

Pay For Success RFI  
Forum For Questions  
April 20, 2016

# Questions and Sound Check

## Questions

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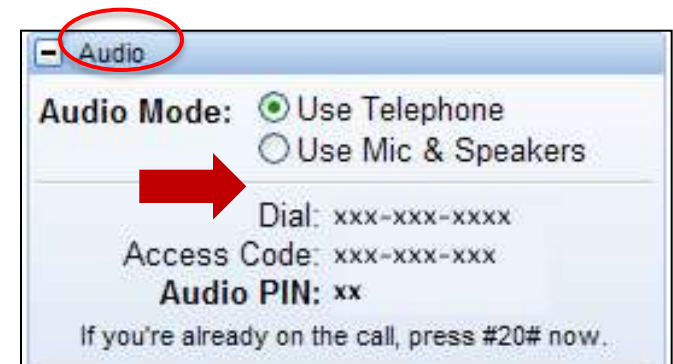
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# Presenters

- **Hillary Preston**
  - *Fellow, Government Performance Lab, Harvard Kennedy School of Government*
- **Jon Brumbach**
  - *Senior Health Policy Analyst, Health Care Authority*

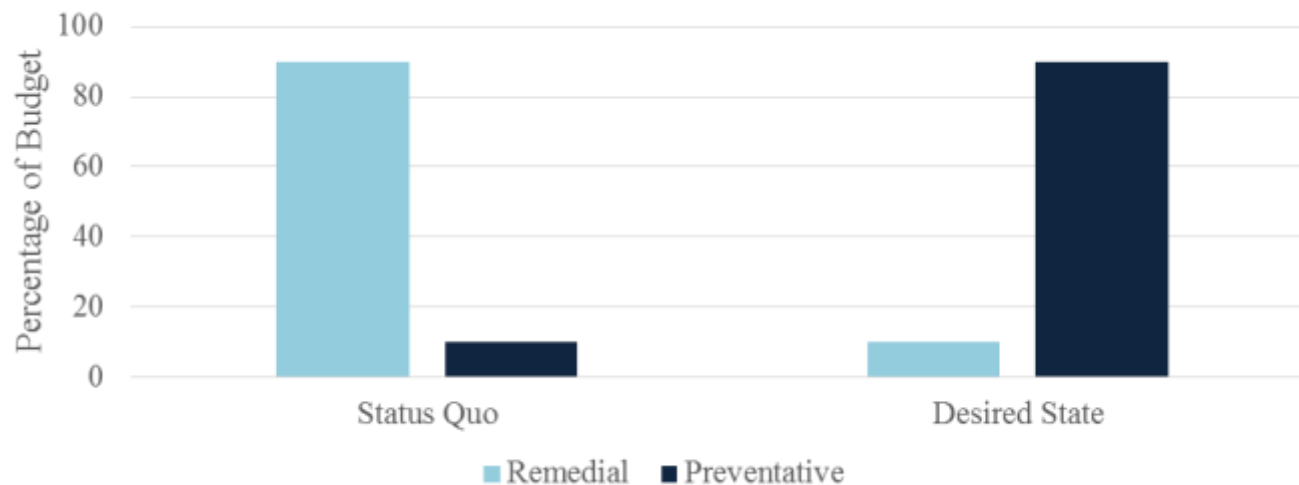


# Agenda

- Introductions/Connecting (5-10 min)
- Overview of PFS (5-10 min)
- Outlining RFI (10 min)
- Anticipated Questions
- Questions from you
  - Pre-submitted questions
  - Other questions submitted via portal

