

**HCMO Notice Question 6 - Exhibit 3:
Report about New Health Equity Foundation**

A Generational Opportunity to Advance Health Equity in Oregon and Southwest Washington



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Executive Summary

The combination of Legacy Health and OHSU together with the funding of a new foundation provides a generational opportunity to advance health equity in Oregon and Southwest Washington. Following the system combination, the organization today known as Legacy Health Foundation will undergo a significant and exciting transformation. It will emerge with a new name, new governance structure, new board of directors, and a mandate that goes beyond supporting a health system but extends to championing and implementing strategies regionally focused on social determinants of health with an eye towards health equity and access.

As an independent and separate foundation, this “new” health foundation (the “foundation”) will make purposeful and impactful investments to address areas of concern in the region. Initial focus areas identified by the workgroup and to be informed further by community engagement include:

- Mental and behavioral health
- Substance use
- Workforce development
- Healthy youth and families

The foundation will pursue various strategies to realize its mandate to create pathways and remove barriers to health equity. Strategies include:

- Community engagement and empowerment
- Strategic and responsive grantmaking
- Convening interested and affected groups and creating taskforces
- Testing and disseminating promising approaches
- Educating and informing the public and policymakers
- Building capacity of community partners working to address health equity
- Leveraging dollars and expertise to bring additional public and private resources to the community

As an independent health-focused organization closely connected to and representative of the community, the foundation will be ideally positioned to address social determinants of health. The foundation will be a neutral and trusted voice in the space of health equity, a convener, a strategic and thoughtful grantmaker, a hub for resources and innovation working to align and amplify existing efforts to advance health equity, and more.

Opportunity

Legacy Health, Legacy Health Foundation, and Oregon Health & Science University (“OHSU”) believe that to meaningfully improve healthcare and health outcomes, investments must be made to address those social determinants of health or “upstream” factors which strongly affect individuals’ health and wellbeing, beginning with supporting an independent, separate foundation that will be focused on health equity in the Oregon and Southwest Washington region.

Social determinants of health are the conditions in which people are born, grow, live, work and age. They include factors such as socioeconomic status, education, neighborhood and physical environment, employment, and social support networks. They also include access to health care.

– Oregon Health Authority[1]

Independent health-focused organizations that are neither affiliated with government or health systems, but instead are reflective of, focused on, and accountable to under-resourced communities, have proven to be powerful catalysts of change with respect to social determinants of health and health equity.[2]

The foundation will fill a critical role in the health ecosystem, as there currently is no other nonprofit organization of this size and nature that is focused solely on health equity in Oregon and Southwest Washington.

As articulated by Oregon Health Authority, achieving health equity requires the ongoing collaboration of all regions and sectors of the state, including tribal governments to address the equitable distribution or redistribution of resources and power, and recognizing, reconciling and rectifying historical and contemporary injustices.

The foundation can play a critical role in that work.

Through collaboration and investment in communities, informed both by other health foundations whose programs have reduced barriers to health throughout the country and by Oregonians who face those barriers most, the foundation presents a generational opportunity to meaningfully achieve greater health equity.

New Health Equity Foundation

Mission and Vision

Achieving health equity requires concerted focus, alignment, and persistent effort by communities, sectors and systems. This is the focus of the foundation, whose mission and vision shall be:

Mission

To create a legacy of generational health and wellbeing through purposeful and impactful investments.

Vision

For every member of our community to achieve their highest possible quality of health.

Purpose

As part of the OHSU-Legacy Health system combination, the existing Legacy Health Foundation will be reconfigured to be a separate and independent foundation. The foundation's purpose extends beyond supporting the combined OHSU-Legacy Health system to benefiting the greater Oregon and Southwest Washington community through investments in programs, projects, and initiatives that address social determinants of health.[3]

The foundation will select focus areas in which it can invest to create pathways and remove barriers to health equity and realize its vision “for every member of our community to achieve their highest possible quality of health.” The foundation will pursue many strategies to realize its new mission and vision, including community engagement and empowerment; strategic and responsive grantmaking; convening and creating taskforces; testing and disseminating promising approaches; educating and informing the public and policymakers; building capacity of community partners working to address health equity; and leveraging dollars and expertise to bring additional public and private resources to the community. Initial focus areas and strategies are discussed in greater detail in the following sections, and are subject to community input and approval by the future board of the foundation.

