

Health Policy Institute of Ohio
Business Plan

**For the Start-Up and Initial Five Year Period:
1-1-2004 to 12-31-2008**

January 13, 2003

1. EXECUTIVE SUMMARY

Background and Rationale

In recent years, several Ohio foundations have identified a common concern, namely: the lack of accessible health-related information –that is, research and analysis– on which to base important decisions affecting the entire state. Much of the information that currently exists is disorganized, anecdotal, and generally in a format that is not useful to policymakers. Similarly, health services research is often conducted apart from a broader fiscal or policy context.

Researchers and policymakers alike acknowledge that information that may be of use to policymakers is generally not well communicated in a timely fashion. Too often information and analysis go unused without a targeted means for disseminating findings back to decision makers or to the public. State agencies, after several years of budget constraints, no longer have significant capacity to produce this type of work. Having no other unbiased, nonpartisan resource, decision makers are frequently left to rely on data and analysis provided by interest groups with a particular agenda. The situation leaves Ohio policymakers with important decisions to make but little reliable, impartial information on which to make them.

To meet this critical need, several Ohio foundations have recently initiated a process of exploration into the need for, and feasibility of, an independent, statewide center for forecasting health trends, analyzing key health issues, and communicating current research to policymakers and other decision makers.

The concept of a Health Policy Institute of Ohio is not new. In fact, the feasibility study identified similar organizations in approximately one third of the states. Conversations with several of these centers, as well as the foundations that started them, have informed this process and this Business Plan. In addition, more than one hundred informal conversations with researchers, advocates, state officials and policymakers across Ohio have been held as part of this process. In general, these conversations have confirmed the need for such an entity.

Based on this preliminary work, an Health Policy Institute of Ohio (“Institute”) is envisioned as an independent non-profit 501(c)(3) organization working to improve the health of all Ohioans through *research, analysis* and *communication* on vital health concerns affecting the state. A particular focus is on Medicaid, uninsured and underinsured populations. The Institute should not duplicate existing efforts but rather highlight important areas of research

identified by policymakers, develop strategies to accomplish these research goals, conduct relevant analysis from a statewide perspective, and communicate findings to decision makers.

Operations

Creation and governance of the Institute is a crucial role for Founders, particularly in the Institute's formative years. Given the size of this investment and importance of its mission, the Institute's early formation and operations will be closely overseen by these Founders. A Memorandum of Understanding (MOU) among the Founders will describe the spirit of the collaborative venture and how future funding issues will be handled. The MOU will include the projected budget and amount to be contributed by each Founder as well as their shared understandings regarding Institute activities, staffing and governance.

The Institute's staffing model includes an Executive Director, two additional researchers, a Director of Communications, a staff writer, and clerical support. The success of this effort rests largely on the ability of the Institute to attract highly skilled leadership and staff. The Executive Director will set the tone and character of the Institute and be largely responsible for charting its future. Skills in management, research, communication and public policy are vital, as is a reputation for quality, neutrality and integrity.

Start-up activities are expected to take approximately six months from the execution of the MOU and commitments to funding (anticipated not later than June 30, 2003). Critical risks to consider include:

- The Institute will not secure adequate, reliable and sustainable funding;
- The Institute will be regarded as competition by existing public policy organizations, private consulting firms, and university-based centers;
- The Institute will be viewed as partisan, biased or otherwise not objective; and,
- The work product of the Institute will not be fully utilized or effective.

Solutions to these risks are identified in Section 4.7.

Another dimension of this project is the collaboration of Ohio foundations. Ohio does not have a statewide health foundation. Instead, it has an unusual number of regional health foundations, which if taken together, cover the state rather well, but without any of us having a voice in state-level health policy. State health policy, however, is more important in sustaining our service improvement programs than is our own funding. This project helps Ohio health foundations develop new working relationships with each other, while making an important and needed contribution that none of us can do alone.

This work will help us each set more effective agendas for our respective foundations.

Financials

Core funding from the Founders is expected for the first five years and will allow the Institute to establish its priorities, reputation, and track record and stabilize its initial operations. Heavy fundraising that comes early in the project could create problems, or skew the focus and scope of the organization. After five years of core funding, the Institute will plan to be self-sufficient. Start-up activities during the first three months of operation in 2003 are expected to cost about \$275,000. The first five years of operation will require about \$6,000,000.

