The Future of Health is Local

By connecting the Social Determinants of Health with strategies proven to create healthy, equitable local economies, health institutions can leverage both clinical and non-clinical assets to drive holistic shifts toward increased human and community health.

A Field Guide for Health Sector Leadership
Over the past several decades, studies have shown that up to 80 percent of human health is determined by social factors rather than by the availability or quality of medical care.¹

These social determinants of health, as defined by the World Health Organization, are “the conditions in which people are born, grow, live, work, and age… and the fundamental drivers of these conditions.” The primary factors shaping health outcomes are income and access to education. Factors also include civic participation, housing quality, and neighborhood safety, as well as access to transportation, healthy foods, and primary care. Further research by the Greater Good Science Center into overall human well-being reveals that people tend to be healthier and more resilient when they feel connected to their life’s purpose, each other, and the natural world, and when they’ve been generous. Health disparities across population groups are directly correlated to a lack of these factors.

The Business Alliance for Local Living Economies (BALLE) has spent the last 15 years working with more than 100,000 local businesses, investors, and civic leaders who are actively engaged in improving hundreds of local economies and communities across the U.S. and Canada. These leaders work to support entrepreneurs, drive investment in local businesses, and build equity in their communities. Based on the patterns we have seen emerge over this time, we’ve developed a framework of strategies² for creating thriving, equitable local economies and communities.

Over much of that same time, the Presencing Institute at the Massachusetts Institute of Technology (MIT) has worked globally with senior-level government officials, NGOs, and businesses to create social technologies, build capacity, and generate spaces within which leaders can create profound societal renewal. Out of this work, they too have identified a set of patterns for the evolution of capitalism.³

Interestingly, the strategies identified by BALLE from a bottom-up perspective and by MIT’s Presencing Institute from an academic one are virtually identical. Further, looking more closely at these shared strategies alongside work emerging around the Social Determinants of Health, it is clear that factors in each framework are working toward the same ends. In other words: what is working to build strong local economies and vibrant communities – anywhere in the world – is the same as what is working to improve human health and well-being in a particular place.

This field guide was created to show health providers the overlaps between these frameworks and strategies. It includes examples from Kaiser Permanente’s Total Health⁴ work along with similar efforts at Detroit’s Henry Ford Health System⁵ and the Alaskan Nuka System of Care.⁶ Following the strategies and examples in this document, health providers will see how it is possible to align the non-clinical assets of their organizations – such as procurement, employment, investment, and more – with their missions to increase human and community health.
The future being born is a shift from an ego-system awareness that cares about the well-being of me to an eco-system awareness that cares about the well-being of all, including myself.”

Otto Scharmer
MIT Presencing Institute

Thriving Communities and Total Health

Kaiser Permanente’s Total Health approach informs decisions about the use of assets, investments, policies, and seeks to address the equity and health of the local economy. “By creating living wage jobs, sourcing locally and sustainably, partnering for community development, and investing locally for impact, we are directly fostering health-promoting and local economy-driving physical, social, and economic environments,” says Tyler Norris, Vice President for Total Health Partnerships at Kaiser Permanente.

Kaiser Permanente’s commitment to Total Health fulfills not only a moral and mission imperative, it is also a sound business decision. Health care costs for illness treatment now represent nearly one in five dollars spent in the U.S. economy – that is 18 percent of this country’s GDP, and the numbers are rising. Deploying both clinical and non-clinical assets in a Total Health mindset fulfills Kaiser Permanente’s mission to improve member and community health as a means to reduce preventable costs across the entire health care and community ecosystem. This can help make health care more affordable while also driving equitable community development.

Kaiser Permanente: Local Procurement in Action

Derek Barrett is president of D&B Painting, a small, local minority-owned commercial and residential painting business based in Oakland, CA.

Derek bid on a Kaiser Permanente project and was selected for the job. He delivered high-quality, competitive, on-time service, and has won additional contracts for work at Kaiser. Due to KP procuring their services, Derek’s business has grown 35 percent over the past year and he’s added six new full time, living wage jobs. This represents a significant contribution to the struggling economy of East Oakland. He was also able to purchase a health insurance plan for his employees, and the majority chose to become Kaiser Permanente members.

The Social Determinants of Health adapted from Healthy People 2020

1. Economic Stability
   - Income, Employment, Equity of Opportunity

2. Social & Community Context
   - Social cohesion, civic participation, perceptions of discrimination and equity

3. Education
   - Literacy, language, high school outcomes, higher education, retraining

4. Neighborhood & Built Environment
   - Access to transportation and healthy food, housing quality, safe environmental conditions

5. Health & Well-Being
   - Access to primary care, health literacy, sense of belonging and connection, healthy home
Celebrate cultural and natural diversity and choose locally-owned businesses first! The best path to the most jobs and wealth for the most people is directly tied to a community’s density and diversity of locally owned businesses. Every dollar shifted to a locally owned business generates more income, more jobs, higher local taxes, and greater charitable contributions.

