Build Healthy Places Network

ACAP
Association for Community Affiliated Plans
Mission driven. People focused.

WHERE HEALTH MEETS PLACE

A Guide to Community-Driven Health Plan and Community Development Collaboration

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Acknowledgments

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Build Healthy Places Network

About Build Healthy Places Network: BHPN sits at the intersection of community development, finance, public health, and healthcare. Our vision is communities where health, opportunity, belonging, and well-being are accessible to all people. Our mission is to unite across sectors to advance community leadership and build the conditions for health, opportunity, and belonging. BHPN is a nationally respected organization with credibility as a convenor, facilitator, and knowledge source. BHPN is a program of the Public Health Institute in Oakland, California. For more information, visit buildhealthyplaces.org.

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About the Association for Community Affiliated Plans: ACAP represents 92 health plans, which collectively provide health coverage to more than 30 million people. Safety Net Health Plans serve their members through Medicaid, Medicare, the Children's Health Insurance Program, the Health Insurance Marketplace, and other publicly sponsored health programs. For more information, visit communityplans.net.

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1 INTRODUCTION

Overview

This guide helps health plans and community development organizations build lasting community-centered partnerships, moving from one-off projects to long-term investment in the community. It was created by Build Healthy Places Network (BHPN) in partnership with the Association for Community Affiliated Plans (ACAP), drawing on interviews, case studies, and expert input from stakeholders.

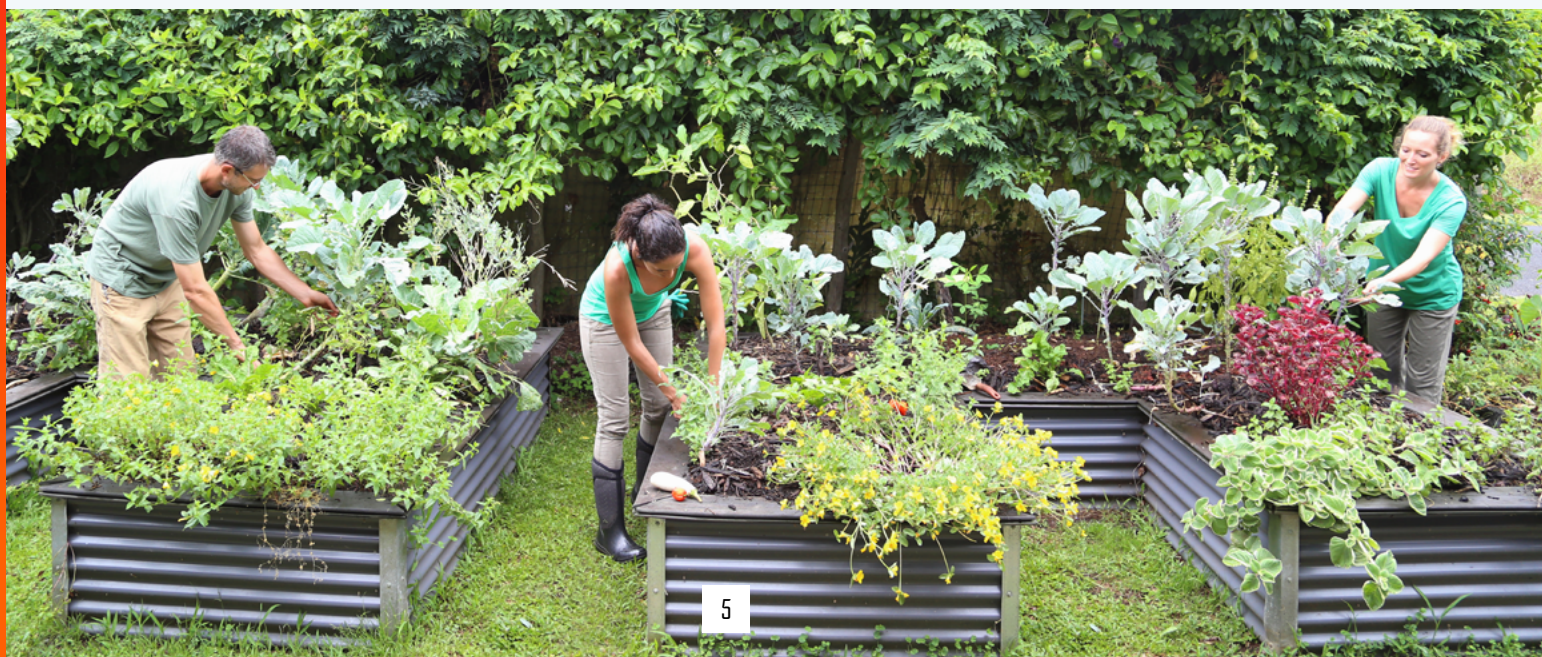
Development of the Playbook

The playbook is founded on more than a decade of experience and scholarship, drawing on the multisector partnership expertise of BHPN and combining it with the deep, mission-aligned insights of ACAP, which represents not-for-profit Safety Net Health Plans. During the development process, we:

Conducted extensive research and produced a fact sheet establishing the groundwork for health plan–community development collaborations.

Convened an advisory council (see acknowledgments) with health and community-development experts to ensure practicality, impact, and action orientation.

Synthesized insights from published resources, partner literature, and practitioner interviews to create case studies and snapshots that highlight effective strategies.



2 CONNECTING HEALTH AND COMMUNITY RESILIENCE

Where you live shapes how long you live. In historically disinvested and redlined neighborhoods across the country, decades of systemic neglect have created cycles of inequity that limit health outcomes, economic stability, educational attainment, and overall prosperity. These harms fall hardest on communities primarily comprising Black, Indigenous, and other people of color. Research shows that social, economic, and environmental conditions, not clinical care, determine up to 80% of a person's health outcomes. Yet the U.S. health sector spends more than $1 trillion a year treating chronic diseases and conditions linked to these social and environmental factors, underscoring the need to direct more resources toward the underlying causes.

Health plans and community development organizations share a vital purpose: to improve health by addressing the root conditions present in their communities that shape daily life—housing stability, economic opportunity, and accessible services. Many residents are enrolled in Medicaid, Medicare, or both, creating real opportunities for collaboration between sectors that often serve the same people.

Yet alignment isn't automatic. Health plans operate on annual contracts, while housing and infrastructure work unfolds over years. This gap is compounded by differences in incentives, funding, operations, and success metrics. This resource offers a common framework to bridge that gap by clarifying each sector's tools, incentives, and language and by aligning governance, metrics, and funding.

Health plans bring mission-aligned capital and member data. Community development organizations bring decades of experience building affordable housing, health clinics, grocery stores, and job training programs in the neighborhoods that need them most. By surfacing these overlaps, centering the voices of communities most impacted, and partnering on upstream interventions (Figure 1), both sectors can move beyond pilots to sustained, community-driven impact that reduces costs, expands opportunity, and advances health equity.

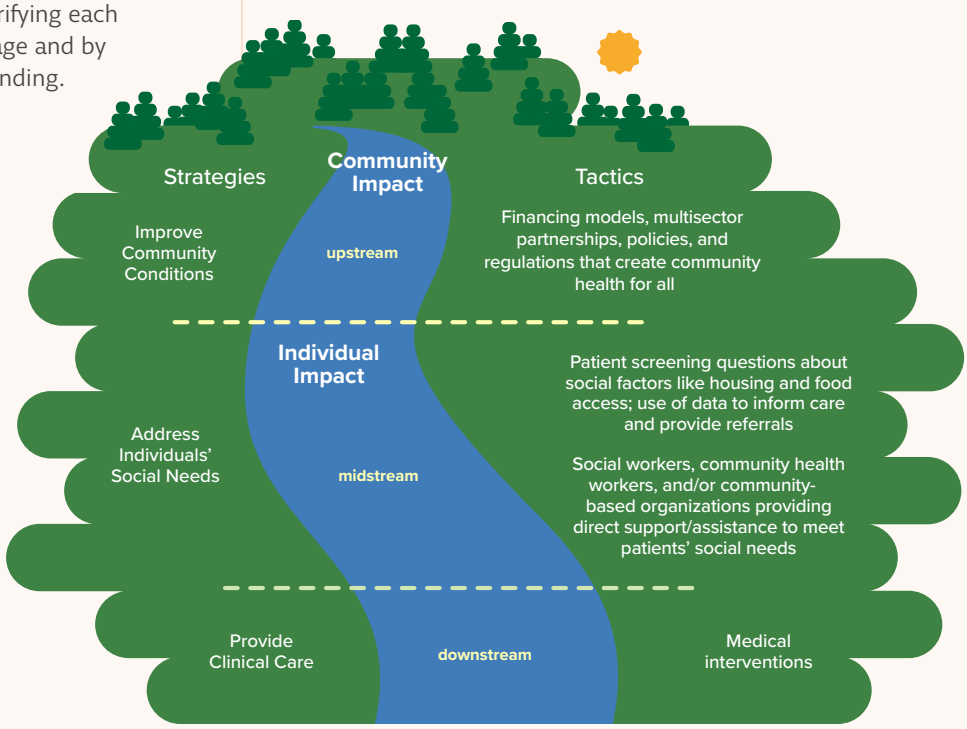


Figure 1: Upstream Social Determinants and Downstream Social Needs and Medical Care

(figure adapted from Castrucci & Auerbach, Health Affairs 2019)

3 VITAL CONDITIONS FOR HEALTH AND WELL-BEING

This resource is organized around the Vital Conditions for Health and Well-Being framework by the Rippel Foundation (Figure 2), a holistic model addresses the systemic, structural factors shaping community health, from humane housing and meaningful work to belonging and reliable transportation. The case studies draw on this framework to show how partnerships address multiple, interconnected conditions that build healthier communities.

Figure 2: Vital Conditions for Health and Well-Being
(figure from Rippel Foundation)

Health plans often use the language of health-related social needs (HRSNs): the individual-level housing, food, and transportation needs that shape a member's health. The vital conditions framework names the broader, structural factors those individuals live within, also referred to as social drivers of health. In other words, HRSNs are what a plan sees at the member level, and the vital conditions, or social drivers of health, are the community-level systems that shape them.

By using the vital conditions framework, this resource points to an approach that guides partners upstream, moving from addressing individual needs to changing the factors that create them.

4 UNDERSTANDING YOUR PARTNER

Community Development

The community development sector is a ready-made, multi-billion-dollar strategic partner for health plans, deploying more than $200 billion per year in persistently disinvested communities through affordable housing, health clinics, grocery stores, job training programs, and more. The two major players are community development corporations (CDCs) and community development financial institutions (CDFIs).

CDCs are mission-driven not-for-profit organizations rooted in the Civil Rights movement that serve as anchors for community self-determination. They typically lead on four fronts: real estate development (affordable housing, health clinics, commercial spaces), economic development (job creation, workforce training, small business support), essential services (childcare, public benefits enrollment), and community engagement rooted in authentic community voice. In partnership with a health plan, a CDC can serve as the local anchor—leveraging community trust and multiuse asset development—to execute place-based investment strategies that address the vital conditions described above.