Conclusion

The initiative proposed herein represents an unprecedented opportunity for collaboration among Ohio foundations in an area of vital need. The activities of this effort are consistent with the stated objectives of Ohio's leading foundations. The Institute will have a direct impact on the health and well being of foundations' target populations across the state. A Health Policy Institute of Ohio will play a pivotal in the health of our state as the premier independent source of health information in Ohio.

Note: Most of the arrangements described in this proposal have not yet been formalized. No foundation has processed or approved funding, and no other agreements have been negotiated or approved yet. This is a proposal.

2. PROGRAM DESCRIPTION

2.1. Rationale for an Health Policy Institute of Ohio

The importance of informed decision-making is self-evident. Those entrusted to make critical decisions should have access to the best possible information. Many believe that this is not always the case, however, with respect to health-related decision-making in Ohio. Policymakers often do not have a source for high quality, impartial information and analysis.

Moreover, there is a clear need for coordination among Ohio's health researchers and health research sources. The lack of coordination that exists in Ohio today makes it difficult for policymakers and the general public to access, digest and use existing health information. As a result, decisions are often made with inadequate information while valuable research goes unused.

Over the course of several months, more than one hundred informal conversations with researchers, advocates, state officials and policymakers have been held about the pressing issues in Ohio. Most agree that important health policy decisions affecting communities across the state are often made by policymakers with limited knowledge of complex health issues and no clear place to turn for impartial, independent analysis and perspective.

Several themes emerged from these conversations:

- Like many states, Ohio is facing a major fiscal challenge –described as “the most serious financial crisis since WWII.” Medicaid and other health programs for low-income populations are often identified as a major contributing factor. Child and family coverage is the easiest target for rollbacks, but ironically would provide relatively small Medicaid savings.
- Health and health-related programs account for the largest and fastest growing portion of Ohio's budget (approximately \$ 11.7 billion in SFY 2001). The Medicaid budget for SFY 2003 is 8% higher than SFY 2002, in the face of sharply declining state revenue.
- Ohio leaders want more and better health data on Medicaid, uninsured and underinsured populations.
- Legislators are hit with a barrage of data, strategies, and competing interests with nowhere to turn for impartial analysis and perspective.
- Existing policy research is often characterized as untimely, uncoordinated, and unhelpful from the perspective of decision makers.

- It is difficult to translate policy research findings in ways that policymakers can use the information. Good work can be done, but the reports lack the “So what?” content that reaches policymakers.
- In states where similar centers have been launched by foundations, these Founders have found that they have more opportunity for dialogue and interaction with state officials and policymakers. An Institute will provide a voice in the state’s capitol for Ohio foundations and the people they serve.

Several environmental influences in Ohio make the augmentation of health policy resources timely. These influences include:

- Ohio’s budget shortfall will precipitate major health policy decisions that directly affect the populations served by each of the Founders. If any bullets are dodged in 2003, the opportunity to re-decide these issues is almost bound to reoccur in 2004 or 2005. It is critical that these decisions be based on timely, accurate information.
- The current trend toward devolution of regulatory responsibility to the states necessitates more thoughtful analysis at the local level.
- Term limits in the Ohio Legislature have the unintended effect of decreasing institutional memory and expertise about key health issues and programs.
- Other issues emphasizing the need for an Institute at this time include increasing complexity in state health-related funding and policy, increased flexibility for states to innovate in Medicaid and other programs, and changes in population characteristics, needs and models of care.
- The number of uninsured Ohioans is increasing.
- Health disparities across racial, ethnic, and socio-economic lines are significant and unacceptable.

2.2. Vision and Mission

2.2.1. Vision. Advancing the health of Ohioans through informed policy decisions.

2.2.2. Mission. To improve the health and well-being of all Ohioans, especially those at risk, through non-partisan research, analysis, and communication to promote effective health policy decision-making

2.3. Target Audience

The Health Policy Institute of Ohio's *primary target audience* is Ohio health policy leadership and legislators. The *secondary target audience* includes a wide spectrum of stakeholders such as health planners, administrators, researchers, funding organizations, the business and nonprofit communities, consumer groups, health care providers, and the media. Collectively these groups represent the *target audience*. A needs analysis and communication plan will be developed for each segment of the target audience.

2.4. Planned Activities

2.4.1. Research. The Institute will undertake projects in certain key areas. The Health Policy Institute of Ohio will promote and facilitate health policy and health services research among existing research centers, universities, and other organizations. To meet these research objectives, the Health Policy Institute of Ohio will:

- Identify gaps in existing programs of research and develop strategies for addressing deficiencies.
- Work with members of the target audience in designing critical projects and studies.
- Lead in the development of a statewide health research agenda.
- Promote communication and collaboration among researchers and members of the target audience.
- Collaborate with similar organizations from other states related to common issues in which federal policy has a negative impact on Ohio health policy.
- Maintain a detailed, comprehensive listing of Ohio health data sources, researchers and policy experts.
- Commission or perform selected research projects that address key health issues.

