Moving beyond “hope”

Systemic change in an era of health policy reform

HNH Foundation
2009 Annual Report
The HNH foundation formed in October of 1997 as the result of the merger between Blue Cross/Blue Shield of New Hampshire and Matthew Thornton Health Plan. The creation of a foundation, organized and operating exclusively for charitable purposes, was a provision of this merger.

Our primary mission, which we seek to fulfill through our grantmaking, is to help nonprofit organizations working to evaluate and promote access to health and dental coverage for New Hampshire’s children, as well as promote healthy lifestyles. We believe this work is an important way to help ensure a better future for all of us.

For additional information about our work to meet our mission over the past twelve years, please see our website, or call the HNH foundation office.
At the center of our 2009 Annual Report is a sense of real progress in how our state and nation understand access to health and healthcare. Despite all the rancor and worry emanating from some quarters about healthcare reform, the passage of the “Patient Protection and Affordable Care Act” in March 2010 provides some heartening signs that the political and social wheels of change are finally beginning to turn.

Though restrained in its scope—and more focused on reforming an industry than in reforming a system—the passage of this legislation represents, we believe, a crucial first step in what will be a long and undoubtedly fractious journey toward actual systemic change in our nation’s healthcare delivery system.

Systemic change is difficult by definition, and can rarely be accomplished all at once. It is a cyclical process in which the impact of change on all parts of the whole, and their relationships to one another, is taken into consideration. When considering health and healthcare, systemic change is a bit revolutionary. It is about reflecting, rethinking, and restructuring everything.

Moving beyond “hope” is mostly about appreciating the fact that the journey has truly begun, and that more people and organizations than ever before are actively involved and influencing our destination.

We believe that all of you, our community of partners, are on this journey with us, and encourage your continued engagement as together we shape our health and healthcare future.
Dear Friends:

There are moments during times of transformation when the “fear of change” begins to drop away, and an increasing number of people begin to make the connections that will eventually make real change possible. Despite the raucous and often irrational healthcare debate we experienced this year, I began to have some real hope that the political and social platform for creating actual systemic change in our state and nation’s health policy is finally being established. While we’re still far from achieving the goal, I do believe that some of the pieces are beginning to fall into place.

National health reform is certainly one important aspect of this change. Even when we consider all the shortcomings of the reform bill recently signed into law, there has been no other piece of legislation since the passage of Medicare that has so thoroughly focused our collective national energies on health. We’ve been able to explore as a nation what health is, and what it isn’t—and we’ve also been educated about the inadequacies of an unregulated, privately controlled healthcare system that denies access to 47 million Americans.

No matter how one may have felt about the reform legislation that has been debated in Washington over the past year, I’ve found some small degree of hope in the simple fact that more people than ever before were paying attention to the issue and getting involved.

Along these lines, in 2009, the HNHfoundation took an important step in recognizing the crucial role that collaborative advocacy plays in reaching our goals. Our 2009 grant to support NH Voices for Health (see page 9) will help to coordinate the work of advocacy organizations throughout the state to support public policy solutions that will increase access to quality, affordable healthcare coverage. Emphasizing the values of collaboration and networking, NH Voices for Health exemplifies the power inherent in coordinated “group effort,” and has already shown its effectiveness in helping our elected officials understand the impact of their decisions on the health of New Hampshire residents.

At the HNHfoundation, we’ve been working for years to improve access to health and dental insurance coverage for New Hampshire’s children. But we also recognized years ago that mere access to the healthcare system didn’t guarantee health. There are also significant problems in our food delivery system and our “built” environment that either foster or inhibit our ability to live healthy lives. I’m extremely pleased that the HNHfoundation was one of only 15 foundations in the United States to receive an Innovation Fund Grant in 2009 from The Convergence Partnership (see page 8) to begin addressing some of these key systemic issues that can stand in the way of living a healthy life.

One of the things I am most proud of concerning this grant is that a national group of grantmakers (see page 8) recognized the HNHfoundation as a state-based organization that has an impressive résumé for successfully brokering a range of local collaborative efforts over the years. In making the award, The Convergence Partnership singled out the NH HEAL (Healthy Eating, Active Living) Campaign as one of the best and most comprehensive strategies for addressing healthy eating and active living issues in the nation. Who says that we can’t work together to create positive change?

The Convergence Partnership grant, which the HNHfoundation plans to enhance with additional support, will focus program initiatives in Manchester over the next two years. Creating a healthier environment here, in one community, will help us to not only make clear the numerous environmental and policy challenges we face, but also serve as a strategic template for other communities who are seeking a “roadmap” for creating a healthier environment for their residents.

