

SOUTH CAROLINA

Healthy Connections



SCDHHS Pay-for-Success Project

SCDHHS & Nurse-Family Partnership
March 31, 2014

NFP in South Carolina

Current Operations (2013)

Sites: 7

Counties: 19

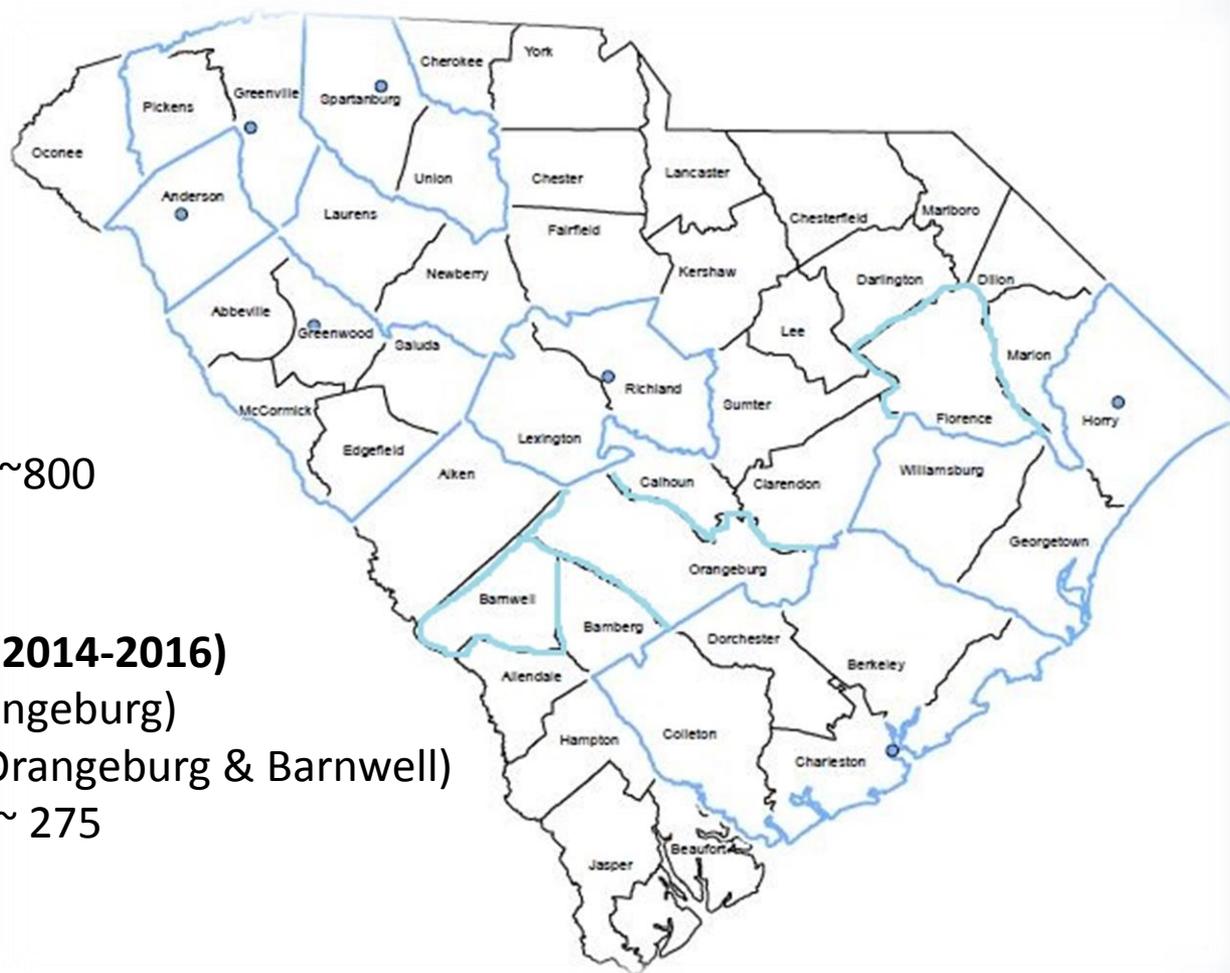
Total Families Served / Year: ~800

MIECHV / Other Expansion (2014-2016)

