



Glossary: Funding Options to Address Social Determinants of Health

Strong evidence supports efforts to address the social determinants of health to improve health outcomes, reduce disparities and even reduce overall spending. However, program rigidity and other barriers can stifle needed investments. This mini-glossary lists terms you may encounter with respect to creative funding strategies to address the social determinants of health. More resources can be found at: HealthcareValueHub.org/Social-Investments

| Term | Acronym | Definition |
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| Alternative Payment Model | APM | Alternative-payment models (APMs) refer to new ways of paying providers (hospitals and doctors) that seek to reward for improved outcomes and quality, rather than the amount of care they provide. See the Hub's Provider Payment Reform glossary for more terms. |
| Blended Financing | | Blended financing receives money from multiple sources to pay for related services (for example, housing supports) but combines it into a single funding pool or stream. This allows for minimal administrative oversight and maximum flexibility. |
| Braided Financing | | Under braided financing approaches, several funding streams are combined to pay for related services (for example, housing supports). This model keeps the funds in different streams so they can be tracked separately at the administrative level. |
| Bundled Payments for Care Improvement | BPCI | The Bundled Payments for Care Improvement initiative, created by the Center for Medicare & Medicaid Innovation, pays provider organizations a fixed rate for all services associated with an episode of care, tied to quality performance. |
| Center for Medicare and Medicaid Innovation | CMMI | Part of CMS, the Center for Medicare and Medicaid Innovation issues grants to support the development and testing of innovative care delivery and payment models. |
| Community-Based Organization | CBO | A public or private nonprofit organization that represents a community and works to meet community needs. |
| Community Benefit Obligation | | Nonprofit hospitals incur a community benefit obligation in return for their exemption from most federal, state and local taxes. This obligation can be met in a variety of ways but must include “community building activities” which can include social investments. |
| Community Health Needs Assessment | CHNA | Nonprofit hospitals are required to conduct community health needs assessments every three years, incorporating input from community stakeholders. |



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| Free Rider | | When any community stakeholder or person can enjoy a product or service, whether or not they pay for it, you can get a <i>Free Rider</i> problem. See also <i>Public Good</i> . |
| Delivery System Reform Incentive Payment waivers | DSRIP | These waivers are part of the 1115 Medicaid waiver program. Under DSRIP, states sought to improve coordination among medical health, behavioral health and social service providers, and required providers to meet certain benchmarks. |
| Medicaid Waivers | | Waivers come in different forms. Under a Medicaid 1115 waiver, a state can waive certain Medicaid program requirements, allowing the state to provide care for new populations or to use new care approaches. Under a 1915 waiver, a state can change how they provide care to beneficiaries using long-term services and supports or home and community-based services. |
| Pay for Success | PFS | The pay for success (PFS) model creates a public-private partnership whereby the private partner makes an initial investment in a program that addresses a social problem. The government partner then repays the investor based on improvements to predefined outcome or performance measures. Also known as <i>Social Impact Bond</i> . |
| Population Health | | The social, economic and environmental factors that contribute to the broad distribution of health outcomes within a population. |
| Public Good | | A commodity or service that provides broad benefits to the public and for which it isn't possible to exclude others from realizing those benefits. For example, investments that reduce infectious disease benefit all, regardless of who made the investments. As a result, <i>free riders</i> may be a problem. |
| Public Health Bundle | | Similar to the idea of bundled payments for common healthcare procedures (for example, knee replacement), the not-yet-tested Public Health Bundle extends the model to partners outside the health care system. A state or local health department establishes a fund to receive annual payments from participating payers based on anticipated healthcare costs of a certain type. The fund then is responsible for reimbursing payers for the actual care provided. To reduce payouts, the health department convenes a community coalition of public and private partners to make upstream investments to address the underlying issue. |
| Social Determinants of Health | SDoH | The social determinants of health are the conditions in which people are born, grow, live, work and age. These circumstances are shaped by the distribution of money, power and resources at national and local levels, and have a profound impact on health outcomes. |



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| Social Impact Bond | | In a social impact bond, the investors provide upfront capital for a nonprofit service provider to deliver agreed upon services. At a later date, a government payer reimburses private funders once the specified outcomes are achieved by the service provider. Also known as <i>Pay for Success</i> . |
| Social Impact Partnerships to Pay for Results Act | SIPPRA | Legislation passed as a part of the Bipartisan Budget Act of 2018 that created a pool of capital to support outcomes-based, pay for success financing models. Social impact partnerships are available to entities that are able to produce one or more measurable outcomes that result in social benefit or savings. |
| Trust Funds for Population Health | | Funding raised and maintained to specifically address and support prevention and social interventions to improve outcomes of a targeted population. |
| Upstream Investments | | Investments in population health and prevention. |

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