Meeting the Health Care Challenge in West Virginia

CLAUDIUS WORTHINGTON BENEDUM FOUNDATION
Annual Report 2011
When our writer began working on the story that follows—*Meeting the Health Care Challenge in West Virginia*—we did not know whether the U.S. Supreme Court would uphold the Affordable Care Act. As I write this letter, we do not know what impact the 2012 election will have on the Act, on Medicare, or on any number of aspects of the health care system.

What we have known throughout the process, however, is that regardless of how our society ultimately approaches the issues, the challenges will be the same—how to encourage effective prevention, improve patient outcomes and the overall health of our population, and reduce costs, or at least the rate of inflation. There obviously are passionate disagreements on many subjects, but no one can be comfortable with the relatively poor ranking we have on key health indicators, with inefficiencies and disparities in the health care delivery system, or the fact that the United States spends the highest portion of its GDP on health care of any country—and this portion is growing—without correspondingly superior results.

Our story reports the efforts of clinics and coalitions of providers in rural West Virginia to make progress on these challenges. They are testing new approaches and making strides, despite obstacles not only arising from modest resources, but also presented by the distances that typically separate rural Americans from primary care practitioners, let alone the major health centers that are a triumph of American medicine.

We have great respect for the creativity and perseverance of the people described in the following pages, and for their efforts to innovate. Some of these innovations are proving to be models well worth broad adoption.

Regardless of your opinions on any of the controversial issues regarding health care policy, we think that you will find lessons in this story. Whatever the policy or point of view, the need for better health, better health care outcomes, improved prevention, and more efficient and cost-effective delivery is enormously important. These concerns will not be resolved by any one court decision or election, and will require the persistent and adequately supported efforts of people like those you are about to encounter in this story, repeated throughout the country.
With coffee, fresh peaches, and hot biscuits on the conference table, a dozen cheerful staffers open their laptops for a breakfast meeting in a community health center in Clendenin, West Virginia. Under discussion at the weekly meeting, known as “the huddle,” are patients who need concerted attention from a broad group: medical assistants, nurses, physicians, physician assistants, nurse practitioners, pharmacists, and social workers. As July sunlight streams through the windows of their staff room, a century-old school library, they focus on the status of a frail cancer survivor.

A discharge report in his chart notes that the patient was seen the previous weekend at a Charleston-area emergency room; his heart function has weakened, but he declined a defibrillator. The group discusses how to help his wife and children cope with the next phase of his care. “They’re pretty fragile emotionally,” observes one team member. The group creates tasks for follow-up: a call to arrange hospice care, and another to the electric utility to make sure that the family home has continued service.

The discussion moves on to a man with chronic back pain who has requested more prescription medication. His chart shows that he hasn’t been seen since the beginning of May. Instead of renewing his prescriptions, Dr. Anne Berry suggests that he come in so she can evaluate his condition; she makes a note in his chart to discuss how better sleep could alleviate his symptoms. “Would he be a candidate for the HEAL Group?” asks behavioral health consultant Bev Wheatcraft. She’s referring to a free pain-management class she leads weekly. Dr. Berry thinks so, and Wheatcraft taps the task into the chart on her laptop.

The casual, efficient discussion is the front line of health care reform in rural West Virginia in 2012, as the nation implements the Affordable Care Act that was passed in 2010. Targeting the center’s sickest and most expensive patients, the huddle puts into practice the Act’s overall goal of delivering high-quality care while reducing the system’s costs, coordinating efforts in clinics, homes, schools, and communities.

No national prescription spells out how best to reach and treat patients with complex conditions. Emphasizing teamwork and staff development, Cabin Creek Health Center is writing its own. Its four southern West Virginia offices and four school-based clinics have piloted several projects since 2009 that have improved patient outcomes and prevented excessive hospitalizations. The huddle is one of the ways its teams share goals and parcel out the work.
State agencies, nonprofits, faith-based organizations, and health care professionals are eager to learn from Cabin Creek. As states face the challenge of how to structure health insurance coverage and create incentives for quality care for both payers and providers, the question of what works in preventive care looms large. Community health centers like Cabin Creek are providing concrete answers.

“Health centers will take on a leadership role” in defining preventive care, confirms Louise Reese, executive director of the West Virginia Primary Care Association. “We are ahead of a significant portion of the country. Forty percent of our community health centers have already received national recognition as quality patient-centered medical homes. Because we have such a large network and see 20 percent of the population, West Virginia will rely on the foundation of the health centers to make [the Affordable Care Act] happen.”

There’s hard work ahead. United States Senator Jay Rockefeller recently observed, “Achieving real health reform will require an unprecedented level of teamwork.”

As the biscuits vanish from the conference table and laptops snap shut, the Clendenin team is forging a model on how to deliver high-quality, cost-effective care.

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— Senator Jay Rockefeller
The Affordable Care Act: A Primer

Despite the legal and political challenges to the Affordable Care Act (ACA) since Congress passed it in 2010, its key provisions have already taken effect. Insurers are now required to cover patients with pre-existing conditions and may not impose arbitrary annual or lifetime limits on benefits. Children may be covered by their parents’ insurance until age 26. Seniors in Medicare now receive discounts on covered brand-name prescription medications, reducing out-of-pocket expenses, and are entitled to an annual wellness visit with their primary care provider. Beginning in 2014, small businesses will receive tax credits for providing plans to their employees, and workers near the poverty level will receive federal subsidies to buy policies. At the same time, as many as 178,000 West Virginians will be eligible for tax credits to buy coverage through the state health insurance exchange, according to West Virginians for Affordable Health Care.

Martha Falls
- “Mah-maw” to three grandchildren
- Former rose gardener
- Crossword puzzle expert
The June 2012 decision of the U.S. Supreme Court upheld all major provisions of the law, but allowed states to make individual decisions on whether to expand Medicaid coverage to families with incomes below 133 percent of the poverty line (now $25,390 for a family of three).

West Virginia now faces the question of whether Medicaid coverage should be expanded to more than 120,000 residents. The law provides generous short-term incentives to do so. The federal government will reimburse states for 100 percent of their additional costs in the next three years. After 2017, the federal share will slowly decrease to a floor of 90 percent.
Percentage of Medicare beneficiaries with at least one chronic illness in 2008:

70%
“[For the frail elderly,] we need to move past disease management to maintaining patient function,” says Michael Grome, physician assistant who oversaw the pilot at Lincoln Primary Care in Lincoln County. “Most problems aren’t in curing, but in maintaining patient function.”

Cases enrolled in the three senior medical home projects were complex. Many individuals had dementia or depression. The group averaged taking more than nine prescription medicines a day. More than half needed assistance to walk.

Lincoln and New River chose nursing staff to administer their programs. But Cabin Creek selected another approach. Instead of adding an expensive layer of new specialists, it decided to train workers already on the team. While geriatric specialists advised the program, it was medical assistants who formed its foundation.

Dr. Dan Doyle, who supervised New River’s participation, says that, in retrospect, using mid-level staff instead of nurses was an effective strategy. “In southern West Virginia, we have a fairly high ratio of mid-level [staff] to physicians,” says Doyle. “That’s positive, in terms of access and cost.”

Relying on experienced staff members was a breakthrough that not only increased effectiveness, but brought a shared sense of teamwork to the professionals and staffers in the Cabin Creek project. The medical assistants who completed a 15-hour course at Bridgemont Community and Technical College made three visits a year to their elderly clients’ homes, observing their family and living conditions firsthand.

