

Bold Improvements to Enhance a Successful Pay-for-Success Program for Asthma

Next Generation Pay for Success - Optimizing Value Creation for Communities

INSIGHT *FORMATION* INC.

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Shifting to a New Mindset

- Grant-Seeking
- Investor-Seeking



- Value-Creating
- Boot-strapping Social Entrepreneur

What comes to mind?

- Minimize the need for early capital
- Creatively figure out how to get resources
- Build by generating profits

Creating a Market to “Buy Health”

- **Sellers of Health**

- **County Health Coalition**

- Reduced ED Visits
- Fewer Hospital Stays
- Fewer Missed School days due to asthma

- **Source of Funds to “Produce Health”**

- **Charitable Investors**

- Special type of PFS loan



- **Buyers of Health**

- **Health Plans**

- Reduced ED Visits
- Fewer Hospital Stays

- **Hospitals**

- Reduced ED Visits
- Reduce ED crowding
- Fewer Hospital Stays

- **Philanthropic Orgs**

- Fewer Missed School Days due to asthma

Priority: Create Value (and tap into it)

- Help other organizations make money, save money & win grants
- Produce as much asthma-related health as efficiently as practical
- Orchestrate “synergies” – Create value by aligning existing efforts
- Leverage technologies
- Engage the people you are trying to help as co-creators
- Make the most of what others have already created or paid for
- Minimize things that consume value (overhead)

Three Areas of Bold Innovation

- The **PRODUCT**
Innovative
Strategies to
Improve Health

- System-oriented
- At Scale
- Science-enabled
- Tech-powered
- Co-Produced



- The **Money**
Innovations in the
Funding Model

- Investors
- Customers

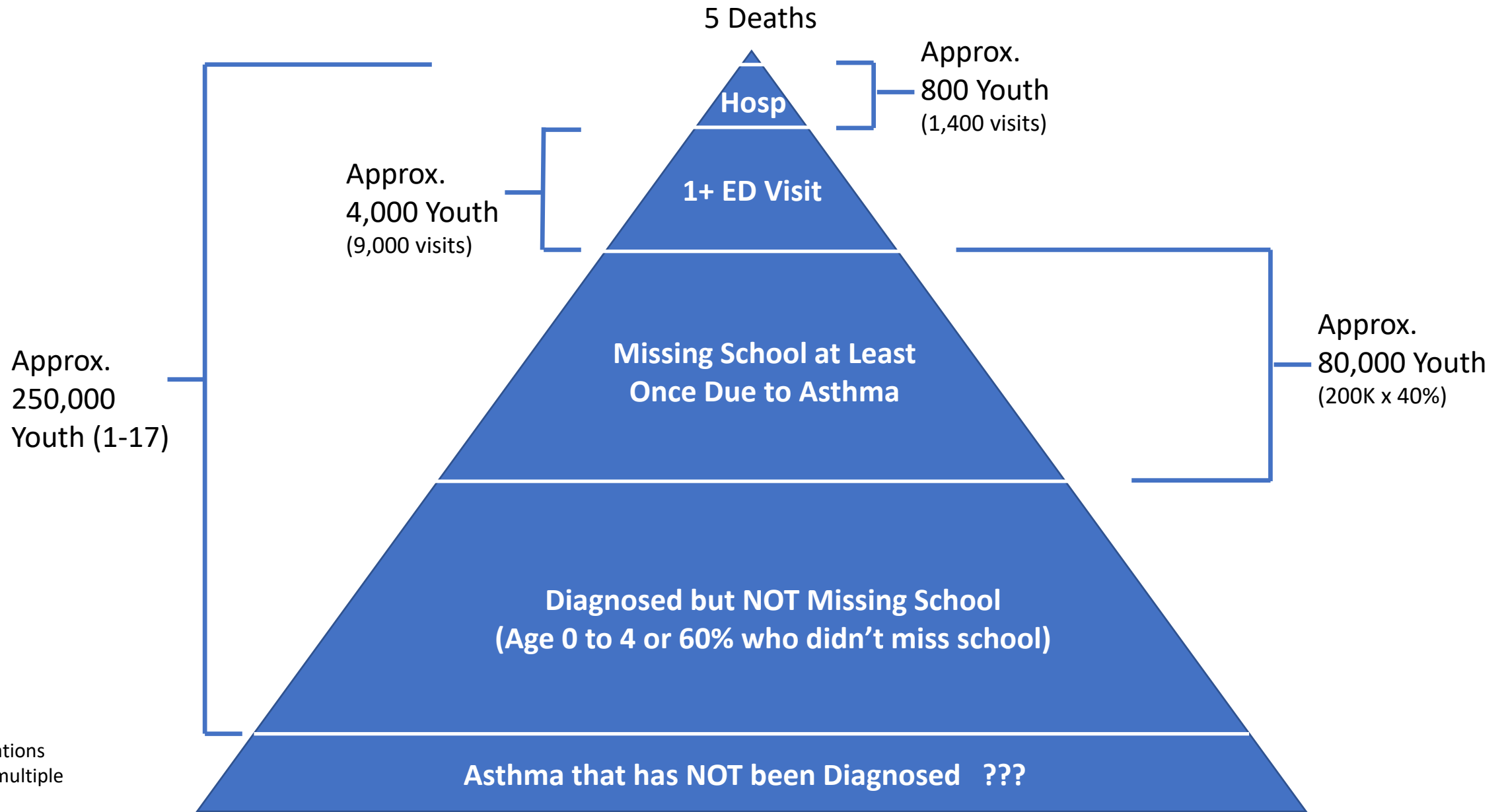
- The **MARKET**
Innovations in the
Funding Model

- Community-centered
- Streamlined
- New mechanisms

Product Innovation: Addressing Asthma “at Scale”

- Scale is needed to impact community health status
- Scale is needed to generate enough value to get the resources
- Designing “at scale” forces creative problem-solving
- It is often difficult to scale up a “solution” that was designed small

Annual Impact of Asthma in Inland Empire (1-17)



Approximations based on multiple reports.

