



May 22, 2018

Dear New York State Office of the Attorney General:

The National Committee for Responsive Philanthropy (NCRP) is grateful for the opportunity to submit comments on the proposed creation of a new charitable foundation from the sale of the Fidelis Care health plan to the Centene Corporation. As the philanthropic sector's most vocal proponent for philanthropy that better serves those with the least wealth and power, we are pleased that the proposed Mother Cabrini Health Foundation's stated goal is to "transform the lives of underserved New Yorkers from all corners of the state and set a national model for addressing the health and wellness needs of low-income communities."

However, we are concerned that the makeup of the foundation's inaugural board of directors will not serve this goal well until and unless it better reflects the New York communities the foundation will serve. **NCRP requests that Attorney General Underwood mandate as a condition of her office's approval of the formation of the Mother Cabrini Health Foundation that the composition of the foundation's board of directors be improved to reflect representation from community-based organizations and from the underserved communities whose lives the foundation's work no doubt will impact.**

NCRP has been the leading advocate for philanthropy that better serves the common good for the 42 years since its inception. Founded by a group of grantee organization advocates, we are the only independent watchdog organization in the philanthropic sector, ensuring that charitable foundations are responsive to the needs of those who have historically not had a seat at the board room table. Our landmark 2009 publication, *Criteria for Philanthropy at Its Best*, set the standard for philanthropic practices that are effective, grounded in values like justice and equity, committed to long-term change, and ethically sound. Our research and programming educates the field about best practices for philanthropy that affects long-term change to better the lives of low-income people, immigrants and other marginalized communities. Especially pertinent to the case of the Mother Cabrini Health Foundation, we have a track record of evaluating the practices of a large health conversion foundation, as we did in our [2014 report on The California Endowment](#).

We are excited to see that the Mother Cabrini Health Foundation will be guided by the principles its namesake espoused during her lifetime: caring for the "poor, neediest, and most vulnerable" in New York communities. In a time of increasing income inequality and hostility toward immigrants and communities of color, the foundation's guiding principles are more salient than

ever. Health conversion foundations can and have been immense forces for good in their communities when they have prioritized grantmaking that empowers marginalized people to advocate for changes to the health care system that improve their access to care and general quality of life. In addition to the proposed foundation's stated funding approach, the large size of the new foundation will give it rare potential to affect broad, systemic changes in one of our nation's most populous and diverse states.

Guiding principles, however, only translate into public good with effective organizational leadership. NCRP is concerned the Mother Cabrini Health Foundation's efficacy will be limited with its current board composition, which includes ample representation from corporate, finance and wealth management firms, large hospital systems, and charities, but little if any from community-based organizations or advocacy groups focused on expanding health coverage, access and affordability. NCRP's [Criteria for Philanthropy At Its Best](#) articulated a standard for board composition our research shows leads to better grantmaking outcomes: Foundations should "maintain an engaged board of at least five people who include among them a diversity of perspectives—including of the communities it serves."

The proposed Mother Cabrini Health Foundation will not meet this standard. A board of directors that is drawn mostly from the elite circles of wealthy and powerful New York leaders will lack two assets that may interfere with the Foundation's stated objective of improving the lives of those who are neither wealthy nor powerful: first-hand experience with the challenges at hand and diverse group dynamics that nurture better decision-making.

The [research](#) on the latter is well-known. Racially, ethnically, and economically diverse groups of people are [more likely to excel](#) at creative thinking, innovation, and problem-solving than homogenous ones. The proposed board of directors is homogenous by several measures. It is mostly white in a state where most residents are not. It is dominated by C-suite leadership from large hospital systems and corporations who we presume have well above-average income and wealth in the state with the highest Gini coefficient in the country (a widely accepted measurement of income inequality).¹

The proposed board of directors also lacks the diversity of experience and perspective that makes for effective leadership on issues affecting marginalized people. The adage "nothing for us without us" ought to be applied to a foundation whose goal is to better the lives of the poorest New Yorkers. It is just and more effective for representatives from the communities the Mother Cabrini Health Foundation will serve to have a seat at their board room table. The Foundation will be more effective at advancing strategies that lead to better outcomes for marginalized communities if the board of directors includes leadership from community-based organizations with experience and relationships in those communities.

These improvements to board composition are not impossible. Consider that two of the country's most prominent health conversion foundations each are led by a board of directors that aligns much better with NCRP's standard for an effective and engaged board. The California Wellness Foundation's board of directors includes racially and ethnically diverse members who bring their experience from community health centers, nonprofit public health advocacy, and immigrant

¹According to 2016 US Census American Community Survey.

rights community organizing to bear on the foundation's important work. The California Endowment's board of directors includes racially and ethnically diverse members who come from the worlds of Black youth activism, disability rights advocacy, HIV/AIDS advocacy, Native sovereignty law, LGBTQ rights, and public health. There is no reason the Mother Cabrini Health Foundation should not have a board of directors that aspires to the same level of race, ethnicity, income, and career diversity.

The public has an interest in the over three billion dollars in assets accumulated by Fidelis Health that are destined for the Mother Cabrini Health Foundation. And the board of directors who oversee those assets should better reflect the public.

Aaron Dorfman, President and CEO
National Committee for Responsive Philanthropy