After 25 years as a medical assistant and a lifetime in Clendenin, Paulette Burdette knows hundreds of patients by name. She was one of the first to volunteer for additional training, pay, and responsibilities for caring for the frail elderly.

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Home visits as a health coach "let you see the barriers folks have," she explains. Often, those problems are practical rather than medical. For Hattie Speers, Burdette arranged equipment to keep the 80-year-old Parkinson’s patient safe in her home. “Paulette’s helped a lot,” says Speers’ daughter, Debbie Jones. “A hospital bed, a wheelchair, a walker, a ramp, and the physical therapist,” who visited weekly after Speers’ surgery last year.

Burdette admits that the new care model is time-consuming. She drives long distances, often on dirt roads, to visit 50 patients at home three times a year. She carefully enters patient data and reviews medications with Dr. Mary Ann Maurer, with whom she shares an office. She relays non-medical needs like grab bars and ramps to a geriatric care coordinator, who works with contractors. “To an extent, you get involved with their lives,” says Burdette. “The workload is manageable. What’s difficult is, a lot of the time, the social resources just aren’t there.”

The health coaches relied extensively on a new electronic medical record system. “The system allowed quick and easy ways for providers to assign tasks to health coaches and for the coaches to provide updates or questions to the primary care providers,” says Craig Robinson, Cabin Creek’s executive director. “Coach home visit notes were labeled for easy retrieval in the records by our providers, the coaches themselves, and the project coordinator.”

After six months, Cabin Creek staff reviewed their initial results. During the study period, no patients were rehospitalized within 30 days of discharge. The average number of prescriptions dropped from 9.5 to 8.5 per person. And the average cost of delivering the improved care? Under $70 per patient per month.

Those figures compare favorably to similar pilots to reduce Medicare hospitalizations. In a 2012 analysis, the journal *Health Affairs* wrote that “[national findings] … suggest that to generate net Medicare savings for this population, programs must keep intervention costs to about $125 to $150 per member per month and continually seek ways to increase interventions’ effectiveness.”
What is Fair Payment for Managing Patient Care?

While the U.S. health care system moves away from the fee-for-service model, the payment system for coordinated care is still unclear. At present, neither Medicare nor Medicaid has a specific care management fee covering a specified range of services. In reviewing per-patient costs for the senior medical home pilot, Cabin Creek Director Robinson points out that all those enrolled had significant health needs. Developing staff training was costly, too. “I believe that the costs for an ongoing program of care management for a frail population could be closer to $50 per member per month,” he says. In another Cabin Creek pilot of managed care for a subset of Medicare patients, costs were as low as $35 a month.

The Affordable Care Act envisions that accountable care organizations (ACOs)—associations of providers that invest in better care management—will in the future share the cost savings to Medicare. The ACOs can use their share to pay for enhanced services, an important incentive to improve their care management.
After a pilot with the state’s Public Employee Insurance Agency (PEIA), Robinson believes that moving away from a fee-for-service plan can work. “We initiated a special program in which PEIA paid us monthly for patients in a comprehensive care program. We shared the savings that we realized 50–50.” While Cabin Creek’s overall share was modest—less than $40,000 a year—Robinson thinks it’s a model to watch. “It does appear to work, and we are in the midst of expanding the service to other community health centers.”

At the home of Kenneth Westphal, a grandchild’s artwork adorns a collection of family phone numbers.
In the fall of 2011, the community health centers gathered for a meeting convened by Phil Schenk, director of the West Virginia Partnership for Elder Living. He suggested that the clinics join forces to reprise their work with the elderly on a larger scale—this time, with a new population.

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Expanding the Scale of Coordinated Care Pilots

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“We emphasize the relationship with the health coach. We watch transitions from hospital to home or nursing home. And we flag polypharmacy—prescriptions for many drugs.”

A regimen of nine or more prescriptions is a standard benchmark for polypharmacy, and many complex patients require multiple drugs. But Doyle says that over-medication may actually harm their health. In examining dual-eligibles, the project team found that 27 individuals were already taking 20 or more prescriptions. Enlisting pharmacists to counsel patients, the group is whittling individuals’ drug loads to the safest possible levels.

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Education for those in chronic pain addresses over-medication as well. Each week, a group of patients gather in Clendenin for Cabin Creek’s HEAL Group. The free pain-management workshop invites patients to learn gentle exercises and stress-reduction techniques, and to share the emotional stresses of their conditions.

Rose Welker has lived with constant back pain for nearly two decades, since the day she was shot in 1994. With a bullet still lodged in her spine, the 50-year-old mother recently had to quit a job that required constant movement. She is determined to resist narcotic addiction, and finds the support of her HEAL friends invaluable. “It just makes you feel better, to know someone cares,” she says simply.

The HEAL Group project grew out of Cabin Creek’s policy decision to reduce prescribing opiates whenever possible. Prescription drug abuse is a regional and national epidemic. When the health center found that 400 of its patients were receiving prescriptions for narcotics, it set a goal of tapering drug use whenever possible. Resources like the HEAL sessions can help patients cope.

Reviewing the team efforts to coordinate patient needs and care, Doyle believes that personal attention and good communication are producing results. “Our formulation of where to put our effort is unique,” he says. “It keeps on making sense.”

“A former plant mechanic, D.J. Atkins works with therapist Diana Zinman in Cabin Creek Clendenin’s weekly pain management class.
Despite the promise of the medical home approach, sharing the data that drives it is still hugely problematic. “Less than 50 percent of people with medical homes have their hospital discharges in their chart. We’re missing data,” notes Dr. Doyle. “The reality is, people are scrambling” to make the system functional. Doyle says that the proliferation of separate electronic health record systems hinders data sharing. “These days, doctors have to be multilingual in electronic records,” he says.

Privacy issues can threaten exchange of data, too. In one recent example, a local hospital had to suspend daily electronic reports because of concerns about a possible security breach. Cabin Creek Director Craig Robinson thinks that multiple solutions, such as secure emails and provider access to the records of third-party payers, are needed. He adds that patients need access to their electronic records as well, to share test results, medications, allergies, and even living wills with providers.

The proliferation of patient information is a double-edged sword. “We are drowning in data,” Robinson ruefully told his staff at a recent workshop on the topic.

In fact, Robinson and his staff continuously collect and analyze data, as an essential benchmark of overall quality. Health providers are required to make annual reports of a variety of measurements to the federal unified data system. By analyzing what percentage of patients meets specific baseline measures, from healthy blood glucose levels for adult diabetics to hypertension readings to Pap tests, the group can match its results against national and state averages and set goals for improvement. (Cabin Creek’s rate for controlled diabetes is 78 percent, well above state and national averages.) In one instance, staff found that only five percent of the practice’s toddlers had up-to-date immunizations in 2008; they made improvements a priority, training staff and flagging electronic charts. By the end of 2010, the rate had increased to 72 percent.

“Data can be a motivator, if presented to staff the right way,” says the practice’s education director, Amber Crist. “It helps us see what we can do to work together to improve, and ask for suggestions.”

Dr. Doyle agrees. “The feds chose well. In the six categories of federally required measurements, we’ve seen steady improvement. [But] we’ve been studying for the test. Other things are important, too.” While retina exams are important screenings for diabetics, for example, Cabin Creek had no ophthalmologists on staff. To ensure that the exams were included in preventive care, it has added specific training for its primary care physicians.
Can Volunteers Help Improve Rural Health?

