Each Issue Brief is based on a GIH Issue Dialogue and combines the essence of the meeting's presentations and discussion with GIH's research and analysis on the topic.

- ***Safety Net in the Era of Health Reform: A New Vision of Care***
  Issue Brief No. 38, March 2012
- ***Too Few Choices, Too Much Junk: Connecting Food and Health***
  Issue Brief No. 39, March 2012
- ***Returning the Mouth to the Body: Integrating Oral Health and Primary Care***
  Issue Brief No. 40, September 2012

PUBLICATIONS FROM GIH MEETINGS

GIH strives to create lasting resources that provide valuable information and analysis, and address important issues. Materials that GIH produces for its meetings are also made accessible to the public via www.gih.org.

➤ Health and Equity for All

Annual Meeting Portfolio, March 2012

- "Health and Equity for All" (GIH essay)
- "How Do We Get to Equity?" by Thomas Aschenbrener, President, Northwest Health Foundation
- "The Power of a Belief" by Gail C. Christopher, Vice President, Program Strategy, W.K. Kellogg Foundation
- "Charting a Path Toward Health Equity" by Margaret O'Bryon, President and CEO, and Rachel Wick, Director of Policy, Planning, and Special Projects, Consumer Health Foundation
- "Health and Equity: Finding Solutions Upstream" by Marni Rosen, Executive Director, The Jenifer Altman Foundation, and Kathy Sessions, Director, Health and Environmental Funders Network
- "A Roadmap for Health Equity" by Dolores E. Roybal, Executive Director, Con Alma Health Foundation
- "Confronting the Health Determinants of School Success in the Early Grades: A Commentary from the Campaign for Grade-Level Reading" by Ralph R. Smith, Vice President, The Annie E. Casey Foundation

OTHER PUBLICATIONS

➤ *Transforming Health Care Delivery: Why It Matters and What It Will Take*

March 2012

➤ *Better Outcomes, Lower Costs: How Community-Based Funders Can Transform U.S. Health Care*

by Mark Kramer, Cofounder and Managing Director, FSG, and Atul Gawande
April 2012

➤ *Striving for Health Equity: Opportunities as Identified by Leaders in the Field*

July 2012

SPECIAL PROJECTS

➤ State Grant Writing Assistance Fund

In 2011 GIH, with support from the Robert Wood Johnson Foundation, launched the GIH State Grant Writing Assistance Fund. The matching grant program provided support to states and counties to help with the preparation and submission of grants related to Affordable Care Act implementation. Twenty-one grants totaling $360,000 were awarded, and over $270 million in federal grants had been secured by December 2012 with the help of the fund.

GRANT MAKERS IN HEALTH

2012 FUNDING PARTNERS

GIH relies on the support of Funding Partners – foundations and corporate giving programs that annually contribute to core and program support – to develop programs and activities that serve health philanthropy. Their support, supplemented by fees for meetings, publications, and special projects, is vital to our work in addressing the needs of grantmakers who turn to us for educational programming, information, and technical assistance throughout the year.

Aetna Foundation, Inc.

The Ahmanson Foundation

The Alaska Mental Health Trust Authority

Allegany Franciscan Ministries

Allegiance Health Foundation

Alliance Healthcare Foundation

Altman Foundation

The Jenifer Altman Foundation

Archstone Foundation

The Assisi Foundation of Memphis, Inc.

The Atlantic Philanthropies

Augusta Health Foundation

Austin-Bailey Health and Wellness Foundation

Battle Creek Community Foundation

The Baxter International Foundation

S.D. Bechtel Jr. Foundation and the Stephen Bechtel Fund

Claude Worthington Benedum Foundation

BHHS Legacy Foundation

Birmingham Foundation

Mary Black Foundation

Jacob and Hilda Blaustein Foundation

The Blowitz-Ridgeway Foundation

Blue Cross and Blue Shield of Florida Foundation

Blue Cross and Blue Shield of Minnesota Foundation

Blue Cross Blue Shield of Louisiana Foundation

Blue Cross Blue Shield of Massachusetts Foundation

Blue Cross Blue Shield of Michigan Foundation

Blue Shield of California Foundation

BlueCross BlueShield of North Carolina Foundation

The Boston Foundation

The Bower Foundation

Brandywine Health Foundation

Bristol-Myers Squibb Foundation

The Morris and Gwendolyn Cafritz Foundation

The California Endowment

California HealthCare Foundation

The California Wellness Foundation

Cape Fear Memorial Foundation

Cardinal Health Foundation

CareFirst BlueCross BlueShield

Caring for Colorado Foundation

The Annie E. Casey Foundation

CDC Foundation

The Centene Foundation for Quality Healthcare

Centra Health Foundation

Central Susquehanna Community Foundation

The Chicago Community Trust

Children's Fund of Connecticut

CIGNA Foundation

Clark Regional Foundation for the Promotion of Health, Inc.

