

# Business Case Stories

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## ACTION COLLABORATIVE ON BUSINESS ENGAGEMENT IN BUILDING HEALTHY COMMUNITIES

Businesses influence health and its determinants through a variety of mechanisms as employers, through their products, and as financial investors in their communities.

Each story contains insights about what motivates business engagement in building community health and explains successes, and shares lessons that can inspire and instruct others.

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*This piece was developed by the Action Collaborative on Business Engagement in Building Healthy Communities, an ad hoc activity associated with the Roundtable on Population Health Improvement at the National Academies of Sciences, Engineering, and Medicine (the National Academies). The piece does not necessarily represent the views of any one organization, the Roundtable on Population Health Improvement, or the National Academies and has not been subjected to the review procedures of, nor is it a report or product of, the National Academies.*

## Kaiser Permanente

### Moving Community Health Needs Assessments Upstream

*Aligning Business Imperatives with Community Needs*

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### What was Kaiser Permanente seeking to accomplish?

At Kaiser Permanente (KP), we recognize that the health of our members depends on much more than health care alone. Since KP's inception in 1945, the organization's leaders have understood that health, quality of life, and longevity are profoundly influenced by economic, social, and environmental factors that surround people in the communities where they live, learn, work, and play. In fact, these social determinants of health are often more powerful predictors of health than the medical care we offer in our clinics and hospitals. Our mission and vision reflect this reality, aiming to provide high-quality, affordable health care services and improving the health of our members and the communities we serve. Our vision includes creating communities that are among the healthiest in the nation.

Like other health systems, KP has many organizational assets to leverage in support of this goal. These include our portfolio of health care services; partnerships with schools, cities and health departments, economic opportunities (e.g., affordable housing, workforce development); employee volunteering; and grant-making. As meaningful as these investments may be for individuals, partners, and communities, they are dwarfed by what *could be possible* if we are able to leverage organizational assets and internal partners throughout the broader enterprise.

With \$72.7 billion in annual revenues, over 12 million members, over 210,000 employees, and hundreds of facilities (including 39 hospitals and 680 medical offices in 8 regions throughout the country), routine operational decisions have the potential to improve the health of communities more significantly than many other strategies. Across KP's national functions--including procurement and supply, environmental stewardship, facility services, human resources, and technology--we see untapped opportunities to improve community health by aligning all of our internal and external strategies toward improving the health of the communities we serve.

### **Moving Community Health Needs Assessments (CHNAs) Upstream.**

CHNAs offer a way to continually understand our communities' needs, explore the best ways to address them, engage internal and external health partners, and bring it all together--with all we have. To stimulate innovative ideas and conversations about what this could look like, we developed a menu of options of sample strategies for leveraging KP assets to meet community health needs, starting with several of the most commonly prioritized health needs across CHNA service areas. These needs included economic security, access to care, behavioral health, and the chronic disease cluster of obesity and diabetes. We incorporated applicable strategies into our Implementation Strategy (IS) reports, so that we could continue to build the most impactful response to address community needs and hold ourselves accountable to using as many resources as possible to make an impact on our community health needs.

The menu compiled a mix of existing and aspirational strategies in three functional areas:

- Human Resources
- National Facility Services/Environmental Stewardship
- Buy 2 Pay (Procurement)

For example, potential strategies to address economic security for procurement included:

- Execute policies and standards to procure supplies and services from diverse suppliers/service providers
- Work with vendors to support sub-contracting with diverse suppliers/service providers

- Support diverse suppliers/service providers that hire under/unemployed residents (with living wages and benefits)
- Target neighborhoods/populations. Work with National Supplier Diversity team to scan service area, identify current supplier needs/gaps, and identify/recruit new and suppliers/service providers
- Build capacity in target neighborhoods/populations. For example, recruit business owners to attend Supplier Diversity University, which includes workshops on "how to do business with KP"
- Make financing available, including micro-grants and micro-loans to incumbent and potential suppliers/service providers

Similarly, facility management and environmental stewardship functions that simultaneously address obesity/diabetes included:

- Build spaces that are open to the public, blurring the lines between community and facility, including gardens, picnic and public event areas, outdoor group meeting spaces, educational gardens, and meditative spaces
- Include exercise and bicycle paths, par-courses, and children's play areas, whenever possible
- Place and activate staircases to promote their use
- Support spread of farmers markets at KP facilities
- Make KP facilities and land available for growing and processing healthy food (e.g. rooftops for community gardens or use of kitchen facilities)
- Implement healthy vending machine policies
- Remove deep-fat fryers from KP facilities

Stakeholder members:

- KP's Community Health teams across regions, which are responsible for local Community Benefit, including grant-making and CHNAs
- KP's national functions, which include internal partnerships with Human Resources, National Facility Services/Environmental Stewardship, and Buy 2 Pay (Procurement)
- KP's local partners who participate in and benefit from Community Health investments driven by CHNAs, including public health departments, cities, employers, schools,

workforce development initiatives, other hospitals and community-based organizations

## Why and how was the program conceptualized?

Prior to 2016, we did incorporate the leveraging of organization assets into our Implementation Plans, but our attempts to identify strategies that leveraged organizational assets in service of health needs were weak. Previous strategies involved sharing intellectual capital or having physician champions in our communities, but we knew there was more that could be done to harness the assets of the broader organization, not just Community Health resources. The CHNA process presented a great opportunity to highlight existing partnerships and to push us to further develop these efforts. Even more, it engaged the broader organization in how their work could not only address KP's business imperatives but also intentionally improve the health of our communities.

By aligning health needs identified via the CHNAs carried out where KP has a presence, with the many ways that KP's functional areas are already addressing community health, the menu of options described above encourages facilities, regions, and national functions to work together on the shared goal of addressing determinants of health at the community level.

For the ongoing CHNA/Implementation Strategies (IS) process, the menu of options was designed in part to help teams document and acknowledge work already underway, which they may not have been aware of, or seen as directly tied to, the identified health needs. More important, it was intended to build out and/or align new strategies for how organizational assets could be deployed while informed by community data and priorities. For future efforts, the menu was designed to stimulate new ideas about potential "two-fers"--sweet spots in which CHNA and Community Health goals could be addressed simultaneously, along with enterprise-wide goals such as community engagement, institutional partnerships, and climate strategies. For example, with economic security a top priority across 17 (out of 42) KP service areas, it makes sense to support local vendors that hire under/unemployed residents. The residents can earn living wages and benefits in industries such as food production or distribution, local vendors gain revenue and longevity, and both individuals and communities are better off--economically and in terms of health outcomes. Other examples of this sweet spot in which CHNA and Community Health

goals could be addressed simultaneously include addressing obesity by partnering with National Facility Services to incorporate walking trails and active transportation into facility planning or by partnering with Buy 2 Pay (Procurement) to purchase sustainable foods, including local fruits and vegetables.

## How did KP define priorities?

Priorities were drawn from an analysis of CHNAs completed across KP service areas in 2016. The analysis showed that four community health needs--access to care, behavioral health (including mental health and substance use), obesity/diabetes, and economic security (including housing and education)--were the most common priorities across all KP service areas.

## Who are your partners and stakeholders?

The menu of options to encourage more substantive investments to address community health needs was developed by the Community Health team in close collaboration with internal partners in Human Resources, National Facility Services/Environmental Stewardship and Buy 2 Pay (Procurement) and with strong support from KP's senior leadership team as well as local input from Community Health staff leading the local CHNA processes. We continue to engage stakeholders across the enterprise to develop new strategies and refine and expand existing strategies that align business imperatives with community needs and we expect this to grow stronger over the years. We have gained quite a bit of traction with the health need of economic security where the organization seems to be most engaged. As we head into the next CHNA round, we expect to bring new data, community input and revised health needs to further the conversations of what is possible and leverage even more of our assets, mission and individuals' passions.

