Springfield Asthma Pay for Success Feasibility Overview
December 2016

Partners
Payer: Health New England (HNE) / Baystate Health

Service providers:
- Partners for a Healthier Community
- Revitalize CDC
- Springfield Office of Housing
- Baystate Pulmonary Rehabilitation

Technical assistance provider: Green & Healthy Homes Initiative

Project status
The project partners have determined that a targeted asthma Pay for Success program is feasible. The team is launching a pilot and engaging Massachusetts Executive Office of Health and Human Services (EOHHS).

Feasibility assessment
GHHI has determined feasibility across six categories and found that the project is promising for Pay for Success financing.

- Technical: Positive actuarial projections, previous program outcomes, less data from housing services
- Economic: Economic model projections show strong ROI
- Operational: Robust service provider partnerships and capacity to scale, but combined services are new
- Sociopolitical: Many stakeholders are supportive of innovation, asthma interventions
- Payment mechanism: Questions remain on who will be at risk with updated 1115 waiver in MA
- Capital availability: Potential funders have expressed interest. Partners have numerous local connections

Feasible project scenario
- 3 year service period
- 600 total enrollees (3 cohorts of 200 asthma patients)
- $1.8 million projected net benefit in medical cost savings over 10 years

Outstanding issue: payment mechanism
Project partners will engage EOHHS to discuss arrangements to ensure that the back end payer can provide outcomes-based payments based on savings from avoided acute care. EOHHS has finalized an 1115 waiver amendment with CMS that includes advancing accountable care through ACOs and Delivery System Reform Incentive Program. This will impact who is at risk for Medicaid members in Western Massachusetts, and how the payment mechanism will be structured.

Path forward
- Launch pilot to test process flow model and key budget assumptions
- Meet with EOHHS to determine payment mechanism that aligns with state Medicaid structure
- Secure transaction structuring resources and engage potential evaluators and funders