CDFIs coordinate financing and innovative financial tools for disinvested communities, funding affordable housing, Federally Qualified Health Centers, and other community infrastructure. Their assets have tripled since 2018 to more than $450 billion, driven by public and private resources, federal and state grants, and tax incentives. CDFIs are essential because most community development investments require "braiding" multiple capital streams: philanthropic dollars, Low-Income Housing Tax Credits and New Markets Tax Credits, Community Reinvestment Act–motivated investments, and market-rate loans, a complexity that demands deep financial expertise.

More than 6,000 CDCs and 1,400 CDFIs now operate nationwide through local, state-based, and national networks such as NeighborWorks America and Opportunity Finance Network.

Community Reinvestment Act (CRA)

Passed in 1977, the CRA requires for-profit banks to invest in low-to-moderate-income neighborhoods where they take deposits. Since 1996, banks have made CRA investments totaling $2.5 trillion, making it one of the greatest drivers of capital into disinvested communities.

Resources to Learn More

BHPN's brief, *Community Development Financial Institutions: Catalysts for Healthy Communities*, distills the vital role of CDFIs in advancing health and building lasting community wealth.

Health Coverage Programs and the Role of Health Plans

Medicaid

Medicaid is a joint federal–state program providing coverage for individuals who meet income or categorical eligibility criteria. Eligibility rules and covered benefits vary by state. Most states deliver Medicaid through managed care organizations (MCOs): private health plans pay a fixed per-member, per-month capitation rate to cover care for their members. This model, also known as Medicaid managed care, serves nearly 8 in 10 Medicaid enrollees.

States favor managed care because contracting with MCOs gives them more powerful and flexible policy tools than traditional fee-for-service models. These tools include:

- Federal core quality measure reporting
- Accreditation requirements
- Contractual performance standards
- Pay-for-performance incentives
- Quality-based auto-assignment of members to appropriate, cost-effective health plans
- Public reporting of health plan quality data

State contracts with MCOs can also require or incentivize plans to address the social drivers of health—the social, economic, and environmental conditions that shape members' health outcomes.

Medicare

Medicare is a federal program providing consistent national coverage for adults age 65 and older and people with qualifying disabilities. Unlike Medicaid, eligibility criteria are uniform across all states.

Beneficiaries may receive coverage through Medicare Advantage plans, in which private health plans contract with the Centers for Medicare & Medicaid Services (CMS) to deliver Medicare benefits, often with supplemental benefits that can include services addressing HRSNs.

People who qualify simultaneously for both Medicaid and Medicare, termed "dual eligibles," are typically the highest-need, highest-cost members across both programs. Coordinating their care across two distinct programs is complex, making them a primary focus for integrated care strategies.

The Health Insurance Marketplace and Commercial Coverage

Beyond Medicaid and Medicare, health plans also operate in two additional markets:

Marketplace: Individual and small-group coverage offered through state and federal exchanges established under the Affordable Care Act.

Commercial: Employer-sponsored coverage for large and mid-sized employer groups.

Many plans participate in multiple markets simultaneously, and strategies developed in one market—particularly those addressing social needs—are increasingly crossing over into others.

Health Plans: Who They Are and What They Do

The organizations delivering coverage across these markets fall into three broad categories:

Safety Net Health Plans are not-for-profit plans that predominantly serve Medicaid and other publicly supported coverage programs. Rooted in their communities, these mission-driven organizations have been among the earliest and most active investors in strategies that address the social, economic, and environmental factors shaping member health. ACAP represents this sector.

Commercial, private, and for-profit plans are investor-owned or privately held organizations operating across multiple coverage markets. Many have established formal community investment or health equity strategies.

Integrated delivery systems combine health plan and provider functions under shared governance, enabling closer alignment between coverage, care delivery, and community investment.

Health Plans and Health-Related Social Needs

Health plans have long recognized that social, economic, and environmental conditions—including housing, nutrition, education, and employment—powerfully influence health outcomes. In recent years, plans have moved more deliberately to address these HRSNs directly. This shift is most visible among mission-driven Safety Net Health Plans but is increasingly evident across the entire sector.

Health plans are also tracking Z codes—diagnostic codes that flag nonmedical needs such as housing instability—at increasing rates, signaling that community investment is being embedded into core business strategy rather than treated as a peripheral initiative.

Financial Sustainability of Investment in Health-Related Social Needs

Sustaining HRSN investment over time requires financial clarity. A key challenge is that HRSN services are frequently classified as administrative expenses rather than medical expenses, a distinction with significant financial consequences.

The Medical Loss Ratio (MLR) rule requires plans to spend a set percentage of premiums on patient care and quality improvement. Some plans have received waivers allowing HRSN spending to count toward that threshold, but most have not. Without such waivers, plans typically fund HRSN initiatives from reserves, a strategy that works for piloting new programs but is not sustainable at scale. Because the policy environment shifts over time, partners should actively monitor conditions in their state. See the "Policy Levers" section (page 39) for further guidance.

Resources to Learn More

BHPN: Mobilizing Community Investment for Health Plans

KFF: Medicaid Financing: The Basics

National Association of Medicaid Directors: Why Did They Do It That Way? Understanding Managed Care

NORC Medicaid MCO Learning Hub: Medicaid Managed Care Organization (MCO) Overview and Financing Webinar: Questions & Answers

5 MULTISECTOR PARTNERSHIP ECOSYSTEM

While this resource focuses on community development and health plan partnerships, bringing a community investment project to life requires a broader ecosystem. An essential early step is mapping that ecosystem—identifying partners who can help shape a shared, community-defined vision for health and prosperity. Given generations of disinvestment and mistrust, centering community members and community-based organizations throughout this process is critical.

Key partners in this ecosystem (Figure 3) include:

- **Public health:** Brings community data, relationships, and community health needs assessments that can help align the planning cycles of multiple sectors.
- **Government:** Drives change through housing authorities, economic development, infrastructure, and social services.
- **Healthcare systems and hospitals:** Contribute through advocacy, co-location of services, data sharing, real estate, and direct investment. Nonprofit hospitals must conduct community health needs assessments every three years under IRS community benefit requirements.
- **Philanthropy and community foundations:** Offer flexible grant capital, bring partners together, and contribute local knowledge.
- **Nonprofits, social service, and faith-based organizations:** Provide essential services and connect health plans to community priorities.
- **Intermediaries:** Organizations like Enterprise Community Partners, Local Initiatives Support Corporation (LISC), regional Federal Reserve Banks, and BHPN bridge language, culture, and structural differences—making introductions, building trust, and translating between sectors.

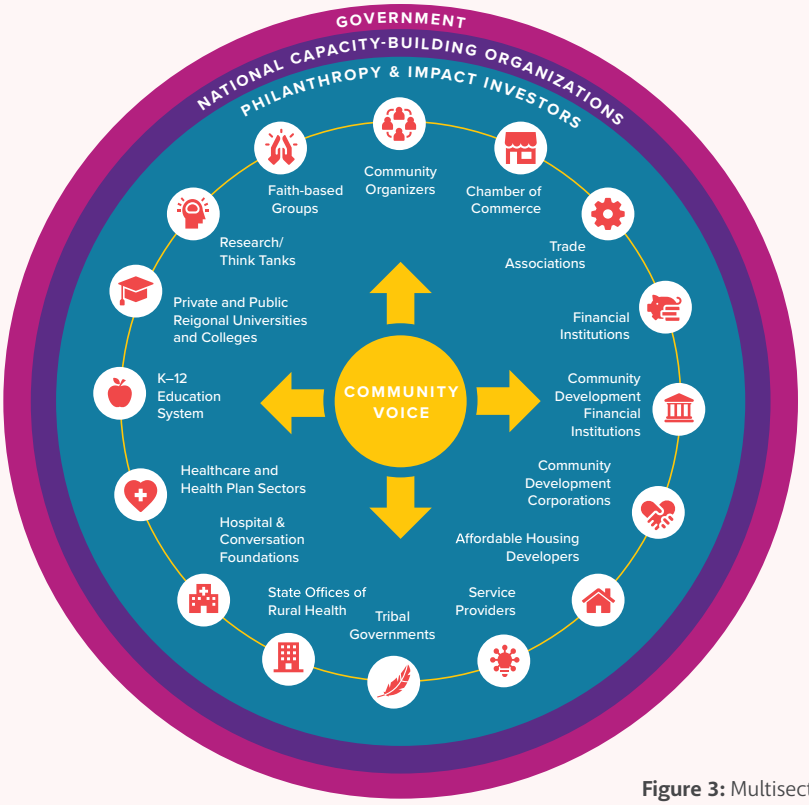


Figure 3: Multisector Partnership Ecosystem

6 COMMUNITY-DRIVEN ENGAGEMENT AND STRATEGIES: The Foundation of Partnership

Effective, community-driven strategies are foundational to addressing health inequities and building durable multisector partnerships. Health plans and community development organizations must move beyond routine engagement to give communities real influence over decisions, investments, and the systems that shape health and well-being.

Strategies rooted in authentic community participation and agency—strategies that actively build trust between residents, partners, and institutions—are also more sustainable. When the people directly affected have a genuine stake and confidence in the process, initiatives are better positioned to address real community needs rather than assumed ones, and are far more likely to endure. La Victoria Commons, a mixed-use development with affordable housing in Tempe, Arizona, offers a clear illustration: By anchoring the project in a community land trust structure with residents holding decision-making power over the land, partners created the conditions for permanent affordability and long-term community stewardship—outcomes that would be difficult to sustain through a conventional development model (learn more on page 14).

The goal is community-led, community-owned solutions that honor self-determination, because when leadership excludes community members, harm and mistrust persist, particularly in Black, Indigenous, and other communities of color in low-income and rural areas.

One resource can help put this into practice:

The Spectrum of Community Engagement to Ownership, by Rosa González of Facilitating Power, offers a practical path to deepen local decision-making and participation.

The following section, "Nuts and Bolts of Partnership Development," outlines concrete strategies to support community-driven engagement and ownership.

7 NUTS AND BOLTS OF PARTNERSHIP DEVELOPMENT

This section offers practical steps for making multisector partnerships work. Not every organization will use all these steps. Think of this section as a menu—scan the options, start with the steps that are most relevant to your work, and return to it as your partnership matures.

Build a Shared Foundation

Educate and translate: Beyond providing clinical care, health plans can help staff understand how housing, food, and economic stability affect members' health. Lead with concrete framing: "Pregnant women in our community lack stable housing. What can we do?" Community development organizations, in turn, can help health partners understand their financial and real estate expertise and the long-term community value of their work.

Articulate the shared value and roles: Identify why each partner wants to collaborate. Assess community needs, clarify each organization's pain points, and agree on roles before the work begins.

Build the investment case with data: Use shared data and community priorities (e.g., health plan claims data, community-based data) to demonstrate both the long-term clinical and social return on investment (ROI) and the urgency of community need. (① see callout box to the right)

Seek intermediaries and sector translators: Intermediaries are essential for bridging the translation gap between sectors by serving as conveners, neutral brokers, and experts in complex, multiparty financing. Key types of intermediaries include national CDFIs (e.g., LISC, Enterprise Community Partners), which can manage pooled community health funds and provide deep expertise in affordable housing finance; regional Federal Reserve Banks, which convene stakeholders and publish research; and national organizations like BHPN and the Center for Community Investment, which support multisector learning and implementation.

