

What to expect from Summa's new charitable foundation



Melanie Black Amato is executive director of the nonprofit Mainstreet Barberton, which supports a revitalized downtown district. The organization receives funding from the Barberton Community Foundation, which was originally funded by the sale of the old Barberton Citizen's Hospital. Josh Troche, Pedal Stomper Productions

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The foundation will focus on overcoming social determinants of health.

When a neighborhood loses a hospital, it often gains a charitable foundation.

In Akron, something different is about to happen. The hospital will remain and a charitable foundation will be created as well.

That's the promise in the pending deal announced in January for the non profit Summa Health to be sold to a venture capital firm. When the deal is done, General Catalyst's Health Assurance Transformation Corp., known as HATCo, promises a new foundation will be funded with the remaining money from the sale, once debts are settled up. The sale price was not disclosed.

How much money will be left over and the form that foundation will take is unclear. Summa will continue to operate as a health care system under new ownership. Summa has said generally that the foundation will focus on overcoming social determinants of health in Akron and the surrounding region.

A look at hospital closings and ownership transfers in the Akron and Cleveland area offers some clues of what is possible.

The creation of Barberton Community Foundation echoes what is happening with Summa's new foundation. In both cases, the sale of a hospital to a for-profit company resulted in the creation of a community foundation.

The Mount Sinai Health Foundation has roots in the former Mount Sinai Health Care System. After the old Deaconess Hospital closed, the Deaconess Community Foundation continued supporting the Old Brooklyn neighborhood. And there are others.

The result? Foundations helping to build high schools, boost downtown districts, train Latino Clevelanders for construction jobs, put homeless young people into stable housing, feed the hungry and more.

Collectively, these foundations — called health care conversion foundations — disbursed more than \$28.7 million in grants in 2023.

Summa currently has a foundation that raises money to support the hospital's patient care, medical education and research. In its online statement, Summa indicated that there may be two foundations in the future.

John Petures Jr., CEO of the Akron Community Foundation, said Akron is getting the best of both worlds.

"I think that's a win for this community that people's health and well-being is still going to be preserved," Petures said. "But we'll have this philanthropic mechanism that's going to help improve the community in the short and long term."

Barberton turned hospital sale into cash for new school

The sale of Barberton Citizens Hospital to a for-profit company led to a foundation that funded a new high school building and supports economic development.

In the 1990s, Barberton needed to replace its aging high school, but the city's depressed economic situation meant that a tax increase would be tough to pass.

“The way to get the high school built was to sell (Barberton Citizen’s Hospital), fund the foundation with the proceeds, and then the foundation would take on the debt service for the expensive school building,” said Josh Gordon, executive director of the Barberton Community Foundation.

“Just creating the foundation to create it wouldn’t necessarily get anybody excited. But the idea of relieving the taxpayer burden was a big deal.”

The \$58 million high school opened in 2001. Barberton Citizens Hospital was sold to a for-profit company for \$86 million, and now part of the Summa system.

The philanthropic organization also addresses the city’s need for economic development. The foundation invests in buying older buildings and making them shovel-ready for new businesses or developers, Gordon said.

Barberton Community Foundation also helped the city develop Main Street Barberton, a nonprofit that works to attract visitors and business to the city’s downtown. The foundation is giving Main Street Barberton \$50,000 for each of three years, starting in 2023.

Gordon thinks that his foundation’s success is something that Summa’s new foundation could emulate.

“The picture of what success looks like is constantly shifting as the community shifts,” Gordon said. “We can bring resources to the table that, without the foundation, the community would never have access to. And that gives us a shot to transform the community over time. We’re very fortunate because many communities don’t have that as an opportunity.”

Sisters of Charity grants support homeless youth

In Cleveland, the sale of partial assets of two Sisters of Charity Health System hospitals in the mid-1990s led to the creation of Sisters of Charity Foundation of Cleveland. It is one of the major funders of a Place 4 Me Collaborative, a nonprofit focused on preventing youth homelessness.

A \$140,000 grant in 2023 to A Place 4 Me Collaborative helped fund a team of youth navigators to support young people ages 18 to 24 who are experiencing homelessness.

Peer navigators offer clients financial assistance for housing, a food pantry, help navigating resources for education, mental health services, job training and more.

“We always tell them if we don’t have something on site for you, we will definitely figure out where you can get it from and we will walk with you until you get that resource,” said foster care youth navigator Shajuana Gaston.

Last year, Ohio City-based A Place 4 Me served nearly 600 youth in Cuyahoga County; about 40% had been in the foster care system. Many became homeless because they were fleeing abuse or domestic violence, lose a job or are experiencing another crisis.

Without grants from Sisters of Charity, “we would have to limit our impact in some ways,” said A Place 4 Me executive director Kate Lodge.

Focus, diversity will make Summa foundation effective

Philanthropic leaders have advice for the new Summa foundation — stay focused, have a diverse board of directors and seek guidance from experienced hands.

The new Summa foundation should be careful about taking on long-term debt, as the Barberton Community Foundation did to build a new high school, Gordon said.

“It’s earned wisdom,” Gordon said.

While Barberton Community Foundation’s support for new and renovated school buildings was valuable, the long-term debt that comes with a large building project tied up the foundation’s money for years, Gordon said. The foundation is now taking time to build up its cash reserves.

“Don’t take it all on yourself; bring other people to the table so the next generation benefits from the foundation as much as the current generation does,” Gordon said.

The new Summa foundation will have to decide on its focus.

Some influential medical conversion foundations focus on neighborhoods surrounding a medical facility, said Christine Mayer, president of the GAR Foundation in Akron, a private philanthropic organization.

The St. Luke’s Foundation works to eliminate health inequities in Cleveland neighborhoods surrounding the old St. Luke’s Hospital.

