

CAC



The **Community Advisory** Committee

REPORT

COMMUNITY ADVISORY COMMITTEE REPORT **2017**



the committee

2017 COMMUNITY ADVISORY COMMITTEE

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The **Community Advisory** Committee

LETTER FROM THE CAC REVIEW COMMITTEE CHAIR

In 2017, the Health Care Foundation of Greater Kansas City (HCF) continued its proud tradition of eliminating barriers to health care and promoting quality health within the Kansas City region. More than ever, HCF advanced its important role of facilitating communication amongst diverse stakeholders from across the community to develop health care solutions through an effective mix of advocacy and grantmaking.

This report is the result of a dedicated and thoughtful group of the Community Advisory Committee (CAC) Review Committee members. Our goal was two-fold: to review HCF's 2017 operations to ensure HCF remains true to its mission, and to report on how HCF serves as a voice and catalyst for better health across the greater Kansas City region. We are happy to report that HCF is meeting its mission of helping improve health care access to the uninsured and underserved across the region.

Our review finds that HCF operates in a highly responsible manner with a clear focus on the core mission. This would not be possible without the efforts of HCF board, staff, and community partners. This committee commends them on their work to improve health care outcomes for vulnerable populations in our community. HCF leaders and staff serve as excellent stewards of foundation resources, and they leverage impact whenever possible. We also note the critical successes in HCF's advocacy work and convening of stakeholders to advance health care solutions and support the development of new sources of funding in the region.

Thank you to the CAC Review Committee for their hard work during this review. It is a valuable experience to participate on the committee, as we learn about the multifaceted issues facing the uninsured and underinsured and how HCF supports those working on the front line of health care in our community. Working together, we can continue to build upon the successes of 2017 to ignite a culture of health in our communities.

Sincerely,

Aaron Link
CAC Review Committee Chair

2017 CAC REVIEW COMMITTEE MEMBERS

Aaron Link, Chair
Siobhan McLaughlin Lesley
Susan Mills-Gray

Michael Enos
Mary Jo Moore
Lisa Peek

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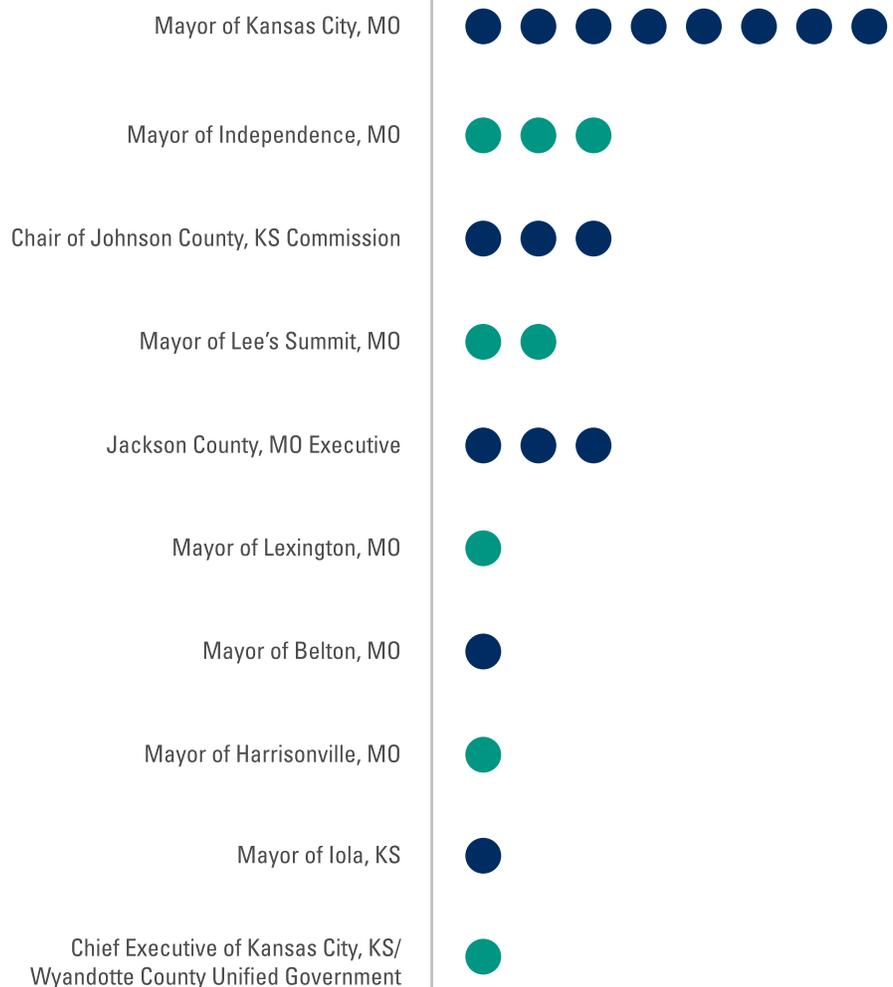
ABOUT THE COMMUNITY ADVISORY COMMITTEE