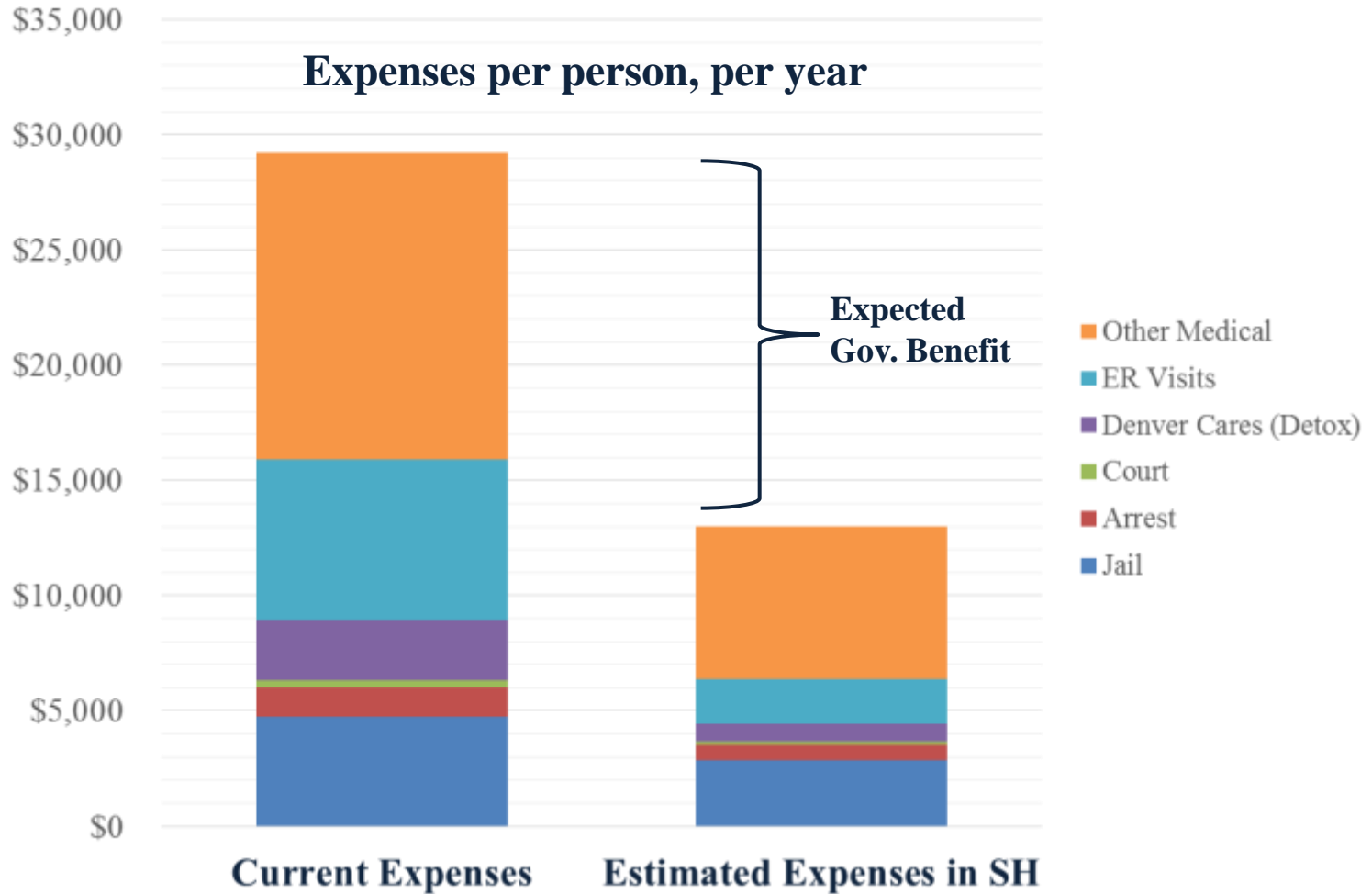
# Pay for Success

- Alternative tool for system transformation
- Key components:
  - End Payer pays on outcomes/savings
  - Upfront funding from private/philanthropic investors
  - Intermediary project manages investors and service providers
  - Rigorous evaluation
  - Building the case for Sustainability



