



Granting Funds to Promote Healthcare Access to the Chicago Area

WASHINGTON SQUARE HEALTH FOUNDATION

Celebrating 30 Years of Grantmaking

Washington Square Health Foundation

A History of 32 Years of Grantmaking Addendum: 2013-2019

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Introduction

Reflecting on its 32 years of grantmaking, Washington Square Health Foundation has shown itself to be an organization that excels following times of significant change, from its creation with the sale of Henrotin Hospital, to shifting direction to address gaps in the Affordable Care Act since 2013. WSHF has seized these opportunities to best serve the local community while keeping informed of national changes in the healthcare system. In his 2019 Board Chair's message, Dr. Werner described the ideal state of healthcare as a three-legged stool—one supported by high quality, ready access and affordable services¹. Throughout its history, the Foundation has targeted these attributes in its selection criteria for grantmaking, and the use of its funds to have long term impact. The drive for high quality is exemplified in the Foundation's funding of cutting-edge research, such as Dr. Hadassa Degani's work at the Weizmann Institute in Israel to provide a non-invasive means of effectively diagnosing breast cancer with the use of MRI technology. Ready access to healthcare can be seen in the Foundation's funding of free clinics, such as Erie Family Health Center, and mobile healthcare services through Roseland Community Hospital and the Night Ministry. Affordability often extends beyond healthcare, with the Foundation's funding of food pantries and housing for the homeless to help offset the rising cost of healthcare services for families. In the last seven years, Washington Square Health Foundation has focused its grantmaking efforts on filling gaps in the Affordable Care Act, while improving efficiency on the operational side to make better use of Foundation assets to benefit medical research, education, and healthcare services.

¹ Werner, William N. *Board Chair's Message 2019*.

² "Estimating the Chicago area's undocumented immigrant population." *Chicago Tribune* 2 Jan. 2017.

Grants

In the words of Foundation Chair, Dr. William Werner, “2013 was a good year for Washington Square Health Foundation”. With the Affordable Care Act’s major provisions taking effect in 2014, the Foundation took healthcare reform as a call to action. The Board of Directors held a retreat in early 2013, with the purpose of discussing the impact of healthcare reform and the Foundation’s direction in its wake. This groundbreaking legislation greatly aided in the Foundation’s central goal of increasing access to healthcare, and has allowed the Foundation to narrow its focus to the underfunded aspects of the Foundation’s grantmaking areas of medical research, medical and nursing education and direct health care services.

While the ACA expanded access to healthcare coverage, the Foundation identified that access to insurance coverage and access to healthcare and social services do not always go hand-in-hand. In Illinois, the previous budget stalemate in Springfield has cut funding to social service agencies over the last several years. Although Illinois opted for Medicaid expansion in 2014, extending eligibility to those with incomes at or below 133% of the Federal Poverty Level, new and existing Medicaid patients continue to face challenges such as food deserts, housing shortages and poor access to mental health services due to a shortage of providers accepting Medicaid. It is estimated that the Chicago area is home to over 300,000 undocumented immigrants who are not eligible to receive government healthcare services, including Medicaid². Access to adequate dental care continues to be a major challenge for the low-income population in a post-ACA healthcare environment. The Foundation’s Board has considered these gaps and

² “Estimating the Chicago area’s undocumented immigrant population.” *Chicago Tribune* 2 Jan. 2017.

their impact on the community, and introduced funding for several new projects in recent years to address them.

To minimize the gaps in access to dental care, the Foundation funded a Program-Related Investment (PRI) for a mobile dental van servicing underserved areas of Chicago. While Illinois Medicaid offers coverage for certain dental services, these benefits are extremely limited, and few dentists willingly accept Medicaid patients. This is particularly problematic for children, for whom more frequent preventative checkups are recommended by the American Dental Association. The importance of oral health and regular dental checkups in the context of overall health, and in disease prevention and detection has been emphasized by providers and the ADA in recent years. The Foundation provides PRIs, a type of low-interest loan, to local nonprofits that otherwise may not qualify for a traditional loan. The Foundation initially made a PRI for a dental van to the Mobile C.A.R.E. Foundation. When the Mobile C.A.R.E. mobile dental program failed to materialize, the Foundation was able, in a unique grantmaking action to have \$170,000 of the original \$350,000 PRI transferred from the Mobile C.A.R.E. Foundation to Roseland Community Hospital (RCH) in order to save the dental van project. The original dental van program was officially launched in July of 2014, with a ribbon-cutting ceremony attended by U.S. Senator Dick Durbin. RCH has successfully been operating the dental van on the far south side of the city, providing examinations, cleanings, x-rays, fillings, sealants, and extractions for children³.

