

2018 **REVIEW**

OF HEALTH FORWARD FOUNDATION

COMMUNITY ADVISORY COMMITTEE



COMMUNITY ADVISORY COMMITTEE

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Twintenia Strother

Yulonda Swanson-
Moten

Moving health forward: this, more than anything, defined Health Forward's year.

The organization moved forward on a number of efforts that will sustain the foundation's role as a convener and partner in our communities:

- Debuted a dynamic new name and logo
- Prepared a new grants management system
- Published the Safety Net Portfolio Report
- Convened partners around Medicaid expansion

These were just a few of the areas of interest the Community Advisory Committee (CAC) Review Committee members noted in our annual review of Health Forward. This annual process provides a means of accountability on the part of Health Forward to our communities. It gives us a chance to identify the strengths of the organization and provide recommendations.

In January 2019, Dr. Bridget McCandless announced her retirement as Health Forward's president and CEO. Her leadership and dedication to Health Forward's mission during her tenure are evident in the many successes of the last five years. We thank Dr. McCandless for her many years of service to Health Forward and wish her the best in her future endeavors. The board of directors will be looking for her replacement, who will continue building upon the foundation's progress of the last decade. The Community Advisory Committee offers encouragement and support through this transition.

I wish to thank my colleagues on the CAC Review Committee for their hard work during this review. It is gratifying to be part of this committee and to see firsthand how the dedication of the staff and board move health forward in our communities.

Sincerely,

Susan Mills-Gray
CAC Review Committee Chair

LETTER FROM THE COMMITTEE CHAIR

CAC Review Committee Members

Susan Mills-Gray, Chair
Art Chaudry
Damon Daniel
Mary Jo Moore
Lisa Peek
Thuylinh Pham, M.D.
Carey Spain