①

Inland Empire Health Plan: Building the Data Case

Inland Empire Health Plan (IEHP), a not-for-profit Medicaid and Medicare health plan, addresses poor health outcomes by investing significantly in housing solutions through multisector partnerships in California. These efforts, often in collaboration with community development partners like National CORE, focus on developing permanent supportive housing and affordable housing (such as Day Creek Senior Villas) to ensure housing stability for its high-utilization members in Riverside and San Bernardino counties. This work is enabled in part by California's CalAIM initiative, which allows IEHP to fund housing-related services through Medi-Cal Community Supports (see "Policy Levers" on page 39).

This investment strategy is supported by a data-driven case for action, which is crucial for educating internal decision-makers on the link between housing stability and health outcomes. For instance, a peer-reviewed report by the RAND Corporation found that a cohort of members who had healthcare costs nearly 20 times those of the average IEHP member experienced a significant decrease in care expenses of more than 45% after moving into permanent supportive housing. This cost-savings data was instrumental in motivating and sustaining IEHP's investments in housing development.

Communicate Clearly with Partners

Use clear, accessible language: Avoid overly technical jargon. BHPN's Jargon Buster can help bridge common terminology gaps.

Build mutual literacy: Each partner needs only enough familiarity with the other's field to collaborate effectively—not to become an expert in it. A brief orientation to each sector's language, incentives, and constraints goes a long way.

Invest in Relationships and Trust

Prioritize trust over transactions: Deep collaboration requires more than one-off deals. Address power imbalances and misaligned incentives early. Make time for shared reflection and learning.

Embrace a full-circle approach: Structure investments so financial returns flow back into community initiatives (see the community land trust and cooperative ownership examples ② ③).

Center Community Voice and Ownership

The most effective projects are led by communities, not imposed on them. Partners should offer resources and support, not control.

Recognize community expertise: Communities know their own needs. Excluding their voice risks repeating past failures—wasted resources, fragmented programs, and eroded trust.

Support community-led efforts: A key strategy for fostering long-term community benefit is the shared equity movement. This approach supports residents to collectively own assets such as land and property, ensuring that development serves community needs and promotes stability. Models include community land trusts to secure permanent affordability and establish community stewardship over the land. ②

Support community-owned social enterprises: Worker-owned cooperatives and community-owned businesses foster long-term health, trust, and economic agency by keeping assets in community hands. ③

Make investment decisions participatory: Give communities real power over how capital is allocated—not just a seat at the table. This means paying community experts for their time, being fully transparent, and shifting decision-making authority to community groups. (See Common Future's Participatory Investing Toolkit.)

②

La Victoria Commons: A Model for Permanent Affordability and Community Control

La Victoria Commons in Tempe, Arizona, is a pioneering mixed-use development (combining housing with complementary uses like retail, community space, and services on a single site) that leverages the community land trust structure to institutionalize permanent affordability and shared wealth. The community land trust model is central to the project's goal of ensuring that the assets—the land and 19 townhomes—serve community needs, not market demands, centering community belonging and self-determination.

This commitment to affordable, integrated housing and healthcare was strategically supported by health plan funding. The project secured a catalytic $500,000 gap funding grant from the Arizona Medicaid health plans' Housing is Healthcare Fund. This financing was instrumental in bringing the project's total funding to $40.7 million. Private and public partners such as NewTown Community Development Corporation (developer of the community land trust homes) and the City of Tempe (which provided city-owned land for the transit-oriented site) underscore the collaboration required to secure permanent affordability and institutionalize community control over vital community assets.

③

Gem City Market: Investing in Community Ownership for Health

The Gem City Market in West Dayton, Ohio, is a community- and worker-owned cooperative established as a full-service grocery store in a designated food swamp (an area with a high density of less nutritious retail food options), spearheaded by Co-op Dayton, a community development organization. CareSource, a health plan headquartered in Dayton, provided a catalytic $220,000 seed grant that acknowledged access to healthy food and local economic power as vital indicators of health. The grocery store has now been in operation for more than five years, has more than 5,000 member-owners, and serves almost 3,000 customers a week. This cooperative model demonstrates how health plans can move beyond housing to invest in community self-determination and sustainable health, fostering long-term wealth creation and resilience.

Measure What Matters to Communities

Broaden metrics: Move beyond a narrow, clinical-only ROI or number of housing units. Track holistic outcomes like community trust, living wages, and community-defined outcomes. Community trust, for example, is a measure of whether community members—as essential actors in these projects—have confidence in the partners and institutions involved, see their needs and lived realities reflected in decisions, and hold real agency over how the project unfolds. BHPN's MeasureUp resource offers tools for community-driven measurement. (Learn more about the Comprehensive Rural Wealth Framework, a model to assess holistic community wealth ④)

Use community-driven data: Conventional assessment processes often exclude those most impacted, resulting in housing that displaces longtime residents or investments that miss the mark culturally. Support communities in leading their own data collection and evaluation. See BHPN and Verge Impact Partners' Community-Driven Data and Evaluation Strategies to Transform Power and Place.

Mobilize a Variety of Capital Tools

One-off grants are not enough. Build a layered financing strategy that draws on both sectors' financial tools.

Leverage the Health Plan's Balance Sheet

Deploy mission-aligned capital: Move beyond grants. Use program-related investments (PRIs) and low-cost loans to fill critical funding gaps. (See the UPMC Health Plan case study on page 34)

Build financial literacy: For health plans new to housing finance, joining the Federal Home Loan Bank system is a practical starting point. Reviewing real estate pro forma projections with community development partners builds internal fluency and makes the case for larger investments.

Fill financing gaps: Direct flexible, low-cost capital toward the final funding shortfalls that stall complex projects.

Partner with CDFIs and Pool Capital

Work with experienced CDFIs: Don't attempt to become a housing developer. CDFIs reduce risk, manage the complexity of housing finance, and ensure capital flows to community-identified needs. Use BHPN's Partner Finder to locate CDFIs.

Create pooled investment funds: Revolving loan funds and impact investment vehicles attract additional public and philanthropic dollars. Capital that recycles back into community projects multiplies impact over time. (See the Housing is Healthcare Fund case study on page 18)

④

Comprehensive Rural Wealth Framework

The Iowa Rural Vitality Coalition exemplifies a strategic shift from narrowly defined financial ROI to a holistic, community-level impact assessment. The coalition, which includes the Iowa Rural Development Council, University of Iowa College of Public Health, Iowa State University Extension and Outreach, Iowa Economic Development Authority, the University of Northern Iowa's Institute for Decision Making, Iowa Department of Health and Human Services, and the governor's Empower Rural Iowa initiative, came together with the shared belief that collaboration and a holistic approach are essential for sustainable change. The project's core strategy involves implementing the WealthWorks framework, which assesses a community's assets across eight "wealth capitals" (including human, social, and financial) to help Iowa communities like Manchester and Van Buren County develop strategic plans. Wellmark Blue Cross and Blue Shield, including The Wellmark Foundation, is a key partner in this initiative, driven by a commitment to remove upstream barriers that affect the health and daily life of rural Iowans, such as limited services, fewer resources, and gaps in infrastructure.

Implement a Bundled Approach (Capital + Services)

Investment dollars alone are not enough. Pairing capital with services—case management, job training, or wraparound support—creates stability, improves health outcomes, and builds a stronger long-term case for investment. Services can also be an entry point for partnership before capital flows.

Fund services directly: Deploy flexible dollars to cover services—security deposits, intensive case management, recuperative care—that capital investments alone cannot provide.

Integrate wraparound supports: On-site and wraparound supportive services are essential to ensure housing stability translates into long-term health improvements and measurable reduction in medical costs.

Connect with workforce development: Job training and workforce programs—often run by community development organizations—create living-wage employment pathways and are a natural bridge to deeper partnership.

8 CASE STUDIES

The case studies included in this playbook represent a sample of the breadth of innovative and promising practices being used across the country. As you read, notice what made these partnerships work—it wasn't just the model or the financing mechanism. It was the specific people involved: leaders who championed the work internally, community relationships built over years of trust, and the timing of political and community readiness. Tailoring efforts to the physical and built environment also played a central role in several cases, from land donation to place-based investment strategies. These contextual factors are essential for replication.

What Made These Partnerships Work: Six Recurring Success Factors

Success Factor	What It Looks Like in Practice	Case Studies
1. Internal champions	A leader inside the organization personally advocates for the investment.	• Mercy Care–Housing is Healthcare Fund • UPMC Health Plan • Alliance Health–King's Ridge
2. Trusted intermediary	A neutral third party (CDFI, Federal Reserve, BHPN) translates between sectors, structures deals, and holds relationships across organizational boundaries.	• LISC Phoenix–Housing is Healthcare Fund • CareSource–VOA Southeast
3. Shared data as starting point	Both partners start from the same geographic or population data—such as ZIP code emergency department visits, member housing instability, and community priorities—before deciding where to invest.	• Florida Blue–Lift Orlando • IEHP–National CORE
4. Relational trust built before capital	Partnerships start with relationships—attending each other's meetings, conducting listening sessions, extending board invitations—before any money moves.	• Lift Orlando–Florida Blue • Alliance Health–CASA
5. Community-led design	Community members are engaged early and authentically—not just consulted—and shape what is built and how it operates.	• La Victoria Commons community land trust • Gem City Market • King's Ridge resident governance
6. Patient, flexible capital	Health plan capital is structured as a long-term, below-market, gap-filling solution, not a grant with a one-year horizon, giving community developers the stability to take on complex projects.	• UPMC Health Plan PRIs • CareSource revolving fund • Housing is Healthcare Fund

8.1 CASE STUDY

Housing is Healthcare Fund

Leveraging Health Plan Capital to Scale Affordable Housing in Arizona

Project Snapshot

Established in 2020, the Housing is Healthcare Fund unites community development with health plans and other health organizations in Arizona around a shared mission: making housing a core component of health. The fund is governed collectively by participating Arizona Medicaid health plans through a shared governance structure, including a rotating chair model that ensures parity, shared leadership, and joint accountability across plans. Through an innovative partnership with Local Initiatives Support Corporation (LISC Phoenix), a CDFI, participating managed care organizations pool their capital to invest collectively in affordable housing for individuals and families, including those eligible for Medicaid.

The fund distinguishes itself by taking a health-centered approach. To date, $14.9 million has funded 2,350 affordable housing units across Arizona. Through a pooled capital model, it has achieved a 41:1 leverage ratio across private, public, and philanthropic funding, showing how health plan dollars can unlock substantial external investment while reducing long-term healthcare costs. This sustained investment provides reliable gap funding and delivers outcomes beyond one-off investments. Using a scoring system, the fund prioritizes developments near essential infrastructure—public transit, healthy food outlets, schools, medical facilities, and parks—to build vibrant, connected communities where residents thrive.