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One of the gifts of preparing our Annual Report each year is that it provides the opportunity to step back from the multiple and often diversionary challenges we face at the Foundation on a daily basis, and see our work in a broader context. From this vantage point, we can acknowledge and celebrate the fact that we’ve taken important steps toward real healthcare reform, and we can also recognize that there is still much to do in fulfilling our mission.

Perhaps the place where I have found the most hope in achieving our goals is in our ever-growing network of colleagues and friends who are not only able to “step back” with us—and see the impressive accomplishments of our journey together—but to also actively engage in the thoughtful dialogue and debate that leads to greater understanding. This is what can ultimately create strong unified action and change.

More than ever, I appreciate the visionary contributions of the HNHfoundation Board, my colleague Patti Baum, and the countless individuals with whom I’ve worked over the past year to address so many issues both large and small, and move ever-forward in our work to “promote access to quality health and dental insurance coverage and to promote healthy lifestyles for the residents of New Hampshire.”

Sincerely,

Sandi M. Van Scoyoc
President
Dear Friends:

Healthcare reform. It would be difficult to characterize the year 2009 with any other words. At the HNH foundation, we monitored the debate closely, paying particular interest to both the House and Senate versions of the legislation that affected children.

There’s no doubt in my mind that the “Patient Protection and Affordable Care Act” has changed the healthcare landscape. In curbing some of the worst insurance industry practices and strengthening consumer protections, the new law also promises to make coverage accessible to more children and families throughout the United States.

Yet just hours after President Obama signed this bill into law, it was clear to most people who had supported reform efforts that resistance to change is strong, and a significant amount of work remains to be done.

For example, in a March 28, 2010 New York Times article titled “Coverage Now for Sick Children? Check the Fine Print,” it’s clear that the private insurance industry is already ferreting out the loopholes. According to William G. Schiffbauer, a lawyer representing insurance companies, some children with pre-existing conditions can still be denied coverage:

*The fine print [of the law] differs from the larger political message. If a company sells insurance, it will have to cover pre-existing conditions for children covered by the policy. But it does not have to sell to somebody with a pre-existing condition. And the insurer could increase premiums to cover the additional cost.*

Finding new ways to deny care and increase cost has already begun. We know we can’t rely on drug and medical device companies—and public and private insurers—to control costs. And we have also experienced how the private healthcare sector relishes “quantity” while eschewing “quality.” So where do we go from here? What are the next steps?

One of the most interesting aspects of the new law is that it offers the opportunity—through a new Center for Medicare and Medicaid Innovation—to free communities and local health systems from existing payment rules by allowing them create their own innovative plans to deliver care at lower costs. Far from being a government takeover, the success of reform, at this juncture, now seems to rest squarely on the shoulders of local communities and clinicians.

This legislation is saying that ultimately, we are the ones to determine whether costs are controlled and healthcare improves, and whether reform survives and resistance is defeated. While the federal government has opened a door, real healthcare reform remains our responsibility. Is there anything more “New Hampshire” than that?

I also believe that while we can fully acknowledge the historic importance of this new federal legislation, some of us are old enough to remember the extraordinary effort required to fulfill the goals of other “landmark” social legislation in our country’s history (e.g., The Social Security Act of 1935, The Civil Rights Act of 1964, and Medicare in 1965 come to mind).

So, as we enter this new era of healthcare delivery in our nation, I offer this cautionary note: It’s been a landmark year, and with this breakthrough reform legislation, we might be tempted to celebrate. Just remember that the insurance industry and their lobbyists—and the politicians funded by them—are already gearing up to keep health reform legislation as a vanguard issue at least through the next election cycle. For supporters of reform, it’s never been more important to know what is in the bill—and what’s not—so that the ongoing debate can be based in reality.

Message from the Chair

Valerie Long
Chair

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This kind of systemic change is always a process, and takes time. We’ve made it over a crucial hurdle, and we’re headed in the right direction, but there remain many more hurdles in the road ahead.

I am very proud of the work that the Foundation and our grantees have done this past year to keep healthcare reform at the forefront of the policy debate and public dialogue in New Hampshire.

Our grant to the Public Policy Institute, for example, which supports NH Voices for Health (see page 9) reflects a clear commitment by the HNHoundation board to fund public policy and advocacy initiatives that are essential to reaching our long-term goals as a Foundation.

In closing, I encourage you to stay informed and fight the proliferation of misinformation that has swirled around healthcare reform efforts in the past year. I also hope that you will communicate with your elected officials, neighbors, and family about your hopes and concerns, and vote your conscience in the fall 2010 elections.