Governance

Immediately following the OHSU-Legacy Health system combination, the board composition of the foundation will change. Initially, the foundation board will be comprised of a mix of board members currently on the Legacy Health and Legacy Health Foundation boards to ensure continuity, both for PacificSource[4] and for Legacy Health Foundation's restricted funds that will be administered by Legacy Health Foundation or transferred elsewhere.[5] Specific board members have not yet been selected, but the initial board after closing will be comprised of nine directors: five board members from Legacy Health and four from Legacy Health Foundation.

Following the system combination, the foundation board will begin to identify and recruit additional board members from the community. The board will seek new board members who will collectively represent the communities the foundation will serve. Specific factors to be taken into account when selecting new board members may include lived experience, professional expertise, community engagement, and a commitment to health equity.

Workgroup

To chart the future course of the foundation following the system combination, Legacy Health and Legacy Health Foundation formed a joint workgroup to begin that important work. The workgroup includes physicians, business leaders, and community volunteers from the Legacy Health and Legacy Health Foundation boards.

The focus of the workgroup was informed in large part by those issues affecting health equity, cost, quality, and access identified by the Oregon Health Authority and the community health needs assessments conducted by the Healthy Columbia Willamette Collaborative,[6] as well as case studies capturing what other health foundations across the country have done to create pathways and remove those barriers to health equity.

The workgroup identified several preliminary focus areas and strategies, and strongly committed to engaging the community for further direction. Community engagement will begin prior to the health system combination and funding of the foundation. A central focus of the foundation's first three years will be community participation to inform its strategic plan.

Focus Areas

The foundation will be uniquely situated to address upstream factors that affect health and health outcomes—for example, social and institutional inequities, physical environment and living conditions, and other factors that impact people well before they set foot in a hospital or clinic and yet have an outsized impact on mortality, disease, treatment, and other health outcomes.

In initial planning, the following preliminary focus areas were identified by the workgroup with the acknowledgment that the final determination of focus areas would be subject to community input and approval by the future board of the foundation: mental and behavioral health; substance use; workforce development; and healthy youth and families. The foundation will be well positioned to collaborate with other partners to address upstream factors and advocate for solutions in these focus areas.





Mental and Behavioral Health

The region has an immense need for more resources and coordination around mental and behavioral health. A recent report ranked Oregon 48th in the country for adults struggling with mental illness and access to care, and last for youth struggling with mental illness and access to care.[7] Making a positive impact in this area will require understanding and addressing the upstream factors that result in and exacerbate mental and behavioral health issues.



Substance Use

Closely intertwined with Oregon's mental and behavioral health crisis is the issue of substance use. Oregon is currently grappling with high rates of substance use and substance use disorders[8] and significant gaps in substance abuse treatment statewide, such as lack of beds and treatment programs.[9] Substance use and substance use disorders can be further exacerbated by upstream factors, such as a lack of affordable housing or economic opportunity.



Healthy Youth and Families

Achieving health equity means tailoring solutions specific to individuals' experiences along the continuum of life. Supporting healthy youth and families entails addressing upstream factors such as affordable housing, child and elder care, and educational opportunities.