2.4.2. Analysis. The Health Policy Institute of Ohio will identify and investigate statewide health issues and trends of interest to policymakers. A particular focus will be on Medicaid, uninsured, and underinsured populations.

To meet these analysis objectives, the Health Policy Institute of Ohio will:

- Provide relevant, timely and impartial analysis to policymakers, helping them understand complex issues and make informed decisions. The Institute provides objective information, analysis, and education.

- Identify broader statewide health issues and trends through advisory panels, surveying of target audience constituencies, and data tracking.
- Analyze existing data to identify trends and project future developments
- Identify Ohio’s emerging health issues.
- Serve as a resource for policy makers and others.
- Synthesize national and state research to provide context, clarity and perspective for Ohio policymakers.

2.4.3. Communication. The Health Policy Institute of Ohio will communicate with decision makers in a timely fashion about critical health policy and health services research and analysis.

To meet these communication objectives, the Health Policy Institute of Ohio will:

- Establish and maintain relationships with policymakers and other members of the target audience.
- Actively market the Institute as one of Ohio’s leading sources of reliable, impartial health data and analysis.
- Develop white papers, policy briefings, and resources for decision makers on pressing health issues. This may include conferences as well as written materials.
- Establish a “key issues timeline” for collecting, organizing and analyzing information on major topics in a timely fashion, consistent with the state’s legislative schedule.
- Assist researchers in presenting important research findings in an accessible format.
- Regularly publish policy briefings, research updates, and an Institute newsletter to communicate important health issues among the Target audience.
- Publish other relevant products as identified by the target audience (i.e., Ohio Medicaid Basics –a primer on Ohio Medicaid; see below).

The Institute will make heavy use of the Internet. Internet use can reduce the amount of traveling necessary to involve people in providing information and advice, developing the health policy agenda and functioning as networks.

The Internet is also a very good way to make information and reports freely available, providing broad dissemination of information. The Institute will maintain an open access policy for all work that it does. Original databases (which will be few) will be cleaned and posted for access by other researchers. Work products of the Institute will be disseminated in print and through the Internet.

Work Products Examples of recent work that are the kinds of things the Institute could do are:

Ohio Medicaid Basics, produced by the Health Foundation of Greater Cincinnati and the George Gund Foundation as a demonstration to accompany this Business Plan. The material provides a description of the Ohio Medicaid program, including how Medicaid is organized, who is covered, cost issues, and the Byzantine complexities that arise when changes are contemplated. This piece is intended for policymakers, those working with Medicaid, and the public. [Note: As of this writing, the document is just ready to go to press. It will be available in print and on the Foundation's web site – www.healthfoundation.org/publications/reports. We will send a notice when it is released]

Analysis of the Economic Implications of Changes in Medicaid Expenditures on Ohio Counties, by Robert Greenbaum and Anand Desai, Ohio State University. This study is just starting. It is a replication and extension of a similar South Carolina study that was useful to policymakers as South Carolina struggled with its Medicaid funding dilemma.

Behavioral Health on the Ballot: Property Tax Levies for Mental Health and Alcohol and Other Drug Treatment, by the Health Foundation of Greater Cincinnati. This study looks at the issues of passing tax levies to fund care for the mentally ill and addicted in rural Ohio counties. It will be available in print and at www.healthfoundation.org/publications/reports

A supplement to this document is a list of websites for some of the other state health policy research entities. Visiting these web sites will give a very good picture of the range of work that can be done.

2.5. Other Environmental Issues

Current policy organizations, university-based research centers, and private consulting firms may claim that they do this work, and that the program should be awarded to them.¹ No existing entity, public or private, is positioned to effectively meet the stated objectives as proposed in this document. Rather, many of these entities can be expected to benefit from the work of the Institute. For example, the Institute will clarify policy research priorities, convene researchers, standardize database operations, etc., in ways that will increase the credibility of Medicaid research and enhance skills of Ohio researchers.

¹ A nationally recognized for-profit firm specializing in Medicaid has recently established an office in Columbus.

2.6. Measurable Results

Upon affirmation of the Institute's mission and vision by the Board of Directors, specific goals and objectives, indicators of success, and evaluative tools will be developed. Ongoing evaluation and program improvement efforts are the responsibility of Institute staff. The Institute will make an annual report to the Founders, and publish a biennial report to the public.

