

MICHIGAN HEALTH ENDOWMENT FUND

2016-2020

# STRATEGIC PLAN

UPDATED MARCH 2018

**MICHIGAN HEALTH**  
**ENDOWMENT FUND**

Making a meaningful difference for  
Michigan's children and seniors

# EXECUTIVE SUMMARY

The Michigan Health Endowment Fund (MHEF) launched a comprehensive strategic planning process in August 2015 to develop a five-year strategy for 2016–2020. The work built on initial planning and external input obtained prior to August 2015. The process included a series of strategic planning sessions with MHEF Board and staff, external research, and an Idea Lab that included the Fund’s Board and staff along with a number of external thought leaders.

The process was largely driven by a few high-level questions, including the following:

- ① Given the Fund’s mission, guiding principles, and resources, and considering the overall Michigan health landscape, what are the top areas of critical need where MHEF can make a difference?
- ② What are the unique roles and opportunities that will enable MHEF to leverage long-term impact on important health issues facing Michigan?
- ③ How can MHEF best move forward with proactive initiatives – including strategic efforts to address a targeted set of health-related issues – while also leaving some flexibility to respond to community and regional needs and opportunities that align with the Fund’s overall mission and goals?

We are excited about the strategy that has emerged from this planning process, developed in partnership with The Philanthropic Initiative (TPI). We have developed an ambitious agenda for the next five years, and we have identified some important issues where MHEF will seek to move the needle in an effort to achieve lasting impact. While much of our work will focus on grantmaking, we also believe the Fund can leverage the impact of our grants through roles that include sharing knowledge, convening and engaging various stakeholders, and informing public policy. As we move forward, we know that the Fund cannot achieve its goals and fulfill its mandate if it operates in isolation. We will continue to seek external input, and will look to forge a wide range of partnerships and alliances as we seek to make real and measurable progress towards our overall mission.

The framework below provides a high-level summary of the resulting strategy, and additional detail is provided in this planning document.

# STRATEGIC FRAMEWORK 2016-2020

## MISSION

To improve the health of Michigan residents, with special emphasis on the health and wellness of children and seniors, while reducing the cost of health care.

## VISION

To have a significant and measurable impact on improving the health of Michigan residents.

## GUIDING PRINCIPLES

- We emphasize efforts that are likely to achieve long-term impact with measurable outcomes.
- We work in collaboration with public and private funders and other potential partners.
- We seek input and feedback in ways that are both responsive and proactive to inform our efforts, and to address issues and needs facing communities we serve.
- We are open to innovative approaches and take strategic risks without our resources.
- We aim to serve as a catalyst for change, problem-solver and thought leader, and seek to address underlying social and root causes of poor health.
- We seek to empower individuals and communities to take an active role in creating a culture of health.
- We demonstrate leadership as an informed convener and educator to help raise awareness and understanding of important health issues and effective approaches.
- We exercise responsible stewardship.

## PROACTIVE INITIATIVES \*

	NUTRITION & HEALTHY LIFESTYLES, FOCUSING ON CHILDREN	HEALTHY AGING	MENTAL HEALTH, WITH EMPHASIS ON CHILDREN & SENIORS
GOAL #1	Build, extend, and strengthen workforce capacity through: <ul style="list-style-type: none"> <li>• Training and development for clinicians, program staff, and informal caregivers</li> <li>• Innovative and cost-effective approaches to improve the health of children and seniors in Michigan</li> </ul>		
GOAL #2	Develop and expand innovative and cost-effective integration models that coordinate care, services, and community resources in ways that promote the health of children and seniors in Michigan		

\* Throughout the five-year timeframe for this plan, these efforts will likely evolve and may expand to include additional strategic initiatives.

## RESPONSIVE GRANTMAKING

GOAL: Support measurable health improvement efforts throughout Michigan in response to opportunities and emerging ideas that (1) align with the overall MHEF mission; (2) are likely to leverage long-term impact; and (3) address one or more of the following issues: infant mortality, health services for foster and adopted children, access to mental health services, wellness and fitness programs, access to healthy food, technology enhancements, health-related transportation needs, and foodborne illness prevention.

