Pay for Outcomes, Pay for Success: Overview and Next Steps

Hello, everyone, and welcome to our Pay for Outcomes Pay for Success webinar, sponsored by HRSA and HV-ImpACT. This will be an orientation to new opportunities for MIECHV awardees. So we're so glad you could be here with us today.

So take just a minute as you enter the room and head over to the chat box. You can introduce yourself. Let us know your name, your title, and your program so that we can see who's on the call with us today.

I'll also just use this opportunity to give you an orientation to the room. You'll see up in the left hand corner the presenter. This is me, Karen Cairone. I'm the Universal Technical Assistance Manager for HV-ImpACT.

Beneath the chat box, which we'll use for questions and answers, you'll see that there is a link for the evaluation survey that we would ask you to take a couple minutes at the end of our webinar today and complete the evaluation.

You also have a box next to our evaluation link that is the audio link. Hopefully you'll be able to call into that number without any issue. If you do have any technical issues throughout this presentation, please use the technical support box to type in your issues. And I have April Brown and Kate Hamby-Hopkins-- will reach out to you and help you get connected and stay connected throughout the webinar.

The next box on the right is a file share pod. And you'll notice in there you have several different resources that the presenters will be referring to as we go throughout the presentation today.

You do have the slide deck that we'll be presenting. So everything that you have is under the PFO PFS slide deck as a PDF resource that you can download either during this webinar, or you can also download it at the end of the webinar as well.

So with that, we're going to jump right in and get started on our webinar today. Just a couple of reminders to mute your computer speakers if you're hearing any kind of echo right now. Again, remember to use the Technical Support box if you need to reach out to our team. And we encourage you to chat using the chat feature throughout this presentation.

You can list questions. We'll make sure that we grab your question and address it to the right presenter. Or we'll also save some time at the end of the presentation for any lingering questions you might have.

And as a reminder, we are recording. This recording and transcript will be placed on HRSA's website within several weeks of the webinar. So we want to make sure that you're aware we will capture all of the good information in case you have colleagues not able to attend today.

We do value your feedback, so please do take those minutes at the end of the webinar to share with us what you like and what you think could go better in the future.

With that, I'll outline our objectives for the webinar today. We will make sure during the course of this time together in this hour we'll be operationalizing what pay for outcomes legislation means from MIECHV awardees, what has been accomplished thus far, and additional opportunities to advance MIECHV goals. We'll spend some time on the SIPPRA, the purpose, the requirements, and also the NOFA. We'll do an overview of the PFO and PFS, [INAUDIBLE] firm, history, and role of philanthropic giving.

And then finally we'll hear from two different states. We'll hear from South Carolina and Connecticut. And they will share some of their experiences with pay for outcome, pay for success as well.

So I'd like to just give a quick overview of our presenters. And again, as you hear them speaking today, you'll see their pictures go up into the left hand corner. From HRSA we have Ann Stock, public health advisor, and also Amanda Innes, senior policy analyst.

We have with us today a subject matter expert from Social Finance, Nirav Shah. We have two folks from South Carolina. We've got Chris Bishop with the Nurse-Family Partnership's National Service Office. We also have Eric Bellamy from the Children's Trust of South Carolina. And finally, we have Catherine Lenihan with us from Connecticut's Office of Early Childhood today.

So with that, I'd like to turn this over to our first presenters, which will be Ann and Amanda from HRSA.

Great. Thank you, Karen. Good afternoon. Again, this is Ann Stock, and I'm a public health advisor here in the Division of Home Visiting and Early Childhood Systems at HRSA. And I'm glad to be on the webinar with everyone today. And I am helping to lead our pay for outcomes work.

So as you know, the Bipartisan Budget Act of 2018 which extended the MIECHV program for five years also added several new requirements and opportunities including creating new legislative authority for MIECHV awardees to use MIECHV grant funds for what is called in the legislation a pay for outcomes initiative.

So by now, you are likely familiar with that legislative language. However, for those who aren't familiar with legislation, it defines a pay for outcomes initiative as a performance-based grant, contract, cooperative agreement, or other agreement awarded by a public entity in which a commitment is made to pay for improved outcomes achieved as a result of the intervention that results in social benefit and direct cost saving or cost avoidance to the public sector.

The legislation also included several other key provisions related to pay for outcomes. It placed a limit on the amount of funds that could be used for a pay for outcomes initiative to 25% of an awardee's grant, and included a requirement that it must not result in a reduction of funding for home visiting services delivered by the entity while the eligible entity develops or operates a pay for outcomes initiative.

And it created several other requirements, including a requirement for a feasibility study that describes how the proposed intervention is based on evidence of effectiveness, a rigorous third-party evaluation that uses experimental or quasi-experimental design or other research methodologies that allow for the strongest possible causal inferences to determine whether the initiative has met its proposed outcome as a result of the intervention, an annual publicly available report on the progress of the initiatives, and a requirement that payments are made to the recipient of a grant, contract, or cooperative agreement only when agreed upon outcomes are achieved. Finally, the legislation stipulates that funds for a pay for outcomes initiative shall remain available for expenditure for up to 10 years after the funds are made available.

