Partners

**Payer:** University of Utah Health Plans (UUHP)

**Service providers:**
- Salt Lake County Office of Regional Development
- UUHP care management team

**Technical assistance provider:** Green & Healthy Homes Initiative

Project status

The partners have determined that a targeted asthma Pay for Success transaction is feasible and are moving forward with funder outreach and transaction structuring with GHHI as the Intermediary.

Feasibility assessment

GHHI has determined feasibility across six categories and found that the overall feasibility of a Pay for Success transaction in Salt Lake County is high. There is a strong partnership, a tested evidence-based intervention, and a favorable local ecosystem for innovation.

- Technical: Intervention aligns with asthma guidelines; team has positive evidence for combined services
- Economic: Economic projections show strong ROI, but variations in assumptions can have a large impact
- Operational: Team tested and refined combined services through small pilots, serving 18 homes to date
- Sociopolitical: Highly favorable setting for innovation; several local stakeholders supportive of project
- Payment mechanism: CMS and UT Medicaid supportive; formal gain-sharing mechanism needed
- Capital availability: Strong potential to attract investors; industrial banks have significant local presence

**Feasible project scenario***

- 3 year service period
- 450 total enrollees (3 cohorts of 150 pediatric asthma patients)
- $2.39 million projected net benefit in medical cost savings over 10 years

*Additional actuarial analysis will be performed in February 2017 with the inclusion of adults in the population. Parameters and projections will be refined and updated at that time.

Outstanding issue: payment mechanism

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

Path forward

- Team to begin transaction structuring activities, including capital raising, in January 2017
- Third phase of pilot will be begin in January 2017
- GHHI, CMS, UT State Medicaid, and UUHP in ongoing discussions around payment mechanism issues