

# Anchor Mission Talking Points

## WHY DO HEALTHCARE ANCHORS NEED TO TAKE ON THE ECONOMIC DETERMINANTS OF HEALTH?

Healthcare Anchor Network (HAN) members are at the forefront of a growing movement of hospitals and health systems working to deploy their institutional resources to tackle the social and economic determinants of health.

Factors outside our hospital walls—social, economic, environmental, and behavior-related—account for up to 80% of the health outcomes a community experiences, so no matter how excellent the clinical care a hospital provides, more is needed for the communities we serve to thrive.

The World Health Organization, the Council on Community Pediatrics, and the CDC have all found significant links between poverty and negative health impacts.

The Healthcare Anchor Network is a platform for hospitals and health systems who recognize that economic disparity, racial inequity, and persistent poverty are not just moral problems, but issues that must be addressed as part of a healthcare mission.

## WHY ANCHOR INSTITUTIONS?

Nonprofit hospitals are “**anchor institutions**”—place-based economic engines inextricably linked to the well-being of their surrounding communities.

Many companies are only in a community until the next best tax incentive, but hospitals are rooted and anchored in place.

When a hospital understands that as an anchor institution it has the opportunity and the responsibility to deploy and leverage all of its resources to lift up and empower the community it calls home, that’s what we call adopting the **Anchor Mission**.

For a hospital, tackling the economic determinants of health isn’t just the right thing to do—it also helps bend the cost curve by creating a healthier community.

Our nation’s hospitals and health systems collectively have the resources to move the needle on the economic determinants of health: an annual purchasing budget of \$588 billion, a workforce of almost 6 million people, and an estimated \$400 billion in investment assets.

## WHAT ARE THE KEY TOOLS AND SHIFTS?

By rethinking how we hire, where we purchase goods and services, and how we invest, we can use resources we already have and the money we already spend as an anchor institution to support a stronger, and more equitable and inclusive local economy.

Hospital systems nationwide spend \$588 billion on goods and services annually, but only a small fraction of that is directed at local, minority- or women-owned or worker-owned businesses. Shifting this spend is a powerful way we can improve community health by addressing racial, social, and economic inequities.

Hiring locally and creating the pathways to turn entry level jobs into careers, especially for local residents with barriers to employment and advancement, are key ways we can create economic opportunities for the communities we serve.

Building a stronger local workforce pipeline and a more inclusive local supply chain not only help our neighborhoods, but create long-term benefits for our institution, making our operations more resilient.

Healthcare anchors have a unique role to play as place-based investors: by shifting a portion of our portfolio to projects and funds addressing underserved local needs, we can combine stable returns with social impact.

## MAKING THE CASE

An anchor institution can make a major difference locally simply by making business decisions in a way that achieves multiple outcomes. Instead of seeking only the lowest bidder, for example, we can seek the greatest impact, accounting for all the costs and benefits of our choice of vendor.

With new IRS regulations requiring nonprofit hospitals to conduct Community Health Needs Assessments, addressing “upstream” drivers of poor health like poverty, hunger, lack of affordable housing, and unemployment is increasingly seen as a part of healthcare’s mission.

For our hospital to deliver on its mission and thrive as an institution, our communities have to thrive as well. Our future as a healthcare institution and the health and economic wellbeing of the community we serve are inextricably linked.

The challenges before us are systemic in nature. Our hospital’s solutions must be equally bold if we are to meaningfully address the racial and economic disparities that limit us from achieving our outcomes in health and well-being.

No hospital or health system alone can fix everything that’s wrong with today’s economy, but the work of Healthcare Anchor Network members can catalyze a “new normal” for how large institutions do business, aligned with equity and inclusion.