Healthy Homes Renovations: Engaging Hospitals as Investors

A guide to approaching hospitals to pay for healthy homes repairs

February 26 2019

Please click this link to view a recording of this webinar.
Objective: prepare community organizations, developers, governments, and others to approach hospitals as partners and potential investors in healthy homes services
Meet the presenters

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Agenda

- Assessing the hospital landscape
- Building the business case for your program
- Presenting the business case to investors
- Voices from the field:
  - AMITA Health
  - GHHI Memphis & Le Bonheur
- Q&A
Step 1: Assessing the local hospital landscape

Project partners should work to understand 1) what is important to local hospitals and 2) what incentives, if any, are in place for them to invest in programs that address the social determinants of health.
Assessing the Hospital Landscape

Nonprofit hospitals are required to assess the needs of the communities they serve every three years

- Nonprofit hospitals are required to conduct a Community Health Needs Assessment (CHNA) every 3 years and adopt an Implementation Plan.

- While there is no minimum spending requirement, hospitals spend, on average, 8.1% of their operating expenses on Community Benefits.¹

- Hospitals can count investments in addressing identified community needs as Community Benefits, but many focus on financial assistance, research, and professional development for staff.

- “Physical improvements & housing” & “environmental improvements” are eligible to count towards Community Benefits. Evidence of health benefit must be documented.

- Hospitals may not be incentivized to use this money to prevent certain insured populations from utilizing their services, as it can cut into revenue.

To see how hospitals near you use their community benefit dollars: [http://www.communitybenefitinsight.org/](http://www.communitybenefitinsight.org/)

Assessing the Hospital Landscape

Community Health Needs Assessments & Implementation Plans are a good place to start

Example CHNA priority issues from Minnesota Children’s Hospital

- Health Status
  - Asthma
  - Mental health and well-being

- Social Determinants of Health
  - Access to resources
  - Income and employment
  - Education
  - Structural racism

- Every 3 years hospitals must complete and make public a CHNA
- Each CHNA will name priority health issues
- Search CHNAs of local hospitals to understand priority health issues
- Identify hospitals that list asthma, environmental health, or another related issues as a priority
Assessing the Hospital Landscape

Community Health Needs Assessments & Implementation Plans are a good place to start

### 2017 – 2019 Implementation Plan

<table>
<thead>
<tr>
<th>Priority issue</th>
<th>Objectives</th>
<th>Anticipated impact</th>
<th>Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asthma:</td>
<td></td>
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</tbody>
</table>
|                | Plan and implement an asthma intervention that supports children and their families through an equity-based framework to address outcome disparities observed in Minnesota Community Measurement reporting.  
|                | Support connections to community-based resources and agencies to address the environmental and social determinants factors that impact asthma condition severity and management.  
|                | Build relationships with patients and families, community members and community-based organizations and agencies to integrate community-informed perspectives on asthma care. | Improve care for children with asthma, focused on reducing disparities between racial and ethnic groups in care and condition outcomes. | Children's provides comprehensive asthma care for children at all primary care clinics, through a specific Asthma Clinic and in our Emergency Department and Inpatient units when asthma symptoms become more severe. |

- CHNAs must have an accompanying Implementation Plan that outlines goals for addressing each priority issue
- If your issue area is a hospital priority, consult the Implementation Plan to understand hospital’s goals for addressing this issue and how your work fits

*In 2016, Children’s Minnesota reported $120M in community benefits - $11M (1.4% of total expenses) was spent on community health improvement services & community benefit operations*
Assessing the Hospital Landscape

Community Health Needs Assessments & Implementation Plans are a good place to start

Community Benefit Spending - 2016
(as % of functional expenses, which all tax-exempt organizations report on Form 990 Schedule H)

Spending by Community Benefit Category - 2016
(as % of total functional expenses)

- Financial assistance at cost: $945,420
- Medicaid: $81,981,492
- Costs of other means-tested government programs: $11,044,589
- Health improvement services and community benefit operations: $4,648,401
- Health professions education: $20,122,521
- Subsidized health services: $1,000,764
- Research: $125,630
- Cash and in-kind contributions to community groups: $74,600
- Community building:

For an overview of what counts as Community Benefit in each category:
https://www.chausa.org/communitybenefit/what-counts
### Assessing the Hospital Landscape

Community Health Needs Assessments & Implementation Plans are a good place to start

**Potential next steps if…**

<table>
<thead>
<tr>
<th>Your issue area is a hospital priority:</th>
<th>Your issue area is <em>not</em> a hospital priority:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Find a contact at the hospital:</td>
<td>• Hospitals consult community organizations when creating the CHNA</td>
</tr>
<tr>
<td>• Authors/contributors to CHNA</td>
<td>• Many CHNAs and Implementation Plans list community partners that have been consulted; contact those organizations to understand the process</td>
</tr>
<tr>
<td>• Community relations or community benefit team (often larger hospitals)</td>
<td>• Contact the hospital early about supporting the next CHNA</td>
</tr>
<tr>
<td>• Any contact you may have there</td>
<td>• Build the business case for your program to present as part of the CHNA planning process or separately</td>
</tr>
<tr>
<td>• Build the business case for your program, paying close attention to aligning with the Implementation Plan(s)</td>
<td></td>
</tr>
<tr>
<td>• Present your business case to the hospital</td>
<td></td>
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</tbody>
</table>

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Assessing the Hospital Landscape

Some states also require or incentivize hospitals to meet certain quality standards that your program could help achieve

Ex: Integrated Health Partnerships (IHPs), Minnesota

- State and providers contract to form IHPs for Medicaid & Medicare patients
- IHPs utilize a value-based payment model where savings/losses for defined set of services are shared
- Shared savings also contingent upon IHP’s score on quality measures. Example measures include:
  - Asthma admission rates
  - Asthma Medication Ratio

Ex: Accountable Care Organization (ACO) Quality Scores, Massachusetts

- ACOs (groups of health providers) receive an annual Quality Score based on performance across 7 quality measures
- Quality Score impacts ACOs shared savings/loss payments from State
- Relevant quality measures include:
  - COPD or asthma admission rates
  - Asthma Medication Ratio

Check with your state’s Medicaid office to see what exists near you.
Step 2: Building the business case for your program(s)

Once you have an understanding of what is important to local hospitals and what incentives are in place for them to invest in your service(s), it’s time to build the business case.
Data collection and analysis is key to building the case for your program

To decide what type of data to collect and analyze, determine where the following intersect:

1. Your programs **desired outcomes** and **greatest strengths**
2. Your target hospital(s) **interests, goals, and incentives**

Potential data to collect

- **Prevalence**: how many adults and children at the hospital/in the local area suffer from the identified issue?

- **Health utilization**: how often are individuals going to the hospital or emergency room for the identified issue?

- **Cost of health utilization**: how much does it cost for those individuals to visit the hospital or emergency room?

- **Historical/evidence-based outcomes**: historically, what outcomes has your program achieved related to improving health and/or reducing health care utilization for clients OR what does the general evidence-base say about outcomes for similar programs?

- **Cost of program**: historically, what has your program cost to implement?
## Building the Business Case

Data can come from a variety of sources, determine which are best and most accessible for your needs

<table>
<thead>
<tr>
<th>Data source</th>
<th>Potential uses of the data</th>
<th>Why it’s important</th>
</tr>
</thead>
</table>
| Hospital electronic medical records | • Building the cost-benefit analysis  
• Operations planning  
• Demonstrate magnitude of issue | • Understand & demonstrate prevalence of issue for hospital  
• Understand costs associated with issue for hospital |
| Health plan data             | • Building the cost-benefit analysis  
• Demonstrate magnitude of issue | • Understand utilization based on claims made to health plan  
• Understand & demonstrate prevalence of issue locally |
| Publicly available data      | • Building the cost-benefit analysis  
• Operations planning  
• Demonstrate magnitude of issue | If hospital & health plan data not available, public data can be used instead |
| Historical program performance data | • Building the cost-benefit analysis  
• Operations planning  
• Building credibility | • Demonstrate ability of program to achieve results  
• Program-specific outcomes/costs for cost-benefit analysis |
| External evidence           | • Building the cost-benefit analysis  
• Demonstrate effectiveness of evidence-based intervention | If relevant historical program data is not available, scientific evidence can be used instead |
Once you have data, you can begin to build the cost-benefit analysis

