



**Agenda Item 4
February 3, 2016**

DATE: January 26, 2016

TO: Children and Families Commission of Orange County

FROM: Christina Altmayer, Executive Director 

SUBJECT: Bridges Maternal Child Health Network Pay for Success Project

ACTION: Receive update on the Bridges Maternal Child Health Network *Pay for Success* Project and adopt resolution authorizing amendment to agreement with NetChemistry for continued technical services

SUMMARY:

The Bridges Maternal Child Health Network (Bridges Network) supports children’s success by identifying health and developmental concerns during the critical first years of life, and providing families with education, screening, and linkage to services including referrals for home visitation services by public health nurses and other professional staff. Through this model of prevention and early intervention, the Children and Families Commission of Orange County is helping children have the healthiest start possible and reducing the need for costlier, more complex intervention services. With decreasing Commission revenues, innovative approaches to program sustainability are necessary. The Commission has been exploring ways to diversify the program’s funding base, including innovative funding mechanisms such as “*Pay for Success*” contracts. At the same time, Commission staff and consultants have nearly completed the first phase of a program optimization assessment. This report provides a brief update on these efforts and requests authorization for an implementing action to extend technical services.

DISCUSSION:

Pay For Success Project Update

Over the past 18 months, the Commission has made substantial positive progress in developing an understanding of the *Pay for Success* model, securing project funding, and creating a more robust knowledge of the impact of the Bridges Network on families in Orange County. Key project milestones have included:

Fiscal Year 2013/14

- Received \$100,000 California Pay for Success Initiative technical assistance grant, launched by Nonprofit Finance Fund & James Irvine Foundation. This support allowed the Commission and partners to explore how to transition Bridges Network away from grant funding and into a reimbursable model grounded in the achievement of targeted health outcomes. The project Technical Assistance provider, Third Sector Capital Partners, Inc. provided a mid-point project update to the Commission in March 2015 including recommended next steps for continued progress on the feasibility analysis. The Final Report was submitted to the Commission in July 2015.

Fiscal Year 2014/15

- Received additional \$50,000 award from the Nonprofit Finance Fund and the James Irvine Foundation to support the analysis of Bridges Network data matched with data to document how Bridges clients perform on HEDIS (Healthcare Effectiveness Data and Information Set) measures. It is expected that the results of this data match evaluation will be available in March. This will mark an important milestone to determine whether the current data collection efforts allow for measuring the impact of the Bridges Network to the CalOptima member population.
- Received additional \$100,000 technical assistance award from Third Sector Capital Partners, Inc. supported by federal funding from the Corporation for National and Community Services (CNCS). The CNCS “Accelerating Assistance Award” will provide support through June 2016 to assist in validating outcomes, quantifying the impact of the Bridges Network, and exploring potential payment structures. This feasibility work is expected to finish in May 2016.

Regardless of whether the project results in a Pay for Success transaction, the awards have created significant value in strengthening the Bridges Network evaluation and program model. For example, the Pay for Success project has provided the Commission with the resources and technical support to conduct more in-depth evaluations of the Bridges Network and identify opportunities for improved efficiencies and processes. Additionally, through the Pay for Success initiative the Commission has developed an evaluation partnership with CalOptima to assess the impact of the Bridges Program on CalOptima members as well as opportunities to leverage federal funds (see Agenda Item 6).

Bridges Network Program Optimization

Through a structured process of surveys, site visits, and extensive input from Bridges Network partners, the Commission has been able to validate the program objectives, identify key outcomes, assess the programs alignment with the desired outcomes, assess program standardization, and conduct a gap analysis to inform the development of a process improvement plan. Staff and consultants, in conjunction with the Bridges Network program leadership, will develop a work plan for program optimization to address the following objectives:

- Improve data and outcome reporting
- Increase successful referrals and completion of services
- Implement process improvements

Technical Assistance Support

At the September 2015 meeting, the Commission authorized a contract with Health Management Associates (HMA), for a maximum funding of \$115,000, to implement a retrospective data analysis on the Bridges Maternal Child Health Network program, analyzing the experience of participants and non-participants in terms of utilization experience and related cost of care, and performing financial modeling and actuarial analysis. This work was funded through a \$140,000 California Pay for Success Phase II technical assistance award from the Nonprofit Finance Fund and James Irvine Foundation. The purpose of this grant is to complete the assessment and feasibility analysis for a Pay for Success transaction. The proposed contract amendment will change the primary contractor to NetChemistry, the Bridges Network system manager, who will in turn subcontract with HMA for completion of the work. This change in lead contractor is necessary to comply with existing data sharing agreements between the Commission, CalOptima and NetChemistry. This is an

administrative change and no additional funding is requested. Staff requests authorization to amend the Commission's agreement with NetChemistry for continued technical assistance in support of Pay for Success data and evaluation work.

Staff will return to the Commission with a comprehensive update on the *Pay for Success* project, Bridges evaluation, and program optimization findings and recommendations at the March meeting.

STRATEGIC PLAN & FISCAL SUMMARY:

The proposed action has been specifically reviewed in relation to the Commission's Strategic Plan and is consistent with the Healthy Children and Capacity Building goals. This action requests no additional funding.

PRIOR COMMISSION ACTION:

September 2015 – Received update on the Bridges Maternal Child Health Network Pay for Success project, authorize acceptance of funds from the Nonprofit Finance Fund, and adopt resolution authorizing agreements and amendment to agreements for technical assistance.

