Healthy Homes: Unlocking the Potential through Innovative Funding

June 22nd, 2018

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Our History

Mission: Breaking the link between unhealthy housing and unhealthy families

1986 Parents Against Lead, a grassroots organization dedicated to fighting lead poisoning, is founded in Baltimore

1993 The Coalition to End Childhood Lead Poisoning begins with mission to end childhood lead poisoning in Baltimore

1997 Began nation’s first comprehensive healthy homes program

2009 Coalition launches the Green & Healthy Homes Initiative in 10 cities, now operating in 30 jurisdictions

2011 GHHI standards adopted by HUD and Interagency Task Force on Healthy Housing

2014 Develops first asthma Pay for Success project with Priority Partners to improve asthma outcomes

2015 EPA National Environmental Leadership Award for Asthma Management

2016 Adds Interventions for Older Adults

2016 Published Strategic Plan to End Lead Poisoning: A Blueprint for Action

2018 Portfolio of 20+ projects exploring innovative financing for healthy homes

Accomplishments

• 99% reduction of lead poisoning in Maryland
• 35 pieces of legislation passed
• 30 GHHI-designated sites across the country
• Over $320 million raised
• 597,000 integrated healthy homes, lead hazard reduction, and energy efficiency units in partnership with HUD
GHHI Healthy Homes Services

Assessment Team
• Environmental Health Educator
• Environmental Assessor / Energy Auditor

Comprehensive Scope of Work

Cross-Trained Inspectors and Contractors

• Lead Hazard Control
• Weatherization
• Mold remediation
• Integrated pest management: gel baits, glue traps, reducing entry points, cleaning/behavioral change
• Venting kitchen, bathroom, and dryer
• Removal or steam cleaning of carpets
• Air filtering system installed in child’s bedroom
• Air conditioners and dehumidifiers
• Structural repairs (e.g. plumbing, patching, carpentry)
• Injury Prevention (e.g. fall for older adults)
• Quality Assurance / Quality Control Assessment
The GHHI Model: “No Wrong Door”

**Align** services & funding

**Braid** relevant resources

**Coordinate** service delivery

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**System**
- Single intake system
- Comprehensive assessment
- Coordinate services
- Integrated interventions
- Cross-trained workers
- Shared data

**Philanthropy**

**Government**

**Private-sector**

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**Outcomes**
- Lead-hazard reduction
- Asthma-trigger control
- Household injury prevention
- Energy efficiency
- Weatherization
- Housing rehabilitation
- Aging in place

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**Align** services & funding

**Braid** relevant resources

**Coordinate** service delivery
GHHI National Footprint – 30+ sites in over 20 states
Innovative Funding Support for Integrated Energy, Health & Housing Interventions (non-healthcare related)

- Attorney General Funds
  - $2.3 million – Buffalo
  - $1 million – Syracuse
  - $1 million – Rochester
  - $697,000 – Rhode Island

- Settlement Funds $1.2 Million – Austin, TX

- Public Service Commission following utility merger:
  - $19.6 million to MD State Housing Department; and
  - $19 million to Baltimore City Housing Department

- Utility Funds – Constellation Energy Funds - $1 Million for furnace replacement and roof repair

- New York State Energy Research & Development Authority (NYSERDA) pilot project with NY Dept of Health and NY Medicaid

- Aging in Place Funding
### Building the Business Case

**Using Program Outcome and Impact Data**

<table>
<thead>
<tr>
<th>GHHI Baltimore</th>
<th>GHHI Philadelphia*</th>
<th>GHHI Cleveland**</th>
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<tbody>
<tr>
<td>• 66% reduction in asthma-related hospitalizations</td>
<td>• 70% fewer asthma-related client hospitalizations</td>
<td>• 58% reduction in asthma-related client hospitalizations</td>
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<tr>
<td>• 62% increase in asthma-related perfect school attendance</td>
<td>• 76% fewer asthma-related client ED visits</td>
<td>• 63% reduction in asthma-related client ED visits</td>
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<tr>
<td>• 88% increase in never missing work due to their child’s asthma</td>
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*Philadelphia work done by Philadelphia Department of Health

**Cleveland work done by Environmental Health Watch and Dr. Dearborn, Case Western Reserve University Medical School/University Hospitals
Insurer Costs

High-utilizer members with asthma have high costs for MCOs

Average Annual Cost to Medicaid Managed Care Company
$, thousands

Asthma costs
Managed care companies are paying between $7,500 and over $43,000 per year for individual asthma patients who have been hospitalized for respiratory issues.