The Cleveland Foundation

The Colorado Health Foundation

The Colorado Trust

Columbus Medical Association Foundation

The Commonwealth Fund

Community Foundation of Northeast Alabama

Community Health Foundation of Western and Central New York

Community Health Network Foundation

Community Memorial Foundation

Comprehensive Health Education Foundation

Con Alma Health Foundation, Inc.

Cone Health Foundation

Connecticut Health Foundation

Consumer Health Foundation

The Nathan Cummings Foundation

Daughters of Charity Foundation of St. Louis

Deaconess Foundation

de Beaumont Foundation

Ira W. DeCamp Foundation

Delta Dental of Colorado Foundation

Delta Dental of Minnesota Trust

DentaQuest Foundation

The Duke Endowment

Empire Health Foundation

Endowment for Health

EyeSight Foundation of Alabama

Richard M. Fairbanks Foundation, Inc.

Fine Foundation

First Hand Foundation

First Hospital Foundation

Ford Foundation

Foundation for a Healthy Kentucky

Foundation for Community Health

Lloyd A. Fry Foundation

George Family Foundation

The Rosalinde and Arthur Gilbert Foundation

GRACE Communications Foundation

Greater Rochester Health Foundation

Greater Milwaukee Foundation

Green Tree Community Health Foundation

The Greenwall Foundation

The George Gund Foundation

The Irving Harris Foundation

The John A. Hartford Foundation, Inc.

Harvard Pilgrim Health Care Foundation

The Harvest Foundation

Health Care Foundation of Greater Kansas City

The Health Foundation of Central Massachusetts, Inc.

The Health Foundation of Greater Cincinnati

The Health Foundation of Greater Indianapolis, Inc.

Health Foundation of South Florida

The Health Trust

The Healthcare Foundation of New Jersey

Healthcare Georgia Foundation, Inc.

Healthcare Initiative Foundation

The HealthPath Foundation of Ohio

Lotte and John Hecht Memorial Foundation

Heinz Family Philanthropies

Leona M. and Harry B. Helmsley Charitable Trust

Highmark Foundation

Conrad N. Hilton Foundation

HJW Foundation

HNHfoundation

Hogg Foundation for Mental Health

The Horizon Foundation

Houston Endowment Inc.

Illinois Children's Healthcare Foundation

Incarnate Word Foundation

Irvine Health Foundation

The Jasper Foundation

The Jenkins Foundation

Jewish Healthcare Foundation

Johnson & Johnson

Robert Wood Johnson Foundation

K21 Foundation

The Henry J. Kaiser Family Foundation

Kaiser Permanente

Kansas Health Foundation

W.K. Kellogg Foundation

The Kresge Foundation

L.A. Care Health Plan

Lancaster Osteopathic Health Foundation

The Jacob and Valeria Langeloth Foundation

Lower Pearl River Valley Foundation

The Lutheran Foundation

Josiah Macy, Jr. Foundation

Maine Health Access Foundation

Marisla Foundation

Markle Foundation

Mat-Su Health Foundation

The Robert F. and Eleonora W. McCabe Foundation

Ronald McDonald House Charities

McKesson Foundation

Medica Foundation

The Merck Company Foundation

Methodist Healthcare Ministries of South Texas, Inc.

MetLife Foundation

MetroWest Community Health Care Foundation

Metta Fund

Eugene and Agnes E. Meyer Foundation

Mid-Iowa Health Foundation

Milbank Memorial Fund

Missouri Foundation for Health

Gordon and Betty Moore Foundation

Ruth Mott Foundation

The Mt. Sinai Health Care Foundation

John Muir/Mt. Diablo Community Health Fund

Nemours

New England Healthcare Institute

New Hampshire Charitable Foundation

The New York Community Trust

New York State Health Foundation

Nokomis Foundation

North Penn Community Health Foundation

Northern Virginia Health Foundation

Northwest Health Foundation

Obici Healthcare Foundation, Inc.