RECOMMENDED ACTION:

Receive *Pay for Success* project update and adopt resolution (Attachment 1) authorizing amendment to Agreement FCI-BN2-19 with NetChemistry for continuation of technical services in support of *Pay for Success* project for the term, amount and services.

ATTACHMENT:

Resolution: *Pay for Success* Initiative: Technical Services

Contact: Ilia Rolon

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ___-16-C&FC

February 3, 2016

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE EXECUTIVE DIRECTOR OR DESIGNEE AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE A FOURTH AMENDMENT TO AGREEMENT FCI-BN2-19 WITH NETCHEMISTRY INC., FOR CONTINUATION OF TECHNICAL SERVICES IN SUPPORT OF PAY FOR SUCCESS PROJECT; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AMENDMENT ON BEHALF OF THE COMMISSION

WHEREAS, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the “Act”) implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County (“Commission”); and

WHEREAS, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County’s children prenatal to five years of age as codified in the Act; and

WHEREAS, On February 5, 2014, COMMISSION awarded funding up to \$108,000 to Netchemistry, Inc. in order to provide Services for the period of July 1, 2014 through June 30, 2015, with the option to review for up to 2 years and entered into Agreement FCI-BN2-19 (hereinafter referred to as “Agreement”) with Netchemistry, Inc. (hereinafter referred to as “Contractor”); and

WHEREAS, On February 4, 2015, COMMISSION was awarded by the Nonprofit Finance Fund up to \$50,000 to provide services implementing the *Pay for Success* Initiative for the period July 1, 2014 through June 30, 2015. Of the \$50,000 awarded, COMMISSION awarded \$15,000 to Contractor and entered into a First Amendment to the Agreement; and

WHEREAS, On July 1, 2015, based upon February 5, 2014 action, the COMMISSION decided to exercise the option to award \$108,000 for the period July 1, 2015 through June 30, 2016 and entered into a Second Amendment; and

WHEREAS, Based on the Nonprofit Finance Fund award of \$50,000 referenced above, the COMMISSION decided to exercise the option to use the remainder of these funds in the amount of \$35,000, for the period July 1, 2015 through June 30, 2016 and entered into a Third Amendment with Contractor on July 1, 2015; and

WHEREAS, On September 2, 2015, COMMISSION authorized the negotiation of an agreement with the Nonprofit Finance Fund to receive funds of \$115,000 to further implement the

Pay for Success and to enter into agreements with named organizations for additional scope of work; and

WHEREAS, Based upon the \$115,000 award from the Nonprofit Finance Fund, Commission desires to authorize the Executive Director or designee and Commission Counsel to prepare and negotiate a Fourth Amendment to Agreement with Contractor for continuation of technical services in support of Pay for Success project in an amount and for the terms as specified in the February 3, 2016 staff report; and

WHEREAS, Commission has reviewed the staff report for the February 3, 2016 Commission meeting relating to the scope of services to be provided and hereby finds and determines that the proposed Fourth Amendment is in furtherance of and consistent with the Commission's Strategic Plan; and

WHEREAS, Commission desires to authorize the Commission Chair to execute the Fourth Amendment in an amount and for the terms as specified in the February 3, 2016 staff report.

NOW, THEREFORE BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:

Section 1 Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

Section 2 Commission authorizes the Executive Director, or designee, and Commission Counsel to prepare and negotiate the terms, conditions and final form of a Fourth Amendment to the Agreement with Contractor for continuation of technical services in support of Pay for Success project in an amount and for the terms as specified in the February 3, 2016 staff report for this Agenda.

Section 3 The form of the Fourth Amendment shall be substantially similar to the form of the standard Operational Agreement, subject to minor, non-substantive revisions as reviewed and approved by the Executive Director or designee and Commission Counsel. The approval by the Executive Director of the First Amendment shall be conclusively evidenced by the execution of such Amendment by the Commission Chair and delivery thereof to the Commission Clerk.

Section 4 Commission hereby approves the Fourth Amendment to Agreement to for continuation of technical services in support of Pay for Success project in an amount and for the terms as specified in the February 3, 2016 staff report of this agenda item.

Section 5 The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Fourth Amendment on behalf of the Commission.

Section 6 A copy of the final Fourth Amendment when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. The final executed Fourth Amendment shall be placed on file in the office of the Clerk of the Commission.

Section 7 In addition to the authorization of Section 2 above, the Executive Director, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and

appropriate to carry out and implement the Fourth Amendment, (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such Fourth Amendment, and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such Fourth Amendment in the furtherance thereof.

Section 8 The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on February 3, 2016 to wit:

AYES Commissioner(s): _____

NOES Commissioner(s): _____

EXCUSED Commissioner(s): _____

ABSTAINED Commissioner(s): _____

CHAIR

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

IN WITNESS WHEREOF, I have hereto set my hand and seal.

ROBIN STIELER
Clerk of the Commission, Children and Families Commission of
Orange County, County of Orange, State of California

Resolution No: __-16-C&FC

Agenda Date: February 3, 2016

Item No. __



I certify that the foregoing is a true and correct copy of the Resolution adopted by the

ROBIN STIELER, Clerk of the Commission

By: _____
Deputy

EXHIBIT A TO RESOLUTION OF COMMISSION

(Attach copy of final executed Fourth Amendment to Agreement FCI-BN2-19 with NetChemistry
Inc.)