



Going Big: Steve Cohen spends heavily on mental health

In the brick and glass headquarters of Point72 Asset Management, hedge-fund analysts struggle night and day to place good bets. In amongst the many talented individuals sits Anthony Hassan, who spent most of his career as an Air Force social worker. From his bio he seems like a fish out of water amongst the economists and traders and math whizzes. But just like everyone else in the building, Hassan is trying to crack codes, solve complex problems, and build models that will generate reliable returns. Although

he is not a trader, Hassan's success is as important to Point72 CEO Steve Cohen as that of any of the firm's money managers. The only difference is that while the other executives are charged with making money, Anthony's job is to give away \$325 million—in ways that improve the lives of veterans and military families.

With more than \$11 billion under management, Point72 relies on analytical rigor to achieve good results. So does the Cohen Veterans Network. But there is an additional emotional element to CVN. Steve Cohen's son Robert decided to enlist in the Marines after graduating from Brown University in 2007. With his country fighting in Afghanistan and Iraq, Robert felt called to serve.

“Like many parents who hear this in a time of war, I was shocked,” says the elder Cohen. But he describes the day he watched his son graduate from boot camp on Parris Island as “the proudest in his life.” Robert soon deployed to Afghanistan.

Robert returned from overseas in good health. Certain of his comrades, however, did not. A few came home with PTSD. Some had trouble coping when they made the transition from mission-centered, team-oriented military life to the much more atomized existence of civilian society. Hearing these stories from his son, Cohen became concerned that the nation was not doing enough to support some veterans.

Building on what he already knew

Cohen began to look for ways he could make a difference. He was already involved with the New York City-based Robin Hood Foundation, where he helped raise \$13 million earmarked for veteran-related causes. (For details on this portfolio, see Case Four in *Serving Those Who Served*.) In 2012, Cohen chaired a special advisory board to oversee how the Robin Hood funds would be disbursed. The board focused on three issues: employment, homelessness, and mental health.

Within 18 months of making its grants to a range of New York City charities, Robin Hood was seeing indications of progress in the areas of homelessness and employment. But their efforts to strengthen mental health among veterans and their families seemed only to be scratching the surface. As Cohen adviser Michael Sullivan explained, “we had neither the resources, nor the partners, nor the infrastructure, or really any of the pieces to deal with veteran mental health in a systematic way. There was no hospital or other institution where you could write a check and say, ‘Help us with this.’”

While the V.A. was offering care, it wasn't available in a timely or convenient way. Bureaucracy, waits, and concerns about losing cash disability benefits if they exhibited signs of improvement kept some veterans away from the V.A. Others didn't have the option to use V.A. services—like veterans with discharges for bad conduct, and family members of veterans. There are publicly funded community mental-health centers around the country, but only some are specially equipped to serve veterans. And many medical professionals who would have liked to help veterans and their families had no mechanism for getting reimbursed for services in the face of V.A. service monopolies.

To Cohen and his team it seemed clear that new mechanisms for delivering mental-health services to veterans were needed. He was prepared to provide enough resources to dent the problem, but, first, fresh institutions and leadership were needed. He asked his management team to provide options.

In 2013, Cohen's first move was to fund a pilot program—a clinic at New York University for military families. This had been initiated by the Robin Hood fund, but Cohen subsequently took full responsibility for funding it. His initial grant of \$6.8 million over five years was a way to do immediate good while giving his team a chance to explore the larger problem and learn how to deliver high-quality, no-cost mental health care in a nonprofit setting. This initial funding also supported advanced research by the clinic's director, Charles Marmar, that attempted to identify clear biomarkers indicating that a patient was experiencing post-traumatic stress. Since the first creation of PTSD as a psychological diagnosis, attempts to treat the malady have been plagued by the fact that it relies completely on self-reported symptoms, with no reliable biological signs existing to definitively show whether the disorder exists, and whether it is waning or deepening.