Savings opportunity
Based on the research, we can save 40% of costs through comprehensive intervention strategies.
Health-related potential sources of funding

Developing an innovative healthy homes funding toolbox…

Medicaid, Chip Waivers & State Plan Amendments

Hospital Community Benefits

Pay for Success

MCOs and Value-based Payments

Medicare Advantage Plans

Administrative resources
## Medicaid Funding Pathways for Healthy Homes

<table>
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<tr>
<th>Pathway</th>
<th>Requirements</th>
<th>States</th>
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| CHIP Health Service Initiative – State Plan Amendment                   | • Must be within CHIP admin share  
• States provide portion of funding                                      | Michigan (lead), Maryland (lead and asthma), Indiana (lead), Ohio (lead) |
| Medicaid State Plan Amendment                                           | • Identifiable existing service codes and credentialed professionals to conduct services  
• Must be eligible services                                                | Missouri (asthma)                           |
| 1115 Waiver for lead services including window replacement             | • Budget neutral  
• Available statewide                                                       | Rhode Island (lead)                         |
| 1115 Waiver (Delivery Service Reform Incentive Payment Program)        | • Budget neutral  
• Available statewide                                                       | New York (asthma)                           |
| 1115 Waiver (health-related services / flexible services e.g. air conditioners) | • Managed Care pathway  
• Services included in Medical-loss ratio but not in the plan’s rates     | Oregon (asthma)                            |
Investing Community Benefit Dollars Upstream

- To maintain non-profit status, hospitals have to utilize resources for community benefit (traditionally used to cover loss for uninsured and underinsured patients)
- Every non-profit hospital has to do a community health needs assessment every 3 years
- Housing interventions are eligible community benefit activities

Pilot:
- Uninsured asthmatics who are frequent flyers
- Using community benefit and philanthropic resources to serve the patients
- Tracking the results: Do the patients’ utilization go down?
- If successful, will be scaled to the larger health system

✓ Medications
✓ Assessment
✓ Education
✓ Environment
✓ Sustainability
Amerigroup uses administrative funds to directly pay for services.

**Compensation:**
- The health plan pays for each member who is enrolled in the program:
  - 75% paid after the first home visit
  - 25% paid after month 5 of enrollment (after the two additional home visits are conducted)

**Services Provided:**
- GHHI provides “Tier 1” services, which include:
  - asthma education home visits and phone calls
  - home supplies,
  - environmental assessment, and
  - integrated pest management.
Value-based Payment Contracting Diagram

Value-based models can be combined with pay for success financing

**Government**

Capitation payments inclusive of value-based agreements
- Allows and includes value-based payments under set conditions.

**Managed Care Organization**

Value-based purchasing agreement
- Outcomes, savings, or risk based contract; and
- Requires actuarial evaluation of savings

**Providers**

Pay for Success Partners

Pay for Success Financing (optional)
- Open to negotiation
- Option for payment based on:
  - Risk-sharing,
  - Cost-savings, or
  - Other metrics.
- May need to abide contract with MCO

Required to be actuarially sound for CMS approval
Cash-gap

Advanced value-based purchasing arrangements let service providers innovate with no risk to Medicaid or MCOs but create a cash-gap

Service providers costs
- Service providers need capital to run their programs by the initial enrollments.
- May need funds to hire new staff and invest in new equipment as soon as signing the contract.

Service providers compensation
- Service providers don’t get paid until well after the services and only if they produce savings.
- Full compensation may not occur until after several payment cycles, which can take years.
What is Pay for Success?

