Alliance Healthcare Foundation
2022 Innovation Initiative (i2)
$1 Million Innovation Challenge Grant

About i2

With our Innovation Initiative (i2), also referred to as "venture philanthropy," Alliance Healthcare Foundation seeks promising innovation to transform the current health paradigm of high cost and poor outcomes to improve quality, increase capacity, and reduce costs for the most systemically marginalized and under-resourced populations in San Diego and/or Imperial counties.

Solving our most intractable health challenges requires innovative, transformative, and sustainable solutions. AHF seeks market-based and/or transformational systems-change solutions with the potential to improve access, quality, and health outcomes for low-income residents in our region.

One of the most efficient ways we can support population health improvement is by helping innovations succeed, scale, and achieve sustainability.

The 2022 i2 Challenge Grant: Your zip code, race, socioeconomic status, gender, or ability should not determine your life expectancy. We are seeking sustainable market-based innovations and/or systems-change transformations aimed at closing gaps in health and wellbeing, which have been dramatically exacerbated by the COVID-19 pandemic.

Examples of Closing Gaps:
- Chronic condition prevention and/or management (diabesity, obesity, cardiovascular)
- Access to health and wellness for those without broadband connectivity, transportation, health literacy, language fluency
- Opportunity for wealth building at lowest income levels
- Access to mental and behavioral health care for the under- and uninsured

Eligible proposals must:
- Focus on root cause solutions rather than simply addressing symptoms
- Have a clear market-based or systems-change sustainability plan that is not reliant on ongoing grants or philanthropic fundraising when scaled
- Involve those closest to the social problem in determining the solution
- Demonstrate clear and measurable improved health outcomes and reduced disparities for constituents
- Directly address health disparities through an explicit equity lens

Address one of the following:
- Systemic Problems in the healthcare system, such as:
  - Expanding access to quality healthcare resources to all (i.e., navigation, care coordination, cultural competency or removing barriers such as transportation, health literacy, language fluency, remote monitoring, telehealth)
  - Elimination of bias within health systems (i.e., integrated care, fair financing, incorporating social determinants of health, cultural competency, language accessibility)
- Wholistic Chronic Condition Prevention & Management, such as:
  - Leveraging technology to improve outcomes; reduce re-admission, improve adherence, etc.
  - Eliminating environmental hazards that exasperate health disparities
  - Improving access to quality and effective behavioral health services

Funding for the i2 Challenge Grant Grantee will be Contingent on Meeting Milestones

AHF will select one i2 grantee who will be eligible to receive up to a total of $1 million in grant payments to use for developing and scaling the proposed solution, contingent upon meeting certain milestones along the way that support and provide evidence towards **an innovative, sustainable, and scalable solution aimed at improving health outcomes and reducing disparities for under-resourced populations.** The impact must specifically target San Diego and/or Imperial counties (although it can have additional broader reach with scaling).

All proposed solutions must have a clear financial sustainability pathway with timeline that is not reliant on ongoing grant funding once implemented and scaled. Alliance Healthcare Foundation is committed to supporting efforts that are grounded in health equity (i.e., focus on marginalized/under-resourced communities, culturally-sensitive practices, etc.).

Recognizing that solving the most intractable healthcare and social problems requires new and cross-sector thinking, including community voices; preference will be given to innovations that include defined multi-sector partner(s) as co-applicant(s).

Eligibility

Eligible i2 Challenge Grant lead applicants include:

- *Section 501(c)(3) nonprofit organizations.*

- *Social Enterprises*. A social enterprise can be a nonprofit, certified B Corp, or for-profit organization that advances health and wellness of those in need.

- *Collaborations*. Collaborations can be community based programs or initiatives that are "housed" in an academic institution; a public-private team with an established tax identification; or a public-private-nonprofit team with an established tax identification. In the case of a collaboration among entities, there needs to be a lead applicant who will be authorized to bind all participant organizations, and who will receive any applicable milestone-contingent grant funds. The Alliance Healthcare Foundation shall have no responsibility to allocate or apportion any grant monies among participant organizations or entities.