The new preventive care emphasis of the health care system presupposes effective education for communities. In rural West Virginia, a new Benedum-funded project is investigating whether informal education for community volunteers—emergency medical personnel and firefighters, among others—can fill the gap.

Dr. Wayne Miller, a nutrition and exercise expert at the West Virginia School of Osteopathic Medicine, says that the school’s pilot program has already enrolled nearly three dozen participants in the Greenbrier Valley.

“With the shortage of health care workers, it would be a great benefit to have a go-to person in rural communities—especially through churches,” he says. A lay person with some training “could help a provider running a health fair, or a hospital that needs someone to interpret lab tests.” Among those enrolling in the first classes are retirees, a phlebotomist, several health clinic office managers, VISTA volunteers, and first responders.
Oral Health Programs Make Inroads

In the past decade, West Virginia policymakers have made oral health a priority. Poor oral health can have significant effects on overall health, particularly in adulthood, and has been linked to heart and lung diseases, stroke, and low birth weights. In 2010, West Virginia had the highest rate of tooth loss in adults age 65 and older in the nation, according to the Centers for Disease Control and Prevention.

Spurred in part by the 2000 U.S. Surgeon General’s Report on Oral Health, the high-profile death of a child from consequences of a preventable dental infection, and expanded dental provisions in the reauthorization of the Children’s Health Insurance Program (CHIP), the state is attempting to bring preventive dental care to communities in need.

Cabin Creek Health Center’s first dentist, Dr. Hillary Homberg, now greets patients in the dental suite at Clendenin. The $120,000 facility, opened in July, is the center’s first permanent office, and business is brisk; because many dentists do not participate in Medicaid, rural communities have been historically underserved.

Dr. Homberg also participates in an innovative mobile program funded by the Benedum Foundation and the West Virginia Council of Churches. A recreational vehicle outfitted with basic equipment will make the rounds of Cabin Creek’s other offices, along with schools and Head Start programs not served by the county’s school-based program. The program will provide examinations and administer decay-preventing sealants to eight- and fifteen-year-olds. The program is an extension of a Benedum-funded project at Marshall University that will conduct the state’s first comprehensive assessment of the oral health of West Virginia’s children.
Children vaccinated for H1N1 by Cabin Creek professionals in 2009:

9,000

Preventive Care: Reaching Into the Community

There are two entrances to the Riverside Health Clinic, one for students and the other for the community. Riverside, a Cabin Creek Health Center location since 2001, is one of about a dozen West Virginia health centers that serve both students and the community. Vickie Sorrell, the family nurse practitioner, perches on an exam room stool as she explains the clinic’s role. “We’re here for the entire community. We don’t say ‘no’ to anyone,” she begins. But today, she’s preparing for a flood of last-minute immunizations for students.

While these young teens have already received basic inoculations, West Virginia requires two more this September. If seventh- and twelfth-graders have not received their Tdap (booster) and meningitis vaccinations two weeks into the school year, they can be sent home. Posters reminding families of the change hang in the school hallways, and three school-based centers held an immunization fair last spring. But Sorrell is picking up stragglers who still need injections during new student orientation.

Cabin Creek has experience in mobilizing for large-scale immunization campaigns. In 2009, its locations administered the H1N1 flu vaccine to 9,000 children. At the Riverside clinic, the online connection to a state registry system makes it easy for Sorrell to check and update the students’ records, and she can provide an immediate print-out to students and parents.

But other student health issues aren’t so readily solved. Two trends worry Sorrell: obesity and teen pregnancies.

Encouraging teens to manage their weight by changing their behavior is no easy task. For the past six months, the Cabin Creek staff has worked with researchers at Marshall University to identify middle-schoolers with body mass indexes above the 95th percentile and give them self-management tools.

Another adolescent health issue surfaced last year, when pregnancies at three regional high schools suddenly spiked. The schools’ statistics mirrored a worrisome statewide trend. Nationwide, teenage pregnancies dropped 17 percent last year. In West Virginia, they rose 17 percent.

Cabin Creek’s staff moved quickly to mobilize counselors, school nurses, and state resources.

“Out our counselor said, ‘We’re in crisis mode,’” recalls Jill Fields, a physician assistant who has staffed Cabin Creek’s Sissonville High School center for the past four years. Working with the state’s office of adolescent pregnancy prevention, the group reached out to teachers and organized health sessions for all grades at Sissonville. The quick action helped: No pregnancies were reported during the spring semester. Riverside will adopt the program this fall, and the school district superintendent has approved a curriculum based on the session for all eight Kanawha County high schools.

Fields says that addressing health education issues in school-based centers makes sense. “We’re making a more indelible impact on a younger crowd.”
A Model for Patient Care and Controlling Costs

Craig Robinson believes that, at Cabin Creek Health Center and other community clinics, providers are learning. “Our experience is that there is a big payoff in medical outcomes when we change the model of care to one of knowing what is going on in a population for which we are responsible: knowing who is at risk and why, then addressing the behavioral health and social problems in conjunction with the medical conditions, and, finally, having some time for the staff to discuss what they are doing,” he says.

“It’s clear that we needed a strategy other than one doctor with one patient in an exam room. Health coaches and behavioral health providers working hand-in-hand with medical providers, and with available population data, are changing the model.

“We’re beginning to identify those who are most at risk and designing interventions to address those patients. That’s a model that is relevant for frail elders and adults with chronic conditions, as well as for at-risk high school students.” While the model emerged from the need to improve outcomes for patients, Robinson says it is “clearly also the pathway to controlling medical costs.” He adds, “It is also clear that the learning must go on.”

Scotti Meadows, an incoming freshman, gets a last-minute immunization during Riverside High School’s ninth-grade orientation. His grandmother, Traci Harper (BELOW), provides the necessary consent.
“Expansion of insurance and renewed emphasis on primary care are the two huge hallmarks of the Affordable Care Act,” explains Perry Bryant, executive director of West Virginians for Affordable Health Care, a consumer coalition. “Part of the mission is to work on cost containment. But you can’t improve quality with 17 percent of the population without access to primary care or prevention services. When you expand health insurance, everyone wins.”

In 2010, West Virginia became one of the first states in the nation to create a health care exchange, which all states are required to construct by the end of 2013. A marketplace where consumers and small businesses can shop for health insurance coverage, the exchange program is scheduled to begin enrolling policy-holders online in October 2013.

“Exchanges are a good idea, even without the Affordable Care Act,” explains Bryant. “People can easily compare plans online. It’s just like visiting Travelocity or Orbitz, instead of calling individual airlines—it’s well-organized and simple.”
As states weigh the value of preventive services in holding down system costs, evidence on the effectiveness of pilot programs in the state is crucial. "You have to ground [cost] assumptions in history and experience, consistently," says Stoll. "In West Virginia, in and out of government, there has been a real effort to make the assumptions the best ones possible."

The consumer coalition’s director sees a clear connection between successful pilot programs and the structure of the health benefit exchange. "The coordinated care programs at Lincoln, New River, Cabin Creek, and elsewhere show significant improvement in outcomes. That’s the data that will drive adoption of more comprehensive chronic disease management coverage," says Perry Bryant. "Health centers have been way ahead of the private physician community on this. Both public and private insurance companies should be working together, and saying to primary care providers, here are the chronic illnesses we want to focus on—especially diabetes. Here’s the standard of care we think is appropriate. Here’s the common data-reporting structure. Here’s a methodology of reimbursement for paying medical homes. Ultimately, we need all the payers doing the same thing."

