

A Funder's Perspective on Aggregate Precision Investment:

EHF's Interest in Supporting SDOH Financing Models



EPISCOPAL HEALTH
FOUNDATION

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March 2023

Introduction/Background

At Episcopal Health Foundation (EHF), we work to transform the health system in Texas so that it delivers health, not just health care. Specifically, we focus on the reallocation of health system resources because we know that while non-medical factors, often called the social determinants of health (SDOH), drive 80% of health outcomes, 97% of our national health expenditures are devoted to health care. Realizing this is an ambitious undertaking that requires influencing the public and private sectors, we have taken three strategic approaches to influence the deployment of financial resources. Our focus on financial resources acknowledges the prominent role healthcare payers play in the health system.

EHF's Work with Health Care Payers

EHF works with health care payers, primarily Texas Medicaid and Medicaid Managed Care Organizations to support payers to shift resources upstream to prevention and community health by incorporating SDOH interventions into payment structures. We place these efforts in the context of the national movement to increase value-based care. Our premise is that if the goal is to obtain positive health outcomes, payers should use all available tools, such as non-medical approaches, to improve health outcomes.

EHF's Work with Community Health Clinics

EHF supports community health clinics to address upstream issues, such as food insecurity or physical space attainment, to improve the health of the communities they serve. The premise behind this work is also related to value-based care; we believe that if community clinics can improve health outcomes for their patients, payers will recognize this value and pay for this holistic approach to care.

EHF's Research on SDOH Financing Models

EHF supports experimental SDOH financing models that use cross-sector collaborations to build sustainable funding structures to address community health. The financial sustainability of SDOH interventions is complex in nature, which can disincentivize investment. Often times health care partners like insurance plans, health care providers, governmental agencies and others are concerned that the benefits of their investments are not absorbed internally, but by external sectors (sometimes called the ["wrong pockets" problem](#)). To address this problem, EHF has supported several new financing models.

As a philanthropy, we invest in and learn from these promising approaches:

1. **Accountable Communities of/for Health (ACH):** The ACH model emphasizes cross-sectoral relationships in addressing community health needs. EHF's Texas Accountable Communities for Health Initiative (TACHI), launched in late 2020, is an initiative that supports community-based, cross-sectoral partnerships to focus on developing a shared vision and responsibility for the health of the community. This work spans six sites in Texas, covering rural and urban communities. Each community partnership is supported with grant funding, a learning cohort, and technical assistance relating to governance, financing, community engagement as well as content expertise.

2. **Collaborative Approach to Public Good Investment (CAPGI):** The CAPGI model applies the economic model of public goods to healthcare. In the model, SDOH interventions are a public good that can reduce cost and improve community health. EHF supports a CAPGI pilot project in Waco, Texas, which aims to reduce frequent emergency department utilization and interaction with law enforcement with behavioral health and social support needs.
3. **Moving Business Upstream:** EHF supports research efforts to better understand the role of nonprofit hospitals in redirecting funding to address upstream SDOH needs. This work is exemplified by our partnership with Memorial Hermann Health Systems in Houston, Texas, where we collaborate on their Healthcare Anchor Network project.
4. **The Role of Business in SDOH:** Recently, EHF has begun to explore the roles of business in addressing SDOH. By collaborating with De Beaumont Foundation in their “Moving Business Upstream” initiative, a project that focuses on how large employers can leverage their purchasing power to influence the structure of the health insurance plans that they buy. The goal is to strengthen the role of business in addressing SDOH.

EHF’s Interest in Aggregated Precision Investment

EHF’s most recent venture in addressing SDOH financing and moving healthcare structures upstream, was our recent exploration of the [Aggregated Precision Investment \(API\) model](#) as another innovative SDOH financing model. In short, the API model seeks to provide justification to investors by highlighting the financial value and short-term ROI of SDOH interventions. Through this collaborative model, expenses are calculated based on the amount of fiscal benefit expected from the execution of the intervention.

EHF’s interest in the feasibility of this model is rooted in our goals of redirecting financial resources to support upstream SDOH investments. As a philanthropic organization, we are committed to leveraging our resources to produce research that will allow healthcare stakeholders to make well-informed decisions on their investments in non-medical health drivers. Our hope is that health financing models, such as API, continue to be explored and piloted for the potential benefits to the health and well-being of that the interventions serve.