



Local Wellness Funds: A Discussion

Local Wellness Funds

- What are they?
- Where are they?
- What are we learning about them?

Context

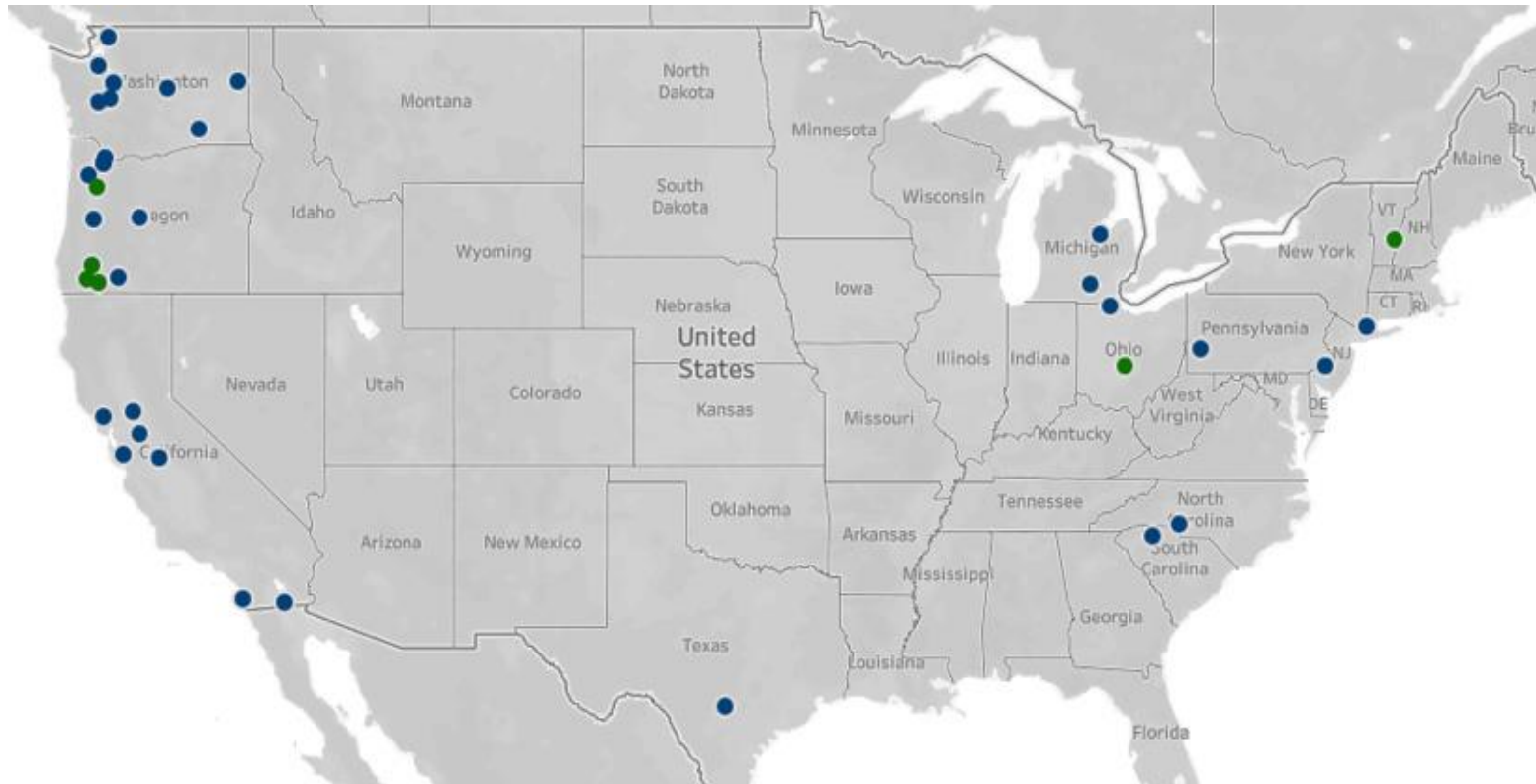
- Increasing interest at community level
- Relatively easier to grasp and pioneer than other concepts
- These are early days
- Variance in nomenclature can make documentation a challenge
- Understanding and managing the expectation and desire for replication and scaling
- What can we learn from other similar funds with other purposes and in other places

DEFINITION?

LOCAL WELLNESS FUND

A locally controlled pool of funds created to support community well-being and clinical prevention efforts that improve population health outcomes and reduce health inequities. Sources of funding may be public and/or private.

UNDER CONSTRUCTION?