The Foundation has further concentrated efforts on lack of access to dental care through a grant to Goldie's Place in 2014. Goldie's Place services Chicago's homeless population by

³ "New Children's Dental Van to be Launched at Roseland Hospital." Roseland Community Hospital, 2014.

providing dentures, partials and flippers at no cost to underinsured patients. As partial dentures are not covered by Medicaid, dental treatment received by Medicaid patients for tooth pain often ends with a tooth extraction. Goldie's Place recognizes the need for prosthodontics in the context of a patient's future health—not only as an aesthetic benefit, but as a necessity in order to chew nutritious food as part of a healthy diet. The grant provided by WSHF funded the expansion of the program to include a Registered Dental Hygienist to perform dental cleanings and hygiene treatment for patients one day per week. The addition of an RDH to the team allowed the Clinic Dentist to shift his time towards delivering needed prosthodontic services to better serve the homeless community⁴.

With the success of the RCH mobile dental van, the Foundation has continued to seek opportunities to improve access to healthcare in this manner. A promising initiative through the Night Ministry captured the attention of the Board in 2016. Understanding the impact of social determinants of health on the homeless population's health status and wellness needs, the Foundation sponsored a program which brings healthcare to the patient. Individuals and families impacted by poverty or homelessness are less likely to seek routine medical care. The Street Medicine Initiative provides non-emergency medical care on-site to homeless individuals in areas of Chicago with high poverty rates. What began as a pilot project has become an ongoing program with the gifting of the WSHF grant. As part of the initiative, an Outreach Worker, Case Manager and Nurse Practitioner scan neighborhoods on foot, specifically targeting areas where homeless individuals are likely to seek shelter—in public parks, under viaducts, and behind buildings. The workers carry medical and survival supplies which allow the Nurse Practitioner to provide basic health services to meet immediate health needs, while the Case Manager and

⁴ Washington Square Health Foundation Highlighted Grants. *Goldie's Place: 2014-2015*.

Outreach Worker work with the patient to address other socioeconomic factors that are barriers to care—access to adequate housing, food, and employment training. The team makes referrals to primary care physicians and case management services to ensure appropriate follow up. By connecting the patient with needed resources, the team not only addresses the patient’s current health status, but seeks to improve ongoing wellness through solutions to socioeconomic factors that often prevent the homeless from seeking healthcare in the first place. The Street Medicine Team made 2,579 outreach contacts in the 2016-2017 fiscal year, providing a much-needed service to this vulnerable population⁵.

The Foundation’s geographic reach to Chicago’s homeless population has extended to the Lincoln Park neighborhood, with the Foundation’s support of Lincoln Park Community Services. The organization recently announced an expansion of their services to offer permanent supportive housing in a new facility, located near the Cabrini-Green neighborhood. The project will offer 20 new subsidized apartments, and grow the organization’s interim housing space by 37%⁶. The project will help to fill a critical need for housing among Chicago’s homeless. The Chicago Housing Authority waitlist for housing is lengthy, with wait times reaching 25 years for a studio or one-bedroom apartment at the nearby Cabrini Rowhouses⁷. The new LPCS facility will help to alleviate the housing shortage in the area, and connect permanent and temporary residents with needed social services.

While the Affordable Care Act spread access to healthcare to those previously uninsured, those with chronic diseases connected with obesity, and inadequate access to nutritional foods

⁵ Washington Square Health Foundation Highlighted Grants. *The Night Ministry: 2015-2016*.

⁶ "Building Community, Transforming Lives Campaign." *Lincoln Park Community Services*.

⁷ Hinton, Rachel. "CHA opens waitlist for public housing for 1st time in 4 years." *Chicago Sun Times*. 19 Dec. 2018.

have remained central to rising healthcare costs in the U.S. Related to this, the Foundation recognizes the need for access to nutrients in maintaining and improving health, and has increased funding for food pantries to address food security in the Chicago area. Launched in 2012 with a grant to North Park Friendship Center, the Foundation's Food Pantry Initiative has continued to be a central part of the Foundation's emphasis on community wellness. The Foundation selects one Chicago food pantry in an area of need to receive a \$25,000 grant during one of its two annual Grant Committee meetings. The North Park Friendship Center, founded in 1970 to service the North Park and Albany Park neighborhoods, has operated its north-side food pantry for several decades. The Foundation's funding of the North Park Friendship Center Food Pantry has been instrumental in improving access to needed social services to northwest-side residents, where an estimated 5,500 people are food insecure⁸. With the help of this WSHF grant, the NPFCFP was able to open a second food pantry location in Lincoln Square in 2013 to further service this community. The Foundation has since seen the success of the North Park Friendship Center Food Pantry grow, with extended hours and connecting those in need with social services⁹. This is particularly important for Albany Park and Lincoln Square neighborhoods, which have a large immigrant population of whom are often unaware of the resources available to them. The NPFCFP now offers hot meals at its new site and the NPCFP also provides clothing, household goods, and referrals to local social service agencies.