While Marmar's research had clear value, the early results at the treatment clinic weren't as encouraging. It was hitting its minimum numbers for patient enrollment, but was nowhere near full capacity—and the team knew there were patients out there who needed help. As Sullivan noted, "One of the things we learned was that there is a lot of outreach required to find and enroll vets in need of treatment." The NYU clinic launched a social-media campaign, recruited through local veterans' organizations, and embedded representatives at the local V.A. hospital to find patients.

It learned that the key to getting veterans to enter PTSD treatment, and stick with it for the 12 to 15 sessions that are the standard therapy,

is to involve family members. This came to distinguish the Cohen clinic from others, including the V.A., that don't offer care linking veterans, spouses, and children alike. By 2015, the NYU clinic had worked out the kinks and was treating over 350 families a year. And the treatment was making a difference.

Time for a big bet

Satisfied that the clinic in New York was learning how to do things right, and disgusted with steady media reports of poor care and long waiting lists at V.A. hospitals, Steve Cohen felt the time had come to dramatically expand the ambitions of his philanthropic project. He commissioned Bridgespan, a consulting firm for nonprofits, to develop a strategy for opening a whole network of philanthropic mental health clinics for veterans all across the county. He had two goals: 1) Help veterans and their families right away. 2) Seek better diagnostics and more effective remedies that could put treatment of the very slippery but wrenching syndrome of PTSD on a more solid basis in the long term.



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In practical terms, Cohen committed to building a network of up to 25 national clinics, while funding a major research effort on brain disorders and mental health. These two efforts would become known as the Cohen Veterans Network (CVN) and Cohen Veterans Bioscience (CVB). Although the two organizations are independent, data from the CVN clinics will shape the direction of CVB research, and scientific breakthroughs will be put to work immediately with clinic patients. As Hassan explains, "This is an ideal partnership where we can seamlessly go from bench science to implementation in the field, with no impeding bureaucracy."

To manage the ambitious clinic effort, Cohen hired Anthony Hassan in 2015. Hassan had co-founded and run the Center for Innovation and Research on Veterans & Military Families at the University of Southern California. He was asked to open four new clinics by the end of 2016. This involved creating a rubric for selecting which cities should get clinics, identifying local partners, hiring staff, establishing protocols for

care, recruiting local philanthropists willing to share costs, developing a national marketing campaign, managing data, and creating a plan for financial sustainability. Hassan's position is a hybrid—part grantmaker, part operator of a health-care network. And the nonprofit he steers is structured as an entity separate from, but funded directly by, the Steven and Alexandra Cohen Foundation.

Practical details

Careful thought was given to the structure of the clinics. They provide extensive screening on the same day patients are enrolled, and promise a first therapeutic appointment within one week. Clinicians are trained specifically to work with veterans. In addition to their medical services, clinics can connect patients to resources for jobs, housing, financial literacy, and education.

One misconception of military and veteran mental health is that all patients have PTSD. The reality is that only about 20 percent of the people who enter the Cohen Veterans Network come in with that condition. The other 80 percent are treated for conditions like depression, anxiety, anger, bereavement, and marital and family issues. Contrary to the trendy narrative that traumatic stress is the “signature wound of the war on terror,” the reality is that only a modest number of new veterans have had any experience of traumatic stress as a disorder.

The CVN mission is to provide care to as many post-9/11 veterans and their families as possible. With this in mind, the clinics do not treat the chronically mental ill, because that would crowd out the larger population. Patients with chronic mental illnesses are referred to specialized settings. “We are here to serve veterans and military families who present for care, receive care in a dozen or so sessions, and then go out and live healthier, happier lives.” This matches the best medical understandings of even conditions like PTSD—which is in nearly all cases quite treatable, not a permanent affliction.

To decide where to locate clinics, Hassan cross-referenced data on where veterans live in the greatest numbers with information on where there is the most unmet need, where good resources already exist, and good intel on where helpful allies might be found. Since CVN does not allocate money for buildings, Hassan has to find organizations—usually hospitals, universities, or community health clinics—to host its programs. He usually conducts two roundtable discussions with potential partners in communities he is considering. One is with local medical profession-

als, fraternal groups, and military officials. A second roundtable gathers veterans, family members, and community caregivers. The CVN board makes the final decision on siting.