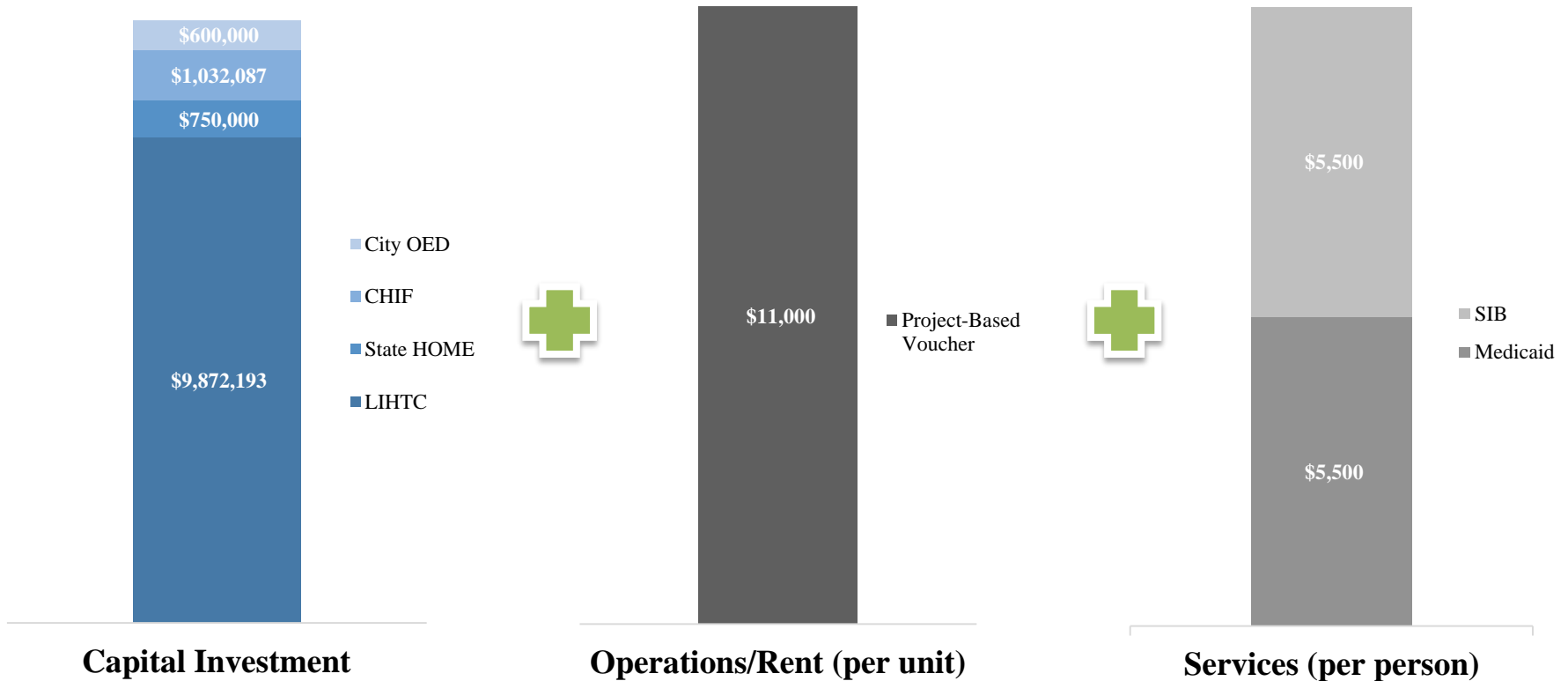
# Example PFS Project

# Costs: Homeless vs. Supportive Housing



\*Estimated expenses in supportive housing do not include the cost of supportive housing.

# How Funding Works (Example: New Construction)



**City OED**—Recently passed general fund dollars will be used to provide loan to the project.

**Colorado Housing Investment Fund (CHIF)**—CHIF general provides 1) short term, low interest loans to bridge the long-term permanent financing sources (a portion of loan may remain in the project as permanent debt) and 2) short term loan guarantees for new construction and rehabilitation.

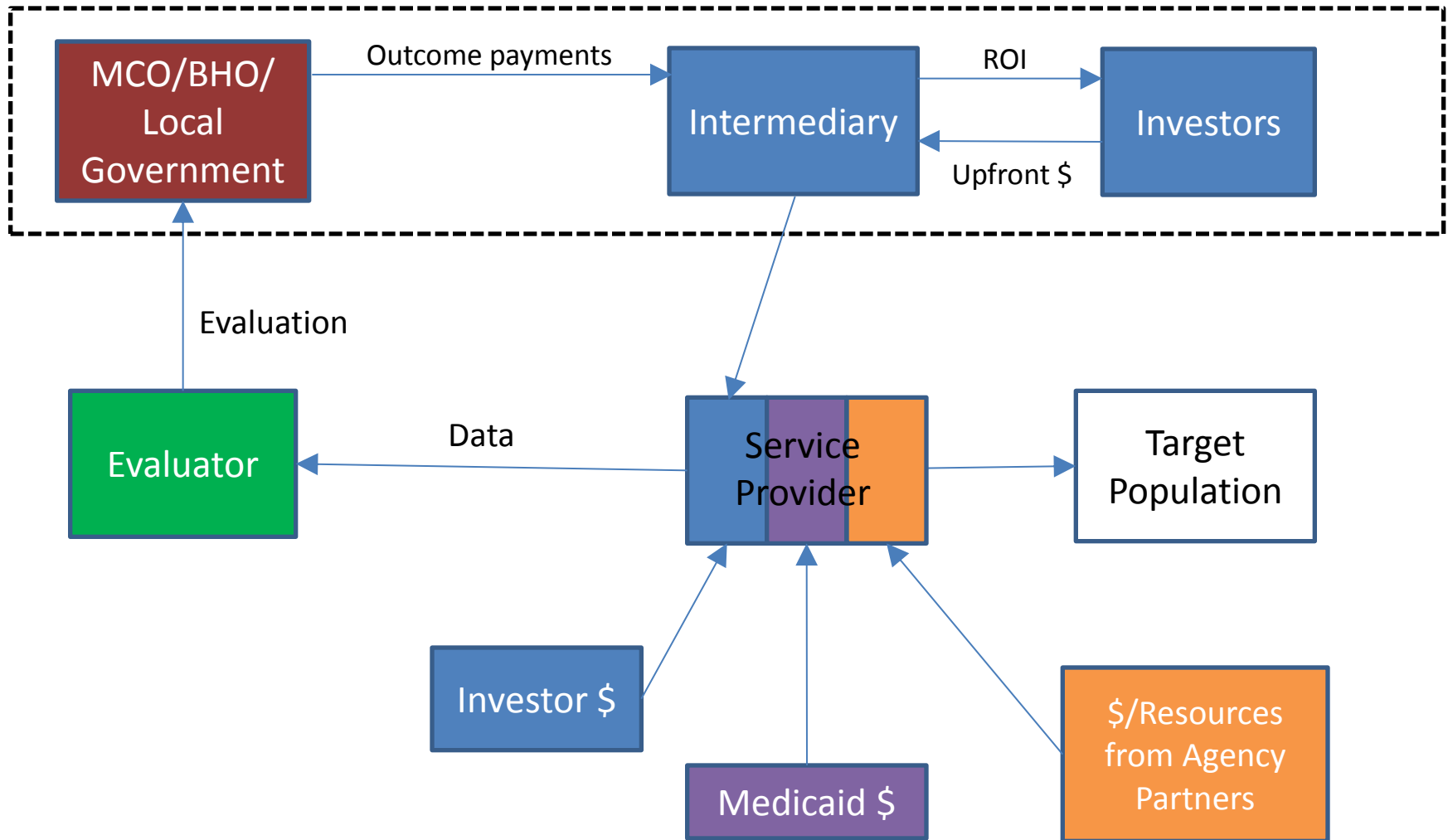
**HOME**—Federal dollars that fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people.