The Foundation has continued the Food Pantry Initiative through grants to nonprofits in areas of need. East Garfield Park, a low income neighborhood where grocery options are particularly scarce, is home to Breakthrough Urban Ministries Fresh Market Pantry. As a result

⁸ "About Us." *The Friendship Center*.

⁹ "May 2015: Great News for the North Park Friendship Center Food Pantry!" *Washington Square Health Foundation*.

of a WSHF grant in 2014, Breakthrough Urban ministries was able to expand the pantry, install permanent shelves and storage areas, and purchase refrigerated display cases. The expansion allowed space for a healthy-foods demonstration space, sharing cooking ideas to encourage healthy eating. Additional Food Pantry Initiative grant recipients have included Catholic Charities Care Cupboard to support the dietary needs of HIV/AIDS patients while receiving antiretroviral drug therapy—the only food pantry in Lake County to serve this need¹⁰.

In addition to Breakthrough Urban Ministries' involvement in the Food Pantry Initiative, the organization was the recipient of a 2013 grant to address men's behavioral health—an often forgotten need and a gap in initial ACA legislation. A WSHF grant funded weekly coaching sessions with 50 identified homeless men as part of The Male Initiative—providing behavioral health support to men who have experienced trauma. The program connected the participants with a licensed clinical social worker for coaching sessions on anger management, prevention and intervention strategies to fight addiction and homelessness¹¹.

In addition to improving access the dental care and mental health services, WSHF recognizes the need to connect uninsured families with basic preventive care and routine health services. To that end, the Foundation has funded several projects to help expand and improve services offered by clinics. Erie Family Health Center, an organization operating 13 clinics across the Chicagoland area, was the recipient of a 2015 Foundation grant for an Automated Clinical Messaging Project. Erie primary care physicians frequently refer to outside providers for specialty care needs, with over 48,000 external referrals annually. The Clinical Messaging

¹⁰ "Catholic Charities Remodeled Care Cupboard Opens." *Daily Herald*, 13 May 2016.

¹¹ "The Male Initiative: A Behavioral Health program of Breakthrough." *Washington Square Health Foundation*, 2012-2013.

project allows for patient data exchange, including electronic health history between the clinic and partner hospitals or specialists. The project has streamlined the referral process and allows for more accurate clinical decision-making with up-to-date record transfer. This improves the patient experience by enabling better care delivery, and eliminates the delay in transferring personal health records¹².

In order to provide adequate healthcare services by trained providers, quality medical education must come first. The Foundation has maintained its funding-emphasis on medical education, as one of the core pillars of its mission statement, through grants to local institutions and the recent increase in funding for scholarships and fellowship programs. The shortage of primary care physicians working in underserved areas in the 2010s led the Foundation to fund a primary care fellowship at Erie Family Health Center. The Foundation is committed to providing support and learning opportunities for physicians early in their career through a “Readiness for Residency” program at Loyola University, and a Hematology/Oncology research fellowship geared towards translational research at the Ann and Robert H. Lurie Children’s Hospital of Chicago, which has been funded continuously since 2003. The Foundation has furthered its commitment to education in 2019, through the funding of a fellowship program through JourneyCare Hospice, a local provider of palliative care. Encouraging study and the education of healthcare professionals in the hospice care space is also a critical need in our country, as baby boomers move into retirement and long term care settings. The Foundation’s support of the Shirley Ryan AbilityLab, the best translational research hospital in the country focused on physical rehabilitation, is another example of a shift towards research and education funding. In 2018, the Foundation granted a \$200,000 grant over 4 years for a nurse’s station at the clinic.

¹² Washington Square Health Foundation Highlighted Grants. *Erie Family Health Center: 2014-2015*.

SRAL specializes in research for complex physical conditions, ranging from traumatic brain to spinal cord injury in children and adults. The grant for a nurse's station allows SRAL to engage in real-time research while providing direct care to patients in a 24-hour care setting.