At each clinic, CVN collects three basic categories of data. First, it tracks structural outcomes—whether patients have access, whether the marketing is working, how many new patients are coming through the doors. Second, utilization rates, types of patients, conditions treated, type of care provided, and costs. Finally, CVN measures outcomes. “We look at patient satisfaction, time in care, and provider satisfaction. We compare results of the initial intake screenings when patients begin their treatment, halfway through treatment, and then at the end of treatment,” notes Hassan. “These intake screeners look at things like sleep quality, relationships, well-being, suicidal thoughts, and so forth.”

Electronic health records are mandated at every CVN clinic, because they are the only way to quickly cycle data from clinicians to researchers. CVN personnel have immediate access to a trove of anonymized traumatic-stress and mental-health information. If a researcher discovers a potential diagnostic or therapy, he or she can initiate a pilot study to confirm the possible link. “If the pilot study seems effective, we can easily conduct a broader study across the entire network without extensive bureaucratic barriers impeding progress. We will always ensure human subject protections and follow required safety protocols.”

This environment of constant research and learning also makes CVN clinics good training sites for new clinicians. There is a chronic shortage of medical professionals with expertise in care of veterans. CVN is capitalizing on this by financing interns at their clinics from top-flight schools of social work like the University of Pennsylvania, Columbia, and USC.

Finances

Each clinic costs between \$750,000 and \$1.2 million to set up, and \$2 million annually to serve 500 patients. When split among 25 clinics and research projects, even Cohen’s \$325 million gift will go fast. So built into CVN’s startup plan for each clinic, and the network as a whole, is a pathway to long-term financial sustainability. At the network level, Cohen, Hassan, and the board of directors will recruit other donors to provide co-funding once the model has proven its merits. Hassan is also trying to negotiate reimbursement agreements with TRICARE (the military’s health care program for active-duty servicemembers, their families, and retirees) and the V.A.’s new Veterans Choice program, which allows some veterans to seek

care from convenient medical providers when the local V.A. facility is overburdened or too far away. If he can convince the bureaucracies to agree to even partial reimbursements this would allow the philanthropic dollars being spent on these veterans to go much farther.

Each new clinic is expected to quickly qualify itself for reimbursements from private health insurers. Each also raises some annual operating funds from their community, with guidance from CVN. Currently, the plan is to offset about \$20 million of the total \$45 million annual cost via third-party payments, philanthropy, and other funding.



It's a misconception that traumatic stress disorder is an epidemic. Even among veterans who step into the Cohen mental-health clinics, only about 20 percent have those symptoms.

To give the network a strong spine, CVN allocates \$2-3 million per year to maintain a strong back office that can provide all of the system services the programs need. It manages data processing, financial modeling, IT support, research coordination, event and media management, and marketing for each clinic. "Our partners see that they are now part of a powerful network," says Hassan. "This is especially important for the small community health clinics in our network. They're now able to communicate with some of the best clinicians and experts across the country. If they have an innovative idea, it has the potential of being realized because of the network's research capacity. It's a very special and unique opportunity to be a partner of the Cohen Veterans Network."

Amidst these efforts to efficiently control costs and diversify revenue streams, the Cohen Veterans Network is determined to avoid charging patients for the mental-health support they receive. As CVN board member Admiral Mike Mullen put it, "serving those who don't have other options" is a primary focus of the group.

Deepening the science

The more Steve Cohen learned about post-traumatic stress, and brain injuries, the more he came to believe that the surrounding science

needed to be deepened and improved. In 2013, he began inviting top researchers to working breakfasts at his house on Saturdays and Sundays. The investigators made presentations on the state of knowledge in the field. They often highlighted the gaps that exist.