## What is the decision-making process like?

The CHNA process starts from the ground up, highlighting what's driving health in KP's communities and prioritizing those issues that require the most urgent attention. Hospitals work with community partners, including other health systems and community members to prioritize health needs and inform solutions. Identifying opportunities for alignment between our CHNA health needs and the work of our internal partners (Human Resources, National Facility

Services/Environmental Stewardship, and Buy 2 Pay/Procurement) started in a different way. The movement to articulate existing and potential alignment between our CHNA health needs and our business functions started at the national level and permeated. The national Community Health staff started conversations with functional leaders and regional CHNA staff about how to deliberately deploy our organizational assets in service of addressing community health needs. The national office encouraged the use of the CHNA process as a vehicle to accelerate applying all KP assets for health, and staff at the local level decided which strategies to highlight in their CHNAs. All of our facilities incorporated these strategies into their reports in some way.

### How is the program managed?

As with any large organization, KP can be very siloed, and this widely distributed effort required intentionally crossing silos and pushing ourselves and our partners beyond our comfort zones. We had to quickly learn how to effectively work with new internal partners in new and iterative ways. We wanted to use the CHNA process to hold ourselves accountable to existing and potential alignment opportunities between our CHNA health needs and our business functions. Final CHNA products are approved by each hospital leadership team, and the final products are adopted by the Kaiser Permanente Board of Directors and available to public.

### How is the program financed?

No single department bears the financial burden. Since the work is distributed across many partners, the financial impact is also distributed widely at the national and local levels. Community Health invests in communities in the hospital footprint as a part of maintaining the hospital's nonprofit status, but this is so much more than that. Here, we are redirecting business assets that typically would be budgeted by each department but are now directed in new ways to intentionally target the communities in greatest need. For example, we procure supplies anyway, but now we would think about how to hire vendors or procure supplies from the "hot spots" in our communities. There may not be an additional cost, but it requires a new way of thinking and doing business and an organization-wide commitment to Community Health. We are exploring the implications of this across all of our Community Health strategy. We are also exploring how we can leverage our size (and purchasing power) to influence community health at a larger scale, for example, partnering with school district

procurement departments to serve healthier food options in our hospitals and schools. These efforts can also be leveraged to address our health needs.

### What is the data collection like?

We track the impact of our investments in our Implementation Strategies (IS), including the number of people reached, dollars invested and outcomes of that strategy for each health need. We developed common indicators across our anchor institution strategies where possible. We document all of this in our IS reports that are available on our website ([www.kp.org/chna](http://www.kp.org/chna)) and submitted to the IRS. In addition to secondary data, we conduct a variety of primary data collection efforts, including community forums to present the data and have community dialogue about community needs, assets, potential solutions and strategies.

We are also attempting to model out the health impacts of these types of strategies to project what is possible in the future. For example, if we hire locally with good jobs, we are attempting to model out the impact on key outcomes, including health and wellbeing of those affected.

### What is your evaluation strategy?

To support community health needs assessments and community collaboration, KP developed a CHNA data platform. Incorporating over 100 community health indicators, the data platform helps a range of users—including KP's local partners—understand the forces driving health outcomes in their neighborhoods and surrounding communities. This resource can also be used to inform business decisions about how best to allocate organizational assets to improve community health. This tool has been designed to help users understand what is driving health in their communities and to prioritize those issues that require the most urgent attention. Ultimately, this can help inform investment strategies and community actions that can make a difference in the health of the communities we all serve.

The data platform generates a standard data report for all KP communities, organized by demographics, key health drivers, and health outcomes. It also offers opportunities to map different indicators, analyze them, and link them to other public data sets and community input to create a comprehensive, accessible portrait of a community's health needs. The data platform is available as a community resource and can be accessed at [www.chna.org/kp](http://www.chna.org/kp). The health needs identified through the CHNA process are then used to develop

specific Implementation Strategy (IS) reports, which are formally adopted for both hospital and non-hospital regions and filed with the Internal Revenue Service (IRS). The IS reports include detailed health improvement goals, expected outcomes, and measures for monitoring them. We report on the impact of those plans in the CHNA report in next cycle.