In a new initiative, WSHF has helped local nonprofits raise funds by sponsoring fundraising events. The Foundation gifted Gilda's Club of Chicago a \$150,000 grant in 2018 for the organization's 20th anniversary dinner. The Foundation has had a long standing relationship with Gilda's Club, an organization offering support services to cancer patients and their families. Gilda's Club has served over 45,000 cancer patients in Chicago since its inception in 1998¹³. The 2018 event raised over one million dollars for the organization to further its mission. The Foundation has continued this initiative through the sponsorship of the Tasting Stars fundraising dinner for A Silver Lining Foundation. WSHF granted \$12,000 towards this event, which raised almost \$80,000. The Foundation has successfully furthered its grantmaking dollars through this initiative, which brings much needed support to local organizations to continue their meaningful work in Chicago.

The Chicago Diabetes Project, introduced by Foundation President at the time, Dr. Angelo P. Creticos; current Foundation Board Chair and Grant Committee Chair at the time, Dr. William N. Werner; current WSHF Executive Director Howard Nochumson; and Primary Investigator and head of the Transplant Program at the University of Illinois College of Medicine at the time, Dr. Jose Oberholzer; has been a focus of Foundation grantmaking for the last 15 years. The project's goal to find a functional cure for type-1 and 2 diabetes through islet cell transplantation has made strides in recent years, helped by increasing awareness of the project

¹³ "Gilda's Club Chicago Celebrates Milestone." *CBS Chicago*, 2 Feb. 2018.

and utilizing new funding sources. What began with a small group of researchers has grown into a worldwide project spanning multiple countries, including researchers from Norway, Australia and Slovakia. The project has sharpened its focus to three main areas: 1) using immunosuppression to prevent islet cell rejection and recurrence of type-1 diabetes, 2) finding an unlimited source of insulin-secreting cells, 3) utilizing technology, rather than harmful immunosuppressive medications to develop non-immunologically reactive capsules to protect transplanted islet cells. As immunosuppressive medications are particularly dangerous for children, a viable technological alternative will be particularly impactful. The Foundation and the CDP have recognized the importance of narrowing initial research efforts towards type-1 diabetes, which is diagnosed in youth under 20 years old at over three times the rate of type-2 diabetes¹⁴. Unlike many other chronic illnesses, type-1 diabetes is typically diagnosed in childhood, and likely caused by genetic factors out of the control of the child and parent. In a report by the National Institutes of Health, the rate of newly diagnosed type-1 diabetes cases increased by 1.8% annually between the years 2002-2012¹⁵. Realizing the increasing need for a functional cure, the CDP has formed new partnerships which have greatly advanced the project's mission in recent years.

A major development has been Dr. Oberholzer's move to the University of Virginia, and the building of a new clean room facility for islet cell transplants. The UVA clinical islet transplant program has been approved by the FDA, and plans to perform their first transplants by the end of 2019. In another key move for the CDP, research into utilizing porcine, rather than human islet cells has accelerated with the CDP partnership with Otsuka, Inc., a global

¹⁴ Centers for Disease Control and Prevention. (2017). National Diabetes Statistics Report, p. 6.

¹⁵ "Rates of new diagnosed cases of type 1 and type 2 diabetes on the rise among children, teens." National Institutes of Health, 13 Apr. 2017.

pharmaceutical company. Successful clinical studies with mice have shown diabetes-reversal within 2-3 weeks post-transplant. As current islet cell transplant procedures require human cells from a deceased donor, the potential to use porcine cells for islet cell transplantation means greatly increasing availability and access to this procedure for diabetes patients. The CDP is gathering required clinical data for an FDA application, and aims to begin human trials in 2020.

The CDP's search for an unlimited source of insulin-secreting cells has advanced through Dr. Oberholzer's collaboration with Sigilon, a Cambridge, MA-based biopharm company founded by researchers at MIT. Sigilon aims to develop a renewable stem cell source for pancreatic islets, create an immunoisolation device which can be refilled with islets, and develop means of inducing human donor islet cell growth *in vitro*. The goal of these initiatives is to reduce reliability on cells from deceased donors by developing a viable alternative through islet cell creation and protection. Sigilon was the recipient of a 2018 grant by Eli Lilly, in the first example of the pharmaceutical giant's funding of diabetes cure research. The technology being used by Sigilon has major advantages in islet cell encapsulation in that it only uses stem cells from adult donors, it is relatively cost effective, and it doesn't require the use of immunosuppressant drugs¹⁶.