And then I also wanted to note that the MIECHV legislation, a shortened version that highlights the pay for outcomes section, is available in the file share pod in the webinar. So you can download it there.

So clearly, this new authority is very complex. There's a lot to it. And it comes with unique opportunities, potential challenges, and certainly a lot of questions about how this authority can be operationalized for MIECHV. To that effect, we at HRSA have done a great deal of learning to date.

Oh, I'm sorry. I'm not advancing the slides. Excuse me. Thank you.

And as I mentioned, we've done some learning to date, hearing from a variety of key stakeholders with the intent of operationalizing the legislation in a way that's as meaningful as possible for awardees. So to that end, HRSA is in the process of developing guidance to support awardees who are interested in implementing a pay for outcomes initiative in the context of a few key initial goals. First, ensuring that any guidance meets the statutory intent of the legislation. Additionally, the guidance must be appropriate for the unique context of MIECHV and appropriately acknowledge the legislative authority did not come with an increase in appropriations.

We are also working to ensure that the guidance is feasible for implementation by HRSA, taking into account all of the requirements of federal grant making and the legislation itself, and also feasible and reasonable for awardee implementation. And most importantly, leveraging pay for outcomes as a tool to further MIECHV's goals supporting high-quality, evidence-based home visiting programs with a focus on achieving meaningful outcomes in order to improve the health and well-being of our nation's children and families.

So now that we've reviewed the pay for outcomes legislative language and shared HRSA's initial goals for operationalizing the authority, I want to share just a summary of where we are in that process and what's to come. So this is clearly new territory for HRSA. So since passage of the

Bipartisan Budget Act of 2018, we've been focused on learning about this field, hearing from federal partners, subject matter experts, and MIECHV awardees.

Through ASTHVI facilitation last spring, HRSA heard some initial feedback and reaction to the legislation from a group of awardees. We've also solicited non-binding letters of intent from awardees who are interested in possibly implementing a pay for outcomes project once the pay for outcomes guidance is released.

And just over a month ago, on January 10, HRSA, in partnership with the Administration for Children and Families, hosted an expert roundtable, convening experts, home visiting stakeholders, model developer representatives, and [INAUDIBLE] who are engaged in pay for success of pay for performance projects, to learn from their experience and lessons learned. Lessons from that convening are being developed into a TA resource that will be shared with awardees later in the spring or early summer.

And as most of you are aware, we are exactly one week away from the all-grantee meeting. Next Tuesday, February 26, at 3:30 PM, we have a pay for outcomes listening session scheduled. We hope you will come and share your thoughts, suggestions, and concerns about the opportunities and challenges that you might anticipate in implementing a pay for outcomes initiative in your state or territory. This information in the context of everything we've heard from our federal partners and other stakeholders will inform the development of the pay for outcomes guidance. So if you're able to, we hope you will join us next Tuesday.

I know a key question many of you may have is when the pay for outcomes guidance will be released. The timeline for release of that guidance is still being finalized, but we will share more details with you as soon as we are able to.

I also want to emphasize that this TA webinar today is intended as a general learning opportunity about pay for outcomes and pay for success approaches. And it's not intended to serve as HRSA guidance or an indication of the direction of future HRSA guidance. Similarly, the projects that you will learn about today are not intended to represent examples of projects that meet statutory requirements for a pay for outcomes initiative. Future HRSA guidance will provide instructions for meeting the statutory requirements.

However, in the meantime, we want to share an update with you about a recently announced pay for success funding opportunity that just hit the streets. And for that, I will turn it over to Amanda Innis.

Thanks, Ann. Thanks, everyone. I'm a senior policy analyst in the Division of Home Visiting and Early Childhood Systems at HRSA. I'm so pleased to be with all of you today. Thanks for joining us.

So a team of us at HRSA have had the opportunity to work with colleagues across federal agencies to contribute to implementation of new legislation called the Social Impact Partnership Pay for Results Act, or SIPPRA for short. In February 2018, also through the Bipartisan Budget Act, Congress appropriated $100 million in new funding for SIPPRA, which authorized the

Department of Treasury to enter into agreements with state and local governments to implement social impact partnership demonstration projects, also called pay for results projects, and to implement feasibility studies to prepare for those projects. Treasury estimates that five to 10 awards will be made in this first round of awards. By law, the federal government will pay for a project only if predetermined project outcomes have been met and validated by an independent evaluator for these pay for results projects.

SIPPRA projects must produce one or more measurable, clearly defined outcomes that result in social benefit and federal, state, or local savings through one or more of 21 outcomes that are named in statute. We thought a few examples of these outcomes might be of particular interest to all of you who are attending today. For example, some of the outcomes include improving birth outcomes and early childhood health and development among low-income families and individuals; reducing incidences and adverse consequences of child abuse and neglect; improving the health and well-being of those with mental, emotional, and behavioral health needs.