Sites: 2 New (Florence & Orangeburg)

Counties: 3 New (Florence, Orangeburg & Barnwell)

New Families Served / Year: ~ 275



Goals – Target Population

- Target resources to high-need communities
- Expand services to under-served rural areas
- Expand coverage via existing high-performing sites
- Serve approximately 1,000 new families each year (4,000 total new families)
- Identify participants as early in pregnancy as possible

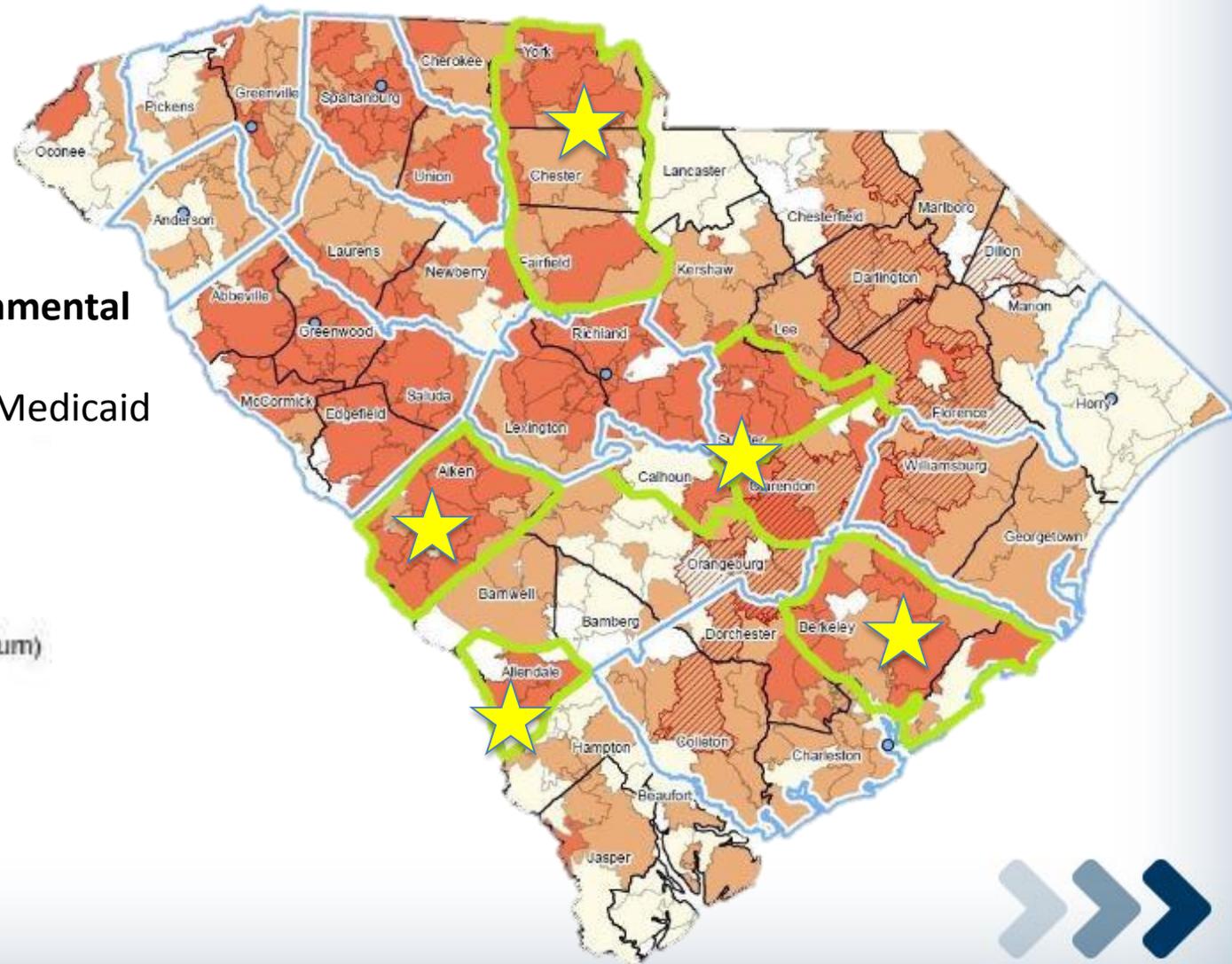


Identifying Participants

- **Target resources to high-need communities**