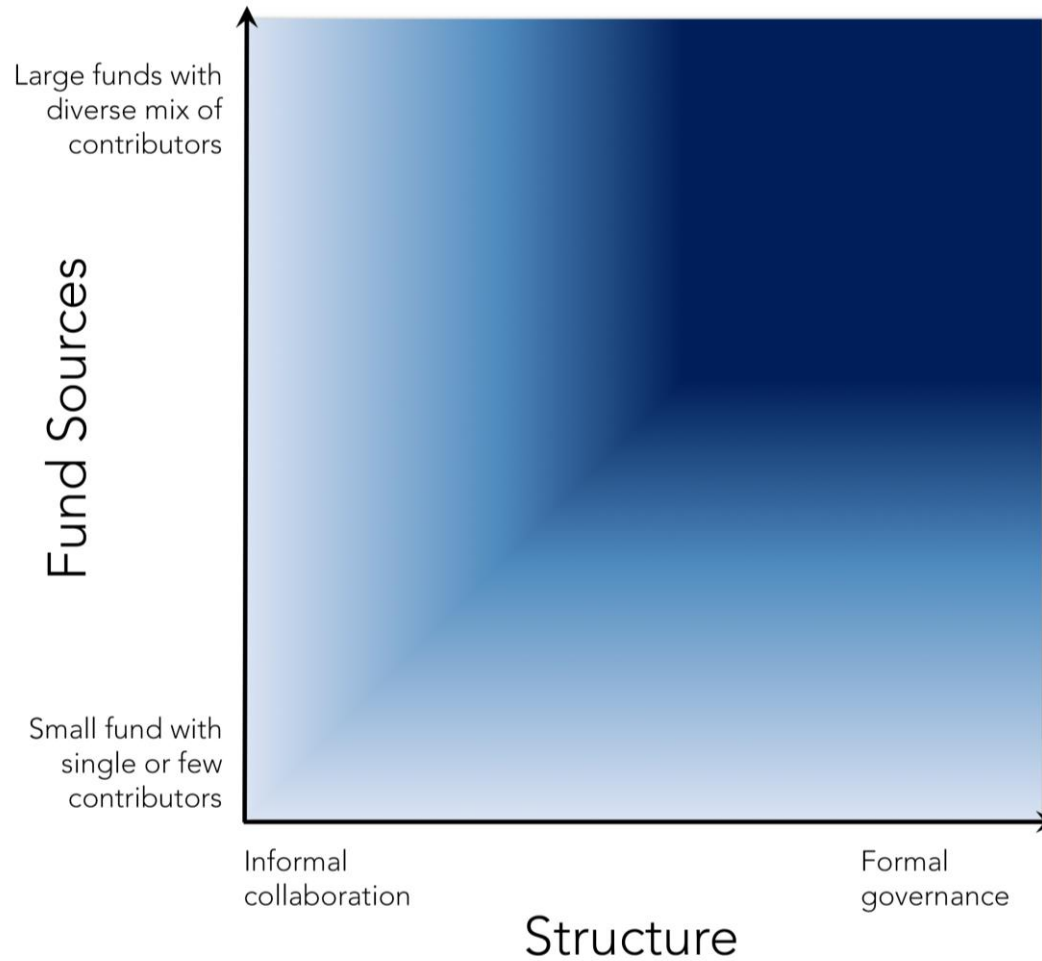


Status of Wellness Funds

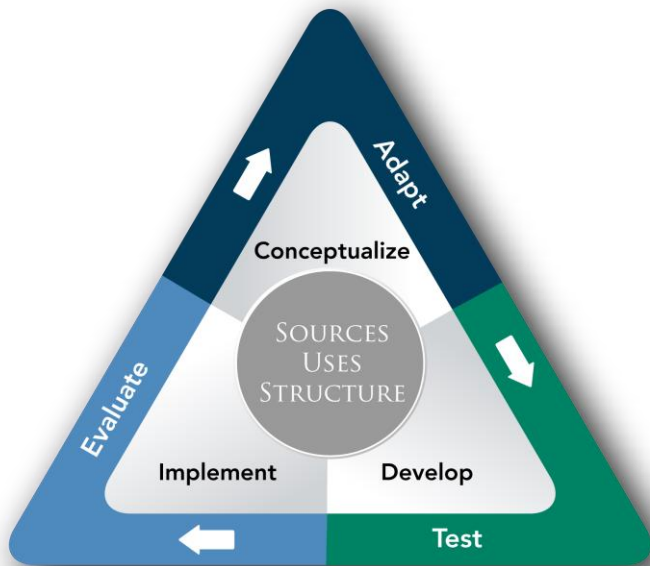
- Developing or implementing
- May be conceptualizing

DEVELOPMENT OF WELLNESS FUNDS

Where do you fall?



Critical Pathways



- Focus on the interplay between the sources (capital), uses (administrative and outreach interventions), and structure (oversight and accountability) necessary to support the fund.
- The process often begins with conceptualization, leading to development of the fund and followed by testing and implementation.
- Progress from conceptualization to implementation can be slow unless catalyzed, as seen by the relatively low numbers of collaboratives that have functioning wellness funds.
- Evaluation of progress, returns on investment, and partnership functioning should also be a part of the ongoing effort to ensure a sustainable model.

Factors That Influence Progress and Development

- **Incentives**

- **Governmental** (federal, state, and local) support and engagement in **seeding the effort** to establish a wellness fund appear to facilitate moving groups from conceptualization to development of these funds.
- **Philanthropic** funders also play a significant role. Seed grants allow the efforts to be staffed and partnerships to be developed.

- **Finding the money**

- Actively locating and engaging **resources from both inside and outside the system or community** appears to energize the development process regardless of the size of the initial capital overlay.
- Starting with **multiple small donors** is relatively common among collaboratives, which, over time, strive to broaden the donor base and mechanisms used to increase the size of funds.
- As the funds grow, some collaboratives **move from a corpus grant funding** model to a revolving loan and reinvestment scheme.

Factors That Influence Progress and Development

- **Linking or aligning resources**
 - Some wellness funds begin with a **single** source as leverage; others may have **multiple** sources at start up.
 - Fund might be composed of resources that are pooled together in a way that is commonly held and accounted for (**blended**) or requires separate accounting (**braided**).
 - In a few instances, the wellness fund is also designed to use or direct multiple streams of resources to support aligned efforts (**stranding**).



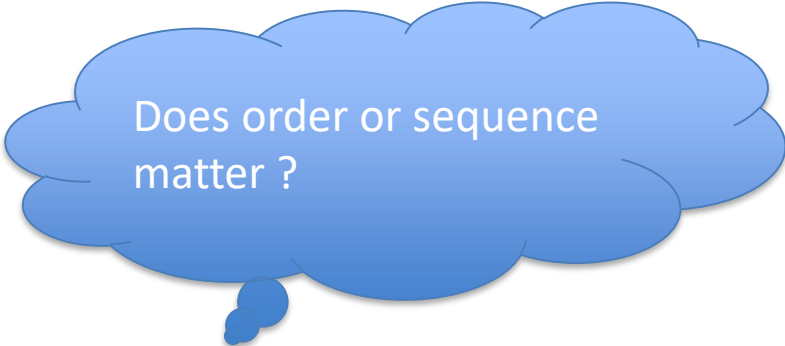
“STRANDING”

Factors That Influence Progress and Development

- **Valuing local assessments and planning**
 - Funds are being used or earmarked to address health challenges previously identified as important to the community. The interventions are often part of **community health improvement plans** that members of the collaborative help to shape and are usually supported by evidence-guided approaches.
- **Technical support and assistance**
 - Many of the collaboratives benefit from facilitation assistance and support from catalyst organizations, sponsored by the philanthropic community. This engagement occurs primarily as groups move through the fund development and testing phase.
 - Other more specialized technical assistance may be necessary as groups grapple with the legal, administrative, and business details of setting up, implementing, and operating these funds. Key important capabilities include **financial management systems, direct service billing, cost accounting, grant-making, budgeting, analysis and financial reporting, and fund raising.**

Factors That Influence Progress and Development

- **Variation in fund emergence and administration**
 - In some instances, wellness funds **emerge from an existing collaborative** as a natural part of work that they are doing to implement community health improvement.
 - Some collaboratives that are approaching implementation set up **separate administrative bodies** to provide oversight to the funds.
 - **Decisions about allocation priorities** generally remain at the level of the **collaborative governing body**.



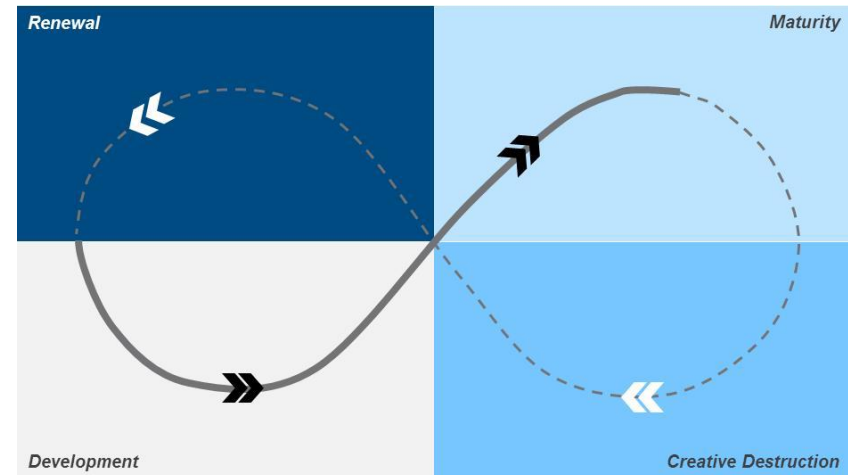
Does order or sequence matter ?

