


“PAY FOR SUCCESS” FINANCING TO IMPROVE POPULATION HEALTH




New York Academy of Medicine
October 28, 2014

Megan Golden
Senior Fellow, Institute for Child Success
Fellow, New York University Wagner
School of Public Service Innovation Labs
mgoldennyc@gmail.com



© Institute for Child Success INSTITUTE for CHILD SUCCESS

Social Impact Bonds: Key Features

-  Investors front capital to implement proven, cost-effective programs on a large scale
-  Government contracts to pay only for agreed-on, measurable RESULTS; payments repay investors
-  An impartial evaluator assesses whether results are achieved. An intermediary contracts with govt., investors & providers

1

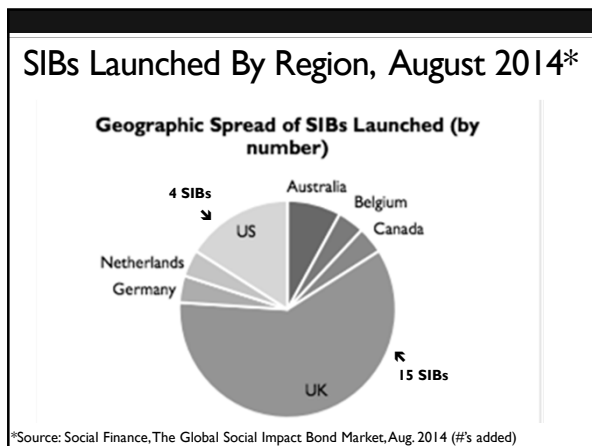
New York City SIB

- Target population** • 16-18-year olds leaving City jails
- Goal** • To reduce recidivism
- Intervention** • Cognitive behavioral therapy

NYC Payment Terms

Reduction in Reincarceration	City Payment
≥ 20.0%	\$11,712,000
≥ 16.0%	\$10,944,000
≥ 13.0%	\$10,368,000
≥ 12.5%	\$10,272,000
≥ 12.0%	\$10,176,000
≥ 11.0%	\$10,080,000
≥ 10.0%(breakeven)	\$9,600,000
≥ 8.5%	\$4,800,000

Source: NYC Office of the Mayor, Bringing Social Impact Bonds to NYC, Media Presentation, August 2012




SOUTH CAROLINA EARLY CHILDHOOD PAY FOR SUCCESS FEASIBILITY STUDY

September 22, 2013

Megan Golden, Consultant to the
Institute for Child Success

This study was made possible by funding from:
The Duke Endowment
South Carolina Department of Health and Human Services



© Institute for Child Success INSTITUTE for CHILD SUCCESS

Possible Health Outcomes for Nurse-Family Partnership PFS Contract

- Reduce preterm births
- Reduce ED visits for injuries in first 2 yrs
- Healthy birth spacing

6

Expected Pre-term Birth Reduction by Site

Assumes NFP reduces pre-term births by **27.4%**

Region	Current Rate	Post-NFP Expansion Rate
Greenville	11.2%	8.1%
Richland	11.1%	8.1%
Charleston	10.9%	7.9%
Orangeburg	9.7%	7.0%
Florence	13.8%	10.0%

Technical Assistance for PFS Financing: U.S. Social Innovation Fund



- 8 technical assistance providers
- Annual open competitions for jurisdictions interested in PFS financing assistance (beginning Fall 2014)
- Intensive TA for up to 12 months

8

Resources on Pay for Success Financing

- Institute for Child Success: instituteforchildsuccess.org/
- Nonprofit Finance Fund: payforsuccess.org/
- Federal Social Innovation Fund: nationalservice.gov/programs/social-innovation-fund/pay-success
- Social Finance US: socialfinanceus.org/
- Third Sector Capital Partners: thirdsectorcap.org/
- Harvard Kennedy School SIB Lab: hks-siblab.org/