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# MHEF BACKGROUND & INITIAL ACTIVITIES

The Michigan Health Endowment Fund (MHEF) was created through passage of Public Act 4 of 2013, which requires Blue Cross Blue Shield of Michigan to contribute up to \$1.56 billion over 18 years to MHEF. The Fund's purpose is to support efforts to improve the health and wellness of Michigan residents while reducing the cost of health care, with an emphasis on the populations of minor children and seniors throughout the state and a significant focus on infant mortality, health services for foster and adopted children, wellness and fitness programs, access to healthy food, access to mental health services, technology enhancements, health related transportation needs, and foodborne illness prevention. MHEF also has a statutory obligation to subsidize the cost of individual Medigap coverage purchased by Medicare recipients in Michigan. This statutory mandate runs from 2017 to 2021 and totals \$120 million.<sup>1</sup>

The MHEF Board of Directors consists of nine members who are appointed by the governor of Michigan. The original Board members were appointed in 2013. Initially, the Fund engaged outside consultants to provide strategic consultation and work with the Board and the Interim Executive Director to develop the Fund's mission statement and initial grantmaking plan, draft Board policies and procedures, arrange learning sessions, execute 2014 grantmaking, manage the Fund's bookkeeping, and assist with other administrative tasks. The Fund hired its first Chief Executive Officer, Paul Hillegonds, in March 2015. During its start-up phase, the Board focused largely on listening and learning, and also awarded its first grants.

<sup>1</sup> *This strategic plan does not address how the Medigap requirements will be fulfilled.*

## Listening and Learning

In addition to a series of learning sessions with health funders and health policy experts, MHEF engaged Public Sector Consultants to conduct a listening tour involving six public forums throughout Michigan. These discussions were designed to solicit public input on important health issues facing children and seniors, the barriers preventing these populations from achieving good health, and innovative and promising approaches to improving health and well-being.

The format for each listening tour session included a presentation of priority health issues identified in community health needs assessments conducted by hospitals and community partners in the region. The top issues identified in 2012-2013 Michigan hospital community health needs assessments across all regions were:

1. Access to care
2. Obesity and overweight
3. Mental and behavioral health
4. Substance abuse
5. Diabetes
6. Infant mortality and infant health
7. Nutrition
8. Cardiovascular health
9. Chronic disease
10. Health education
11. Physical activity
12. Cancer
13. Racial health disparities
14. Dental and oral health
15. Children's health
16. Preventive care and activities
17. Coordinated community health

Outlined below are priority health issues and key challenges and barriers identified by session participants. More detailed information is available on the MHEF website ([www.mhealthfund.com](http://www.mhealthfund.com)).

## MHEF 2014 Listening Tour Input: Priority Health Issues

### *Health Issues Particularly Relevant to Children*

- Infant health
- School-based health services
- Health education

### *Health Issues Particularly Relevant to Seniors*

- Chronic disease and care coordination
- Long-term care and in-home care
- Dementia, end-of-life care, preventing falls and other concerns associated with aging

### *Health Issues Relevant to Both Children and Seniors*

- Access to care
- Prevention and health promotion
- Mental health
- Substance abuse
- Oral Health



## MHEF 2014 Listening Tour Input: Key Challenges and Barriers

### *Availability and Access to Services*

- Provider shortages
- Shortages of in-home, mental health, and school health services
- Transportation
- Navigating the system

### *Lack of Integrated Care Systems*

- Coordination of medical and community resources
- Need for backbone/integrator organizations

### *Social Determinants of Health*

- Health disparities
- Poverty and racism
- Food insecurity, dental care, prenatal care, and other factors

### *Prevention and Health Promotion*

- Disinvestment in prevention
- The built environment (walkable, livable communities)
- Community health

### *Poor Data, Coordination, and Communication*

- Need better use of data and technology to address community health issues

## 2014 Grantmaking and 2015 Grantmaking Plan

In 2014, MHEF awarded more than \$36 million in pilot grants to ten statewide organizations, selected through a competitive process. Grants ranged from \$750,000 to \$5 million, and most were structured to be paid out over two or three years. Focus areas for these grants included wellness and fitness, mental health, technology enhancements, and access to healthy food. The grants targeted children and/or seniors.

In 2015, MHEF budgeted funds for two sets of grants – Community Foundation Grants and Local Impact Grants:

1. Community foundations throughout Michigan were invited to apply for Community Foundation Grants. This grants program was designed to:
  - o Build on the experience of community foundations in serving the health needs of their regions
  - o Provide support to small nonprofit organizations by partnering with Michigan’s community foundation network
  - o Ensure MHEF funds have statewide impact
2. Local Impact Grants were designed to support the efforts of small community-based organizations with at least one full-time employee and an annual budget of less than \$1.5 million.

The MHEF Board granted over \$8 million for Community Foundation Grants in 2015 and awarded approximately \$2 million for Local Impact Grants in March 2016.

