

FOR IMMEDIATE RELEASE

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David Wasch, CHEFA
860-520-4700
dwasch@CHEFA.com

CHEFA Wins Prestigious Technical Assistance Award to Study Chronic Emergency Department Usage and Potential for New "Pay for Success" Financing Model

Hartford, CT – CHEFA (Connecticut Health & Educational Facilities Authority) today announced it was selected for a competitive training and technical assistance (TTA) award from the Urban Institute. Urban's TTA is designed to address data-related challenges and support CHEFA's ongoing exploration of new ways to fund programs designed to reduce repetitive emergency department use and potentially generate cost savings.

A feasibility study is the first step as CHEFA explores a new innovative Pay for Success (PFS) financing program in 2018. The Pay for Success model engages the public, private and non-profit sectors to fund development and implementation of social service programs that result in cost savings.

"The Pay for Success model is a cutting-edge approach to funding solutions for important societal problems," says Jeanette Weldon, CHEFA's Executive Director. "We're excited to apply CHEFA's experience in financing the healthcare sector to such an innovative program. Through partnership with key stakeholders in the public, private and government sectors, we can bring finance and philanthropy together to address complex social issues in Connecticut. We believe this initiative, which addresses chronic emergency department use, could result in real benefits for our state's hospitals and the people they serve."

One approach to reduce repetitive emergency department use by patients with substance abuse and mental health issues involves hospital-based Community Care Teams (CCTs). These teams link patients to appropriate community services for housing, ambulatory and rehabilitation care, and mental health services. By redirecting these types of repeat users to non-emergent settings, there can be significant cost savings, as well as reduced workloads for hospital emergency departments.

Through the award, the Urban Institute will provide technical assistance on data challenges to help CHEFA explore the potential of new or expanded hospital-based Community Care Teams. One of the first activities of the award was a forum for policy leaders and stakeholders to discuss the benefits of PFS and the data challenges currently facing CCTs.

Among the speakers was Commissioner David Wilkinson of the Connecticut Office of Early Childhood. In his previous position at the White House, Commissioner Wilkinson oversaw the Social Innovation Fund. "PFS helps overcome the barriers to implementing innovative

programs by allowing government to pay only when its targets are met. It can reduce financial risks to government and it builds evidence about what works”

“We’re excited to partner with CHEFA and other important CCT stakeholders in the state. CHEFA’s application highlighted the strength of their existing partnerships and opportunities to enhance existing data infrastructure. While this collaboration is designed to advance CHEFA’s PFS planning process, we hope there are benefits beyond this one project.” says Kelly Walsh, Principal Policy Associate and Urban’s project co-lead.

About Pay for Success

Pay for Success engages the public, private, and non-profit sectors to develop and implement social service programs. It shifts the financial risk from a traditional funder – usually the government – to socially conscious investors who provide up-front capital to evidence-based social programs. In return for accepting the risks of funding the project, the investors may expect a return on their investment if the project is successful; however, payment of the committed funds by the government agency is contingent on the validated achievement of results. In this way, the Pay for Success model shifts the burden of investment risk from the government to private investors, effectively creating a social investment market where the government only pays for results. Additionally, Pay for Success can help advance evidence-based policymaking and strategic thinking more broadly within government systems.

About Urban Institute

The nonprofit Urban Institute is a leading research organization dedicated to developing evidence-based insights that improve people’s lives and strengthen communities. For 50 years, Urban has been the trusted source for rigorous analysis of complex social and economic issues; strategic advice to policymakers, philanthropists, and practitioners; and new, promising ideas that expand opportunities for all. Urban’s work inspires effective decisions that advance fairness and enhance the well-being of people and places.

For more information about Urban Institute, visit www.urban.org.

About CHEFA

The Connecticut Health and Educational Facilities Authority (CHEFA) is a quasi-public agency that provides access to tax-exempt financing and other financial assistance, including grant programs, to educational institutions, healthcare providers, childcare providers, cultural institutions, and other eligible non-profit entities. CHEFA derives its revenues from the annual loan servicing fee it charges its clients, and operates without any State or taxpayer funds. CHEFA also expands higher educational opportunities for Connecticut students through its subsidiary, the Connecticut Higher Education Supplemental Loan Authority (CHESLA).

For more information on CHEFA or CHESLA, visit www.chefa.com, or www.chesla.org.