November 5, 2018

Surgeon General’s Call to Action: “Community Health and Prosperity”
Centers for Disease Control and Prevention (CDC), Department of Health and Human Services (HHS)
Docket No. CDC-2018-0082

The Democracy Collaborative (TDC) is pleased to submit these comments on the Surgeon General’s Call to Action: “Community Health and Prosperity.” TDC is a national leader in equitable, inclusive, and sustainable development. Our work in community wealth building encompasses a range of advisory, research, policy development, and field-building activities aiding on-the-ground practitioners. TDC also serves as the backbone for the Healthcare Anchor Network (HAN), a national collaboration of more than 40 health systems working to more fully harness their economic power to inclusively and sustainably benefit the long-term health and well-being of the communities they serve.

HAN health systems are at the forefront of a growing movement of hospitals and health systems working to deploy their institutional resources—like hiring, purchasing, and investment—to improve residents’ financial security and strengthen the local economic ecosystem. This is an example of community wealth building, a systems approach to economic development that creates an inclusive, sustainable economy built on locally rooted and broadly held ownership. Successful community wealth building strategies such as those employed by HAN can substantially improve the social determinants of health in a locality.

Hospitals are “anchor institutions”—place-based economic engines inextricably linked to the well-being of their surrounding communities. Anchor institutions can play a key role in helping the low-income communities they serve by better aligning their institutional resources with the needs of those of communities. TDC is also working to scale anchor strategy adoption in the areas of higher education and city-based anchor collaboratives where anchor institutions are increasing their impact and effectiveness by pursuing shared goals and leveraging their economic impact.
TDC commends the Centers for Disease Control and Prevention (CDC) and the Department of Health and Human Services (HHS) for publishing a Call to Action that will make the business case for investing in community health. TDC’s comments will focus on recommendations and data about how anchor institutions and anchor collaboratives are investing in communities to improve health and prosperity, and the barriers and success factors that they have encountered. This anchor mission work includes private sector, local policy maker, and multi-sector investment efforts.

**Types of partners or coalitions that have invested in community health and the scope of their collaborations’ contributions**

Factors outside hospital walls—social, economic, environmental, and behavior-related—account for up to 80 percent of the health outcomes a community experiences, so no matter how excellent the clinical care a hospital provides, more is needed for the communities that health systems serve to thrive.1 The World Health Organization, the Council on Community Pediatrics, and the CDC have all found significant links between poverty and negative health impacts.2

A systematic review of return on investment of public health interventions found that the median Return on Investment (ROI) was 14.3 to 1, suggesting that local and national public health interventions are highly cost effective.3 In tackling the social determinants of health, many health systems have also invested in affordable housing, oftentimes in partnership with other organizations. Research shows that providing housing support for low-income, high-need individuals can result in net savings due to reduced health care costs. For example, Montefiore Health System in the Bronx has achieved a 300 percent ROI in housing for homeless patients.

Therefore, HAN member health systems believe that, to improve healthcare outcomes and ensure long-term affordability, they must address the social determinants of health and invest

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3 Masters R, Anwar E, Collins B, et al. J Epidemiol Community Health Published Online First: March 29, 2017, doi:10.1136/jech2016-208141. [http://jech.bmj.com/content/jech/early/2017/03/07/jech-2016-208141.full.pdf](http://jech.bmj.com/content/jech/early/2017/03/07/jech-2016-208141.full.pdf)
in strategies that create equitable, engaged, connected and economically strong communities. Led by a design team that consists of representatives from Dignity Health, Kaiser Permanente, ProMedica, Rush University Medical Center, RWJBarnabas Health, and Trinity Health, HAN members are using the resources they already have and the money they already spend as anchor institutions to support stronger, and more equitable and inclusive local economies. Specifically, HAN members are rethinking how they hire, where they purchase goods and services, and how they invest.

**Inclusive, local hiring**

A 2010 study supported by the Robert Wood Johnson Foundation found a clear connection between income and health outcomes: The lowest income and least educated people are consistently the least healthy people.\(^4\) To increase the income of neighborhood residents, HAN member health systems are hiring locally and creating the pathways to turn entry level jobs into careers, especially for those with barriers to employment and advancement. These are key ways to create economic opportunities for the communities that the health systems serve. Examples of this include:

- RWJBarnabas Health in New Jersey is working in partnership with other anchor institutions to hire 2,020 Newark residents by 2020 in the City of Newark. To date, RWJBarnabas has hired 189 Newark residents, and plans to hire an additional 161 full-time and permanent part-time staff over the next two years. The Newark Anchor Collaborative (NAC), of which RWJBarnabas Health is a founding institution, aims to further grow economic opportunities and well-being in the city. NAC’s other founding institutions include private sector businesses Audible.com and Prudential Financial, which have committed to advancing an anchor mindset.