Workforce Development

A strong diverse health care workforce is critical to delivering quality, cost-effective, and culturally competent care in the region. The most recent Oregon Health Care Workforce Needs Assessment underscored the need for workforce development in the state, finding that the pandemic exacerbated Oregon's shortage of many types of health care providers, and recommended investment in other factors that influence workforce recruitment and retention (such as housing cost and supply), supporting telehealth, and funding incentives to increase opportunities for training and education.[10]

Strategies

The foundation will pursue many strategies to realize its new mission and vision. The foundation will learn from and partner with community members to develop solutions centered on social determinants of health, then make investments in those solutions. Initial strategies of the foundation, which are described in greater detail below, include: community engagement; strategic and responsive grantmaking; convening communities and creating taskforces; testing and disseminating promising approaches; educating and informing the public and policymakers; building capacity of community partners working to address health equity; and leveraging dollars and expertise to bring additional public and private resources to the community.

Community Engagement

The foundation will be strongly committed to continuously engaging the community around its mission, vision, values, and work. As an independent foundation focused on addressing social determinants of health, the foundation will engage community to focus and guide its efforts.

The foundation will look to examples of how other foundations focused on health equity and racial justice have successfully engaged and empowered community. The community engagement efforts of Inatai Foundation (formerly Group Health Foundation) and Colorado Health Foundation are particularly instructive and successful examples that may provide a roadmap for the foundation to follow. Inatai Foundation and Colorado Health Foundation are both health conversion foundations—that is, “foundations created when nonprofit health care organizations convert to for-profit status, foundations created through the transfer of assets from a nonprofit organization to a for-profit company or another nonprofit organization, and foundations that receive additional assets from the sale or conversion of a nonprofit health care organization.”[11] While the foundation is not technically speaking a health conversion foundation, it shares some characteristics of a health conversion foundation—it is also the result of a major healthcare transaction and it will be tasked with deploying a significant number of dollars to advance health equity.

In its early days as a new independent foundation, Inatai Foundation deeply and authentically engaged with community across Washington state to ensure its mission, vision, and strategy were in alignment with community needs and values. Inatai Foundation traveled across the state, prioritizing meeting with “communities that have historically been overlooked by philanthropy.”[12] These community outreach efforts enabled Inatai Foundation to build a framework of principles and values informed and inspired by authentic community engagement.

The Colorado Health Foundation provides an example of continuous community engagement. In 2016, Colorado Health Foundation partnered with a research company to “conduct a survey to understand the perceptions of low-income Coloradans about the care that is available to them.” Survey results were used to inform “strategic investments and future activities,” and “build on strengths and support emerging solutions that can be successful models for improving the health of low-income Coloradans.”[13]

Extensive and continuous community engagement will be key to succeeding in moving the dial on social determinants of health. To accelerate the pursuit of health equity, this engagement will begin before the system combination and funding; and it will continue throughout the foundation’s lifespan. In initial planning, the following groups were identified as important to engage: culturally-specific advocacy networks, community-based organizations, school systems (preK-12 and higher education), faith-based organizations, coordinated care organizations, private sector, Native nations, government officials and entities, and more.

Strategic & Responsive Grantmaking

The foundation will make grants to support programs and projects carried out by other partners, such as nonprofit organizations, health systems, school districts, Native nations, or state and local government agencies. The foundation will award a mix of “strategic grants” and “responsive grants.”

Strategic grants are grants made to fulfill a strategic plan adopted by the foundation and updated periodically to identify the foundation’s focus areas and goals. The foundation will then invite organizations to apply for grants that fit within its stated focus areas and further its goals. The foundation may post an open call for applications and seek out organizations with aligned missions and work in which to invest. It is anticipated that the majority of grants made by the foundation will be strategic grants.

However, the foundation will also set aside funds annually to enable it to make responsive grants, which are designed to meet immediate and emerging needs in the community and that may fall outside its stated focus areas and goals. The need for responsive grants may arise due to policy changes (e.g., unexpected loss of funding for a critical community program due to budgetary cuts in congress) or unforeseen circumstances that necessitate a deviation from the foundation’s strategic plan (e.g., global pandemic).

Many grantmaking organizations award a mix of strategic grants and responsive grants, as strategic grants enable an organization to thoughtfully deploy grants in ways calculated to move the needle in focus areas in a measurable, goal-oriented manner, while responsive grants allow an organization to be nimble and change course when extenuating circumstances demand.