Project Overview

Health plan and health sector partners: Arizona Complete Health, Banner University Family Care, Blue Cross Blue Shield Arizona Health Choice, Mercy Care, Molina Healthcare of Arizona, The NARBHA Institute, UnitedHealthcare Community Plan of Arizona

Community development partners: LISC Phoenix, Red Feather Development Group

Other key partners: San Francisco Federal Reserve, BHPN, Vitalyst Health Foundation

Type of community infrastructure: Affordable housing development, including 2,350 affordable housing units across the state of Arizona

Vital Conditions Addressed Through Housing is Healthcare Fund

Housing is Healthcare Fund Component	Vital Condition Addressed	Quick Summary
Affordable Housing Development	**Humane Housing**	Expands access to safe, stable, and affordable housing for low-income individuals and families, including Medicaid-eligible populations.
Scoring methodology prioritizing proximity to community assets (schools, grocery stores, parks, health centers)	**Thriving Natural World** **Lifelong Learning** **Reliable Transportation** **Basic Needs for Health & Safety**	Incentivizes housing developments located near essential services and infrastructure that support healthy, connected, and opportunity-rich communities. The fund's approach to scoring moves beyond simple financial returns by using a three-round interview process with site coordinators (upon completion of construction, 6 months later, and 12 months later). This qualitative and quantitative approach measures the long-term impact on the vital conditions, resident well-being, and stability.
Enhanced impact assessment framework prioritizing community engagement	**Belonging & Civic Muscle**	Rewards developments that demonstrate strong community engagement and partnerships, ensuring residents and local organizations shape project design and priorities.
Health plan linkages to wraparound services (healthcare, social supports)	**Basic Needs for Health & Safety**	Connects residents to healthcare and supportive services that improve housing stability and health outcomes, especially for Medicaid populations.

LISC Phoenix and Participating Health Plans: Each Sector's Role

Partner	Core Role in the Partnership	Key Contributions	Impact on Health and Community Outcomes
LISC Phoenix	CDFI, fund manager, real estate and financing expert, strategic community development partner; creates structure to ensure investments align with community visions and values.	• Structured the fund and managed pooled capital from health plans and health sector partners. • Blended federal, state, philanthropic, and private capital to provide hard-to-find gap financing for affordable housing. • Leveraged statewide developer networks to identify shovel-ready, high-impact projects. • Refined and adapted the enhanced impact assessment scoring methodology, developed by LISC's national health team, to align projects with the fund's health and community priorities. • Weighted projects toward community engagement, partnerships, and resident-informed development.	Ensures investments are financially sound and strategically targeted to build healthy, connected communities; embeds community priorities into housing finance decisions, moving beyond passive investment to community-led development and self-determination.
Health plans and health sector partners (Arizona Complete Health, Banner University Family Care, Blue Cross Blue Shield Arizona Health Choice, Mercy Care, Molina Healthcare of Arizona, The NARBHA Institute, UnitedHealthcare Community Plan of Arizona)	Investors and health sector partners; collectively champion housing as a foundational health strategy; align capital and health system priorities across plans.	• Contributed pooled capital through annual contributions of profit allocations. • Provided sustained, reliable funding to scale affordable housing development. • Linked residents, many Medicaid-eligible, to healthcare and supportive services. • Partnered during the COVID-19 pandemic to connect residents to critical health and social supports.	Supports extension of the health sector role beyond clinical care to address housing as a foundational health intervention; aligns capital and services to improve housing stability, reduce healthcare costs, and strengthen long-term health outcomes.

GRANTEE SPOTLIGHT

Red Feather Development Group's Home Replacement on Tribal Lands Through the Housing is Healthcare Fund

The fund's grant to Red Feather Development Group, a Native-led organization dedicated to Tribal housing solutions, supported a home replacement project for three families on the Navajo Reservation. This project directly addresses severe housing disparities, such as the lack of indoor plumbing and reliance on solid fuel burning for heat, that have historically marginalized these communities and led to severe health and wealth inequalities. The organization's approach centers on a model of self-determination by building local capacity through trades-focused education and contractor scholarships for Navajo and Hopi residents. By prioritizing a Native organization with a 30-year history and strong ties to Tribal government, this partnership demonstrates the power of flexible, nonfederal capital to address systemic issues and support Native communities leading their vision and implementation of lasting housing solutions.

What Enabled the Partnership: Mechanisms & Conditions

Trusted Intermediaries with Multisector Credibility

A foundational factor was the presence of intermediaries that could convene across sectors, establish credibility with health plans, and translate housing investments into health system value. BHPN played a critical role in connecting LISC Phoenix with the San Francisco Federal Reserve, an institution with long-standing credibility in both finance and public policy. The Federal Reserve helped open doors to health sector leaders that might have been difficult for a community development organization to access directly.

A Collaborative Ecosystem

These early relationships catalyzed a broader collaborative ecosystem. The Federal Reserve brought in the Vitalyst Health Foundation, which had established relationships with Arizona's Medicaid managed care plans. Together, these partners formed the Arizona Partnership for Healthy Communities, a multisector collaborative designed to engage government, philanthropy, community development, and private-sector actors around shared health and housing goals.

What Drove Health Plan Investment: Data, Policy, and Internal Champions

Leveraging Relationships and Policy Priorities

Vitalyst Health Foundation played a key role in engaging Medicaid-contracted health plans by leveraging trusted relationships and reinforcing expectations related to social drivers of health embedded in the Arizona Health Care Cost Containment System contracts (formal agreements that define how health plans work with providers to deliver and pay for care). Stable housing consistently emerged as a high-impact investment, demonstrating the potential to reduce avoidable healthcare utilization and align with health plans' shared goals of improving outcomes while managing the total cost of care. LISC Phoenix and its partners later drew on this growing body of evidence to make a persuasive, data-driven case for pooled investment, encouraging multiple health plan leaders to participate in the Housing is Healthcare Fund.

Health plans have long recognized—through their own operational and clinical experience—that housing instability materially affects care delivery, utilization patterns, and long-term health outcomes. Many plans view affordable housing not as a peripheral social investment, but as a strategic health intervention. "Housing isn't separate from health—it's the foundation. Our members need a stable place to store medications, recover from illness, and build healthy routines," said Sarah Spiekermeier, CEO and executive director of Medicaid at Banner University Family Care. "By pooling resources with other health plans and partnering with LISC Phoenix, we're creating real solutions that strengthen both individual health and community well-being across Arizona."

A critical factor enabling health plan involvement was the presence of internal champions who combined professional expertise with sustained attention to housing insecurity. Tad Gary, CEO of Mercy Care and rotating chair of the Housing is Healthcare Fund, exemplified this leadership—drawing on his background as a counselor, extensive professional experience addressing housing insecurity, and firsthand experience supporting housing-insecure relatives—helping elevate housing from an important issue to a shared, cross-plan strategic priority.

State policy also encouraged innovation. Arizona's Medicaid program, through a Section 1115 waiver, allows coverage of certain nontraditional services, including housing supports and mental healthcare. Mercy Care's early work managing housing waitlists for adults with serious mental illness demonstrated the scale of unmet need and reinforced that health outcomes require stable housing.

Mercy Care quickly recognized that health plans could not address the scale of housing demand alone. The plan sought out trusted intermediaries with deep housing and community development expertise, and pursued cross-sector learning opportunities, like those offered by the Corporation for Supportive Housing's Training Center, to build fluency in concepts like braided funding and cross-sector finance. This knowledge gave Mercy Care the confidence to partner effectively with LISC Phoenix. The mix of internal leadership, a supportive policy environment, and credible intermediaries transformed housing investment from an aspirational idea into a practical, collaborative model.

Aligning Competing Partners Through Shared Values, Governance, and Learning

From the outset, participating health plans acknowledged the competitive dynamics among them. Rather than avoiding this reality, fund leaders named it directly, grounding the partnership in a shared commitment to improving health outcomes for Arizona residents.

As Tad Gary, CEO of Mercy Care, explained: "Let's just take competition aside and say, hey, we have an opportunity to come together and do something great for the state. Let's commit some of our collective dollars to this fund." This perspective became a shared operating principle, enabling collaboration on housing supply and community impact in areas where collective action delivers greater results than isolated efforts.

To sustain this collaboration, the fund embedded intentional governance and learning in its structure. A rotating chair model gives each participating health plan hands-on leadership experience, while structured learning opportunities help build cross-sector fluency, deepen understanding of concepts like braided funding, and reinforce long-term commitment.

What We Learned: Recap for Community Development and Health Plans

1. **Use Strategic Capital to Unlock Exponential Investment and Scale**
   By pooling resources, the fund's $14.9 million investment achieved an exceptional 41:1 leverage ratio, unlocking $617 million in development capital across public, private, and philanthropic sources that resulted in 2,350 units of affordable housing. Health plan dollars can function as catalytic, gap-filling capital—dramatically increasing the scale and speed of affordable housing development and shifting housing production from incremental projects to systemic pipelines.
2. **Leverage CDFIs and Other Specialized Partners to Execute Complex Housing Investments**
   Partnering with an experienced CDFI, LISC Phoenix demystified affordable housing finance for health plans. LISC structured deals, identified strong developers, monitored progress, and evaluated outcomes, allowing health plans to contribute capital and strategic insight without needing deep housing development expertise. Specialized community development partners are critical to deploying health sector capital effectively and at scale.
3. **Data, Policy, and Champions Together Turn Conditions into Action**
   Persuasive data and enabling policy were essential, but neither alone was sufficient. Arizona's Section 1115 waiver and evidence linking stable housing to reduced healthcare utilization created the structural rationale for innovation. Internal champions—including Mercy Care CEO Tad Gary—and trusted multisector partnerships translated these conditions into concrete investment.
4. **Name Competition and Align Around a Higher Mission**
   Bringing together competing Medicaid managed care plans required intentional trust-building. Fund leaders named competitive dynamics up front and centered the partnership on a shared, noncompetitive goal: improving the health and well-being of Arizona residents and ensuring they live in communities that support and enable healthier lives. Aligning around housing as a foundational health intervention created a unifying mission that enabled collective investment despite market competition.
5. **Embed Governance and Learning to Sustain Long-Term Collaboration**
   The fund's rotating chair model and structured learning opportunities built cross-sector fluency among health plan leaders. Intentional governance and continuous learning transformed a one-time investment into a sustained, multisector collaboration.

Conclusion

The Housing is Healthcare Fund proves that when health plans and community development unite around a shared mission, they can turn housing into a powerful lever for health. By combining capital, expertise, shared governance, trusted partnerships, and supportive policy, the fund demonstrates how competing health plans can align around a common mission to deliver outcomes no single organization could achieve alone. It offers a roadmap illustrating that with intentional collaboration, bold champions, enabling policies, and a willingness to bridge sectors, communities everywhere can create healthier, more connected neighborhoods.

8.2 CASE STUDY

The Power of Place-Based Investment

Florida Blue and Lift Orlando at the Heart of West Lakes

Project Snapshot

In Orlando's historically underinvested West Lakes neighborhood, the Heart of West Lakes Wellness Center brings together health, financial, and social services under one roof, reducing barriers and building the conditions for lasting community well-being. Developed and owned by Lift Orlando, the 30,000-square-foot, two-story facility sits within a larger community campus that includes affordable and senior housing, an early learning center, a Boys & Girls Club, and a park.

The $13.6 million development was realized through a multisector partnership, with $6.88 million coming from health partners including Florida Blue, AdventHealth, and Orlando Health. Florida Blue's $2 million investment supported expanded healthcare access, job creation, and entrepreneurship within the center. Lift Orlando has deployed an additional $4.44 million toward real estate acquisitions in the 32805 ZIP code—securing seven properties across more than 4.3 acres to anchor long-term community stability.