The Institute will hire an independent evaluator to conduct a formal assessment of the Institute's work and impact in Year Four. Funding for an outside evaluator is included in the 5-year expense projections. The Institute's Scientific Review Committee, described in section 3.1, will oversee these activities.

2.7. Start-Up

2.7.1. Collaborative Venture Funding. Several Ohio foundations are interested in determining the feasibility of, and establishing a Health Policy Institute of Ohio. A collaborative venture has several advantages including:

- The credibility and independence of the Institute will be enhanced. The Institute will not be viewed as an arm of a single entity, but rather as a partnership of foundations with common missions.
- Founding partners from different population centers in Ohio will help ensure broad political and statewide representation.
- Founders who are actively working to improve their communities' health will be able to furnish ideal initial leadership for the Institute.
- The fiscal health and stability of the organization will be strengthened. No one foundation alone is likely to provide all necessary core funding.

While an Institute with multiple core funders may face additional challenges beyond those that would come with a single funding entity, these complexities are far outweighed by the benefits of a funding partnership.

2.7.2. Founders' Start-Up Investment. A significant commitment is required to launch and sustain a project of this magnitude. Conversations among interested Ohio foundations, and with similar centers and funders in other states, have emphasized three important points:

- The Health Policy Institute of Ohio should be established only if core funding is secured for a minimum of five years following start-up.

- A realistic expectation of funding beyond this five-year period by one or more foundations, possibly project-related funding, is appropriate.
- The first 12 months' budget (September 2003 – December 2004) should be about \$500,000 with an approximate annual budget of at least \$1 million each year thereafter.

Core funding for the first five years will allow the Institute to establish its priorities, reputation, and track record, stabilize its operations. Heavy fundraising that comes early in the project could create problems. An emphasis on attracting operating funds during the formative years could easily distort the focus, scope and independence of the organization.

This level of funding is necessary to accomplish the key objectives and to attract and retain quality leadership in the Institute's Executive Director and staff. Quality of staff has been identified as a leading factor in the success of such entities.

2.7.3. Founders' Role Beyond Financial Support

We anticipate that Founders will be funding the Institute because of their intense interest in supporting and improving the health policy environment that supports access to health care to the citizens of Ohio. Consequently, Founders should expect to participate in the Advisory Group functions, most especially those that establish the health policy research agenda for Ohio. They are being involved now in designing the Institute and making start-up decisions. The initial Board will consist entirely of foundation appointees, who will continue this involvement.

Another dimension of this project is the collaboration of Ohio foundations. Ohio does not have a statewide health foundation. Instead, it has an unusual number of regional health foundations, which if taken together, cover the state rather well, but without any of us having a voice in state-level health policy. State health policy, however, is more important in sustaining our service improvement programs than is our own funding.

Because of a local focus, Ohio foundations have not had the opportunity to consider interventions at the state policy level. By working as a group that covers most of the state, we can argue that each region is carrying its share of the state-wide effort, and that any foundation's local region will benefit directly from efforts to improve state policy decisions.

This project helps Ohio health foundations develop new working relationships with each other, while making an important and needed contribution that none of us can do alone. This work will help us each set more effective agendas for our respective foundations.

The Institute staff should become knowledgeable about the interests of Ohio foundations. Founders and others can expect to be approached about potential high-impact projects (not necessarily based at the Institute) that may need additional funding to do well or in a timely manner. Foundations involved in starting similar centers report that through their involvement in these centers, they have become more visible to policymakers.

2.7.4. Continuing Funding After Start-Up

In all likelihood, there will be some need for phase-down funding after Year Five. Given the time between now and then, the rapid nature of change in health care, and the difficulty of projecting the work of the Institute so far in advance, we believe that some trailing funding will be needed. However, by that time, such funding may be more project-related than is needed during the start-up stage. We expect that the Institute will be developing its sustainability plans with its funders and its Board during the first five years. See additional details about sustainability avenues under Section 4.8, Sustainability and Work Plan.

3. GOVERNANCE

3.1. Founders and the Board

A Directing Founder shall be any grantmaking organization that commits at least \$100,000 per year for five years during Year One-Five of the project. A Directing Founder will be able to appoint one Director; Founders contributing at least \$300,000 per year for five years will be able to appoint two Directors.

Groups of Founders may collaborate to jointly fund a Directing Foundership, provided they agree about how to share their appointing authority. Founders able to make only smaller funding commitments are welcomed, and can play an important part in launching the Institute.