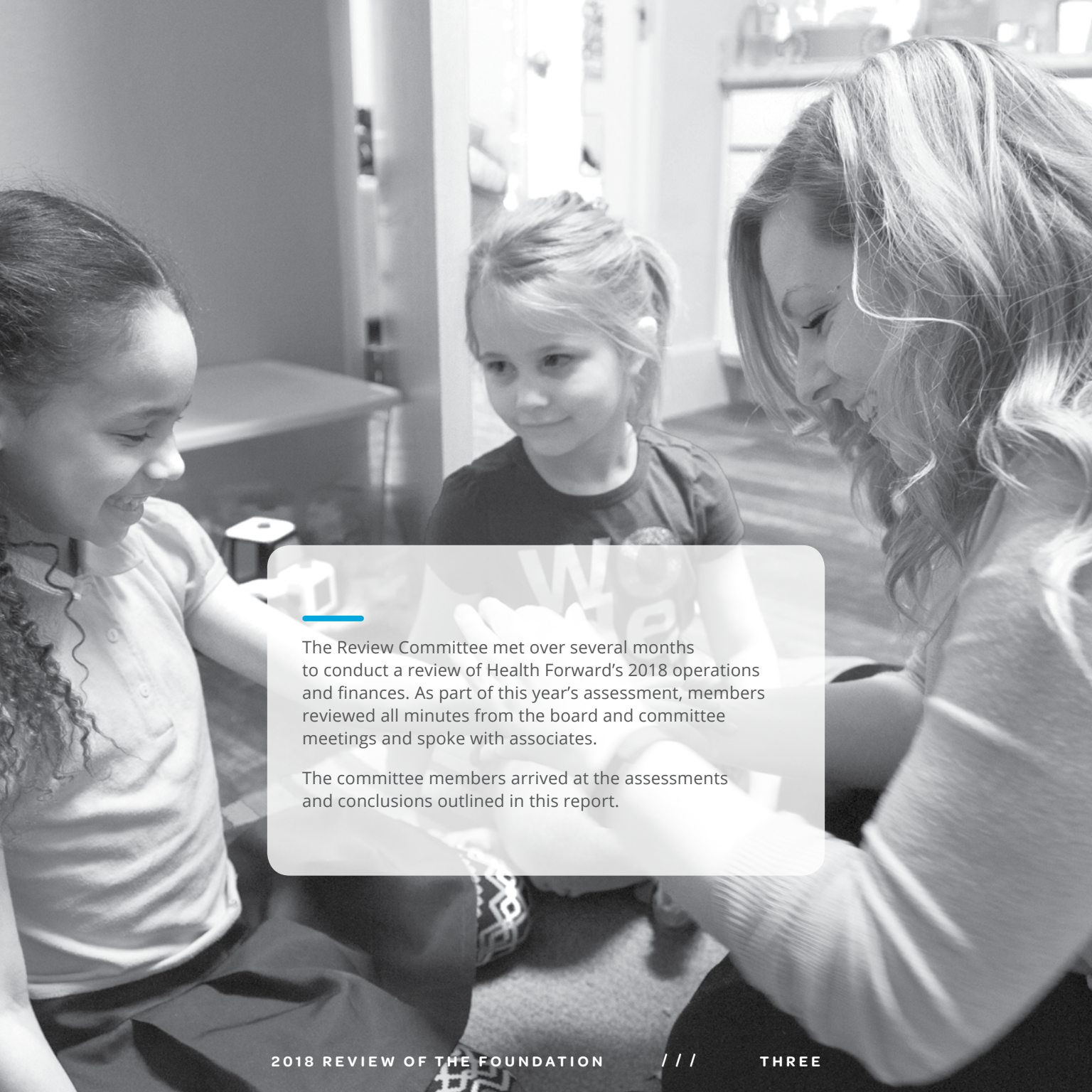
ABOUT THE COMMUNITY ADVISORY COMMITTEE

The Community Advisory Committee is composed of representatives appointed by government officials in the six counties that make up Health Forward Foundation's service area. The committee aims to inform Health Forward about the local communities, to be a voice for better health in local communities, and to ensure that Health Forward remains true to its mission.

The key to the Community Advisory Committee's success is the work of its three standing committees that identify and nominate individuals to serve on the Health Forward Board of Directors, gather community input on health needs, and publish an annual review of Health Forward.

Members are designated by various appointing authorities throughout the region as follows:

- Mayor of Kansas City, Mo. 
- Mayor of Independence, Mo. 
- Chair of Johnson County, Kan. Commission 
- Mayor of Lee's Summit, Mo. 
- Jackson County, Mo. Executive 
- Mayor of Lexington, Mo. 
- Mayor of Belton, Mo. 
- Mayor of Harrisonville, Mo. 
- Mayor of Iola, Kan. 
- Chief Executive of Kansas City, Kan./Wyandotte County Unified Government 



The Review Committee met over several months to conduct a review of Health Forward's 2018 operations and finances. As part of this year's assessment, members reviewed all minutes from the board and committee meetings and spoke with associates.

The committee members arrived at the assessments and conclusions outlined in this report.

2018 OVERVIEW

In 2018, Health Forward continued its mission of focusing on those most in need in our communities. The organization rebranded, prepared a new grants management system, advocated for policies impacting pressing health issues, and examined its own governing documents.

Health Forward completed two significant internal initiatives: rebranding the organization and implementing a new grants management system. Health Forward Foundation and the new logo bring more focus to its work and are more recognizable within the community. The grants management system offers more benefits and flexibility to both grantees and applicants, as well as Health Forward. Completion of both efforts will better serve the communities and the organization for years to come. Health Forward continued work on finding a permanent home, and landed on a decision to build a new office site that will accommodate the growing foundation and the wider needs of the community.

Health Forward improved the quality, accessibility, and equity of health services by funding programs and grants totaling more than \$20 million. New policies allowed the organization and board more flexibility in funding these important programs. For several years now, staff have been consumed with the process of creating and implementing theories of

change — the organization’s way of assessing the impact of grants and programs on the communities. This was the first year evaluation associates had full access to data provided through the theories of change and subsequently released a milestone report on Safety Net grants.

The Finance and Investment Committee and the finance associates navigated an unpredictable market that negatively impacted Health Forward’s investment portfolio. Though suffering losses for 2018, the committee and staff continue to act as a guardian of public funds and minimize market fluctuations through Health Forward’s diversified portfolio.

The CAC Review Committee respects the unbiased and informed voice of the organization to speak about health issues on a broad scale. That voice allowed them to monitor and participate in a number of efforts on both sides of the state line. Efforts included the Missouri Medicaid Expansion initiative, advocacy for the farm bill, Tobacco 21, Regional Health Reporting Collaborative, and the Bi-State Consumer Health survey. There is an immeasurable value in knowing the health needs landscape in Missouri and Kansas.

Evaluation is a key value of Health Forward, and the assessment work completed in 2018 reflects that value. Board and staff reviewed and updated a number of key governing documents to ensure that Health Forward will be able to creatively address new and existing health disparities in our communities.

The following sections of this report highlight notable efforts and accomplishments of Health Forward.



NEW NAME AND LOGO

Health Forward Foundation replaced the former name of Health Care Foundation of Greater Kansas City (HCF).

After two years of branding work led by the communications team with board engagement, the foundation announced its new name and logo at a public celebration on Nov. 14, 2018.

The name, *Health Forward Foundation*, has a truer connection to its vision for healthy people in healthy communities and its focus on those most in need.

NEW GRANTS MANAGEMENT SYSTEM

Work began on preparations for a new grants management system, which would offer more flexibility and increase efficiency for Health Forward and its community partners.

