Q: What would be different for a supportive housing provider in a Pay for Success (PFS)/Social Impact Bond (SIB) scenario compared to drawing down the forthcoming Medicaid supportive housing benefit through the 1115 waiver?

A: The Waiver benefit will fund a specific set of services that may not cover all the costs of offering supportive housing. Additionally, it is a targeted benefit that applies only to certain populations. A PFS scenario could use money to fill the gap between the Waiver benefit and the complete cost of the model, or, without a Wavier Benefit, cover the gap between current Medicaid services and the complete cost of the model.

Q: When does the service provider receive funds? What incentives are built into the PFS structure for providers compared to a status quo scenario?

A: During contract structuring, the parties' goal is to make sure the providers' costs for the model are covered by the elements of the contract. This allows the service provider to focus on delivering services rather than doing regular fundraising for the project.

Q: How will the potential savings from a project be used?

A: Initially, savings will be used to pay back the investors who provided upfront funding. After the contract ends, though, if the model is able to continue, potential savings could be used to expand to serve more people, or new populations.

Q: When do investors receive funds? Are outcomes short-term, or long-term, or both? If the project doesn't realize the projected savings, will the investor still get 100% of their investment back?

A: Investors are paid back as outcomes are met. Those outcomes can be both short-term and long-term, depending on how the contract is structured. If not all the outcomes are met, then, no, the investors would not get 100% of their investment back.

Q: Is there or will there be an intermediary/third party, or is it just Medicaid/MCOs? What are some examples of intermediaries?

A: In the model we are considering here in Washington, a third party would likely play the intermediary role. Medicaid and MCOs could be end payers, or offer other resources. Intermediary organizations can be any entity that has the capacity to act as a fiscal and project manager for the contract.

Q: Could PFS funds be used for capital expenses?

A: This has not been done so far in the US. We think it would be difficult to make work with the typical timeline for a PFS contract, but we welcome respondents' ideas.

Q: Are results available yet from any other PFS initiatives?

A: A pre-K PFS program in Utah has seen results and a payout to investors. For more information about current projects, you can refer to PayForSucces.org, or the HKS Government Performance Lab website.