The benefit side of the calculation should focus on the **quantitative (monetary) benefits** to the hospital, but your business case should also include qualitative data.

\[
\text{Savings}^* = \text{Hospital cost per person} \times \% \text{ reduction in utilization}
\]

- **Savings**: The savings per person generated by providing your program
- **Hospital cost per person**: Average hospital cost per person based on age and visit type
- **% reduction in utilization**: From historical program outcomes or evidence-base, the median percent reduction in hospital utilization due to your program

*This is one example of calculating savings to the hospital, but programs should adapt based on their specific goals*
Once you have data, you can begin to build the cost-benefit analysis

The cost side of the calculation should focus on the **cost of healthy homes renovations that positively impact the identified issue**

<table>
<thead>
<tr>
<th>Description of Work</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carpet steam clean</td>
<td>3,000.00</td>
</tr>
<tr>
<td>IPM contractor</td>
<td>600.00</td>
</tr>
<tr>
<td>Gutter repair</td>
<td>600.00</td>
</tr>
<tr>
<td>Mold major (&gt;10ft2)</td>
<td>8,000.00</td>
</tr>
<tr>
<td>Mold minor (&lt;10 ft2)</td>
<td>1,000.00</td>
</tr>
<tr>
<td>Plumbing major</td>
<td>4,000.00</td>
</tr>
<tr>
<td>Plumbing minor</td>
<td>700.00</td>
</tr>
<tr>
<td>Venting, bathroom</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Venting, dryer</td>
<td>3,000.00</td>
</tr>
<tr>
<td>Venting, kitchen</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Air conditioners (window units)</td>
<td>3,000.00</td>
</tr>
<tr>
<td>Air purifiers</td>
<td>1,800.00</td>
</tr>
<tr>
<td>Dehumidifier</td>
<td>1,800.00</td>
</tr>
<tr>
<td>Roof repair</td>
<td>8,000.00</td>
</tr>
<tr>
<td>Furnace replacement</td>
<td>8,000.00</td>
</tr>
<tr>
<td><strong>Total, building</strong></td>
<td><strong>53,500.00</strong></td>
</tr>
<tr>
<td><strong>Total, per unit</strong></td>
<td><strong>1,783.33</strong></td>
</tr>
<tr>
<td><strong>Total, per resident</strong></td>
<td><strong>764.29</strong></td>
</tr>
</tbody>
</table>

*Illustrative example for healthy homes repairs in 30-unit (70 person) multi-family building*
Building the Business Case

Understanding the scale of your project is important for calculating both cost and savings.

- **Available population:** How many people visit the hospital for issue-related IP or ED visits per year? (From hospital, health plan, or public data)

- **Eligible tenants:** Of available population, how many people meet eligibility requirements? (Based on the project’s decision on eligibility)

- **Rental capacity:** How many people can the rental properties house? (Based on the project’s operational decisions)

- **Occupancy by subpopulation**

This allows us to understand how many individuals with and without the identified issue will live in the building. This will be used to calculate savings to the hospital.

*Illustrative example for determining scale of a healthy homes multi-family project*
Your business case could include some of the following outputs

- **Health outcomes**: based on historical program performance or scientific evidence for similar programs, what health outcomes are expected for participants

- **Return on Investment**: percentage that shows the gain or loss expected on the hospitals investment in your program over a specified period of time

- **Value, in dollars**: amount the hospital should expect to save above and beyond the initial investment over a specified period of time

- **Non-health outcomes**: other social outcomes that your program will impact, such as missed school or work days, educational achievement, displacement, etc. (especially those that are important to hospital, as defined in CHNA)

- **Outputs**: number of hospital patients expected to live in and benefit from the updated units
Step 3: Present your business case to potential partners and investors

Once your business case is ready, it’s time to receive input from relevant partners and present to potential investors in your community.
Presenting the Business Case

Present your business case to a variety of potential investors, not just hospitals

Why present to a diverse set of potential investors?

