

Improving health and reducing the burden of illness in New Hampshire

2000 ANNUAL REPORT

Creating the Endowment for Health

The creation of the Endowment for Health embraces many strategic steps and the work of many individuals. The time line here presents some of the highlights of our process together over the past year.

October 26, 1999

The Articles of Agreement are filed with the Secretary of State. The Endowment for Health is born!

January 3, 2000

- The Endowment for Health “Statement of Philosophy” is officially adopted.
- Interim Board Co-Chairs selected.
- Interim Board Governance and Search Committees formed.

February 7, 2000

- The fiscal year is established: October 1 – September 30.
- Investment counsel determined.

April 3, 2000

The strategic short-term investment of Endowment funds is approved by the Board.

April 19, 2000

Strategic planning board retreat refines Endowment focus.

May 1, 2000

- Board Officers elected.
- Search and selection process for President/CEO approved.
- Investment and spending policies approved.



The Endowment for Health

The Endowment for Health was formed in 1999, as a result of the sale of the nonprofit Blue Cross and Blue Shield of New Hampshire to Anthem. The Endowment for Health is an independent nonprofit foundation. There is no formal connection between the Endowment for Health and Anthem.

The initial \$85 million realized from this sale forms the financial core assets of the Endowment. The directors of the Endowment for Health have invested the principal, and the income from this investment will fund both the grants made by the Endowment, and the operational and administrative costs associated with the Endowment.

In the future, we may build our endowment with additional funds donated by individuals, families, businesses, and other organizations concerned about the health and well-being of New Hampshire citizens.

Essential Mission

The Endowment for Health is a permanent foundation embracing an essential mission: To improve the health and reduce the burden of illness for the people of New Hampshire. It is accountable to the citizens of New Hampshire, and draws from a broad spectrum of individuals throughout the state for its direction and governance.

Although the Endowment seeks to take an expansive and visionary approach in addressing health care issues, it has a particular interest in supporting programs and projects that will help those most vulnerable in our communities.

What Does it Mean to be Healthy?

The Endowment believes that many factors impact the health of New Hampshire citizens. These factors may range from the quality of and the access to health care, to

educational factors that can create and expand health awareness, and also include other social and economic determinants of health.

We embrace the broad definition of health, as defined by the World Health Organization:

Health is a state of complete physical, mental, and social well-being, not merely the absence of disease or infirmity.

A significant ongoing interest of the Endowment is to explore and gather information about a very basic question: What does it mean to be healthy in today's society? In New Hampshire?

Many Needs. Many Voices.

The Endowment recognizes that there are many critical health care needs faced by New Hampshire citizens each year. We seek to work collaboratively with other organizations – both to identify needs and to participate in designing and funding initiatives to address those needs.

The Endowment welcomes innovative and creative thinking from our wider community as it further defines and evolves its grantmaking priorities.

Where We Are Today

Throughout the past 18 months, the Endowment has been engaged in an intensive fact-finding and needs awareness process. We are listening, and have been asking questions about the current status of the major health-related issues in New Hampshire. This process will continue through the Spring of 2001.

By late spring 2001, the Endowment will publicly announce the scope of its initial grantmaking.

At that time, the Endowment will communicate the types of grants it will make in 2001, the details of how to apply for grants, their duration, and other appropriate information. The Endowment will make its grant decisions by September 30, 2001.

We've Come a Long Way!

This Annual Report summarizes the accomplishments of the Endowment since its inception, and our financial status as of September 30, 2000 (see page 5).

For more information about the Endowment, its grantmaking priorities for the coming year, and how to become involved in the exciting dialogue developing about health care issues in New Hampshire, please call our office at 603-228-2448.

Creating the
Endowment for Health, continued

June 5, 2000

Standing committees formed and charged.

June 23, 2000

Advisory Council orientation session held.

July 10, 2000

- The first of several investment managers is selected.
- Job description of Endowment President finalized.
- Board approves Code of Ethics and Conflict of Interest policies.
- Program Development Committee authorized to commission a series of briefings on New Hampshire health needs.

August 7, 2000

- Communications committee begins the process of developing the Endowment's overall communications strategy.
- Search committee announces a goal of selecting the Endowment's president in early December.

September 20, 2000

- First joint meeting of the Board and Advisory Council is held.
- Final resolution of purchase price negotiations with Anthem/Blue Cross and Blue Shield of NH is announced.
- The first two of fifteen planned health needs briefings are presented to the Board and Advisory Council.

Dear Friends...

Over the past 18 months I have been involved in the birth of a new philanthropic organization focused on meeting the current and emerging health care needs of New Hampshire citizens. It has been a fascinating and exciting process, and I have been gratified to be a part of this new dialogue about health care needs in our state.

