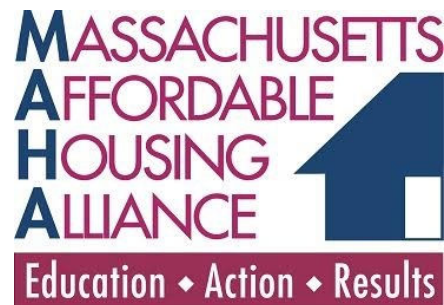
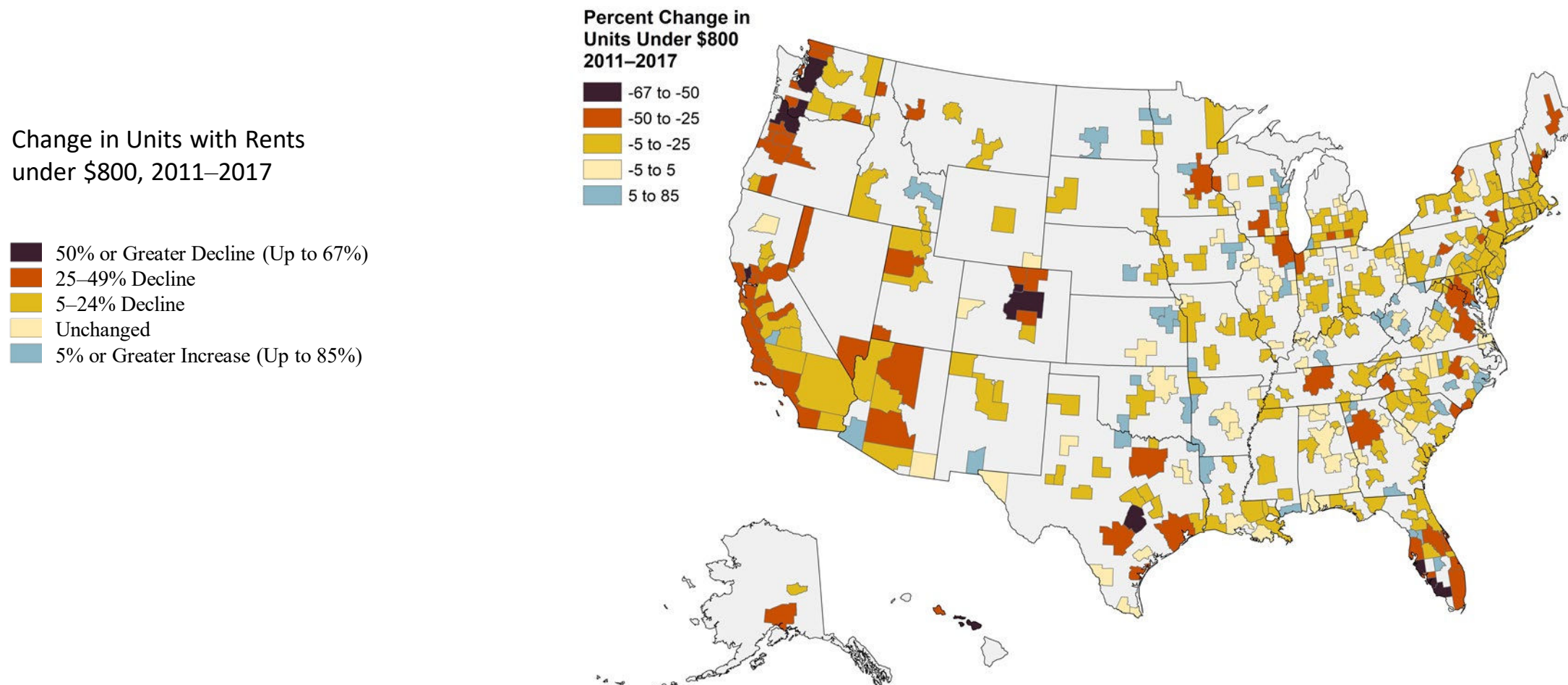