 - Utilize Medicaid NICU admission rates at ZCTA level to identify high-need communities
 - Serve participants residing in those high-need communities
- **Expand to under-served rural areas**
 - Serve participants in rural counties with poor birth outcomes
- **Expand coverage via existing, high-performing sites**
 - Serve participants in a mix of existing and new sites/locations

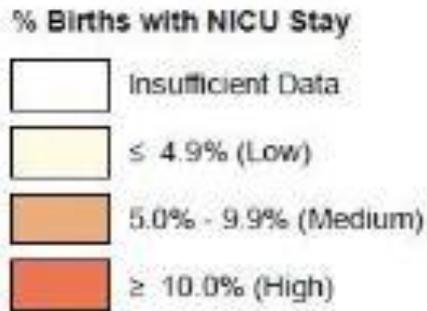


Example – Possible New PFS Project Sites



Birth Outcomes Environmental Scan ZCTA Map

% Births with NICU Stay, Medicaid



Indicates PFS Catchment Area



Recruiting Participants

- **Serve approximately 1,000 new Medicaid families per year**
 - 4 cohorts of service delivery (4,000 new families total)
 - Recruitment and assignment strategy TBD
- **Identify clients as early as possible in pregnancy**
 - DHHS recruits pregnant women during Medicaid application process
 - NFP recruits pregnant women already covered by Medicaid (CHIP)
 - Utilize existing referral systems and connections in target communities (example: Low Country Healthy Start, Mayor's Office)

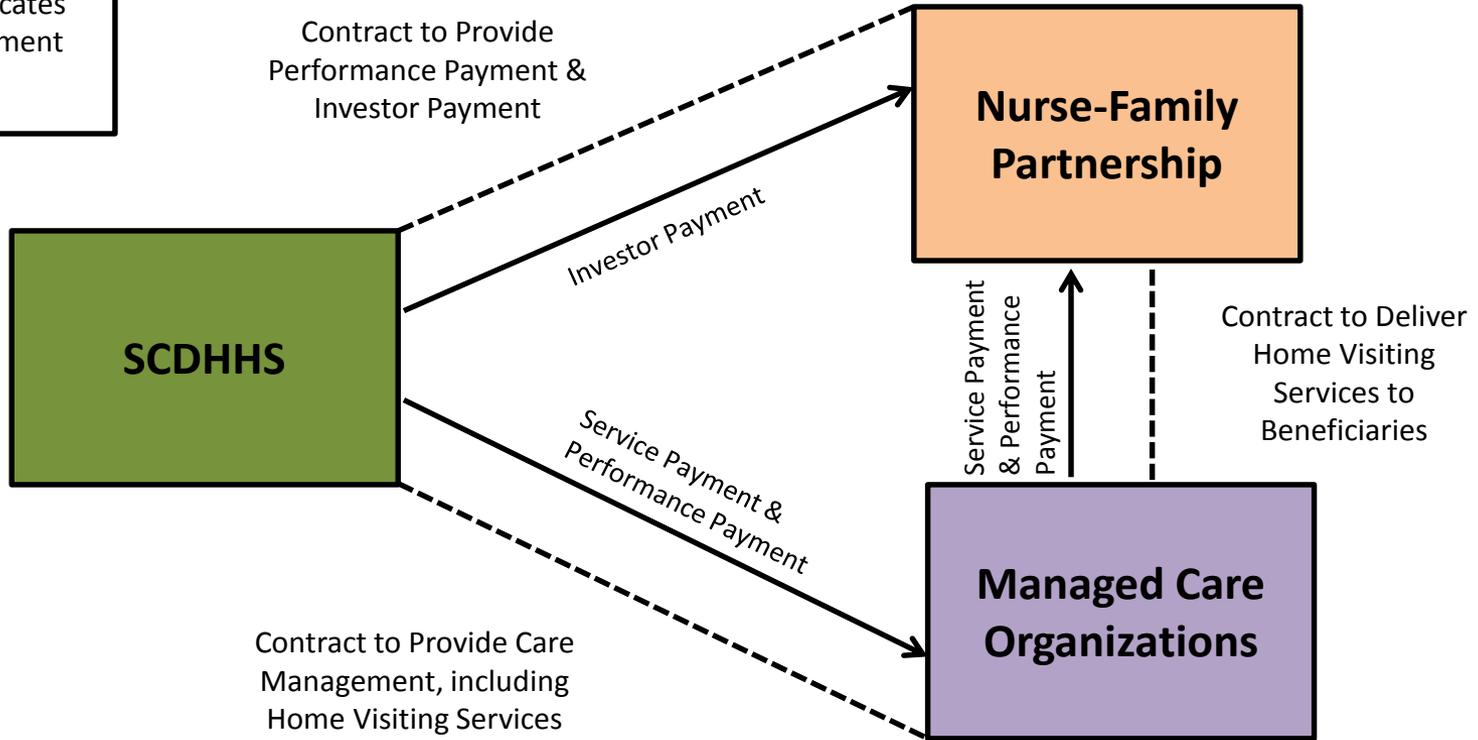
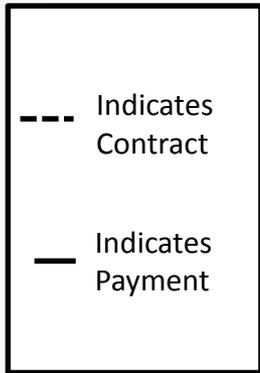


