

AHP in the News
In a Shift, Carilion to Seek Donors
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by Sarah Bruyn Jones
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The health care giant is in the process of hiring a development officer to head the new efforts.

Some big changes are coming to the Carilion Foundation, which for decades has pumped millions of dollars annually into Roanoke area charities.

Carilion Clinic will for the first time solicit public donations, rather than fund the foundation itself.

Also, new funds raised for the foundation will be directed toward Carilion initiatives associated with its new clinic model and coming medical school.

The changes come as the Roanoke health care giant interviews candidates for a the newly created position of chief development officer. The new hire will be responsible for rolling out the new fundraising efforts, including annual campaigns, capital campaigns, special events and cultivating donors, according to a job announcement in March.

Soliciting charitable donations is something many hospital foundations have turned to recently, said Rick Wade, a spokesman for the American Hospital Association.

"Hospitals are doing more [fundraising] now, because the future is uncertain," Wade said. "There is an aging population, pressure for new technology and shaky finances that are leading hospitals to turn to community support."

Dr. Ed Murphy, Carilion's president and chief executive officer, said the new focus on fundraising will support some of the clinic's health care programs and new initiatives. He specifically mentioned pediatric programs, and new research and educational programs that may develop because of the Virginia Tech Carilion School of Medicine, which is set to open in 2010.

Donations to support the new medical school will be managed by the Virginia Tech Foundation. Murphy said the foundation will seek other contributions to support educational programs such as medical fellowships or research that might be created because of the new school.

Murphy emphasized that Carilion is not seeking to grab donations that otherwise would go to other local nonprofits.

"We will be careful to not be a competitive force for fundraising," he said, adding that Carilion will look to national and regional donors, not just to the local community.

Since the foundation was formed in 1997, its entire budget has come out of Carilion revenues. In 2006, the latest public information available, that resulted in \$3.1 million being pumped into various local charities. Many of the supported programs have a health care connection, but some do not.

Murphy said the change in the foundation's focus does not mean they won't continue to support some of the programs the foundation already supports.

However, "I want to be clear we're not guaranteeing a certain amount," he said of the current contributions.

Frank Rogan, president and chief executive officer of United Way of Roanoke Valley, said Carilion has been a great community partner. He said it is too soon to worry about what kind of impact Carilion's fundraising efforts might have on other local charities seeking donations.

That Carilion has used its foundation to back other organizations instead of its own is unusual, said Lisa Hillman, chair-elect of the Association for Healthcare Philanthropy.

"The vast majority of hospital foundations are established for the purpose of raising money for the institution," Hillman said. "It is more common for a hospital foundation to serve like the development office of a college."

Wade said many hospitals were founded with money raised by local communities.

The demands on the philanthropic community have also grown as more charitable organizations have been established, said Michael Nilsen, spokesman with the Association of Fundraising Professionals.

Still, Nilsen said a new organization looking for donations doesn't tend to harm other nonprofits already relying a community's generosity.

"It is not a zero-sum game," Nilsen said. "There is the aspect of increasing competition because there has been a huge growth in the number of nonprofits. ... But I can't foresee one newcomer, even a large one, having a large impact on the others."

With Carilion entering the fundraising marketplace, Rogan said he hopes it results in more ways to align the goals of the Roanoke's various charitable organizations.

"That's the key," Rogan said. "It's not the question of how much money you have but how effectively and efficient you can be with the money you've got. If they can help people to get more preventative care and improve the health care of the community, and we can partner with them, I think the whole community benefits."