Convening & Creating Taskforces

Addressing upstream factors that affect health and health outcomes requires a collective effort. The foundation will be uniquely positioned to bring grantees, partners, and community members together to share information and ideas and find ways to collaborate. Convenings both ensure that the foundation is connected to community and aware of community needs, while providing opportunities for a diverse group of people and organizations to come together to tackle major problems that have a far-reaching effect and require a multi-faceted approach to solve.

Health foundations in other states have demonstrated the impact of convenings. For example, in 2017, several of California's leading health foundations, including The California Endowment, Blue Shield of California Foundation, California Health Care Foundation, the Gordon and Betty Moore Foundation, and The California Wellness Foundation, convened the California Future Health Workforce Commission with the purpose of "creat[ing] a comprehensive strategy to move California to build a workforce that can meet the demand for health over the next decade."^[14] Participants included the CEO of Dignity Health, a major health system, the president of the University of California system, and other key players across the state. The Commission issued its initial recommendations in 2019 and has since reported on progress on those recommendations. Successes of the Commission include paving the way for state funding to create the California Medicine Scholars Programs, which provides resources to prepare community college students for careers as primary care physicians in underserved communities; state funding for scholarship and student loan repayments for state mental health workforce programs; and passage of a bill that authorizes nurse practitioners to provide specified services without physician supervision if the nurse practitioners meet additional requirements.^[15]

As noted above, like California, Oregon, too, faces workforce development challenges of its own; workforce development is an example of an issue for which the foundation may determine it is appropriate to hold a convening or create a taskforce.

Testing & Disseminating Promising Approaches

Health foundations can play an important role in supporting and developing innovative models that are geared towards health equity, cost, quality, and access. For example, health foundations can provide funding and resources to test out a new model at a clinic; invest in a company designing innovative products; or facilitate research and analysis of a new model for further refinements and scalability.

Other health foundations have been successful at testing, then disseminating, promising approaches. One particularly salient example is the Meadowlark Initiative, a program funded through a partnership between the Montana Healthcare Foundation ("MHCF") and the Montana Department of Public Health and Human Services ("DPHHS").

Recognizing that newborns to women with substance use disorders were more likely to be taken from their family and placed in foster care, MHCF and DPHHS partnered to create a model that “integrates behavioral health into prenatal and postpartum care and coordinates patient care and community resources for patients and families.”[16] A 2022 evaluation of the Meadowlark Initiative, commissioned by MHCF, found that sites using the model reported more women receiving adequate prenatal care, fewer premature births, and fewer family separations.[17]

The foundation might look to successful, evidence-based models implemented elsewhere or collaborate with community partners to develop new models to address issues such as mental and behavioral health or youth health outcomes. The foundation’s support will likely consist of grant funding but may also take different forms—facilitating connections to and between experts, health systems, and other relevant parties; making a program-related investment; contracting with an outside group to carry out independent research and analysis of a model; partnering to develop a case for support to disseminate an evidence-based model, and more.

Educating & Informing the Public & Policymakers

As a trusted and disinterested voice in the space of health equity, the foundation will be able to effectively collect and share information with the public and policymakers and advocate for policies that advance health equity. Initial planning underscored the need for the foundation to be in tune with local issues and collect data with eye towards creating data-driven responses.

An example that underscores the power of educating and informing the public and policymakers comes from MetroWest Health Foundation (“MWHF”), a health foundation in Massachusetts. MWHF facilitates a biennial survey of the region’s middle and high school students that asks questions about substance use, mental health, nutrition, and other topics drawn from the Center for Disease Control and Prevention’s Youth Risk Behavior Surveillance System. MWHF publishes aggregate data which informs other organizations and can be used in policy advocacy. MWHF data revealed a significant drop in tobacco use in one community after it raised the minimum age for tobacco purchase to 21.[18] This data was influential in Tobacco 21, the national campaign to raise the minimum age for tobacco purchase to 21.[19]

The foundation may educate and inform in various different ways. For example, as the foundation engages the community, it may summarize and share its findings, particularly to the extent that they provide insight on community perceptions and experiences relating to health equity, cost, quality, and access, as these findings may also inform other organizations and policymakers. The foundation may also commission surveys or studies to collect information on areas that are not being adequately addressed or that are not well understood. Finally, the foundation may also use the data it collects to advocate for policies that advance health equity and provide sustainable sources of public funding for organizations providing essential services.

