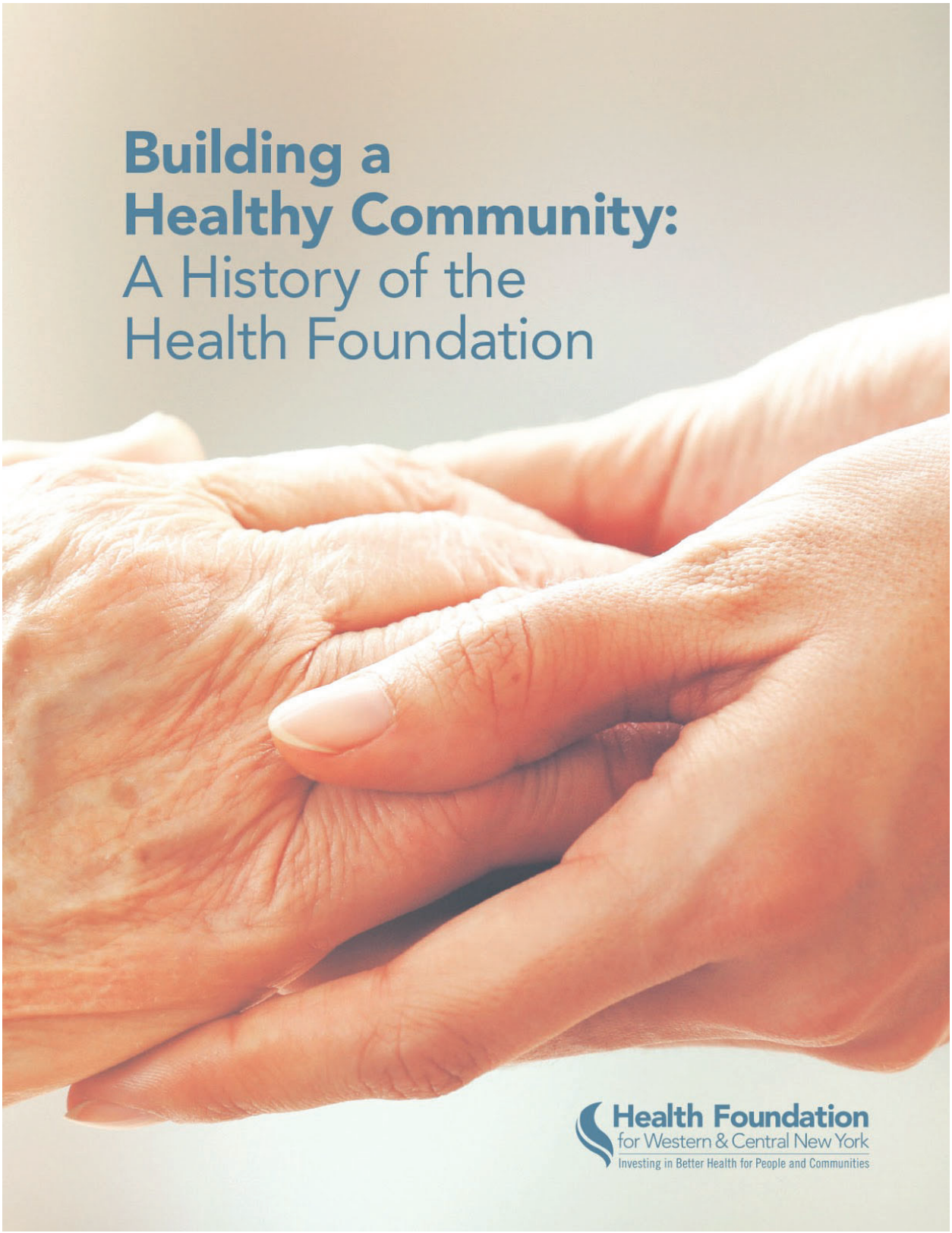
Building a Healthy Community: A History of the Health Foundation



Health Foundation
for Western & Central New York
Investing in Better Health for People and Communities

Founded in 2001 as the Community Health Foundation of Western and Central New York, the organization awarded its first grants in April 2004. By 2014 the Foundation had awarded more than 400 grants—totaling $27 million—to fund programs across 16 counties in western and central New York. The Foundation's success at improving health and health care in its regions grew out of the passion, vision and dedication of its founding trustees.

These visionaries possessed a "long-standing commitment to making a difference for both people and communities," wrote former Foundation President Ann F. Monroe in the Foundation's First Report to the Community in 2007. Through years of study and discussion, they shaped an organization that emphasizes person-centered care, quality improvement and measurable impact as it strives to achieve tangible, lasting improvement in the health and health care of the people and communities it serves.