The Community Advisory Committee (CAC) is comprised of representatives appointed by government officials in the six counties that make up the HCF service area. The CAC functions to bring information about the local communities to the attention of HCF, to be a voice for better health in local communities, and to ensure that HCF remains true to its mission.

The key to CAC's success is the work of its three standing committees that identify and nominate individuals to serve on the HCF Board of Directors, gather community input on health needs, and publish an annual review of HCF through this report.

CAC members are designated by various appointing authorities throughout HCF's service area as follows:

APPOINTING AUTHORITY INFORMATION (BY SEATS)*:



intro

INTRODUCTION

As one of three CAC's standing committees, the Review Committee met multiple times over several months to conduct a thorough review of HCF's 2017 operations. As part of this year's assessment, members reviewed all minutes from the board of directors meetings and board committees meetings; spoke with staff, and participated in HCF's community dialogue project.

The Review Committee members arrived at the findings, affirmations, and recommendations outlined in this brief report.

review

2017 REVIEW OF THE FOUNDATION

In 2017, HCF continued to operate effectively in alignment with its mission. HCF leaders and staff provided key leadership, advocated for important policy changes, and made strategic grants to eliminate barriers, promote quality, and strive for equality. The board and associates respectfully honor their roles as HCF stewards.

Toward that goal, HCF implemented a strategic plan in 2016 that will guide HCF's activity through 2020. Within programs and grantmaking, the theory of change model initiated in 2016 continued to align the work across the grantmaking, evaluation, advocacy, and communications departments. These models outline strategies and provide framework for outcome measurements across its focus areas of healthy communities, safety net, and mental health.

HCF awarded a total of \$20 million in grants in 2017. Transparency is a key value of HCF, and the grant review and vetting process reflect this transparency. External reviews by outside experts of the proposals submitted in each of three annual foundation defined grant rounds provided an additional level of independent review.

The CAC Review Committee values that HCF played an increasingly important role in advocacy during the year. Policy initiatives passed by voters and state legislators in 2017 resulted in bringing significant resources from local and state funding to support health care needs of vulnerable populations. These initiatives include the new Jackson County Children's Services Fund and funding for school-based health care services. HCF teams facilitated crucial conversations with diverse stakeholders to explore new solutions to these challenging issues. By providing a neutral space in which stakeholders can work together, HCF facilitated productive discussions and movement toward agreement and shared strategies.

The CAC Review Committee acknowledges that HCF is working strategically across all areas of operations to maximize the use of its resources and to leverage impact wherever possible. The following sections of the report highlighted specific areas of note.

STRATEGIC PLAN

HCF's strategic plan continues to advance the mission of HCF's three program areas of focus: healthy communities, mental health, safety net and included strategies to strengthen how HCF can best support strategic partnerships, to pursue policy change, and to serve as connector and convener, helping amplify and create solutions to the barriers of health care.



PROGRAMS AND GRANTMAKING

Grants made to nonprofit organizations working in HCF's six-county service area are at the core of HCF's work and influence. The theory of change model continued to clarify expected outcomes and establish a framework for ongoing evaluation of grant impact. The Review Committee appreciates that the theory of change model is designed to generate improved outcomes and to gather better data.

2017 Grantmaking

HCF awarded \$20 million in grants in 2017. The board re-affirmed the president/CEO has approval of \$75,000 for all applicant defined grants. The board also authorized the president/CEO for approval of up to \$150,000 per grant, for a maximum of \$2 million out of the \$5 million of the annual special initiatives budget. These grants often involve partnerships, focus on system-level change and/or multi-year work. The updated approval level gives the president/CEO and staff more flexibility and timeliness to respond to these smaller partnership proposals.