Factors That Influence Progress and Development

- **Leadership and leadership change**
 - Wellness funds appear to move more quickly through the development process when **leaders are engaged fully**, are risk takers, and seek to bring other members of the community into meaningful partnership.
 - Some leaders are more comfortable **learning from innovators rather than being pioneers** themselves, especially in this area where financial loss is possible if the effort fails.
 - **Leadership change** inevitably **slows the pace** and progress of fund development.
- **Trust-building process**
 - Moving from conceptualization to sustainability requires **dynamic trust building** across partners in collaboratives who don't always have a long history of working together and usually have even less history of comingling or co-managing financial resources. **Progress** toward implementation can be **lengthy and fragile until a critical trust is built**.

Evolution and Sustainability

- Sustainability of these funds requires an **understanding of long-term resource needs, access to new and durable sources of funding, and, potentially, new financing mechanisms** that will provide flexibility in the use of existing funds.
- **Growth and change in the structure** and the uses of the funds may be necessary to bolster sustainability (e.g., move to a financing model).
- Because local context varies, **fund evolution** is commonly needed but will not **likely be the same journey for all collaboratives**.



Key Questions

What are the catalysts for creating a wellness fund in a community?

- These can range from a “natural” coming together, to realizing a need for pooling resources, to an external expectation by funders.

What does it take to capitalize a wellness fund in a community?

- How much money is being pooled in some way?
- What kind of investment in infrastructure (backbone organization, governance, accounting) is needed?
- What kind of human capital is needed (relationships, trust, leadership)?

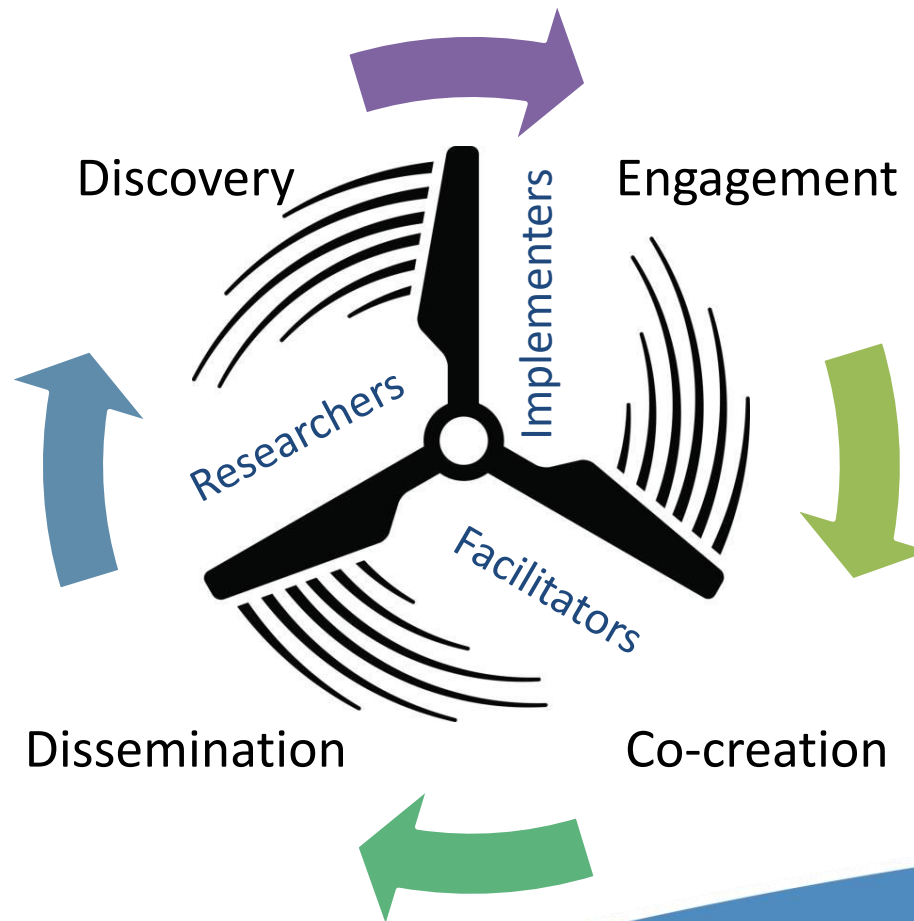
What does it take to sustain a wellness fund in a community?

- What ongoing sources of funding are needed for both infrastructure and programs/initiatives that go beyond initial grants that might be seeding a wellness fund (e.g., health plan contributions, Community Development Fund Institution investments)?
- What policy changes are needed to permit tapping resources for managing a fund and to permit pooling of public and private dollars that may be available in a community?
- How do you build a collaborative enough environment that the players change how they do business?
- What types of wellness fund structures foster sustainability?

LOCAL WELLNESS FUNDS



Advancing the Practice of Local Wellness Funds



THANK YOU

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