Additionally, SIPPRA requires that at least 50% of all federal payments made to carry out these pay for results projects must be used for initiatives that directly benefit children. We thought that would be of interest to you also.

So we're excited to share that the preliminary SIPPRA Notice Of Funding Availability, or NOFA, for pay for results projects was released just late last week. It's available on the SIPPRA web page which is linked here. Applicants have 90 days to apply. And the NOFA will be officially released in the Federal Register Notice very soon with a printed deadline.

We also wanted to mention that the NOFA offers a 7 and 1/2 years period of performance from the time the award is issued. And that offers up to seven years for implementation of projects and up to six months for final evaluation activities, which would include submission of the evaluator's final report and submission of payment requests to the federal government. Much more detailed information is available in the NOFA itself.

And then later in 2019, the Department of Treasury expects to publish a NOFA for pay for results projects feasibility studies. And we look forward to sharing a link to that NOFA once it's released.

The SIPPRA web page has a Frequently Asked Questions resource. And you can sign up for updates from SIPPRA for more information.

So thanks for the opportunity to share a little bit more about this. We encourage you if you are seeking more information to read the NOFA itself. And we're happy to pass it over now to Nirav.

Good afternoon, everyone. My name is Nirav Shah. I'm the vice president of Social Finance. And I'm very excited to be on this conversation today especially in light of the legislation that's passed that we just talked about in SIPPRA, and that NOFA just dropped last Thursday. And of course, the Pay For Outcomes and MIECHV legislation which gives an opportunity for state and local governments and other partners to think about how do we access these tools to improve lives for individuals and communities.

So my objective over the next few minutes here is to talk about our experience as an organization for developing pay for success projects and provide some tangible examples and then hopefully set up our partners in both South Carolina and Connecticut to talk about some of their on the ground experiences.

So let me start with a little bit of background on Social Finance. We're a nonprofit 501(c)(3) organization. And our mission is to mobilize capital to drive social progress. And we define social progress on two important dimensions. The first one is a human dimension, and that's really about how do we get measurable improvements in individuals' lives in the communities they live in. And that speaks to really the focus on the outcomes versus outputs.

The second dimension is a systems one. How do we over time collectively change our contracting processes, our budgeting processes, our allocation of resources processes and our procurement processes to make sure that we're aligning on impact? So we think about the ratio of dollar spend to outcomes generated and, over time, how do we create the feedback loops in the system that allows us to improve upon that ratio such that we are squeezing out more outcomes for every dollar spent.

So as an organization, we've been around for eight years and really have been developing, executing, and managing pay for success projects over the course of eight years. And what we've learned through that process is that pay for success or pay for outcomes or pay for results, whatever nomenclature you want to use, in our perspective is not a single thing. Rather it is a collection of four different principles which are listed on the slide that's everyone will get, on slide 13.

The first principle is, how do we shift the narrative away from outputs and really focus on outcomes that gives us a better understanding of meaningful impact on individual's life? The second is, how do we use historical data in evaluations to make the smartest bets on what are the programs and the interventions that are going to help individuals achieve those outcomes? Third is, how do we actually align incentives up and down the system so that we are spending money and attaching payments to the achievement of those outcomes? And then the fourth one is, how do we apply a performance apparatus to programming to ensure that over time we are making course corrections that are necessary and we're developing feedback loops in the system that are going to drive better outcomes? Where today a large part of the management of programs is compliance based, we really want to shift that to be performance based.

And so underneath these principles, there are many different tools that we can use and we have used at our disposal to weave together these four principles. And two of those tools that I want to focus on for today's conversation is the classic social impact bond and the outcomes rate card.

Before jumping into that, I might shift to slide 14 and talk a little bit about what are the benefits of pay for success, why have we seen this enabling legislation passed at the federal level, and many more state and local jurisdictions thinking about how to use the pay for outcomes, pay for success toolkit to drive better policy, to drive policy priorities and also create more impact on individuals.

There are a couple of key reasons here. One is, as I said earlier, this focus on evidence and outcomes. How do we make that a more central component of our decision making process and institutionalize that in our practices and our processes?

The second is putting measurement and outcomes at the center of the equation versus something on the periphery that we look at. The third piece is, how do we actually tap in to the private markets and the private capital to actually be a catalyst and a lever for good? And the fourth is, how do we make sure that we're directing funding to programs and providers that have the data and evidence that they are best suited to achieve those outcomes? And all of this is with the goal of, over time, how do we make sure we're making asset allocation decisions that gets us the best outcome for the dollar spent? So these are all the reasons why governments and other partners are thinking about pay for success as a set of tools to drive better outcomes.