All applicants will be considered under the same criteria without regard to their type of entity.

Excluded Applicants

The following entities are **not eligible to apply for the i2 Challenge Grant**:

- Mature entities that are seeking general operating funds

- Entities without a specific focus on a vulnerable or historically marginalized/under-resourced populations

- Entities that seek to profit from historically marginalized/under-resourced populations

- Entities without an operating focus in San Diego and/or Imperial counties

- Individuals

- Entities formed under the laws of a country other than the United States

- Past i2 grantees

- Entities that are developing pharmaceuticals, nutraceuticals, health food, fitness service, or medical devices requiring FDA approval unless the technology is part of an evidenced-based or novel innovation that is a well-supported approach to one of the eligibility criteria above.

Requirements Specific to For-Profit Applicants

As a 501(c)(3) charitable nonprofit organization, AHF's mission is to support and catalyze meaningful positive impact for vulnerable populations. **It is the responsibility of AHF to ensure that its charitable dollars are stewarded with integrity for the benefit of vulnerable populations, now and in the future.** AHF recognizes that its funding of i2 solutions that have a for-profit participant or partners will likely increase the enterprise value of the for-profit entity. It is AHF's intent to replenish some of its charitable funding sources via warrants issued from participating for-profit entities to **help ensure AHF's mission and support of vulnerable populations and non-profit organizations can continue into the future.**

If a for-profit organization receives a grant from AHF's Innovation Fund, that **for-profit organization must issue to Alliance Healthcare Foundation a purchase right (a "Warrant")** that enables AHF to purchase a number of the most senior equity securities of the for-profit organization equal to 20% of AHF's contribution at the time the Warrant is exercised. The purchase price at the time the Warrant is exercised shall be discounted 10% from the amount priced at the next qualified equity financing or if public, from the market price at the date the warrant is issued. The Warrant will be a condition of the grant and **will remain in effect for a period of ten (10) years** following the effective date of the Warrant.

The i2 Challenge Grant Program Process

PHASE 1: Proposal & Planning (January – March)

The application period opens January 1, 2022 and closes on January 31, 2022. The AHF i2 Challenge Grant evaluation team will confirm that each submission meets the basic requirements and grant program goals

before advancing to the i2 Challenge Grant Scoring and Evaluation Review Panel. During this phase, Alliance Healthcare Foundation will include internal and external reviewers with relevant expertise to help assess each application. The top 25 applicants will be inivited to contine in the i2 Grant Challenge.

The selected organizations will have the opportunity to refine their ideas and develop/strengthen their business models. AHF in collaboration with an Innovation Partner will offer an optional 1-day (or multi-day) "start-up" workshop for all 25 organizations at no cost to the applicants. Applicants will be offered participation stipends to attend. The "start-up" workshop(s) may include topics such as: business model validation, customer experience/value proposition, pricing, financial modeling, measuring impact, intellectual property protection, and how to pitch. The intent of the workshop(s) is to provide an overview of these concepts that will give the participating organizations a better understanding of what to work on to make their businesses more successful. At the conclusion of Phase 1, the 25 organizations will present an early demonstration of their solution and/or a skeleton business model. Only the top 10 orgainzations will move on to the next stage of i2.

PHASE 2: Validating (April – June)
This phase of the i2 Grant Challenge will provide the top 10 organizations the opportunity to validate their solutions with customers to demonstrate early traction and product-market fit. At the conclusion of this phase, the organizations will prepare a 3-page summary of their business (including what they have learned during the validation phase) and present a quick pitch deck to AHF staff, Innovation Partner, community representatives and the full AHF Program Committee. Only the top five organizations will advance to Phase 3.