Health Forward modified its usual funding schedule to accommodate the implementation of the new management system, which debuted in the first quarter of 2019. The funding schedule for applicant defined grants was paused for two months, and the foundation defined grants — Healthy Communities, Mental Health, and Safety Net — had a slight delay as well.

Despite the delay, no decrease in the budget occurred; Health Forward will still award approximately \$20 million in 2019.

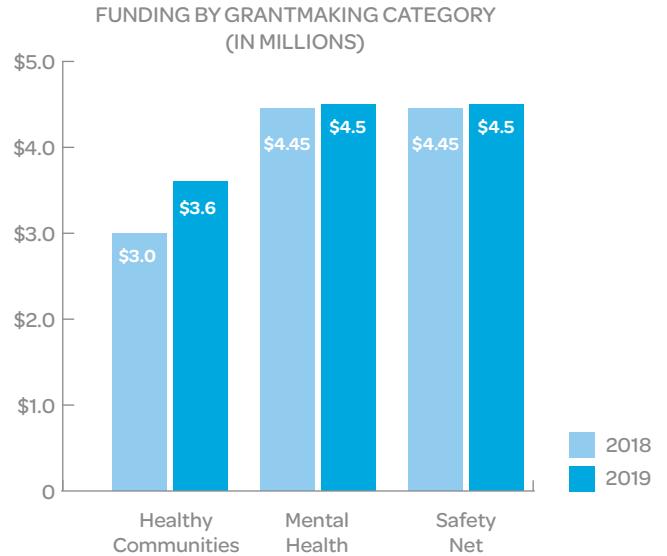
PERMANENT HOME

Site selection for a permanent office location continued in 2018. The Permanent Home Committee compared options to build or lease, and ultimately concluded that the best option is to build a permanent home that would be an asset for the community, as well as serve the needs of the associates and the growing foundation. Health Forward is exploring a variety of financing options.

PROGRAMS AND GRANTMAKING

In 2018, Health Forward awarded \$20.7 million in grants to improve health for those most in need.

The board re-authorized a 2017 policy that allows the president/CEO to approve up to \$2 million of the \$5 million special initiatives budget, with a limit of \$150,000 per grant. The board also introduced policy language allowing Health Forward to participate in regional, bi-state, or statewide efforts that impact its primary service area. This enhances Health Forward's ability to use grants to impact advocacy and policy at the state and regional level even though the grant requests originate from partners outside the service area.



The board approved a \$700,000 increase to the 2019 grantmaking budget. Health Forward is using the additional funds to work toward parity in the amount awarded through the three foundation defined grants. Safety Net and Mental Health funding rounds will each receive a \$50,000 increase, while Healthy Communities will see a \$600,000 increase.

In February, Health Forward associates presented the first Safety Net Portfolio Report. The report was the first look at data derived through implementation of the Safety Net theory of change. Health Forward analyzed final reports summarizing the work of 25 Safety Net grantees. This report was a milestone because it was the first time Health Forward could aggregate data across a broad swath of organizations. Prior to theory of change implementation, only evaluation of individual grants was possible.



POLICY AND ADVOCACY

Health Forward has a long-standing commitment to using advocacy and civic engagement to advance the conversation around wellness and prevention. In 2018, Health Forward associates and board members tackled a number of policy items and advocacy efforts.

Missouri Medicaid Expansion initiative:

Health Forward closely monitored the outcomes of Medicaid expansion in four states during midterm elections. Three of the four states approved ballot initiatives to expand Medicaid, which could be a viable option in Missouri. The board approved funding to convene partners to explore Medicaid expansion.

Tides Foundation grant: Health Forward Foundation received a \$125,000 grant from the Convergence Partnership Fund of Tides Foundation. The funding will help partners use storytelling to advance policies that will transform the regional food system, including passage and implementation of the 2018 Farm Bill and reauthorization of the Child Nutrition Act.

Tobacco Prevention Project: Consultants from Washington University provided valuable preparation and an implementation plan, which included a staffing model, strategic communications, and evaluation funds. However, due to capacity concerns, associates decided to postpone the Tobacco Prevention Project.

Tobacco 21: Health Forward signed on to an amicus brief in litigation appearing before the Kansas Supreme Court. Opponents seek to block Tobacco 21 policy implementation in Kansas.

COMMUNICATIONS

Communications are critical to supporting Health Forward's role as a community partner, convener, and grantmaker. Highlights of the year include:

Regional Health Reporting Collaborative:

Health Forward, in conjunction with other Kansas health funders, is in its fifth year of funding this collaboration of health media partners. In addition to supporting regional health journalism, this initiative also includes an evaluation component in the form of a stakeholder survey. The survey was distributed in the first quarter of 2019. Results will be available in fall 2019.