All grants awarded in these two years have been based on criteria established by the MHEF Board. Applicants have been encouraged to show a direct relationship to one or more of the following eight areas:

1. Infant mortality
2. Health services for foster and adopted children
3. Wellness and fitness programs
4. Access to healthy food
5. Mental health services
6. Technology enhancements
7. Health-related transportation needs
8. Foodborne illness prevention



# SUMMARY OF THE STRATEGIC PLANNING PROCESS

In August 2015, MHEF launched a comprehensive planning process to develop a five-year strategic plan to guide its grantmaking and other activities from 2016 to 2020. To facilitate the planning process, MHEF engaged The Philanthropic Initiative (TPI), a global nonprofit philanthropy consulting practice with expertise in foundation strategic planning.

TPI led the MHEF Board and staff through an iterative planning process that included:

1. Individual interviews with Board members and staff to obtain input on desired outcomes, goals, and potential funding strategies
2. Three extensive planning sessions with the Board and staff
3. Conversations with a wide range of health funders and other relevant thought leaders in Michigan and throughout the United States to obtain relevant input (see Appendix A)
4. An Idea Lab attended by MHEF Board members, staff, and external thought leaders to explore needs/gaps and opportunities in Michigan related to the MHEF mission where philanthropic resources could make a difference (external participants are identified in Appendix A)
5. Research and analysis of effective practices, funding priorities, strategic approaches, and staffing implications for selected health foundations throughout the country

Input from the thought leader conversations, Idea Lab, and additional external research helped to inform and shape a framework and strategic approach for the Fund's grantmaking and related activities for the 2016-2020 timeframe.

# EXTERNAL INPUT

The strategic planning discussions were informed by the 2014 MHEF listening tour and other learning sessions that took place prior to August 2015, as well as external research, thought leader interviews, and the November 2015 Idea Lab conducted during the TPI-facilitated planning process.

## Overall Advice from Thought Leaders

Overall advice offered by the more than thirty health funders and thought leaders (both Michigan-based and national) interviewed by TPI emphasized the tremendous opportunity for the Fund to achieve significant long-term impact. These thought leaders encouraged MHEF to:

- Serve as an important resource for shared learning and dialogue
- Play a role turning data on critical health indicators into useful information that could spark local and statewide conversations as well as influence funding streams and policies
- Provide an independent voice that could engage Michigan residents
- Focus on root problems and causes
- Look at social determinants and disparities
- Support pilot projects and scale up effective models
- Act to convene, communicate, and disseminate
- Think big, be bold, and take risks; invest in ideas and people
- Address big issues, in partnership with others, and work to influence public policy
- Work with grantees to help them modify and improve approaches as needed

## Idea Lab

The Idea Lab held in November 2015 was designed around three major themes that were identified with input from the MHEF Board and staff:

1. Nutrition and healthy lifestyles, focusing on children
2. Healthy aging
3. Mental health and related issues

The MHEF Board and staff were joined by ten external thought leaders. These thought leaders represented a mix of public and private funders as well as health policy and public health experts who were selected in part for expertise relevant to at least one of the three themes listed above.

Thought leaders shared ideas for the top three to five areas of critical need where the Fund could make a difference given its mission, draft guiding principles, and the overall health landscape in Michigan. These presentations were followed by an open discussion with the MHEF Board and staff. Some of the ideas that emerged in each area included the following:

### 1. NUTRITION AND HEALTHY LIFESTYLES, FOCUSING ON CHILDREN

- Focus on root causes and look at a continuum of approaches; find opportunities for leverage and collaboration; seek ways to influence policy
- Move from nutrition to broader work to foster healthy communities
- Focus on:
  - o Prevention – building a culture of wellness within communities through efforts such as community and school gardens, home visits, mobile clinics/grocery stores
  - o Coordination of efforts – set an expectation for collaboration
  - o Place-based initiatives – recognize that every community is different
  - o Risk-taking – don't assume the conventional wisdom is always accurate
- Be bold, work with communities, be persuasive; stand the problem on its head; multiple interventions will be needed that involve the whole community
- Go deep; work across systems and age groups

### 2. HEALTHY AGING

- Take a holistic, comprehensive approach
- Focus on integration/coordination of care and services
- Address the caregiver crisis – paid and unpaid caregivers; shortage of gerontologists
- Support health consumer education – lifelong education on health literacy
- Promote person- and community-centered health care – reduce isolation; create livable communities
- Consider “disruptive aging” ideas (MIT Age Lab) – opportunities to translate technology into practical solutions (e.g., technological innovations relating to transportation and mobility)
- Support intergenerational models that bring children and seniors together in constructive ways

### 3. MENTAL HEALTH AND RELATED ISSUES

- Translate research into practice
  - Serve as a catalyst for closing gaps and scaling up what works
  - Build a learning community
- Foster greater integration of mental health and primary health care
- Help to educate, build awareness, and reduce stigma
- Seek to influence public policy (e.g., around reimbursement of evidence-based practices)
- Foster collaboration, convenings, and sharing of knowledge
- Invest in leadership development
- Consider small grants to community-based organizations
- Change the paradigm in how early childhood and K-12 education systems look at mental health and related issues
- Look for ways to better serve people through technology (e.g., to address the shortage of child psychiatrists)