- University Hospitals (UH) focuses their workforce development initiatives on connecting community residents to jobs, and then to career ladders within the institution. The external programs focus specifically on six high poverty neighborhoods that surround UH’s main campus. UH offers a robust set of literacy building and skills training initiatives, with supports such as release time built in, and partners with education and training entities that can provide targeted skills development. Business impacts include a reduced interview to hire ratio and a 1-year retention rate of 80 percent for pipeline graduates, compared with 66 percent overall.

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Inclusive, local sourcing

To increase the income and economic health of local neighborhoods, HAN members are also looking to do more business with local businesses. Hospital systems nationwide spend $342 billion on goods and services annually. Shifting only a small fraction of this spending to local, minority- or women-owned businesses is a powerful way to improve community health by addressing racial, social, and economic inequities.

Examples of this include:

- Cleveland Clinic is leveraging its procurement and construction spend to increase sourcing from minority- and women-owned businesses and facilitates a mentor-protégé program to build the capacity of those businesses. Cleveland Clinic’s support for the Evergreen Cooperatives, a network of start-up, community-owned businesses, enabled a major expansion of the Cooperative’s laundry, creating 100 local jobs and building community wealth by allowing employees to share business ownership in the hospital's supply chain.

- University Hospitals (UH) in Cleveland, Ohio is harnessing its purchasing power to revitalize disinvested urban neighborhoods, encouraging existing vendors to move locally and hire local and minority residents. Through a strategic planning process called Vision 2010, UH leveraged a $1.2 billion construction investment over a five-year period, and voluntarily set (and exceeded) goals for local spending, local hiring, and spending with disadvantaged businesses.

Place-based investing

It’s not just income that matters—wealth also plays a key role in determining health outcomes. For instance, after controlling for both income and attained education, a team of public health scholars led by a researcher from Johns Hopkins found that “net worth was significantly associated with poor/fair health status” across almost every single ethnic group and age cohort. Additionally, healthcare anchors have a unique role to play as place-based investors—leveraging their long-term reserves locally and strategically tapping underutilized assets to fill market gaps in lending and investment. By allocating a portion of their investment portfolios to

5 Ted Howard and Tyler Norris, Can Hospitals Heal America’s Communities?: “All in for Mission” is the Emerging Model for Impact, Takoma Park, MD: The Democracy Collaborative, December 2015.
projects and aligning them with other discretionary funds, they can combine stable returns with social impact and create more sustainable solutions.

Examples of this include:

- Dignity Health has an investment policy statement outlining that up to 5 percent of its investment portfolio will be allocated for loans to nonprofits that are supporting community health and well-being. In 2016, Dignity Health’s Community Investment Program issued a $3.1 million loan to construct a transit-oriented complex in central Los Angeles with 50 permanent and 450 transitional housing units for more than 500 persons experiencing homelessness.

- Rush University Medical Center has committed to shifting 1 percent of its investment portfolio, equal to about $6 million, for place-based investing, and has catalyzed a multi-anchor approach to aligning additional institutional resources to close the stark gaps in life expectancy between neighborhoods in Chicago.

- Boston Medical Center announced a $6.5 million package of investments designed to tackle critical community problems.

- Kaiser Permanente announced in 2018 a $200 million impact investing commitment to help address the need for affordable housing, a major social determinant of health, in locations where the health system operates.

- The Board of Directors at Bon Secours Health System authorized the institution to invest up to 5 percent of its Long-term Reserve Fund with Community Development Financial Institutions (CDFIs) that serve low- and moderate-income communities. Bon Secours has worked toward achieving this target by annually increasing its asset allocation by approximately $3 million. Since instituting this policy in 2008, Bon Secours has shifted $34 million, or about 2.5 percent of its $1.1 billion Long-term Reserve Fund (to date) to support affordable housing, economic development, community facilities, and other projects that benefit the health and well-being of the community members it serves.
Types of investments the private sector and local policy makers can consider to improve the health and wellness of employees and families, and community well-being and prosperity

Private sector investments

The private sector can play an important role in anchor collaboratives to support job training and local hiring and targeted procurement, and to invest financial resources. Newark, New Jersey, is a good example of this. In 2006, Newark launched its strategic plan, OpportunityNewark, to increase the competitiveness of the city, stimulate business development, and connect residents to job opportunities. The plan included market-driven economic development initiatives that could meet the needs and demands of local customers, and strategies to better connect residents to job opportunities by removing barriers to employment such as training and job-related expenses. Newark furthered these goals in 2017 with Mayor Ras J. Baraka’s Newark2020 initiative to connect 2,020 unemployed Newark residents to living-wage jobs by 2020.