Elements of Strategies that Consistently Get Results

Rapidly reduce ED visits and Hospitalization by 50% to 70%+ without changing big environmental issues.

- Education of Parents and Youth
 - Understanding the disease, symptoms, triggers and how to respond
 - Understanding types of medication, how to use inhalers, spacers, nebulizers...
- Household Trigger Reduction
 - Home assessments and plans to address triggers
 - Deep cleaning, mold mitigation, replacing old carpets, pest control, etc.
 - Education on use of cleaning products, pesticides, scented air fresheners
- Personalized Asthma Management Plans (AMPs)
- Household Supplies
 - Bedding, mattress & pillow covers, cleaning products
 - Air filters, dehumidifiers, HEPA vacuum cleaners
- Residential Structural Services
 - Fixing leaky roofs, sources of moisture, new HVAC, major repairs

Evidence-based models work, but are too expensive to easily scale.

Designing an Asthma Strategy “At Scale”

Traditional Approach to Asthma Interventions (1.0)	Innovative, Scalable Approach (2.0)
Focus on high-utilizing individuals (hundreds)	Focus on ZIP Codes with high rates of asthma (thousands or tens of thousands of people)
Multi-faceted approach for individuals, parents & the residences where they live	All that PLUS engagement of schools, neighborhoods and multi-family housing stakeholders

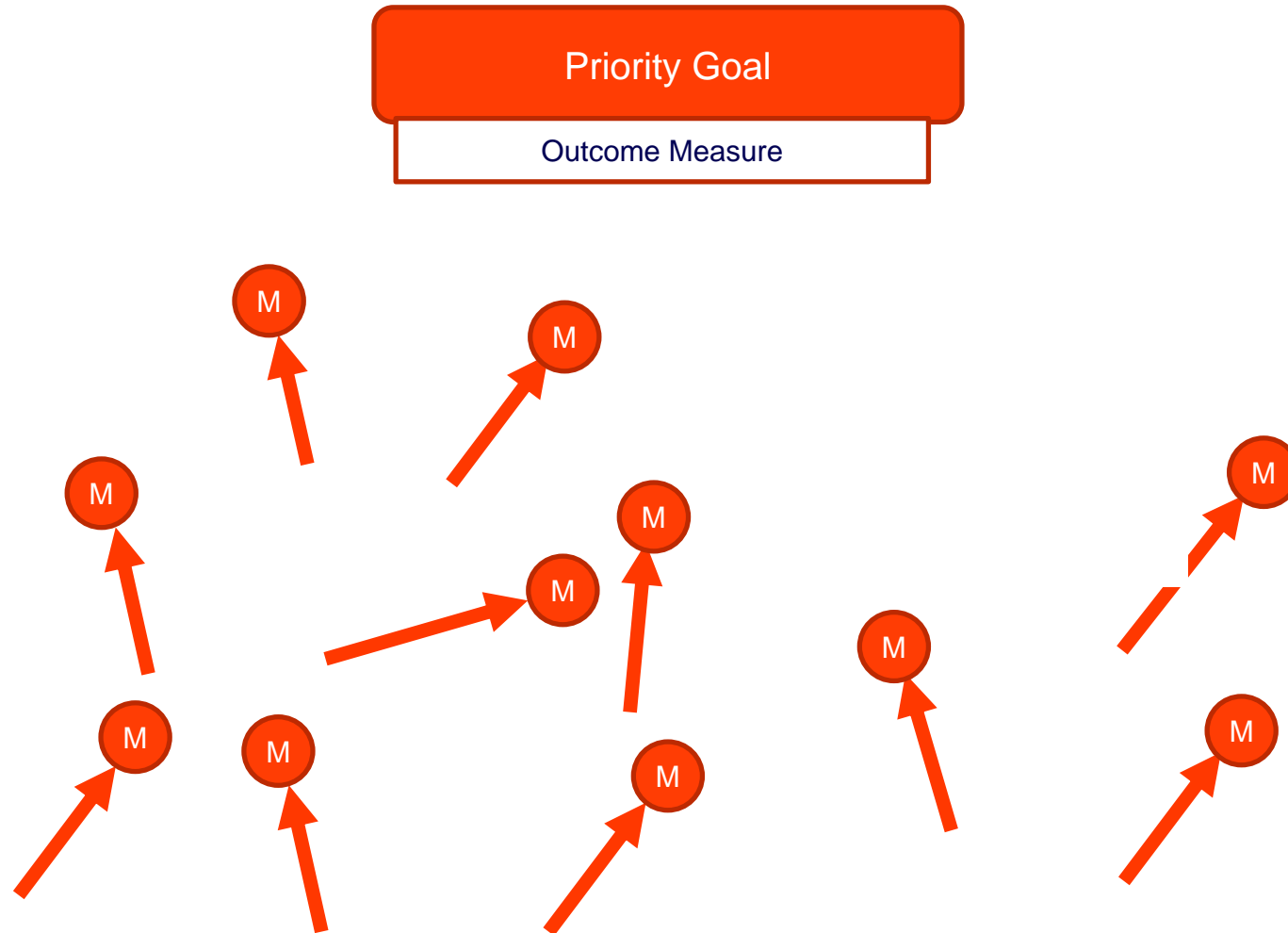
Innovations in the Funding Model

- Minimize the need for investor funding
- A strategy-driven and market-driven approach to getting resources (rather than being driven by funders)
- Get “in-kind” resources from many different beneficiaries
 - Schools, Businesses, Hospitals, Health Plans, Apartment Owners
- Sharing mindset (sharing ideas, digital assets, relationships)
- Tap into things already funded (things covered by insurance)
- Appeal to national funders (by creating tools that will be shared nationally)
- Find the best funding models with the least overhead costs