In addition to sharing insights about areas of critical need in the above three categories, thought leaders also shared their views on other “big ideas” for the Fund based on their understanding of the areas of greatest need in Michigan where philanthropy could make a difference. Some suggestions included the following:

- Focus on prevention – the best way to control health care costs
- Support models that link patients to community resources
- Address workforce issues, including the shortage of caregivers, in ways that go beyond the medical model (relating to children and families, aging, and mental health)
- Further efforts to integrate care, services, and supports in cost-effective ways that improve health and wellness
- Build healthy communities – help to create a culture of health; address the physical environment and social determinants of health
- Work in close partnership with selected communities
- Create age-friendly communities

Other general advice heard throughout the Idea Lab included the following:

- Act now, measure outcomes, publish failures as well as successes, and improve by design
- Take risks, take the long view, and stick with efforts over time
- Be a catalyst – connect the dots; move things forward; look for tipping points and opportunities to drive systemic change
- Look at ways to build partnerships that involve philanthropy, government, and business
- Consider what can be done in addition to grantmaking, such as convening and thought leadership
- Be bold by connecting the dots; it doesn’t have to be something entirely different
- Look for the small changes that may be able to do big things
- Ask “why” and don’t be afraid to fail

## Health Funder Scan

In the fall of 2015, MHEF commissioned Public Sector Consultants to conduct a scan of philanthropic giving directed toward health programs in Michigan. The purpose of this scan was to help uncover what health issues are already well-funded in Michigan as well as where MHEF resources may be most needed and what potential funding partners may exist. The Council of Michigan Foundations contributed to the study by compiling a database of grants exceeding \$25,000 for the two most recent years available from published data from the 40 largest foundations in Michigan that identify health as a priority.

Preliminary findings of the scan were shared with MHEF in January 2016 and finalized in March 2016. Key findings are summarized below: <sup>2</sup>

- In the most recent two years of reported giving, the 40 foundations examined accounted for an estimated \$160,910,160 in philanthropic contributions to health care – whether it be medical research, hospital operations, or other health-related programming. Medical research grants totaled \$39,212,535 over the most recent two years of reported data. All 15 of the research grants were made to hospitals/health systems.
- A total of 378 programs were the beneficiaries of 769 grants of \$25,000 or more from these 40 foundations.
- There was significant variation in average grant size among categories of giving.
- Health systems/hospitals were the prime beneficiaries of this philanthropic giving, accounting for over one-third (\$41,618,374) of all non-research dollars granted (\$121,697,625). Three-quarters of this amount (\$31,459,316) came from foundations affiliated with the beneficiary health system/hospital.
- An estimated \$80,079,251 in philanthropic funding was available in a two-year period for health programs that were not hospital/health system operations or medical research conducted by health systems.
- Of the 754 non-research grants, 225 grants (30 percent) were intended to benefit children. Giving among these grants totaled \$38,558,985 over the two-year period, or 32 percent of non-research funding. Grants to programs explicitly targeting seniors represented only three percent of giving (\$3,295,653 across 25 grants over two years).
- Among grants dedicated to Healthy Eating/Active Living, \$8,210,783 was directed toward programs specifically benefitting children and \$784,875 toward programs benefitting seniors.
- PSC estimates that roughly 20 percent of Behavioral Health/Developmental Disability funding is devoted to programs targeting mental, emotional, or cognitive disabilities and related counseling.

<sup>2</sup> Public Sector Consultants, *Michigan Health Philanthropy Scan: Draft Final Report, March 2016*.

# MHEF STRATEGIC PLAN — KEY COMPONENTS

## MISSION, VISION, AND GUIDING PRINCIPLES

As part of the TPI-led planning process, the MHEF Board developed a set of eight guiding principles and revisited the mission and goal statements that it had developed prior to August 2015. This work resulted in the following overall mission, vision, and guiding principles:

### Mission

To improve the health of Michigan residents, with special emphasis on the health and wellness of children and seniors, while reducing the cost of health care.

### Vision

To have a significant and measurable impact on improving the health of Michigan residents.

