Addressing Health Inequities through Impact Investing

Catholic Impact Investing Collaborative (CIIC)
October Community Forum

   

Tuesday, October 11th, 2022 at 11 AM CST

CIIC is excited to announce our **October Community Forum**, part of an ongoing series of webinars focused on specific issues for CIIC community members to engage in open dialogue, exchange resources, and identify opportunities for mutual learning and collaboration.

Impact and place-based investing strategies have long allowed health care systems to earn a financial return on their investments while producing a positive social and environmental impact within their communities. This panel discussion will highlight Catholic organizations that have incorporated their mission or charism into their investment portfolios, and how they've been able to address local healthcare inequities through these investments.

This webinar was originally broadcast on Tuesday, October 11th and you can find a recording here.

Our Panelists will be:

- **Pablo Bravo,** System Vice President, Community Health, CommonSpirit Health
- **Dr. Alexander Garza,** Chief Community Health Officer, SSM Health
- **Dave Zuckerman,** President, Healthcare Anchor Network
- *Moderator:* **Tara Kenney,** Adjunct Professor, University of Notre Dame

WHO WE ARE

By sharing our experience and celebrating our Catholic faith & values, we seek to expand the use of wealth in service to people & planet.

The **Catholic Impact Investing Collaborative (aka CIIC - pronounced "seek")** was established in November 2014 as an informal "neutral space" for people to come together, share a meal and stories, and build relationships based on their spiritual as well as financial commitment to Impact Investing. Our goals are to share stories, build relationships, foster collaboration, and grow the Catholic Impact community, while leaving room for the Holy Spirit.

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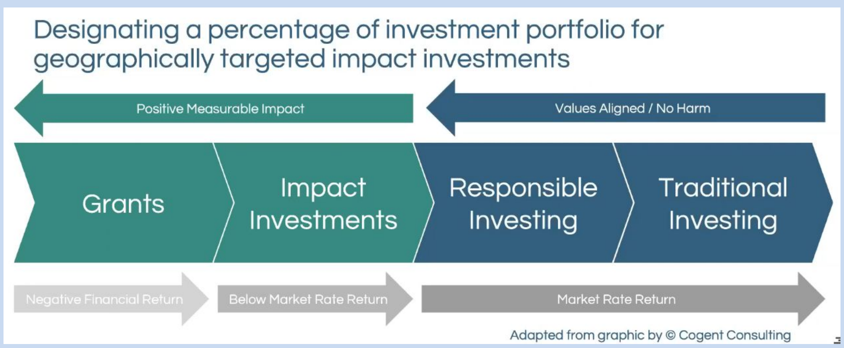
Dave Zuckerman
President, Healthcare Anchor Network

The Healthcare Anchor Network's mission is to catalyze health systems to leverage their hiring, purchasing, investing and other key institutional assets to create economically and racially equitable local economies that sustain healthy communities. We do that through raising the bar, accelerating adoption and fostering collaboration for our community of 75 current members. The question we strive to answer is, "How to drive social impact by fully activating our members' potential as a community asset?" and we believe geographically-targeted impact investing is one of those key ways. Our 75 health system members hold $250B in investable assets, and even if we shift 1% of those resources back into the community, those dollars can help start and sustain catalytic projects that address the inequities in place. We recognize health systems' roles as significant economic engines with social missions rooted in place and the opportunity they have to leverage these assets to better serve their communities.



Our efforts to support place-based investing have been through encouraging health systems to designate a percentage of their investment portfolio for geographically targeted investments in their communities to create positive, measurable impact. In 2019, the Healthcare Anchor Network developed a pledge around impact investing, which was the first time health systems acknowledged the tool of impact investing to improve health and wellbeing. The commitment asks them to allocate 1% of $50M (whichever is less) of long-term reserves towards geographically targeted impact investments, deploy at least the minimum investment amount within five years, and collect and submit data to HAN to track progress and ensure accountability. We have 13 signatories to date, including CommonSpirit Health and Bon Secours Mercy Health. One case study example is the work of Bon Secours Mercy Health. They've allocated 1% of its investment portfolio towards place-based investments, and have deployed $34M with CDFIs. They focus on affordable housing, economic and workforce development and community and childcare centers. In 2016, they helped launch the Maggie Walker Community Land Trust, which helps reduce the cost of homeownership.

As the largest economic engine in our community and as organizations that have to hold long-term investments, healthcare systems have an opportunity to leverage their balance sheets more fully to drive impact investing in a new and powerful way. It starts with asking the question "What are we doing with our investments, and what would it mean to carve out a small amount to work with community partners in a different way?"

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Dr. Alexander Garza
Chief Community Health Officer, SSM Health

SSM Health is a Catholic healthcare organization based in St. Louis, though we're located across the midwest in Wisconsin, Oklahoma, St. Louis, and Jefferson City/southern Illinois. SSM Health is at the beginning of its impact investing journey, so I'm sharing how we arrived at the process we're using for developing our investment strategies.