A National Health Care Need

The origins of the Foundation began in the 1960s. "Many, especially young people, objected to the inequities in access to medical care," Robert Ludwig, a former trustee and vice president of Health Care Plan and Univera Healthcare, wrote in his personal account of the Foundation's early days.

On July 30, 1965, President Lyndon B. Johnson signed amendments to the Social Security Act into law, amid great hopes that the creation of Medicare and Medicaid would improve access to health care.

Medicare and Medicaid became the United States' first public health insurance program; Medicaid assists low-income Americans and Medicare provides health insurance for people over 65.

Creating Medicare and Medicaid was not a magic pill, however. "The financial provisions of those laws did very little to change the way health care was delivered, especially to those of low income," Ludwig wrote. "Their access to high-quality care was still fragmented and hard to obtain."

Regional Leadership Emerges

During the social upheaval of the 1960s and 1970s, several young men across western and central New York were developing viewpoints on public health that would later shape the Foundation. They included William Mosher, Erie County health commissioner; Fred Yanni, a community activist in Syracuse; Arthur Goshin, a State University of New York at Buffalo medical student; and Dr. Edward Marine, associate dean of the State University at New York at Buffalo's medical school. Marine would become the Foundation's first president in 2001.

These men were dreaming of a pre-paid group practice with a strong focus on serving poor people. In 1973, the federal Health Maintenance Organization Act was passed, creating a national wave of new health care financing and delivery organizations. Many were launched by idealistic leaders with public health or hospital backgrounds and shared commitments to universal, affordable and high-quality health care.

“It was a model of idealism,” Ludwig wrote.

The goal was to create a group practice that delivered quality medical care to enrollees with a broad range of incomes. However, its success depended on continued subsidies. This fact, combined with a lack of continuity of eligibility and a high threshold for eligibility, resulted in a large group of low-income people without medical coverage.

The 1978 amendments to the HMO Act adjusted that idealistic model by requiring a strict, non-profit business model, yet low-income people still fell through the cracks.

In 1976, Goshin became founder and president of a not-for-profit organization that created Health Care Plan, an HMO in Buffalo. Around the same time, Health Services Medical Corporation (Prepaid Health Plan) began operating in central New York with Yanni as president and CEO.

“Organizations like ours were at the forefront of not-for-profit health care covering preventive care, diagnostic testing, all the things that had never been included before,” Goshin said. “We had a mission to serve the broad base of the community, and we believed the benefits we created should not accrue to the shareholders, but to the community we serve.”

A Foundation of Collaboration

The Syracuse and Buffalo HMOs worked together and the boards got to know one another, said Goshin. “We wanted to take programs that were community based and find a place where these organizations and their staffs could learn and engage in activities that would increase their own abilities,” Goshin added.

This early relationship between Syracuse and Buffalo HMOs set the stage for the Foundation’s creation.

“The culture in Syracuse by the time the HMOs developed was one of a fair degree of collaboration,” agreed Jim Abbott, a founding trustee of the Foundation and former CEO of St. Joseph's Hospital.

By the 1990s, health care administrators saw changes affecting HMOs. “It was important to be larger,” Goshin said. “We decided we should merge so we could be larger and experience other opportunities.” The two plans merged in 1998, becoming Univera Health Care, with Goshin as president. In 2001, Univera merged with Excellus, a Blue Cross/Blue Shield plan based in Rochester.

This merger was made possible thanks to the expertise of many individuals at both organizations, including Stephen Suhowatsky, a board member at the former Prepaid Health Plan who became a founding trustee of the Community Health Foundation. Suhowatsky, retired president and CEO of Syracuse Supply Company is currently managing partner of C3 Strategic, LLC, and is an entrepreneur in residence at Syracuse Technology Garden.

The Foundation was an effort by Univera (formerly Health Care Plan and Prepaid Health Plan) and Excellus to create a lasting legacy to improve the lives of people in their communities, according to Goshin, who now serves as an advisor to the board of trustees.

In addition, Goshin is founder of the Office of Global Health Initiatives at the School of Public Health and Health Professions at the State University of New York at Buffalo, and has a 40-year career in public health and in the development and management of large health care organizations.

As a result of the merger, the Community Health Foundation of Western and Central New York was created and endowed with assets that originally totaled an estimated $100 million. The agreement to establish the Foundation was signed on November 22, 2000.

The Community Health Foundation was one of many health conversion foundations created around that time. In fact, between 1984 and 2006, about 30 health plan conversion foundations across the nation were endowed with billions of dollars, “irrevocably altering the health landscape,” Managed Care magazine noted in 2008.