In 2017, HCF approved 50 special initiatives. Highlights include:

- **MetroCare** – an effort to solve access issues raised by the community and providers to increase specialty services for uninsured patients.
- **Cover KC** – a project to increase insurance enrollment; and the **Regional Community Health Worker Initiative** – both projects with the Mid-America Regional Council.
- **Food Insecurity** – identified as a critically important matter for Kansas City, HCF led a social media campaign to increase and encourage awareness of newly developed food insecurity calculator and pledge.

POLICY AND ADVOCACY

The CAC Review Committee recognizes that advocating for policy change is an important tool that HCF uses to advance its mission. HCF's policy work complements and builds upon the ongoing grantmaking, evaluation, and communications initiatives. HCF tackles policy issues with an effective, two-pronged approach. HCF often provides leadership on health policy issues when HCF's expertise is uniquely valuable, influential with key policymakers, there is urgency to the issue, or no other organization is in position to move an issue forward. In other cases, HCF works with other partners to advance policy solutions.

CAC and HCF board members were invited to participate in meetings where HCF staff prioritized important policy issues. The Review Committee affirmed that involving CAC members provided greater transparency to the ways that HCF addresses policy issues.

The Review Committee commends HCF on its leadership in their policy and advocacy work. A few highlights include:

- **Jackson County Community Children's Services Fund**

This local ballot initiative resulted in a new \$5.5 million in the first year of this fund focused on children's services. HCF was one of many advocates for this new fund, resulting in additional dollars in new public funding for services in the Kansas City, Missouri, area. The 1/8 cent sales tax will eventually generate \$15 million per year.

- **The Tobacco 21 Initiatives**

Several cities within the metro region passed new regulations that raised the age to buy tobacco and vaping products to 21 years old. HCF developed relationships with local governments in the greater Kansas City region to advance this health priority.

- **School-Based Health Care Services**

HCF worked with the MO HealthNet Division to secure reimbursement for school-based services that are delivered to MO HealthNet beneficiaries. HCF led on this initiative by issuing the report, *Sustaining School-Based Health Services in Missouri*, helping stakeholders better understand the regulatory and legal landscape for financing school-based health.

- **Civic Engagement**

HCF joined the Kansas Health Foundation and REACH Healthcare Foundation to support 10 organizations for a three-year civic engagement project. This Kansas statewide initiative was created to increase civic engagement, including voter registration and turnout in local, state, and national elections.

- **Grantee Training**

Grantees received training and technical assistance from HCF to learn how to advocate on behalf of their nonprofit organizations and their clients for improved consumer health.



COMMUNICATIONS

HCF plays an important role in the community as a partner, convener, and grantmaker. Communications is a critical resource to support this work. Highlights from 2017 include:

- **Name Recognition – Brand Identity**

Research found significant name confusion for the foundation. HCF's communications team began working on new brand development strategy in 2017. The goal was to help improve recognition with key stakeholders and increase understanding of HCF's mission. A new brand identity and platform was drafted during 2017, with board approval in early 2018. The CAC Review Committee encourages HCF to develop a brand identity that creates better recognition and results in building stronger community relationships.

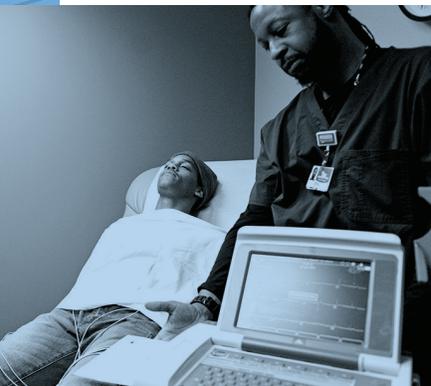
- **Community Dialogue Project**

HCF values community input as an important part of its mission. A series of community conversations throughout the six-county service area reached hundreds of representatives from nonprofit organizations, health and social service providers, and business and civic leaders. The conversations revealed important insights on health challenges and areas of opportunity. A final report that detailed the findings was distributed in 2018.