For example:

- Clinicians have no objective diagnostics to know whether someone actually has PTSD. Doctors must rely primarily on self-reported symptoms that are difficult to verify and separate from other mental conditions.
- Scientists lack a firm grasp on what type of individual is most susceptible to having his mental equilibrium disrupted by stressful events.
- They likewise lack systematic information about whether different types of stress produce different disorders.
- It is not known why certain patients respond to certain treatments, while others don't.
- The number of therapies that have any evidence proving they work is small, and there is little consensus or momentum in developing additional drugs, psychotherapies, or devices showing evidence of effectiveness.
- Stress disorders are too fuzzy, subjective, and risky to attract much pharmaceutical investment, and bureaucratic regulations that control experiments involving human subjects are so suffocating that very little other research or experimentation is taking place in this area.

After dozens of meetings and scores of conversations, Cohen recognized that one of the best ways he could contribute in this area would be to turbo-charge the scientific research. The aim would be to try to create the first definitive diagnostics, and make progress on life-changing remedies. "The treatments we have today fall short," he said in a 2016 speech.

The immediate motivation for this was for veterans, but brain injuries and stress disorders aren't just incurred in military work. They can afflict car-crash survivors, crime victims, athletes at all levels, firefighters and police officers, disaster survivors, and persons exposed to sexual or childhood trauma. The positive spillover effects of addressing this issue among veterans could be felt across society.

Cohen's 2013 donation to Charles Marmar's search for systematic bio-markers of PTSD was a large downpayment—\$17 million—toward more systematic research on the health of veterans. Initially, the philanthropist planned to match this with additional grants to other university labs willing to launch similarly ambitious efforts. He soon concluded, however, that a better use of additional funds would be to pool existing health data to unlock overlooked correlations.

Major breakthroughs in understanding medical syndromes often emerge when many different data sets are aggregated, so patterns can be discerned. Historically, research efforts on brain injury and traumatic stress have been dispersed and relatively small-gauge, and limited by modest research samples that are disconnected from one another. Since brain science is a particularly mysterious and opaque branch of biology, with essential functions often controlled by complex interactions



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between different centers, understanding the whole is often much more complicated than summing together the parts. But there has not been one clearinghouse that pulls together existing information for larger analysis. Even basic physical data like blood samples, DNA, behavioral statistics, body scans, and so forth have not been connected in one database. There are reasons for this (beyond the fact that mental health is not a glamorous or profitable academic field)—it is expensive, difficult work. And the crisscrossing incentives of government, academic, and industry research have not encouraged sharing of information.

The best mechanism for stitching together research in ways that yield practical patient diagnostics and therapies is often philanthropy. Charitable donors often build connections across research entities at universities, in government, and in the private sector, without becoming bound to any one of them in particular. Cohen needed to do for brain injuries and stress disorders what other philanthropists have done for autism, schizophrenia, Alzheimer's, and Parkinson's diseases—funnel research dollars to promising new approaches, raise awareness and support patients, and encourage investments in treatments.

Bringing clinics and labs together

In 2015, Cohen made a \$30 million grant to an organization founded by Magali Haas, a physician scientist with 15 years of experience running clinical trials for Johnson & Johnson, turning it into an autonomous non-profit called Cohen Veterans Bioscience that is charged with incubating diagnostic tests and remedies for people who suffer from brain injury or traumatic stress. CVB's structure and funding allows it to dispense with many of the steps important to traditional university or industry research (personal recognition, patents, tenure publications, and so forth) and just focus on science that could help patients. It shares research samples and intellectual property with less concern about giving up funding or reputation to a competitor. Rather than conducting its own research with in-house scientists, CVB coordinates collaborative research across existing labs like the Broad Institute at MIT.

Magali Haas and Anthony Hassan have been asked to closely coordinate the work of their respective pieces of Steven Cohen's funding for veterans mental health. The clinical information and results coming out of network clinics will be intensively studied by the bioscience analysts. Eventually it is hoped that guidance will flow the other way. Cohen says he aims to "put breakthroughs to use in our clinics so veterans can benefit right away."

With five Cohen Veterans Network clinics open by the end of 2016, this vision is well underway. The new facilities in Philadelphia, San Antonio, Dallas, Los Angeles, and New York (some open less than a year) have already delivered care to more than 1,300 patients. Progress can be expected to accelerate dramatically over the next few years—as the \$325 million that Steven Cohen has so far pledged to his effort to elevate mental health among veterans begins to produce effects.