

The Virginia Pay for Success Council Technical Assistant Grant Application

The Virginia Pay for Success Council (the Council), a group of dedicated business, government and non-profit leaders, and the Virginia Department of Health (VDH) are filing an application for a Pay for Success (PFS) technical assistance grant. Recipients of the grant will receive technical assistance from Third Sector Capital Partners, the leader in PFS finance, in conducting a late stage, intensive feasibility study of a proposed PFS pilot project. PFS finance is an innovative public/private financing tool to fund scaling-up evidence-based interventions with no or reduced risk to the government. The pilot project we hope to study with this technical assistance focuses on scaling-up prenatal counseling to reduce infant health costs. In addition, we hope the feasibility study and pilot project can demonstrate the utility of PFS finance approaches for possible application to other Virginia government activities.

The pilot project proposes to provide pre-natal counseling through home visiting to low-income Medicaid-qualifying pregnant women in four major population areas of Virginia: the Greater Richmond Region, South Hampton Roads, Northern Virginia, and the Roanoke Region. The primary goal of this pilot intervention project – and the primary metric on which outcomes and financial success would be based -- is reduced health care costs in the first year of the infant's life. Based on prior studies, the Council believes this pilot project has the potential to provide a measurable impact on desired outcomes and serve as a viable “test case” for pay for success models in Virginia.

If the application is successful, the Commonwealth proposes to form a PFS working group to support this feasibility study. The working group would be comprised of representatives of the Children's Cabinet, the Secretariat of Health and Human Resources, the Secretariat of Commerce and Trade, the Secretariat of Finance, VDH and the Department of Medical Assistance Services. This working group will work closely with the Council and Third Sector in making sure the appropriate constituents are included and heard, and proper assistance is provided, on behalf of the Commonwealth through the feasibility study phase and, if viable, implementation of the pilot program.

The Council has already secured confirmation of a \$25,000 matching grant from the Robins Foundation and is in active conversations with other private foundations as well. The Virginia Chamber has been fully briefed, is supporting the application and is looking for ways to help in the feasibility study and implementation. The VCHI has committed to considering whether this prenatal counseling PFS Project could serve as a sustainability model to be evaluated under the recently awarded \$2.6 million federal grant for developing a new statewide healthcare plan. There is great potential for this PFS Project to be complementary to and yield efficiencies with the VCHI grant work.