BROADSTREET
Impact Services

Equitable Health Fund: Impact Thesis

The Equitable Health Fund's ("Fund") primary purpose is to expand access to health care, create jobs, and revitalize communities by providing New Markets Tax Credit ("NMTC") equity financing for the construction, rehabilitation, and operation of health facilities in low-income areas. In addition, the Fund will and provide grants for programs addressing the social determinants of health ("SDOH").

Challenge

Lack of investment: Low-income communities have far less private investment than wealthier communities: it is estimated that communities with poverty rates of 20% or more would need $156 billion annually to achieve the average investment level of communities with poverty rates below 20%. The NMTC Program was created to drive private capital into these communities to create opportunity, build community assets, and increase economic activity.

Lack of access to healthcare: Low-income individuals are more likely to be unemployed or in jobs that do not provide health insurance or offer only high-deductible plans. Nearly a quarter of Americans have reported to skip medical care because of costs,[1] and individuals without insurance are less likely to receive preventative care and treatment for chronic conditions.[2] Low-income, medically underserved communities, whether urban or rural, often have poorer overall health status and a lower life expectancy compared to areas with good access to health resources.[3]

Additionally, low-income communities are disproportionately home to people of color due to racist historic and current policies and practices. In 2019, 16 percent of people of color lived in high-poverty neighborhoods compared to 4 percent of the white population.[4] People of color are disproportionately likely to experience lower rates of health insurance coverage[5] and worse health outcomes—including higher rates of infant mortality, obesity, and heart disease and stroke.[6]

Social determinants of health: Health care only addresses one part of an individual's health.[7] Social and economic factors, such as housing, access to healthy food, education level, employment, and income, among many others, can contribute as much to health outcomes as behaviors such as smoking, diet and exercise. Investing in health care alone will not solve the complex health challenges that individuals and communities across the country face; investment is also needed in workforce development, safe and affordable housing, healthy food resources and other programs and organizations address the social determinants of health (SDOH). Achieving health equity requires active partnership across sectors, including healthcare, transportation, education, businesses, and nonprofits, to name a few.

Contribution

The Fund will provide NMTC equity to qualifying healthcare service assets—such as Federally Qualified Health Centers ("FQHCs"), hospitals, and primary care providers—to address the health and health care needs of low-income communities. The Fund will prioritize those transactions that address the needs of BIPOC individuals and communities. The Fund will also seek opportunities to address specific community needs and gaps in healthcare services, such as recent hospital closures, and work collaboratively with others addressing social determinants of health in the community. NMTC equity provides numerous financial benefits for borrowers, including closing funding gaps, lowering project interest rates, and forgiving loans at the end of the NMTC compliance period.

In addition to NMTC equity, the Fund will provide grants to financed health centers and community-based organization partners that serve the patients and local community to start and/or expand programs and partnerships to address the SDOH. Such programs could include community health workers who screen patients for housing, food, transportation, and employment; programs that co-locate health services in affordable housing developments; Financial Opportunity Centers ("FOCs") that offer career and financial coaching services; and other programs that connect patients and local residents with access to employment training, healthy food, safe housing, etc. More examples of opportunities for grant funding are detailed in Exhibit A.

The Impact

Stakeholder	Short-term[8]	Medium-term[9]
Borrowers	• Access to flexible, catalytic capital to open new facilities, expand existing facilities and offer new services • Ability to invest in new facilities and/or services they otherwise could not provide ("but for")	• Increased patient base • Stabilized revenues and performance • Improved quality and comprehensiveness of care
Patients & Local Residents	• Increased access to quality, affordable healthcare for medically underserved people, particularly people of color • Increased access to programs, goods, and services that address the social determinants of health	• Improved patient health outcomes • Improved patient quality of life[10]

Outputs: In the short term, the Fund will advance progress towards expanding healthcare access by:

1. Investing in new and/or expanded health centers serving low-income communities and disproportionately patients of color; and
2. Providing grant funds to health centers to launch and/or expand programs and partnerships that address the SDOH.

Progress will be measured annually and tracked over time using a variety of metrics, including, but not limited to (IRIS+ reference included where applicable):

1. Healthcare Facilities Financed (PI1017)
2. Product/Service Description (PD7899)
3. Client Individuals: Total (PI4060) – Measuring both patients served in health facilities and clients served through SDOH programs
    a. Client Individuals: Provided New Access (% Low-income, % BIPOC)
4. Patients Screened (% Low-Income, % BIPOC) (PI6845)
5. Patients Completing Treatment (% Low-income, % BIPOC) (PI5060)
6. Health Intervention Completion Rate (PI3902)

Outcomes: Broadstreet will recommend outcome 3-5 measures, selected in collaboration with United Healthcare, that the Fund will track for all projects. The Fund will leverage United Healthcare's data analytics capabilities to measure outcomes.

1. Patient Health Outcomes
2. Patient Quality of Life
3. Improvement in Clinical Quality and Comprehensiveness of Care[11]

Risks

We have identified the following as a potential risk that will prevent the Fund from achieving its intended goals:

1. The ongoing COVID-19 pandemic could impact patients' health and their ability to access care.

This risk is mitigated by many facilities having invested in telehealth capabilities. However, reimbursement for telehealth visits remains an issue, and the Fund's targeted patient population may face additional barriers in regularly using telehealth, such as limited internet access. SDOH grants may be able to support increased access to telehealth to mitigate this risk.

Appendix

[1] Leonhardt, Megan. “Nearly 1 in 4 Americans are skipping medical care because of the cost.” CNBC, March 12, 2020.

[2] “Access to Health Services.” Healthy People 2030. The Office of Disease Prevention and Health Promotion.

[3] “Left Out: Barriers to Health Equity for Rural and Underserved Communities.” The Committee on Ways and Means Majority, U.S. House of Representatives, July 2020. 4.

[4] National Equity Atlas. Accessed Oct 26, 2021, available at https://nationalequityatlas.org/indicators/Neighborhood_poverty#/.

[5] Artiga, S.; Hill, L.; Orgera, K.; & Damico, A. “Health Coverage by Race and Ethnicity, 2010-2019.” KFF, July 16, 2021.

[6] Baciu A.; Negussie Y.; Geller A.; et al. “The State of Health Disparities in the United States.” National Academies of Sciences, Engineering, and Medicine; Health and Medicine Division; Board on Population Health and Public Health Practice; Committee on Community-Based Solutions to Promote Health Equity in the United States, January 11, 2017.

[7] Artiga, S. & Hinton, E. “Beyond Health Care: The Role of Social Determinants in Promoting Health and Health Equity.” KFF, May 10, 2018.

[8] Expected to primarily occur within the first year after capital deployment.

[9] Expected to primarily occur between one and five years after capital deployment.

[10] See more information here about measuring Quality of Life: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1120435/.

[11] As reported by project sponsors and where available.