Bi-State Consumer Health Survey Results:

Between September 2017 and January 2018, Health Forward joined other area health grantmakers in funding a bi-state survey to gain a clearer picture of access to health care services and the unmet need in Kansas and Missouri. The results include:

- Challenging medical bills affected one-third of respondents.
- Families with children experienced the highest rate of medical debt.
- Both states experienced high uninsured rates comparable to other non-Medicaid expansion states.
- High numbers lack dental coverage.
- More than 60 percent of respondents report a diagnosed chronic illness.
- A third of adults' only access to health care is through the ER or urgent care.
- Among adults ages 19–64, Hispanic adults had significantly higher uninsured rates at 53 percent in Kansas and 50 percent in Missouri, compared to 14 percent of white non-Hispanic adults (Kansas) and 17 percent of white non-Hispanic adults (Missouri).

FINANCE AND INVESTMENT PERFORMANCE

Health Forward's investment portfolio performance was negatively impacted by a volatile market in 2018. On a positive note, the organization wisely managed its budget with a favorable variance of \$1.1 million. Highlights of both the investment and operating budget follow.



INVESTMENT PERFORMANCE

- The lawsuit money from the 2017 settlement with HCA is now fully invested per the advisement of Aon Hewitt, with oversight by Finance and Investment Committee.
- The net investment value of the endowment dropped by \$50 million to \$723 million at the end of 2018.
- Investments collectively lost 3.8 percent or \$30.5 million. All asset classes underperformed their five-year annual returns with the exception of real estate.

Although 2018 was a disappointing year due to market fluctuations, Health Forward's 10-year return of 8.3 percent is consistent with long-term view and results in portfolio management.

OPERATIONS BUDGET

- Expenses of \$26 million came in under budget by \$1.1 million. The board approved to carry forward \$668,000 of this positive operating variance of the grant budget into the 2019 grantmaking budget. Rolling a portion of the favorable balance from one year to the next was the outcome of a new, board-approved accounting and budgeting policy. The policy allows net positive grant-only budget variances to roll forward into the subsequent year.
- Operating spending of \$4.2 million stayed within Health Forward's spending guidelines of not exceeding 20 percent of the total budget or 1 percent of net assets (16 percent and 0.76 percent, respectively). Of total spending, 84 percent went to programs.
- Changes in net assets showed a decrease of \$56.3 million due to a combination of investment loss of \$30.5 million and expenses of \$26 million for the year.

GOVERNANCE

By reassessing policies, guidelines, and committee structuring, Health Forward associates and the board attended to continuous improvement by evaluating how the organization is governed.

The Executive Committee discussed restructuring existing board committees. The board confirmed the Governance Committee as a standing committee that absorbed both the Bylaws and Nominating Committees in 2018.

During 2018, the board approved the following policies and guidelines:

- Fraud Control Policy
- Whistleblower Policy
- Finance and Accounting Policies and Procedure Manual
- Accounting and budgetary policies, including those already mentioned earlier in this review
- Conflict of interest guidelines
- Board responsibilities guidelines
- Committee charters
- Revised bylaws and articles of incorporation

Members from the board of directors and the CAC formed a learning group to examine health equity and what it means for Health Forward. Health equity was the focus of the 2018 board retreat, and the group will continue its efforts in 2019.

Health Forward added to its team by hiring three associates to focus on key areas of advocacy, communications, and evaluation. Associates also increased engagement in the employee wellness program, which reduced health insurance premiums.

FINDINGS

The CAC Review Committee is pleased with the progress and efficiency of Health Forward in 2018. Health Forward has cultivated a high level of trust in the community through a blend of transparency, advocacy for those most in need, and wise stewardship of funds. Below are our findings and recommendations for the year.

An area of concern is the decline in the investment value. We have confidence in the stewardship of the Finance and Investment Committee and finance associates to guide Health Forward in its long-term investment plans and strategies.

The organization debuted its new name and logo. Health Forward Foundation name better communicates the mission and vision of the foundation without losing sight of its past.

Implementing new technology is challenging and time-consuming, but associates prepared to migrate to a new grants management system while minimizing impact to the grants schedule and budget. We commend the Health Forward associates for their speed and efficiency while maintaining the foundation's spending commitment to the community.

The Review Committee encourages the organization to be deliberate and transparent about establishing a permanent home. We look forward to moving toward this opportunity.

We encourage the foundation to continue to explore health equity and its implications through the joint board and CAC learning group.

Board attendance and participation are exemplary. There is an effective mix of associates and board members presenting during meetings. The evaluation of governing documents shows a leadership that has a progressive attitude toward the evolution of community and organizational needs.

The Community Advisory Committee of Health Forward has a high level of trust in the governance and associates of the organization. The CAC remains committed to perpetuating a diverse, high-performing board. We want to publicly express our appreciation to the board and associates for their time and dedication to Health Forward's mission of serving those most in need.



The **Community Advisory** Committee



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