

Executive Summary

According to a 2009 Grantmakers in Health study, the 1980s to mid-1990s saw an acceleration in the formation of health care conversion foundations—that is, foundations created from the assets of a sold hospital or health system. Nearly 200 foundations across the nation received assets as a result of a health care conversion during this time¹. One such conversion foundation, Chicago’s Washington Square Health Foundation, has had a significant philanthropic impact through making grants of 149% of its original assets (over \$24.9 million) to health care causes since its inception in 1985². Though a relatively small foundation, Washington Square has made a substantial impact on health care through its many accomplishments in grant making in its twenty-five year history.

Washington Square Health Foundation originated when Henrotin Hospital in downtown Chicago was purchased by Northwestern Memorial Group, the group that operated nearby Northwestern Memorial Hospital at the time. Henrotin Hospital had faced financial difficulties due in part to new legislation and the changing health care environment at the time, and it was thought that the sale to NMG would keep the hospital open for longer. However, the financial situation deteriorated, and the hospital’s closure was announced one year later³. Since health care conversion foundations were a new concept at the time, Washington Square’s transition into a private grant making foundation, especially after the hospital’s closure, required careful organizational planning. The result was the creation of a mission statement that has remained the

¹ Grantmakers in Health. “A Profile of Foundations Created from Health Care Conversions”. June (2009).

² Washington Square Health Foundation. *Annual Report FY 2010-2011*.

³ Kotulak, Ronald. “Henrotin Hospital Closing Set”. *Chicago Tribune*. 2 Oct. 1986.

same to this day and reflected the mission of Henrotin Hospital, while allowing the Foundation to grow and adapt to the changing health care needs of the Chicago community.

Washington Square, as one of the first conversion foundations in Chicago and the country, has continued leading the way in health care funding through the support of groundbreaking projects that have had a local, as well as an international impact. The Foundation focuses its grant giving in three main funding areas: direct health care services, medical education and research.

Washington Square has shown its support for medical and nursing education through a scholarship program developed in its early years, and a medical student evaluation and surrogate patient program which changed the nature of medical education in Chicago medical schools. More recently, the Foundation has funded a research fellowship program through the Children's Memorial Hospital.

The Foundation was the first in Chicago to fund direct health care services for AIDS patients in the 1980s, when little information existed about the virus. The Foundation has provided funding for many direct health care initiatives, including several collaborative efforts between nursing schools, health care providers, and other foundations. Through several direct health care service projects, the Foundation has emphasized increasing access to primary care for the uninsured and underinsured, and improving communication between health care providers as a means of improving the efficiency of direct health care delivery. In addition, Washington Square provides program-related investments (PRIs) to fund major building projects and capital equipment, such as the servers and other computer equipment needed for the implementation of

electronic health records, and is the only small foundation in Chicago to handle its own PRIs, rather than using an intermediary.

In addition to funding direct health care services and medical education, Washington Square has been involved in many cutting-edge research projects, most notably the Chicago Diabetes Project, initiated by WSHF Executive Director Howard Nochumson in 2004. The Foundation also supported AIDS research early on through the funding of a high level virus containment laboratory at Northwestern Memorial Hospital, and has been involved with an international collaborative project with the Weizmann Institute in Israel to develop a non-invasive means of detecting breast cancer in women.

Throughout its history, Washington Square has continued to adapt to the changing health care needs of the Chicago community by seeking to stay educated on the most current health care issues, and emphasizing the importance of technology in the delivery of quality health care. In this way, Washington Square has gained the respect of other foundations and acted as a catalyst in health care funding.

Washington Square Health Foundation has successfully utilized its assets to benefit the community far beyond the original service area of Henrotin Hospital, from which it was born. Though the rate at which health care conversion foundations are being formed has slowed since the mid-1990s, the success of Washington Square Health Foundation is an example of how a conversion foundation has continued and expanded the mission of its originating institution into the 21st century.