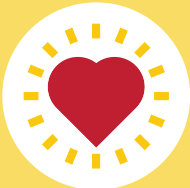
NEW CONCEPTS OF VALUE + INVESTMENT

Spotlight Sectors: Health Care + Business Investments

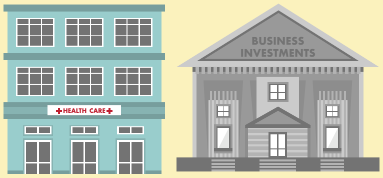
PATH TOWARD A WELL-BEING ECONOMY

UNLOCKING AMERICA'S POTENTIAL FOR HEALTH, WELL-BEING + PROSPERITY



New concepts of value inspire new investment priorities.

New investments shift markets to value opportunities for all to reach their full potential



Leaders in health care + business investments are moving large sectors of the economy toward new values and investments.

But those shifts are still fragile and incomplete.

KEY TERMS

Value is what people consider to have merit, worth or significance

Investments are resources devoted to grow value over time

Health and well-being for all means that everyone has fair and just opportunities to reach their potential

Vital conditions are things we all depend on to reach our potential like clean air, good food, living wages, education, housing, healthcare and more

A WORKSHOP ON

Reorienting Health Care and Business Investment Priorities Toward Health and Well-Being

New York City - December 3, 2018

GO TO WORKSHOP MATERIALS

This graphic was created by Sara Ivey and Bobby Milstein, with support from the Roundtable on Population Health Improvement, to inform discussion at the workshop on "Reorienting Health Care and Business Investment Priorities Toward Health and Well-being Roundtable." The authors are responsible for the content of this graphic which does not necessarily reflect the views of the National Academies of Sciences, Engineering, and Medicine or the Roundtable on Population Health Improvement.

MILESTONES IN THE MOVEMENT TO NEW VALUE + INVESTMENT

TOMORROW'S MILESTONES ARE **DECIDED TODAY**

1950 — 2050

HEALTH CARE

1951 Joint Commission on the Accreditation of Hospitals

1954 Employer contributions to healthcare premiums exempt from federal tax

1965 Medicare + Medicaid

1969 Community benefit requirements for hospitals

1980-present Era of consolidation into hospital systems

1983 Payment through diagnosis related groups

1990 National Committee on Quality Assurance

1995 Managed Care

2006 Accountable Care Organizations

2010 Affordable Care Act

2012 Accountable Communities for Health

2017 Funders Forum on Accountable Health

BUSINESS INVESTMENTS

1960s Vietnam War protestors demand university endowment funds no longer invest in defense contractors

1973 Interfaith Center for Corporate Responsibility founded

1977 Community Reinvestment Act

1984 US Sustainable Investment Forum - prompted by Chernobyl and Three Mile Island

1985-1993 Anti-Apartheid effort redirects \$625B out of South Africa

2006 United Nations Principles for Responsible Investment

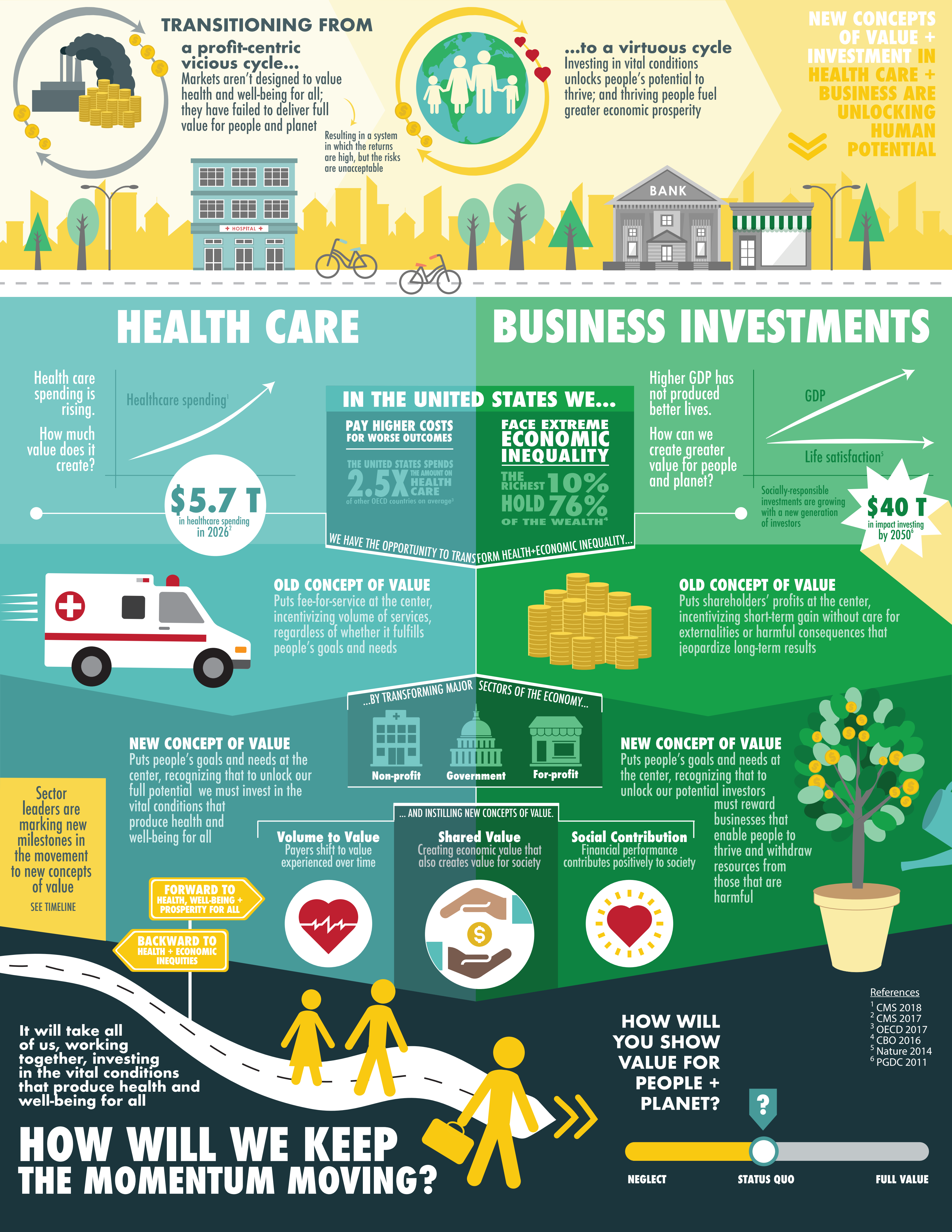
2009 Bloomberg adds coverage for sustainability news and ESG data

