

The Health Foundation Fund, Inc.

2023 Annual Report

February 29, 2024

Background

The Health Foundation of Central Mass., Inc. (THFCM) retained the tax status of Central Massachusetts Health Care, Inc. (CMHC) when it converted from an HMO to a foundation in 1999. That tax status is as a 501 (c) (4) organization or social benefit organization, and, as such, THFCM **cannot** receive charitable contributions. There were advantages to THFCM retaining the 501 (c) (4) status, such as the capacity to lobby, which private foundations do not have, and the capacity to approximate a 5% annual payout, rather than conform to a mandated 5% payout, as do private foundations.

There were occasional opportunities early on when THFCM was approached to receive charitable contributions. In order to accommodate charitable contributions, THFCM established in May 2000 a subsidiary 501 (c) (3) organization named The Health Foundation Fund, Inc. (the Fund). The purpose of the Fund is “to support the purpose and mission of its member, The Health Foundation of Central Mass., Inc...” Thus, THFCM is the sole member of the Fund, and, as such, THFCM elects the Fund’s Board, and THFCM’s Officers and President automatically serve in those same positions for the Fund.

Updates on Fiscal Sponsorship

The **Landlord-Tenant Guarantee Program Fund** was established and activated as a pilot in 2019 with \$25,000 by the City of Worcester in partnership with MassLandlords, Inc. and Central Massachusetts Housing Alliance and the Fund to determine if providing a guarantee to private property owners would reduce their perception of risk and agree to house the single adult chronic population, thereby helping to reduce the homeless population. This program was recommended in the City Manager’s Task Force for Sustaining Housing First Solutions’ report, which was issued and endorsed by the City Council in July 2018. THFCM had provided support services and funding for the hiring of a consultant to the Task Force. In addition, one individual has made a \$100 contribution to support the program. To date, no expenditures have been made. An unintended negative consequence of the eviction moratorium associated with the coronavirus pandemic is that potential private landlords’ concerns about the risk of housing the homeless have intensified, and they have been unwilling to participate in this program. The Worcester Commissioner of Health and Human Services convened a meeting to discuss whether this fund could be redirected for a different purpose serving the same population, but no concrete proposal has been developed.

Highlights of Selected Activities

The Fund has been fortunate to own **life insurance policies** where the covered individuals have paid the premiums. Former Chairman of THFCM Board Dr. John P. Gusha created in 2008 **The Gusha Family Oral Health Fund**, the Fund’s first donor-advised fund. The Fund owns a \$100,000 life insurance policy on Dr. Gusha, who has made charitable contributions to the Fund to fully fund the policy. In addition, Dr. Gusha designated his Plue Award be made to the Fund toward payment of the policy.

During 2023, the Fund received another annual contribution from Dr. George Abraham totaling \$1,221 which The Fund then expended toward the premium payment on his \$100,000 life insurance policy, which is owned by the Fund. Dr. Wayne Glazier has made contributions over the years that were used to pay the premiums towards a gift of life insurance of \$1,000,000. Currently this policy has a surrender value of around \$75,000 which ably covers the annual premium of \$5,638. In addition, the premiums for the \$100,000 gift of life insurance, owned by the Fund, on Dr. Jan Yost’s life are paid up through her age of 99.

The Fund also received in 2023 a **Special Gift** of \$5,000 from Mr. Jason Rosenfeld, a former classmate of Dr. Shei’s. Current THFCM Directors Mr. Randy Becker and Dr. Dennis Dimitri, as well as Community Member Mr. Dan Ricciardi, contributed a total of \$650 to the Fund in response to the **year-end appeal**. Ms. Diane Gould and Mr. Michael Grenon also responded to the year-end appeal, and their contributions were received in 2024 and will therefore be reflected in the next annual report. In addition, the Fund received \$2,150 in memory of Dr. Utzschneider, who passed away in early 2023. The list of donors is proudly posted on the website.

Upon her retirement from the THFCM Board, Dr. Gisela Velez designated her Marilyn E. Plue Director Recognition Award in the amount of \$20,000 as unrestricted to the Fund.

Current Status of the Fund

In creating the Fund, THFCM made a grant of \$5,000 to it to provide resources that the Fund would need to comply with government required registrations. Over the years, the Fund has received charitable contributions to augment THFCM's grantmaking.

The Fund began 2023 with total net assets of \$297,423 and, as of **December 31, 2023, the total net assets were \$335,406** of which \$145,708 was unrestricted cash held in the general fund. In addition, the surrender value of the **life insurance policies** owned by the Fund was **\$133,050** as of December 31, 2023.

THFCM Board made the decision in March 2016 to invest \$60,000 held by the Fund via dollar cost averaging over a 6–12-month period (with 60% going to Vanguard Total Stock Market Index Fund and 40% to Vanguard Total Bond Market Index Fund); since that time, these investments **generated gains of \$48,776 and the value of the portfolio on December 31, was \$108,777.**

These preliminary figures were compiled from unaudited statements.