The CDP has initiated additional partnerships with academic institutions—the University of Michigan and Polymer Institute at Bratislava to further its research goals¹⁷. By seeking global collaborators, the CDP effectively leverages the collective knowledge and resources of scientists to accelerate its mission and ultimately improve the lives of diabetics in

¹⁶ Hoskins, Mike. "Eli Lilly Dives into Islet Cell Encapsulation and Diabetes Cure Research." Healthline, 23 Apr. 2018.

¹⁷ Oberholzer, Jose. *Update from the Chicago Diabetes Project (CDP)*. February 20, 2019.

Chicago and around the world. The CDP's recent research advancements have raised hope and anticipation that a functional diabetes cure can be reached within three years' time.

WSHF has successfully leveraged relationships with hospitals and physicians to advance its other research goals. In addition to the multitude of researchers involved in the Chicago Diabetes Project, WSHF has continued its collaboration with Dr. Hadassa Degani (retired) of the Weizmann Institute in Israel. The Foundation's relationship with the Weizmann institute began with funding research for the "Three Time Point" MRI method for detecting malignancies in the breast, a now FDA-approved non-invasive alternative to biopsies. In an example of the Foundation's initiative in creating global partnerships, the Weizmann institute partnered with clinicians at Chicago's Advocate Illinois Masonic Medical Center to interpret MRI images, taken in the Chicago hospital and analyzed by Dr. Degani's team at the Weizmann institute. The method utilized a dye-like contrasting agent, injected into the blood stream, to identify where a malignant growth exists. An area highlighted by the contrasting agent on an MRI image revealed a difference in the wash cycle of the dye in a suspected malignant area, indicating the presence of a tumor.

Dr. Degani's research into MRI imaging to detect breast cancer has evolved, and now aims to create an equally effective means of detection without relying on dye color contrast agent. The shift away from using color-contrast was born out of a realized need to offer this cost-effective and more comfortable detection method to women for whom color contrast is not medically feasible or advisable, or for those who prefer to avoid using this solution. Women who are pregnant or breastfeeding, have renal failure or allergic reactions to contrasting agents are not able to benefit from the non-invasive 3TP method introduced by Dr. Degani. Additionally, color contrasting agent accumulation has now been discovered to accumulate in the brain with

unknown effects. As a result, Dr. Degani realized a need to develop an alternative method while continuing to leverage MRI technology. Rather than identifying areas of increased contrast flow using contrasting solution, the Breast Cancer Detection & Diagnosis Enabler (DDE) method is able to detect malignancies in the breast without the use of contrast solutions. The method examines water molecule's rate and direction of movement and the variance. While water molecule passage through the ducts in the breast is typically fast-moving, the presence of a tumor results in blocked water flow due to cell growth inside the ducts. The DDE method measures the diffusion coefficient of the water molecules, which is reduced by the change in movement caused by cell growth in the breast duct. The method utilizes a software that color-codes a map of the breast based on diffusion coefficients and water direction, which quickly identifies the region of the breast where a malignancy exists. The DDE method offers fewer false positive readings than the contrast method, and a higher cancer detection rate, particularly for dense breast tumors which are more common in younger women. This method also reduces the turnaround time for results by 40-50% by eliminating the administrative drawbacks of having to order and administer the contrasting agent¹⁸. Clinical trials for this new method are in the process of being initiated in Chicago. Hopefully, if this research is successfully initiated in 2019-2020, it will be completed after 20 years of the Foundation's first funding of Dr. Degani's groundbreaking 3TP method research. The Foundation recently awarded a grant to the Weizmann institute to continue this research at the Spring 2019 grant committee meeting. Dr. Degani has received numerous accolades for her research in MRI technology, including the Teva Founders Prize for Imaging of Diseases Research in 2010¹⁹.

¹⁸ Degani, Hadassa. *Breast Cancer Detection & Diagnosis Enabler (DDE) MRI Solutions*.

¹⁹ Degani, Hadassa. *Biography*.

WSHF has worked closely with the Weizmann institute, as well as with A Silver Lining Foundation (ASLF) to advance research and education on breast cancer screenings for women. In 2018, the Foundation joined forces with ASLF to sponsor a conference which convened institutional providers of MRI-imaging in Chicago to discuss the future uses of MRI technology as a diagnostic tool, and the possibility of initiating clinical trials of Dr. Degani's DDE method.