### Guiding Principles

- We emphasize efforts that are likely to achieve long-term impact with measurable outcomes.
- We work in collaboration with public and private funders and other potential partners.
- We seek input and feedback in ways that are both responsive and proactive to inform our efforts, and to address issues and needs facing communities we serve (geographic communities and/or communities of interest).
- We are open to innovative approaches and take strategic risks with our resources.
- We aim to serve as a catalyst for change, problem-solver, and thought leader, and seek to address underlying social and root causes of poor health.
- We seek to empower individuals and communities to take an active role in creating a culture of health.
- We demonstrate leadership as an informed convener and educator to help raise awareness and understanding of important health issues and effective approaches.
- We exercise responsible stewardship.

# STRATEGIES AND APPROACHES

MHEF is dedicated to making a meaningful impact on the health and wellness of Michigan’s children and seniors. To achieve this impact, the Fund has adopted a hybrid strategy that incorporates both responsive grantmaking and proactive initiatives. As the Fund embarks on this five-year strategy, the Board envisions its grantmaking approach becoming more proactive over time as its expertise grows.

As a reflection of this anticipated progression toward an increasingly proactive strategy, the emphasis and funding allocations will likely shift over time. In 2016 and 2017, the Fund allocated roughly 83% of its annual program budget for proactive initiatives; 15% for responsive grantmaking; and 2% for evaluation, communications, and other program-related expenses. As the strategy evolves, these allocations are expected to shift to roughly 85% for proactive initiatives; 10% for responsive grantmaking; and 5% for evaluation, communications, and other program-related expenses.

## Proactive Initiatives

Incorporating input from the 2014 MHEF listening tour and learning sessions, TPI’s thought leader interviews and external research, and the November 2015 MHEF Idea Lab, the Fund identified the following three issue areas and two cross-cutting goals as the cornerstones of its proactive initiatives for the next five years.

### ISSUE AREAS

1. Nutrition and healthy lifestyles, focusing on children
2. Healthy aging
3. Mental health, with emphasis on children and seniors

### CROSS-CUTTING GOALS

1. *Build, extend, and strengthen workforce capacity* through:
  - o Training and development for clinicians, program staff, and informal caregivers; and
  - o Innovative and cost-effective approaches to improve the health of children and seniors in Michigan.
2. *Develop and expand innovative and cost-effective integration models* that coordinate care, services, and community resources in ways that promote the health of children and seniors in Michigan.

Below are brief rationales highlighting the importance of each of these issue areas and cross-cutting goals.

## Issue Areas

### 1. NUTRITION AND HEALTHY LIFESTYLES, FOCUSING ON CHILDREN

Lack of physical activity, poor nutrition, and childhood obesity are major concerns in communities throughout Michigan and across the United States. Childhood obesity has more than tripled in the past 30 years and the World Health Organization has referred to childhood obesity as “one of the most serious public health challenges of the 21st century.” Research shows obese children are more likely to be at risk of heart disease, Type 2 diabetes, bone and joint problems, depression, and other health problems. Recognizing the significant health obstacles facing the children of Michigan, MHEF is determined to work to help leverage and coordinate efforts to enable children in Michigan to grow up to live healthy lives.

### 2. HEALTHY AGING

By 2050, Americans aged 65 or older are expected to number nearly 89 million people – more than double the number of seniors in the United States in 2010. As one of the ten states with the highest concentration of people aged 50 and older, Michigan faces significant challenges in promoting healthy aging and addressing the growing health needs of seniors throughout the state. The unmet care needs for this population are substantial, especially among those with limited economic resources. MHEF believes it can play an important role in enhancing workforce capacity and expanding cost-effective models that integrate services and support seniors in their community.

### 3. MENTAL HEALTH, WITH EMPHASIS ON CHILDREN AND SENIORS

Many experts make the case that it is impossible to tackle health issues without also tackling mental and behavioral health. Few private foundations currently focus on mental health, and funding for mental health has not kept up with the surge in foundation giving for health in general. For both children and seniors, barriers to detection and treatment of mental illness can include a lack of available specialists, insurance restrictions, uncoordinated delivery of services, and stigma. Given the overwhelming need in these populations, MHEF is dedicated to working over the next five years to address workforce capacity issues and enhance integration models designed to improve prevention, screening, and treatment of mental illness among children and seniors.

### 4. SPECIAL PROJECTS AND EMERGING IDEAS

MHEF will look for projects that have the potential to lead to significant breakthroughs or models with potential for expansion or replication throughout the State. These could also address MDHHS priority issues and may be in partnership with the State. These projects will be “invitation-only”.