To qualify as a Directing Founder, the commitment to support the Institute needs to be made in writing by June 30, 2003.

Directing Founders may appoint as Board members their own officers, staff, or board members, as well as members of the public or experts in health policy or others that they deem appropriate. Appointments by Directing Founders of persons who are health care providers, elected or appointed government officials, or health administrators require a two-thirds vote of confirmation by the Board; appointment of registered lobbyists is prohibited.

Should a Directing Founder's appointee resign during the first six-year term, the Directing Founder may appoint a replacement, subject to the same conditions as the original appointment, to complete the term. Should a Directing Founder withdraw funding from the Institute, its appointed Board member will be required to resign.

3.2. Public Participation in the Work of the Institute

The Institute will establish and work closely with three advisory groups. Staff will convene and facilitate these groups, which will guide and inform the direction and activities of the Institute. *These functions are critical to the Institute's success.* Standing advisory functions, which will meet as frequently as needed (and more frequently in the beginning), but not less than once per year, shall include:

- **Ohio Health Policy Researchers Advisory Group.** Health researchers and analysts, who will be convened by the Institute for the purposes of improving and simplifying health policy research, particularly related to Medicaid and uninsured, but also encompassing other vulnerable populations in the state of Ohio;

- **Ohio Health Policy Advisory Group.** Health care providers, advocates, public health officials and state and local health officials will be convened by the Institute for the purpose of developing consensus about state health policy research issues and priorities, particularly those related to the care of Medicaid, uninsured and vulnerable populations in Ohio.
- **Scientific Review Advisory Group.** Scientific reviewers, to review the Institute’s scientific activities including study designs, statistics, and logistics. This group will also oversee an evaluation of the Institute’s overall research program.

The Institute may convene other ad hoc and special interest groups as needed.

The staff and Board of the Institute shall give significant consideration to the recommendations of the standing advisory functions, but are not obligated to follow the recommendations of these groups.

3.2.1. Board Membership. The initial Board of Directors of the Health Policy Institute of Ohio (“Board”) will be comprised of persons nominated by the Founders. The Board shall have no less than five and no more than 20 members, with an ideal size of nine to 15 members. Each Directing Founder will appoint one person to the Board of Directors in 2003; these initial directors will serve a six-year term. The Executive Director of the Institute will serve ex-officio (i.e., without a vote) at all Board meetings. The Board will meet at least quarterly.

Beginning in Year Four of the Institute, the Board shall elect all new or reappointed Directors to three year terms. Directors will be limited to two terms. In the case of a Directing Founder-appointed Director, this may consist of one six-year term plus one three-year term. In the case of a new appointee, it shall consist of two three-year terms. This will provide for staggered terms. At least three new directors should be elected each year starting in Year Four of the Institute.

3.2.2. Officers and Committees. The Board will have three officers, namely: Chair, Secretary and Treasurer. Officers will be elected by the members of the Board of Directors for two year terms. Standing Board committees shall be: 1) Executive, 2) Audit and Operations, 3) Nominating (starting in Year Three) and others as may be determined by the Board.

3.2.3. Board Decision Making. The Board shall adopt Bylaws defining Board membership, officers, term limits, committees, quorum definition, meetings, and similar matters, provided that the commitments in this document are upheld. Bylaws will require a two-thirds Board majority for hiring or terminating the Executive Director, changes to the Bylaws, and sale or dissolution.

The concurrence of the Boards of the Directing Founders will be required through Year Five before the Institute's Board of Directors is permitted to amend the following:

- Vision or Mission of the Health Policy Institute of Ohio as set forth in Section 2.2 of this document;
- The major categories of the Institute's Planned Activities (Research, Analysis & Communication) as set forth in Section 2.3 of this document.

3.2.4. Dissolution

In the event of sale or dissolution of the Institute within ten years, proceeds shall be returned to the Founders in a pro-rata share based on cumulative funding of the Institute from each Founder during the first ten years.

3.4 Start-Up Planning Process

To keep momentum on this project, certain actions (incorporation, tax status, hiring) need to be set in motion as soon as possible. If there is sufficient interest in supporting the Institute, the Health Foundation of Greater Cincinnati will file papers to start the organization, call meetings of the Institute planning group (a proto-Board) between now and June 30, 2003, and turn the responsibilities over to the Institute's Board on July 1, 2003.

The Ohio Grantmakers Forum will serve as the fiscal agent until the organization is determined to be an independent non-profit organization.