**Love of Place**

- Small locally-owned businesses create up to 90 percent of net new jobs in the U.S.\(^8\)
- Counties with a vibrant small business sector have lower rates of mortality and a lower prevalence of obesity and diabetes compared to places dominated by big firms\(^9\)
- Higher density of local ownership is correlated with higher civic engagement and voting, creating a stronger local democracy
- Place-based businesses give more to nonprofits per capita than non-local businesses

- Cooperative owners share in the wealth they have helped to create
- Business and property ownership creates civic pride, connection, and attachment to place
- Food co-ops, land trusts, and cooperative investing in real estate help maintain access and affordability
- Firms with substantial employee ownership often outperform those without, with lower staff turnover, higher trust, and greater shareholder value\(^10\)

**Shared Ownership**

When ownership is rooted in community and held broadly, the economy benefits the many rather than the few. Worker, producer, and consumer cooperative ownership models are increasingly recognized as a strategy for building security in low income communities. Additional democratic models include ESOPs, DPOs, and community land trusts.

**Collaboration for Good**

Building ecosystems of support for entrepreneurs makes it possible for them to grow, produce, and provide more of what their community needs closer to home. Creating hubs of local innovation – such as accelerators, technical assistance programs, and local business networks – increases sharing of infrastructure and capacity building, leading to more successful local entrepreneurs.

- Cultivating collaboration and bridging social capital across race, ethnicity, education, and neighborhood increases community involvement and social equity
- Helping entrepreneurs succeed connects them to their purpose; creating spaces for collaboration increases their sense of belonging
- Strengthening networks of local businesses increases local economies of scale, intra-network purchasing and sharing, and enables many small businesses to succeed\(^11\)

**Unlock Human Potential**

There are whole sectors of our population that haven’t had the same economic opportunities as others, including communities of color and people with disabilities or barriers to employment. We must prioritize investment that levels the playing field, eliminates systemic barriers, and builds supportive infrastructure for communities that have historically been oppressed.

- Creating employment opportunities for individuals who have historically lacked them increases their economic stability
- Investing in affordable, quality education, housing, and public transit leads to equality in outcomes
- Investing in minority-owned small businesses leads to equality in outcomes\(^12\)
- Working from a place of cultural relevancy creates a sense of belonging for members of diverse communities
A growing number of investors and lenders are shifting their money to align with their missions. Moving money out of Wall Street and investing in businesses that are building the kind of economy we want— as well as creating opportunities for individuals to invest in their communities—advances equity in a society.

**Community Capital**

Holistic land management practices, public utilities that focus on renewable power, living buildings, divesting from fossil fuels, and reinvesting in nature-based industries and infrastructure restores the health and productivity of the soil, reduces dependence on non-renewable resources, addresses climate change, restores ecosystems, and enhances livelihoods.

Sequestering carbon into the soil improves soil quality for growing more nutrient-dense food while reducing the impacts of climate change.

People of color are disproportionately impacted by climate change and the environmental hazards of many industries, which could be reduced or eliminated by reducing carbon in the atmosphere and shifting many other environmental conditions.

Being in nature fosters a sense connection to the world and has been shown to reduce stress.

Using taxpayer dollars on economic development to strengthen small businesses creates jobs and wealth for more people.

Effective political participation contributes to inclusive decision-making and equitable socio-economic development.

Implementing policies to support pedestrian-friendly development creates healthier communities.

City programs and law enforcement that lead with compassion tap into our shared humanity and foster a sense of community and trust.

All humans, regardless of demographic, feel well when we feel connected to ourselves and our purpose, connected through relationships with our community, connected in a reverent way to the larger natural world, and when we have acted with compassion and generosity.

Science shows that we have the capacity to cultivate well-being so that we may innovate from a place of interdependence to solve the challenges before us.
Tying All Assets to the Localism Strategies

Clinical Care

- Assure health care access for all by strengthening the safety net of essential community providers.
- Seek to understand and address the many factors impacting patients’ decisions on health.
- Diversify your clinical and non-clinical staff to reflect the communities you serve.
- Monitor unconscious bias, find solutions to communication barriers, and create settings that are comfortable for people of all backgrounds.
- Take disproportionate actions with an equity mindset to achieve proportionate outcomes among diverse populations.
- Engage in human-centered design and lead with empathy in ideation and innovation.
- Model kindness, compassion, and mindfulness with staff so they practice what makes them well and bring this healing presence to patients.
- Increase opportunities for your staff, patients, and the community to spend time with nature, music, art, and other factors that inspire awe.
- Explore how to improve care and create better experiences for clients and staff through hands-on simulations, remote monitoring technologies, and other innovative tools.

Procurement

- Increase purchasing from locally-owned companies based in the communities you serve in order to directly contribute to the health of the local economy and community.
- Purchase from companies that pay living wages, where profits go to more people and circulate in the local economy.
- When scale makes it challenging to purchase from small local vendors, choose companies that support small farms and enterprises, including those in rural communities.
- Support cooperatively owned companies for wealth and health for more people.
- Diversify your supplier network to drive local economic development, job creation, and income levels of vulnerable populations.

Employment

- Make local workforce pipeline development a core part of the Human Resource decision-making process.
- Partner with high schools, community colleges, workforce investment boards and others to grow the capacity and skills of community residents to qualify (and re-train) for emerging jobs.
- Implement a robust diversity and inclusion strategy in all hiring, training, and career advancement.
- Consider unconscious biases in hiring, promotions, and providing career paths.
- Cultivate capacity among your team to innovate for the future, including the cultivation of purpose, relationships, and compassion in leaders.
- Embrace difference as a solution to drive innovation and creativity in refreshing ways.

Kaiser Permanente: Giving Employees a Voice

In 1997, Kaiser Permanente and the Coalition of Kaiser Permanente Unions created the Labor Management Partnership to develop and support innovative ways to improve patient care, affordability, and the work environment. This group is the largest and most comprehensive health sector labor management partnership in the country. Beyond standard wage and benefit contracts, this group develops standards to help employees achieve quality and safety in care, develop innovative solutions to health care challenges, and improve wellness among the KP workforce.
Investment & Innovation

- Work to align your investments and banking with your mission and values.
- Invest in housing, transportation, and education to stimulate the local economy.
- Allocate a portion of your portfolio towards municipal bonds.
- Invest in funds or community partners that buy and manage property in ways that maintain affordability for current residents.
- Consider whether investments with lower return on investment may produce outcomes that reduce preventable demand for clinical care, making care more affordable for all.
- Invest in companies that pay living wages; be cautious investing in companies whose externalities must be subsidized by taxpayers.
- Invest in renewable energy and businesses that reduce emissions and address the health impacts of air quality and climate change.
- Use community grants to build the capacity and connectivity of local businesses in the communities where you work.
- Develop facilities to serve as anchors for community revitalization.

Governance

- Include patients and employees in meaningful ways to be part of the solution to the improving quality of care, driving workforce wellness and addressing other challenging health issues.
- Adapt a local ownership model to allow for decision-making to happen at the least centralized competent authority.
- Make decisions at the local level on quality, pay, distributions, and operations.
- Partner with your workforce and unions to assure an employee voice in company governance.

The Nuka System of Care: Empowering Patients as Owners

After 50 years of inconsistent treatment, impersonal care, and a disconnect between care for the mind versus the body, employees and patients at the Indian Health Service’s Native hospital in Southcentral Alaska were unhappy and health statistics were bleak. The Southcentral Foundation saw the passage of the 1990 U.S. Patient Self-Determination Act as an opportunity to redesign the regional tribal health care system based on the wants and wishes of customers, who were asking for an emphasis on relationships in care. By 1999, Alaska Native people were no longer patients of a government-run system but instead became customers and owners of the tribally-managed Nuka System of Care. More than merely the recipients of tests and diagnoses, as customer-owners they share responsibility for the system’s success and for their family’s health and wellbeing.

The Localism Strategies

- Love of Place
- Shared Ownership
- Collaboration for Good
- Unlock Human Potential
- Community Capital
- Soil & Nature
- Participative Governance
- Cultivate Well-Being

Henry Ford Health System: Bridge for Health

Seeing their Detroit campus neighborhood disintegrate due to mass population exodus, Henry Ford Health System recognized the impact their investment could have on both blight and local economic development. In 2007, they began purchasing more than 200 properties and worked with community leaders to plan new land-use models with the guiding principles of integration, place-making, and authenticity. They offer employees down payment and rental assistance to live in the area and awarded a $100M exclusive annual contract to incentivize one of their largest medical supply vendors to move into the neighborhood. That company cleaned up a brownfield site and created 100 local jobs. Future projects include mixed-income housing and a 5-story cancer research center with street-side retail and an adjacent community park.
References

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   Henry Ford Health System, www.henryford.com
10. “Effects of ESOP Adoption and Employee Ownership,” University of Pennsylvania, http://repository.upenn.edu/od_working_papers/2