

Invested in: PHRQL

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As a top finisher in BNY Mellon and The Forbes Funds' first Social Innovation Challenge, UpPrize, PHRQL is expanding its nutrition education tool to food pantries in Pittsburgh to educate at-risk families on the importance of nutrition. If successful, PHRQL hopes to expand the program nationally.

Paul Sandberg's mission for his company, PHRQL (pronounced "freckle"), is simple: "to improve lives through better diet and nutrition."

However, the problem that PHRQL seeks to address is complex and serious; chronic obesity and resulting health issues cost the national healthcare system roughly \$500 billion each year.

Sandberg founded PHRQL when he saw an opportunity to disrupt traditional nutrition therapy delivery models by focusing on the supermarket-based nutritional advice niche. This led to the creation of digital programs such as Connect & Coach, a software platform that helps registered dietitians better manage their practices and deliver care, and Healthy Dividends, which is creating a community of dietitians to bring insight and transparency to the challenge of building a healthy, personalized shopping list.

PHRQL also recognized the potential social value of their products, and began speaking with a Pittsburgh food pantry about a collaboration opportunity. However, when Sandberg heard about UpPrize, a \$1 million social innovation challenge that was a unique collaboration between BNY Mellon, the BNY Mellon Foundation of Southwestern Pennsylvania and The Forbes Funds in 2015, he was inspired to dig deeper on how to deploy PHRQL's nutrition services to serve a greater good.

By reconfiguring its programs for food pantries and their clients, PHRQL educates at-risk populations on what foods to eat to stay healthy, while operating within tough financial constraints. Sandberg sees the win-win as an opportunity to help combat obesity and reduce the burden on the national healthcare system. "UpPrize was really the catalyst to get us thinking about how we can work with food pantries to create social value," said Sandberg.

That social value is paying off, particularly for people struggling with food insecurity who are two to three times more likely to suffer from a chronic disease like diabetes, hypertension, or obesity. The kinds of preventive services PHRQL offers have been proven to improve health outcomes and reduce costs.

Funding for diabetes education and nutrition counseling is available through Medicaid and Medicare, but current delivery models can make the programs hard to find.

“We’re solving the problem of reimbursement for Medical Nutrition Therapy and Diabetes Education services in the community with technology and processes,” said Sandberg. “A portion of the reimbursement is used to buy additional food for the participant, which serves to close the meal gap—an important part of improving health.”

Sandberg estimates the total market for reimbursable nutrition and diabetes education services for every Medicare- or Medicaid-eligible American with diabetes who also uses a food pantry at more than \$5 billion.

UpPrize’s mission is to encourage impact investing in southwestern Pennsylvania, linking the private sector with regional nonprofits to identify and champion breakthrough innovations that address critical needs and also produce meaningful and measurable financial benefits. In its second year, UpPrize is looking to improve the lives of vulnerable populations in Pittsburgh through impactful technology products and solutions and increased access to healthy food choices. The UpPrize judges recognized PHRQL as one of the top three companies in the 2015 challenge, and awarded it \$150,000 in investments, plus a \$50,000 grant.

“We were impressed by the range and scope of the problems that PHRQL and its fellow UpPrize winners are striving to address,” says Kenya Boswell, President of the BNY Mellon Foundation of Southwestern Pennsylvania. “For PHRQL, it was great to see that its relationship with

local food banks sparked a model program that can be scaled to help at-risk families across the country eat well and stay healthy. PHRQL's story exemplifies the type of partnership between local entrepreneurs and nonprofits that UpPrize was created to catalyze."

PHRQL has been able to use the capital from UpPrize to upgrade and modify its existing commercial technology to better suit the food pantry delivery model. It is also developing a new app designed specifically for the food pantry consumer's needs. Food pantry customers will now go through a health screening process, and the most at-risk individuals will receive nutrition counseling, both in-person and through the app. For food pantry organizers, PHRQL is adding more meaningful automation capabilities to its software to lower the overall cost of deploying nutritional information and solutions.

Looking ahead, PHRQL is aiming to implement its solution at a scale large enough to determine the public health impact of its food pantry program. Once the delivery model has been refined, Sandberg says his company will expand to two or three additional metro areas to prove the scalability of the model. "At that point we could be ready, with adequate resources, to expand into 200 metro areas across the country," he said.

Armed with its Pittsburgh-based pilot data, PHRQL can make a more powerful case to potential investors, including national insurance providers.

“PHRQL’s plans to measure and share data on its impact is the type of transparency that is critical to move the social finance field to scale,” said Anna Kearney, director of social finance at BNY Mellon. “We see tremendous potential for social finance—investment activities that generate financial returns and positive social or environmental impact. For that potential to be realized, investors, intermediaries and other stakeholders need to work together to build and standardize measurement frameworks and institutionalize information sharing.”

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