

## Public-Private Fund Aims at Health Care, Housing Gap

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Hoping to bridge the gap between low-income residents and health-care services, a \$100 million fund will be unveiled this week to build community centers near affordable housing as demand for primary-care services is expected to rise.

Supporters say it is a new kind of public-private partnership boosted by the philanthropic sector that was inspired by the 2010 Affordable Care Act, which could expand Medicaid coverage by up to 16 million additional people. The act includes about \$10 billion for the creation of new, federally qualified health centers. The fund's backers say the financial need is greater still.

Increased insurance coverage doesn't necessarily mean that newly covered consumers will be able to see a doctor in a timely way, according to health-care economists. So the backers of the fund hope to increase the odds by building federally qualified health centers that administer to the poor alongside new and existing affordable housing. Today, the nation has more than 8,000 such centers that have added millions of new patients since 2009, according to the White House.

"The idea that we're going to need a lot more primary care is a foregone conclusion. We already have a shortage," said Stuart Altman, professor of national health policy at Brandeis University in Waltham, Mass., who studied the effectiveness of health centers for the Institute of Medicine. "This idea makes a lot of sense to me because we want to move people out of emergency rooms and into these centers for treatment."

The new fund, called Healthy Futures, is backed by [Morgan Stanley](#), [MS -0.84%](#)The Kresge Foundation and Local Initiatives Support Corporation, a nonprofit that controls tax credits for services to the poor. The fund will rely on \$87 million in loans from Morgan Stanley in exchange for tax credits to build 500 new affordable housing units and eight new health centers serving 75,000 people. Kresge will back some of the debt incurred and award an additional \$2.4 million in grants. The projects backed by the fund are expected to create 2,200 jobs in some of the nation's hardest-hit communities.

Audrey Choi, Morgan Stanley's head of global sustainable finance, said the new fund comes on the heels of the financial services company's other recent initiatives to create a \$50 million fund to link affordable housing to transit system and a \$100 million fund to boost the number of fresh-food providers in underserved areas in California and elsewhere.

"It demonstrates the kind of leverage and innovation that can be brought to bear against large-scale social needs when the resources of the public, private and philanthropic sectors are creatively joined," said Rip Rapson, Kresge's president.

The fund relies on the sale of two federal tax-credit programs, including the New Market Tax Credits created in 2000 as a way to continue the flow of billions in capital to credit-starved businesses in some of the nation's most distressed urban and rural communities. Congress earlier this month extended the credit program for the next two years at \$3.5 billion in annual credit authority.

In some ways, the idea of placing health centers in underserved areas is not new, said Jennifer Tolbert, director of state health reform at the The Henry J. Kaiser Family Foundation in Washington. "But idea of bringing together private capital and support from foundations is good way to boost the numbers of health centers and increase access to health care," Ms. Tolbert said. "Just providing insurance is not enough."