**Project-Based Vouchers**—Half provided by Denver Housing Authority, half provided by State Division of Housing.



# A New Idea

PFS





# Purpose of the RFI

- Possible outcomes of RFI
  - Landscape assessment
  - Path forward for model
- Why you should respond
  - Provide important context for further exploration
  - Help identify the most appropriate target population and/or intervention



# RFI Questions

- Supportive Housing
  - What savings have you seen?
  - For MCOs: What is the best way to capture your potential savings?
- PFS
  - What other resources already exist that could be better leveraged?
  - Would you welcome a partnership with the state in investigating PFS in your area?



# RFI Questions

- Ongoing Projects
  - Are you already looking at this/do you want to be looking at this?
  - Who are your partners?
  - What details have you worked out?
  - Do you have any funding gaps for the project that need to be filled?
  - Anything we didn't think to ask about?

# Anticipated Questions

1. What could the State's role be in PFS in this model?
2. How does this fit into the Healthier Washington vision, specifically the 1115 Waiver?
3. Is this only about homelessness?
4. Is this related to the recently-completed DEL PFS feasibility investigation?
5. Is there any money/contract attached to the RFI?

# Pre-Submitted

- What would be different for a supportive housing provider in a Social Impact Bond scenario compared to drawing down the forthcoming Medicaid supportive housing benefit through the 1115 waiver?
- What incentives are built into the SIB structure for providers compared to a status quo scenario?
- Could SIB funds be used for capital expenses?
- Are results available yet from any other SIB initiatives?
- Are you interested in social outcomes? Or just savings?

# Pre-Submitted

- Will there be outside evaluators and how will they be chosen?
- Our focus is chronically homeless young adults, i.e. 18-24 ( with a new program on LGBTQ) , can an agency have a specific focus or do they have to serve all homeless populations?
- How long will this be funded, i.e. how many years would the PFS contract be for?
- Who are the MCOs?
- Will there be a definition of “supportive housing”?
- Will there be a startup/scale in terms of numbers serves, savings achieved, etc. for example, in the first year you will achieve XX by xx date, by the second year you will achieve XXX by xx date and so forth. (performance outcomes that ramp up)
- If Medicaid and other government funds are blended for this project and the service provider already has government funding to provide supportive housing, this could become very “murky” as far as fiscal audits and tracking.
- What type of data management system would be used for tracking?

# QUESTIONS

Please use the online Questions pane to submit questions.





# Conclusion

- Next Steps:
  - Compile responses (**DUE MAY 6**)
  - Evaluate possible paths forward
- Feasibility as an ongoing process
- Helpful Links:
  - [HKS GovLab](#)
  - [PayForSuccess.org](#)
  - [CSH and Pay for Success](#)