The majority of health is dictated by things outside of the four walls of a hospital - 80% of a person's health is based on structural and social factors. The important work that our health system does is still limited by an individual's socioeconomic factors and health behaviors, as well as the health of the community. There is a clear moral and economic argument about why we should be investing in community, which was the inspiration for the development of our Community Health strategy.

Our Community Health strategy focuses on three areas: transforming communities through policy, system and environmental change, addressing inequities in health outcomes within our hospitals and clinics, and identifying and addressing Social Determinants of Health needs.

We wanted to develop SSM Health's Local Impact Program in alignment with the UN Sustainable Development Goals as well as the Social Determinants of Health. The purpose of the program is to provide sustainable financial returns for SSM Health that also create measurable and positive social, economic and environmental outcomes in service of the people and the planet with a specific focus on the geographies of our existing ministries. We are currently identifying financial partners to facilitate this capital deployment and are looking into potential partnerships with CDFIs, community banks and credit unions. We hope to pursue investments such as low income housing financing, investments in minority or women-led businesses, healthy food supply, predatory loan refinancing and solar energy financing. With our Investment Discernment Working Group, we are determining and recommending investment focus areas, identifying and evaluating investment opportunities, recommending an investment budget to our Steering Committee and establishing systems for ongoing investment monitoring and reporting.

If the Community Health strategy succeeds, we will decrease disparities in health outcomes, improve the overall health status of the communities we serve, and decrease the Social Determinants that drive health inequities.

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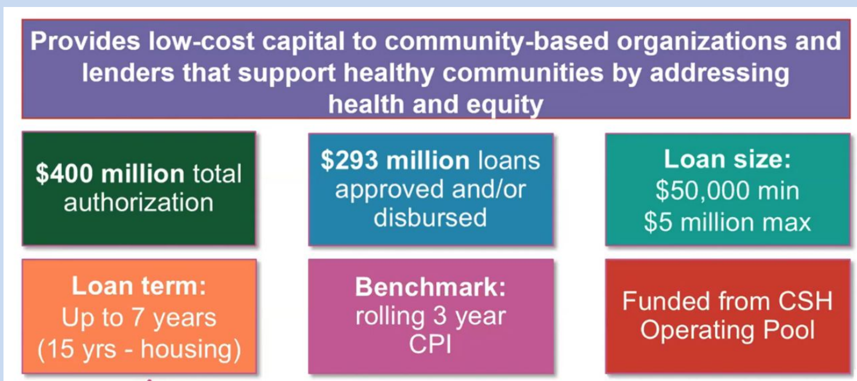
Pablo Bravo
System Vice President, Community Health, CommonSpirit Health

CommonSpirit Health came about two years ago by the merger of Catholic Health Initiative and Dignity Health. Both organizations had a community investment allocation embedded into their investment programs. When the sisters created these healthcare systems, their investment policy statements addressed three main areas: organizational fiduciary duty (self-insurance, retirement plans, etc.), shareholder advocacy (advocating for issues like housing, access to care) and community investing. The sisters felt strongly that there was a need to allocate a certain percentage of unrestricted assets towards this community program where we serve, in over 140 communities across 21 states.



The purpose of CommonSpirit's Community Investment Program is to provide low-cost capital to community-based organizations and lenders that support healthy communities by addressing health and equity. The program has focused on trying to make low interest loans in the communities we serve. There are significant projects in the community that don't have access to traditional lenders, and we want to provide capital for those projects. We have authorized $400M in total, and $293M in loans have been approved or disbursed in projects. The program currently provides investment capital for up to 15 years for housing projects, 7 years for new market tax credits, and 2-5 years for lines of credit, with the interest rate charge between 0-5%. We have a Community Health Director in each of our markets that are very engaged in identifying community needs and potential projects. The loan size ranges from $50,000 to $5M and we are currently adjusting the guidelines to increase that to $10M per project. We make direct loans to nonprofits, intermediary investments through CDFIs, lines of credit to local groups, linked deposit to fight predatory lending, equity capital to support community banks and guarantees for organizations who can't access loans without a cosigner. The portfolio is broken up into different sectors: access to capital to CDFIs and banks, affordable and transitional housing, health care facilities and federally qualified healthcare centers, arts & education, food retail, production and distribution, and environmental projects including solar energy. In the fiscal year 2022 we did 8 loans (four loans per quarter), allocated $9M to affordable housing, and $5M to healthcare centers. We invested $3.2M in California, $5M in Kentucky, $3M in Ohio, $3M in Washington and $2M in Texas among many others. In total, we strongly believe that impact investment is a tool embedded into community health to address the social determinants of health and inequities.