For breast cancer screening and diagnosis, the best treatment outcomes are often linked with early detection. This is the central goal of ASLF's Keep aBreast program, which aims to educate women on the importance of preventive measures such as regular self-exams and mammograms. WSHF provided a grant for this program in 2012, which allowed ASLF to offer a multimedia presentation on breast health, along with a discussion between trained survivors and young women. The presentation provides instruction on proper identification of a lesion while performing a breast self-exam, and allows for open dialogue between the presenter and participant²⁰. The program specifically targets young women aged 15-19, the uninsured, and immigrant families who may not otherwise receive information related to breast cancer prevention. With the 5-year survival rate for breast cancer with early detection at 95%, the importance of educating women on the preventive actions that can be taken in their own day-to-day lives is key²¹. While the provisions of the ACA require that preventive services, including breast cancer screenings be covered by insurance at 100%, the uninsured, many of whom are immigrant families, can receive the necessary education and a free mammogram with the help of the ASLF.

²⁰ Washington Square Health Foundation Highlighted Grants. *A Silver Lining Foundation 2011-2012*.

²¹ "Keep aBreast." A Silver Lining Foundation.

In 2013, the Board of WSHF welcomed as a Board Member, Dr. Sandy Goldberg, Founder and CEO of A Silver Lining Foundation to contribute her knowledge and expertise surrounding education and research to the Board's evaluation of grants. Dr. Goldberg is also a certified nutritionist, and is able to bring a clinical perspective to the evaluation of healthcare programs. From her work with ASLF, Dr. Goldberg shares in the mission of the Foundation to ensure access to adequate healthcare for all, regardless of socioeconomic status. Dr. Goldberg was named to Chicago Magazine's "Chicagoans of the Year" list in 2013 for her service to ASLF and the Chicago community²².

WSHF has continued the legacy of its first Board Chair, Dr. Angelo Creticos with the funding of a WSHF conference room in Advocate Illinois Masonic Medical Center's Creticos Cancer Center. During his lifetime, Dr. Creticos had been involved in extensive fundraising for the AIMMC cancer center. The hospital opened a new Center for Advanced Care in 2015, which houses the Creticos Cancer Center. The Center performs a number of clinical trials, and helps to support the emotional needs of patients by offering programs such as the Psychosocial Oncology Program. The Center uses the investment income from its endowment principal to specifically offer programs that consider a patient's holistic wellbeing before and after cancer treatment²³. What sets the Center apart from other cancer institutes is what Dr. Creticos himself valued during his own life: an enhanced quality of care and patient-centered approach to treatment.

²² Sawyers, Harry. "Chicagoans of the Year 2013: Sandy Goldberg." *Chicago Magazine*, 7 Nov. 2013.

²³ "Cancer Center Endowment." *Advocate Illinois Masonic Medical Center*.

Operations

While Washington Square Health Foundation has successfully adapted its grant-funding strategy to best address the needs of the Chicago community following the implementation of the Affordable Care Act, the Foundation has also streamlined its operations to be more cost-effective. The financial crisis of 2008 left many nonprofit agencies in a difficult financial position. The economic situation on a national and state level resulted in revenue loss for social service agencies, both through a reduction or delay in government funding and a decline in individual and corporate donations. As the unemployment rate increased following the Lehman Brothers collapse, the need for social services accelerated as the unemployed sought assistance. This placed a dual burden on the nonprofit sector in Chicago: an increased demand for its services, and reduced financial resources to effectively provide them. A 2009 survey by the Nonprofit Finance Fund revealed that 31% of nonprofits lacked more than one month's operating cash²⁴.

WSHF saw its own assets impacted by the recession. A 2007 fund balance of \$26.3 million was reduced to \$19.4 million in 2009—a 26% reduction in assets²⁵. With limited government and corporate support for local social service agencies, WSHF's funding of local programs during the recession became especially significant. In order to effectively address these needs and continue program-funding, the Foundation made internal operational changes to reduce Foundation expenses and maximize grant giving. While the Foundation had maintained a dynamic investment portfolio for over two decades, the financial challenges caused by the recession forced the Foundation to overhaul its investment strategy. The Foundation, under

²⁴ "The Impact of the Financial Crisis on Nonprofits." *Illinois Business Law Journal*, 20 Sept. 2009.

²⁵ Washington Square Health Foundation. *Annual Report 2008-2009; 2006-2007*.

leadership of Foundation Treasurer, Jim Snyder, was able to find over \$200,000 per year in savings by removing investment managers, and shifting to a portfolio of index funds to reduce administrative expense. The Foundation was also able to secure a 10-year lease on their current downtown office in an effort to manage long term expenses. Between 2013 and 2016, the Foundation reduced non-charitable administrative and professional expenses by nearly 60%, while maintaining its commitment to the community by funding over \$500K in grants in 2016²⁶.

