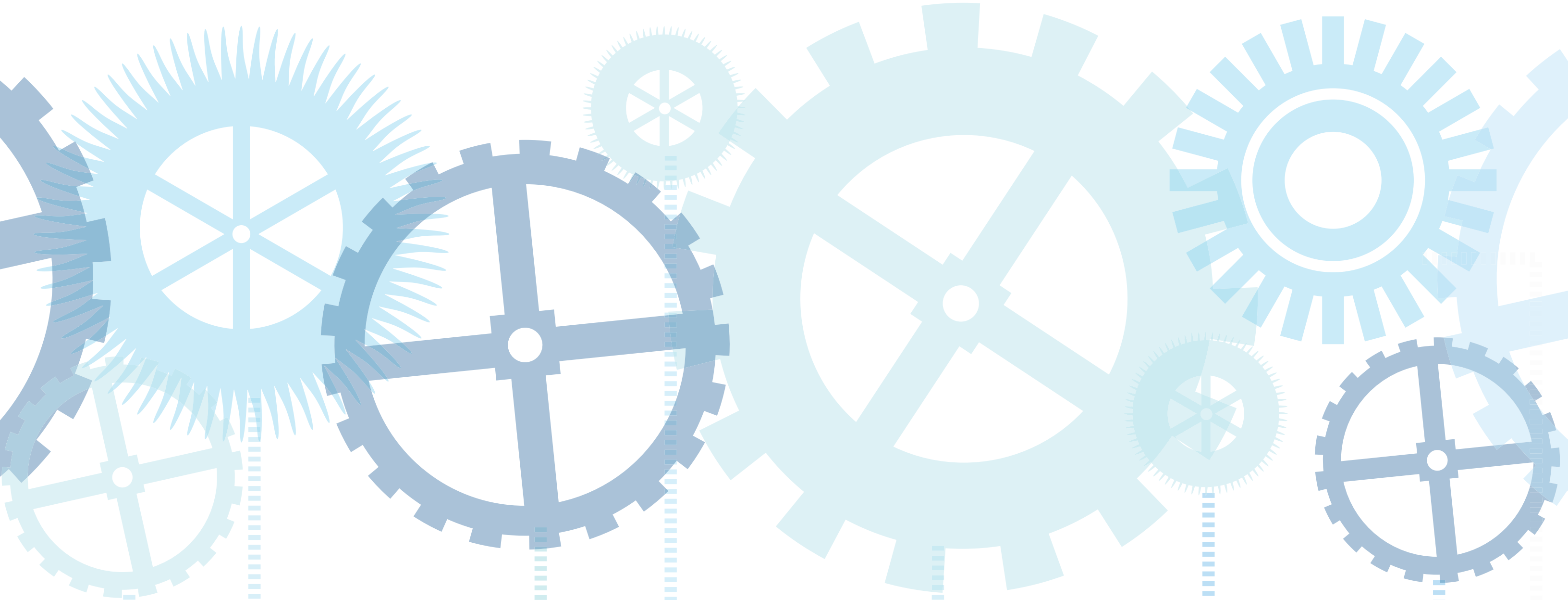

Demonstrating Value in Population Health Projects

PRACTICAL PLAYBOOK®
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Duke Community & Family Medicine
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It is becoming increasingly important to demonstrate value in population health improvement initiatives. In a political landscape rife with disagreement over health policy and funding, there is strong bi-partisan support for value-based payment systems. This political will, combined with the likelihood of new health legislation and subsequent decrease in funding, will make it more important than ever to make wise investments in health. We have arrived at a critical opportunity to pursue community-based initiatives that address the root causes of chronic disease and improve health outcomes for many individuals at once.

To continue the important work of improving population health and reducing health disparities, it is necessary to demonstrate how improvements in health also advance the core mission and create value for all funders and partners, including businesses and communities. Aligning incentives will help groups move beyond their current work within individual grants to a more sustainable model.

Read on to learn strategies for discussing value with potential partners, as well as tools to help you quantify the value your projects deliver.

COMMUNICATING SHARED VALUE

In order to commit resources to a project, most organizations pursuing community-based population health improvement initiatives will need a clear business case and understanding of their return on investment. All project stakeholders must understand how an initiative will create value, or outcomes that justify the commitment of resources to a project. Here are strategies to help your cross-sector collaboration define value to all partners and ensure their ongoing support:

Involve all partners from the beginning: It is important that all stakeholders agree on the definitions of costs and benefits early in your planning process. Capturing this input at the start of a project ensures it will be structured to answer to these requirements.