## Cross-Cutting Goals

### 1. BUILD, EXTEND, AND STRENGTHEN WORKFORCE CAPACITY

- *Training and development for clinicians, program staff, and informal caregivers.* Michigan faces health care workforce shortages in a wide range of fields, including primary care physicians, pediatrics, psychiatry, and geriatrics; direct care workers to address the needs of the aging population; nurses; and school counselors. As the demand for more health care providers increases, the field must look to develop and train existing staff and caregivers to ensure that they are adequately prepared to handle the evolving health demands of the population.
- *Innovative and cost-effective approaches to improve the health of children and seniors in Michigan.* Workforce shortages pose a significant barrier to efforts to improve the health of children, seniors, and others. Health funders and thought leaders argue that a range of creative solutions will be needed to address these shortages. The Fund is dedicated to exploring and adapting innovative models to meet the health needs of Michigan residents. Examples of such initiatives may include:
  - o Technological innovations to extend the capabilities of health care personnel (e.g., telemedicine, electronic medical records)
  - o Team-based approaches that rely more heavily on nurse practitioners, physician’s assistants, registered nurses, social workers, community health workers, and others
  - o Efforts to expand the workforce of those needed to serve the aging population

### 2. DEVELOP AND EXPAND INNOVATIVE AND COST-EFFECTIVE INTEGRATION MODELS TO PROMOTE THE HEALTH OF CHILDREN AND SENIORS

Fragmentation of services continues to be a significant challenge that impedes improved health and wellness for Michigan’s residents. This issue has many ramifications. For all populations, better coordination and integration of medical care, social services, and community resources could help to prevent obesity, improve health, and reduce health disparities. In an effort to strengthen cost-effective integration models, MHEF may look to engage with the issue through a number of methods including grantmaking, educating stakeholders, convening interested parties, and informing policy change.

## Structure and Timeline

MHEF intends to invite proposals to address each of the three issue areas described above. The schedule for releasing these Requests for Proposals (RFP) may vary from year to year and the exact structure and timing of these initiatives will remain at the discretion of MHEF staff. Information on timelines and other specifics will be provided on the MHEF website.

Potential grantees and partners will be assessed based on the extent to which they fit most or all of the following criteria:

- Have strong potential to achieve significant long-term impact by expanding/replicating effective models or supporting needed innovation
- Incorporate viable plans for long-term sustainability
- Offer opportunities for collaboration and other forms of leverage (e.g., use of funds obtained by grant recipients independent of MHEF)



- Enable MHEF to achieve multiple objectives (e.g., initiatives that work at the intersection of two or more of the eight areas listed on page 13)
- Address underlying social and root causes of poor health
- Focus on groups, populations, or communities that face disproportionate barriers to improved health
  - Improve health outcomes
  - Support person-centered care
- Engage and empower individuals and communities to take an active role in creating a culture of health
- Offer opportunities for learning and knowledge dissemination
- Offer opportunities to influence public policy
- Reduce health care costs (though not at the expense of improving health)

The guidelines for specific initiatives and subsequent RFPs will provide added detail as well as additional exclusions. Priority will be given to proposals for proactive initiatives that address at least one of the three issue areas and one or both of the cross-cutting goals identified above.

The Fund will aim for an even allocation of funding among the three issue areas. However, the Fund is dedicated to supporting proposals that have the greatest potential for long-term impact. Thus, the manner in which the funds will be allocated in practice will depend on the quality of proposals and funding opportunities.

PROACTIVE GRANTMAKING	
Grant Size/Range	Up to \$500,000
Length of Funding	Initial grant timing may be for up to 2 years and may be extended after the initial grant period to no more than 3 years in total.

## Responsive Grantmaking

The intention of the Fund's responsive grantmaking is to allow for meaningful investment in promising endeavors that align with MHEF's mission and guiding principles and that fall outside the scope of the Fund's proactive initiatives. Resources budgeted for responsive grantmaking will enable the Fund to respond to important community needs where one-time grants could leverage long-term impact, and to be opportunistic in responding to important health issues within Michigan. Responsive grants will align with the Fund's overall mission, and priority will be given to grant requests that address at least one of the following eight areas:



Infant  
Mortality



Health Services for  
Foster &  
Adopted Children



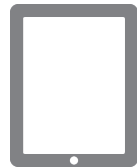
Wellness & Fitness  
Programs



Access to  
Healthy Food



Mental Health  
Services



Technology  
Enhancements



Health-related  
Transportation  
Services



Foodborne  
Illness  
Prevention

## Structure and Timeline

The Fund expects to issue a broad-based RFP for its Community Health Impact Grants.

RESPONSIVE GRANTMAKING				
Grant Category	Scope	Eligibility	Size/Range	Anticipated # of 2018 Grants & Average Grant Size
Community Health Impact Grants	Community-based	<ul style="list-style-type: none"> <li>Organizations with track record of success in improving health</li> <li>Organizational or program-related needs where a one-time grant could have long-term impact</li> <li>Could include nonprofit capacity-building needs like leadership development and strategic planning</li> </ul>	Up to \$100,000	40-60 grants at average of \$50,000 to \$75,000 per grant (~\$3.5 million in 2018)

The size and range of these grants are estimates. Initiative guidelines and subsequent RFPs will provide added detail. The schedule for releasing this RFP may vary from year to year and the exact structure and timing will remain at the staff's discretion. Information on timelines and other specifics will be provided on the MHEF website.