Building Capacity

The foundation can build capacity of community partners that provide services directly addressing social determinants of health, particularly in communities experiencing historical and contemporary inequities and injustices, by providing capacity-building grants, training, and technical assistance.

Several health foundations support leadership training programs or fellowships that bring together leaders from organizations working to improve community health and provide training on coaching and engaging staff, developing innovative approaches to addressing complex challenges, and other leadership skills. Recognizing that clinical leaders did not always have the managerial experience they needed to be effective in their roles, California Health Care Foundation designed a leadership program for clinically trained health care professionals. Since its inception, the program has trained over 600 clinicians.[20] Another powerful capacity building example comes from Impact Alamance's Grant Writers Assistance program, which provides nonprofit organizations in its region with grant writing assistance. Impact Alamance reports that its \$61,000 investment in grant writing yielded \$6.2 million in grants for nonprofit organizations working to improve access to quality care, education, and economic opportunity.[21]

Leveraging Dollars & Expertise to Bring Public & Private Resources to the Community

In carrying out the above strategies—whether through organizing a convening focused on a specific issue, providing seed funding for a promising new approach, sharing data and research with the legislature, or investing in organizational infrastructure for a community partner—the foundation will be effectively leveraging its own dollars and expertise to set the stage for more public and private dollars and resources to flow towards the organizations, communities and focus areas it champions.

By implementing the strategies described above and committing to a continuous cycle of research, evaluation, and learning, the foundation will advance health equity in Oregon and Southwest Washington.

Measuring Success

In 1–3 Years:

- Foundation has engaged the community for input to inform its strategic plan; a plan is in place to ensure continuous community engagement
- Foundation board is expanded; composition is both reflective of the community and contains people with the right experience and expertise to lead
- Foundation executive director is hired along with other key employees
- Strategic plan developed that identifies and elaborates on focus areas and strategies
- Impact investing framework developed
- Initial rounds of grants awarded and strategies implemented

In 5–10 Years:

- Continuous community engagement
- Launch of programs or models developed through foundation investments and engagement
- Research into successful model or program launched in order to determine why it was successful and how it can be improved or replicated elsewhere
- Data on impact is collected and analyzed
- Focus areas and strategies revisited and refined; focus areas may change depending on needs of the community and progress made

References

[1] Healthier Together: 2020–2024 State Health Improvement Plan, Oregon Health Authority 33 (2020), https://healthiertogetheroregon.org/wp-content/uploads/2020/08/Healthier-Together-Oregon_fullplan-1.pdf.

[2] See Paul Jellinek & Kate Treanor, *Making Their Mark: America’s Health Conversion Foundations* (2019).

[3] The groundwork for the foundation was laid in the Memorandum of Understanding, signed by Legacy Health and Legacy Health Foundation on May 30, 2024.

[4] Legacy Health’s 50 percent member interest in PacificSource will be transferred to Legacy Health Foundation.

[5] In contrast to Legacy Health Foundation, the foundation will not be a component part of Legacy Health but will be a separate and independent entity. While Legacy Health Foundation was primarily focused on fundraising for Legacy Health, the foundation will not solicit individuals, other foundations, or entities for donations. Funds currently held by Legacy Health Foundation and restricted for specific purposes may continue to be managed at the foundation, though it is likely that some of those funds will be transferred to other organizations more suited to manage and administer them following the combination (for example, some funds may be transferred to OHSU Foundation or Legacy Health). Legacy Health Foundation currently solicits donations both for the general purposes of Legacy Health and for specific departments, programs, activities, and initiatives. Legacy Health Foundation often receives donations from donors that are earmarked for particular purposes. Legacy Health Foundation is required by Oregon’s Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), as codified in ORS 128.305–.336, to spend donor-restricted funds in accordance with those restrictions and to prudently manage and expend endowed funds. Any restricted funds—whether transferred or remaining at the new foundation—will continue to be managed and expended as required under UPMIFA.