“The unprecedented shift in assets from combined not-for-profit health plans, hospitals and health systems was termed by researchers ‘the largest redeployment of charitable assets in U.S. history,’” the magazine published.

Although the new foundation was not officially a conversion, since no entity converted to for-profit, it was designed and governed in a similar manner. But to avoid potential conflicts of interest, the New York State Insurance Department mandated that the Foundation’s board could not include Excellus management employees.

Although it had been Goshin’s conviction that a foundation was possible, and it was his drive that had helped achieve it, this provision meant that both Goshin and Yanni could not serve on the board until they had completed their employment with Excellus.

A Strategic Start

The Foundation’s first executive director was Edward Marine. Founders credit his persistence, knowledge and organizational skills for setting up the foundation. Marine, who died in 2011, was founding medical director and chief medical officer of Health Care Plan.

“He was very well-organized and very well-read in medical issues,” said Steve Ames, a former trustee and former executive vice president of Marine Midland Bank (Now HSBC Bank USA) in Buffalo.

Marine helped instill the Foundation’s philosophy of measuring outcomes of programs it funded and implemented. “He put together a manual of operations and a book of rules and regulations. He had a needs-assessment type of personality and encouraged the data-driven style of evaluating the need, and after making the investment, going back and seeing how we did.”

The three years between when the foundation formed and when it made its first grant were busy for the founding trustees. They spent countless hours tackling legal, ethical and logistical questions about the best way to use the endowment to meet public health needs.

“We were pretty open-minded,” Abbott said. “No one had a fixed notion of how this should go. My view was as long as it helped the health care delivery, I didn’t care what the focus was. The decision to zero in on frail elderly and children was an inspired idea. Who’s going to be against kids and old people?”

Determining Areas of Focus

The Foundation's mission was broad: to improve the health and health care of the people and communities of western and central New York. The organization first researched four broad categories: older adults, access to primary care, workforce that serves the poor and elderly and patient safety.

From the beginning, the Foundation sought to be an active player in the health care community. "We didn't want to be a foundation that sits around and waits for people to come to us with applications," Abbott said. "We wanted to be the foundation that says, 'We see a need. Would you like to be a part of this?'"

Ames agreed that "we were all pretty much on the same page." Despite some "wishful thinking," the group knew their endowment couldn't save the world, so they had "realistic discussions about what our mission should be and what we should concentrate on in grant making," he recalled.

"The trick for the Foundation was to narrow down to the areas where it can provide unique services or solutions that can be taken to a larger scale," Goshin said. "Is $5 million a lot? No. But you can do some good things with that. We can make some community organizations better and help them gain access to more resources."

The founders quickly addressed the question of the new foundation's unusual geography. Rather than encompassing contiguous areas, the Foundation's territory encompasses eight

counties in western New York and eight in central New York. Sixty miles separate the two regions.

They also had to address the discrepancy between the assets of the two regions.

The history of collaboration among core founders on state and national health care advocacy helped the board overcome both challenges.

“The initial assent of everyone was that the benefits of shared staff, and working together on similar projects with a larger pot of money, overcame the negatives of distance, the different patterns of each region and the discrepancy in the amount of funds available to each,” Ludwig wrote.

The Foundation settled on an allocation formula for spending in western and central New York.

The formula takes into consideration the asset value that each of the original regional HMO partners brought to their merger when they were purchased by Excellus BlueCross/BlueShield and the relative populations of the two eight-county areas. That produces a spending ratio of slightly more than 2:1 for the western New York region compared to the central New York region.

Next, the founding board addressed its operation and how it would award grants.

Should the Foundation be responsive, receiving unsolicited grant requests initiated by others? Or should it be strategic, selecting what and who it would fund?

“There was an immediate agreement that the Board tended toward the strategic end of the spectrum,” Ludwig wrote. He also recalled Marine urging the board to select projects that would position the Foundation as a national player in health care.

Preparing to Make a Difference

By early 2002, the board began an environmental scan, a process of researching and adopting best practices. For the Foundation, this included meeting with national experts on philanthropy and major health stakeholders in the two regions, especially those that worked with health care safety net activities.

Early discussions confirmed that the founders shared a passion for helping communities allow people to age in place, increasing access to health care and improving the health of young children in poverty.

According to founding trustee Dr. James Nolan, former chair of the Department of Medicine at the State University of New York at Buffalo School of Medicine and Biomedical Sciences and chief of medicine at Buffalo General Hospital, focusing on groups like children in poverty and older adults was logical.

“There wasn’t an awful lot being done,” Nolan said. “There were a lot of people in the inner city who were not getting care and were living in poverty, and not a lot of people were studying how to help.”

The board hired Ann Monroe as its president in March 2003. Her credentials perfectly fit the needs of the nascent foundation. She had been director of the quality initiative at the California HealthCare Foundation, a conversion foundation.