## Planning Grants

In the course of the Health Fund's normal grantmaking, staff may receive applications that are of interest, but may need further work to better define the project or develop the plan or a broad collaborative group. In these cases, the staff may recommend a planning grant rather than a project-based grant. These grants are at the discretion of staff and the Fund will not issue RFPs for planning grants.

## Limitations\*

- Needs relating to health-related emergencies (though MHEF might in some situations consider support to address longer-term rebuilding or other needs following emergency situations)
- Clinical research
- Most capital projects (though certain exceptions will be considered)
- Funding for ongoing program operations and staffing, unless there is a clear sustainability plan
- Lobbying
- Litigation
- Loans

\* MHEF may consider certain exceptions to these or other limitations on a case-by-case basis.

## CONVENINGS AND COMMUNICATION

Input from thought leaders, funders, and others indicates a need for improved communication, collaboration, knowledge dissemination, and other strategies to “connect the dots” in ways that can enhance health and wellness throughout Michigan. MHEF is convinced that long-term change can only be achieved when health care providers, private funders, policy makers, payers, and others work together, and it believes it can play an important role in bringing different groups to the table and leveraging connections to create meaningful impact. The Fund will seek to work through and with grantees and other stakeholders to move the needle on important issues and inform public policy.

The Fund may seek to build public awareness and engage in public policy through some or all of the following approaches:

- Build and showcase effective models that offer tangible examples and evidence
- Increase the knowledge base (e.g., through evaluation reports, lessons learned, white papers, and other relevant data)
- Catalyze leadership development (e.g., through health policy fellowships, network-building, or other strategies)
- Enhance information sharing and public understanding of complex health issues (e.g., through developing journalists’ expertise and capacity)
- Host convenings and conferences focusing on specific issues
- Launch/join funder collaboratives, multi-sectoral coalitions, or other alliances focusing on specific issues (e.g., early childhood)
- Build public understanding of the importance of better health and its impact on costs

## OTHER LEVERAGING STRATEGIES AND THOUGHT LEADERSHIP

MHEF intends to leverage its work by drawing upon the expertise of thought leaders in the fields of health policy, public health, aging, and mental health. In the future, the Fund expects to engage external thought leaders in a number of different roles which could include, but are not limited to, providing input and advice on identifying potential strategies and opportunities for impact, identifying and vetting potential funding opportunities, and evaluating proposals and strategic initiatives.

As the Fund moves forward with implementation of its strategic plan and builds its internal infrastructure, it will seek the expertise of individuals on an ad hoc basis, as appropriate.

The Health Fund will also seek to leverage its work through technical assistance to grantees or other organizations who show promising opportunities.



# STRUCTURE AND RESOURCES

## Budget Allocation Guidelines

In 2018, MHEF expects to budget approximately \$29 million for program expenses, including funding for proactive initiatives; responsive grantmaking; and evaluation, communications, and other program-related expenses. Over the next five years, MHEF hopes to gradually increase the program budget to approximately \$35 million by 2020. In the first few years of implementation of this five-year strategy, grantmaking funds will be limited due to the Fund’s requirement to fulfill its Medigap obligations of \$120 million.

ALLOCATION OF PROGRAM BUDGET\*

Budget Area	2018	2020
Proactive Initiatives	\$24 million	\$29 million
Responsive Grantmaking	\$3.5 million	\$4 million
Evaluation, Communications, and Other Program-Related Expenses	\$1.5 million	\$2 million
<b>TOTAL</b>	<b>\$29 million</b>	<b>\$35 million</b>

\* Does not include costs for staff or other administrative expenses.

## Staffing Parameters

The Fund’s staffing structure will be driven by what is needed to implement this strategic plan and make progress towards the Fund’s overall mission and goals. While the Fund intends to operate with a lean staffing model, the Board will look to the CEO to determine how best to operate within the budget, and what types and numbers of staff are needed to effectively implement the approved strategy.