A year later in 2018, the Newark Anchor Collaborative (NAC) was launched to further grow economic opportunities and well-being for the city. By working with a wider range of diverse and committed partners to do more local purchasing, hiring, and investment strategies, more resources can be leveraged for the benefit of the local community. NAC’s founding institutions include Audible.com, Prudential Financial, RWJBarnabas Health, New Jersey Institute of Technology, New Jersey Performing Arts Center, Rutgers University—Newark, and Rutgers Biomedical and Health Sciences.

Through the NAC, more companies are hiring locally, including Rutgers University, which has employed over 100 workers from the community, and PSE&G, a publicly traded diversified energy company, which has developed a training curriculum to make its local hiring program more effective and is working with vendors to do the same. RWJBarnabas Health has hired 189 Newark residents in its health system. It plans to hire an additional 161 full-time and permanent part-time staff over the next two years.

New Orleans is another good example of private sector leadership and anchor institution work. The New Orleans Business Alliance (NOLABA) leads and provides oversight of the city’s strategic plan for economic growth and transformation, while the industry councils and working groups implement many of the recommendations. NOLABA’s mission is “to unite a diverse community of stakeholders to catalyze job growth, create wealth, and build an equitable and
A key part of the NOLABA's work is to encourage coordination and collaboration through industry councils and working groups comprised of business, education and community leaders to identify top priorities and activities to achieve the goals. Another key component is for the city to work with anchor institutions to achieve generational wealth building through several strategies: job training and hiring, procurement of foods and services, real estate development, starting business incubators, and business advisory services. Three health anchors are involved in this effort: Ochsner, LCMC, and Tulane Hospital. These three institutions operate all of the hospitals in the City of New Orleans and all of them are involved in anchor hiring and procurement strategies.

Local policy makers investments

City governments are also key players in many place-based anchor collaboratives—sometimes they are the inspiration or catalyst for the collaborative, sometimes they serve as the backbone (or coordinating body), and other times they participate as an anchor institution. In *New Orleans*, discussed earlier, Mayor Mitch Landrieu initiated the ProsperityNOLA economic development strategic plan effort and charged the New Orleans Business Alliance (NOLABA) with developing and implementing it. In *Newark*, also discussed earlier, the city’s OpportunityNewark strategic plan aimed to connect residents to job opportunities and the Newark2020 initiative looks to place 2,020 unemployed Newark residents in living-wage jobs by 2020.

The *City of Tacoma* is another example of how local policy makers are making investments in community health by addressing the social determinants of health. Across Tacoma and Pierce County, where Tacoma is situated, health disparities are closely associated with economic factors such as household income. Tacoma made the decision to tie anchor strategies to its Tacoma 2025 Strategic Plan that focuses on five priority areas: Economy/Workforce, Livability, Accessibility and Equity, Education, and Civic Engagement in order to improve the health and well-being of city residents. The City of Tacoma understands that a community wealth building strategy that engages Tacoma’s anchor institutions will more effectively meet its 2025 objectives.

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7 ProsperityNOLA (June 2013), [https://www.nolaba.org/wp-content/uploads/2016/03/ProsperityNOLA-Final.pdf](https://www.nolaba.org/wp-content/uploads/2016/03/ProsperityNOLA-Final.pdf)
In the City of Rochester, NY, Mayor Lovely Warren sought new models for equitable economic development to address the city’s growing poverty and inequality. One strategy was the creation of OWNRochester, a non-profit cooperative business development corporation with the mission to create jobs and build wealth in low-income communities through the development of employee-owned businesses linked to sources of anchor institution demand. OWN Rochester has launched two start-up businesses—an LED retrofitting company and a custodial business—that will soon transition to worker cooperatives and is looking to establish a portfolio of cooperatives over the next few years. The organization will also focus on converting existing businesses into worker cooperatives by identifying retiring business owners who are willing to sell the businesses to their employees.

Rochester also created an Office of Community Wealth Building to “develop policies that combine existing government programs with the business community, the non-profit sector and educational institutions to help city residents build personal wealth and achieve equal pay for equal work.”