The Foundation's actions in reducing administrative overhead have also led the Foundation to modernize by streamlining the grant application and review process. In 2013, the Foundation introduced an online application system through wshf.org. The system allows applicants to continue a saved application, and requires that all necessary information be uploaded prior to submitting. This development has eliminated the printing and mailing of grant applications, and the manual initial review process to confirm the submission of required documents. The new application process saves grantees time and allows Foundation staff to more efficiently review grant application content. In conjunction with a modernized application system, the Foundation has a new, cloud-based grant management system through MicroEdge to organize, store and review grant submissions following the biannual application deadlines. Historical grants have also been uploaded to the new system to improve ease of access. These efficiencies have helped to reduce storage costs for paper grant applications, and simplified Foundation operations.

The Foundation's budgetary changes have also impacted the Board's decisions on types of programs to fund. As a way to recoup some investment while continuing its involvement in

²⁶ Washington Square Health Foundation. *Annual Report 2015-2016*.

projects of local importance, the Foundation has increased its provision of PRIs to local nonprofits. The awarding of PRIs benefits local organizations by providing a loan at a below-market interest rate, while allowing the Foundation to better maintain its assets. The increased emphasis on PRIs has also allowed the Foundation to creatively consider programs that may otherwise be outside the scope of its grant-giving policy, such as the Roseland Community Hospital dental van and the purchasing of mechanical lifts for Clearbrook, an organization providing services to those impacted by developmental and intellectual disabilities, in 2016. WSHF has increasingly emphasized appropriate stewardship of funds granted to nonprofits to ensure that charitable dollars are used as effectively as possible. The Foundation has encouraged this by providing support to grant applicants by way of one-on-one discussions leading up to application submission, hosting a grantee workshop in the Spring of 2019, and requesting biannual reports on project progress and utilization of grant funds.

The Ties that Bind: Echoing the Past

While legislative and financial events on a local and national scale have brought about changes to Washington Square Health Foundation's grantmaking and operations strategy, the Foundation has always grown with and adapted to changes. At the time of the Foundation's inception in 1985, U.S. hospitals were grappling with new legislation surrounding hospital reimbursement rates, which forced many hospital mergers and closures due to financial challenges. The board of Henrotin Hospital, with the sale of the hospital, took this opportunity to create WSHF, with the intention of carrying on Henrotin Hospital's legacy. The financial crisis of 2008 and enactment of the Affordable Care Act have been similarly disruptive to healthcare and the nonprofit sector. In keeping with its history, the Foundation has risen to the challenges of

the healthcare landscape in the last 10 years and funded new projects that have had a lasting impact.

Beyond this, the Foundation's Board has observed how past projects have continued to benefit healthcare, and influence future projects. Programs that were funded by the Foundation in its early years have maintained their relevance, and are often referenced during site visits and biannual grant committee meetings. A Foundation-funded study to reduce emergency room overcrowding in the 1990s relates to the Foundation's funding of free clinics and mobile healthcare services to redirect patients away from the emergency room for non-emergent healthcare needs. In the 1980s, the Foundation provided funding for a nutritionist at Howard Brown Health Center to address the dietary needs of AIDS patients receiving treatment. The Foundation has continued to stress the often overlooked components of total health such as basic nutrition, which effects treatment outcomes. The recent funding of a new supportive housing facility through Lincoln Park Community Services will benefit the homeless population in the former Henrotin Hospital service area. The Chicago Diabetes Project, funded by the Foundation for the last 15 years, is now close to reaching its goal to find a functional cure for diabetes through islet cell transplantation.

The Foundation's Board has seen changes in the last several years, with several new members being added. In 2012, the Board welcomed Dr. Catherine Creticos, daughter of original Board Chair Dr. Angelo Creticos, as a Board member and Grant Committee Chair. Dr. Creticos is a world-renowned infectious disease specialist with a clinical care and research focus on sexually-transmitted diseases. She has dedicated extensive time throughout her career towards HIV/AIDS medicine, and is the Medical Director of the Midwest AIDS Training and Education Center. Dr. Creticos is also the Associate Medical Director at Howard Brown Health Center, a

community health center providing services to Chicago's LGBTQ community, and former recipient of WSHF grants²⁷. Dr. Creticos played a key role in the Foundation's approval of and funding for the Night Ministry's Street Medicine Program in 2016, recognizing the importance of connecting patients with basic health care resources.

In addition to Dr. Creticos and Dr. Sandy Goldberg of A Silver Lining Foundation, the Foundation invited Barbara Berendt to join the Board in 2014. Ms. Berendt brings with her 25 years of experience with Rotary International, during which she served a lead role in administering over 1,000 scholarships per year as part of the Rotary Foundation's international scholarship program, as well as extensive experience in its IT division. Prior to joining the Board of WSHF, Ms. Berendt worked closely with Foundation staff to administer a scholarship program for medical and nursing students in the 1990s. This program allowed WSHF to be immediately impactful in its early years, and was the precursor to the Foundation's current grantmaking process. Ms. Berendt's experience with educational scholarships and nonprofit administration will be invaluable to the Foundation in its increased emphasis on support for medical education in recent years.

The addition of Dr. Creticos, Dr. Goldberg and Ms. Berendt to the Board of Directors helps the Foundation to maintain the tie to its history, while benefiting from the knowledge and experience of new members to keep abreast of the current healthcare landscape. WSHF continues to be a leader among private foundations in the grantmaking space with the leadership of Foundation staff. The Foundation has extended its influence through workshops that have been planned and led by Associate Director Catherine Kapella, MPH, on the operational

²⁷ "February 2012: Dr. Catherine Creticos joins Board of Directors of Washington Square Health Foundation". *Washington Square Health Foundation*.

challenges facing nonprofits²⁸. Ms. Kapella’s continued involvement in the Forefront (formerly the Donors Forum of Chicago) Health Program Affinity Group gives the Foundation a voice in the conversation around emerging health care issues as they relate to foundations. In his 30+ years as Foundation Executive Director, Howard Nochumson has been instrumental in seeing through WSHF’s objectives as they’ve evolved, and as the Foundation’s influence has expanded. Highlights of his tenure include bringing grantee organizations together to form effective collaborations, understanding that “two heads are better than one”. Mr. Nochumson has fomented international connections to further the potential success of Foundation-funded research, through relationships with Chicago Diabetes Project researchers in Europe and the Weizmann Institute in Israel. Under Mr. Nochumson’s tenure, the Foundation has given away over \$28.5 million from 1985 to 2017—more than 171% of its original assets²⁹. With a transition plan put in place for when Mr. Nochumson retires, the Foundation will continue his legacy of service to healthcare and the Chicago community, as recently reflected by his nomination as a Fellow and election to the Board of the Institute of Medicine of Chicago.

As much as the Foundation’s focus has evolved, it always harkens back to earlier projects which rooted WSHF in Chicago’s grantmaking community. An early goal of the Foundation was to evaluate programs beyond their immediate application—considering their potential for long term impact and ability to yield more favorable healthcare outcomes. According to Dr. Werner, Foundation Chair, the Foundation’s grantmaking perspective “focuses on grantees which have the potential to create positive, unanticipated consequences”³⁰. In this manner, the Foundation’s forward-thinking approach to healthcare produces confidence in its ability to tackle future

²⁸ Washington Square Health Foundation. *Annual Report 2012-2013*.

²⁹ Washington Square Health Foundation. *Annual Report 2017-2018*.

³⁰ Washington Square Health Foundation. *Annual Report 2013-2014*.

healthcare challenges. The Board’s diversity in expertise related to nonprofits gives the Foundation a broad perspective with a collective commitment to the Foundation’s mission statement. In the words of Mr. Nochumson, the Foundation’s true asset is the “shared vision” of the Board and staff in accomplishing the Foundation’s goals³¹. Through the adaptation, innovation and resilience displayed by the Foundation over its first 30+ years, the Foundation will endure as a valuable partner to local organizations and an asset to the Chicago community. William B. Friedman, current Board Secretary and the only remaining member from the original Henrotin Hospital Board recently reflected on the Foundation’s role in continuing the heritage of Henrotin Hospital as a provider of health care to the Chicago community: “As I survey not just the last 7 years since our last Foundation history was completed on our 25th Operational/Funding Anniversary but it’s entire history, I cannot help being immensely proud of this Foundation which started off giving X-Ray machines to local hospitals and has now developed into not only a locally but nationally renowned grant maker in all aspects of health care. Foundation grant making now includes aspects of health care funding which were even unknown to many of my Board member colleagues who are no longer with us. However, they would be proud of what they helped to initiate.”³²

³¹ Washington Square Health Foundation. *Annual Report 2012-2013*.

³² Friedman, William B. Telephone Interview. 24 July 2019.

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