Now with all these positives and benefits, there are also some challenges that are worth talking about and spending a few minutes on. One is that in many communities doing a pay for success initiative also means identifying new resources that can be committed to new programming. And with tight budgets, that's always a challenge in different governments. How do we actually carve out incremental funding to address or to put to towards pay for success project is one of these.

The second big challenge that I would highlight here is more just from a practical process standpoint. Moving forward with a pay for success project is not doing business as usual with respect to some legal components, some procurement processes and budgeting processes. And all of those are places where we spend a significant time with our government partners thinking about what are the rules and regulations and laws that are governing all those processes and how can we best apply a pay for success methodology that's focused on where you're paying for outcomes versus paying for services rendered within the existing framework. And that's why in many of these projects, especially the first time around, you see that it takes a little bit longer to get a project from idea to execution phase.

So those are the two main challenges I would highlight in doing pay for success. And what we've seen from the 24 projects that are being launched is that there clearly is a way to surmount those barriers and those challenges, but it does take a little bit of time.

Let me shift to slide 15 here. And part of what our learning process has been as a nonprofit is thinking about, again, this transition from starting out as a single tool now to be a collection of principles that can get woven together in many different facets. There are kind of five key elements as we think about pay for success. That is assess, design, fund, measure, and adapt.

On the assess phase, it's really looking at and getting a granular understanding on what are the challenges of the target population, what are some of the environmental factors that may contribute to those challenges, and what are historically-based programs that have evidence and data that can address the challenges for that specific target population and also accounting for some of the environmental factors where that challenges are taking place.

The second step is really around design. How do we align the outcomes that are going to be meaningful for the individuals with also the outcomes that are policy priorities for government? Can we measure them? What data systems do we need to measure them? How long does it take to observe them? And what is the best measurement methodology to use to get a sense if that outcome has been achieved or not achieved?

The third dimension here is fund. So we'll talk about in a few moments-- you have the classic social impact bond where the funding really comes from the private sector to fund 100% cost of a program, and 100% of the repayment is contingent on outcomes achieved. That's one model. In the Connecticut model, we'll get into an outcomes rate card which says, you know what, we're going to put outcomes as part of our procurement process, but we're going to make the outcomes a bonus payment to make sure there's incentives but still alignment in the system. So there's different ways you can think about funding a pay for success project.

The fourth is measure, which is a cornerstone of pay for success projects. Let's make sure that we're measuring to create not only short-term feedback loops but long-term feedback loops to better align operations in achieving those outcomes.

And the last is, how do we layer on this performance management system that's looking at adaptation over time? Our world is dynamic and is evolving at a fast pace. We need to make sure our programs on the ground have the right toolkits to make sure they can adapt to the problems at hand.

I'm going to skip to slide 16 here. And so there's two models that some partners are going to be talking about here. One on the left hand side of this slide is the social impact bond. And this is the classic pay for success model where it's the tools best used to thinking about scaling a effective evidence-based program and seeing if you can still retain those outcomes at a greater scale. And typically this funding is provided to one organization or one intervention and funded by impact investors exclusively.

On the right hand side, you have the outcomes rate card, again using the same principles of pay for success, but it's actually a procurement tool whereby government lays out a menu of outcomes that it wants to achieve and the price it's willing to pay for each of those outcomes if they are achieved, and thinking about that procurement tool as a mechanism to be able to procure a number of service providers that provide services to a target population that might have some nuances. And we'll get into that example in Connecticut.

So let me give a little bit of a deeper explanation into each of these tools. I'll start on slide 17 here with the classic social impact bond which typically has three stakeholders. You have your payer, which is often government, that is willing to say I'm willing to pay x price for a reduction in y outcomes. For example, I'm willing to pay x price for a reduction in preterm births.

You have your private funder who's putting up capital upfront for anywhere from three to six years for an expansion of a specific program to achieve a specific set of outcomes. And that funding is passed over to typically a nonprofit service provider that is going to serve a specific target population and scale up. And the model works such that where there is the outcomes here at the center of it, there is an independent evaluation if outcomes are achieved. And if those outcomes are achieved, you see a payment triggering from government back to the private funders who put up the initial working capital and are taking the risk if the outcomes are being achieved. So this is a classic social impact bond model that we'll get into in the South Carolina example in a few moments.

The second example here is-- shifting to slide 18-- is the outcomes rate card. And again, this is more of a procurement tool where the partnership starts with the government stakeholder and identifies what are the series of outcomes that we want to see improvement on for a specific target population, and then what are the price we're willing to pay if that outcome is achieved. And that price is typically derived from a combination of fiscal benefits and social value. And then what we call an outcome rate card is slapped on top of typical procurement processes where you might have three or four different organizations providing three or four different program models to address those outcomes. And all of those providers can bid in and get awarded through an outcomes rate card model. And we'll get into that example with the Connecticut team.

So with that, I think I'm going to pause and pass it over to our friends in South Carolina.