LEVERAGING HEALTH PLAN CAPITAL FOR AFFORDABLE HOUSING AND COMMUNITY DEVELOPMENT

Presented By: Tom Callahan and Ashley Blackburn



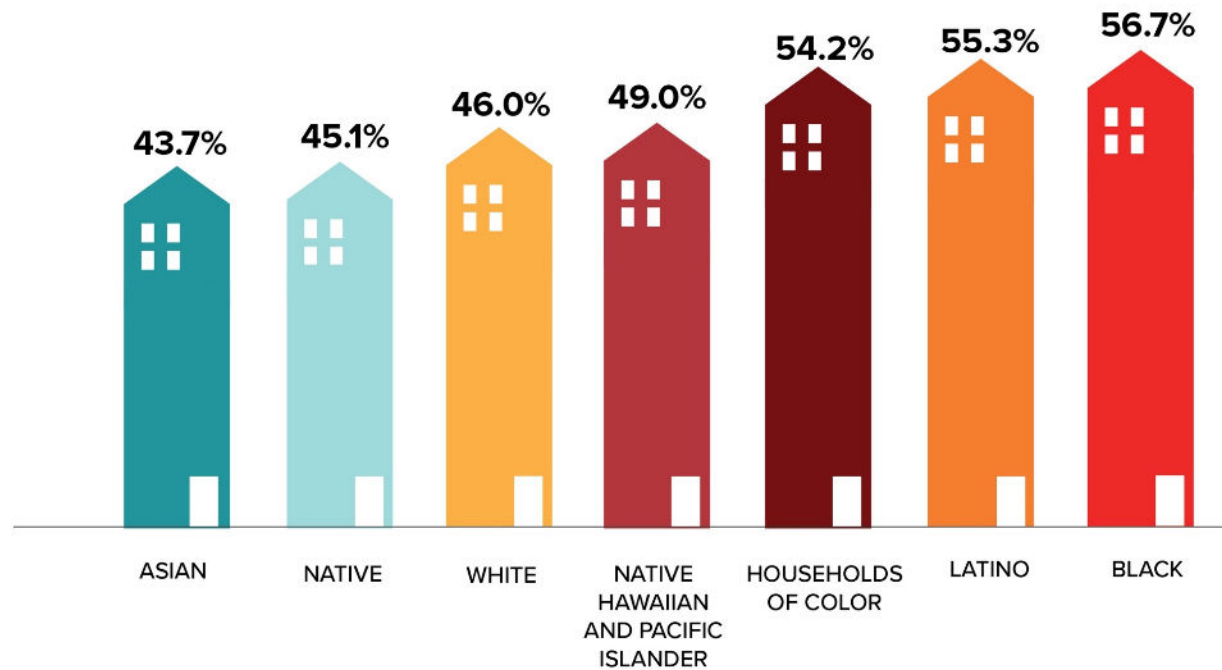
Affordable Rental Stock in Most Metros Has Declined Substantially Since 2011



Notes: Rents are adjusted to 2017 dollars using CPI-U for All Items Less Shelter.

Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates and Missouri Census Data Center.

COST-BURDENED RENTERS BY RACE



Source: American Community Survey, 2018.

Lost Wealth after Disasters

- Whites who lived in counties with only \$100,000 in damage from 1999 to 2013 **gained an average of approximately \$26,000 in wealth**. However, those who lived in counties with at least \$10 billion in damage during the same time period **gained nearly \$126,000**.
- Blacks who lived in counties with just \$100,000 in damage gained an estimated \$19,000 in wealth on average, while those living in counties with at least \$10 billion in damage **lost an estimated \$27,000**.

These differences occurred even after the researchers controlled for a wide range of factors including age, education, homeownership, family status, residential mobility, neighborhood status and county population.

Citation: Damages Done: The Longitudinal Impacts of Natural Hazards on Wealth Inequality in the United States” Researchers Junia Howell, a scholar at Rice’s Kinder Institute for Urban Research and an assistant professor of sociology at the University of Pittsburgh and Jim Elliott, a professor of sociology at Rice and fellow at Rice’s Kinder Institute.