And as always, I greatly appreciate your support for our work at the HNHoundation as we face the new challenges ahead.

Sincerely,

Valerie Long
Chair
In 2009, the HNHFoundation awarded grants totaling more than $500,000. While the economic picture is brightening a bit (see page 10), the Foundation’s endowment was hit very hard by the economic collapse in the fall of 2008. During the period when new grant decisions needed to be made, the board of directors felt strongly that our multi-year commitments should be fulfilled first. As a result, only two new grants were awarded in 2009.

Despite what would otherwise seem like a disappointing year for our grantmaking initiatives, we are very pleased to report that several of our grantees have shown extraordinary resilience and collaborative savvy during a difficult year. While we made it a priority to fulfill our own multi-year commitments, many other funders could not. We greatly applaud the valuable work that several of our grantee partners have accomplished in 2009 in the face of these funding challenges.

Also, both of our two “new” grants—to the Public Policy Institute of Boston, to support NH Voices for Health (see page 9); and to the Manchester Health Department, which leveraged additional funding from the national Convergence Partnership (see page 8)—hold great promise for furthering both the reasoned discourse in the ongoing healthcare debate, and for learning more about the systemic issues that impact the health of New Hampshire residents.

So, for a year that can be characterized as limiting in one sense, we believe that we’ve not only helped to maintain the important work of our ongoing initiatives, but also break some new ground in how we understand, advocate for, and ultimately create a “healthier” New Hampshire.

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2009 Program Year Grants

To support our mission, the Foundation made grants in our two key priority areas:

- To increase the number of New Hampshire children who have access to health and dental insurance coverage.
- To support initiatives to prevent childhood obesity.

Children’s Alliance of New Hampshire
Grant: $15,000
Area Served: Statewide

This grant provided general operating support to help inform advocates about the impact of federal and state health-related legislation on New Hampshire children and their families.

Foundation for Healthy Communities
Grant: $218,567
Area Served: Statewide

This grant provided project support, community-based grants, website maintenance, and strategic planning to further the work of the New Hampshire Healthy Eating Active Living (HEAL) Campaign.

Franklin Pierce Law Center, Institute for Health Law and Ethics
Grant: $15,000
Area Served: Statewide

This grant provided general operating support to the Institute, an organization that monitors state and federal legislation that affects access to health and dental coverage, and informs policy-makers and healthcare advocates about the real or potential impact of legislation on children and families.

Keene State College
Grant: $98,771
Area Served: Cheshire, Sullivan and Hillsborough Counties

This grant supported the Early Sprouts research project, a multi-year “seed to table” nutrition program targeted toward low-income children (up to age five) and their parents.

Manchester Health Department
Grant: $30,000
Area Served: Manchester

This grant, leveraged with additional funding from the national Convergence Partnership (See page 8), is for project support to implement policy and environmental change strategies that improve the food and built environment in the Center-City neighborhood.

New Hampshire Healthy Kids Corporation
Grant: $50,000
Area Served: Statewide

This grant to the New Hampshire Healthy Kids Corporation enabled this organization, which is the “gateway” to healthcare coverage for many New Hampshire children, to maintain their organizational stability during the year.

The Public Policy Institute
Grant: $50,000
Area Served: Statewide

This grant supported advocacy and public policy activities, to be conducted by NH Voices for Health, to increase access to children’s health and dental insurance in New Hampshire.

We support activities that reduce or eliminate obstacles that restrict or prevent enrollment and retention in New Hampshire’s Children’s Health Insurance Program.
The Convergence Partnership

Transforming four neighborhoods in Manchester

The Convergence Partnership is a collaboration of six national funders (see box at right) with a shared goal: changing policies and environments to better achieve the vision of healthy people living in healthy places.

In December 2009, it was announced that the HNHfoundation was one of 15 nonprofit organizations in the United States to receive funding from the Convergence Partnership to pilot a two-year project in Manchester.

What’s so unique?

The goal of the Convergence Partnership is to change policies and environments to better achieve the vision of healthy people living in healthy places.

What does it mean to promote health? It means creating environments—neighborhoods, schools, childcare centers and workplaces—that support healthy decisions. It requires changes in both the food environment—including how food is grown, processed, distributed, and sold—and the physical environment—from how neighborhoods are built to the transportation systems that serve them.

Project goals

The project has identified four target neighborhoods in Manchester to focus its efforts, and has two key goals:

- To create safe neighborhoods that support physical activity as part of everyday life.
- To ensure that fresh, local, and healthy food is available and affordable in these target neighborhoods.