“I actually think of West Virginia in some ways as being a national leader [on exchanges],” says Kathleen Stoll, director of health policy for Families USA, a national consumer group. “It’s not California or Maryland, but there has certainly been a lot of progress in thinking about what exchanges will look like.” Taking the lead, West Virginians for Affordable Health Care has convened a health exchange implementation task force.

Nationwide, health plans in an exchange must cover a handful of basic services, physician and hospital visits, maternity and pediatric care, drugs and lab service, and chronic disease management among them. But while the scope of benefits will be the same among the plans, the value of those benefits will vary. Bronze plans will be the least generous of four levels, with patients required to share more costs for covered benefits; platinum plans will be the most generous, with less cost-sharing. Individual states may require plans to cover additional benefits, with the state defraying the additional costs.

“It’s a difficult balancing act: keeping costs at a reasonable level yet providing comprehensive coverage. You can’t leave people with huge out-of-pocket costs,” Stoll observes.
Provider-Sponsored Networks: Bypassing the Middleman

This fall, a David will enter a field formerly dominated by corporate Goliaths. Members of the West Virginia Primary Care Association, mostly community health centers, have filed a state application to become a provider-sponsored network. The for-profit company will provide care to those enrolled in Medicaid, which is expected to grow as currently uninsured individuals become eligible.

Following legislation passed earlier this year, the West Virginia Family Health Plan is preparing to enroll customers by July 2013. It is the first provider-sponsored network in the state.

The passage of the provider-sponsored network legislation allows them to contract directly with the state’s Bureau of Medical Services. Payment for services will be negotiated, similar to the process used by existing managed-care companies. Profits earned by the plan will return to the nonprofit community health centers.

Enabling provider-sponsored networks in West Virginia will have a major impact on health spending, says Louise Reese, executive director of the West Virginia Primary Care Association. The health centers may be able to realize significant efficiencies, since they are not operated as for-profit operations. The new approach may save as much as $20 million a year.
MISSION
To encourage human development in West Virginia and Southwestern Pennsylvania through strategically placed charitable resources.

GUIDING PRINCIPLES
The following principles guide the Foundation’s grants programs in those regions:

• We honor Michael and Sarah Benedum’s belief in “helping people help themselves,” and we seek opportunities to cultivate the creativity of people and communities.
• We nurture leadership within the communities we serve, and we participate in leadership when it adds value.
• We encourage planning, projects, and programs that cross geographical and political boundaries so that access to services and economic growth is maximized.
• We expect collaboration among the public, private, and nonprofit sectors in order to leverage the resources that each can bring to common concerns.
• We strive to advance innovative practices that demonstrate measurable and sustainable benefit.
• We seek projects that contribute to advancement in public policy.

THE FOUNDATION’S ROLE
In seeking to achieve our mission and acknowledging lessons learned in over 65 years of grantmaking, the Foundation has identified its role as follows:

“The Foundation largely takes on the agenda of the people we serve. Our business is to help people help themselves. This is not intended to suggest that the Foundation’s role is passive. To the contrary, we go out into the field and listen closely. We build strong and supportive relationships with grantees. We provide technical assistance. We broker ideas and institutions. We create partnerships. We undertake analyses of issues and problems, and we promote public awareness of them. We help to build broad consensus for change. We seek to empower people to develop their own capacity and the capacity of their institutions to succeed. We leverage not only funds but interest, involvement, and commitment.”

Excerpted from In the Company of Extraordinary People: A Special Report upon the Occasion of the 50th Anniversary of the Benedum Foundation, 1994

GRANTS PROGRAMS
In keeping with the wishes of Michael and Sarah Benedum, the Claude Worthington Benedum Foundation is a regional philanthropy focusing on West Virginia and Southwestern Pennsylvania. The Foundation generally invests two-thirds of its grant dollars in West Virginia and one-third in Southwestern Pennsylvania.

The Foundation serves the entire state of West Virginia. In Southwestern Pennsylvania, the service area includes Allegheny, Washington, Greene, and Fayette Counties. This four-county area is a natural connector between Pittsburgh and West Virginia and contains rural communities that may benefit from the Benedum Foundation’s experiences in West Virginia. However, the Foundation recognizes that economic regions do not follow political boundaries, and, therefore, the Foundation both encourages projects that cross state lines and supports economic and education initiatives that benefit the multi-state region centered on Pittsburgh.

The Foundation makes grants in two program areas that span both states: Education and Economic Development. In addition, the Foundation supports Community Development and Health & Human Services grants programs in West Virginia, and, in Southwestern Pennsylvania, supports the major performing arts organizations within the Cultural District.

From time to time, the Foundation revises specific areas of interest within its grants programs, and grant seekers are encouraged to view the Foundation’s website for the most current descriptions.

EDUCATION
The Benedum Foundation seeks to promote successful learning through the formal education system. Academic achievement and preparation for the 21st-century workforce are the ultimate objectives of this program. The Foundation places a high priority on teacher quality and the most advanced instructional tools. Because schools do not function in isolation, the Foundation also looks to the resources of community organizations, business, and higher education to reinforce the learning objectives of the classroom. In preparation for the rising demands of the workplace, the Foundation recognizes the need for all students to be prepared, without remediation, to pursue some form of post-secondary education.
Although the Foundation is interested in any significant opportunity to improve the education system, specific areas of interest include:

- Programs that improve teacher quality through professional development and innovative instructional strategies.
- Arts education, the integration of arts into other disciplines, and the partnership of community arts groups and higher education with the Pre-K–12 education system.
- Career education that aligns secondary and post-secondary programs with high-demand, high-wage occupations.

ECONOMIC DEVELOPMENT
Innovation will be the cornerstone of the future success of the economy in West Virginia and Southwestern Pennsylvania. The Foundation supports economic development activities based upon the region’s strengths in research, technology, and advanced manufacturing. The Foundation’s agenda seeks to promote regional planning and cooperation, recognizing that, with respect to any endeavor, “region” should mean whatever area is most appropriate to optimize the available opportunity, without reference to historic, geographic, or political boundaries. The expected outcomes of the Foundation’s Economic Development grants are the creation and growth of innovative, wealth-producing businesses and high-quality jobs.

In addition, many of the communities in the region served by the Foundation are rural and enjoy abundant natural assets that provide economic opportunities that complement centers of technology-based growth. The Foundation supports efforts to advance agriculture, outdoor recreation, artisanship, and cultural tourism. Specific areas of Foundation interest include:

- Promotion of entrepreneurship.
- Projects that promote technology-based economic development.
- Programs to promote the growth and accessibility of new capital for businesses in distressed communities and areas of high unemployment.

WEST VIRGINIA GRANTS PROGRAM
In addition to the areas of interest discussed above, in West Virginia the Foundation also makes grants in Health & Human Services and Community Development.

HEALTH & HUMAN SERVICES
West Virginia will benefit when all families have access to high-quality health care and human services. The best possible resources are required for families to raise their children to be productive members of their communities.

Emphasis in this program area is placed on innovations in health care delivery systems, a strengthening of the public health infrastructure, and community-based health promotion, especially with regard to chronic disease prevention and management. Collaborative efforts involving communities, businesses, and public agencies are encouraged through technical assistance, program development, research, and public policy. Specific areas of interest include:

- Support for a healthier quality of life for West Virginians through access to affordable health care, preventive health services, state-level policy development, and quality care systems across the lifespan.
- Ensuring a system of accessible and affordable health care for children, early intervention services that lead to school success, and the promotion of child-focused public policy.
- Delivery of oral health education for the public, and the implementation of preventive strategies in the state oral health plan.