### What have been some of the challenges faced?

As with any organizational shifts, KP's internal efforts to align CHNAs with national functions across the organization drew some pushback. Even though the overall concept received support, some expressed reservations about overly ambitious community health goals presented in public-facing, formal documents such as CHNAs and their accompanying Implementation Strategies (which are filed with the IRS). Others were concerned about difficulties related to measuring impact, making the Return on Investment (ROI) case without better data, or navigating KP's internal structures, which (as in any large organization) can be somewhat siloed or disconnected. Finally, while not a majority view, some KP staff worried that the organization might be taking on more than its share of "upstream" work to address complex problems. However, this view is countered by pride in KP's leadership role in tackling these issues, often in tandem with other anchor institutions and public health agencies to share responsibility for achieving collective impact in communities across the country.

### What were some lessons learned?

- **Start with a "coalition of the willing."** Interest in the Community Health/CHNA sweet spot was dispersed throughout the organization, but was not always obvious. At least at first, tapping into enthusiasm can get things started, followed by more prescriptive approaches.
- **Emphasize mission and purpose.** KP is fortunate to have a long-standing mission and vision that align strongly with community health goals. Lifting up this aspect of the organization's purpose is meaningful to staff and partners--perhaps especially to those who are less connected to the health delivery side of KP business (e.g., those working in internal functions such as human resources, procurement, and technology).
- **Start with the biggest spending buckets.** Opportunities may be found everywhere, but

construction, repairs, maintenance, human resources, and procurement are areas where even a partial tilt can yield dramatic changes--especially in the most vulnerable "hot spot" communities.

- **Find even more partners outside the organization.** No organization can tackle these issues alone. Anchor institutions are already part of anchor networks. Just as more can be accomplished internally with more departments, levels, and functions on board, so too can more be accomplished with partners who share anchor institution goals.
- **Raise expectations for suppliers.** KP has been successful in focusing its National Supplier Diversity initiatives on women- and minority-owned enterprises. Environmental stewardship, green building standards, sustainable agriculture, support for community nonprofits, and fair hiring practices also have been supported by suppliers, many of whom are long-term business partners.
- **Give credit for existing work and build on it.** Across KP, upstream KP investments to address social determinants of health were already underway, but were not necessarily categorized or labeled that way for CHNA purposes. Recognition of these efforts helps inspire others and creates demand for more of the same.
- **Cross siloes as ideliberately as possible.** Even though multiple conference calls, presentations, and meetings may feel cumbersome, they work--especially in large organizations where random connections are harder to come by. For example, KP's Southern California region has community health improvement committees in every medical service area, with a mandate to identify specific opportunities and partnerships for addressing upstream determinants. These conversations have led to changes in how the region's \$500 million supplier dollars are allocated, with a much greater emphasis on local economic development than in the past.

## What has been a pleasant surprise?

There has been so much enthusiasm from the national functions within KP about directing their work toward community health needs. We did not have to sell it at all. However, the devil was in the details of rolling it out at scale.

Some long-standing and very rational organizational imperatives--such as finding the lowest-cost vendor, recruiting staff efficiently from past sources, or taking advantage of economies of scale by procuring supplies nationally instead of locally or regionally--may make it more difficult to align organizational investments with community health goals. Community health returns on investment require a long view--in some cases, decades long. Making the Return on Investments (ROI) case for these decisions has been surprisingly difficult, but we can easily recount case studies where seemingly small investments can have

significant impacts on businesses and residents in our communities.

## Final thoughts...

Like other anchor institutions rooted in the communities they serve, KP's investments in moving CHNAs upstream make sense on multiple levels.

KP employees are proud of our role in addressing social determinants of health. At all levels of the organization, it makes us feel more connected to our work and part of a larger shared purpose, true to our organization's vision and mission. It also serves as a market differentiator in a competitive sector.

Large organizations may not realize the power they have to influence community health. When that power is wielded with intention and purpose across a large organization and across many regions and communities, the community health "needle" may finally begin to move

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*\*This case story was submitted by Pamela Schwartz, the perspectives and opinions presented here are solely those of the author.*

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## ABOUT THE COLLABORATIVE

The [Business Collaborative's](#) purpose is to catalyze and facilitate private sector partnerships and actions of business, health, community, and public sectors to work together to enhance the lives of workers and communities by improving the nation's health and wealth.



The Business Collaborative thanks the businesses who have contributed to this project.