These partnerships illustrate how Lift Orlando and Florida Blue aligned health, real estate, and capital, while leveraging complementary investments from healthcare systems, to advance a holistic, community-centered approach to health and neighborhood stability.

Project Overview

Health plan: Florida Blue

Community development partner: Lift Orlando

Other health sector partners and key partners: AdventHealth, Orlando Health, Dr. Phillips Charities, individual donors

Type of community infrastructure: 30,000-square-foot, two-story wellness center offering a variety of health and wellness services

Vital Conditions Addressed Through the Heart of West Lakes Wellness Center

Wellness Center Component	Vital Condition Addressed	Quick Summary
Healthcare providers	**Basic Needs for Health & Safety**	Provides accessible, comprehensive health, preventive care, pharmacy, and wellness services to improve health outcomes.
Community café	**Belonging & Civic Muscle**	Creates welcoming spaces for neighbors to connect and build social ties over healthy food.
Gathering spaces (community rooms and green space)	**Belonging & Civic Muscle**	Offers spaces for community meetings, events, and social connection that strengthen civic engagement.
Financial well-being center	**Meaningful Work & Wealth** **Basic Needs for Health & Safety**	Provides financial coaching, small business support, and skill-building resources that support economic stability and opportunities.
All services under one roof (no transportation needed)	**Reliable Transportation** **Basic Needs for Health & Safety**	Co-locates services to reduce transportation barriers and improve access to health, financial, and social resources.

Florida Blue and Lift Orlando: Each Sector's Role

Partner	Core Role in the Partnership	Key Contributions	Impact on Health and Community Outcomes
Lift Orlando	Community development organization, community quarterback, and convener; provides financial and real estate expertise.	• Led vision, development, and coordination of the wellness center. • Led multisector convening to drive a community-rooted vision. • Applied the Purpose Built Communities framework (integrating housing, education, and health in a defined geography). • Provided real estate and financial expertise. • Led fundraising and capital structuring. • Created and managed the Lift Orlando Impact Investment Fund to acquire land for community-serving assets.	Aligns multisector investments around a shared place-based strategy; translates community priorities and data into a long-term roadmap for sustained, coordinated investment.
Florida Blue	Health plan; investor and strategic health sector partner	• Invested capital to support neighborhood stability. • Delivered on-site health education, preventive services, and coverage navigation. • Participated in resident listening sessions and community-informed programming. • Engaged the workforce through employee giving and volunteerism.	Extends the health plan role beyond clinical care to address the vital conditions; aligns services, capital, and community engagement to improve access, trust, and health outcomes.

To learn more about the details of each partner's investments and contributions, see BHPN's in-depth case study of this project.

What Enabled the Partnership: Mechanisms & Conditions

Shared Values, Shared Vision, and Coordinated Action

Florida Blue's investment in the Heart of West Lakes Wellness Center was grounded in shared values and mission alignment. Through its Growing Resilient Communities strategy, Florida Blue targeted ZIP codes where investments in vital conditions could disrupt generational poverty, aligning closely with Lift Orlando's place-based approach to housing, education, and economic stability. Lift Orlando served as a trusted convener, bringing aligned organizations together to co-create a shared vision and roadmap—clarifying how each partner and resident contributed to a coordinated strategy and where partners needed to operate differently to achieve shared outcomes. As Tanya Hill Easterling, Market Leader for Central Florida at Florida Blue, noted: "Any of us can write a check, but to do this work, you need thought leaders at the table, sharing ideas, aligning around a roadmap, and thinking about how to operate differently." Through intentional convening and shared accountability, the partnership moved from aligned intent to coordinated, long-term impact.

Leveraging Trusted Relationships and Governance to Build Credibility

Trusted relationships with health institutions were central to Lift Orlando's ability to engage Florida Blue as a partner. By inviting senior healthcare leaders to join its board of directors, Lift Orlando strengthened its credibility and created consistent, high-level opportunities to clarify the vision and investment case. This governance structure made it easier for health insurers like Florida Blue to understand the strategy, trust the leadership, and see how their role fit within a broader, long-term effort.

These connections also helped Florida Blue enter the partnership at the right time. Florida Blue had long-standing relationships with AdventHealth and Orlando Health—both key Lift Orlando partners—and shared a board member with Lift Orlando, creating trusted links across institutions. This network enabled Florida Blue to join with confidence, align its resources with existing efforts, and participate as a partner rather than a late-stage funder—reinforcing trust, reducing friction, and accelerating alignment.

Shared Data as a Starting Point for Investment and Accountability

Data played a critical role in Florida Blue's decision to invest. Lift Orlando used local health system data to show that residents in the West Lakes ZIP code accounted for roughly 10,000 emergency room visits annually, totaling $14 million in emergency care costs. The area also had less preventive and wellness infrastructure than wealthier ZIP codes. As Tony Jenkins, Market President for Florida Blue, shared: "If we are a community that has compassion and that believes in equality, [and] wants to minimize inequities, and here we see, bright as day, the differences [between ZIP codes], what are we going to do about it?" Equally important, the data was shared across partners rather than held by a single institution. Tanya Hill Easterling emphasized that shared data allowed Lift Orlando to ground partners in a common understanding and clarify roles: "We all have data, but that we have shared data, that we are looking at the same information, helps ground this work and clarifies what tools each of us can bring."

Resident-Centered Engagement as a Partnership Asset

Lift Orlando's resident-centered relationships were a key asset in the partnership. Florida Blue leaders noted that Lift Orlando had built trust in West Lakes and consistently engaged residents in shaping its vision—an approach the insurer viewed as essential for lasting impact. Although Florida Blue had served the Orlando market for years, leaders recognized that Lift Orlando's deep community engagement and hard-earned credibility offered a path toward a more reciprocal relationship with residents, grounded in their lived experiences and real needs. As Tanya Hill Easterling shared, it is "paramount anytime you go into any community that it's happening with them, not to them."

Lift Orlando translated this trust into action through structured listening sessions, inviting Florida Blue leaders to participate as learners. The insurer provided dinner and gift cards to honor residents' time and listened as residents shared their experiences with the health system, sources of distrust in the insurance industry, and how they defined holistic health. Many of these perceptions were shaped less by Florida Blue itself than by long-standing tensions between residents and the broader healthcare and insurance sectors—tensions that even an established local presence cannot resolve without intentional, community-led engagement. The sessions also surfaced practical barriers that data alone could not explain, such as transportation challenges, inflexible work schedules, and childcare responsibilities that made accessing primary care difficult. As Easterling reflected, "Sometimes the narrative you're running in your head about why people make the decisions they make is false. It's not grounded in the day-to-day reality of the people you are serving." These insights informed how Florida Blue engages members, addresses industry-rooted mistrust, and improves access to preventive care—reinforcing the value of community-informed solutions even for organizations with deep market presence.

What We Learned: Recap for Community Development and Health Plans

1. **Case-Making Through Data and Narrative**
   Data and stories are powerful tools for aligning partners. Lift Orlando combined health and geographic data with resident narratives to show both the scope of need and the potential for impact. Shared evidence—rather than data siloed within a single institution—created a common language, clarified priorities, and strengthened the rationale for investment.
2. **Align Values and Build Shared Vision and Governance**
   Shared values are a starting point, but a trusted convener is critical to drive coordinated action. Lift Orlando brought organizations together, facilitated collaboration, and co-created a shared vision and roadmap, helping partners break down silos and even collaborate with organizations once considered competitors.
3. **Relationships Are Essential for Trust Building and Collaboration**
   Strong relationships within and across organizations facilitate trust and effective collaboration. Lift Orlando leveraged these connections by inviting senior health leaders, including Florida Blue leadership, onto its board and maintaining governance structures for ongoing dialogue. This built mutual trust, created consistent opportunities to align on vision and investment, and enabled Florida Blue to trust the process and contribute meaningfully to both the Heart of West Lakes Wellness Center and the Lift Orlando Impact Investment Fund.
4. **Building Community Trust Benefits All Partners**
   Community trust must be earned through intentional engagement. Lift Orlando created this space through structured listening sessions, where residents shared their experiences with Florida Blue. These sessions revealed barriers to care, informed program design, and reinforced the principle that partnerships work best when guided by the community.

Conclusion

The Florida Blue–Lift Orlando partnership shows what is possible when a trusted community convener and a mission-aligned health plan build on their shared values and leverage shared data. Lift Orlando's deep community relationships, place-based strategy, and resident-centered approach gave Florida Blue the confidence and the context to invest meaningfully—not just financially, but as a learning partner. The result is a wellness center that extends healthcare's reach into the conditions that drive health: economic opportunity, belonging, and access. For practitioners, this partnership offers a clear lesson: start with trust, ground decisions in community-informed data, and let the community lead.

8.3 CASE STUDY

A Model for Rural Impact

How CareSource and Volunteers of America Southeast Built a Partnership to Expand Affordable Housing in Rural Georgia

Project Snapshot

In rural Georgia, where affordable housing is scarce and resources are stretched, CareSource, Georgia's only not-for-profit Medicaid health plan, partnered with Volunteers of America (VOA) Southeast to address a critical shortage of quality housing for low-income seniors and individuals with disabilities and behavioral health needs. The partnership centers on a $1 million flexible investment from CareSource, structured as a 10-year revolving fund designed to function as gap financing that strengthens VOA's Low-Income Housing Tax Credit (LIHTC) applications and accelerates development timelines.

The first tangible outcome is Magnolia Villas in Tift County, a dedicated senior housing community that celebrated its ribbon cutting in September 2025. Beyond capital, CareSource leveraged its name recognition and relationships, including connections to state legislators, to bolster VOA's institutional credibility in competitive financing processes. Many of VOA's residents are already CareSource members, creating a direct path to integrated health and housing support for the plan's members. In addition to new development, VOA has leveraged the investment to support rehabilitation and modernization of existing housing assets, preserving existing affordable housing inventory in rural Georgia, improving safety, accessibility, and living conditions, and allowing for quicker impact compared with new construction timelines. By focusing on rural areas, the partnership aims to stabilize the lives of low-income individuals with disabilities and behavioral health needs, laying a foundation for better health, community well-being, and economic outcomes where resources are needed.

Project Overview

Health plan: CareSource

Community development partner:
Volunteers of America (VOA) Southeast

Type of community infrastructure: Affordable rental housing (senior housing and behavioral health residential units)

Vital Conditions Addressed Through the VOA Southeast and CareSource Partnership

Community Component	Vital Condition Addressed	Quick Summary
Affordable rental housing (senior and behavioral health units)	**Humane Housing**	Creates a safe and affordable foundation for low-income seniors and individuals with disabilities.
Location in rural southern Georgia (Tift County)	**Basic Needs for Health & Safety**	Directs capital to underserved rural communities where resources are scarce, addressing social drivers of health.
Existing VOA properties	**Basic Needs for Health & Safety**	Provides a community of potential CareSource members, creating a direct path to health improvement.