Any foundation interested in funding as a Founder or Directing Founder may participate in the planning group meetings that will occur prior to July 1, 2003. The planning group will surface, organize, prioritize and begin to address organizational issues for the Board, and start the recruitment of the Executive Director. As of July 1, 2003, all of these responsibilities will transfer to the Board.

4. OPERATIONS

4.1. Establishing the Corporation

Establishment of a new nonprofit corporation requires the following activities:

- Engage legal counsel to draft formal corporate documents.
- Draft and file articles of incorporation with the Ohio Secretary of State. These include:
 - name
 - purpose
 - registered agent and address
 - name and address of incorporator
 - provision for distribution of assets upon dissolution of the organization
 - method of amending articles
 - prohibition of private inurement
 - prohibition of lobbying and political campaigning as a significant part of the organization's activities
- Draft by-laws stating guidelines for conducting the daily operations of the organization including:
 - number of Directors, how they are chosen, removed and succeeded
 - title, number and duties of officers, how they are elected and removed
 - indemnification of officers and Directors; and,
 - procedures for amending bylaws, approved by the founding partners.
- Recruit and establish initial Board of Directors.
- Conduct an organizational meeting to:
 - accept appointments to the Board of Directors
 - elect officers
 - adopt by-laws
 - adopt corporate seal
 - adopt resolution permitting opening of bank accounts and signing of bank signature cards
 - establish a fiscal year
 - record actions through minutes

- Obtain federal tax-exempt status by filing form 1023, “Application for Recognition of Exemption Under 501 (c)(3) of IRC.” This document includes a description of activities and a 5-year budget projection.
- Appoint a fiscal agent who will be responsible for receiving and disbursing grants from the Founders on behalf of the Institute until such time as the Institute has received an IRS notification of its tax-exempt status.
- File IRS Form SS-4 to obtain Employee Identification Number for the Institute.
- File IRS Form 990 4 ½ months after the close of each fiscal year.

4.2. Staffing and Management Qualifications

The success of this effort rests largely on the ability of the Institute to attract highly skilled leadership and staff. Conversations with stakeholders, potential Founders, and with similar centers and foundations in other states, confirm this view. This is particularly true for the position of Executive Director, who will be responsible for visioning and planning during the Institute’s formative years.

4.2.1. Responsibilities of the Executive Director include:

- Implementing the Institute’s mission and vision as set forth in this business plan and adopted by the Board. This includes leading the effort to set the agenda for research and analysis.
- Identifying key members of the target audience, and developing relationships with each group.
- Communicating about the Institute, including differentiating it from other health-focused organizations and establishing it as an independent voice.
- Managing accountability issues inherent in reporting to the Founders and to the public.
- Overseeing start-up and daily operations of the Institute including hiring staff, ensuring quality work, and planning for long term sustainability.

The Executive Director will set the tone for the Institute and will work collaboratively with the Board to chart its future. Skills in management, research, communication and public policy are vital, as is a reputation for quality, neutrality and integrity. The pool of individuals qualified for this

challenge is relatively small. Recruitment for this position is quite possibly the Board's greatest responsibility.

4.2.2. Other Positions

Other positions will be hired by the Executive Director.

The Institute will need an additional leader who is an experienced researcher capable of interfacing with policymakers. This position should be senior enough that the Institute would be able to function should it lose the Executive Director. This position is likely to be the workhorse for the work done both with outside researchers and for internal projects.

A junior researcher will perform significant amounts of hands-on work, database acquisition and manipulation.

An experienced Communications staff will work strategically with the policy researchers, producing materials that render complicated programs such as Medicaid more comprehensible by policymakers. This work will also clarify relevant health policy studies for policy makers. Because of the emphasis on getting such materials out, a second position is included in the communications function. The second position will permit a monthly policy briefing based on work done by the Institute and others; it reflects the emphasis of the Institute on communicating with and educating policymakers and the public.

Clerical and intern staff are included in the budget.

In 2005 (Year Two), the Institute will add a proposal writer. This position will be important to the future sustainability of the Institute.

Administrative positions, to do work such as accounting, purchasing, payroll, benefit administration, and information systems support, are not included in the staffing plan. Instead, the Institute expects to contract for such administrative support with the Ohio Grantmakers Forum. Note: Like many things in this document, this arrangement has not yet been approved by any of the parties involved.

