



## PAY FOR SUCCESS

### An Opportunity to Serve More Families

Too many low-income, first-time pregnant mothers and their children suffer from chronic poverty, poor health and other social conditions that carry a high price tag in terms of human toll and monetary costs. Nurse-Family Partnership (NFP) is an evidence-based nurse home visiting program focused on the health, well-being, and self-sufficiency of low-income, first-time mothers and their children. Four decades of research have shown NFP's favorable impact on pregnancy outcomes, child health and development, as well as mother's life course development. With approximately 34,000 families enrolled at any point in time, NFP is currently reaching only 9% of eligible families. By recruiting private capital to partner with providers and government, **Pay for Success (PFS)** presents a powerful opportunity to bring NFP to more families and help break intergenerational cycles of poverty.

## HOW PAY FOR SUCCESS WORKS



PFS is performance-based contracting where government pays only if key results are achieved. Private financing is used to bridge the timing gap between government payments and the upfront capital needed to run the programs. PFS (also called Social Impact Bonds) is one kind of social innovation financing in which funds are raised from investors to supply a service provider with the working capital to deliver their services that will benefit society. While structures vary, at the core of PFS is a three-way contract between government, a provider and investors in which investors provide funding upfront to pay for program services. Government is only required to pay back investors if and when the provider meets agreed-upon outcome metrics as determined by an independent evaluator.

## PAY FOR SUCCESS BENEFITS

### Reach More Families

Private capital can bring critical services to the highest risk communities, including rural and other underserved areas lacking funding

### Pay for Results

Government benefits by only paying for results. Government, families, and society benefit from positive outcomes and associated savings

### Multi-Year Funding Upfront

Service Providers receive multi-year, predictable funding upfront to support growth

### Positive Social Impact

Investors benefit from generating both a positive social impact and a potential return on their investment

# NFP AND PAY FOR SUCCESS

The Nurse-Family Partnership program model has been proven effective through a 40-year track record of research, evidence, and implementation. NFP focuses on serving low-income women pregnant with their first child. By partnering first-time mothers with a personal, specially-trained nurse home visitor who guides them in pregnancy through the first two years of their child's life, NFP has achieved remarkable results in improving the health and life-course of families living in poverty. However, with growing numbers of families falling into poverty, the demand for NFP services is outpacing our ability to grow with existing public and private resources. Pay for Success opportunities provide a way to scale the NFP program to serve more vulnerable families.

## Highlights:

- "Top Tier" evidence: Well-designed and implemented randomized controlled trials have shown that NFP produces sizable, sustained benefits to participants and society, as well as return on investment to government.
- Community-based, experienced service providers have the capacity to deliver NFP on a larger scale.
- The NFP National Service Office offers a performance-driven and outcomes-based infrastructure that supports replication with fidelity.
- As of 2018, NFP has served 280,000+ low-income mothers in 42 states, the U.S. Virgin Islands and 5 Tribal organizations in 594 counties nationwide.
- In 2016, NFP launched the nation's first PFS project to improve maternal and child health in South Carolina, extending services statewide to 3,200 Medicaid-eligible first-time moms and their children over a six-year period.
- NFP has undertaken PFS feasibility work in multiple states and counties across the U.S.
- NFP was proud to support passage of the Social Impact Partnerships to Pay for Results Act (SIPPR) in 2018. This groundbreaking federal legislation established the first funding stream and structure for states to advance Pay for Success projects. NFP will be working with state and local entities to explore opportunities for using SIPPR to serve more families through Pay for Success initiatives.

## NFP's Cost Savings and Return on Investment\*

NFP Cost per Family Served	\$ 9,403
Savings to State Government at age 18	\$11,738
Savings to Federal Government at age 18	\$15,160
Total Government Savings at age 18	\$26,898
Total Societal Savings <sup>1</sup>	\$60,428

<sup>1</sup>NFP's benefits to society are estimated to be \$60,428 taking less tangible savings (i.e. potential gains in work, wages, quality of life) into account along with resource cost savings (cost offsets to government, insurers, out of pocket payments by families).

## Key NFP Outcome Metrics

### Preferred<sup>2</sup> for PFS Projects:

- ✓ Closely-spaced second births
- ✓ Pre-term Births
- ✓ Child immunization status
- ✓ Child Injuries requiring Emergency Department (ED) visits or hospitalizations
- ✓ Gestational hypertension

<sup>2</sup>Based on feasibility, measurability, and timeframe of PFS projects

\*Ted Miller, Ph.D., Pacific Institute for Research and Evaluation, "Projected Outcomes of Nurse-Family Partnership Home Visitation during 1996- 2013, USA" (2015) and "Return on Investment in Nurse-Family Partnership Home Visitation in Scaled- Up Implementation" (2017). Associated Return on Investment Calculator dated 3/26/17.

## For more information on Pay for Success:

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Or Visit our Website: [Pay for Success - Nurse-Family Partnership](http://PayforSuccess.org)