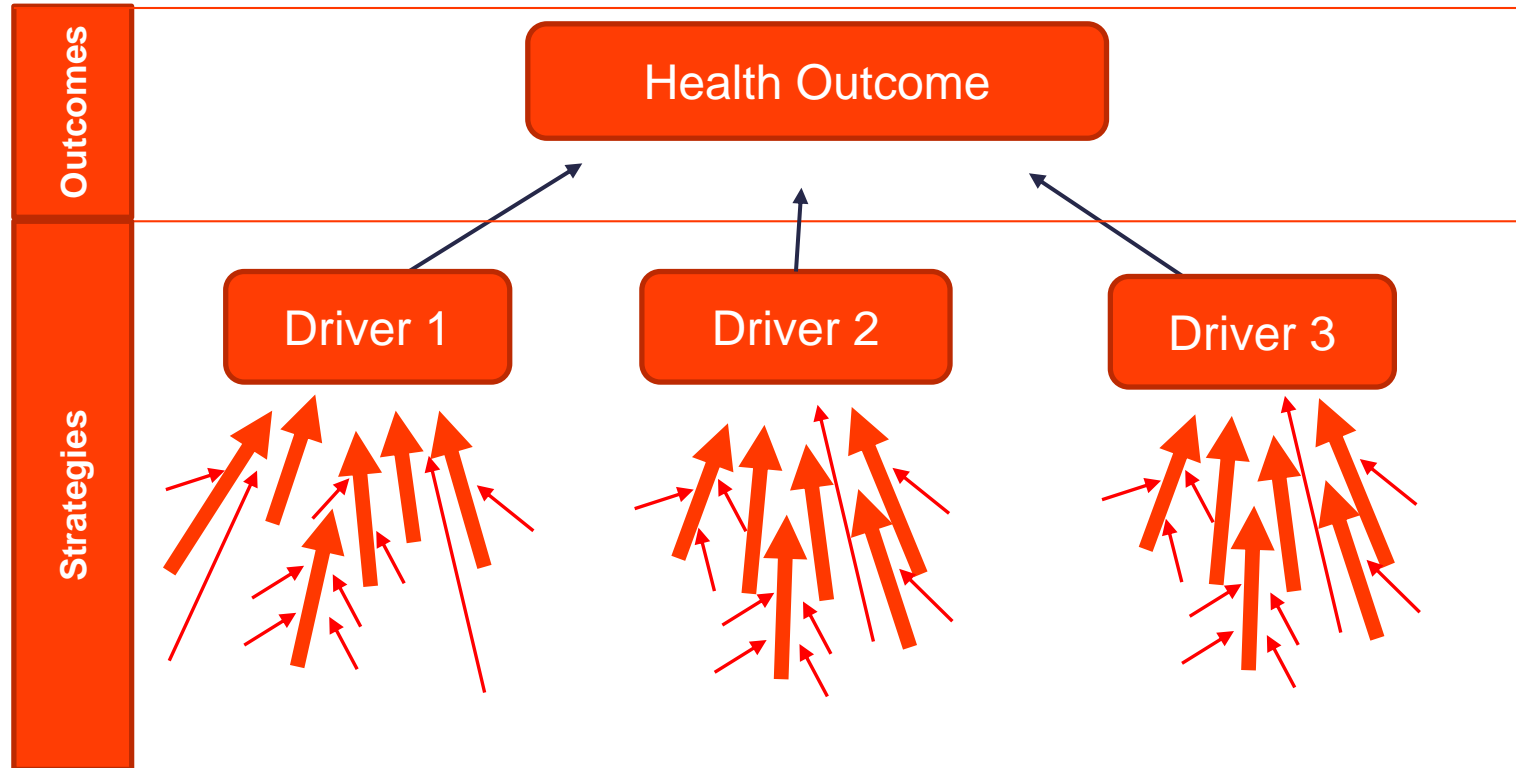
Innovations in the Financial Model

Traditional Approach to Pay-for-Success (1.0)	Innovative for Scalable, Sustainable Resources (2.0)
Investor dollars pay for most of the interventions	Investor dollars have a much smaller role, and largely pay for coordination and strategy management.
Success payment is high relative to the savings, because it needs to cover a large pool of funds for the intervention, plus overhead, plus the rate-of-return.	Success payment is low relative to the savings because the investor dollars were a smaller part of the intervention, overhead is low, and rate-of-return is lower.

