



Vital Healthcare Capital: Investing in Care that Works for Communities in Need

Vital Healthcare Capital (V-Cap) is a nonprofit social impact loan fund that provides flexible financing to healthcare providers serving low-income communities. V-Cap investments support better coordinated care for high-needs populations, and better jobs for frontline healthcare workers.

Challenges and Opportunities

Health care is rapidly changing, creating both challenges and opportunities for healthcare providers serving people living at or near poverty, and particularly those focused on people with complex needs, including mental illness, disabilities and chronic disease. Medicaid is the largest single revenue source for safety net providers, but the program is in a period of unprecedented transformation.

These changes also affect the economic health of low-income communities, as health care represents the most important source of career-tracked employment for many communities. Frontline healthcare workers represent 50 percent of the 18 million individuals employed in the US healthcare workforce. As care moves from inpatient to community-based settings, there is a challenge to ensure that frontline healthcare jobs are valued for their contribution to a better performing healthcare system.

The opportunity is ripe for better coordinated and cost effective care that treats the whole person, and prioritizes prevention and management of disease. Changing models of care create opportunities for new jobs for frontline caregivers. Community-based providers in disadvantaged communities are often constrained by lack of access to conventional financing.

Flexible Financing for a Changing Sector

V-Cap provides flexible financing to help healthcare providers serving low-income communities to innovate, grow, and develop high-performing models of care for those most in need.

Our investors: V-Cap is backed by a diverse consortium of investors, providing a mix of grants and loan capital that it will deploy in support of better health care and good healthcare jobs in low-income communities. Our funders include Atlantic Philanthropies, Ford Foundation, JPMorgan Chase Foundation, MetLife, Dignity Health, and Bank of America. The \$30 million committed by these investors builds on an initial \$10 million of support from the Robert Wood Johnson Foundation, used at V-Cap's launch last year to support an innovator serving the frail elderly and people with disabilities. V-Cap expects to grow to a \$100 million revolving loan fund over several years.

Our borrowers: V-Cap can finance a range of healthcare providers, including clinics, mental/behavioral health centers, senior care providers, community hospitals, special needs health plans, and others that fit our mission goals and our credit guidelines. V-Cap can provide flexible financing, including facilities, business, and bridge loans that meet the evolving needs of dynamic providers in a changing healthcare sector.

“It’s really important that we have V-Cap because we are investing in care for the hardest to serve, and we need a financial partner who understands that.”

—Steve Coe, CEO of Community Access, a community-based mental health organization in New York