- **Non-health related costs**: While hospitals may be the main audience, they are likely to only pay for health-related activities. If your project has other costs, having other investors will be useful.

- **Leveraged funding**: Having other funding sources will show hospital how their investment is catalytic and will demonstrate local confidence in your work.

Who are potential investors to approach?

This step is very program specific, but potential investors could include:

- Hospitals and health systems
- Community Development Finance Institutions (CDFIs)
- Local and national banks
- Utility companies
- State and local government
- Foundations
Presenting the Business Case

Be intentional about who you present to within an investor’s organization

If you know someone within a potential investor’s organization, start there. If not, do your research and start with some of the people below:

<table>
<thead>
<tr>
<th>Hospitals</th>
<th>CDFIs/banks</th>
<th>Government</th>
<th>Utilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Community benefits</td>
<td>- Community relations</td>
<td>- Housing Finance Agencies</td>
<td>- Corporate social responsibility team</td>
</tr>
<tr>
<td>- Population health</td>
<td>- Portfolio managers (health, housing)</td>
<td>- Dept of Health</td>
<td>- Community relations</td>
</tr>
<tr>
<td>- Finance team</td>
<td>- Strategic initiatives</td>
<td>- Local politicians</td>
<td>- Weatherization/EE</td>
</tr>
<tr>
<td>- Chief Medical Officer</td>
<td></td>
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</tbody>
</table>

There will not be one right person within an organization, but multiple people that need to hear and approve your idea.
Presenting the Business Case

Frequently asked questions from health care to be prepared to address

- What type of data do you need for analysis?
- What is the best way to share data?
- How do you handle landlords if you work in rental properties? Shouldn’t the landlord be paying for the renovations?
- What other investors/funders might contribute to the project other than us?
- What other health care entities have you spoken with about this project? Do you plan to approach other local health care organizations to invest?
- How does this relate to homelessness and our other initiatives, including supportive housing?
- The community has a lot of social issues to address, how do we know this is the correct place to invest?
- Why us? What can we bring to the table, other than funding, that makes us a good partner for this opportunity?
Examples of hospitals & health systems investing in healthy, affordable housing

Nationwide Children's Hospital (Columbus, OH) invested $6.6M in a Healthy Homes partnership to revitalize neighborhoods near the hospital, including 58 new affordable units, 15 new homes, 71 home renovations, and 149 home improvement grants.

Boston Medical Center committed to invest $6.5M over 5 years in affordable housing initiatives undertaken by community members where BMC patients live. Investments include rehabilitating 35 affordable & supportive units ($800k) and $1M stabilization fund to avoid evictions.

Dignity Health in San Francisco, CA provides loans to affordable housing developers. In 2018, the hospital provided $1.2M below market-rate bridge loan for community revitalization project that includes 400 affordable units.

https://www.dignityhealth.org/about-us/community-health/increasing-capital-for-underserved-communities
Chicago Asthma Pilot

AMITA Health (formerly Presence Health)

Model for Asthma Home Visiting and Repairs

1. **Intake and enrollment**
   - Identify eligible patients, call to enroll into the program.

2. **Initial Home Visit**
   - Presence CHW: ACT, medication reconciliation, education, supplies
   - Elevate Energy Auditor: Comprehensive environmental assessment and Scope of Work

3. **Asthma education and home repairs**
   - Fix asthma triggers: Pests, moisture and mold, ventilation, carpet removal, etc.
   - Manage asthma: Add'l home visit, Follow-up calls

4. **Evaluation of outcomes**
   - Case studies
   - Scale up?
Chicago Asthma Pilot

AMITA Health (formerly Presence Health)

Pilot Overview

• **Timeframe:** December 2017 to September 2018
• **Budget:** $100,000 (philanthropy, community benefit, in-kind contributions)
• **Eligibility:** At least 1 ED or inpatient admit for asthma in past 12 months, uninsured, under 65 years old
• **Enrollment:** 20 patients, identified through Presence Health records
• **Neighborhood:** Humboldt Park
• **Data:** Presence and Elevate are using Efforts to Outcomes (case management software) to track client cases

