Buffalo Childhood Asthma Pay for Success Project  
December 2016

Partners
Payer: YourCare Health Plan
Service provider: Community Foundation for Greater Buffalo
Community partner: Health Foundation for Western & Central New York
Technical assistance provider: Green & Healthy Homes Initiative

Project status
The partners have determined that a targeted asthma Pay for Success program is feasible, pending formal authorization from NY Medicaid.

Feasibility assessment
GHHI has determined feasibility across six categories and found that a Pay for Success transaction in Buffalo is moderately feasible. There is a strong partnership, ample potential capital available, but minimal evidence to date for partners’ combined services.

- Technical: Intervention aligns with current guidelines; team has no experience providing combined services
- Economic: Projections indicate economic feasibility; small size means variations can have a large impact
- Operational: Team has not yet implemented combined services; strong separate track records of success
- Sociopolitical: Team has proactively engaged key stakeholders; strong community support of project
- Payment mechanism: CMS and NY Medicaid are supportive; formal gain-sharing mechanism needed
- Capital availability: High potential to attract capital; two potential funders involved throughout feasibility

Feasible project scenario
- 3 year service period
- 435 total enrollees (3 cohorts of pediatric asthma patients)
- $1.02 million projected net benefit in medical costs over 10 years

Outstanding issue: payment mechanism
Under current policies, there exists a threat that if the PFS project successfully reduces YourCare’s costs, NY State Medicaid could reduce YourCare’s capitation payment without accounting for success payments that YourCare needs to make to PFS investors. GHHI, YourCare, and NY State Medicaid are in ongoing discussions on how to best structure outcomes-based payments to allow for appropriate gain sharing between all parties.

Path forward
- GHHI and NY State Medicaid are in ongoing discussions around payment mechanism issues
- If formal gain-sharing mechanism confirmed with NY Medicaid, team is interested in proceeding toward structuring a PFS transaction