PFS 1.0 Funds Isolated Interventions



PFS 2.0 Emphasizes Alignment & Teamwork

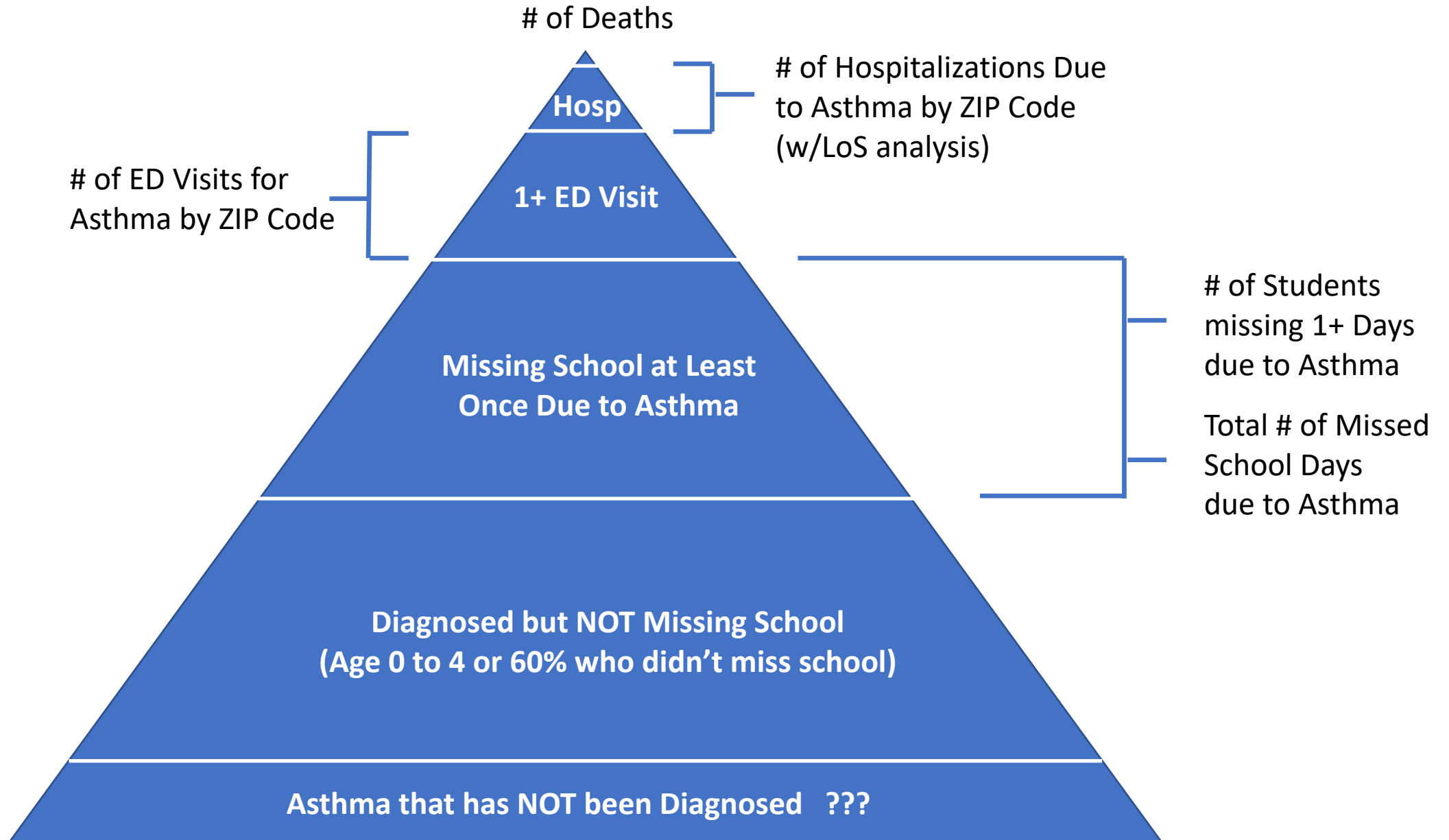


Coordination takes work, money and expertise, but the impact is very large.

The Products: Reducing Asthma in ZIP Codes

- Achieve Improvements in ZIP Codes or Clusters of ZIP Codes
- **Dollar Savings of ED visits and Hospitalization in Targeted ZIP Code(s)**
 - Health **plans** paying for care (including Medicaid)
 - Healthcare **providers** with low reimbursement rates (below cost, capitated models)
 - Plan + Provider organizations like Kaiser Permanente
 - Self-insured organizations
- **Quality of Life Improvements for Many People in the Targeted ZIP Code(s)**
 - Philanthropic organizations “buy health” to improve quality of life, school success, toxic stress, and SODH for youth and homes with asthma (reduce disparities)
 - Willing to fund successful interventions that have an impact but not financial return

Proposed Measures



Zero Marginal Cost (ZMC) Strategies for Everyone

- E-Learning platform with valuable training, tools and quizzes to monitor progress
 - Curate and organize good videos and guides (English & Spanish) and quizzes
 - Include instructions for using AsthmaMD App for the Asthma Management Plan
- App-Based Asthma Management Plans (with allergy-specific information)
 - Major improvement over a simple paper Asthma Management Plan
 - Rapid innovations and new capabilities
- Discounts on supplies and products
 - Leverage scale, sponsorships and minimizing the “middlemen”
 - Include training on optimal product use in the E-Learning platform (e.g. filters, pest management)

Self-Funding Strategies

- **High-Value Interventions Covered by Insurance**

- Allergies are a major driver of asthma episodes, ED visits and hospitalization
 - New allergy testing to understand triggers (low-cost options done in a Primary Care clinic)
 - New FDA-approved form of asthma shots can be administered at home with 6 visits to a primary care doctor for one year (vs. 100 + visits to an allergy specialist over 2 years)
- Replace hospital's low-margin asthma treatment revenue with new high-margin allergy testing and treatments

- **Use of a New On-line Referral Platform**

- Funded by a health plan – Called **ConnectIE**
- Enhance content for asthma, allergies, working with homes/landlords to address triggers
- Connect people with resources to support other needs (and reduce stress)

School-based Strategies

- Indoor Air Quality (IAQ) resources from EPA
 - Excellent, free smartphone app
 - Extensive free training & assistance
- Expand Use of these Resources for all Schools in the targeted ZIP Code(s)
- Many interventions quickly pay for themselves with energy & maintenance savings