Monroe also had experience helping established and emerging foundations in health and human services, and had served as vice chair of Grantmakers in Health, a nonprofit, educational organization dedicated to helping foundations and corporate giving programs improve the health of all people.

“When you’re in from the start, you can set the goals, the focus, build an organization. She had the drive, and she did it well,” Suhowatsky said.

Monroe guided the board in narrowing its strategic focus. In early 2004, she outlined two target populations: frail, older adults and underserved children and their families.

“Even after deciding to improve the health and health care of these two groups, we must continue to be rigorous in our focus and disciplined to keep from being pulled in too many directions,” Monroe wrote later that year.

The Foundation “intends to invest its resources in ways that advance the quality of health and health care for selected groups in western and central New York,” Monroe wrote in a 2004

memo to the board. “This investment is designed to build sustainable, high-quality programs that become integrated into the fabric of the community for those who follow.”

Monroe laid out several operating principles. The Foundation’s investments “are based on national best practices, demonstrated models that work.”

Further, “all sectors of the health care system need to be publicly accountable for performance and outcomes”; “community interest takes priority over individual agency interest or advancement”; and “tracking against baseline and measuring performance changes in the system are integral to all efforts.”

She also noted that the foundation would “provide voice to the patient and underserved persons; would foster collaboration; and would work to build capacity in the health care system.”

Following these principles, the Foundation started with a staff of three and awarded its first grants in 2004. Some of the Foundation’s earlier initiatives focused on topics like caregiver support, children’s oral health and leadership development, including the Foundation’s landmark Health Leadership Fellows program.

Evolving and Refining

In 2009, the Foundation evaluated its efforts and sharpened its focus within both target populations. This review reflected the Plan-Do-Study-Act approach promoted by the early trustees and the guiding principles Monroe outlined in 2004.

In addition to its focus on older elders and children impacted by poverty, the Foundation formalized its focus area of Building Community Health Capacity.

As the Foundation celebrated its 10th anniversary in July 2012, it changed its name to the Health Foundation for Western and Central New York. The board approved the change to avoid confusion with charitable organizations with similar names in Buffalo and Syracuse. The trustees felt confident that the foundation had proven its commitment to the community and it was not necessary to keep the word in its name.

In 2014, the Health Foundation underwent a second strategic sharpening process. The Foundation reaffirmed the organization’s commitment to its three focus areas, developed a set of eight principles that guide its work and refined its visions in each focus area.

The Foundation’s visions are that all vulnerable older adults are able to: plan for and maintain a dignified, independent, high-quality life in their community; all children affected by poverty are physically, socially and emotionally healthy as they enter kindergarten; and all communities are able to plan for, and address, the health needs of the most vulnerable and those in poverty.

It also included an important philosophy from the preamble to the constitution of the World Health Organization that underlies all of the Foundation's efforts: "Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity."

The Foundation's history of ongoing evaluation and strategic sharpening ensures a strong future of serving the changing health care needs of its target populations. "We were never a foundation that only wrote checks," Monroe told Buffalo Business First in 2013.

Rather, the Health Foundation's unique approach to grantmaking has meant that the Foundation has been able to work with community partners on programs from development to implementation to achieve lasting outcomes.

It's a big-picture focus, Monroe said. Initiatives are "a bouquet of grants and technical assistance and materials and data gathering – a variety of things needed to make the change that you want."

A Refocused Commitment to Improving Health for All

In 2016, the Foundation named Nora OBrien-Suric, Ph.D. as its new president, succeeding Monroe, who retired after 13 years. OBrien-Suric's expertise, compassion and drive continue to move the mission of the Foundation forward in an evolving and challenging environment.

"To improve health outcomes, we know we must thoughtfully identify the needs of our communities, including those who are most directly affected. To do so, we use inclusive, collaborative approaches to share decision-making and together pursue an innovation that addresses the needs of the community need," OBrien-Suric said.

In 2017, as health coverage in the U.S. faced ongoing threats and weakening, the Health Foundation's trustees committed to a new advocacy platform that included universal health coverage for all New Yorkers by 2027. 2027.

In 2020, the Foundation embarked on its next strategic plan, refining and refocusing its vision areas and objectives to meet the evolving health care needs of the community.

The Foundation's new vision is:

A healthy western and central New York where all people, especially the racially marginalized and/or economically disadvantaged, can reach their full potential, supported by systems and communities to achieve equitable health outcomes.

With a combination of the idealistic vision of its founders and the experience of its staff and board, the Health Foundation is committed to continuing its work to improve the health of older adults and young children impacted by poverty in western and central New York.