Preliminary Results

• 19 out of 20 participants improved their Asthma Control Test score (1 participant was lost to follow up)
• 18 out of 20 reached a score of at least 19. (19+ =participant has “controlled” asthma)
• The average improvement was 7.11 points—a 56% improvement over average baseline ACT score
• 72% of those who responded experienced reduced interference with work and school because of their asthma and a reduced reliance on their rescue inhaler
GHHI Memphis / Methodist Le Bonheur Community Outreach

GHHI Memphis partnered with Methodist LeBonheur Hospital’s Community Outreach Programs to receive referrals directly from the hospital

Timeline & Background

• **November 2014** – Le Bonheur Children’s and 8 other housing and legal services partners establish the Memphis and Shelby County Healthy Homes Partnership with the mission *every child grows up in a healthy home.*

• **November 2017** – Memphis becomes a GHHI site. The GHHI Compact Agreement is signed by 17 multi-sector partners including the City of Memphis, Shelby County Government, Le Bonheur, Shelby County Health Department, and other nonprofit housing and legal services partners.

• **December 2018** – GHHI Memphis open for business, housed within the offices of Methodist Le Bonheur Community Outreach (MLCO). MLCO has been instrumental in securing funding for the project through national and local foundations and governmental partners.

• **January 2019** – [Washington Post article](#) on evictions and substandard housing in Memphis.
February 2014 –

• A Business Associates Agreement (BAA) and Cooperative Service Agreement between MLCO and GHHI executed. Will allow referrals for housing navigation and assistance using the GHHI Intake Form.

• Up to 120 referrals from MLCO community programs per year.

• GHHI will provide eligibility determinations, assistance in applications to multiple housing and weatherization programs, and documentation of barriers.
GHHI Memphis / Methodist Le Bonheur Community Outreach

Le Bonheur Community Outreach Programs

- CHAMP
- Memphis CHiLD
- Maternal-Child
GHHI Memphis / Methodist Le Bonheur Community Outreach

Referral from
Community
Outreach
Departments

Resources
• Housing Rehab Needs
  • Aging in Place
  • Weatherization

Education
• Asthma triggers
• Lead Hazard Control
• 29 Healthy Housing
GHHI Memphis / Methodist Le Bonheur Community Outreach

- MAAG
- MLGW
- TVA
- United Housing
- Habitat
- Lead & HH
- WAP

Referrals From GHHI Triage
GHHI Memphis / Methodist Le Bonheur Community Outreach

GHHI Memphis integrated model: no wrong door in Memphis-Shelby County

Align services & funding

Braid relevant resources

Coordinate service delivery

Philanthropy

Government

Private-sector

System
- Single portal intake system
- Comprehensive assessment and SOW
- Coordinate services
- Integrated interventions
- Cross-trained workers
- Shared data

Outcomes
- Lead-hazard reduction
- Asthma-trigger control
- Household injury prevention
- Energy efficiency
- Weatherization
- Housing rehabilitation
- Aging in Place

Align services & funding $ Coordinate service delivery

Braid relevant resources
While building this partnership, some challenges were met and overcome that may be applicable to other potential partnerships.

**Challenges**

- HIPPA Privacy Rule
- Corporate Hospital buy-in
  - Children’s hospital was committed, but needed Corporate sign-off
  - Fundraiser & meeting convener

**Overcoming Challenges**

- Find a “champion” at the hospital & invite to a Learning Network
  - ER doctor that sees homeless population and wants change
  - Case worker that goes into homes and sees hazards
- Sign a Business Associates Agreement (BAA) to receive referrals
- Show data related to housing = health cost savings (business case)
Recap of the three steps

1. Assess the hospital landscape
   Project partners should work to understand 1) what is important to local hospitals and 2) what incentives, if any, are in place for them to invest in programs that address the social determinants of health

2. Build the business case
   Once you have an understanding of what is important to local hospitals and what incentives are in place for them to invest in your service(s), it’s time to build the business case

3. Present your business case to potential investors
   Once your business case is ready, it’s time to receive input from relevant partners and present to potential investors in your community
GHHI has worked with programs and communities to build the business case for their services and present them to investors.

If you would like help with assessing the hospital landscape, building your business case, or approaching investors – please reach out!

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