The first year of the project will focus on the built environment, and the second year of the project will focus on the food environment.

Why Manchester?

As the largest urban area in northern New England, Manchester is also the most racially, ethnically, and culturally diverse area in New Hampshire. The target neighborhoods were selected based on research that evaluated coronary heart disease mortality and neighborhood deprivation. The target neighborhoods were found to have 1.5 to 2.0 times greater heart disease mortality than other neighborhoods in Manchester, and 70 percent of the variation was determined to be neighborhood deprivation.
New Hampshire Voices for Health
Collaborating to build a strong advocacy network

New Hampshire Voices for Health is a network of nonprofits, community groups, advocacy organizations and concerned individuals who share a common goal: Affordable, accessible, and quality health coverage for all New Hampshire residents. The network currently represents over 200,000 members, consumers, and constituents.

The 2009 HNHfoundation grant to the Public Policy Institute, an organization that provides technical assistance and other support to the New Hampshire Voices for Health project, helped support New Hampshire Voices during a crucial year of health reform discussion and debate—both at the New Hampshire statehouse and in Washington DC.

While the network does not currently endorse any one particular path to universal health coverage, organizations within the network work together on specific policy reform initiatives, and continually seek collaborative opportunities to eliminate redundancy and coordinate research, message development, fundraising, and outreach efforts.

To learn more about NH Voices for Health, become a member, find out about current campaigns, recent legislative victories, and pending policy initiatives, see www.nhvoicesforhealth.org.

Interesting and Noteworthy: 2009

- The Healthy Smiles/Healthy Growth Survey, jointly funded by the HNHfoundation and Northeast Delta Dental, was released in December 2009.

- Mr. Harry Schibanoff, founding board chair of the HNHfoundation, retires. See page 12.

- The Report from the Legislative Commission for the Prevention of Childhood Obesity was released in November 2009. Sandi Van Scoyoc, president of the HNHfoundation, and representing the Citizens Health Initiative, served on this commission, and was an important voice in the policy recommendations included in the report.

- In a report released by Families USA in September 2009, health insurance premiums for New Hampshire’s working families increased by an average of 92 percent between 2000 and 2009, growing 4.3 percent faster than median annual earnings over the same period.

- In December 2009, four representatives from the NH HEAL Campaign were invited to Oakland, California for a selective national meeting of HEAL collaborations. Pictured here (l-r) are Mr. Steve Miller, private consultant to the NH HEAL Campaign and Executive Director of the Department of Nutrition’s Healthy Weight Initiative at the Harvard School of Public Health; Ms. Sandi Van Scoyoc, President of the HNHfoundation and funding partner of the NH HEAL Campaign; Dr. Richard Lafleur, Medical Director of Anthem Blue Cross Blue Shield, Co-Chair of the NH HEAL Leadership Council, and funding partner of the NH HEAL Campaign; and Mr. Terry Johnson, NH HEAL Director at the Foundation for Healthy Communities.
From the Treasurer:

The year 2009 was marked by the most precipitous economic decline in recent American history. The HNHfoundation was hardly unique in witnessing the erosion of its endowment. Nevertheless, thanks to wise stewardship of its resources, farsighted investment policies, and the watchful oversight of a dedicated board of directors, the Foundation has weathered the storm remarkably well.

As markets plummeted by more than 50 percent during the winter of 2009, the value of the HNHfoundation endowment declined by less than one third. Nevertheless, for a small Foundation like ours, this was an enormous blow to our assets.

I’m pleased to report that we have recovered a portion of that loss during 2009, and are cautiously hopeful for steady improvement in 2010.

Also of note, the Foundation made some significant cuts in operating expenses to help maintain current and ongoing commitments to our grantees. Administrative expenses were reduced by 27 percent. As a result, we were able to meet all our multi-year obligations to grantees in 2009.

It cannot be overstated how much of the Foundation’s vitality is due to the careful stewardship of resources. The mission of the Foundation is to invest these resources to help nonprofit organizations working to evaluate and promote health and dental coverage and healthy lifestyles for New Hampshire’s children.

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In the conscientious investment of resources (where a balance must be struck between caution and risk), our board has taken to heart one of its most crucial responsibilities. Fiduciary oversight and sound investment policies are not often the stuff of exciting annual reports, but they are essential to the ongoing story of the HNHfoundation.