Rochester’s anchor institutions spend over $1.7 billion a year on goods and services. All of Rochester’s “Big Three” anchor institutions, (Rochester Institute of Technology (RIT), the University of Rochester, and Rochester Regional Health System), as well as many smaller colleges and government agencies, have been supportive of the anchor mission framework. This support is consistent with the generally progressive supply chain policies at each of the big three anchors. For example, the University of Rochester, has over the past twelve years, increased their New York-grown food purchasing from 1 to 56 percent, and used job creation as one of its primary metrics.

Anchor Collaboratives: Multi-sector and consortium investments:

Anchor institutions across different sectors are beginning join forces in anchor collaboratives to leverage their investments, and to become more efficient and effective at accomplishing their goals that once seemed out of reach.

The Memphis Medical District Collaborative (MMDC) is a good example of this. In 2016 MMDC embarked on a wide-reaching set of initiatives to improve neighborhood vitality and quality of life in the Memphis Medical District. Memphis is a healthcare city and the District contains eight large medical and higher education institutions in the region: Baptist College of Health Sciences, Memphiis Bioworks Foundation, Methodist Le Bonheur Healthcare, Regional One

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8 http://www.cityofrochester.gov/wealthbuilding/
Health, Southern College of Optometry, Southwest Tennessee Community College, St. Jude Children’s Research Hospital/ALSAC, and the University of Tennessee Health Science Center. These hospitals and universities control a significant amount of property: collectively they own nearly 300 acres of land, roughly 26 percent of the total acreage of the District.

MMDC’s anchor strategy framework includes three areas of focus: Live Local, Buy Local, and Hire Local. While MMDC is still a new effort, one promising trend in the anchor procurement effort is a collective $5.3 million increase in spending with local minority- and women-owned businesses between 2014 and 2018.

A number of other cities have similarly created multi-sector anchor collaboratives with health systems and hospitals as key anchor institution members. Examples include:

*Baltimore Integration Partnership (BIP)* (with Bon Secours Hospital, Johns Hopkins Hospital, Kaiser Permanente, LifeBridge Health, and University of Maryland Medical Center) along with higher education anchors: Coppin State University, Johns Hopkins University, Loyola University Maryland, Maryland Institute College of Art, Morgan State University, Notre Dame of Maryland University, Towson University, University of Baltimore, University of Maryland-Baltimore, and key foundations: The Annie E. Casey Foundation, Associated Black Charities, The Goldseker Foundation, Surdna Foundation, and Living Cities. BIP’s goals are: focus on local, small and minority-owned businesses purchasing; local hiring; and intentional local investments in real estate and small businesses.

According to the Funders’ Network for Smart Growth and Livable Communities, the BIP results are impressive:

- Fourteen institutions have new economic inclusion practices, programs and new community focused initiatives.
- Two institutions have announced formal inclusion goals; eight institutions have set draft hiring and purchasing goals.
- One new real estate fund with inclusion goals.
- Three new business development initiatives with two more being developed.
- One proposed business improvement district.
- One new workforce training program led by anchors.
- One new social enterprise launched by anchor procurement.
- Four catalytic community reinvestment projects driven by anchor commitments.

**West Side United** (with ten hospital sponsors and four healthcare partners): Healthcare institutions, residents, educators, non-profits, businesses, government agencies and faith-based institutions that work, live and congregate on Chicago’s West Side have come together to make their neighborhoods stronger, healthier and more vibrant places to live. Hospital sponsors include: Ann & Robert H. Lurie Children’s Hospital of Chicago, Cook County Health and Hospitals System, Presence Health, Sinai Health System, Rush University Medical Center, and University of Illinois Hospital and Health Sciences System. Healthcare partners include: Erie Family Health Center, Illinois Medical District, Loretto Hospital, and Sinai Urban Health Institute.

To improve neighborhood economic opportunity, West Side United’s goals are to increase local hiring, support hospital employee career pathways into jobs where they can create personal and family wealth, support local business development through increased local sourcing and technical assistance, and start a $100,000 small business accelerator grant pool.

**Healthy Neighborhoods Albuquerque (HNA)** (with the University of New Mexico Health Sciences Center, Presbyterian Healthcare Services, First Choice Community Healthcare): These healthcare anchor institutions along with Central New Mexico Community College, Albuquerque Public Schools, and the City of Albuquerque, developed an initiative focused on sourcing local produce and is now looking at workforce development programs for local residents.