[6] As a component part of Legacy Health, Legacy Health Foundation is informed by the community through the engagement efforts of Legacy. For example, Legacy Health is one of the 12 organizations that participates in the efforts of HCWC to conduct a community health needs assessment (CHNA) every three years. Legacy Health hospital facilities then identify health needs to address by working in partnership with community to create community health improvement plans (CHIPs).

[7] *Ranking the States 2023*, Mental Health America, <https://mhanational.org/issues/2023/ranking-states>.

[8] 2020-2025 Oregon Statewide Strategic Plan, Alcohol and Drug Policy Commission 11 (2020).

[9] Courtney Sherwood, *Study Outlines High Cost of Meeting Oregon’s Substance Abuse and Mental Health Treatment Needs*, OPB (Feb. 1, 2024), <https://www.opb.org/article/2024/02/01/behavioral-health-care-oregon-cost/>.

[10] Tao Li, Jeff Luck, Veronica Irvin, Collin Peterson, & Alexandra Kaiser, *Oregon State University, Oregon’s Health Care Workforce Needs Assessment 2023* (Feb. 2023), <https://health.oregonstate.edu/sites/health.oregonstate.edu/files/healthcareworkforce/pdf/health-care-workforce-needs-assessment-report-2023.pdf>.

[11] Jellinek & Treanor, *supra* note 2, at 5.

[12] A Year on the Road, Inatai Foundation, https://inatai.org/wp-content/uploads/2023/09/A-Year-on-the-Road_jan2023.pdf (last updated Jan. 7, 2020).

[13] Exploring the Health Care Perceptions of Low-income Coloradans, The Colorado Health Foundation (Jan. 18, 2018), <https://coloradohealth.org/articles/blog/exploring-health-care-perceptions-low-income-coloradans>.

[14] California Future Health Workforce Commission, Meeting the Demand for Health: Final Report of the California Future Health Workforce Commission (2019), <https://futurehealthworkforce.org/wp-content/uploads/2019/03/MeetingDemandForHealthFinalReportCFHWC.pdf>.

[15] California Health Care Foundation, Progress Since the California Future Health Workforce Commission: State Policy and Budget Actions on Priority Recommendations (2022), <https://www.chcf.org/wp-content/uploads/2022/01/ProgressCAFutureHealthWorkforceCommStatePolicyBudgetActions.pdf>

[16] The Meadowlark Initiative, Montana Healthcare Foundation, <https://mthf.org/priority/the-meadowlark-initiative/>.

[17] Montana Healthcare Foundation, The Meadowlark Initiative Evaluation 2022 (2023), https://mthf.org/wp-content/uploads/Meadowlark-Evaluation_Jan-2023.pdf.

[18] Shari Kessel Schneider, Stephen L. Buka, Kim Dash, Jonathan P. Winickoff & Lydia O'Donnell, Community Reductions in Youth Smoking After Raising the Minimum Tobacco Sales Age to 21, 25 Tobacco Ctrl 355 (2016).

[19] Matthew J. Reynolds, Robert Crane, & Jonathan P. Winickoff, The Emergence of the Tobacco 21 Movement From Needham, Massachusetts, to Throughout the United States (2003–2019), 109 Am. J. Pub. Health 1540 (2019).

[20] CHCF Health Care Leadership Program, California Health Care Foundation, <https://www.chcf.org/program/chcf-health-care-leadership-program/>.

[21] Focus Areas, Impact Alamance, <https://impactalamance.org/focus-areas/>.