Great. Thanks, Nirav. Hey. This is Chris Bishop with the Nurse-Family Partnership program. I'm currently director of operations in South Carolina and have been part of this pay for success project since the very beginning, from designing and conceptualizing it to contract negotiations to then the pilot launch and the full implementation. So I'm excited to be here with you today.

Eric, do you want to introduce yourself, and then I'll go ahead and run through this first slide?

Sure. This is Eric Bellamy with Children's Trust of South Carolina. I am the director of program integration here at Children's Trust, have been with the organization for a little over eight years since inception of MIECHV. And we are also the MIECHV state lead here in South Carolina, as well.

Thanks, Eric. So on this slide, you'll see that the Nurse-Family Partnership program in South Carolina has grown steadily since 2009. And that's largely thanks to public and private sector support. We started back in 2009 with six sites serving about 600 families. And we've expanded twice thanks to MIECHV funding and also the support of local foundations and particular counties in the state. So prior to the pay for success launch, we had grown to 10 sites with about 52 nurse home visitors and serving 1,200 families.

While we grew and the program was growing during that period, there were still substantial unmet need throughout the state. If you took just the moms that we were serving-- about 1,200 before the pay for success launch-- and compare that to the total volume of eligible women who would be eligible for Nurse-Family Partnership, which is about 11,000, there's a substantial gap in between.

So we were searching for a couple of things at this time as we began to talk about pay for success. Number one was sustainable funding while also strategizing how to grow to serve more families. And we found ourselves at a crossroads when we began to learn about pay for success.

In the 2015 time period, when we knew that support from some of our private foundations was reaching kind of the six-year mark, we were really unsure whether the state would pick up funding of the program at a substantial level. And that's when conversations began about pay for success, when they really picked up particularly as that approach gained more visibility.

So our team at the Nurse-Family Partnership National Service Office recognized pay for success as a funding mechanism to help us achieve several goals. Number one, to scale our program to serve more families. Number two, to diversify and expand our network of funders in support of our work, including local and state and regional foundations. Number three, leverage private dollars to secure sustainable government funding through Medicaid. And number four, improve program efficiencies to increase our productivity in serving more moms and families.

So with this project, let me just say we got into contract negotiations with the state of South Carolina and we said, look, we want to be able to expand to serve 3,200 more families by March 31 of 2020. We want to measure impact through a randomized controlled trial. That's our evaluation method. That would involve 6,000 women total including the treatment and control groups. We want to test some model innovations to increase our client engagement and retention of moms in the program. And we also want to reduce our program model cost.

The project is still such a big deal for us at the national office. It's our only pay for success project that we have in operation. It's the only pay for success project involving a maternal and child health program. And it's certainly an incredible opportunity to grow to serve more moms across South Carolina while also becoming more effective and efficient in our operations.

The risk, however, for us is gigantic for some of those same reasons. We don't have another pay for success project that's active. We have put reputational risk on the line if we don't achieve the outcomes. And I would also add that if we don't achieve the outcomes, we lose out on success payments at the end of the project, which thankfully our foundations have agreed to roll into operations after the project is over if we are successful.

Eric, I'm going to turn it to you to talk a little bit about your role and the makeup here in South Carolina.

Exactly. Thank you, Chris. I appreciate it.

So as Chris mentioned, my main objectives here today are four things basically. One, to tell you a little bit more, give you a little more teeth to what the design of our project here looked like in South Carolina. Two, to talk a little bit about the deliverables of the contracted entities in South Carolina as part of the project. As well as my third objective is to talk about the MIECHV integration with the project a bit. And then finally, and probably most importantly, is to get out of your way and throw it back to Chris and let him tell you a little bit more about what the future of the pay for success project looks like in South Carolina.

So on this slide here, as Nirav and Chris has talked about a little bit already, the design of our project in South Carolina started with basically the investment of private dollars and philanthropy dollars. And those dollars were put forward to support the initial project and to get it started and get it running. Our South Carolina Department of Health and Human Services also invested about $7.5 million into the project. Two-fold, which is about 40% of the project budget, which looks at one the Medicaid billable dollars that are being offered through a 1915(b) waiver that nurse home visitors can bill for services as well as for investment payments for once the deliverables are met through the project to be reinvested through the project at the end of the evaluation.

So the way that the players kind of are lined up here is that we here at Children's Trust are the fiduciary agency. We are 501(c)(3), so we essentially bank the funding from the upfront investors as well as from the Department of Health and Human Services. And we make payments out to Nurse-Family Partnership in the National Service Office for the implementation of services right now.

As I mentioned before, we essentially bank the funding, the outcome investment, for when all the project period is over. And Nurse-Family Partnership, as you see, targets the first time, low income mothers, as you all know.

So another important entity as part of this project is the JPAL Initiative which is doing the external evaluation. They are at MIT, which is a very important part of the legislation moving forward, as Amanda and the folks mentioned earlier in the presentation.