**Newark Anchor Collaborative (NAC)** (with RWJBarnabas Health) is another example of multi-sector investments and is discussed previously.
The cost-effectiveness and return on investment (ROI) for addressing the social determinants of health

Addressing the social determinants of health has been shown to be cost-effective and have a strong return on investment. For example, affordable and stable housing supports the health and well-being of children, adults and families—and leads to reduced healthcare costs.9 Among formerly homeless adults, access to housing is strongly associated with improved mental health outcomes and a reduction in the number of days hospitalized. Research shows that providing housing support for low-income, high-need individuals can result in net savings due to reduced health care costs. For example, Montefiore Health System in the Bronx has achieved a 300 percent return on investment in housing for homeless patients.

Unstable housing among families with children will cost the U.S. $111 billion in avoidable health and education expenditures over the next ten years.10

Hospitals and provider organizations can reduce spending substantially when they connect people to services that address social determinants of health, such as secure housing, medical transportation, healthy food programs and utility and financial assistance, according to research conducted by WellCare Health Plans and the University of South Florida College of Public Health, Tampa.11 The research found that there was an additional 10 percent reduction in healthcare costs—equating to more than $2,400 in annual savings per person—for people who were successfully connected to social services compared to a control group of members who were not.

Descriptions of important barriers to and facilitators of success

Implementing anchor strategies requires intentional changes to longstanding business practices, policy, and organizational culture, which remains a barrier for many anchor institutions. To be successful long-term at addressing these deep-rooted inequities, these changes must be deeply embedded and not seen as a nice thing to do in good financial times. In addition, there are limited tools to help health systems determine which indicators and metrics to track as they implement anchor strategies. Many health institutions have challenges

Some shared anchor collaborative success factors include: the participation of anchor mission champions who consistently dialogue this work within their institutions and move the conversation toward action and implementation; communicating early “wins” around pilot anchor initiatives that can generate further buy-in and excitement about the work; partnering with community-based organizations to meet specific goals, e.g., to ensure that hiring pipelines reach local residents; supporting the growth of existing businesses or incubating new, locally owned businesses that can be sustainably scaled to meet anchor demand; and adjusting the procurement process to open doors for small minority-owned local businesses.

Recommendations

To maintain and grow anchor mission work, which includes private sector, local policy maker, and multi-sector investors, to benefit the long-term health and well-being of communities, HAN urged the CDC and DHHS to support the following:

- The U.S. Surgeon General and HHS should issue a call to action to the private sector, local policy makers and health systems, including for-profit health systems, for investment in communities, unilaterally or as part of an anchor collaborative, to improve community health. All health systems must be called to engaged in community and economic development from a health lens.

- Create and fund an Anchor Collaborative Community Wealth Building Fund to help anchor institutions and anchor collaboratives to increase their effectiveness and enhance their ability to provide community building and community wealth building to low-income individuals and disadvantaged communities. The goal is to help support the initiation of and to strengthen the role of organizations, including backbone organizations, in their ability to improve targeted job training and employment, community and economic development, and community wealth building to low-income communities. Funding should be for multi-year grants and should encompass training, technical assistance and capacity-building. Community input, review and feedback/decision-making should be required.

- Create and fund the "First & Main" Coalition’s proposal for a new HUD program “Anchoring Neighborhoods, Communities, & Housing to Opportunities for Revitalization” (ANCHOR) initiative that would provide $25 million annually in the form of up to 50, $500,000 strategic
planning grants to boost economic development and revitalization in distressed neighborhoods led by local anchor partnerships.

- Create a federal Office of Community Wealth Building. The CDC and HHS should conduct an assessment of the benefits of creating a federal Office of Community Wealth Building that could provide national leadership on anchor mission work and offer federal support and guidance to local, state and regional anchor efforts.

- TDC issued a report in 2016 that identified six actionable opportunities for advancing a health equity agenda at the federal level. Recommendations include increasing collaboration between the National Prevention Strategy (NPS), the Federal Interagency Health Equity Team (FIHET), and the Convergence Partnerships, and developing a federal “Healthy Communities” designation, employing Promise Zone design principles. \(^{12}\)

- Provide federal incentives to local governments for pursuing anchor collaboratives. The federal government could provide competitive grants to local governments that are looking to develop anchor collaboratives involving partners such as the private sector, local policy makers, health and education anchors, and community and faith-based groups.

In closing, TDC appreciates the opportunity to submit these comments and recommendations. We know from our work with anchor institutions that intentionally investing in communities truly can improve health and prosperity. Attached is a bibliography of HAN-related research publications that provide more details on the anchor mission work of the health systems.

Sincerely,

Ted Howard
President & Co-Founder

Bibliography:


