



ADVANCING A CULTURE OF PHILANTHROPY:

The Lancaster General HealthCare Foundation

JAY R. BUCHER

Vice President of Development

and

LAWRENCE I. BONCHEK, M.D., F.A.C.S., F.A.C.C.

Editor in Chief

The American health care system depends upon a complex mosaic of nearly 6,000 registered hospitals with different missions and sources of support.* Of the 5,000 non-federal, short-term general and specialty care hospitals, 3,000 are not-for-profit community hospitals. The remainder are either for-profit (900), or under the auspices of state or local government (1100). Clearly, not-for-profit community hospitals are the backbone of the American health care system, and their unique model must be kept financially healthy.

Virtually all of America's non-profit hospitals can trace their origins and subsequent development to the initiatives of civic, business, or religious leaders, who invested time, talent, and money to improve health care in their communities. Today, communities continue to invest in their hospitals, but the financial mechanisms for doing so have evolved to much higher levels of complexity and sophistication. In a sense, community hospitals function under a social contract as recyclers of the community's resources. In addition to collecting revenue for the patient care they provide, they are exempt from most taxes, and the donations they receive are tax-deductible to the donors. In return, non-profit hospitals use all of their surplus revenues to improve the health of their communities.

Hospital activities no longer consist of simply maintaining and improving brick and mortar facilities for inpatient and outpatient care, but also include prevention (e.g. childhood immunizations, health education classes, cancer screening etc.), hospice care, nursing education, medical research, and continuing medical education (including publications such as this Journal). To manage these multiple services, more than half of America's community hospitals belong to a health care "system." (Lancaster General Hospital is no exception, and it is now part of Lancaster General (LG), a corporate structure that encompasses several entities with the common

mission of improving the health and well-being of the communities it serves.)

As the mission of hospitals expanded, additional resources were needed to maintain superior programs and to provide new and innovative technology. And, as fund-raising activities have become more extensive and complex, health systems have found it useful to coordinate fund-raising by their various component organizations into a single structure. Nationwide, many systems have established charitable foundations to enhance the visibility, accountability, and oversight of their fund-raising efforts, and more than 90% of Best Practice HCOs have established charitable foundations.

Lancaster General is subject to the same forces as health care systems everywhere, and we must maximize the efficiency and effectiveness of our development efforts. To do so, in July 2006 Lancaster General established the Lancaster General HealthCare Foundation (LGHF).

A key goal of the Foundation is to advance a culture of philanthropy that encompasses everyone in the Lancaster General health system. Recently, the Association of Healthcare Philanthropy reported that American hospitals and other health care institutions raised an estimated \$7.1 billion in donations in the year 2005. Notably:

- Nearly 60% of donations came from individual donors;
- Nearly half of all donors had an affiliation with the institution they supported;
- Annual appeals and fundraising events comprised almost half of all fundraising efforts;
- 31% of gifts were grants from foundations and corporations.

The LGHF fundraising strategy is a component of the larger Lancaster General Five Year Strategic Plan, which includes these actions:

- Engage the LGHCF Board in the fundraising process;

* Source: American Hospital Association's 2007 report based on a survey conducted in 2005. All numbers are rounded to the nearest 100.

- Implement a capital campaign strategy for the five year period;
- Expand the existing planned giving program;
- Increase the focus on a major gifts program:
 - Expand and develop the Resource and Grant Development program
 - Research and implement a ‘grateful patient’ fundraising strategy and program

The LGHF has its own Board of Directors consisting of 19 volunteer community leaders, and is chaired

by Robert Bolinger, formerly Chair of the Board of Lancaster General, and the retired CEO of Susquehanna Bancshares, Inc. The Foundation coordinates the fundraising activities carried out by the Lancaster General Development Office and its nine staff members with the development activities and priorities of other corporate members such as the Lancaster General College of Nursing and Health Sciences. Jay Bucher, Vice President of Development, serves as President of the Lancaster General HealthCare Foundation. (jrbucher@LancasterGeneral.org)



*Gougane Barra; County Cork, Ireland
Edward T. Chory, M.D.*