An Emerging Organization

The Endowment for Health is an “emerging organization.” As such, we are still very much in the process of defining ourselves.

We have defined the Endowment ‘on paper,’ and have established our mission and vision statements, but the actual integration of this new organization into our dedicated health care and philanthropic communities is still evolving, and will be evolving for many years into the future.

Concept to Reality: Our Journey

Our journey began with a simple exchange of money. Actually, it wasn’t very simple, but the details are not very interesting. Upon the sale of Blue Cross and Blue Shield of New Hampshire to Anthem, the State of New Hampshire formed the Endowment for Health with the net proceeds from the sale. Federal law requires that the proceeds from such a sale be allocated to charity, and one way to ensure that this requirement

was met was to create a philanthropic organization like the Endowment for Health to serve community needs.

With support from Governor Jeanne Shaheen, and with the guidance of Michael DeLucia from the New Hampshire Attorney General’s Office, the Endowment for Health was born.

Exemplary Leadership...

My fellow board members eagerly tackled the multifarious challenges they faced, and there are many individuals who have worked selflessly, cooperatively, and tirelessly to create the Endowment for Health.

This spirit of dedication and sensitivity to all citizens in our state also led to the formation of our 29-member Advisory Council, which includes some of the most creative and visionary individuals in New Hampshire, if not the United States.

In a series of community meetings held throughout the state, we gathered a wealth of information about the most pressing health care needs currently faced by New Hampshire citizens, and learned more about those organizations currently addressing these needs.



Sylvio L. Dupuis, O.D., Chair

“We seek to be a responsible vehicle for investing in the long-term, sustainable health of our state...”

Responding to New Hampshire’s Most Critical Health Care Needs

One thing is clear. The Endowment for Health seeks to be an organization that supports those programs and projects that meet the health care needs of those most vulnerable in our communities.

- The Endowment will look at health and health care in broad terms, and will consider many factors that impact the health of our citizens and our communities.
- The Endowment will support new initiatives that hold promise for making significant improvement in the health of the citizens of our state.
- The Endowment is not “just another grantmaking organization.” We seek to be a responsible vehicle for investing in the long-term, sustainable health of our state, and seek to be a forum for this emerging dialogue to take place.
- The Endowment seeks to support initiatives that are not dependent on public funding and to avoid serving as replacement funding for existing initiatives and programs funded through the public or private sector.

However, the actual mechanism of our grantmaking process, and how we will make our funding decisions, remains in process as of the publication date of this Annual Report.

Establishing Something New

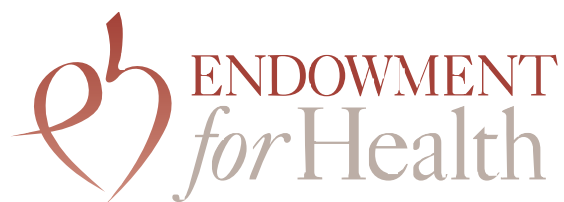
I have personally been humbled by the challenges we have faced to date – both in establishing the Endowment for Health, and in establishing a new and visionary way to respond to the critical health care needs we also face as a concerned community.

If we are to truly actualize our goals, we need your voice at our table. I sincerely welcome your input as we move forward.

Sincerely,



Sylvio L. Dupuis, O.D.
CHAIRMAN



Statement of Financial Position

For the year ended September 30, 2000

ASSETS

Cash and Cash Equivalents	\$ 7,198,467
Prepaid Expenses	6,860
Investments (at fair market value)	80,252,220
Total	<u>\$ 87,457,547</u>

LIABILITIES AND NET ASSETS

Accounts Payable and Accrued Expenses	121,125
Accrued Excise Tax	90,975
Total liabilities	<u>212,100</u>
Unrestricted Net Assets	
Board designated	87,245,447
Total	<u>\$ 87,457,547</u>

Statement of Activities

For the year ended September 30, 2000

REVENUE AND SUPPORT

Proceeds (from the sale of Blue Cross and Blue Shield of New Hampshire to Anthem)	\$ 84,140,239
Investment Income	4,414,609
Realized Gains on Securities	21,975
Unrealized Loss on Investments	<u>(666,370)</u>
Total	<u>87,910,453</u>

EXPENSES

Management and General:	
Investment Custodian and Management	
Fees	85,855
Insurance Expense	6,860
Professional Fees:	
Legal Expenses	253,361
Consulting Expense	163,856
Accounting Expense	15,705
Executive Search	44,937
Meeting Expense	2,640
Office Expense	490
Bank Charges	30
Miscellaneous Expense	297
Federal Excise Tax on Private Foundation ..	<u>90,975</u>
Total	<u>665,006</u>
Increase in Unrestricted Net Assets	87,245,447
Net Assets – Beginning of Period	—
Net Assets – End of Period	<u>\$ 87,245,447</u>

