

Researchers create database to examine vast resources of health legacy foundations

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Local communities can expect the number and asset size of philanthropic foundations to increase, due to the rise in health care consolidations driven by health care reform. In the past, assets of this kind may have been underused and at times, even undocumented. A new database created by UNC Charlotte researchers can help bridge this gap.

"Health care reform heightens the importance of identifying and maximizing existing community resources," say researchers Sabrina Jones Niggel and William P. Brandon in their report, "Health Legacy Foundations: A New Census," published in the GrantWatch section of the January 2014 issue of *Health Affairs*. Niggel is a [doctoral candidate](#) in Health Services Research in the College of Health and Human Services, and Brandon is the Metrolina Medical Foundation Distinguished Professor of Public Policy on Health and a professor of political science in the College of Liberal Arts & Sciences.

In their work, they undertook a systematic search for foundations created with proceeds from nonprofit health care sales and other transactions. Information from this search resulted in a comprehensive database with 306 "health legacy foundations" in 43 states. Prior to their research, Grantmakers In Health maintained the only database of these type foundations, listing 155 when they last reported on them in 2009. The new database includes critical information such as location, date established, asset values and grant awards, geographic service areas, and the foundations' tax-exempt status.

The UNC Charlotte researchers' database not only identifies existing resources, it also sets the stage for marking new or newly expanded foundations. Recent times have seen a resurgence in hospital deals, which "likely presages another surge in new health legacy foundations, as did the wave of health care mergers and acquisitions in the early 1980s and mid-1990s," they say. Over the past three decades, nonprofit health care entities often have struck agreements with for-profit firms to sell, lease, merge or otherwise change their assets. These changes have resulted in billions of dollars nationwide in charitable assets, most often managed through the creation or expansion of philanthropic foundations.

In 2010, the same year the Affordable Care Act was enacted, health care institutions announced 77 deals, the most since 2001, research shows. The two following years, 2011 and 2012, saw 92 deals and 94 deals for a total of 263 agreements.

The researchers also considered the "extraordinary" potential for the foundations to address health-related matters, as a result of their concentration in the South, with its higher rates of health conditions such as cancer, heart disease, obesity and stroke. The foundations for the most part have committed to grant-making in the [local communities](#) where the converting hospital often was the only hospital. They at times also have chosen to provide capacity-building grants to help struggling charities stay afloat, especially during the Great Recession, the research indicates.

Niggel and Brandon also contend that while local community members at times oppose the sales of their nonprofit hospitals, such sales may stabilize the facilities. If they stay open, they continue to provide health care; the economic capital that generates jobs and provides health services continues or expands; new social capital comes into the community through the foundations; and human capital grows due to the foundations' and grantees' need for expanded skills. Such transactions also can free up local assets tied up in buildings and equipment and move

them to where they can be reinvested in liquid assets devoted to community needs, they suggest.

The researchers also suggest that consideration of the adoption of the more comprehensive generic term "health legacy foundation" is a way to foster more precise thinking of the variation in the diverse but related phenomena occurring in these health care mergers and other consolidations.

For now, a new, more comprehensive database exists to help communities nationwide better understand local resources. In the future, more study of these unique philanthropic entities could shed more light on trends in health and [health care](#) philanthropy.

Provided by University of North Carolina at Charlotte

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