COLLABORATIVE APPROACH TO PUBLIC GOODS INVESTMENT (CAPGI)

PRESENTED BY UNITED WAY OF GREATER CLEVELAND

WHAT UWGC IS SOLVING FOR:

- Accountable Health Communities (AHC) project asks us to identify and fill **gaps in social services**. There are **lots of gaps** but few new opportunities to address them.

- The U.S. underinvests in social services compared to other OECD countries, and then wonders why are health outcomes are worse than other countries

- Health providers and health insurance in value/risk-based arrangements, particularly Managed Care, should in theory be incentivized to invest in upstream chronic disease management, including addressing social need.

- The health sector continues to mostly pay for downstream, reactive treatment after someone is already sick.

COMMUNITY HEALTH

By Len M. Nichols and Lauren A. Taylor

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POLICY INSIGHT

Social Determinants As Public Goods: A New Approach To Financing Key Investments In Healthy Communities

https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2018.0039

https://www.healthaffairs.org/do/10.1377/hblog20200811.667525/full/

CAPGI BASIC THEORY

- **A funding mechanism for facilitating upstream investment on social service projects that aligns insurance and provider financial incentives**

- By investing upstream collaboratively, we remove concerns about “free riders” and incentivize investment

- “Trusted Broker”, UWGC in this case, facilitates “Investors” (health insurance, health providers, other interested parties) investing in social services of their choosing

- Builds on emerging evidence of social service savings for health sector (e.g. Nurse Family Partnership, Medically Tailored Meals, Housing First, and others)

Example of Pricing for Upstream Investments

Cost: $180 for Complex Case Management by CHWs and Social Workers

Value Expressed

Insurers	Hospitals	Non-Vendor CBOs	
Initial Bid: $110	Initial Bid: $50	Initial Bid: $40	**= $200**

Sum of Bids (Collective Valuation) = $110 + $50 + 40 = $200

But We only Need $180 to Cover the Cost

so

We need 90% (180/200) of Total

We can allow 10% “Discount” or ROI to All Bidders

Prices Assigned

Insurers	Hospitals	Non-Vendor CBOs	
Price Charged: $99 ($11 less than Bid)	Price Charged: $45 ($5 less than bid)	Price Charged: $36 ($4 less than bid)	**= $180**

Total Collected = $180 = Cost of Intervention = $180, but *VALUE delivered = $200*

UNITED WAY'S ROLE AS "TRUSTED BROKER"

- Recruit investors with buy-in to general concept of collaborative, upstream investment
- Facilitate investors setting parameters for collaborative investment
- Seek out projects to fund and facilitate investors choosing project
- Accept confidential bids, determines if bids are enough to fund project, and sets prices
- Ensure launch of service through data management and formation of legal agreements
- Evaluate large-scale project

PROJECT OUTCOMES

Short-term:

- Use investor funds to support chosen project: Benjamin Rose Institute on Aging's (BRIA) Nutrition Solution program
  - medically tailored meals and social isolation reduction for approximately 400 seniors who have chronic health conditions and food insecurity/social isolation
- Provide return on investment for investors
- Improve health outcomes of service recipients

PROJECT OUTCOMES

Long-term:

- Positive experience for investors, including robust evaluation of BRIA project
- CAPGI as a funding mechanism for many future social needs projects
- Savings for the health sector broadly due to upstream investments
- Further address “wrong pocket problem” with larger projects involving government, others who have potential savings
- New, much needed funds to social service sector

ONGOING CHALLENGES

Legal issues:

- Despite desire for health system/social service partnership, and guidance from OCR specifying data sharing capabilities with non-covered entities, fear of data breaches remains paramount
- Many social service entities that hospitals/managed care hopes to partner with will struggle to accept overly stringent legal terms

Stigma:

- Limits placed on social service provision based on fears of promoting dependence on social services and/or fears of taking advantage of patient with enticements

THANK YOU!