Oklahoma Tobacco Settlement Endowment Trust

Osteopathic Heritage Foundations

Lucile Packard Foundation for Children's Health

The David and Lucile Packard Foundation

Palm Healthcare Foundation

Partners HealthCare
Partners for Health
Paso del Norte Health Foundation
Phoenixville Community Health Foundation
Piedmont Health Care Foundation
The Dorothy Rider Pool Health Care Trust
Portsmouth General Hospital Foundation
Potomac Health Foundation
Pottstown Area Health and Wellness Foundation
Prime Health Foundation
Public Welfare Foundation
Quantum Foundation
John Randolph Foundation
The Rapides Foundation
RCHN Community Health Foundation
REACH Healthcare Foundation
Michael Reese Health Trust
The Regence Foundation
The Retirement Research Foundation
John Rex Endowment
The Kate B. Reynolds Charitable Trust
Richmond Memorial Health Foundation
Fannie E. Rippel Foundation
Riverside Community Health Foundation
Roche
The Rockefeller Foundation
Rockwell Fund, Inc.
Rose Community Foundation
St. Joseph Community Health Foundation
St. Luke's Episcopal Health Charities
Saint Luke's Foundation of Cleveland, Ohio
St. Luke's Health Initiatives
Salem Health and Wellness Foundation
Samueli Foundation
The San Francisco Foundation
The SCAN Foundation
Sierra Health Foundation
Sisters of Charity Foundation of Canton
Sisters of Charity Foundation of Cleveland
Sisters of Charity Foundation of South Carolina
Sisters of St. Joseph Charitable Fund
Richard and Susan Smith Family Foundation
The Barbara Smith Fund
The Otho S.A. Sprague Memorial Institute
Staunton Farm Foundation
Sunflower Foundation: Health Care for Kansans
Doree Taylor Charitable Foundation
Tides Foundation
Tufts Health Plan
UniHealth Foundation
United Health Foundation
United Hospital Fund
United Methodist Health Ministry Fund
Universal Health Care Foundation of Connecticut, Inc.
VHA Foundation, Inc.
Virginia Health Care Foundation
VNA Foundation
Washington Dental Service Foundation
Washington Square Health Foundation, Inc.
Welborn Baptist Foundation, Inc.
WellPoint Foundation
Westlake Health Foundation
Williamsburg Community Health Foundation
Winter Park Health Foundation
Wyandotte Health Foundation

GRANT MAKERS IN HEALTH

2012

INDEPENDENT AUDITORS' REPORT

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SARFINOANDRHOADES, LLP

J Gregory Sarfino CPA
David R Himes CPA
Michael J Devlin CPA
Brian W Dow CPA

11921 Rockville Pike, Suite 501
North Bethesda, Maryland
20852-2794

Certified Public Accountants
and Business Advisors

301.770.5500 Voice
301.881.7747 Fax
cpas@sarfinoandrhoades.com
www.sarfinoandrhoades.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Grantmakers In Health
Washington, D.C.

We have audited the accompanying financial statements of Grantmakers In Health, which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grantmakers In Health as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Barfino and Rhoades LLP