A Prescription for Housing

As Matthew Desmond wrote in *Evicted: Poverty and Profit in the American City*, the rent eats first. When a large portion of a family's income goes toward rent, there is little leftover for food and health care expenses. Cost-burdened adults are less likely to fill prescriptions and follow health care treatments.

Source: Urban Institute, *Writing a Prescription for Housing*, 2017

U.S. Health Insurers' Profits Boom Amid Pandemic

Net income of selected U.S. health insurance providers



* Owns insurance provider Aetna as well as other non-insurance brands.

Los Angeles Times

BUSINESS

Column: UnitedHealth's profits show it's great to be an insurer during a pandemic

INDIANAPOLIS
BUSINESS JOURNAL

Record profits for Anthem, other health insurers, raise hackles

August 21, 2020 | John Russell



Unexpected Health Insurance Profits and the COVID-19 Crisis

Caroline F. Plott, MS¹; Allen B. Kachalia, MD, JD²; Joshua M. Sharfstein, MD³

[Author Affiliations](#) | [Article Information](#)

The coronavirus disease 2019 (COVID-19) pandemic has placed unprecedented financial stress on most of the US health care system, including physician practices, emergency



US health insurers doubled profits in second quarter amid pandemic

US's largest health insurer, UnitedHealth Group, reported \$6.7bn in profits compared with \$3.4bn for the same quarter last year

THE WALL STREET JOURNAL

MARKETS | HEARD ON THE STREET

Health Insurers' Coronavirus Boost Is Likely to Last

Higher profits in the wake of the pandemic won't reverse quickly as elective surgeries return to normal

Health insurers are emerging as clear **business winners** in the **pandemic**. That might be less temporary than the market expects.

Opinion

How Health Insurers Can Be Heroes. Really.

The industry is profiting from the pandemic. It needs to pay back by cutting premiums and co-payments, help private practices and finance more protection and care.

By Amol S. Navathe and Ezekiel J. Emanuel

Dr. Navathe and Dr. Emanuel are physicians who direct the Healthcare Transformation Institute at the University of Pennsylvania.

May 6, 2020



The New York Times

Major U.S. Health Insurers Report Big Profits, Benefiting From the Pandemic

Consumers are probably entitled to millions of dollars in rebates under Obamacare rules that cap companies' profits.



The nation's largest insurers, like Anthem and UnitedHealth, had second-quarter profits so large they will have to pay back some of those earnings to consumers. Michael Nagle/Bloomberg

Potential Investment Vehicles



Investments in private equity funds



Loans or loan funds



Tax credit equity



Direct contributions



Collaborative investment

Case Study: The Life Initiative

The Life Initiative (TLI) is a \$100 million loan fund which invests in a variety of projects that benefit low- and moderate-income households and communities. TLI investments focus on affordable housing, economic development and community service sectors.

The logo for The Life Initiative, featuring the text "THE LIFE INITIATIVE" in a white, serif font, centered within a dark teal rectangular background.

THE
LIFE
INITIATIVE

Case Study: COIN

COIN is a collaborative, public private partnership effort between the California Department of Insurance, the insurance industry, community development organizations, and community advocates. This voluntary program facilitates insurance industry investments that benefit California's environment and its low-to-moderate (LMI) income and rural communities.



What can Regulators do?

- Encourage health insurers to make investments to preserve and build better, more affordable housing in the communities they serve.
- Where needed, reduce uncertainty about regulatory treatment of certain forms of investment.
- Explore mechanisms to make investing in affordable housing easier and collaborative for health plans.

Resources

- Healthy Investments: Leveraging Health Plan Capital for Affordable Housing and Community Development [Issue Brief](#)
- Healthy Investments Spotlight:
 1. [California Organized Investment Network \(COIN\)](#)
 2. [Kaiser Permanente Thriving Communities Fund](#)
 3. [The Life Initiative](#)

Questions