So moving forward to talk a little bit more about the key deliverables of the major players here in the South Carolina program, our South Carolina Department of Health and Human Services, their main deliverables are-- they contracted with us as well as the NFP. So we kind of have this three-fold contract to really implement the program. DHHS contracts with us to establish the payment schedule and to look at what it looks like on the back end as far as the payments being reinvested through us. So we hold the funding at Children's Trust as an intermediary agency, and we received the funds back in 2015, and have been holding it since. The waiver was established in 2015.

So on the back end, as I mentioned, we will, once a project period and evaluation period is over, there would be a payment scale that will allow for the funding to either be reinvested through DHHS or directly to NFP NSO.

And then the third entity, of course, is the implementing arm, which is NFP NSO, to deliver the services and to continue to make sure that those families are receiving the services that they are targeting.

Hey. Excuse me real quick, Eric. I want to pause. A question did come in related to your last slide. I just wanted to go back one. So we have a question that is-- is the Children's Trust of South Carolina a nonprofit organization, or is it part of the state of South Carolina?

We are a nonprofit organization. We're a quasi-state agency, but we are a 501(c)(3). And we also sit as the MIECHV state lead as well. But we are nonprofit.

Great. Thank you.

Mhm. So moving on. I started to talk a little bit about how we have been a part of it from an MIECHV perspective. We have rated funding with six of the 10 NFP sites here in South Carolina with MIECHV funds. And we sit as-- an integral part of what we do is that not only are we a fiduciary agency for the program which allows us to be part of the executive committee as well as the operations committee, that really gives teeth and integrity to the program and makes sure that all things are streamlined as far as outreach implementation and advisory capacities and streamlining MIECHV initiatives as well. It really keeps things clean and ethical and practical for the performance of the project.

So part of that advisory capacity and looking at what we do with the MIECHV initiative and the pay for success initiative is that we are continuously looking at-- we're very cognizant of outreach and recruitment. That is critical to the success of both pay for success and MIECHV. And then we sit at the technical assistance arm as well. So we continue to work with sites individually. And we partner very closely with NFP NSO to make sure that things like family recruitment and outreach are consistent across all sites and that the integrity is being-- through the project and evaluation that integrity is being sustained throughout all of the program.

And then as we have convened a state-wide continuous quality improvement learning collaborative through our MIECHV initiative, we've included all of our MIECHV sites and NFP sites as part of that. And so it continues to really help us focus on that family engagement piece to make sure that as we are recruiting families to be randomized into the project, that we are making sure that there are sufficient families and a valid amount of families that are being recruited and retained into the program moving forward, and that we're we will hit our target numbers as far as our MIECHV initiative as well as our pay for success initiative.

And I think that is all I have right now. I will be open to further questions a little later on, but I'm going to kick it back to Chris and let him tell you a little bit more about what the future of the project looks like.

Yeah. Thanks, Eric. So this is my last slide before we turn to Connecticut. So we are in year three of a four-year enrollment phase of the project. Following the end of the enrollment period in about 13 months, we'll work with our evaluators at the Jameel Poverty Action Lab at MIT that Eric mentioned. And they will be doing the formal evaluation of the impact of NFP in South Carolina.

So right now, we will soon be going into year four of our project with 13 months, again, left. We're really focused I think on four areas right now. One is continuing to enroll more women toward our goal of 6,000 women enrolled in the evaluation. We're at 4,000 right now. And that is a total of 6,000 in the treatment plus control group.

Number two, we continue providing substantial education and training to our nurse home visitors in support of the project outcomes that are being evaluated. So we're bringing in subject matter experts and other supports to continue to offer them regular training sessions virtually and in person.

Number three, we continue to increase our caseloads and the number of visits per day to ensure that we're reaching all of the moms and families who are interested and eligible for the Nurse-Family Partnership program. So really focusing quite a bit on our productivity and our efficiencies. And then finally, we're tracking our cost reduction efforts of the model in South Carolina.

So those are four building blocks that we are putting together so that when we close the enrollment period, we'll really look ahead to the next chapter of this which would be long-term sustainability of Nurse-Family Partnership in South Carolina, and have improved our impact and measured that through a rigorous evaluation. So with that, I'm going turn it over to Connecticut's team. And Catherine, I think you're going to offer some comments.

Yes. Good afternoon. Thank you, Eric and Chris. My name is Cathy Lenihan, and I work at the Office of Early Childhood here in Connecticut. I'm currently working with strategic planning in the Commissioner's Office. But before my move tool the Commissioner's Office, I worked in home visiting for about 10 years and more recently was the MIECHV program manager. So I am going to walk you through our rate card that we launched with our MIECHV contracts in January of 2018. So we're one year in, and we're actually on the third iteration of rate card expanding beyond MIECHV to our state-funded programs, and then another iteration of MIECHV that started in January 2019.