Other medical conversion foundations target topics strongly correlated to their medical mission, such as health inequity or infant mortality.

“They have deep knowledge, they’ve got data, they’ve got expertise, and those factors lend themselves well to interventions that are actually going to make a difference,” Mayer said.

A new charitable foundation also needs to recognize that it’s not the same as a business or nonprofit, said Deaconess Community Foundation CEO Cathy Belk. A smart board of directors will seek guidance from established charitable foundations, she said.

“Get insight and the guidance from people who work in this particular space,” Belk said. “That will really help avoid mistakes that come from never having worked in this space before.”

A CLOSER LOOK AT FOUNDATIONS

Here is information, provided by each organization, about some Cleveland- and Akron-area healthcare conversion foundations.

Barberton Community Foundation

History: In 1996, Barberton residents voted to change the articles of incorporation of Barberton Citizens’ Hospital so that proceeds of the hospital’s sale would go to fund the newly formed Barberton Community Foundation. The foundation provided funds to build a new high school and senior center.

Grant-making focus: Education, workforce and economic development; arts and community; and health and wellness.

Total grants disbursed 2021 through 2023: \$5.1 million.

Major projects in 2023: Main Street Barberton, which works to revitalize the city’s downtown received \$50,000. Barberton City School District received more than \$22,000 to operate programs for residents of the Akron Metropolitan Housing Authority, including tutoring, busing parents to parent/teacher conferences and more. The program serves more than 800 people.

Community West Foundation

History: Originally known as the Fairview/Lutheran Foundation, Community West has been supporting these Cleveland Clinic hospitals as well as many community nonprofit agencies through grantmaking since 1997, the year that the Fairview and Lutheran hospitals became part of the Cleveland Clinic system. At that time, the

Fairview/Lutheran Foundation converted from a hospital-support foundation to a freestanding philanthropic organization, independent of the health system.

Grant-making focus: Community West Foundation supports organizations that provide basic needs programs and services in Cleveland, as well as western Cuyahoga County and Lorain County. The organization also organizes fundraising events that benefit Clinic Fairview and Lutheran hospitals.

Total grants disbursed from 2021-2023: \$24.3 million.

Major projects in 2023: Lutheran Metropolitan Ministry received \$100,000 to support the Men's Shelter at 2100 Lakeside Ave. and other programs. The Society of St. Vincent De Paul was granted \$55,000 to fund three hunger centers.

Deaconess Community Foundation

History: Deaconess Hospital was sold to Primary Health Systems, a for-profit company based in Philadelphia in 1994. Deaconess Community Foundation, a not-for-profit public charity, was created in 1997. Later, the charity became a private foundation called the Deaconess Foundation.

Main grant-making focus: Helping those impacted by poverty to build careers.

Total grants given in 2021-2023: \$6.3 million.

Major projects in 2023: The Spanish American Committee received \$45,000 to support the Latino Construction Program. This six-week program incorporates English-language instruction with lessons in construction terminology, blueprint reading, safety, and one-on-one job training and counseling. NewBridge was granted \$70,000 to support its adult healthcare workforce certification training offered at no cost to the student for individuals interested in healthcare careers.

Mount Sinai Health Foundation

History: The Mount Sinai Health Foundation resulted from the 1996 sale of Mount Sinai Medical Center and related entities of the Mount Sinai Health Care System to a for-profit buyer, and the 1997 sale of Laurelwood Hospital to University Hospitals.

Grant-making focus: Academic medicine and bioscience, health policy and health in urban and Jewish communities.

Total grants disbursed from 2021-2023: More than \$20.9 million.

Major projects in 2023: Case Western Reserve University School of Medicine received \$2 million over three years to establish the Mount Sinai Fellows Program in Therapeutic Discovery to recruit physician scientists to translate the School's basic science research into faster cures. Planned Parenthood of Greater Ohio received \$500,000 for reproductive health education.

Sisters of Charity Foundation of Cleveland

History: The Sisters of Charity Foundation of Cleveland was established with the proceeds of the November 1995 sale of a half interest in the Sisters of Charity of St. Augustine Health System, which included the former St. John West Shore Hospital and St. Vincent Charity Hospital. (St. Vincent Charity Medical Center downtown remained, closing as a hospital in 2022. It is now an out-patient care facility operating as St. Vincent Charity Community Health Center.)

Main grant-making focus: Ending homelessness in Cuyahoga County, specifically in Cleveland's Central neighborhood.

Total grants disbursed from 2021-2023: \$6.5 million.

Major projects in 2023: A \$100,000 grant seeded the development of the Women Religious Archives Collaborative, a nonprofit organization dedicated to preserving the legacy of Catholic Sisters in the United States by building a heritage center in Cleveland that will hold the archival collections of more than 30 congregations of sisters. A \$140,000 grant to A Place 4 Me Collaborative helped fund a team of youth navigators to support young people ages 18 to 24 who are experiencing homelessness.

St. Luke's Foundation

History: The St. Luke's Medical Center was sold to the private healthcare provider Columbia/HCA Healthcare Corp. in 1997. The original assets — about \$47 million from the endowment and \$25 million from the purchase price — were used to establish the St. Luke's Foundation.

Grant-making focus: Closing health inequities in the neighborhoods surrounding what once was St. Luke's Hospital.

Total grants given in 2021-2023: \$21.4 million.

Major projects: In 2023, the East End Neighborhood House was awarded a grant of \$250,000 per year for four years, totaling \$1 million, aimed at infrastructure

improvements for its facility, which is more than 100 years old. The City Club of Cleveland received \$60,000 to create the St. Luke's Foundation Health Equity Series in partnership with the City Club. Speakers spark conversations on health equity that resonate with the St. Luke's community.