4.3. Milestone Dates

Target Date	Planning Phase
8/1/02 –	Conduct feasibility study and research state health policy centers across the country

	Conduct informal one-on-one meetings with potential stakeholders and funding partners
10/17/02	Meeting of potential funding partners
1/13/03	Draft Business Plan to potential funding partners for review; document sharing on QuickPlace
1/13/03-2/10/03	Meetings with staff of foundations considering the proposal (Foundations to call Pat O'Connor, Health Foundation of Greater Cincinnati (513-458-6620; toll-free 888-310-4904, ext. 6620) or Marcia Egbert, George Gund Foundation, (216-241-3114) to schedule)
2/10/03	Group meeting(s) of staff of foundations interested in learning more about the proposal, probably in Columbus
2/26	Group meeting with staff and directors of interested foundations. Probable speaker(s) from other state health policy programs. May include first Planning Group (Proto-Board) meeting.
3/01/03 – 6/30/03	Foundation staff and boards process the proposal for the Institute, and officially notify the Institute of funding decision.
3/1/03	Draft joint Memorandum of Understanding (MOU)
3/15/03	Finalize any changes to the Business Plan
4/01/03	Planning Group (Proto-Board) meets: <ul style="list-style-type: none"> • Draft bylaws • Hire legal counsel • Initiate recruitment of Executive Director, with Communications and clerical position searches timed to follow the selection of the Executive Director (so he or she selects the finalists) • Approve hiring of other consultants as needed • Establish fiscal year • Pass resolution governing the opening of bank accounts • Determine Institute's name, address, etc. • Formally appoint fiscal agent • Plan/draft administrative services contract with OGF • Establish parameters and procedures for making space decisions

	<ul style="list-style-type: none"> • Begin work to develop standing Advisory Committees (Policy Researchers, Ohio Health Policy, and Scientific Review Committees)
4/1/03	Finalize MOU
5/01/03	File articles of incorporation; apply for non-profit status
6/30/03	MOU signed by Founders

Target Date	Start-up (July-December 2003)
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7/1/03 –	<p>Meeting of the Board of Directors to:</p> <ul style="list-style-type: none"> • Ratify actions undertaken by the planning group • Approve Board appointments • Elect officers • Approve bylaws and articles of incorporation • Set meeting schedule • Approve important policies, such as conflict of interest • Take over recruitment responsibilities, which hopefully will be near the interview stage.
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9/1/03 –	Open office
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11/1/03 –	Meeting of the Board of Directors to review and discuss the Institute's goals, objectives and work plan outline, including how the advisory groups will be set up and operated
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Target Date	Ongoing Activities
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7/1/03 and quarterly thereafter	Board of Directors meet quarterly (meetings may occur more often as determined by the Board) with full responsibility for the Institute
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Late 2003 and annually thereafter	<p>Board of Directors meet to accomplish normal activities such as:</p> <ul style="list-style-type: none"> • Review and approve upcoming year's budget • Discuss priorities for three activity areas (research, analysis and communication) • Review overall work plan for the upcoming year • Approve annual report and send to Founders
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Founders receive and review Annual Report about activities, fiscal status, future activities, and self-assessment findings

4.4. Start-up Needs

Start-up coordination and activities are significant and will require sufficient dedicated staff time. Failure to adequately staff the critical start-up phase could result in confusion, delay and, most importantly, the perception of disarray and poor quality. Once the Executive Director is in place, he or she will set up permanent offices, establish key relationships, conduct a needs assessment, develop a work plan, revise the budget, and begin recruiting staff. The plan emphasizes an expedient recruiting process for the Executive Director so that this person can take the reins as quickly as possible.

4.5. Ongoing Operational Needs

Ongoing costs are detailed in the budget spreadsheet referred to by Section 5 of this Business Plan.

The Executive Director is expected to provide quarterly reports to the Board on the work plan, actual costs incurred compared to budget, projected costs for the remainder of the period, and the status of fundraising efforts. The Executive Director will present to the Board for approval and justify any proposed variances in budget, staffing or activities from this document. Except as limited by the Bylaws or any grant agreement with funders, the Board will be responsible for such decisions.

4.6. Communication

As one of the Institute's three core objectives, effective communication with the target audience is of vital importance. A Director of Communications will be in place as soon as possible, with responsibility for identifying communications needs of each target audience constituency, developing a communications plan, and implementing this plan.

4.7. Critical Risks and Solutions

Of the more than one hundred conversations with members of the target audience, relatively few criticisms or concerns have been voiced. Clearly risks do exist, however, as with any new venture. The following are the most salient:

4.7.1. Risk: The Institute will not secure adequate, reliable, and sustainable funding. This point has most clearly been emphasized by Institutes in other states, including Colorado, which recently launched a foundation-sponsored statewide institute. Pressure to secure funding while still in its formative stage could irreparably change the scope and character of the Institute while diminishing its credibility to members of the target audience and Founders.