Key Elements of the Strategy

- Target Zip Codes in Each County (Start with 3)
 - High rates of asthma
 - At least some cooperative organizations (Schools, CBOs, Non-profit Housing orgs)
- Multiple Levels of Outreach & Engagement for Individuals
 - Everyone in the county (or counties) with Zero Marginal Cost strategies
 - Everyone in the ZIP Code with asthma for the Zero Marginal Cost strategies
 - Students who missed 1+ days of school due to asthma or who had an episode in school
 - Households in targeted neighborhoods with pre-school children who have asthma
 - Youth who visited the ED or who were hospitalized (like Health Leads)
- Broad Community-oriented Interventions for the targeted ZIP Codes
 - School Indoor Air Quality (IAQ) improvements benefit all students
 - Outdoor air quality strategies benefit everyone in the area

School-based Groups for Families of Students

- Students who miss school because of asthma or have an episode in school would be referred to groups at their school or another school in their district
- Group programs build on all the ZMC strategies & tools
- Programs meet monthly in different schools, based on demand (20-60 people per group) for a 6-session series
- 20 groups x 50 people/group = 1,000 people
- View video content together (in English & Spanish groups) and discuss
- Volunteer guest speakers from healthcare providers
- Get products & peer support to address issues like old carpeting
- Some products or additional vouchers can be for completing E-learning courses (e.g. Credit to pay for a room air filter)

Creative Solutions to Reduce Resource Costs

- Innovative Partnership between a non-profit housing organization and a youth workforce development program
 - Tap into education & workforce development \$\$ to train youth in building trades
 - Provide mold remediation, roof repair and other services for homes and schools
- Product sponsorships for high volumes and great visibility
- Engage Students (High School, College & Grad Students) using tech tools



Trained students in new, low-cost tech tools

Integrated with smartphones and EPA's IAQ App

Combined with STEM Programs

Train students to do housing assessments

Example

- ZIP Code ##### has, over the past 3 years has averaged

- 100 ED visits for asthma for ages 1-17
- 20 In-patient hospitalizations for asthma
- 1,600 school days missed due to asthma

1x ED + 5x Hosp. = 200 Asthma Cost Index

- **Buying Health Purchase** (Pay for Success)

- 20% reduction in combined Asthma Cost Index
- 40% reduction
- 60% reduction
- 80% reduction

3 payment based on annual change achieved.

Purchase is split among financial stakeholders

Significantly less than their savings

- **Buying Quality of Life Purchase** (Pay for Success)

- 20% reduction of days of school missed due to asthma
- 40% reduction
- 60% reduction
- 80% reduction

Reward changes that have big social benefits

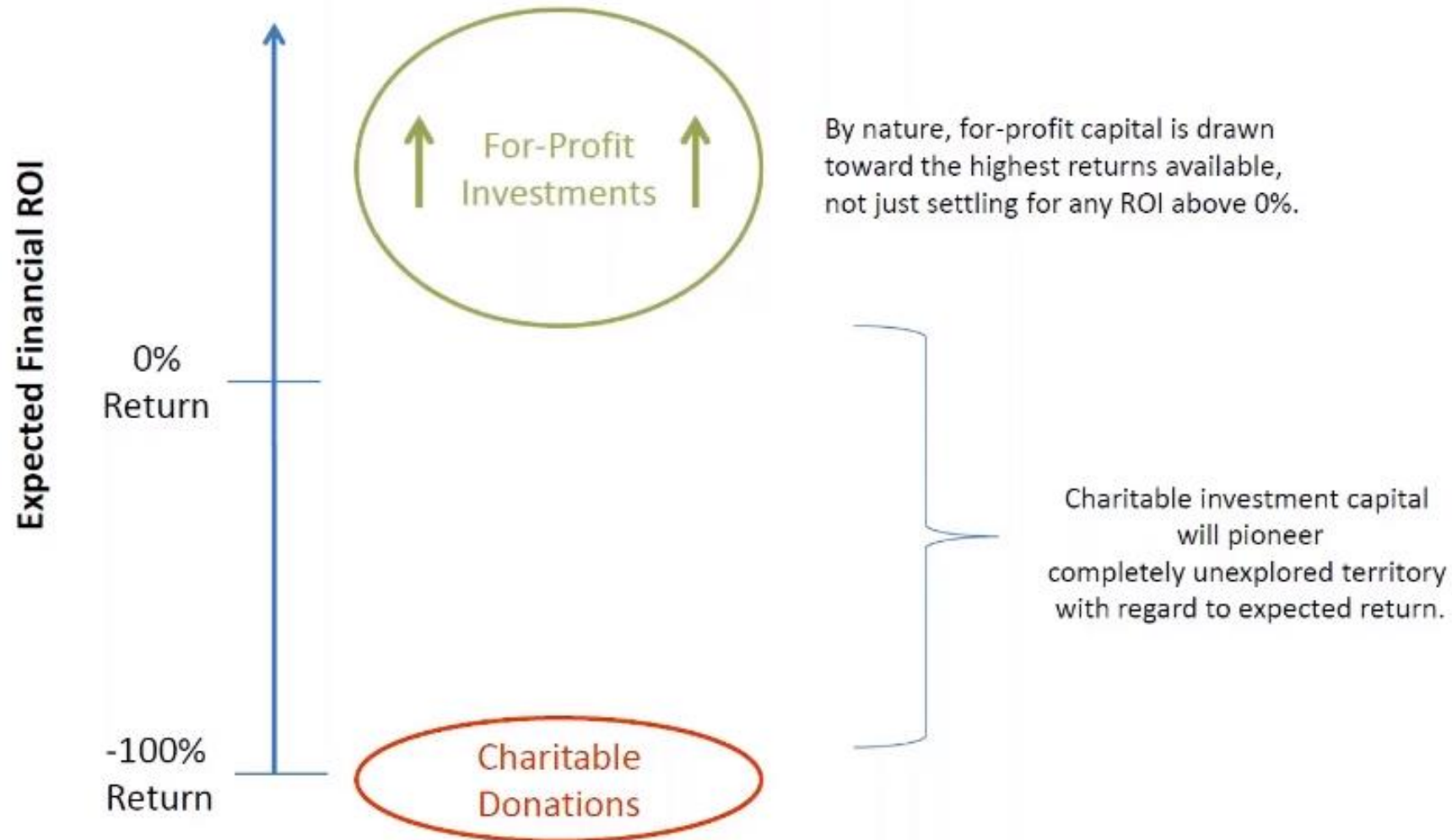
Help reduce the ED visits & hospitalizations