Identify common interests: All decision-makers should clearly understand how addressing the health-related social needs of a population is inherently tied to factors outside the health sector. As an example, business leaders should understand that even the most effective employee wellness programs will have limited impact if employees return home to unhealthy environments. This is not just a matter of philanthropy; it is an opportunity to reduce health costs and increase employee productivity.

Be honest about your needs: It is essential for all partners to be honest about what kind of results are needed to commit resources to a project. Good intentions will help launch a project, but returns that speak to an organization's bottom line will sustain it.

Identify both short- and long-term wins:
Many organizations are driven by quarterly and annual reporting, making it difficult to sustain health equity projects that may take years to recognize results. Try to structure your initiative in a way that will present both short-term and long-term results. For example, launching an asthma initiative to increase access to medication can provide short-term results, such as reduced emergency room admissions. These early wins will help sustain interest and support for your project as you continue to address housing conditions or other social determinants of health in your community.

Measure your project's outcomes: Once you have decided what value will look like, your partnership must decide how to measure it. This step should occur during the planning process, as measuring results retrospectively rarely results in success.

MEASURING VALUE

Different stakeholders bring different perspectives and approaches to evaluating a project's value proposition. Starting with a clear definition of "value" will help you determine what type of analysis should be used to measure it. Below is a short overview of three approaches to measuring value.

Return on Investment:
Return on investment (ROI) is a useful method for understanding a project's costs and benefits from the perspective of a funder. ROI is a dynamic relationship that shows financial return that a specific investor receives for its financial investment. For instance, for each dollar invested, a $5 return may be realized.

Cost-Benefit Analysis: When project costs are considered from a societal perspective, rather than a financial perspective, a simple cost-benefit analysis (CBA) can be used to assess whether the project's benefits justify its costs. In CBA, all costs and benefits are assigned a dollar value. Costs are not limited to financial inputs; they also include non-monetary resources, such as time devoted to a project. Benefits also include both a project's financial results and its benefits to society, such as improved population health. In contrast to the dynamic relationship of ROI, CBA is static, as it weighs pre-determined costs and benefits. CBA can help groups compare the outcomes of different policies and programs, particularly when there are both health and non-health effects.

Cost-Effectiveness Analysis: In contrast to CBA, cost-effectiveness analysis (CEA) does not require a monetary value to be assigned to health outcomes. CEA compares the cost of an intervention to its effectiveness as measured in health outcomes. The results of a CEA are expressed in cost per health outcome, such as cost per workdays gained. This method is typically used to help partners choose between different proposed approaches to achieve a desired outcome, and which is likely to produce the most value.

Click here for a detailed explanation of each of these methods, as well as an example of how they can be used to determine value for a diabetes prevention program.

ASTHO'S ROI CALCULATOR

The Association of State and Territorial Health Officials (ASTHO), through a cooperative agreement with the Office for State, Tribal, Local, and Territorial Support at the Centers for Disease Control and Prevention (CDC), developed a web-based ROI tool with Dr. Glen Mays, University of Kentucky. The tool is designed for use by agencies to measure internal return on investment for undertaking quality improvement projects. Additionally, the tool was expanded to measure outcomes for groups receiving a given program or intervention administered by the agency.

The ROI Calculator encourages users to think about the following in monetary terms over the Plan, Do, Study, Act (PDSA) cycle:

- Investment costs: The time and attention a group spends planning or implementing a new program or policy.
- Routine operating costs: The costs involved with delivering a program or policy.
- Outcomes or outputs: Additional benefits, typically health outcomes, realized through the initiative.

Public health groups can use the tool either as a decision-making tool for new projects or to show the ROI of a recently-completed initiative.

Click here to learn more.

LEARN MORE

The 2017 Practical Playbook National Meeting, "*Improving Population Health: Collaborative Strategies That Work,*" will share expert views about potential opportunities to form cross-sector partnerships in a value-based environment, strategies to help you move past short-term grants and fund your partnership's work for the long-term, tools to help you conceptualize and execute an evaluation of your project's value, and more.

Join the Twitter conversation on Thursday, June 1 and Friday, June 2 using hashtag **#PPBMeeting**.