Phase 3: Building (July – December)
During the last phase of the competition, the top five organizations will each be awarded a $20,000 grant to support the applicant's Phase 3 building process, and be paired by the Innovation Partner with a mentor(s) and receive customized coaching to demonstrate further progress towards business development. **Please note that taking advantage of the business coaching element is not a requirement of this process. It is intended to be an optional capacity building opportunity fully funded by Alliance Healthcare Foundation for all interested finalists.** Subject Matter Experts (SMEs) may also be assigned to supplement the work of the mentor(s). In terms of technical assistance and coaching, this final stage of the i2 Grant Challenge is where AHF plans to invest the most resources.

Finalist Pitch Round
In December, the five organizations will give a final pitch to AHF staff, Innovation Partner, AHF board members, program committee members, community stakeholders, SMEs, and potentially a Blue Ribbon panel. The AHF Board of Directors will have an opportunity to ask questions of the Innovation Partner and SMEs before making a final vote to determine the winner of the $1 million grant. The final scoring and evaluation of finalists will include a required 15-minute in-person presentation, followed by 15 minutes of Q&A, (see Exhibit A for more details), with weighting as follows:

In-Person Presentation – 20% of overall score
Scoring Rubric for Written Plan – 80% of overall score

The in-person presentation is at the sole cost of the grant applicant. Alliance's Board of Trustees will make the final determination after the in-person presentations, which will be held privately (not open to the general

public). The applicant selected for the $1 million i2 Innovation milestone-contingent Challenge Grant will be announced in January 2023, and the identity of the selected grantee will be publicly posted at alliancehf.org.

To receive the full amount of the grant, the grantee will need to meet each milestone specified in the grant agreement entered into between the Alliance Healthcare Foundation and the Grantee.

Alliance Healthcare Foundation has no obligation to fund the full i2 Challenge Grant amount if all milestones are not met.

Scoring Parameters

The eligible submissions will be reviewed using a quantitative scoring rubric, focused on the following criteria. (Note: initial proposals submitted will not be expected to meet all criteria from the beginning of the i2 journey, however these are the core elements AHF will be looking for to make a final decision after the year-long process):

- *Community-Informed.* Is the approach informed and supported by the community it wishes to serve? Does the solution address community and stakeholder needs, engaging them in an ongoing, inclusive way to ensure long-term impact?

- *Potential Impact.* Will the solution meaningfully deliver the desired "results" outlined? AHF is looking for innovations that have the potential to be transformative and scalable, dramatically improving health outcomes and reducing health disparities for historically marginalized/under-resourced populations and those with low incomes in San Diego and/or Imperial counties.

- *Feasibility.* Does the team have the experience, capacity, creativity, and understanding of local conditions to mitigate risk; deliver the intended results, and scale successfully? Is the business plan and budget practical with a clear and reasonable path to sustainability?

- *Evidenced-Based.* Does the proposal present reasonable evidence that the innovation will yield concrete results for the intended population? Is the solution well-positioned to adapt to other contexts to impact more people over time?

- *Scale and Sustainability.* Does the business model demonstrate clear potential and strong evidence for significant growth and scale?

- *Market Understanding, Readinnes, and Acceptance*. Has the organization comprehensively analyzed the competition, the opportunity for growth, and audience or customer base?

- *Management Team*. Does the management team have the skills, experience, background, and diversity to successfully make the business successful?

- *Coachability*. Does the team demonstrate the mindset and behaviors for continuously integrating feedback to drive growth and change within the organization?

$1 million i2 Challenge Grant Award Terms & Conditions

- The selected i2 Innovation Grantee will be eligible to receive grant funding of up to $1 million, which will be distributed to the Grantee in tranches contingent on the Grantee achieving defined milestones set forth in the grant agreement entered into by the Alliance Healthcare Foundation and the Grantee. Milestones will be formalized as an exhibit to the grant agreement and derived from the contents of applicant's proposed final plan as described in its in-person presentation. A sample of the grant agreement can be viewed here (coming soon).