Venn Fund (special Charitable DAF)

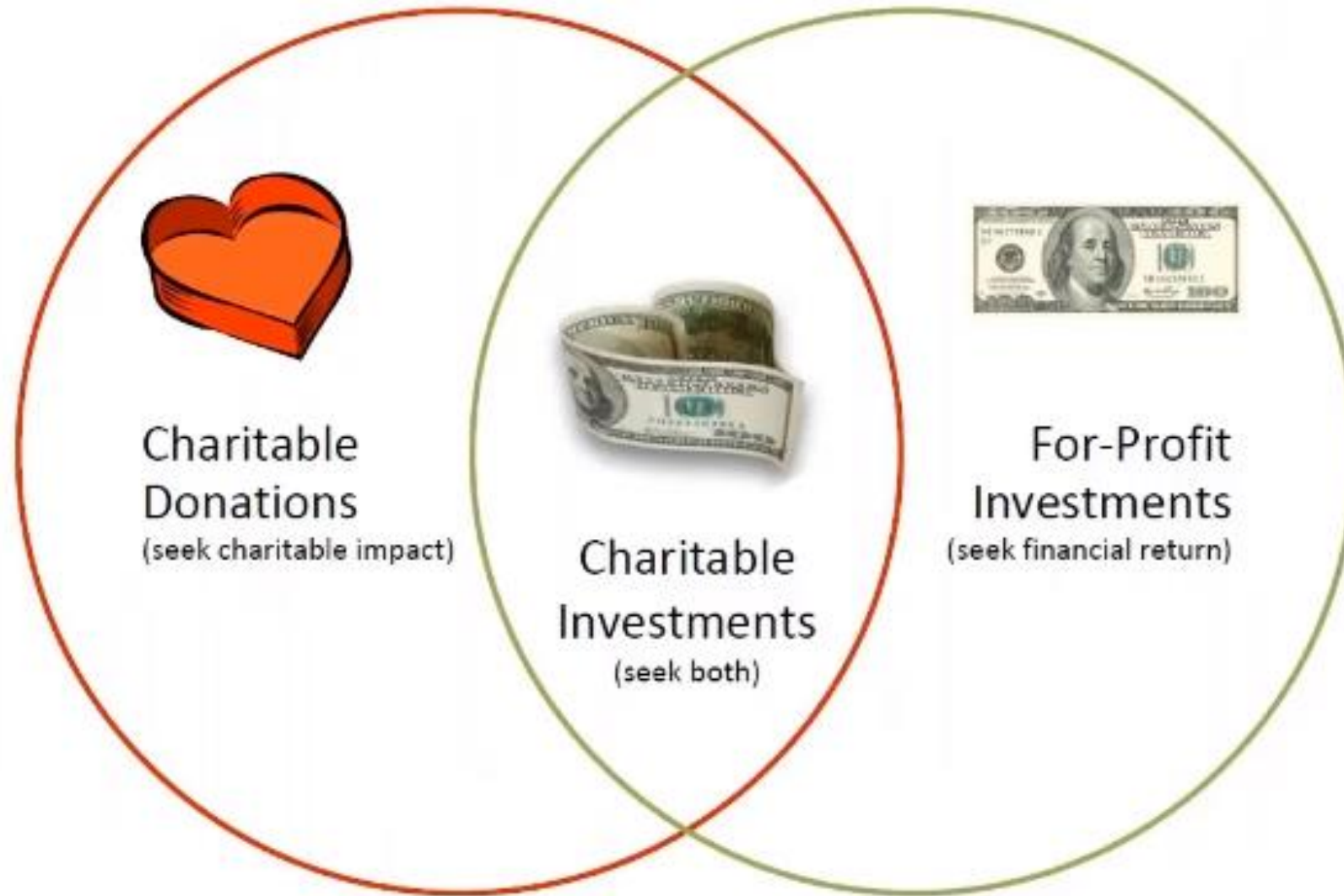
- Combines Program-Related Investments (PRIs), corporate donations, individual donations
- Donors get full tax deductions and foundations treat it like a grant (PRI)
- Used for high-risk, low-return investments for social good
- Donors retain control to keep re-investing
- Very low overhead
- Money can't be pulled from the charitable purpose

Charitable Capital

“Going where no capital has gone before.”