Pay for Success (PFS) financing models are cross-sector partnerships in which private funders pay upfront for a social service and then government, healthcare, or other payers repay the investment if, and only if, agreed-upon outcomes are met.
The Pay for Success model
How does Pay for Success work?

Steps

1. Funders provide upfront capital to scale evidence-based services

2. Intervention results in a social impact, often cost savings, that the back-end payer values

3. Payer repays funders once outcomes are evaluated
Pay for Success across the nation
There are over 20 active PFS transactions across a range of issues in the U.S., with dozens more in development

Chicago: early childhood education
CT: substance abuse & family stability
CT: maternal child health
Cuyahoga Co.: homelessness/child welfare
DC: water runoff
Denver: homelessness
Grand Rapids: maternal child health
OK: criminal justice
LA County: criminal justice, homelessness
MA: criminal justice, employment
MA: homelessness
MA: workforce development
New York City: criminal justice
NY: criminal justice, employment
Salt Lake Co.: criminal justice
Salt Lake Co.: homelessness
Santa Clara Co.: homelessness
Santa Clara Co.: mental health
SC: prenatal care
UT: early childhood education
Overview of GHHI’s Social Innovation Work

**Feasibility ongoing**
- Chattanooga-green|spaces
- Philadelphia-Energy Coordinating Agency
- Worcester-UMass Memorial
- Oregon-Community Services Consortium
- Indiana-Indiana Joint Asthma Coalition
- Chicago-Presence Health
- Houston-Community Health Choice
- Rhode Island-State Medicaid
- Richmond Health District
- New York State Energy Research and Development Authority (NYSERDA)
- CT – Connecticut Greenbank
- IA – Des Moines healthy homes coalition

**Post-feasibility transition**
- Buffalo-YourCare Health Plan
- Grand Rapids-Spectrum Health
- Houston-UnitedHealthcare
- Memphis-Le Bonheur Children’s Hospital
- Philadelphia-Health Partners Plans
- Springfield-Baystate Health

**Funders**
- Robert Wood Johnson Foundation
- Corporation for National and Community Service
- United States Department of Environmental Protection
- Connecticut Green Bank
- New York State Energy Research and Development Authority (NYSERDA)

**Transaction structuring**
- Baltimore - Johns Hopkins Medicine
- Salt Lake County Office of Housing
- New York City – Affinity Health Plan
The Pay for Success feasibility project looked at a potential arrangement between Health Partners Plans, St. Chris, and healthy homes providers like PDPH.

- Allows service providers to **obtain necessary working capital to scale services**.
- **Shifts risk to external impact funders** who agree upfront to get repaid only if intervention successfully produces cost savings to HPP.
Key Findings from Feasibility Project

Project economics are promising; further work needed to develop payment mechanisms and service provider capacity.

Business Case

Strong ROI for patients who have been hospitalized for asthma.

- >1 IP: $20k+
- 1 IP: $10k+
- >2 ED: Average program cost is $4k to $6k per person
- 2 ED
- 1 ED

Payment Mechanisms

Other payment mechanisms in practice and in development:

- Community Based Care Management (CBCM)
- Room to Breathe

Moving Forward

**Funding toolbox:** CBCM may be the most straight-forward tool to use now.

**Remediation capacity:** There is room to build service provider capacity to meet the level of need in Philadelphia (i.e. hundreds per year).
We are building on the feasibility study by strengthening service provider capacity and continuing to work towards Medicaid reimbursement.

Advancing Pathways to Medicaid Reimbursement

- PFS feasibility study
- Transaction structuring
- PFS implementation
- EPA Business development
  - Reimbursement mechanism (CBCM, others)
  - Piloting (w/ remediation capacity)
- Medicaid reimbursement
This current project aims to expand local service provider capacity by leveraging ECA’s energy and weatherization expertise.
Key considerations for healthy homes programs when engaging healthcare entities

- Defining the population you serve
- Documenting your services
- Your capacity / scaling needs
- Value-proposition / business case / return on investment
- Identifying the evidence base
- Establishing a process flow
- Documenting your outputs, outcomes, and other metrics
- Information sharing
Discussion

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