Submitted by:

Barbara T. Reid
Treasurer

<table>
<thead>
<tr>
<th>Statement of Activities and Changes in Net Assets</th>
<th>Year ended December 31</th>
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<tbody>
<tr>
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<td>2009</td>
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<tr>
<td><strong>Unrestricted Net Assets</strong></td>
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<td>Unrestricted revenues (losses) and other support:</td>
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<tr>
<td>Interest and dividend income</td>
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<td>Realized and unrealized gains (losses) on investments</td>
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<tr>
<td>Total unrestricted revenues and (losses)</td>
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<tr>
<td>Net assets released from restrictions for satisfaction of program restrictions</td>
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<tr>
<td>Total unrestricted revenues (losses) and net assets released from restrictions</td>
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<tr>
<td><strong>Expenses</strong></td>
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<td>Grants</td>
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<td>Salaries and benefits</td>
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<td>Professional services</td>
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<td>Printing, stationery and supplies</td>
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<td>Other expenses</td>
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<td>Increase (decrease) in unrestricted net assets before other changes</td>
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<td>Grant income</td>
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<tr>
<td>Net assets released from restriction for satisfaction of program restrictions</td>
<td>(37)</td>
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<td>Net assets beginning of year</td>
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<tr>
<td>Net assets end of year</td>
<td>$ 20,651</td>
</tr>
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| Statement of Financial Position               |        |        |
| Assets:                                       |        |        |
| Cash and investments                         | $ 20,458 | $17,624 |
| Note receivable                              | 250    | 250    |
| Other assets                                  | 76     | 70     |
| Total assets                                  | $ 20,784 | $17,944 |
| Liabilities and net assets:                   |        |        |
| Grant payable                                 | $ 111  | $ 185  |
| Payables and other accrued expenses           | 22     | 18     |
| Net assets-unrestricted                       | 20,651 | 17,741 |
| Total liabilities and net assets              | $ 20,784 | $17,944 |
Since 1997, just a few months after the HNHfoundation was formed, Mr. Harry A. Schibanoff has occupied the position of Chair and Immediate Past Chair of the Board of Directors. On October 27th, 2009, we said goodbye to Harry and thanked him for more than ten years of strong leadership and wisdom.

Recently, Harry shared with the board and staff some of his proudest moments during his tenure with the Foundation. First and foremost, he was and still is proud of the role the Foundation played in starting the State Children’s Health Insurance Program (SCHIP) in New Hampshire. When no other funds were available to match the federal dollars, the Foundation provided 100 percent of the required match to start the program. Today, over 6,000 New Hampshire children have health insurance coverage through the SCHIP.

He talked with pride about the work we have done with schools. The Foundation provided funding to purchase vegetable steamers, salad bars, classroom cooking carts, snowshoes, playground balls, bikes and tricycles, and pedometers to get kids moving and eating well. The letters we received and the photos we have on our office walls remind him that we did make a difference in the lives of school children.

Lastly, our most recent work and support for the NH Healthy Eating Active Living (HEAL) Campaign stands out as a major accomplishment and source of pride for Harry. In 2006, the Foundation took a leadership position to reduce childhood overweight and obesity. This decision led to the development and implementation of a HEAL Action Plan for all NH residents, with additional support from funding colleagues across the state and region. It is now recognized as one of the most successful HEAL Campaigns in the country. And we are not done yet!

When we say goodbye to someone like Harry, who has devoted more than a decade of volunteer time to improving the lives of New Hampshire children, saying “thank you” is never enough. I think he knows he made a difference. I certainly know he did.

Thank you, Harry.

Sandi M. Van Scoyoc
President

Sandi M. Van Scoyoc
President
Our Mission
The mission of HNHfoundation is to evaluate and promote access to quality health and dental insurance coverage and to promote healthy lifestyles for the residents of New Hampshire.

Our Vision
The people of New Hampshire will have access to health and dental insurance and engage in healthy lifestyles that will reduce the potential for disease and injury.

Our Values

• In pursuing the Foundation’s mission of promoting access to affordable health insurance coverage, healthy lifestyles, and public awareness of health issues, children and their families are our priority.

• The Foundation supports innovative projects that will facilitate systemic change in the healthcare system—projects with a potential for broad impact and measurable, long-term benefit.

• Though the Foundation values its independence as a decision-maker, it believes that the greatest potential to effectuate systemic change lies in the path of collaboration and constructive engagement with stakeholders in the healthcare system, including government.

• The Foundation will conduct its business in an environment of respect for diversity, awareness of the importance of public involvement and ongoing involvement with grantees, and commitment to be accountable to the broader needs of the community.

• The Foundation will conduct its business in a manner that is financially responsible and that preserves the founding endowment.