So here's a snapshot of Connecticut and of our MIECHV program. As you can see, we offer four different models-- Parents as Teachers, Early Head Start, Nurse-Family Partnership, Child First. Our programs are located throughout the state. We receive about $9.5 million in MIECHV funding each year. And as I walk through these bonus payments, you'll see that it was a small amount. We set aside about $250,000 with a little additional money from philanthropic organizations. So it really equals about 3% of the total contract values of our MIECHV program. What we've learned was not to underestimate the value of 3% as you're doing this.

So that's the snapshot of Connecticut. And then here what you have in front of you-- actually--OK, so here you have a-- this is a rate card. So for those of you who are unfamiliar with it and you heard Social Finance talk about rate cards, it's a tool to procure outcomes with in-home visiting contracts. And so our goal was to shift toward performance-based payment for outcome that generated value to families and society, supported two-generational impact, and were linked to administrative data. So if you think of what they were describing as a rate card, you can see in this we've defined our metrics or our outcomes that we were interested in-- safe children, caregiver education and employment, and full-term birth-- as well as really putting a definition to those metrics.

This is like a snapshot. What I will tell you is there's so much more that goes beyond this definition. We have a whole reference guide that was developed to help our programs understand actually what that definition means within the work of home visiting.

Additionally, we looked at understanding that our families all have different histories and different needs. We wanted to tier our bonus payments to account for that. So we have a low-risk family price. We used our existing assessments to develop that. And then we have a high-risk family price. So you'll see for safe children, providers can receive $90 for each family that doesn't have a substantiated case of maltreatment and $115 for those families that are considered high risk.

I think another thing to keep in mind when we were working through this is we were also incenting beyond just these metrics. And so as we were developing the metrics and the rate card, we were also putting in some other qualifiers. So for safe children and caregiver education and employment, the providers had to retain those families for 12 months to be able to get that bonus payment. And for full-term birth, what we were encouraging was early enrollment. Although some of our models brought families in prior to 28 weeks, not all our models did. And so along with saying we're going to pay for a healthy birth outcome for a baby delivered at 37 weeks gestation, we're also saying in order to qualify for that you need to enroll the family prior to 28 weeks. So all of these metrics not only have what's included in the definition but other kind of behavior changes, practice changes, that we were striving for within the contract.

And so as we started working with Social Finance in May of 2017-- and our partnership began because we received a TA grant through Social Finance which was funding by the Corporation for National and Community Services Social Innovation Fund. And they came to OEC in the spring of 2017. And the Office of Early Childhood has four different divisions-- well, actually we have five divisions that we count legal.

But what they did is they did an landscape analysis of OEC looking for the programs and the contracts that might be ready to do a rate card with. And so these are the considerations that they went through with us. And these are considerations I think other states can be thinking about as you're looking to see whether rate card might be an opportunity for you to move from what we were doing here in Connecticut, which was really doing contracts for process and compliance-- counting the number of home visits, measuring the number of assessments-- and moving towards more of paying for outcomes that were clearly defined for all our providers that had a bonus payment attached to that.

So looking at this, the first thing that we thought about was funding sources. And so within OEC, we had to look at the division that had the most flexibility with some of their funding and a large enough amount of contract payments that it would make a difference. And so I mentioned we're 9.3 in federally funded. We also have about $10 million in state funding for home visiting. We issue those contracts either on a yearly or every other year basis, so we have the ability to manage that, and we had a funding source that we felt was big enough.

We had to think about what outcomes. And when we were doing the outcomes, there were so many that we could consider, but we had to settle on ones in which we had the data, ones that were important for OEC for future contracting so that they had value to the agency, and thinking about the two-gen lens administrative data, and so these are some of those determinants of when we settled on the three that you saw.

The other big question was around data. Did we have historical program data? Luckily, for the Office of Early Childhood, our state home visiting program had been running for about 20 years. We had lots of data. And so Social Finance was able to take not only our MIECHV data that we had over the past five years but also to look at some historic data with our state-funded programs to help with the pricing and to think about how are we tracking these outcomes already.

Another critical piece around data was we have an internal early childhood information system that we have built. And so the timing was perfect for us because they had just finished the ECIS home visiting module when we were starting to think about working and rolling out rate card. So we had developed this module. We had developers within OEC. And so when we needed to when we launched rate card, we were able to tweak the ECIS system, add some additional reports, and make it useful for our providers as they were starting the rate card.

The next thing that we thought about was the contracting authority. And I touched on this a little when I was talking about funding source. But do you have the ability-- do you do your own contracts? We had to get approval from HRSA around this initiative that we're working on. So that's something that folks should be thinking about when they examine their opportunities for maybe doing rate card.

I think one of the most important pieces that we have found since we've launched it is thinking about how we engaged our service providers through this process. We did a very quick launch of rate card. So we started working with Social Finance and in the spring. They settled on home visiting in August. And we launched the first rate card just a couple months after that.