Directors

Betsy Abrahams, *Merrimack*
Susan R. Chollet, **Secretary**,
Peterborough
Sylvio L. Dupuis, O.D., **Chair**,
Manchester
Rev. William J. Donoghue,
Manchester
Deanna Howard, **Vice Chair**, *Etna*
Gustavo Moral, *Concord*
Jan Nisbet, Ph.D., *Durham*
James M. Oates, **Treasurer**, *Elkins*
Ann H. Peters, *Kittery, ME*
Msgr. John P. Quinn, *Bedford*
Y.B. Rhee, *Etna*
Donald Shumway, *Hopkinton*
Monique C. Therriault, R.S.M.,
Berlin
Georgia Tuttle, M.D., *Lebanon*
Richard Wiebusch, *Concord*

Advisory Council

Gina Machos Balkus, *Nashua*
William E. Boyle, Jr., *Hanover*
Susan R. Chollet, *Peterborough*
Monica Ciolfi, *Concord*
Thomas Clairmont, *Belmont*
Joseph Diament, *Newfields*
Selma Deitch, M.D., *Manchester*
Juliana Eades, *Canterbury*
Jennifer L. Frizzell, *Concord*
Kathleen Ann Hubert, *Newport*
Rabbi Richard L. Klein, *Concord*
Tess Stack Kuenning, *Concord*
David Lamarre-Vincent, *Concord*
Raymond V. Mailloux, *Chester*
Nury Marquez, *Manchester*
Marie Metoyer, M.D., *Manchester*
Michael R. Ostrowski, *Bedford*
David A. Pearson, *Durham*
Thomas Raffio, *Bedford*
Jeanne Ryer, *North Sandwich*
Harvey L. Schwartz, *Harrisville*
Richard D. Silverberg, *Bow*
Timothy Soucy, *Manchester*
Sue Donahue Suter, *Eliot, ME*
Rodney E. Tenney, *Concord*
Clyde E. Terry, *Concord*
Sr. Monique Therriault, *Berlin*
William Walker, *Campton*
Charles F. Whittemore,
Manchester

Executive Committee

Sylvio L. Dupuis, O.D., **Chair**
Betsy Abrahams
Susan R. Chollet
Gustavo Moral
James M. Oates
Ann H. Peters
Msgr. John P. Quinn
Richard Wiebusch

Finance and Investment

James M. Oates, **Chair**
Deanna Howard
Gustavo Moral
Msgr. John P. Quinn
Georgia Tuttle, M.D.

Governance Committee

Richard Wiebusch, **Chair**
Susan R. Chollet
Rev. William Donoghue
Jan Nisbet, Ph.D.
Y.B. Rhee

Communications Committee

Gustavo Moral, **Chair**
Susan R. Chollet
Rev. William J. Donoghue
Donald Shumway
Georgia Tuttle, M.D.

Program Development Committee

Betsy Abrahams, **Co-Chair**
Ann Peters, **Co-Chair**
Deanna Howard
Jan Nisbet, Ph.D.
Donald Shumway
Sr. Monique Therriault
Richard Wiebusch

Audit Committee

Y.B. Rhee, **Chair**
Georgia Tuttle, M.D.
Richard Wiebusch

Search Committee (ad hoc)

Ann Peters, **Chair**
Susan R. Chollet
Deanna Howard
Gustavo Moral
Jan Nisbet, Ph.D.
Donald Shumway

Tax Counsel

David Dubrow

General Counsel

Sherry Young,
Rath, Young and Pignatelli PA

Investment Counsel

New England Pension
Consultants

Auditors

Howe, Riley and Howe

Executive Search Counsel

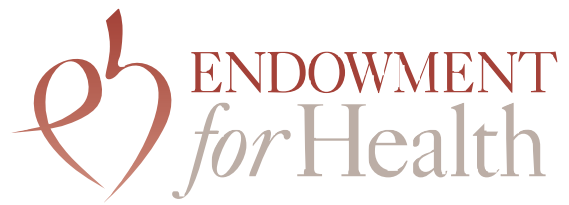
Isaacson, Miller

Consultant to the Board

Randy Benthien,
Benthien Associates, Inc.

Public Relations Counsel

Patrick McGee,
McGee Consulting Group
Christopher Cornog,
Paxton Communications



14 South Street
Concord, NH 03301
Phone: 603-228-2448
FAX: 603-228-1304