CareSource and VOA Southeast: Each Sector's Role

Partner	Core Role in the Partnership	Key Contributions	Impact on Health and Community Outcomes
VOA Southeast	Community development organization; high-capacity developer and implementer with an existing development pipeline; brings an existing audience of CareSource members.	• Provides the essential infrastructure and expertise to translate capital into tangible housing units. • Maintains a robust development pipeline, ensuring rapid deployment of the investment. • Provides housing for low-income seniors and individuals with disabilities, many of whom are CareSource members.	Translates impact-first capital into stable, quality housing, directly improving housing and health stability for the plan's target population.
CareSource	Health plan investor, bringing flexible, patient capital; convener and strategic health sector partner that has credibility to enhance competitive financing applications.	• Contributed a $1 million flexible investment to serve as crucial gap financing. • Utilizes its name recognition and convening power to lend critical credibility to VOA's LIHTC applications. • Established a 10-year revolving housing fund to maximize the long-term reach of the investment.	Continues to support the extension of the plan's role beyond clinical care to address social drivers of health; provides low-cost capital that makes competitive housing projects possible in underserved areas.

What Enabled the Partnership: Mechanisms & Conditions

Shared Values, Shared Vision, and Coordinated Action

"Affordable, safe housing is the foundation for better health, especially for older adults," said Dwayne Flowers, Vice President of Market Operations at CareSource. "When households have to dedicate a significant portion of their monthly income to housing, they may not be able to afford things like preventative healthcare, prescriptions, or healthy foods."

This conviction grounded the partnership from the outset. Solidified in early 2022, the collaboration began when VOA Southeast initially sought connections on behavioral health projects, but CareSource's dedicated housing investment team saw the greater potential in funding VOA's core housing mission. The resulting agreement prioritized impact over financial returns, establishing a flexible partnership model aligned around a unified goal.

Strategic Use of Flexible Capital

The $1 million investment was explicitly structured to serve as gap financing for LIHTC applications, providing a crucial competitive edge in the highly competitive scoring system for these tax credits. Structured as a 10-year revolving fund, this capital can be continually recycled into new developments and rehabilitation of residential units, maximizing its long-term reach and making CareSource's willingness to offer long-term, patient capital a key mechanism for penetrating the difficult housing development market.

Leveraging Strategic Nonfinancial Assets

CareSource's nonfinancial assets—its convening power and name recognition—were critical to the partnership's success. CareSource leveraged these assets by connecting VOA to strategic relationships, such as a connection with a state legislator, which strengthened VOA's institutional credibility and provided a competitive advantage in securing LIHTC financing. For community development partners, a health plan's standing and relationships can be as valuable as its capital.

Mutual Understanding, Trust, and Sustained Accountability

Both organizations invested time in understanding each other's capabilities and the complex challenges in their respective fields—including practical barriers in affordable housing development like local tax assessments. The partners maintain contact through regular, structured meetings where VOA provides consistent reporting on the progress and outcomes of funded projects. This ongoing accountability system keeps both organizations aligned on shared goals and facilitates the identification of new opportunities, such as the future integration of health services directly into VOA's existing communities.

What We Learned: Key Steps for Replicating Partnerships

1. **Invest for Impact, Not Just Return**
   For health plans, the most catalytic investments are often the ones that are flexible and focused on impact rather than traditional return. Low-cost, patient capital that functions as gap financing is essential for penetrating the high-barrier housing development market. A 10-year revolving fund creates a sustainable mechanism that multiplies impact over time.
2. **Leverage Strategic Nonfinancial Assets**
   Community development partners should seek to leverage the health plan's nonfinancial assets, such as convening power, name recognition, and strategic relationships, as these provide a crucial competitive edge in financing mechanisms like LIHTCs.
3. **Cultivate Mutual Understanding and Accountability**
   Both organizations must invest time in understanding each other's capabilities and the complex challenges in their respective fields. Regular communication and structured accountability ensure partners stay aligned on shared goals—and open up new opportunities as the partnership matures.

Conclusion

The CareSource–VOA Southeast partnership offers a practical model for rural impact: flexible, patient capital paired with a mission-aligned developer that already serves the health plan's members. By structuring the investment as a revolving fund rather than a one-time grant, CareSource created a mechanism that grows in value over time, recycling capital into new developments and deepening the partnership as each project matures. For health plans looking to enter rural or disinvested markets, this case makes clear that nonfinancial assets such as name recognition, relationships, and credibility can be just as catalytic as capital itself.

8.4 CASE STUDY

Designing for Community and Healing

Alliance Health and CASA's Collaborative Approach

Project Snapshot

King's Ridge is Wake County's first supportive housing development—a 100-unit community in Raleigh designed for individuals and families transitioning out of homelessness, including people living with disabilities and complex behavioral health needs. The $26 million development was built through a partnership between Alliance Health, a North Carolina managed care organization, and CASA, an experienced affordable housing developer. Alliance Health invested $1 million as a major financial contributor, and seven units are reserved specifically for Alliance members.

King's Ridge goes beyond housing. One-, two-, and three-bedroom units are built with trauma-informed design principles. Through this approach, residents' living spaces, from individual apartments to shared community areas, are intentionally designed to reduce stress and support healing through thoughtful elements like ample natural light and communal spaces to support social bonds. On-site health clinic (operated by UNC Health, Duke Health, and WakeMed), case management, behavioral health counseling, substance use treatment, employment assistance, and childcare navigation. The Kaleidoscope Project supports resident governance, giving tenants direct voice in community decision-making. Together, these elements reflect a core conviction shared by Alliance and CASA: that housing is not just a roof, but a platform for recovery, belonging, and long-term health.

Project Overview

Health plan: Alliance Health

Community development partner: CASA

Other health partners and investors: UNC Health, WakeMed, Duke Health, Wake County, City of Raleigh, federal government, community donors, The Kaleidoscope Project

Type of community infrastructure: $26 million development of 100 units of supportive, affordable housing

Vital Conditions Addressed Through King's Ridge

King's Ridge Component	Vital Condition Addressed	Quick Summary
Humane housing (100 units)	**Humane Housing**	Provides stable, affordable housing for adults and families with disabilities, histories of homelessness, or limited credit, ensuring a foundation for health, safety, and well-being.
Trauma-informed design and intentional community spaces	**Belonging & Civic Muscle**	Physical design and amenities foster healing and connection. Residents have private control over their units while also engaging in shared spaces that support community building.
Resident governance	**Belonging & Civic Muscle**	Empowers residents to have a voice in community governance, promoting personal choice, autonomy, and participation in decision-making.
On-site supportive services	**Basic Needs for Health & Safety**	Offers case management, behavioral health counseling, substance use treatment, childcare navigation, and connections to public assistance programs to support stability and well-being.
Two on-site medical clinics	**Basic Needs for Health & Safety**	Provides accessible medical care, preventive services, and health support directly within the housing community to reduce barriers and improve health outcomes.
Employment assistance	**Meaningful Work & Wealth**	On-site support helps residents access job training, employment resources, and skill-building opportunities to advance economic stability.
Integrated services in one location	**Reliable Transportation** **Basic Needs for Health & Safety**	Co-located medical, behavioral, and social services reduce transportation barriers and streamline access to resources that support health, safety, and independence.

CASA and Alliance Health: Each Sector's Role

Partner	Core Role in the Partnership	Key Contributions	Impact on Health and Community Outcomes
CASA	Lead affordable housing developer, community development expert, and property manager; brings knowledge of trauma-informed design; ensures the vision of healing and supportive communities is embedded in the physical environment and day-to-day operations.	• Led the financing, design, and development of King's Ridge. • Used the "Room for Everyone" theme in capital campaign communications to inspire donors and community support. • Structured the capital stack and managed the development process. • Brought deep expertise in affordable housing for people experiencing homelessness. • Provided ongoing property management and tenant support. • Designed trauma-informed physical spaces and amenities. • Translated the shared vision of healing and supportive communities into the built environment.	Ensures housing is financially viable, physically safe, and designed for residents with complex needs. Trauma-informed design and strong property management practices promote stability, safety, and dignity; key foundations for healing; improved mental health; and long-term housing retention.
Alliance Health	Managed care organization; strategic health sector partner, investor, and supportive services lead, bringing capital and service coordination for high-need populations; provides a holistic health lens that treats housing as a foundational platform for healing, stability, and community connection.	• Invested $1 million in grant funding to help close the development financing gap. • Brings expertise serving Medicaid populations with needs related to behavioral health, homelessness, and substance use. • Builds relationships with tenants and helps address challenges such as service needs or housing stability issues.	Extends the health plan role beyond clinical care to address housing stability as a core health intervention. By aligning capital, services, and tenant engagement, Alliance Health helps create healing and supportive communities that improve mental health, reduce homelessness, strengthen continuity of care, and foster connection and belonging among residents.

What Enabled the Partnership: Mechanisms & Conditions

Policy Creates Permission; Leadership Creates Action

State Medicaid policy in North Carolina created an organizational structure that helped position Alliance Health to invest in King's Ridge. North Carolina's tailored health plans addressing behavioral health and intellectual/developmental disabilities—specialized, publicly funded managed care plans integrating physical health, pharmacy, and long-term services and supports—allow health plans like Alliance Health to focus explicitly on populations with complex needs, many of whom are the same individuals and families King's Ridge was designed to house. This structure incentivizes reinvestment in community services: Alliance Health must reinvest 100% of cost savings into community services, reinforcing that housing stability is core to the health of Medicaid members with complex behavioral health needs.

However, structural incentives do not automatically translate into housing investments. Ann Oshel, Senior Vice President of community health and well-being at Alliance Health, explained that organizations must define what "housing is healthcare" means in practice: "Housing is healthcare is supportive services, housing is healthcare is developing relationships. It is one place where we have found that you can't be too risk averse. You need to find a trusted partner." Oshel noted that leadership and board support can evolve over time, making it essential to continuously connect housing investments to improved health outcomes, cost containment, and community well-being. Sustained internal alignment and storytelling were critical mechanisms for translating policy-enabled flexibility into a concrete, place-based investment like King's Ridge.

Measuring Success Where It Matters: Well-being, Stability, and Dignity

Alliance Health's role as a tailored plan addressing behavioral health and intellectual/developmental disabilities has shaped not only how it invests in housing, but how it measures success. For populations with complex needs, traditional metrics like short-term cost reductions or utilization decreases can be misleading. Individuals who have experienced homelessness often live in a prolonged state of crisis, masking unmet health needs. Once housed, people may begin seeking care they previously could not access—leading to increased healthcare utilization in the short term. Alliance Health views this not as a failure, but as an indicator that people are finally receiving the care they need.

As a result, Alliance Health incorporates quality-of-life measures alongside traditional metrics: qualitative survey questions that assess whether residents feel more hopeful about their future, are more likely to adhere to medications, or can describe what a "meaningful day" looks like. These measures help capture improvements in stability, autonomy, and well-being that are not reflected in claims data alone.

This broader approach reflects a recognition that for high-need populations, the primary goal is not simply reducing costs, but ending homelessness, improving health trajectories, and supporting dignity and recovery. By pairing quality-of-life indicators with longer-term cost and utilization trends, Alliance Health reframes housing as a foundational intervention that can shift both clinical outcomes and lived experience.

