

A Sustainable Financial Model for a Community Health System

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Population Health Systems

February 6, 2014

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