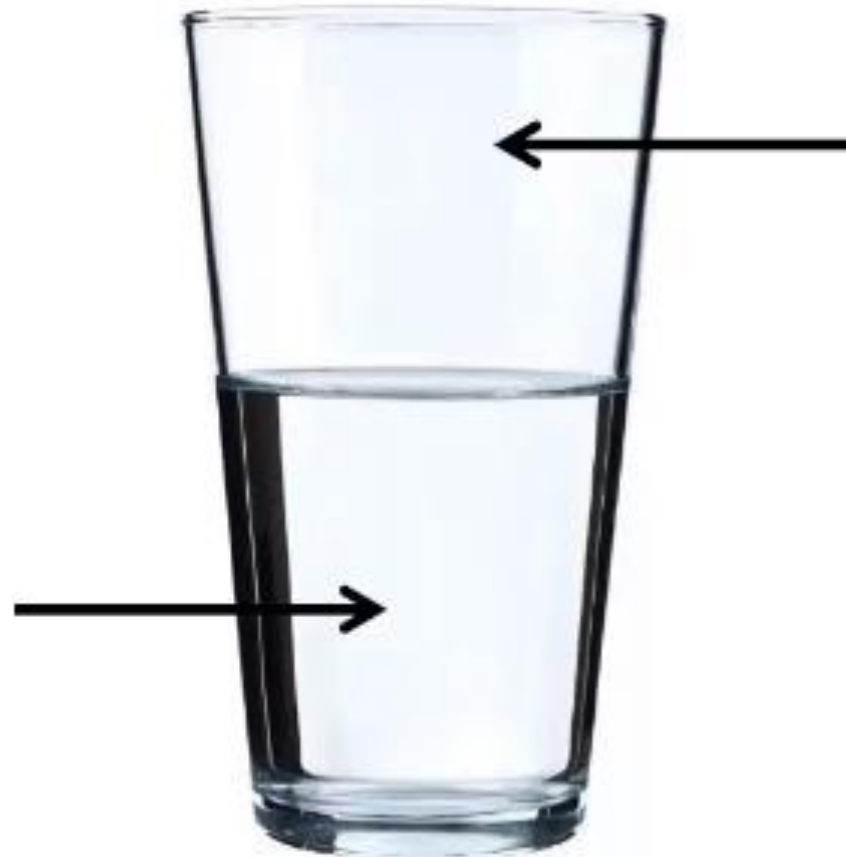


Charitable Capital



Charitable Capital

Hypothetical Investment
with -50% ROI



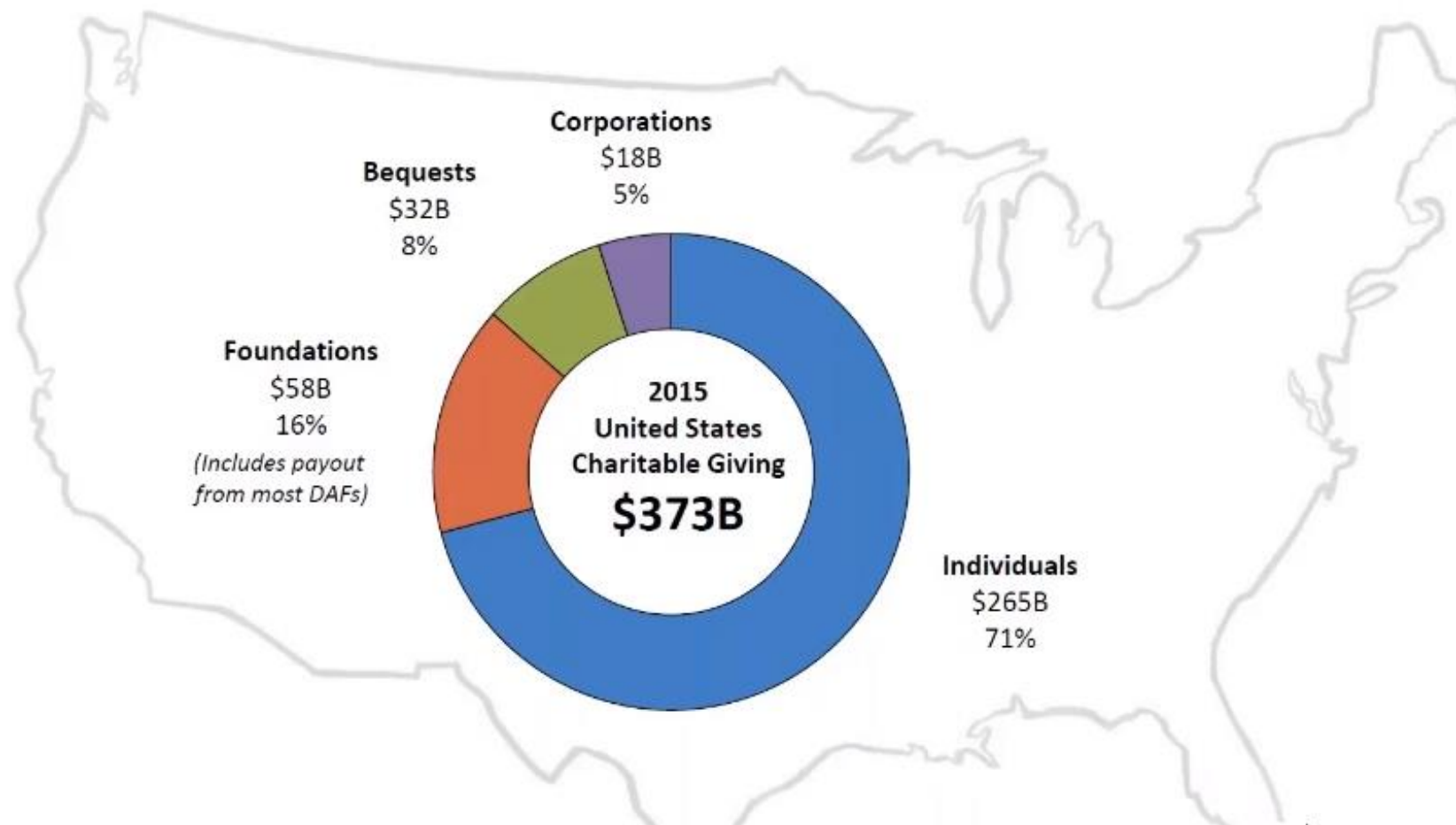
“Lose half? No way!”