- The Grantee will receive: (a) access to Alliance Healthcare Foundation's facility located in San Diego, CA for project meetings, space allowing and reserved ahead of time and in accordance with current public health guidelines, (b) mentorship from experienced executives in partnership with our Innovation Partner, and (c) exposure to other funders and stakeholders.

- In the case where no applicant receives a score of at least 75/100 or higher, Alliance Healthcare Foundation reserves the right not to select any applicant to receive the i2 Challenge Grant.

- By submitting an application, you as an applicant agree to these i2 Innovation Challenge Grant Award Terms & Conditions in full which each applicant should read in advance of any grant submission. Applicants may submit only one application per organization.

- A prospective grant applicant will not be eligible to submit an i2 Challenge Grant application and participate in the i2 competitive grant process if it does not affirmatively agree to abide by the Terms & Conditions, specifically including that the selected grantee must meet agreed upon milestones before the grantee will receive the full grant amount and that a for-profit organization grantee (as the solution proposer or partner) must issue Warrants to Alliance Healthcare Foundation, to be utilized in furtherance of AHF's charitable mission and purpose. A sample of the warrant agreement can be viewed here (coming soon).

- By submitting an application, you as an applicant represent, warrant and covenant to AHF that you have read these Terms & Conditions, and the descriptions and other content included in the i2 Challenge Grant application, in full and understand them, and further that all information and materials submitted and contained in the application (collectively, including without limitation ideas, discoveries, know-how, inventions, proposals, plans, designs and developments and any versions or derivatives of the foregoing, "Submitted Materials") (a) are complete, accurate, true and current in all respects, (b) are exclusively owned by you the applicant, and that you have all rights, authorizations and consents necessary to provide such Submitted Materials to AHF and to grant rights to AHF to use such Submitted Materials in furtherance of AHF's mission, and (c) will not, and any and all permitted uses will not, infringe or violate any laws, regulations or third party rights.

- By submitting an application, you as an applicant further agree that if you and your application fails to meet all applicable grant-related milestones, you hereby authorize and grant to AHF a worldwide, non-exclusive, royalty-free license for AHF to use, practice, copy, modify and otherwise exploit any Submitted Materials in connection with AHF's mission.

- By submitting an application, you as an applicant agree that the Submitted Materials shall not include or involve (and such applicant will not transmit or disseminate or permit the transmission or dissemination of): any discriminatory, defamatory, disparaging, threatening, abusive or otherwise objectionable content; any content that violates the rights of any party; any content that violates any applicable AHF or i2 terms, rules, policies or procedures, or any applicable laws or regulations; or any content that includes or could trigger any harmful code (or other harmful or unauthorized materials). In addition, you as an applicant agree that you will not engage in, or permit, any of the following conduct: make any statement related to AHF, i2 or any other applicant that, in AHF's opinion, is false, misleading, unauthorized, disparaging or otherwise harmful or inappropriate; use any name or trademarks of AHF or i2 in any marketing or publicity without AHF's prior written consent in each instance; or engage in any negligent, harmful, dangerous, threatening, abusive, infringing, discriminatory, unethical or illegal activities in connection with i2 or AHF.

- Except with respect to seeking preliminary injunctive relief in a court of competent jurisdiction in connection with the protection or enforcement of intellectual property rights, any dispute, claim, cause of action or proceeding arising out of or relating to i2 (or the application or award process) shall be resolved by mandatory, binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitration shall be conducted in San Diego, California. The arbitration award shall be final and exclusive, and the prevailing party in the arbitration may file an action in court to confirm and to enforce the arbitration award. Any dispute, claim, cause of action or proceeding arising out of or relating to i2 (or the application or award process) shall be resolved individually, without resort to any form of class action.