COMMUNITY DEVELOPMENT
Improving the capabilities of leaders, organizations, and interested citizens to address challenges and opportunities will help communities be more prosperous through their own efforts.

The Benedum Foundation promotes the economic well-being and quality of life of West Virginia communities. Specific areas of interest include:

- Activities that engage diverse groups of citizens in the life of the community.
- Efforts that help communities organize, plan, and implement ambitious but achievable improvement strategies.
- Leadership development.
- Programs that improve the effectiveness and accountability of nonprofit and public organizations.
- Efforts to expand technology access, affordability, and utilization.
- Activities that provide decent, safe, and affordable housing through home construction, repair, financing, and education programs.

SOUTHWESTERN PENNSYLVANIA GRANTS PROGRAM
In addition to the Education and Economic Development program areas described above, the Foundation believes that the arts play a significant role in economic development, and that Pittsburgh’s exceptional arts community, along with the Pittsburgh Cultural District, provide a competitive advantage to the region’s economy. The Foundation supports the major performing organizations within the Cultural District, as well as specific projects that add value to the Cultural District, especially through cooperative ventures of resident organizations.

HOW TO APPLY FOR A GRANT
Before applying for a grant, applicants should carefully review the Foundation’s Mission and Guiding Principles, and our grants program descriptions. Seeking a grant from the Benedum Foundation is a highly competitive process. As you might expect, the Foundation receives more applications each year than we are able to fund, which means that even some proposals that fit within the description of the Foundation’s grants program may not be selected for funding.

RESTRICTIONS
The Foundation generally does not make grants in support of:

- Organizations located outside West Virginia or Southwestern Pennsylvania
- Individuals
- Organizations not exempt from taxation under Internal Revenue Code Section 501(c)(3)
- Student aid, fellowships, or travel
- Construction or equipment
- Endowment
- Ongoing operating expenses
- National organizations
- Biomedical research
- Religious organizations for religious purposes
- Individual elementary and secondary schools
- Annual appeals or membership drives
- Conferences, films, books, and audio-visual productions, unless an integral part of a Foundation-supported program

APPLICATION PROCESS: WHAT TO EXPECT
After reviewing the information listed above, submit your application using the Foundation’s online grant application process found on our website: www.benedum.org

The Foundation does not have submission deadlines, and applications are accepted throughout the year. Once we receive your completed online application, an automated response will be sent to you acknowledging receipt. You should receive a response to your application within 60 days, at which time you will be notified if your project is not one the Foundation can consider, or if you should submit additional information.
## 2011 Grants

Although some of our grants have impact in both West Virginia and Southwestern Pennsylvania, for ease of reference, grants authorized in 2011 are listed below by region of primary benefit.

Readers, especially grant seekers, should be aware that the emphasis of the Foundation’s grants program evolves over time and that grants as reported may not be indicative of the Foundation’s future program emphasis.

### West Virginia

#### Education

- **American Federation of Teachers Educational Foundation**
  - Washington, DC
  - Development of a comprehensive education reform plan for McDowell County, West Virginia
  - $100,000

- **Carnegie Institute**
  - Pittsburgh, PA
  - Development of a math and science learning series for Pre-K teachers and parents, in partnership with the West Virginia Department of Education and Marshall University (over two years)
  - $242,000

- **Carnegie Mellon University**
  - Pittsburgh, PA
  - For graduate student teams to design interactive educational products for Ogletree Institute’s arts and environmental science centers (over two years)
  - $150,000

- **The Challenge Program, Inc.**
  - Morgantown, WV
  - Expansion of a school-business partnership program in West Virginia schools
  - $65,000

- **College Summit, Inc.**
  - Charleston, WV
  - Geographic expansion and the addition of a family engagement program
  - $115,000

- **Community Foundation for the Ohio Valley, Inc.**
  - Wheeling, WV
  - Mini-grant program to stimulate new partnerships between schools and community arts organizations
  - $90,000

- **Regional Education Service Agency 3 (RESA 3)**
  - Charleston, WV
  - $224,000

- **Parkersburg Area Community Foundation**
  - Parkersburg, WV
  - Mini-grant program to stimulate new partnerships between schools and community arts organizations
  - $90,000

- **Regional Education Service Agency 4 (RESA 4)**
  - Huntington, WV
  - Pilot of early-intervention dropout prevention strategies, in partnership with the West Virginia Department of Education and the West Virginia School Board Association
  - $98,500

- **EdVenture Group, Inc.**
  - Morgantown, WV
  - Design of an after-school arts integration program combining math, reading, science, and visual and performing arts, aligned with West Virginia and Pennsylvania education standards
  - $60,000

- **Marshall University Foundation Incorporated**
  - Huntington, WV
  - Development of a preschool-to-kindergarten transition program in partnership with the West Virginia Department of Education
  - $175,000

- **Marshall University**
  - Huntington, WV
  - Establishment of a satellite of Carnegie Mellon University’s CREATE Lab at the Harless Center to share and test instructional tools that integrate robotics and design (over two years)
  - $207,000

- **Ogletree Institute**
  - Huntington, WV
  - Improvement of environmental science education through a partnership of Schrader Environmental Education Center, Pittsburgh Parks Conservancy, and Carnegie Mellon University (over two years)
  - $224,000

- **West Virginia Northern Community College Foundation**
  - Wheeling, WV
  - Expansion of a “Middle College” for underscoring high school students
  - $250,000

- **Cabin Creek Health Center, Inc.**
  - Davie, WV
  - Enhancement of primary care for complex patients at three Federally Qualified Health Centers through the expansion of the clinical team to maximize patient engagement
  - $235,000

- **Camcare Health Education and Research Institute, Inc. dba CAMC Institute**
  - Charleston, WV
  - Pilot of the KEYS 4 Healthy Kids Tool Kit for mini-grants in four rural Kanawha County communities
  - $25,000

#### Human Services

- **Education Alliance — Business and Community for Public Schools, Inc.**
  - Charleston, WV
  - Pilot of early-intervention dropout prevention strategies, in partnership with the West Virginia Department of Education and the West Virginia School Board Association
  - $98,500

- **Vision Shared, Inc.**
  - Huntington, WV
  - To host a workforce development summit focusing on college completion
  - $50,000

- **West Liberty University Foundation, Inc.**
  - West Liberty, WV
  - Creation of a center under the sponsorship of the College of Education and College of Arts & Communication to provide arts integration resources and professional development
  - $166,000

- **Wheeling Park Board**
  - Wheeling, WV
  - Development of a digital media course study and certificate for the West Virginia Department of Education
  - $75,000

- **West Virginia Children’s Trust Fund**
  - Charleston, WV
  - Match for a Grantmakers In Health and Robert Wood Johnson Foundation grant to enable the West Virginia Primary Care Association to seek federal funding in health care advancement to enable community health centers to develop systems to manage patient care
  - $15,000

- **Evan-Thomas, Inc.**
  - Charleston, WV
  - For the West Virginia Parents As Teachers program to facilitate development of a permanent state office
  - $20,000

- **Kids in Distressed Situations, Inc.**
  - New York, NY
  - In collaboration with Mountainaire Food Bank, to provide for statewide distribution of new clothing, school supplies, books, and other items to needy children in West Virginia
  - $25,000

- **March of Dimes Foundation**
  - Charleston, WV
  - Services to families whose babies require hospitalization in the neonatal intensive care unit at Charleston Area Medical Center
  - $35,000