2012 Global Sustainable Investment Review

2016 IRS rules that private foundations can use endowments to make impact investments

2016 Employment Retirement Income Security Act reaffirms that private pension plans can take social factors into account

2018 JUST Capital ETF debuts with biggest-ever launch for socially responsible ETF


TRANSITIONING FROM
a profit-centric vicious cycle...
Markets aren't designed to value health and well-being for all; they have failed to deliver full value for people and planet
Resulting in a system in which the returns are high, but the risks are unacceptable
...to a virtuous cycle
Investing in vital conditions unlocks people's potential to thrive; and thriving people fuel greater economic prosperity
NEW CONCEPTS OF VALUE + INVESTMENT IN HEALTH CARE + BUSINESS ARE UNLOCKING HUMAN POTENTIAL
HOSPITAL
BANK
HEALTH CARE
BUSINESS INVESTMENTS
Health care spending is rising.
How much value does it create?
Healthcare spending[1]
$5.7 T
in healthcare spending in 2026[2]
IN THE UNITED STATES WE...
PAY HIGHER COSTS FOR WORSE OUTCOMES
THE UNITED STATES SPENDS 2.5X THE AMOUNT ON HEALTH CARE of other OECD countries on average[3]
FACE EXTREME ECONOMIC INEQUALITY
THE RICHEST 10% HOLD 76% OF THE WEALTH[4]
WE HAVE THE OPPORTUNITY TO TRANSFORM HEALTH+ECONOMIC INEQUALITY...
Higher GDP has not produced better lives.
How can we create greater value for people and planet?
GDP
Life satisfaction[5]
Socially-responsible investments are growing with a new generation of investors
$40 T
in impact investing by 2050[6]
OLD CONCEPT OF VALUE
Puts fee-for-service at the center, incentivizing volume of services, regardless of whether it fulfills people's goals and needs
OLD CONCEPT OF VALUE
Puts shareholders' profits at the center, incentivizing short-term gain without care for externalities or harmful consequences that jeopardize long-term results
...BY TRANSFORMING MAJOR SECTORS OF THE ECONOMY...
Non-profit
Government
For-profit
NEW CONCEPT OF VALUE
Puts people's goals and needs at the center, recognizing that to unlock our full potential we must invest in the vital conditions that produce health and well-being for all
NEW CONCEPT OF VALUE
Puts people's goals and needs at the center, recognizing that to unlock our potential investors must reward businesses that enable people to thrive and withdraw resources from those that are harmful
Sector leaders are marking new milestones in the movement to new concepts of value
SEE TIMELINE
...AND INSTILLING NEW CONCEPTS OF VALUE.
Volume to Value
Payers shift to value experienced over time
Shared Value
Creating economic value that also creates value for society
Social Contribution
Financial performance contributes positively to society
FORWARD TO HEALTH, WELL-BEING + PROSPERITY FOR ALL
BACKWARD TO HEALTH + ECONOMIC INEQUITIES
It will take all of us, working together, investing in the vital conditions that produce health and well-being for all
HOW WILL WE KEEP THE MOMENTUM MOVING?
HOW WILL YOU SHOW VALUE FOR PEOPLE + PLANET?
?
NEGLECT
STATUS QUO
FULL VALUE
References
1 CMS 2018
2 CMS 2017
3 OECD 2017
4 CBO 2016
5 Nature 2014
6 PGDC 2011