Nonprofit Finance Fund®

Invest in Results
Episode 6
Tyler Norris
Investing in Health, Not Just Healthcare

Series Intro

This is the Invest in Results podcast. Mission-driven organizations dedicate their time, talent, and resources to improving lives and communities. Yet they are hindered by a system that too often measures process instead of progress and pays for outputs instead of outcomes. By sharing knowledge, investing in projects, and building networks, we can invest in results.

Episode Intro

In this episode, **Tyler Norris, Chief Executive of Well Being Trust**, makes the case that in order to improve the health of the country, it is going to take a comprehensive strategy that includes a significant investment of resources, as well as changes in policy. This segment was recorded at the Center for Strategic and International Studies in Washington, DC on September 12, 2017.

Story

I find this a time of historic opportunity where we know that further tinkering at the margins of little programs and little projects here and there, two- and three-year grants that come and go – well, it hasn't changed the needle yet – will not add up for the health and well-being of this country. And that what we need to be able to do together – across sectors, across points of view, perspectives, parts of this extraordinary nation – is to craft an investment and a policy strategy that is capable of propelling us to a strong third American century. An investment and policy strategy. That is the focus point of our new foundation, Well Being Trust, part of a billion-dollar commitment of the Providence St. Joseph Health System, to improve the mental, social, and spiritual health of the country. And for us, it's part of how do we convene and coalesce to create a strategy for this nation that's worthy of who we are as a nation. But I have to admit, I stand here before you as part of the healthcare sector. I know you know we're the folks that soak up 18 percent of our nation's GDP, almost 20 cents on every dollar and return population health outcomes at the very bottom of all developed nations in the world. That's the return on investment that our healthcare sector gives you. But let's not disparage our sector, because if you have coverage, we deliver the finest care that money can buy. But it has to say that we need to partner in very new ways if we're going to create a measurable impact on health.

In the previous century, the lifespan of Americans expanded 24 years. A recent report from the Institute of Medicine told us that after that century, in the current period, children are likely to live five years *less* than their parents. Now, 24 years, that's how old my daughter is that I had dinner with last night, and I'm going to have dinner again tonight. Here's Eliza's phrase to me, because I've been working on community health improvement her whole life, and before that; "What have you been doing?"

[audience laughs]

Right? Because, as she reminds us, this is on our watch, and that's what we have handed her, and her brother, and all of our children, grandchildren etc...

So, what I'd like to do is to shift this conversation for the health sector in partnership with all of you, of how do we move from doing good things with billions in community benefit, and all the good stuff and grants we do to doing good things, to being accountable for outcomes?

Now, in honor of our resident historian, David Erickson, describing the years leading up to the French Revolution, which would of course culminate in the Jacobin reign of terror, Charles Dickens wrote in a "Tale of Two Cities," "It was the best of times, the worst of times, the age of wisdom, the age of foolishness. It was the epoch of belief, the epoch of incredulity." Right? We all know this. "We had everything before us. We had nothing before us." That's where he left us. Seventy-five years later, F. Scott Fitzgerald said, in "The Crack-Up," "The test of a first rate intelligence is the ability to hold two opposed ideas in mind at the same time and still retain the ability to function." So, that's really where we are as we face a period where we can currently hold a polarity, if you will, of incredible uncertainty on some matters, like some of the policy conversations we've just had, and yet momentous certainty on other things about what actually improves health.

So first the uncertainty. Now, we seem to have sort of dodged the bullet on pulling health care away from 23-plus million Americans for the moment. But I would be very cautious about thinking that somehow is beyond. Because what we learned is that anything less than 100 percent access to care for all Americans will diminish population health. It will in fact happen. And if you pull people away from a medical home, it doesn't mean people don't get care, it just means it's not reimbursed. And as a representative of the health sector most of my life, I can tell you you're gonna still pay for it. It's just going to get cost shifted to other payors. There's no savings here. That's a shell game to think that's going to happen. Right? And we know that if we don't have 100 percent access to care, you will lead to greater acuity of disease, there will be greater indirect costs to employers and society, and you place more and more Americans one illness away from bankruptcy. That's where that strategy actually takes us. You pull back the essential healthcare services that are part of the Affordable Care Act at a time when mental health and substance use – 55,000 people died of opioid overdose in the last year and historic rates of suicide – all you're going to do is actually spend more money and decrease health at the same time. That's what you get from an alternative track.

