

Fundraising Amidst Health Care Reform

Over the past few years, Goodale Associates has worked with many hospitals and medical centers to help achieve their fund-raising goals. From this experience we have gained a unique understanding of how changes in the medical industry have affected health care philanthropy. As a result, we have developed a few broad strategies to help clients weather the storm of health care reform.

More often than not, directors of development have been so busy meeting annual operating objectives of managing capital campaigns that they have not been able to keep abreast of all the various factors affecting their organization's future. Therefore, it is imperative that development directors at hospitals and medical centers be able to clearly, and in laymen's terms, explain the various nuances of proposed plans for health care in America. From HMOs to consolidations, the development director is likely to be the first person donors will turn to for answers.

Not only must the development director maintain a solid understanding of health care trends, but he or she must be able to explain how his or her particular hospital is preparing for the future. Many times this will be a compelling reason for a donor to give. If a hospital's facility is antiquated and expensive to maintain, development directors can help donors realize how a new facility will keep costs down and allow the hospital the flexibility to meet future changes and continue to operate in the years to come. The development director must be careful not to use scare tactics to encourage giving. Instead, he or she must explain how a hospital with strong financial support is in a much better position to deal with future unforeseen obstacles.

As donors shy away from organizations with uncertain futures, it is important to focus their attention on the present good that the hospital is providing. Therefore, we advise hospital development directors to stress the various activities going on today. If possible, talk about how the hospital is already addressing changes in the health care market, such as moving away from inpatient care to ambulatory care, or stress the increase in the number of HMO agreements already secured. By focusing on the present value of the hospital, donors will realize how important it is to their own needs.

While change causes turmoil and uncertainty, it also creates new opportunities. Because health care recently has been in the news so frequently, hospitals have a special chance to attract people who have not traditionally been involved with health care philanthropy. Hospitals should consider holding afternoon forums at which doctors, administrators, trustees, and donors present the current position of their institution and discuss their plans for the future. Potential major givers and other influential community leaders should be invited.

In this time of change it is paramount that hospital development offices work closely with their public relations departments. This cooperation can increase the

impact of each effort. The development department's relationship to the finance department is another partnership that may need to be strengthened. Directors of development conducting capital campaigns should be sure donors sign pledge cards which include a schedule of their pledge payments. This gives the finance department a much better idea of when cash will be coming in and approximately how much they can expect.

While fundraising in any sector of the non-profit world amidst massive change requires creativity and a well thought out plan, it also requires diligent adherence to basic fundraising practices. This is even more important in health care philanthropy where the link between the donor and the organization is based upon the direct provision of services. Directors of development constantly need to be out in the community meeting with prospective donors and not hiding away in their offices revising direct mail letters. Thank-you letters and informative follow-up notes are essential during this time of change.

The maintenance of comprehensive grateful patient programs is another all too often neglected aspect of a hospital's fundraising efforts. While these programs may require staff time and energy, the payoffs can be immense. Development directors should receive daily admittance reports from the hospital's registry. Furthermore, the development staff and/or a group of hospital volunteers should make sure top donors and prospects have a pleasant stay at their hospital. This can entail bringing flowers, making sure the television works or dropping by to introduce oneself. However, it is critically important that the delivery of medical and nursing care does not differ between donors and non-donors.

In conclusion, as non-profit hospitals and medical centers undergo dramatic restructuring in the next several years, health care philanthropy may also be redefined. During this period of transition, directors of development will have a major influence upon the future of their particular organization. If they are able to understand all that is going on around them, while presenting a clear picture of their organization's position today and in the future, and still maintain good fundraising stewardship, they will dramatically expand and improve the fundraising resources of their hospital or medical center.