Goals – Contract Structure

- **Implement services within existing Managed Care authority**
- **Develop PFS contract for performance-contingent portion of payment and investor return**
- **Capitalize on work completed to date for current MCO NFP Incentive**



Contract Structure

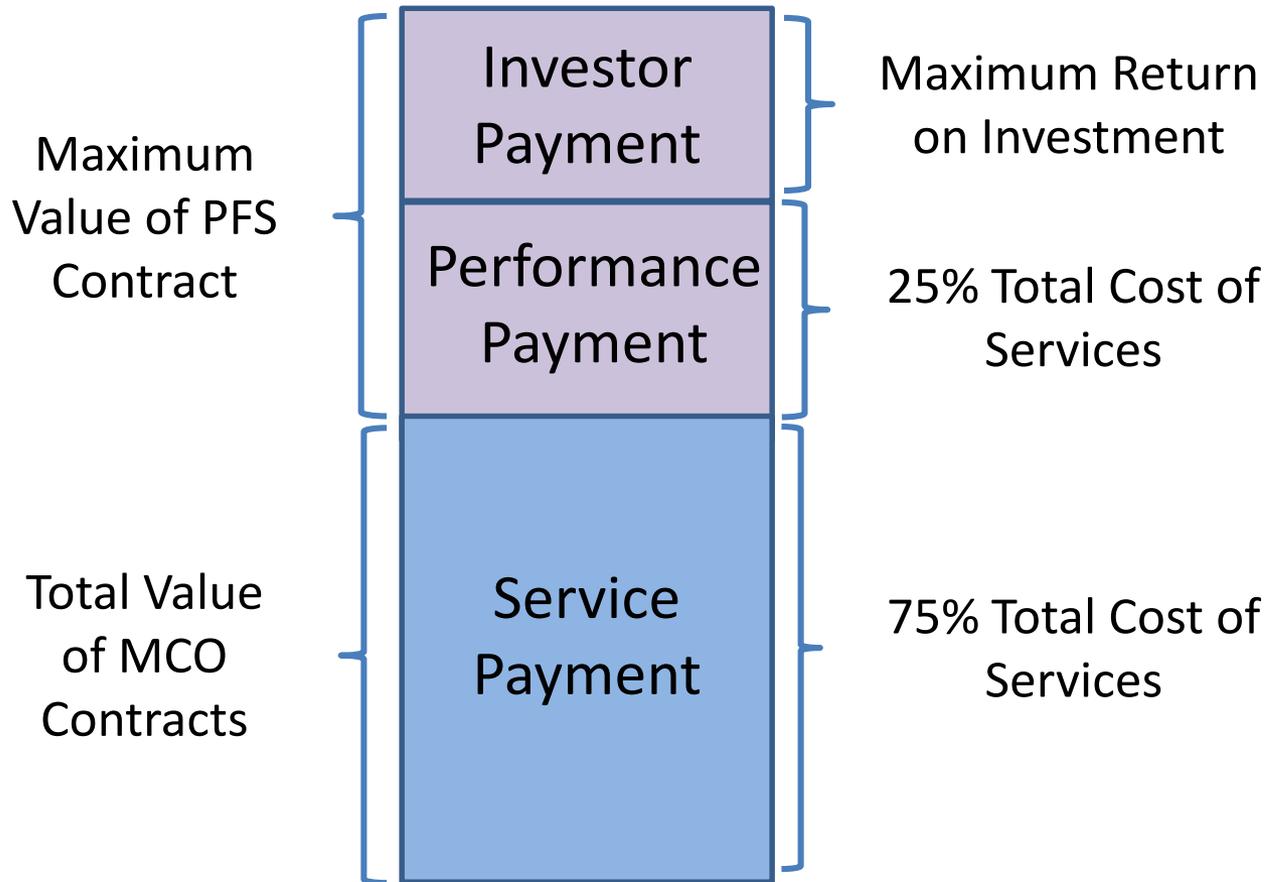


Goals – Financial Structure

- **Receive federal match for PFS payments**
- **Align success payments with government savings**
- **Minimize capital raise by providing ongoing reimbursement for a portion of the total cost of services**
- **Understand the true cost of service delivery (including expansion costs, administrative overhead, PFS costs, etc.)**



Financial Structure



Illustrative Cash Flow

PFS Cash Flow (NFP Perspective)

Year	Pre-Start	1	2	3	4	5	6	7
Total Participants Served		1,000	1,000	1,000	1,000			
Investor Capital Draw Down	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000				
NFP Beginning of Year Balance		\$5,000,000	\$5,000,000	\$5,000,000	\$2,500,000			
Program Expenses (Cost of Providing NFP Services)	\$ -	(\$10,000,000)	(\$10,000,000)	(\$10,000,000)	(\$10,000,000)			
Service Payment	\$ -	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000			
Performance Payment								
End of Year Balance	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$0	-	-	-

Assumptions:

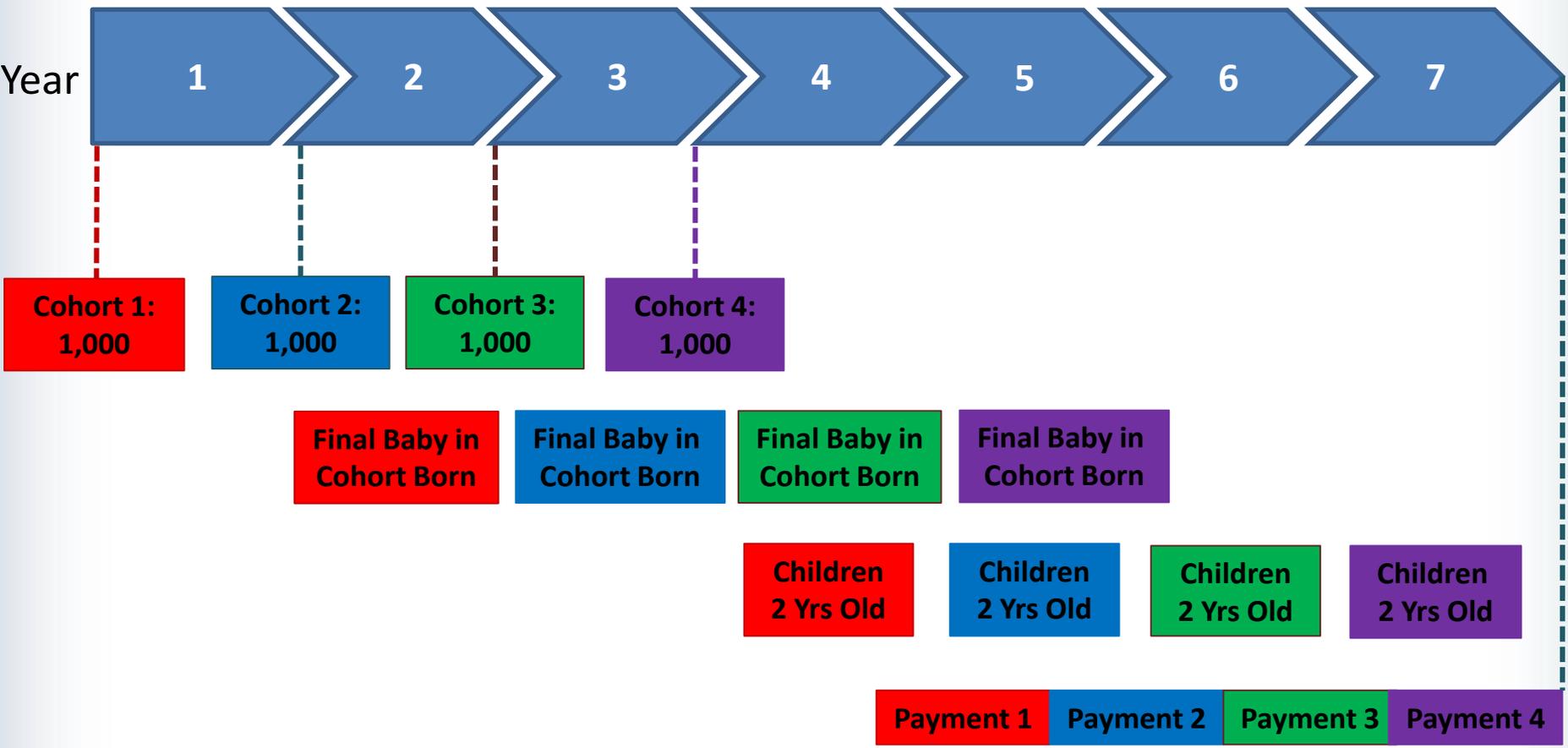
Cost per Family for Full Dosage of NFP = \$10,000

Service Payment = (Total Cost of Service *.75 * Total Participants)

Total Investment (\$10M) = (Total Cost of Service *.25 * Total Participants)



PFS Timeline



Goals - Evaluation

- **Measure and pay for outcomes that are:**
 - High priority for SCDHHS / the State
 - Highly correlated to government savings
 - Representative of the overall impact on families served
- **Evaluate additional, long-term outcomes even if they are not tied to PFS payments**
- **Identify ideal implementation strategy and design evaluation around that strategy**
- **Utilize a rigorous evaluation methodology (RCT)**



Possible Outcomes

- **Maternal Health / Birth Outcomes**
 - Measure: NICU admission / low birth weight
- **Healthy Birth Spacing**
 - Measure: Second births within 2 years
- **Early Child Health**
 - Measure: Medicaid expenditures (minus well-child visits) in years 0-2
- **Early Child Wellbeing**
 - Measure: Substantiated cases of abuse/neglect in years 0-2



Role of Philanthropy

- **Philanthropic capital may not be required in PFS model**
 - Investment and expected investor returns are commensurate with private funding in other PFS deals
- **Option 1: Fund services during PFS pilot phase**
 - 3 months estimate needed
- **Option 2: Fund long-term evaluation**
 - Evaluate additional outcomes of interest that are not tied to PFS payments



Questions?



Next Steps

- **Establish project contacts**
- **Outline action items**
 - SCDHHS
 - NFP
- **Schedule next meeting**