Shared Mission, Shared Population, Shared Vision for Healing

A key factor in the Alliance Health–CASA partnership was alignment in mission and populations served. CASA has long provided affordable housing for individuals with physical disabilities and behavioral health needs, populations closely mirrored by Alliance's Medicaid members. Rather than partnering with a commercial developer focused on maximizing units, Alliance collaborated with a developer committed to long-term relationships and meaningful outcomes. Working with a partner that understood the members' needs was essential to creating housing designed for stability, dignity, and recovery.

This shared focus allowed each partner to contribute complementary expertise. Alliance brought knowledge of behavioral health, complex care, and Medicaid populations, along with healthcare partnerships, while CASA contributed housing development, financing, and property management expertise. Together, they designed not just services but the physical space to support healing. King's Ridge incorporates trauma-informed design principles that reduce stress, enhance safety, and foster recovery.

Beyond units and services, Alliance and CASA shared a vision for community life. Many residents face social isolation or anxiety that prevents engagement with neighbors or resources. The partners prioritized gathering spaces, community amenities, and resident governance, creating places and opportunities for residents to connect, build relationships, and experience belonging. This shared commitment reframed King's Ridge as a healing and supportive community where services, physical design, and social infrastructure work together to address trauma and support overall well-being.

An Incremental Approach: Learn, Connect, Invest

Health plans don't need to announce ambitious housing initiatives right away. Alliance was first introduced to developers working in this space after attending a U.S. Department of Housing and Urban Development (HUD) meeting focused on serving individuals experiencing long-term homelessness. From there, Alliance mapped local housing blueprints, identified key partners, and built an understanding of how developers, funders, and service organizations operate.

Alliance Health's deep expertise in serving Medicaid populations with complex behavioral health needs was also crucial to the development's financial success—addressing lender concerns by demonstrating a solid plan for tenancy support and stability, ultimately reducing the risk of vacant or unmanaged units. Once relationships are established, health plans can begin contributing value even before making direct investments. By engaging early and thoughtfully, health plans can learn, build trust, and identify opportunities to align services, inform development, and eventually support investments in housing that improve health outcomes.

What We Learned: Recap for Community Development and Health Plans

1. **Policy and Organizational Structures Can Enable, But Don't Guarantee, Housing Investments**
   North Carolina's tailored plan structure incentivizes reinvestment in community services, including housing, but structural permission alone is not enough. Sustained leadership engagement, internal case-making, and storytelling are essential to translate policy into real, place-based investments.
2. **Measure Success Beyond Cost and Utilization**
   Traditional metrics do not fully capture the impact of housing for high-need populations. Pair quality-of-life indicators—hopefulness, medication adherence, meaningful daily activity, housing stability—with longer-term healthcare trends. At the King's Ridge opening, a resident described the community as "a place of hope. It's a place of healing." This approach reframes housing as a foundational intervention supporting well-being, dignity, and recovery.
3. **Design for Community Life, Not Just Housing or Services**
   Residents with behavioral health needs often face isolation or anxiety that prevents engagement. Prioritize shared gathering spaces, community amenities, and resident governance to foster belonging, connection, and empowerment. Establish a multisector project team early in the predevelopment phase to integrate services, trauma-informed physical design, and community-building elements simultaneously, moving beyond simply co-locating services.
4. **Start Incrementally, Learn, and Build Relationships**
   Health plans do not need to announce major housing initiatives immediately. Alliance began by attending HUD meetings, mapping local ecosystems, and building relationships with developers and funders. Early, low-risk engagement, through advising, service alignment, or co-design, lays the foundation for future investments that align with community priorities and health outcomes.
5. **Leverage Health Expertise to Mitigate Financial Risk**
   Alliance Health's expertise in serving Medicaid populations with complex behavioral health needs was crucial for addressing lender concerns by demonstrating a solid plan for tenancy support and stability. A health plan's commitment to tenancy is an essential form of financial assurance for developers and lenders.

Conclusion

King's Ridge demonstrates how health plans and community developers can partner to create supportive housing that promotes healing, stability, and well-being. By aligning on mission, serving shared populations, and integrating complementary expertise, Alliance Health and CASA designed a community that addresses trauma through both services and physical space. Thoughtful relationship-building and quality-of-life-focused measurement helped turn policy-enabled flexibility into tangible impact. These lessons offer a roadmap for practitioners seeking to leverage housing as a foundational platform for health and community outcomes.

8.5 CASE STUDY

Health Plan Profile

UPMC Health Plan and Catalytic Capital

Where the Case Began: How Community Investments Became Core Strategy

The plan's earliest housing programs—including Cultivating Health for Success, launched more than a decade ago—focused on rapid rehousing and supportive services for members experiencing homelessness. Internal analyses showed roughly $1,000 in avoided cost per member per month among high-utilization populations, alongside improved health outcomes and quality of life. Housing stability, it became clear, was a material factor in utilization and member health—and a natural extension of UPMC Health Plan's core mission. To date, the program has housed more than 300 members, including 49 in 2025.

The comprehensive UPMC Health Plan community investment program, driven by its Center for Social Impact, combines long-term mission-aligned capital investments—structured through program-related investments (PRIs), charitable giving, and other approved financial mechanisms—with direct supportive services and system navigation assistance.

Patient Capital for Community Health: A New Investment Strategy

Around 2020, encouraged by early program results and participation in the Center for Community Investment's Accelerating Investment in Healthy Communities, UPMC Health Plan's leadership began exploring longer-term housing solutions through investment rather than grants alone. The strategy centers on patient, long-term capital capable of accommodating the extended timelines typical of affordable housing development—blending capital deployment, preservation, direct supportive services, and systems navigation into a comprehensive, collaborative model.

An example of a PRI was UPMC Health Plan's investment in the Preserve Affordability Pittsburgh loan fund. The fund explicitly focuses on preserving affordable multifamily buildings at risk of raising their rents to market rate, and the donation of major assets, such as land parcels for low-income housing tax credit projects, which it dedicates to vulnerable populations. The ultimate success metric for UPMC Health Plan is framed around long-term housing stability, meeting its mission.

Stronger Together: UPMC Health Plan's Community Collaborations in Action

UPMC Health Plan partners with established CDFIs, local foundations, and other organizations that bring on-the-ground knowledge and housing finance expertise. Key collaborations include:

Omicelo: In 2017, this group provided a $20 million investment to acquire multifamily rentals for sustainable workforce and affordable housing. UPMC Health Plan committed an additional $15 million to upstream affordable housing investments in 2020.

Bridgeway Capital: This Pittsburgh-based CDFI was an early collaborator. UPMC Health Plan committed a $3 million PRI in 2020 to help seed Bridgeway's affordable housing loan program—a $9.3 million fund supporting 498 units, 353 of which are affordable. The CDFI's expertise in local finance and housing development allowed UPMC Health Plan's investment to be quickly and effectively deployed to support hundreds of affordable housing units.

Cinnaire: In 2023, UPMC Health Plan invested $5 million, alongside funding from the Hillman Family Foundation and The Heinz Endowments, into a special $11 million fund managed by Cinnaire, a nonprofit lender and CDFI focused on community development. The fund has already helped preserve 179 homes that were at risk of being converted to market-rate housing, meaning current residents could have faced rents or prices far beyond their means.

UPMC Health Plan contributes to housing development in multiple ways:

Charitable giving: UPMC Health Plan makes annual charitable donations averaging $2 million–$3 million to support local CDC development and administrative infrastructure, including participation in state tax credit programs.

Land donation: UPMC Health Plan has donated multiple land parcels for housing development, including a parcel near a major campus being developed into affordable housing for seniors and LGBTQ+ older adults.

Specialized supportive services: Beyond the core housing placement program, UPMC Health Plan supports 10 medical respite beds and three single-room occupancy units, and manages over 2,000 annual referrals for housing navigation (via Medicaid long-term services and supports) for members experiencing housing insecurity.

What We Learned: Navigating the Headwinds of Collaboration

As UPMC Health Plan moved toward more complex housing investments, several barriers emerged. Internally, the plan faced challenges aligning financial risk tolerance and navigating governance processes around unfamiliar investment structures. Externally, community development partners faced an inconsistent pipeline of affordable housing projects and limited access to capital, compounded by real differences in language and timelines between the health plan and housing sectors.

What worked:

- **Strong executive leadership and internal champions:** Senior leaders actively championed the strategy, including the designation of the executive director of the Center for Social Impact as the dedicated internal lead.
- **A shift from grants to investment capital:** UPMC Health Plan moved beyond one-time charitable contributions by incorporating longer-term, mission-aligned tools—including PRIs—to create a more sustainable and scalable financing approach.
- **Capital stacking through collaboration:** Foundations co-invested alongside UPMC Health Plan, increasing overall capacity and sharing risk.
- **CDFIs as trusted intermediaries:** CDFIs bridged sector-specific language, underwriting expectations, and development timelines between the health plan and housing partners.
- **Intentional governance and communication:** Regular investor communications and CDFI representation on the loan committee maintained alignment on deal pacing and affordable housing finance realities.
- **Policy alignment to strengthen the pipeline:** UPMC Health Plan collaborated with the Pennsylvania Housing Finance Agency to create a "Health and Housing Partnership" preference, encouraging new developer interest and expanding the affordable housing pipeline.

Conclusion

UPMC Health Plan's experience illustrates what happens when a health plan moves deliberately from charitable giving to catalytic investment. By partnering with CDFIs like Bridgeway Capital and Cinnaire—and structuring its capital as long-term, mission-aligned PRIs—UPMC Health Plan deployed its resources in ways that multiplied impact, preserved hundreds of affordable units, and built durable relationships with the community development ecosystem. The lesson for health plans: You don't need to become a housing developer. You need the right partners, the right financial tools, and the patience to let the investment mature.

9

OPERATIONALIZING THE NUTS AND BOLTS

This section offers concrete tools to help health plans and community development organizations put the strategies from the "Nuts and Bolts of Partnership Development" section into practice—translating them into sustainable, real-world actions that advance community health and prosperity.

Roadmap for Engagement

This table clarifies the unique roles and assets each sector brings to the partnership, providing a quick reference guide for engagement.

	Health Plan	Community Development
Core asset	Flexible, mission-aligned capital (PRIs, reserves), member data, and a long-term health system perspective.	Real estate and affordable housing expertise, local relationships, project pipeline, existing relationships with residents, and sophisticated financial tools.
Role in partnership	Anchor investor, providing patient capital, filling crucial funding gaps, funding supportive services via policy levers (e.g., Medicaid), convening strategic partnerships, donating land, providing technical support (e.g., data), providing services, lending political clout, and offering advocacy support.	Building local capacity and supporting community-led projects through project sourcing, construction, financial structuring, fund management, community quarterbacking, and service implementation.
Strategy focus	Defining investment appetite (ROI vs. broader community benefit), choosing the right mechanism (such as revolving loan funds or impact investment funds) to reduce complexity, and demonstrating long-term community value.	Structuring deals to match the plan's investment appetite (e.g., impact fund criteria), identifying appropriate financing gaps, and demonstrating long-term community value.

Understanding Sectoral Metrics of Success

While the health and community development sectors share a mission, their operational metrics and timelines differ. Understanding those differences is foundational to identifying shared outcomes.