- **Increasing Public Awareness of Health Issues**

HCF co-hosted three public educational events with American Public Square that focused on the topics of social determinants of health, the importance of public health, and the opioid crisis. The board also approved a \$125,000 continuation grant to KCUR for the Regional Health Reporting initiative exploring health and social issues.

The CAC Review Committee supports and encourages HCF on its work to develop a recognizable brand identity and results in building stronger community relationships. In addition, the Committee commends HCF for conducting the community conversations. All of these communications efforts signal HCF's intentional efforts to seek community, build strong relationships, and work effectively with partners to advance health goals in the region.



FINANCE AND INVESTMENT PERFORMANCE

2017 represented significant achievements in HCF's overall financial and investment performance. Highlights included implementation of new fiscal policy, strong investment performance, operations that came in under budget and a request for proposal process for HCF's investment managers.

Overall, HCF's 2107 Statement of Financial Position showed assets of \$782 million, a significant increase from \$553 million in 2016. The growth in assets resulted principally from \$162 million in proceeds from the conclusion of the HCA lawsuit. The proceeds from the lawsuit were incorporated into HCF's corpus; increases to grantmaking from these additional funds will grow slowly over the coming years as lawsuit proceeds will be managed in accordance with HCF's investment and spending policies.

- **New Fiscal Policy**

In 2017, the board confirmed the importance of establishing guidelines allowing HCF to operate in perpetuity. HCF leadership modeled the new investment return reality and revised its spending policy. Due to the strong 2017 investment performance and implementation of the new fiscal policy, HCF made up \$57 million of lost purchasing power in 2017.

- **Investment Performance**

The board's Finance and Investment Committee continued to monitor investment performance and evaluate the money managers and the investment strategy. A mix of active managers and passive strategies was found to be an effective ongoing approach. HCF's 6.6 percent market return for 2017 was in line with similar benchmarks in the industry, and the returns were on par with the long-term investment strategy.

- **Operating Budget**

HCF's investment return generated revenues that exceeded the annual budget forecast and 2017's operating expenses also came in lower than the 2017 approved budget. HCF's budget objective is to limit operating expenses to no more than 20 percent of the total expense budget and/or no more than 1 percent of the total net assets. The Finance and Investment Committee's future work will include a review of all cost considerations involved in establishing a permanent location to align with HCF's budget objectives.

- **Investor Advisor Request for Proposal**

In 2017, Finance and Investment Committee initiated a request for proposal process (completed every five years) for an investment firm. A total of 20 responses were received and AON Hewitt was ultimately selected to continue as the HCF's investment advisor.

The Review Committee members support the decision to gradually increase grantmaking from lawsuit funds over time and the decision to pursue a mix of active and passive managed funds. The CAC Review Committee recommends the Finance and Investment Committee continue to dedicate sufficient meeting time to provide this important oversight.

GOVERNANCE

In 2017, the HCF Board voted to make the ad-hoc Governance Committee into a new standing board committee. HCF bylaws were changed and the charter was approved to establish the Governance Committee. This new committee replaced and combined the work of the Nominating and Bylaws Committees.

The HCF board reaffirmed the board size of 21 members. When adding new board members, the Review Committee recommends the board seek candidates who bring skills and diversity that may be underrepresented, including members from rural areas, from Cass County, and members with a background in finance. Maintaining racial, ethnic, and gender diversity on the board continues to be a high priority.

A PERMANENT LOCATION

Work continued during 2017 to explore and identify options for a long-term, permanent HCF location. An Ad Hoc Permanent Home Committee assessed potential new HCF location options. The committee engaged Van Trust for consultation through these early phases. Attributes needed for the required physical space and geographic parameters were defined and an evaluation tool developed to weigh site options. The site selection process will continue into 2018.

SUMMARY

The CAC Review Committee respects the leadership of HCF's board and associates in the work with grantees and program partners. Following a careful review of HCF's operations, it is evident that the board and associates remain committed to advancing the foundation's mission and serve as vigilant stewards of its resources.

By identifying key priorities and using integrated grantmaking and advocacy strategies, HCF is leveraging its resources to maximize impact. In doing so, the community will be better supported and equipped to provide health care services to a greater number of uninsured and underserved people.

Recommendations from this year's review were made to enhance the outcomes achieved through HCF's financial investments, grant awards, partnership, and advocacy initiatives.