- **Marshall University Research Corporation**
  - Huntington, WV
  - Self-management program to empower adolescents in school-based health centers to better understand governance responsibilities and improve their organizations
  - $9,200

- **Change, Incorporated**
  - Weston, WV
  - To provide oral health services to low-income and/or uninsured patients in the Northern Panhandle of West Virginia and surrounding communities in Pennsylvania and Ohio
  - $25,000

- **Childhood Language Disorders Center, Inc.**
  - Charleston, WV
  - One-time capacity-building endeavor to expand services to children with autism spectrum disorders
  - $49,500

- **Eastern Area Health Education Center, Inc.**
  - Martinsburg, WV
  - Creation of programs designed to prevent obesity and promote health
  - $25,000

- **Eastern West Virginia Community Foundation**
  - Martinsburg, WV
  - Match for a Grantmakers In Health and Robert Wood Johnson Foundation grant to enable the West Virginia Primary Care Association to seek federal funding in health care advancement to enable community health centers to develop systems to manage patient care
  - $15,000

- **Edvantis, Inc.**
  - Charleston, WV
  - For the West Virginia Parents As Teachers program to facilitate development of a permanent state office
  - $20,000

- **Owens Healthcare**
  - Charleston, WV
  - To increase organizational capacity and completion of a statewide rural health workforce plan
  - $200,000

- **West Virginia Primary Care Association, Inc.**
  - Charleston, WV
  - Development of a provider-sponsored network and a consumer-owned and -operated “medical home” health plan
  - $125,000

- **West Virginia Rural Health Association**
  - Charleston, WV
  - To increase organizational capacity and completion of a statewide rural health workforce plan
  - $200,000

- **West Virginia School of Osteopathic Medicine**
  - Lewisburg, WV
  - Community Health Education Resource Person project to develop competency requirements, educational materials, and implementation processes to train lay people as health promotion resources in their communities (over two years)
  - $159,000

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**Annual Report 2011**
COMmunity DEVELOPMENT

COMMUNITY Connect Foundation
Charleston, WV
To create and sustain county and municipality web presence in collaboration with the West Virginia Office of Technology, the West Virginia Municipal League, and the West Virginia Association of Counties
$155,000

Community Works in West Virginia, Inc.
Charleston, WV
Internship program to place graduate student summer interns with local housing organizations in West Virginia
$70,500

Dollar Energy Fund, Inc.
Pittsburgh, PA
For the Partners in Warmth Network to establish a sustainable statewide collaborative utility assistance network to help low-income West Virginians maintain safe and affordable housing (over two years)
$169,000

Eastern West Virginia Community Foundation
Martinsburg, WV
To undertake civic engagement activities focused on important community issues
$50,000

Greater Kanawha Valley Foundation
Charleston, WV
For the Appalachia Funders Network, a group of public and private grantmakers working together to improve Appalachian communities
$5,000

Morgantown Housing Authority
Fairmont, WV
Continued support for a project to expand owner-occupied housing in Morgantown (over two years)
$125,000

New River Geog Regional Development Authority
Beckley, WV
Planning, program design, and capacity-building related to projects identified by the local community development committee preparing the Boy Scout High Adventure Center and National Jamboree
$90,000

North Central West Virginia Community Action Association, Inc.
Fairmont, WV
Group work camps in Randolph and Barbour Counties to repair the homes of low-income, disabled, and elderly households
$9,500

PV Volunteers, Inc.
Fairmont, WV
Volunteer home repair program to improve homes in Wyoming County
$20,000

West Virginia Affordable Housing Trust Fund
Charleston, WV
Assessment of federal housing funding available in West Virginia and analysis of barriers to accessing available funds
$45,400

West Virginia Center for Civic Life, Inc.
Charleston, WV
Recruitment of leaders who promote public engagement, and alignment of civic engagement with community development
$75,000

West Virginia Community Development Hub, Inc.
Stonewall, WV
To support the Community Development Model and expansion of the Community Development Network
$225,000

West Virginia Development Office
Charleston, WV
Matching funds for program initiatives for the 2011–12 West Virginia Flex-Grant Community Capacity Building program
$100,000

West Virginia Grant Makers Association, Inc.
Weston, WV
To promote engagement of corporate philanthropy to advance community development in West Virginia
$50,000

West Virginia Housing Development Fund
Charleston, WV
Nonprofit capacity-building initiative for housing organizations, including training, mini-grants, and real estate course development
$70,000

West Virginia University Foundation, Inc.
Morgantown, WV
West Virginia Brownfields Revitalization Mini Grants Program, to foster brownfields redevelopment through community visioning activities and economic revitalization planning
$250,000

West Virginia Campus Compact project to develop partnerships among colleges and communities matching student educational goals with worthwhile community projects (over two years)
$230,000

Your Community Foundation, Inc.
Morgantown, WV
To support the merger of the Greater Morgantown Community Trust, Inc. and the Community Foundation of North Central West Virginia
$30,000

ECONOMIC DEVELOPMENT

Collaborative for the 21st Century Appalachia, Inc.
Charleston, WV
To grow West Virginia's food-related economy by using technology to support food-related enterprises and cultural food heritage tourism
$123,000

Greater New Martinsville Development Corporation dba Wetzel County Chamber of Commerce
New Martinsville, WV
In cooperation with Wheeling Ventures, development of a business development plan for the New Martinsville area and to train staff to sustain the effort
$49,000

Greenbrier Valley Economic Development Corporation
Morgantown, WV
For the Greenbrier Valley Food Systems Initiative, a program to increase local food production and consumption
$45,000

Kanawha Institute for Social Research & Action Inc.
Barboursville, WV
For staffing and loan-loss reserve fund of the Small Business Administration's micro-loan program
$184,000

Natural Capital Investment Fund, Inc.
Shepherdstown, WV
Development of a federal fund capture strategy to access available funding to capitalize the West Virginia Innovation Fund
$12,250

State Small Business Credit Initiative Investment Support program, to provide personalized and operational costs associated with the U.S. Department of Treasury’s initiative to capitalize programs that lend to small businesses (over two years)
$250,000

New Appalachian Farm and Research Center, Inc.
Rick Cave, WV
Instruction, mentorship, and demonstrations for central West Virginia farmers and cultivars of programs for teachers and students to expand markets and career opportunities related to local foods
$90,000

Oglebay Foundation, Inc.
Wheeling, WV
Development costs of a campaign to support Oglebay, Wheeling Park, and the Good Zoo (over three years)
$300,000

Valley Ventures, Incorporated
Wheeling, WV
To complete, lease, and implement a business office incubator in Weirton
$60,000

Vision Shared, Inc.
Huntington, WV
Operating and program support for a statewide nonprofit community and economic development organization
$150,000

Washington County Council on Economic Development
Charleston, WV
Expansion of the Small Business Administration's micro-loan program into 11 additional counties in West Virginia
$250,000

Wheeling, WV
Expansion of the Small Business Administration's micro-loan program into 11 additional counties in West Virginia
$250,000

Wheeling, WV
Expansion of the Small Business Administration's micro-loan program into 11 additional counties in West Virginia
$250,000

Wheeling Jesuit University
Wheeling, WV
To promote a local food economy
$12,500

Wheeling, WV
For the staffing and loan-loss reserve fund of the Small Business Administration's micro-loan program
$184,000

Wheeling, WV
Development of a capture strategy for federal funding by supporting a contract for professional services with Fourth Economy Consulting to prepare a proposal for submission
$15,000