So it was really critical to work very closely with not only our providers but our central contracting unit. And we reached out to some providers and asked them, are these the metrics, are these the outcomes that are important to you, and kept them in the loop. As we were developing the contracts, we floated contract language to them and our central contracts unit to speed up the process.

And I think one other thing that we did-- the launch was one thing. It was very celebratory. We had a big event here. Commissioner was there, Social Finance came down. And so it's great. You have this big party.

And I think the most important piece after that is ongoing technical assistance that we provided, responses timely. When they had questions, we tried to respond. We developed frequently asked question guide for the providers so that we could think through and respond to them really in a timely matter.

And the third thing was we tried to minimize the data burden. As I said, we had just moved to a new ECIS system. And so they were familiar with it and we tried to make it so it wasn't an additional burden on them to do the rate card contracting and the data input related to that.

So with that, I think that is my last slide. I think Karen will open it up to any questions from the participants. And I thank you for your time.

Thank you, Catherine. I just want to say a special thank you to all of our presenters today. A lot of wonderful information was shared.

We do have a comment that came, and I just want to share. Some may say that preterm delivery rates reflect more of the population being served by home visiting programs rather than the effective home visiting, given a small effect of home visiting on preterm delivery in the case of MIHOPE Strong studies showing no effect. From that view, having high preterm delivery rates may mean that the home visiting programs are reaching the highest risk population, serving children with special health care needs, so that may not necessarily be a bad thing.

Thank you for sharing that comment. If anyone else would like to share any additional thoughts or comments, we welcome them. I see a few people now are making some comments in the chat, so I'm just going to let them come in.

Would also just like to direct your attention, as the questions are coming in, and we will go back to review those-- there will be a poll popping up. I'm going to ask, since the poll is loaded, if you plan to take an action step based on this webinar, yes or no. And then depending on your response on that first question, we would ask you to share what that action step would be. And if you do not plan to take an action step, what would have helped you in this webinar better be able to identify an action step? I'm just going to give you a minute to answer the poll and see if there are any other thoughts that come into the chat pod.

Karen, hey. It's Chris Bishop. I just wanted to make a comment that one of the aspects of our South Carolina project-- this is really to Zumi's comment. We are very focused on reaching women in defined low income zip code areas and so really focused on that highest risk, most vulnerable population. And that's one of the deliverables of the project and certainly holds true with our experience in serving those vulnerable women. They are most impacted by our home visiting programs. So I just wanted to offer that thought before we close out.

Yeah. Thank you, Chris, for sharing. That's very important.

We have another comment that came in. This looks like it's directed a little bit toward Catherine and also perhaps Nirav can jump in. Does the rate card payment provide enough funding to manage the infrastructure to run the program? If we currently are paying for compliance in which a large portion of the money is going toward infrastructure support, does the rate card still provide enough funding to support the infrastructure? Catherine or Nirav?

[INAUDIBLE]. Go ahead, Catherine.

Yeah. So our first iteration of rate card was bonus only. So it didn't have any impact on their typical MIECHV contract amount. And that was very important to us because what we were trying to do with rate card is shift from this output-related contracting to this outcomes-related contracting. We wanted it to be a positive experience. So it was set up as bonus-only payment.

I will say the second iteration which was done with the state-funded home visiting, there is a contingent payment of about 3%. So they get 97% of their actual contract. They earn that 3% through a contingent metric which actually is case load maintenance. And then they have the potential to earn more bonus on the same outcome. So I hope that answers the question around infrastructure funding.

OK. Great. Thank you.

We also have one more question. How do you structure your time? I'm sorry-- how did you structure or time your outcome assessments and payments? Was it annually or quarterly? Are there any stipulations on how bonus or outcomes pay is used by your provider, and can you share your support material? So a couple questions there.

Sure. So I'll do the last question first. We are happy to share our support materials as well as our contracts that we have put in place. I think some states have already reached out to us, but we're happy to share those.

It was based on the metrics. So caregiver education and employment and safe children, as I talked about we had that 12-month retention. So those are-- for the first iteration, they couldn't get that bonus payment until we had reached 12 months of a family enrolled in the program. And then they can receive it quarterly after that. For the full-term births, that occurs within the quarter that the birth takes place. And so they can bill for that, so that could be seen as a quarterly.

And then there were no stipulations on how they could spend the money as long as it was an approved expense by MIECHV. So we didn't give any other parameters except that it has to fall within an approved expense.

OK. Thank you so much. And just to be conscious of time, we have reached the end of the hour. I do want to again thank everyone for participating today, and thank our presenters. Please remember that there will be a listening session at the MIECHV all-grantee meeting next week on pay for outcomes. That will be on 2/26 at 3:30 PM.

And then also please do just remember that on the HRSA website, there are a lot of really useful resources around technical assistance. All of the webinars this year from HV-ImpACT and others have been posted along with other helpful for resources.

So please take some time to fill in the evaluation. And I'll see some of you next week at the all-grantee meeting. And thank you again for attending today.