## Length of Funding

The Fund will provide grants covering up to a two year project timeline. The Health Fund may also provide no cost extensions for grantees who may need more time or to provide time for unforeseen project issues. Consistent with the Fund’s enabling legislation, the Health Fund may not provide grants that extend beyond three years

## EVALUATION AND LEARNING

MHEF is committed to operating as a learning organization that constantly seeks to better understand needs and opportunities, reflects upon the impact of its grants and related efforts, and systematically considers how the Fund can increase its impact over time. To achieve these goals, the Fund will ensure that the following qualities are incorporated into its work:

- Continuous research and learning to identify community needs, and to design initiatives and strategies to address those needs that fit the Fund’s mission, goals, strategies, and guiding principles.
- Use evaluation to support its goal of operating as a responsible, accountable and effective grant maker. To that end, MHEF seeks to integrate evaluation into the overall work of the organization. Specifically, the Fund’s evaluation goals include:
- Generate Knowledge: Use information to guide program improvements
- Tell the Story: Share evaluation results broadly to inform future actions by many groups.
- Be Accountable: Assess the effectiveness of our grant making against the Fund’s Strategic Plan, Mission and Vision.
- Inform Policymaking: MHEF uses evaluation results to influence health policy and health delivery transformation within Michigan.

More specifically, primary purposes of the Fund’s evaluation efforts are to:

- Monitor specific grants and projects, and track progress towards stated short-term goals and objectives.
- Assess the extent to which philanthropic strategies are implemented effectively.
- Make improvements over time based on what is learned through experience and evolving programming.
- Evaluate short-term and longer-term outcomes of philanthropic efforts and determine whether to continue and build on existing efforts, modify strategies to enhance effectiveness, or change course.

The Fund’s evaluation plan details the overall goals, principles, and strategy related to our evaluation activities.

# APPENDIX A

## TPI Thought Leader Conversations and Idea Lab Participants

- Renee Canady, CEO, Michigan Public Health Institute
- Andrea Cole\*, Executive Director, Ethel & James Flinn Foundation
- Rob Collier, President and CEO, Council of Michigan Foundations
- Mary Ellen Kullman, Vice President, Archstone Foundation
- Linda Evans, President and CEO, Meadows Foundation
- John Feather, CEO, Grantmakers in Aging
- Barbara Ferrer\*, Chief Strategy Officer, Kellogg Foundation
- Marc Freedman, Founder and CEO, Encore.org
- Claire Gibbons, Senior Program Officer, Robert Wood Johnson Foundation
- Jim Haveman, Board Member, Blue Cross Blue Shield of Michigan Foundation; former Director, Michigan Department of Community Health
- Amy Heydlauff\*, Executive Director, 5 Healthy Towns Foundation
- Joan Ilardo\*, Executive Director, Michigan Aging Education Collaborative, Michigan State University
- Anthony Iton, Senior Vice President of Health Communities, The California Endowment
- James Kimmey, MD, Executive in Residence, St. Louis University; former President and CEO, Missouri Foundation for Health
- Geralyn Lasher, Senior Deputy Director, External Relations and Communications, Michigan Department of Health and Human Services
- Jim Lee\*, Vice President and Director, Systems Research & Initiatives Group, Altarum Institute
- Larry Levitt, Senior Vice President for Special Initiatives, Kaiser Family Foundation
- Peter Lichtenberg, Director, Institute of Gerontology and the Merrill Palmer Skillman Institute; Founding Director, Wayne State University Lifespan Alliance
- Octavio Martinez, Executive Director, Hogg Foundation for Mental Health
- Phyllis Meadows, Senior Fellow, Health, Kresge Foundation
- Faith Mitchell, President and CEO, Grantmakers in Health
- Janet Olszewski\*, Senior Director for Strategic Initiatives and Public Policy, Consumers Mutual Insurance of Michigan; former Director, Michigan Department of Community Health
- Jeff Padden, Founder, Public Policy Associates
- Peter Pratt, President, Public Sector Consultants
- Chris Priest, Deputy Director, Medical Services Administration, Michigan Medicaid & Medical Services Administration
- Bonnie Stanton\*, MD, Vice Dean of Research, Wayne State University School of Medicine
- Julie Stoumbos, Program Officer, Henry & Marilyn Taub Foundation
- Marianne Udow-Phillips, Director, Center for Healthcare Research & Transformation (CHRT)
- Tom Watkins\*, President and CEO, Detroit Wayne Mental Health Authority
- Eden Wells\*, MD, Chief Medical Executive, Michigan Department of Health and Human Services; Clinical Associate Professor and Director of Preventative Medicine, University of Michigan School of Public Health
- Tim Wintermute\*, Consultant; former Executive Director, Luella Hannon Foundation
- Lynda Zeller, Deputy Director, Behavioral Health and Developmental Disabilities, Michigan Department of Health and Human Services
- Susan Zepeda, President and CEO, Foundation for a Healthy Kentucky

*\* Participated in the TPI November 2015 Idea Lab.*

*All affiliations listed are as of November 2015.*





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**ENDOWMENT FUND**

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