February 22, 2013

GRANTMAKERS IN HEALTH

STATEMENTS OF FINANCIAL POSITION

	DECEMBER 31, 2012	DECEMBER 31, 2011
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents (Notes 1 and 9)	$ 2,279,756	$ 2,388,477
Pledges receivable - current portion (Note 2)	515,004	558,732
Prepaid expenses and other	5,000	11,440
TOTAL CURRENT ASSETS	$ 2,799,760	$ 2,958,649
OTHER ASSETS:		
Investments (Notes 1, 3 and 4)	$ 2,338,316	$ 2,060,433
Deposit	15,155	15,155
Pledges receivable - non current portion (Note 2)	525,788	9,520
TOTAL OTHER ASSETS	$ 2,879,259	$ 2,085,108
PROPERTY AND EQUIPMENT, net (Notes 1 and 5)	$ 92,955	$ 111,242
TOTAL ASSETS	$ 5,771,974	$ 5,154,999
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 93,431	$ 124,923
Deferred lease obligation - current portion (Note 6)	-	17,799
Capital lease obligation - current portion (Note 6)	2,713	2,531
Deferred revenue - annual meeting (Note 1)	72,600	50,525
TOTAL CURRENT LIABILITIES	$ 168,744	$ 195,778
LONG-TERM LIABILITIES:		
Deferred compensation (Note 10)	$ 70,764	$ 47,538
Deferred lease obligation (Note 6)	1,138	-
Capital lease obligation - long-term (Note 6)	2,656	5,369
TOTAL LONG-TERM LIABILITIES	$ 74,558	$ 52,907
COMMITMENTS (Note 6)		
NET ASSETS: (Notes 1, 7 and 8)		
Unrestricted:		
Undesignated	$ 706,590	$ 704,672
Board designated	2,290,133	2,017,760
Subtotals	$ 2,996,723	$ 2,722,432
Temporarily restricted	2,531,949	2,183,882
TOTAL NET ASSETS	$ 5,528,672	$ 4,906,314
TOTAL LIABILITIES AND NET ASSETS	$ 5,771,974	$ 5,154,999

The accompanying notes are an integral part of these financial statements.

GRANTMAKERS IN HEALTH

STATEMENTS OF ACTIVITIES

	FOR THE YEARS ENDED DECEMBER 31,					
	2012			2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:						
Grants and contributions (Notes 1, 2 and 11)	$ 1,058,474	$ 2,591,435	$ 3,649,909	$ 1,229,043	$ 1,866,870	$ 3,095,913
Registration fees and other	361,820	-	361,820	451,540	-	451,540
Interest and dividend income	71,365	-	71,365	75,771	-	75,771
Net realized and unrealized gains (losses) on investments (Note 1)	222,057	-	222,057	(169,102)	-	(169,102)
Net assets released from restrictions	2,243,368	(2,243,368)	-	2,479,660	(2,479,660)	-
TOTAL SUPPORT AND REVENUES	$ 3,957,084	$ 348,067	$ 4,305,151	$ 4,066,912	$ (612,790)	$ 3,454,122
EXPENSES:						
Programs (Note 12)	$ 3,083,220	$ -	$ 3,083,220	$ 2,971,959	$ -	$ 2,971,959
General and administrative	522,601	-	522,601	634,616	-	634,616
Fundraising	76,972	-	76,972	61,495	-	61,495
TOTAL EXPENSES	$ 3,682,793	$ -	$ 3,682,793	$ 3,668,070	$ -	$ 3,668,070
CHANGES IN NET ASSETS	$ 274,291	$ 348,067	$ 622,358	$ 398,842	$ (612,790)	$ (213,948)
NET ASSETS, BEGINNING OF YEAR	2,722,432	2,183,882	4,906,314	2,323,590	2,796,672	5,120,262
NET ASSETS, END OF YEAR	$ 2,996,723	$ 2,531,949	$ 5,528,672	$ 2,722,432	$ 2,183,882	$ 4,906,314

The accompanying notes are an integral part of these financial statements.

GRANTMAKERS IN HEALTH

STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED DECEMBER 31, 2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from contributors and registrants	$ 3,561,264	$ 4,173,103
Cash paid to suppliers and employees	(3,673,091)	(3,582,176)
Interest and dividends received	71,365	75,771
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ (40,462)	$ 666,698
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	$ 761,360	$ 88,106
Purchases of investments	(817,186)	(165,439)
Purchases of property and equipment	(9,902)	(87,947)
NET CASH USED IN INVESTING ACTIVITIES	$ (65,728)	$ (165,280)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Curtailment of capital lease obligations	$ (2,531)	$ (2,362)
NET CHANGE IN CASH AND CASH EQUIVALENTS	$ (108,721)	$ 499,056
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,388,477	1,889,421
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,279,756	$ 2,388,477
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Change in net assets	$ 622,358	$ (213,948)
Reconciliation adjustments:		
Depreciation and amortization	28,189	22,684
Net realized and unrealized losses (gains) on investments	(222,057)	169,102
Changes in assets and liabilities:		
Pledges receivable	(472,540)	653,790
Prepaid expenses and other	6,440	12,306
Accounts payable and accrued expenses	(31,492)	51,741
Deferred revenue - annual meeting	22,075	(28,140)
Deferred lease obligation	(16,661)	(15,511)
Deferred compensation	23,226	14,674
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ (40,462)	$ 666,698

The accompanying notes are an integral part of these financial statements.

Note 1. Organization and Summary of Significant Accounting Policies

Organization - Grantmakers In Health ("Organization") is an educational organization serving trustees and staff of foundations and corporate giving programs. Its mission is to help grantmakers improve the nation's health by building philanthropic knowledge, skills, and effectiveness and by fostering communication and collaboration among grantmakers and with others. The Organization accomplishes its mission through a variety of activities including technical assistance and consultation, convening, publishing, education and training, conducting studies of the field, and brokering professional relationships.

Basis of Presentation - The financial statements of the Organization have been prepared on the accrual basis of accounting. Revenues and expenses are recognized and recorded when earned or incurred. The financial statements reflect unrestricted, temporarily restricted, and permanently restricted net assets and activities. Net assets of the two restricted classes are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are reported as part of the unrestricted class. As of December 31, 2012 and 2011, the Organization had no permanently restricted net assets.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires or is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets. Pledges receivable for unrestricted purposes at year-end are considered temporarily restricted until collected.

Use of Estimates - Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments - Investments in marketable securities with readily determinable fair values are measured at fair value at the statement of financial position date and are subject to change thereafter due to market conditions. The net realized and unrealized gains and losses on investments are reflected in the statements of activities.

Property and Equipment - Property and equipment exceeding $500 is capitalized at cost and depreciated over the estimated useful lives of the assets using the straight-line method of depreciation. Depreciation and amortization are provided over estimated useful lives between 3 and 10 years.

Note 1. **Organization and Summary of Significant Accounting Policies** - (Continued)

Property and Equipment - (Continued)

The cost and accumulated depreciation of property sold or retired is removed from the related asset and accumulated depreciation accounts and any resulting gain or loss is recorded in the statements of activities. Maintenance and repairs are included as expenses when incurred.

Deferred Revenue - Revenue received but not earned is classified as deferred revenue on the statements of financial position. This primarily represents registration fees received in advance.

Income Tax Status - The Organization is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. The Organization did not have any unrelated business income for the years ended December 31, 2012 and 2011. The Organization's federal information returns (Form 990, Return of Organization Exempt from Income Tax) are not subject to examination by the IRS for the years ended December 31, 2008 and prior.

Expense Allocation - The costs of providing various programs have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among programs, general and administrative and fundraising.

Note 2. **Pledges Receivable** - Pledges receivable represent promises to give which have been made by donors, but have not yet been received by the Organization. Pledges which will not be received in the subsequent year have been discounted using an estimated rate of return which could be earned if such contributions had been made in the current year. The Organization considers pledges receivable to be fully collectible; accordingly, no allowance for uncollectible pledges has been provided.

Due to the nature of these pledges, significant fluctuations in net assets may occur. These significant fluctuations can arise as contributions are recognized as support in the calendar year in which they are pledged, but the corresponding expenses are incurred and recognized in a different fiscal period. During 2012, the Organization collected $404,756 of pledges which had been recognized as support in prior years. Conversely, $877,295 of pledges recognized as support in 2012 are expected to be collected during the calendar years 2013, 2014 and 2015.

During 2010 the Organization was awarded four conditional multi-year grants from foundations. The total of these awards were $1,980,000, of which $1,780,000 was recognized as revenue through 2012 with the balance to be recognized in future periods upon continued approvals by the foundations. During 2011, the Organization was awarded three multi-year grants from foundations. The total of these awards were $811,761, of which $327,340 has been recognized as support through 2012. Receipt of the remaining balance is conditional upon continued approvals by the foundations. During 2012, the Organization received a multi-

Note 2. **Pledges Receivable** - (Continued)

year conditional grant from a foundation, totaling $75,000, of which $40,000 has been recognized as support in 2012. Receipt of the remaining balance is conditional upon continued approvals by the foundation.

Total unconditional promises to give were as follows at December 31, 2012 and 2011:

	2012	2011
Receivable in less than one year	$ 515,004	$ 558,732
Receivable in one to five years:		
Total long-term pledges receivable	$ 580,000	$ 10,297
Less, discount to net present value	54,212	777
Net long-term pledges receivable	$ 525,788	$ 9,520
Total pledges receivable	$ 1,040,792	$ 568,252

Note 3. **Investments** - The fair values and aggregate costs of investments as of December 31, 2012 and 2011, are summarized as follows:

	2012	2011
Fair value:		
Mutual funds	$ 1,800,475	$ 1,830,610
Equities	537,841	229,823
Totals	$ 2,338,316	$ 2,060,433
Aggregate cost	$ 2,188,414	$ 2,184,193

For the years ended December 31, 2012 and 2011, investment fees incurred were $18,136 and $16,985, respectively.

Note 4. **Fair Value Measurements** - The Financial Accounting Standards Board (FASB) Accounting Standards Codification establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Note 4. **Fair Value Measurements** - (Continued)

- Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

- Level 2 — Inputs to the valuation methodology include:
  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for similar assets or liabilities in inactive markets;
  - inputs other than quoted prices that are observable for the asset or liability;
  - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

- Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets at fair value:

Mutual Funds and Common Stocks - Securities which are traded on a national securities exchange are valued at the last reported sales price on the last business day of the year.

The following tables set forth by level, within the fair value hierarchy, the Organization's investment assets at fair value:

	Assets at fair value at December 31, 2012			
	Level 1	Level 2	Level 3	Total
Mutual funds - bonds and equities	$ 1,800,475	$ -	$ -	$ 1,800,475
Common stocks	537,841	-	-	537,841
Totals	$ 2,338,316	$ -	$ -	$ 2,338,316

	Assets at fair value at December 31, 2011			
	Level 1	Level 2	Level 3	Total
Mutual funds - bonds and equities	$ 1,830,610	$ -	$ -	$ 1,830,610
Common stocks	229,823	-	-	229,823
Totals	$ 2,060,433	$ -	$ -	$ 2,060,433

Note 5. **Property and Equipment** - Components of property and equipment include the following as of December 31:

	2012	2011
Capitalized software costs	$ 84,586	$ 138,186
Furniture and equipment	62,149	78,676
Leasehold improvements	19,173	19,173
Total property and equipment	$ 165,908	$ 236,035
Less, Accumulated depreciation and amortizaton	72,953	124,793
Net property and equipment	$ 92,955	$ 111,242

Depreciation and amortization expense for the years ended December 31, 2012 and 2011 was $28,189 and $22,684, respectively.

Note 6. **Commitments** - The Organization entered into an eight-year lease for office space expiring on November 30, 2020. The defined future rental increases in the lease are amortized on a straight-line basis in accordance with accounting principles generally accepted in the United States of America. This gives rise to a deferred lease obligation, which is also amortized over the term of the lease. The lease contains escalation clauses relating to increases in operating expenses and real estate taxes. Total rent expense under the office lease for the years ended December 31, 2012 and 2011 was $240,498 and $239,194, respectively.

The Organization leases office equipment under non-cancelable operating leases expiring in 2016. Total rent expense for equipment leases for the years ended December 31, 2012 and 2011 was $24,573 and $30,448, respectively.

Future minimum lease payments under the operating leases are as follows:

Year ending December 31,	Office Lease	Equipment Leases	Total
2013	$ 251,756	$ 16,404	$ 268,160
2014	252,175	16,404	268,579
2015	257,202	5,404	262,606
2016	262,342	534	262,876
2017	267,592	-	267,592
Thereafter	811,293	-	811,293
Totals	$ 2,102,360	$ 38,746	$ 2,141,106

Note 6. **Commitments** - (Continued)

The Organization leases its telephone equipment under a capital lease expiring in 2014. The capitalized lease is included in property and equipment at the present value of the minimum lease payments. The amortization of the asset under the capital lease is included in depreciation expense for the year ended December 31, 2012. The net book value of equipment under the capital lease as of December 31, 2012 is $4,425.

Future minimum lease payments under the capital lease are as follows:

Year ending December 31,		
2013	$	3,000
2014		2,750
Total minimum lease payments	$	5,750
Less, amount representing interest		381
Present Value of Net Minimum Lease Payments	$	5,369

Maturities of capital lease obligation for the years ending December 31, 2013 and 2014 are $2,713 and $2,656, respectively.