Metrics That Health Plans Typically Track	Metrics That Community Development Typically Tracks
Clinical: Reduced readmissions, improved birth outcomes, chronic disease management.	**Financial:** Project occupancy rates, debt-to-equity ratio, asset leverage (e.g., CDFI portfolio size).
Financial/Regulatory: Medical loss ratio (MLR), community benefit spending, avoided medical claims.	**Community:** Number of affordable units created/preserved, number of jobs created, local wealth-building.
Member Experience: Patient/member satisfaction, use of community-based services, reduction in high-utilization events.	**Social:** Stability/retention of residents, increased average resident wage, community-defined quality-of-life outcomes.

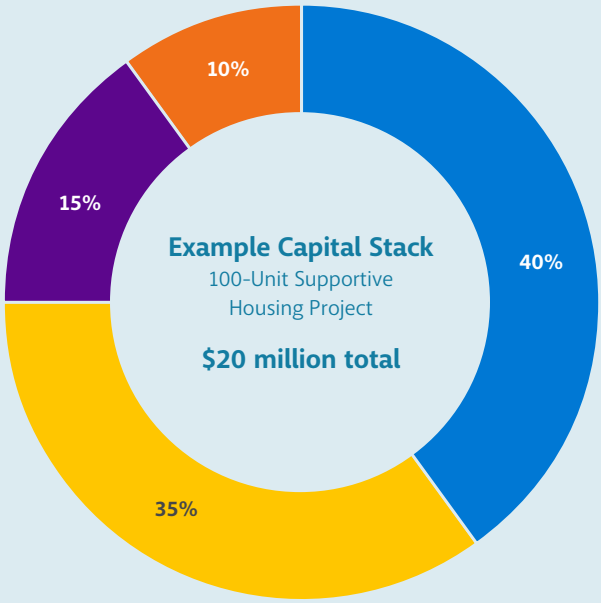
Mobilizing Health Plan Capital to Bridge Gaps in Funding

Health plan capital plays a strategic gap-filling role in the affordable housing capital stack, leveraging the plan's balance sheet alongside public, private, and philanthropic funds to align financial strategy with improved health outcomes.

Health plan funds primarily close funding shortfalls between construction costs and traditional financing (such as LIHTC equity), making deeply affordable projects feasible. Capital is typically structured as PRIs—lower-interest loans with a 4% to 5% return—or as direct grants for high-risk predevelopment activities, often bundled with funding for on-site services.

- **40% ($8 million) Senior debt**
  Bank construction-to-permanent loan (tax-exempt bonds)
- **35% ($7 million) LIHTC equity**
  Financing for affordable housing at 4% or 9% from a federal tax credit investor
- **15% ($3 million) Health plan investment/loan**
  Provides low-interest debt or equity to fill the gap between traditional financing and the total needed
- **10% ($2 million) Subordinate/soft debt**
  City/state housing finance agency loans (federal HOME investment program funds, etc.)

Resource:
Journal of General Internal Medicine article: "Housing Investment Strategies by Healthcare Payers and Systems: Paving the Road Ahead"



Quick-Start Actions for Multisector Partnerships

This section offers concrete actions and a short note on why each action matters. Actions are tagged with the sector that should take them.

Community Development, Health Plans, or Both

Both Host a one-hour internal conversation: Why does our mission or long-term vision of community health require a partner from the other sector?	**Why it matters** Clarifying your "why" before reaching out makes early conversations with potential partners far more productive.
Both Agree on two or three shared metrics up front, prioritizing community-defined outcomes.	**Why it matters** Shared metrics prevent misaligned expectations and ensure both sectors define success the same way.
Community development Invite a health plan representative to join the board of your organization.	**Why it matters** Deep immersion through board service ensures that the health plan representative gains a thorough understanding of your mission and operations, transforming them into a powerful champion for your work and formally embedding the health sector's perspective into your organizational strategy.

Community Development, Health Plans, or Both

Community development Research whether your state has an active Section 1115 Medicaid waiver covering housing-related services.	**Why it matters** This determines whether a health plan partner has policy permission to fund your work—a critical piece of due diligence.
Health plan Structure your investment as a PRI rather than a one-time grant.	**Why it matters** PRIs are recoverable and recyclable, and they signal long-term commitment—shifting the relationship from transactional to structural.
Health plan List your organization's nonfinancial assets: land, convening power, name recognition, advocacy support.	**Why it matters** Health plans often overlook these assets, but they're highly valuable to community development partners navigating complex funding applications, seeking regulatory approvals, or needing land for a project.

Five-Step Pathway to Multisector Partnerships

For a more guided approach, the Five-Step Pathway to Multisector Partnerships walks through each phase of partnership development, with prompts and resources to help partners move from strategy to sustained collaboration.

Partner Finder

Ready to connect? BHPN's Partner Finder offers directories to help you locate the nearest community development organization.

ACAP provides a directory of Safety Net Health Plans.

Policy Levers: Paving the Path for Upstream Investment

Policy can create actionable pathways for health plans to direct capital and resources toward community health—de-risking investments while aligning financial action with mission, regulatory compliance, and the upstream goal of addressing social, economic, and environmental conditions.

Health Policy Levers: Funding Services and Integration

The most significant policy development is Medicaid's expansion to fund services addressing HRSN, reflecting a strategic shift toward upstream investment and recognition that nonclinical needs drive health costs.

Medicaid Waivers (e.g., Section 1115): Twenty-five states have received approval to use Medicaid funding for services addressing HRSN—particularly housing and food insecurity. These waivers (such as CalAIM in California) allow health plans to fund:

- Housing-related services (security deposits, housing navigation, transitional services)
- Nutritional services (medically tailored meals, food vouchers)
- Intensive case management and supportive services for long-term housing stability

The HRSN waiver landscape is dynamic and uncertain. As of mid-2026, CMS is reviewing new and renewal applications case by case. Partners should use robust data and evidence to justify investments and carefully assess the policy climate in their state.

CalAIM in Action: A critical mechanism behind Inland Empire Health Plan's investments in permanent supportive and affordable housing, CalAIM allows IEHP to fund housing-related services through Medi-Cal Community Supports—directly integrating housing stability into member care.

Tax and Finance Policy Levers: Mobilizing Capital

Community Reinvestment Act (CRA): For-profit banks are required to invest in low-to-moderate-income neighborhoods, channeling trillions into community development. Health plans can leverage this by partnering with CDFIs that manage CRA funds—co-investing mission-aligned capital for greater leverage and identifying bank-funded project pipelines as opportunities for supportive service funding.

CDFI Fund programs: The U.S. Treasury provides grants and awards for financial and technical assistance to build CDFI capacity, strengthening the institutions that are often the primary capital intermediaries in disinvested communities.

Affordable housing tax credits: LIHTCs are the primary mechanism for bringing private equity into affordable housing. While health plans don't typically use the credits directly, they play an essential role by providing gap financing or PRIs that close final funding shortfalls and accelerate projects from planning to completion.

New Markets Tax Credit program: This program provides tax credits to investors making equity investments in community development entities, stimulating development and economic activity in low-income areas—another vehicle through which health plans can co-invest alongside traditional community development capital.

Community Development Block Grant program: These flexible HUD grants are allocated to local governments to improve housing, infrastructure, and public facilities, with at least 51% of funds required to benefit low- to moderate-income residents. Health plans can align investments and services with grant-funded projects to maximize community impact.

Resources to Learn More

Affordable housing and community development finance is a complex financing landscape—a system built on layered, interdependent funding sources. For a comprehensive primer, see the National Low Income Housing Coalition's Advocates' Guide: An Educational Primer on Federal Programs and Resources Related to Affordable Housing and Community Development.

Regulatory and Mission-Aligned Levers

For not-for-profit health plans, regulatory requirements can be useful incentives for community investment, aligning financial action with mission.

Community benefit requirements: Nonprofit health plans can direct a portion of community benefit resources toward structural investments in housing, food security, and job opportunities, providing a sustainable rationale for deploying mission-aligned capital such as insurance reserves. Long-term viability depends on plans receiving payment for this work, subject to future CMS and Medicaid waiver policies.

Medical loss ratio (MLR) alignment: Regulatory clarity is needed on how HRSN services and structural investments count toward the MLR calculation to ensure financial sustainability at scale. See ACAP's Sustainable Financing Approaches for Medicaid Managed Care Organizations to Address Health-Related Social Needs for more detail.

"In lieu of" services (ILOSs): MCOs may cover certain medically appropriate, cost-effective services as alternatives to standard state plan services. ILOSs are covered by Medicaid, can be included in capitation rates, and count toward the MLR numerator. Each ILOS requires state approval. By funding food or housing services as alternatives to higher-cost clinical interventions, MCOs can demonstrate ROI and build the case for expanded state flexibility.

Value-added services: These services are extra benefits that MCOs offer Medicaid beneficiaries beyond required Medicaid-covered services. Value-added services are not covered by Medicaid or included in capitation rates but can count toward the MLR numerator if they improve health outcomes.

Advocacy: A Joint Blueprint for Systemic Change

Health plans and community development organizations can partner to advocate for policies that sustain and expand cross-sector investment—moving beyond fragmented initiatives toward systemic change.

Strengthen CDFIs and housing resources: Advocate for flexible, institution-level grant capital through the CDFI Fund to help CDFIs build capacity, grow net assets, and expand affordable housing. This includes supporting the Capital Magnet Fund and engaging HUD, the U.S. Department of Agriculture, and the Federal Housing Finance Agency.

Advance financial inclusion: Support CRA reform to ensure fair competition, transparency, and responsible lending that brings more resources to historically disinvested communities.

Ensure policy consistency for HRSNs: Use health outcomes data to demonstrate the clinical and cost-saving value of HRSN interventions—housing, food, transportation—and secure their long-term inclusion in federal and state policy.

Support MLR regulatory alignment: Advocate for clarity in MLR calculation, ensuring structural investments in housing and social infrastructure are explicitly counted toward community benefit and other financial sustainability metrics.

Advance community-centered models: Support approaches like community land trusts that leverage plan capital to secure permanent affordability.

Resources to Learn More

Resources for guidance on navigating the current federal climate as of mid-2026:

NASDOH's *Health-Related Social Needs: Current Policy Landscape and Opportunities for Stakeholders*

Opportunity Finance Network's Policy Action Center to advocate on behalf of the community development sector

KFF's Medicaid Waiver Tracker: Approved and Pending Section 1115 Waivers by State

***JAMA Health Forum* article:** "Social Determinants of Health Under the Trump Administration—Good as Well as Bad News"

10 CONCLUSION

This resource is not just a roadmap, but an invitation for health plans and community development organizations to move beyond fragmented projects toward sustained, community-centered investment in addressing the drivers of health. By bridging the translation gap between sectors and clarifying each partner's assets, incentives, and tools, it charts a path toward the infrastructure that supports healthier, more prosperous communities.

Critically, this work is inseparable from equity. Community-centered approaches actively disrupt the exclusionary systems and policies that have long undermined the health and economic prosperity of disinvested communities—disproportionately communities of color and other historically under-resourced places.

The time for siloed work is over. We know a person's ZIP code can determine their health outcomes. Now is the moment to act on that knowledge, making the sustained, equitable investments required to build thriving, resilient communities for all.

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Build Healthy Places Network

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