Wheeling, WV
Implementation of the West Virginia Blueprint for Technology-Based Economic Development: Biotechnology Report (over 18 months)
$160,000

Wheeling, WV
Program-related investment loan to support a revolving fund to pay eligible expenses related to technology-based development activities, to be reimbursed quarterly by federal and state grants
$200,000

For the West Virginia Innovation Transfer Consortium to provide commercialization and tech transfer assistance to West Virginia’s smaller colleges and universities
$50,000

For the West Virginia Community Development Hub, Inc.
Stonewall, WV
West Virginia Food & Farm Coalition: Growing a Movement to support local food economies and engage citizens in a plan to expand the West Virginia food system
$194,000

For the West Virginia High Technology Consortium Foundation
Fairmont, WV
Technical and professional assistance program related to commercialization of technologies resulting in new business development
$200,000

For the West Virginia Northern Community College Foundation
Wheeling, WV
Support for the Green Wheeling Initiative to promote a local food economy
$55,000

For West Virginia University Foundation, Inc.
Morgantown, WV
To build a commercialization pipeline by strengthening ties between industry and entrepreneurial universities
$152,000

To form a statewide higher education entrepreneur network and campus-wide competition for development of innovative mobile device applications
$66,000

Wheeling Jesuit University
Wheeling, WV
For the Innovation & Entrepreneurship Center to provide professional development training and operate a full-service technology business incubator (over two years)
$270,000
**SOUTHWESTERN PENNSYLVANIA**

**EDUCATION**

**Allegheny Conference on Community Development**
Pittsburgh, PA
Development of a regional career education and industry partnership for the Energy Alliance of Greater Pittsburgh (a Power of 32 initiative)
$119,000

**Allegeny Intermediate Unit**
Homestead, PA
Mini-grant program that fosters partnerships between K-12 schools, community arts groups, and institutions of higher education to advance the integration of arts across disciplines
$150,000

**Children’s Museum of Pittsburgh**
Pittsburgh, PA
Creation of a learning laboratory in partnership with Allegheny Intermediate Unit, Carnegie Mellon University, and the University of Pittsburgh
$180,000

**Community College of Allegheny County Educational Foundation**
Pittsburgh, PA
Development of a high school/community college degree program based on advanced manufacturing
$100,000

**Carnegie Mellon University**
Pittsburgh, PA
Innovation Works, Inc.
For the transl21 project to create and deploy solutions to improve the region’s transportation systems (a Power of 32 initiative)
$150,000

**Coro Center for Civic Leadership**
Pittsburgh, PA
Support for the 11th Nonprofit Summit
$75,000

**Development of lead sponsors in support of the 2012 plan of member services**

**ECONOMIC DEVELOPMENT**

**ALLEGHENY CONFERENCE ON COMMUNITY DEVELOPMENT**
Pittsburgh, PA
Program support for the 2011 plan of work
$200,000

**Carnegie Mellon University**
Pittsburgh, PA
Support for the Traffic21 project to create and deploy solutions to improve the region’s transportation systems (a Power of 32 initiative)
$150,000

**Pittsburgh Ballet Theatre, Inc.**
Pittsburgh, PA
Support for the 2011–2012 season
$75,000

**Pittsburgh Opera, Inc.**
Pittsburgh, PA
Support for the 2011–2012 season
$75,000

**Pittsburgh Public Theater Corporation**
Pittsburgh, PA
Support for the 2011–2012 season
$75,000

**Riverside**
Pittsburgh, PA
Development of a Blueprint for Sustainable Riverfront Development as a tool for the River Town economic development initiative
$50,000

**The Robotics Foundry and Digital Greenhouse, Inc.**
dba The Technology Collaborative
Pittsburgh, PA
To foster early-stage development of high-tech companies in Southwestern Pennsylvania
$150,000

**Student Conservation Association, Inc.**
Charlestown, NH
Engagement of student interns in the River Town economic development plan based on recreation and tourism in distressed Monongahela River communities (over two years)
$150,000

**Washington and Jefferson College**
Washington, PA
Leadership training and implementation of a college-centered community and economic development plan for Washington, Pennsylvania
$91,000

**OTHER**

**Brother’s Brother Foundation**
Pittsburgh, PA
To support relief efforts for the tsunami victims in Japan and tornado victims in the southeastern United States
$100,000

**The Foundation Center**
New York, NY
2011 program support
$8,500

**The Grantmakers of Western Pennsylvania**
Pittsburgh, PA
Operating and program support in 2011
$17,400

**University of Pittsburgh**
Pittsburgh, PA
Continued support for the Pittsburgh Philanthropy Project, to explore and document the role of the Pittsburgh region in philanthropy
$15,000

**West Virginia Grant Makers Association, Inc.**
Weston, WV
Development of lead sponsors in support of the 2012 plan of member services
$17,000
2011 Financial Information

The Foundation’s fiscal year corresponds to the calendar year. At the end of 2011, the market value of the Foundation’s investments, including cash, was $320,871,945. Grants authorized during the year totaled $15,102,393. The Foundation makes multi-year commitments, with payments scheduled over as many as five years. At year-end 2011, outstanding grant commitments totaled $2,649,500.

The following indicates invested assets, and authorizations and payments of grants and program-related investments over the last five years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Investments Including Cash</th>
<th>Grants Authorized and Program-Related Investments*</th>
<th>Grant and Program-Related Investment Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$443,810,770</td>
<td>$18,719,950</td>
<td>$20,068,200</td>
</tr>
<tr>
<td>2008</td>
<td>$288,825,313</td>
<td>$21,458,369</td>
<td>$18,862,619</td>
</tr>
<tr>
<td>2009</td>
<td>$340,177,241</td>
<td>$9,642,700</td>
<td>$13,234,700</td>
</tr>
<tr>
<td>2010</td>
<td>$364,946,789</td>
<td>$15,636,550</td>
<td>$15,222,050</td>
</tr>
<tr>
<td>2011</td>
<td>$320,871,945</td>
<td>$15,102,393</td>
<td>$15,710,050</td>
</tr>
</tbody>
</table>

*includes contingent grants

The Foundation maintains a diverse portfolio. The following table summarizes the cost and fair value of the Foundation’s investments as of December 31, 2011. In its audited financial statements and for the federal tax return, the Foundation reports investments at fair value:

<table>
<thead>
<tr>
<th>2011</th>
<th>Cost</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term investments</td>
<td>$507,830</td>
<td>$507,830</td>
</tr>
<tr>
<td>Domestic</td>
<td>34,416,070</td>
<td>37,600,962</td>
</tr>
<tr>
<td>International</td>
<td>43,222,855</td>
<td>50,188,233</td>
</tr>
<tr>
<td>Tactical asset allocation</td>
<td>10,993,967</td>
<td>10,859,214</td>
</tr>
<tr>
<td>Fixed income</td>
<td>30,308,442</td>
<td>32,051,897</td>
</tr>
<tr>
<td>Hedge funds</td>
<td>61,941,637</td>
<td>65,689,693</td>
</tr>
<tr>
<td>Real assets</td>
<td>46,196,356</td>
<td>45,208,028</td>
</tr>
<tr>
<td>Private limited partnerships</td>
<td>66,285,569</td>
<td>67,398,621</td>
</tr>
<tr>
<td>293,872,726</td>
<td>309,504,478</td>
<td></td>
</tr>
<tr>
<td>Program-related investments</td>
<td>4,072,745</td>
<td>4,072,745</td>
</tr>
<tr>
<td>297,945,471</td>
<td>313,577,223</td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>7,294,722</td>
<td>7,294,722</td>
</tr>
<tr>
<td>305,240,193</td>
<td>320,871,945</td>
<td></td>
</tr>
</tbody>
</table>
Summarized Financial Information