“Return half? Do it!”

Charitable Capital

Around \$400B in new charitable donations is available for below-market charitable investing each year.

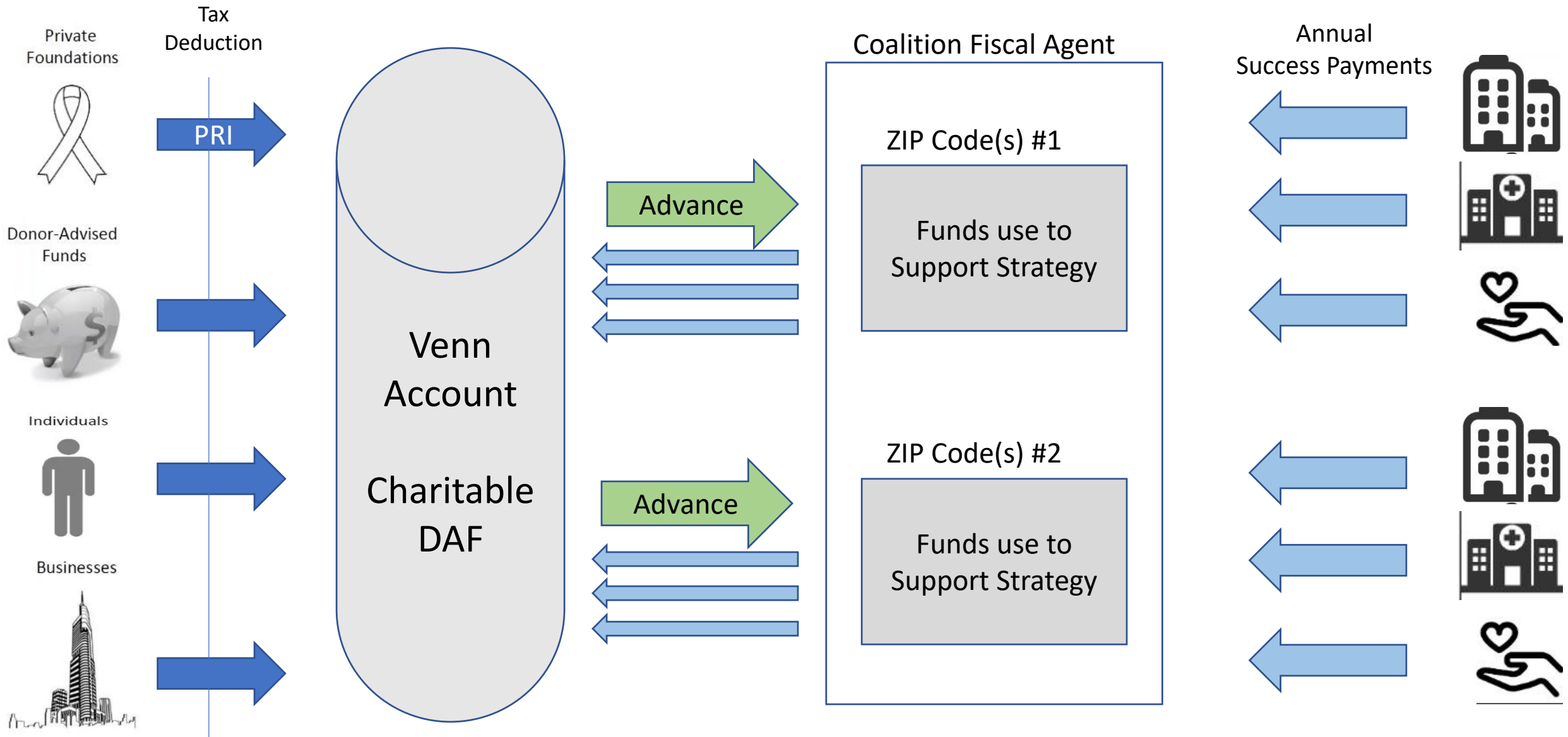


Source:
Venn
Foundation

Proposed “Loan/Advance” Structure

- Funds a mix of strategy management and interventions
- Relatively small share of the overall new resources going to address asthma in that ZIP code
- Pay back is 50% of the Success Payments over the 3 years (capped at 120% of original loan amount)
- Any remaining balance is forgiven after 3 years

Money Flow



Join the Population Health Learning Collaborative

www.ImprovePopHealth.org

Improving Population Health 

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Introducing a learning collaborative to accelerate community teamwork to improve population health

ImprovePopHealth.org is the Website for a new learning collaborative that will focus on **improving and accelerating the refinement and adoption of practices that will improve population health**. The initial focus is on current Community Health Needs Assessments, (**CHNAs**), Community Health Assessments (**CHAs**) and Community Health Improvement Plans (**CHIPs**) development and management practices. There are an extraordinary number of innovations that can greatly enhance each of these foundational practices, and this learning collaborative is a space for interested organizations and individuals to ***come together to share and learn***.

For More Information...

- Visit our Exhibit Table at this Conference
- Contact Bill.Barberg@Insightformation.com 763-331-8361
- Visit our Website at www.insightformation.com
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