- You as an applicant must execute and return, and the receipt of any grant award (or other recognition) by an applicant from AHF is conditioned upon and subject to such applicant executing and returning, AHF's designated liability and publicity release. The liability release will include that you as an applicant, to the maximum extent permissible under applicable law, release AHF and its officers, directors, employees, staff and agents (collectively, "Released Parties") from and against any claim or cause of action of any kind arising out of or relating to participation in any i2 program, prize or application process, including without limitation any claim relating to any AHF programs or activities that may be similar to or related to any Submitted Materials (or any program or activities described or contemplated therein). By submitting an application, you as an applicant acknowledge that Released Parties have neither made nor are in any manner responsible for any warranty, representation or guarantee of any kind related to or arising from any i2 program, grant award or application process.

- AHF reserves the right, in its sole discretion, to disqualify any applicant that AHF finds or reasonably suspects to be acting in violation of any applicable i2 terms, rules, policies or procedures. If for any reason an i2 program is not reasonably capable of running as planned, AHF reserves the right, in its sole discretion, to cancel, terminate, modify or suspend the i2 program, or any portion thereof, at any time.

- These terms and conditions and those of the grant and warrant cannot be modified or changed except in a writing executed by applicant and AHF.

2022 i2 $1m Innovation Challenge Grant Award 12-Month Timeline*

EVENT	WEEK ENDING
i2 Application Posted	Friday, January 7, 2022
i2 KickOff Event	Friday, January 14, 2022
i2 Application Due	Friday, January 28, 2022
25 Applicants Selected	Friday, February 11, 2022
Social Enterprise Start-Up Workshop(s)	Friday, February 25, 2022
Phase 1 Presentations	Friday, April 22, 2022
10 Semi-Finalists Selected	Friday, April 29, 2022
Phase 2 Presentations	Friday, June 24, 2022
5 Finalists Selected	Friday, July 1, 2022
Final Presentation	Friday, December 16, 2022
i2 Winner Decision Made	Friday, January 13, 2023

*<u>NOTICE:</u> timelines for the i2 Innovation Challenge Grant program may be adjusted with sufficient notice.

Exhibit A: Innovation Initiative (i2) Scoring Considerations

Criteria	Details
Community-informed	• Is the approach informed and supported by the community it wishes to serve? • Does the solution address community and stakeholder needs, engaging them in an ongoing, inclusive way to ensure long-term impact?
Impactful	• Will the solution meaningfully deliver the desired "results" outlined above? • Has the product demonstrated that it is solving a real pain point / addressing a real need for customers? • How deep/wide is the potential positive impact for marginalized populations, and how would this be measured? • Is there an explicit racial equity lens? • Is there an explicit social equity/justice lens?
Feasible	• Does the team have the experience, capacity, creativity, and understanding of local conditions to mitigate risk; deliver the intended results, and scale successfully? • Is the plan and budget practical with a clear and reasonable path to sustainability?
Evidence Based	• Does the proposal present reasonable evidence that the innovation will yield concrete results for customers? • Is the solution well-positioned to adapt to other contexts to impact more people over time?
Scale and Sustainability	• Does the business model demonstrate clear potential and strong evidence for significant growth and scale? • Is there a clear and feasible sustainability plan?
Market Understanding (Acceptance and Readiness)	• Does the business plan/management team understand the size of the total addressable market (TAM)? • Does the organization/management team have evidence of customer adoption, loyalty, etc.?

	• Does the business model describe trends that make the solution possible; focus on why the product is <u>defensible;</u> and display unique market insight?
Management Team	• Is the management team representative of the community/customers that will be most impacted by the solution? • Does the management team have a proven track record of success? • Does the governance structure demonstrate inclusive decision-making? • [Does the management team support its employees (i.e. benefits, professional development, flexibility, etc.)?]
Coachability	• What has our experience been guiding the team through the i2 process? • Does the management team have the expertise needed to be successful, or the ability to source it? • Do they accept constructive feedback and modify as needed?