COLLABORATIVE APPROACH TO PUBLIC GOOD INVESTMENTS IN HEALTH

Len M. Nichols, Ph.D.
Alliance for Health Policy
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COMMUNITY HEALTH

By Len M. Nichols and Lauren A. Taylor

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POLICY INSIGHT

Social Determinants As Public Goods: A New Approach To Financing Key Investments In Healthy Communities

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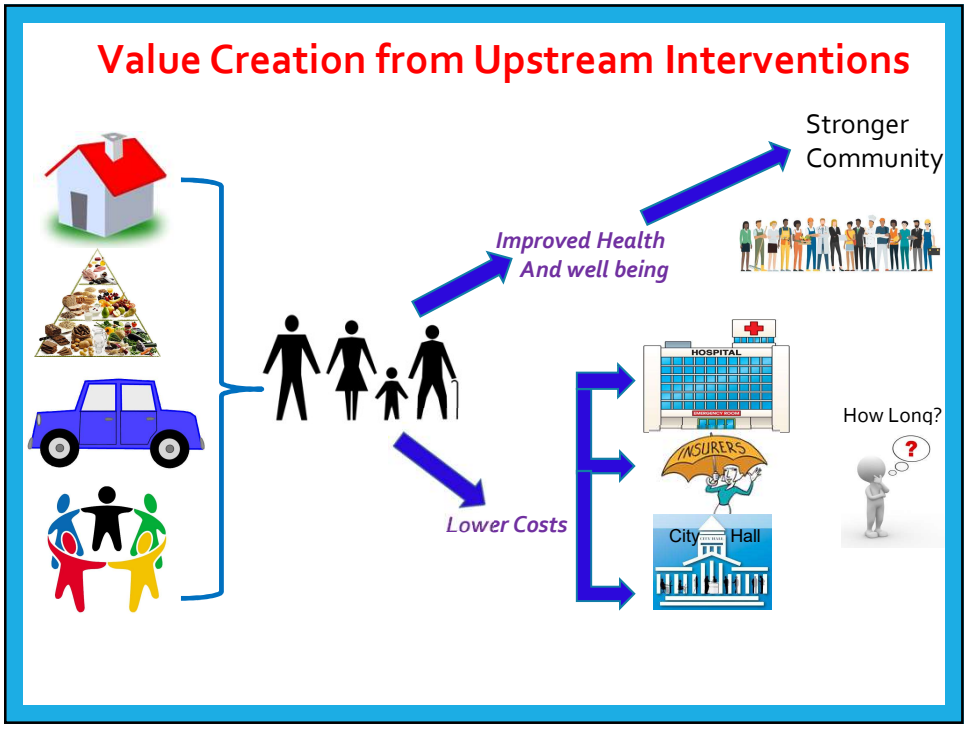

Fundamental Insights

- SDoH investments have public good-like properties => free rider problems
- Economics profession worked out a functional solution to the free-rider problem in the 1970s, Vickrey-Clarke-Groves (VCG), which works under 2 conditions
  - Operational local stakeholder coalition
  - "Trusted Broker"
- Those conditions are likely to be present in many communities grappling with SDOH/HO deficits today
- Key elements of VCG auction model:
  - Reveal willingness to pay to the trusted broker *only*
  - If project is economically feasible, it's possible to have all pay less than they are willing to pay, and still collect enough to pay for the intervention
    - Contributions and Sustainability are based on enlightened self-interest

Teaching the Model and Processes

The Feasibility Study as a Whole

- Communities will look to themselves and our model to assess their commitment and suitability of our model and processes for them
- We will assess communities' and stakeholder coalitions' fit with the requirements to implement, test, and evaluate our model and processes, using publicly available data and conversations
- We will engage and learn of mutual interest in site visits to learn more about possible implementation in specific communities
- Site visits would occur in late 2019/early 2020
- In Spring of 2020 we will help the willing and able write proposals for TA funding to implement and test the model
- We will write a "lessons learned" paper in mid-2020 as a roadmap to future implementation

Challenges, Next Steps, Questions?

- Can sufficient trust, and willingness to share the surplus/ROI, be nurtured, enhanced, and channeled into CAPGI-type efforts?
- Will CMS let Medicaid MCOs and MA plans, *and* FFS Medicare, spend $ upstream to the extent they may come to want to?
- Will state Medicaid agencies sabotage efforts by cutting PMPM instead of sharing savings?
- Will CFOs believe the literature applies to their people/data?
- Will people believe they can work together, collaboratively, again?