**Assets, Liabilities, and Unrestricted Net Assets**

**December 31, 2011**  **2010**

**Assets**

<table>
<thead>
<tr>
<th>Item</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td>$313,577,223</td>
<td>$362,561,065</td>
</tr>
<tr>
<td>Cash and equivalents</td>
<td>7,294,722</td>
<td>2,385,724</td>
</tr>
<tr>
<td>Accrued investment income and other assets</td>
<td>427,061</td>
<td>408,601</td>
</tr>
<tr>
<td>Receivables from private limited partnerships and hedge funds</td>
<td>8,439,914</td>
<td>770,439</td>
</tr>
<tr>
<td>Property and equipment, net of depreciation</td>
<td>554,715</td>
<td>578,606</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$330,293,635</strong></td>
<td><strong>$366,704,435</strong></td>
</tr>
</tbody>
</table>

**Liabilities and Unrestricted Net Assets**

<table>
<thead>
<tr>
<th>Item</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants payable</td>
<td>$2,649,500</td>
<td>$3,421,500</td>
</tr>
<tr>
<td>Unrestricted net assets</td>
<td>327,644,135</td>
<td>363,282,935</td>
</tr>
<tr>
<td><strong>Total liabilities and unrestricted net assets</strong></td>
<td><strong>$330,293,635</strong></td>
<td><strong>$366,704,435</strong></td>
</tr>
</tbody>
</table>

**Change in Unrestricted Net Assets**

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td>$2,291,642</td>
<td>$1,357,232</td>
</tr>
<tr>
<td>Interest</td>
<td>1,698,394</td>
<td>1,945,176</td>
</tr>
<tr>
<td>Net gain (loss) on investments</td>
<td>(24,476,027)</td>
<td>28,829,034</td>
</tr>
<tr>
<td>Partnership income</td>
<td>4,518,731</td>
<td>8,241,905</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>$(15,967,260)</td>
<td>$40,373,347</td>
</tr>
</tbody>
</table>

| Grants and Expenses                       |            |            |
| Grants (net of refunds)                   | $14,809,190 | $15,326,659 |
| Investment management and custodial fees  | 2,455,819  | 2,775,664  |
| Grant administration                      | 1,492,392  | 1,416,880  |
| Other administration                      | 572,385    | 585,376    |
| Federal excise tax                        | 341,754    | 0          |
| **Total grants and expenses**             | $19,671,540 | $20,104,579 |

<table>
<thead>
<tr>
<th>Increase (Decrease) in Unrestricted Net Assets</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>$(15,967,260)</td>
<td>$(40,373,347)</td>
<td></td>
</tr>
</tbody>
</table>

This information is summarized from the books and records of the Foundation. Copies of audited financial statements are available upon request.

Excerpts from the Fifth Codicil to the Last Will & Testament of Michael L. Benedum

During his lifetime in the oil and gas business, Michael Benedum amassed a fortune, ranking him in his day among the 100 wealthiest Americans. Michael Benedum operated his worldwide business from corporate headquarters in Pittsburgh, Pennsylvania. Mr. and Mrs. Benedum established residence in Pittsburgh in 1907 and lived there for over 50 years. They named the Foundation in memory of their only child, Claude Worthington Benedum, who died in 1918 at age 20. In creating the Foundation, Mr. and Mrs. Benedum expressed the wish that grantmaking be focused in West Virginia and Pittsburgh, their native and adopted homes.

The disposition of a not inconsiderable estate is never an easy assignment. It has been a thorny & laborious problem for me, recognizing my frailty & inadequacy, I have not been able to lose sight of the awesome responsibility involved.

If I could have looked upon my material goods as personal property, belonging to me alone, my task would have been immeasurably lighter. But I have never regarded my possessions in that light. Providence gives no fee simple title to such possessions. As I have seen it, all of the elements of the earth belong to the Creator of all things, and He has, as a part of the Divine Purpose, distributed them unevenly among His children, holding each relatively accountable for their wise use and disposition.

I have always felt that I have been only a trustee for such material wealth as Providence has placed in my hands. This trusteeship has weighed heavily upon me. In carrying out this final responsibility of my stewardship, I have sought to utilize such wisdom and understanding of equity as the Creator has given me. No one with any regard for his responsibility to his God and his fellow man should do less. No one can do more.

As I have seen it, life is but a proving ground where Providence tests the character and mettle of those He places upon the earth. The whole course of mortal existence is a series of problems, sorrows & difficulties. If that existence be rightly conducted, it becomes a progress towards the fulfillment of human destiny. We must pass through darkness to reach the light.

Throughout my adult life, day by day & year by year, I have been instilled with the conviction that wealth cannot be measured in terms of money, stocks, bonds, broad acres or by ownership of mine and mill. These cannot bear testimony to the staple of real excellence of man or woman. Those who use a material yardstick to appraise their wealth and foolishly imagine themselves to be rich are objects of pity. In their ignorance and misanthropic isolation, they suffer from shrinkage of the soul.

All of us aspire to a higher and better life beyond this, but I feel that the individual who seeks to climb the ladder alone will never find the way to Paradise. Only those who sustain the faltering ones on the rungs above and extend a helping hand to the less fortunate on the rungs below, can approach the end with the strength of sublime faith and confidence.
At the end of life each of us must face the great teacher that we call death. Stern, cold & irresistible, it walks the earth in dread mystery and lays its hands upon all. The wealth of empires cannot stay its approach. As I near my rendezvous with this common leveler of mankind, which takes prince and pauper alike to the democracy of the grave, I do so with resignation to the will of God, and with faith in His eternal justice.

Life has been sweet to me … sweet in the loved ones that have been mine, sweet in the friends who have surrounded me & rewarding in the opportunities that have come my way. I could not leave this earth with any degree of happiness and satisfaction if I felt that I had not tried to bring some of these joys to those less fortunate than I have been.

We know not where seed may sprout. In the poorest and most unregarded child who seems to be abandoned to ignorance and evil, there may slumber virtue, intellect and genius. It is our duty to sow and to nurture, leaving it to others to harvest the fruits of our efforts.

While I am conscious that my love for the land that gave me birth has been an influence in guiding the disposition of my estate, there are other practical reasons why I have favored my native state of West Virginia. It is not that I am unmindful or unappreciative of my adopted home of Pennsylvania, but rather that I have sought to appraise and balance the needs of each and the available potential for supplying those needs.

I cannot close my eyes to the realistic consideration that Pittsburgh and Pennsylvania abound in riches, having a citizenship in which men of great wealth are more common than rare. West Virginia is in a less fortunate position. There can be no question but that its needs are much greater than those of my adopted home. Consequently, in making specific provisions for West Virginia institutions, I have done so in good conscience, with a sense of equity & with recognition of a responsibility to distribute my estate in a way that will bring the greatest good to the greatest number. This decision was not made lightly or impetuously.

Conscious that in this Codicil to my Last Will & Testament, I am figuratively speaking from the grave, and that the great book of my account with the Creator has been closed beyond change or amendment, I submit my soul to His tender mercy, and my memory to the generosity & compassion of my fellow man.

Signed by Michael L. Benedum on the 15th day of June 1957