

# A Sustainable Financial Model for a Community Health System

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Population Health Systems

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# Key Role of Community in Improving Health

- Integrate clinical services, public health and community services
- Elusive Holy Grail: sustainable financial model
- Growing inventory of financing vehicles
  - Payment for clinical services: Triple Aim
  - Innovative social capital
- Issue: fragmentation, lack of coordination, lack of financial expertise

# Financial Model: Balanced Portfolio With Partial Capture of Savings

- Balanced portfolio in terms of
  - Spectrum of time horizons for impacts
  - Risk profile: test innovative interventions
- Capture savings from successful interventions
  - Mechanism established with each partner
  - Critical for long term sustainability
- Aggregate and align revenue streams and capital
- Leverage private and federal public investment to achieve greater impact

# Sample Community Health System Intervention Portfolio

## Integrator Organization

**Function A:** Aligns stakeholders and prioritizes community needs

**Function B:** Establishes continuous quality improvement program

**Function C:** Manages balanced portfolio and total investment pool

### Social Determinants of Health Interventions

**Example:** Early Childhood Development Project in Utah

**Financing Mechanism:** Social Impact Investments

**Potential Implementation Partners:** Foundations, Banks/CDFIs, Public health depts., Government agencies (e.g., ACL, ACF, HUD, DoED)

### Risk Behavior Management Interventions

**Example:** Health Plans' Relationship with Local YMCA's in the Diabetes Prevention Program

**Financing Mechanism:** Performance-based contract

**Potential Implementation Partners:** Community based orgs, non-profits, Health plans

### Medical/Social Services Coordination Interventions

**Example:** Service Enriched Independent Living in CA for high utilizers

**Financing Mechanism:** Reinvestment of Shared Savings

**Potential Implementation Partners:** Hospitals, ACOs, Community providers, FQHCs

Balanced Portfolio Spectrum

Long-term  
Cost Savings/Outcomes

Intermediate-term  
Cost Savings/Outcomes

Short-term  
Cost Savings/Outcomes

# CHS Sustainable Financial Model

