

## Members in Action: Managing Risk & New Payment Models

### Nationwide Children's Hospital – Columbus, Ohio *Healthy Neighborhoods Healthy Families*

The AHA's Members in Action series highlights how hospitals and health systems are implementing new value-based strategies to improve health care affordability. This includes work to redesign the delivery system, manage risk and new payment models, improve quality and outcomes, and implement operational solutions.

#### Overview

**A growing body of research demonstrates that housing interventions improve health outcomes and decrease cost for low-income individuals and communities.** Four dimensions of housing impact health: stability of a housing situation; safety and quality of the home; affordability of the home; and neighborhood characteristics. Hospitals across the country are recognizing that investing in affordable, safe housing has the potential to *improve health* for their most vulnerable patients and even spark community revitalization.

In Columbus, Ohio, Nationwide Children's Hospital and other community stakeholders created the Healthy Neighborhoods Healthy Families (HNHF) initiative to remove barriers to the health and well-being of families in the neighborhoods adjacent to the hospital's main campus. The initiative facilitates access to affordable housing, quality education, health and wellness programs, safe and accessible neighborhoods, and workforce development opportunities. Nationwide's leadership wanted to make its surrounding neighborhoods a better place to live and work for its patients and employees. In 2008, when the initiative was started, nearly one-third of the houses near the hospital were abandoned or derelict, and property values were depressed.

Improving community health by giving residents access to affordable housing is the cornerstone of

#### Impact

Since its inception a decade ago, **Healthy Neighborhoods Healthy Families has added or maintained 315 affordable housing units.** The number of partners in the coalition has grown dramatically, with involvement from the city, commercial developers, workforce development organizations and commercial banks, enabling them to expand the scope of their work beyond affordable housing to include education, health and wellness, safe and accessible neighborhoods, and workforce development. For the youth living in the community, the graduation rate has improved and violent crime has decreased. Property values are starting to rise in these neighborhoods.

The hospital also is seeing early declines in the cost of care and emergency department (ED) care for children living in the neighborhood, not just those in the new housing units.

"If four of the 10 houses on the street are cleaned up, there's a better neighborhood and people feel safer... kids can play outside and neighbors come out and get to know each other. And that's when you see a culture of health emerge in the neighborhood," said Kelly Kelleher, M.D., vice president of Community Health at Nationwide Children's. "It's not about how many people you place in housing, it's about raising up the culture of health and the whole sense of community."

Healthy Neighborhoods Healthy Families. This effort is coordinated through Healthy Homes, a nonprofit housing organization, and HNHF Realty Collaborative, a joint venture between Nationwide Children’s and Community Development for All People, the local community development organization.

HNHF Realty Collaborative has three primary programs: homeownership, a grant program for home repairs and affordable rental housing. Those programs:

- **Provide small grants** to low-income residents to support repairs to their homes and keep existing homeowners in place.
- **Build or gut and rehab homes on neglected properties**, starting with those close to the neighborhood elementary school and working on each block as a concentrated area to build community and a sense of ownership.
- **Develop affordable rental homes for households at 80% of area median income.**



*A neglected neighborhood home before rehab.*

Nationwide Children’s strategically aligns Healthy Neighborhoods Healthy Families with its accountable care organization, which has full-risk capitation contracts for a large number of children in the community. Having a value-based business model allows Nationwide Children’s to pursue holistic approaches to promote the health of children and families by addressing social factors in the community they serve.



*Neighborhood home after rehab of a neglected property.*

### **Lessons Learned**

**Neighborhood revitalization is a team sport, not something that a hospital can do alone.** Healthy Neighborhoods Healthy Families is a community collaboration that engages numerous players, including a “community quarterback” to bridge the efforts of diverse stakeholders. Leveraging the strengths of each partner enables the work to grow.

“This is all about letting leaders lead – allowing different leaders from different organizations to lead and being the player in each situation for what you do best,” Kelleher commented. “Sometimes we provide data. Sometimes we provide project management. Sometimes we might provide a guarantee on a loan. There are many, many different roles that a hospital can play in a community to truly enhance the well-being of the community.”

Learning about new methods to finance community revitalization projects – beyond philanthropy and community

benefit – is crucial for sustaining this work. It is equally important to collaborate with multi-sector partners, including community development corporations and financial institutions. Early wins helped gain the trust of the community and potential investors. With a track record of success, Nationwide Children’s and Community Development for All People were able to assemble \$20 million in capital to create 150-170 affordable rental units in the last round of funding.

## **Future Goals**

**Though Nationwide Children’s has been measuring impact from the outset, they want to do more robust research to demonstrate impact, especially regarding health outcomes for children, families and neighborhoods to understand the effect on the community as a whole.** This will require data sharing across stakeholders. Nationwide tracks: child health outcomes (e.g., prematurity and infant mortality, asthma and injury ED use, ED visits and inpatient days) in the target neighborhood compared with an equivalent neighborhood; per capita cost of care for children in the neighborhood; property crime and violence rates; and vacancy rates.

Nationwide Children’s also is exploring new resources to support their housing work and expand their reach. For example, they are working with innovative developers to take advantage of low-income housing tax credits and to build additional pools of capital with banks and foundations that can be invested in affordable housing.

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**Contact:** Kelly Kelleher, M.D., Vice President of Community Health, Nationwide Children’s Hospital

**Telephone:** (614) 722-3066

**Email:** [Kelly.Kelleher@nationwidechildrens.org](mailto:Kelly.Kelleher@nationwidechildrens.org)