Additionally, withdrawal of funding by a Founding Partner would result in one of the following: (1) require additional resources from the other Founders; (2) necessitate a scaling back of planned activities; or, (3) bring other funders into the Board, thereby changing the charter and character of the organization.

4.7.1.1.Solution: The Institute will not be launched unless core funding is secured for five years and a Memorandum of Understanding (MOU) is in place. The MOU will describe the spirit of the collaborative venture and how future funding issues will be handled. The MOU will include the projected budget and amount committed by each Founder. Finally, the MOU will set forth the shared understandings of the Founders regarding Institute activities, staffing and governance. The MOU will be substantially guided by this document.

4.7.2. Risk: The Institute will be regarded as competition by existing public policy organizations, private consulting firms, and university-based research centers. Numerous organizations are presently working in the areas of health policy and health services research across Ohio. These groups may fear competition both for influence and prestige as well as for resources. Departments within government may have similar concerns as state-funded evaluation and analysis projects are often contracted out.

4.7.2.1.Solution: Establish relationships and communication strategies early to articulate the Institute’s vision—a unique vision unlike any organization in Ohio. The Institute is envisioned as a contributor to current efforts. While many are doing good and important work in this area, a critical need exists for organizing this work and communicating it to decision makers in a timely, accessible fashion. Duplication of existing efforts is not the goal. Rather, the Health Policy Institute of Ohio will support and augment much of this work through its research, analysis and communication activities. This stance should be articulated clearly and early in the process.

4.7.3. Risk: The Institute will be viewed as partisan, biased or otherwise not objective. Influence comes with credibility, and credibility demands objectivity. The Institute will contribute to an informed decision-making process only when it has established a credible reputation.

4.7.3.1.Solution: Establish the Institute’s reputation as fact-based and bias-free from day one. Install high caliber leadership who are not identified with particular political ideology, and clearly communicate the Institute’s independence and neutrality. It is important to note that while the Institute has no partisan policy agenda, this does not imply that it will not speak out when it has established conclusive findings on a given topic. To the contrary, the Institute will be a credible voice addressing key health issues of the populations served by the Founders.

4.7.4. Risk: The work product of the Institute will not be fully utilized or effective. Failure to follow a deliberative design and implementation process, particularly in setting the policy agenda of the Institute, or to adequately address the aforementioned risk factors, will result in a project that does not live up to its full potential.

4.7.4.1.Solution: Involve the target audience in the design and goal setting process. Follow a well thought-out implementation process with strong, high caliber leadership. The Institute should be responsive to the needs and concerns of policymakers. This includes involving target audience members in creating the health policy research agenda, setting goals and priorities. Skilled professionals with sufficient time and resources should conduct the work. The Institute requires staff with experts capable of facilitating consensus processes, communicating with policymakers and the public, conceptualizing health research programs, and understanding policy issues.

4.8. Sustainability and Work Plan

Support from Founders for Year Zero (2003) through Year Five (2008) is a requirement for being able to start an Institute. It is understood that long-term funding from the Founders may or may not continue thereafter. It is also understood that the transition to self-sustaining status is ideally a gradual one. Founders should expect that the Institute will begin to bring in outside funding in Years Four & Five, and there is a possibility of a need to taper funding after the five-year core funding period.

Included in the Institute’s work plan will be a detailed revenue and fundraising strategy. The Executive Director will be responsible for designing and implementing this work plan, with Board approval. Revenue opportunities might include:

- solicitation of grant funding from other local or national foundations;
- additional grants, contract research or analysis work for high-priority issues for funders, including Founders;
- grants or contracts from federal agencies;

- state or local government agencies grants and contracts;
- using Institute funding of work related to Medicaid and the uninsured to pull down a 50% federal match; this requires appropriate projects and the support of state Medicaid officials in obtaining the funds;
- collection of fees from special events or from the sale of Institute products or services;
- corporate contributions;
- individual donations.

The Executive Director will report to the Board regularly and to the Founders annually on efforts to diversify the funding base and ensure long-term sustainability of the Institute.

5. FINANCIALS

A detailed budget spreadsheet (entitled *Health Policy Institute of Ohio*, in MS Excel 2000) is posted separately with this document. The spreadsheet contains many comments about how numbers were obtained. These comments may be seen by placing the cursor over the cells marked with small red triangles.