But that's just the healthcare side of the equation, while you zero out the public health fund and such things. While access to care is vital as an economic matter and arguably as a moral matter in this nation, it's equally devastating in that most of what creates health is outside of the healthcare delivery system, having to do with determinants of health. It's devastating to think about cuts in 15 to 25 percent range for HUD, the EPA, early childhood and education funding, the Childhood Nutrition Act (which is coming up for reauthorization). Because what we do when we move in this way is that we under-produce the factors that produce health in the first place, which is education; living wage jobs; housing with supportive services; transportation and access to mobility to jobs, to school,

to life. Right? That's it. Housing policy and investment is health policy and investment. Transportation policies and investment are health policies and investment. Community development finance, living wage jobs, healthy food policy, community safety, green jobs; this is health policy. You want to improve health? That's where you invest. That's the leverage point on improving health.

I grew up in the state of Idaho, rural America, where an old rancher I knew as a kid, once told me when he saw the kind of foolishness that we've been talking about around here, he said, "Tyler, it's like eating your seed corn." It's a desperate measure that may get you a little quicky today. But it simply pushes until tomorrow and the next generation – what will become an even greater disaster.

So secondly, what about the certainty? Well, we spend $3.2 trillion a year on health care services, making the US health care sector the fifth largest economy in the world after Canada – I mean Japan, Germany, and France and most of us in this room likely have access to the best care money can buy. Right? Fair enough? Right? Not necessarily, everybody. We among the most developed nations rank 11th and in key global measures such as child mortality, we're in the 30s, right? And if we value a return on our health care spend for the benefit of the health and well-being of American people, improving creativity, improving productivity, our investment portfolio is out of balance.

So the question is, what does it do when we have an over-investment in profitable care services and an underinvestment in what creates health? So, what we know is that it crowds out – the investments in health care essentially crowd out the investments in what produce health, as we were talking about a bit ago. So to contain costs and change the odds for middle-income Americans and families across the country, we have to re-allocate, redirect, our health care spend towards the health and human services upstream from health, that actually produce health in the first place. That's going to take partnership with sectors that we have not worked with; the health care sector has not worked with.

When I wrote the chapter, I worked at Kaiser Permanente, one of the nation's leading nonprofit health systems. I love Kaiser Permanente in the organization and particularly its business model, because by owning the risk of 11 million members, Kaiser Permanente does better when people are healthier. What that did, is it turned Kaiser Permanente and many health providers who are increasingly going at risk – through shared payment agreements, through at risk arrangements – into purchasers of health. Not suppliers of health, but purchasers of health, with the producers of health being what community does: housers, food growers and distributors, people who create living wage jobs, etc. That is the shift of how we start to think about who is a producer of health and who is a buyer of health that matters.

A few things we know: **Place matters.** I knew in Kaiser Permanente that one percent of our members concentrated in some small neighborhoods drove 29 percent of our costs. Five percent of our members in the targeted neighborhood; 50 percent of our costs. That's not just money. That's very significant human suffering.

Equity matters. One in two Latinos and African Americans born today will be a diabetic at current rates. That's higher by 50 percent than Anglos. And third, that **incentive matters**. We have to shift the incentives to beds empty and not beds full. You can't have a three-trillion-dollar sector that profits from more throughput and try and save money.

So, what does that mean? Five things. **We need to ensure that everyone has access to a medical home, primary care, and preventative services**; that's job one. Five to one, maybe seven to one return on investment.

Secondly, we need to make sure that our grants – and thanks to Eric, where he may go talking to us as his funders – **that we have sufficient dose, reach, intensity, and duration in our grants to have a population level health impact**. Because, for the most part, many of the grants made, do not have sufficient dose and then we sit back and say why hasn't it worked? It is unethical to continue to make grants that we know don't add up.

Third, **we need to make the assessment and referral to non-medical needs a standard of care, and make those referrals, and then pay for them** to housing organizations, food producers, etc. – those who are actually the producers of health.

We need to implement anchor strategies where healthcare organizations use their extraordinary role as purchasers, their impact, their investment portfolios, their hiring to drive the local economy.

And finally, **we have to move from an economic model that values volume to one that invests in the value of care**. Nothing less, and this is important for us here, as we celebrate yesterday, a day that marked and changed our nation. What we're talking about is a core part of any authentic Homeland Security strategy. We know what the issues are and we know what many of the solutions are. I know we have the resources because we're spending them now. The question is, how do we develop the investment and policy strategies and the community and political will to do what we know we need to do? This is a critical time for leadership and the health and well-being of a nation. If we're going to beneficially impact the health and well-being of people and place and drive strategies for equitable opportunity for all Americans, we're going to have to have a healthy public policy agenda, an investment strategy that values health, not just healthcare. Thank you.

Outro

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