The Organization has entered into agreements with hotels relating to meetings in 2013 and 2014. Such agreements generally contain provisions which obligate the Organization to book a minimum number of rooms and to spend certain minimums on food and beverages. Should these minimums not be achieved, the agreements obligate the Organization to pay certain specified amounts.

Note 7. **Net Assets** - Temporarily restricted net assets were as follows at December 31:

	2012	2011
Data Resource Center	$ 894,200	$ 282,000
Strengthening Capacity for Health Philanthropy	365,961	287,000
Health Reform Resource Center Fund	325,055	537,662
Foundations and Health Reform	150,105	91,300
Federal-State Implementation Project/F-SIP	126,811	80,000
Wellness Core Capacity	97,667	165,882
Behavioral Health Network	79,092	24,113
Pledges Receivable - Operations	65,500	79,500
Disparities/NAHE	62,716	64,810
Complementary and Alternative Medicine	57,259	22,000
Lauren LeRoy Lecture Series	55,000	-
LGBT Population Health Funding	54,884	-
Population Health	50,000	-
Public Policy	34,801	54,810
Healthy Eating Active Living/HEAL	26,843	170,000
State Grant Writing Assistance Fund	25,972	110,000
Children's Access and Coverage	23,076	17,737
GIH/MCHB Partnership Initiative	22,007	22,768
Creativty and Aging	15,000	-
Funders Network on Oral Health	-	85,000
Children's Health	-	47,000
National Poverty Project	-	39,300
Annual Meeting	-	3,000
Totals	$ 2,531,949	$ 2,183,882

Note 8. **Board-designated Endowment** - As of December 31, 2012 and 2011, the Board of Directors had designated $2,290,133 and $2,017,760 of unrestricted net assets as a general endowment fund to support the mission of the Organization. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted net assets. The president and CEO is authorized by the Board to draw down from the fund annually. The amount to be drawn from the fund each year may be determined by taking an average of the ending asset values, for the previous twelve quarters, and multiplying that amount by five percent. The Organization expects the current spending policy to allow its general endowment fund to grow. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

Note 8. **Board-designated Endowment** - (Continued)

To achieve that objective, the Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. The long-term objective of the investment fund is to produce a total rate of return of at least 5% in excess of the rate of inflation as measured by the Department of Labor, Bureau of Labor Statistics Consumer Price Index, All Cities Average, 1967=100. Since the duration, direction, and intensity of inflation cycles vary from cycle to cycle, it is recognized that the return experienced by the endowment over any one cycle may vary from this objective; but it is deemed reasonable to expect at least a 5% real rate of return over succeeding cycles. A complementary objective of the investment funds is that the total rate of return achieved by the funds competes favorably, when compared over comparable periods, to other fiduciary funds and/or relevant market indices having similar objectives and constraints and using similar investment media. Endowment assets are invested in a well diversified asset mix, which may include equity and debt securities. Both safety of endowment principal and the quality of its assets should be maintained. It is accepted that the criteria for safety and quality should not be imposed on each individual asset but rather on the endowment assets as a whole.

Changes in endowment net assets for the years ended December 31, is as follows:

	2012	2011
Balance, beginning of year	$ 2,017,760	$ 2,128,515
Interest and dividends	68,630	75,017
Realized and unrealized gains (losses)	221,879	(168,787)
Investment expense	(18,136)	(16,985)
Balance, end of year	$ 2,290,133	$ 2,017,760

Note 9. **Concentration of Credit Risk** - Financial instruments which potentially subject the Organization to concentrations of credit risk include cash deposits with a commercial bank and a brokerage firm. Cash balances with commercial banks are covered by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. The money market fund held by a brokerage firm is not insured by FDIC. The Organization believes it is not exposed to a significant risk on its cash accounts and money market fund.

Note 10. **Retirement Plan** - The Organization maintains a non-contributory defined contribution retirement plan, qualified under Internal Revenue Code 403(b), for the benefit of its eligible employees. Under the plan, each eligible employee receives a contribution to their account in the amount of fifteen percent (15%) of compensation. Contributions to the plan for the years ended December 31, 2012 and 2011 were $145,122 and $152,759, respectively.

GRANT MAKERS IN HEALTH

2012

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