



Using Innovative Financing to Scale the Drug Free Moms and Babies Program in West Virginia

The Problem

Substance use disorder, and specifically opioid addiction, is one of the most pressing public health challenges in the United States. It is devastating families and communities across the country, without regard for wealth, race, or age. Substance use in pregnancy (including the use of tobacco, alcohol, prescription, and illicit drugs) is one part of this alarming trend, and is a major factor contributing to poor health outcomes for mothers and babies in West Virginia. The extreme cost of this issue manifests in the human lives directly affected, as well as the increased need for medical care at birth, and the longer-term health, education, and other societal challenges.

Infants born to women with substance use disorder are at-risk for a multitude of serious and costly health complications, including preterm delivery, low birthweight, placental abruption, birth defects, sudden infant death syndrome, respiratory illnesses, and neonatal abstinence syndrome (NAS). Treatment for NAS leads to significantly longer hospital stays. According to the West Virginia Health Statistics Center, nearly 5 percent of babies born in the state in 2016 were born drug dependent.

Aside from the significant cost of NAS treatment, there are a number of poor health and life outcomes associated with maternal substance use that can extend for years following birth. And, while there is a growing evidence base for effective substance use disorder prevention, treatment, and recovery strategies, a number of social forces have thus far impeded significant progress toward meaningful improvement and rate reduction.

Drug Free Moms and Babies (DFMB) Program

To address the significant problem of substance use in pregnancy, the West Virginia Perinatal Partnership (WVPP) formed the Substance Use in Pregnancy Committee to make policy recommendations, identify best practices, and develop a collaborative and coordinated approach to best meet the needs of this high-risk population. The Drug Free Moms and Babies (DFMB) Project was born of that effort, and in 2011, an integrated and comprehensive care model for pregnant women with SUD was developed.

Key components of the program include uniform screening, integrated and comprehensive maternity and behavioral health care services, long-term follow-up post-delivery, expanded provider outreach, and program evaluation. Pilot sites, selected through a competitive process, participated in both process and outcome evaluations to inform the replication of promising practices across the state.

Scaling the Program

Evidence generated on the DFMB program over the past several years indicates strong positive impact; by targeting the appropriate population, increasing care coordination, and connecting participants to supportive services, they have demonstrated improved maternal and infant health outcomes. There are also tremendous potential economic gains to be achieved through the program: near-term for managed Medicaid plans, and longer-term for State and Federal government agencies. To effectively deliver the program statewide, and

provide services to all women in need, it is critical to further scale beyond what existing resources can support. This will require an outcomes-based finance approach to bring new, flexible capital to bear on this challenging social and health issue. With access to outcomes-based financing, the WVPP will overcome this scaling barrier by tapping into private capital through a process that transfers up-front risk away from future WVPP partners (e.g., health plans), and advances value-based purchasing arrangements (i.e., payment for outcomes). Likely outcomes of interest for this transaction include:

- Connections to care and supportive resources
- Reduced NAS and pre-term births
- Improved maternal and infant health outcomes
- Reduced care costs

In this context, the DFMB Program would achieve financial sustainability by using outcomes-based financing as the bridge to a purchasing arrangement based on demonstration of program value.

Our Partnership

Quantified Ventures is working closely with WVPP staff, advisors, and other contractors to better understand the strategic objectives and assets, organizational structure and governance, existing partnerships and clients, intervention model, and capital requirements needed for scale. This process will enable us to discover the full range of potential value inherent in the DFMB intervention, such that we can help the WVPP team to develop the most viable and high-impact expansion of the program.

About West Virginia Perinatal Partnership

The West Virginia Perinatal Partnership (the Partnership) is a statewide collaborative of healthcare professionals and public and private organizations working together to improve perinatal health in West Virginia. Founded in 2006, the Partnership is recognized throughout the state for its effectiveness in bringing together individuals and organizations involved in all aspects of perinatal care. The Partnership works through a variety of committees to develop new programs, improve existing programs and policies, and implement best practices to reduce maternal and infant mortality and morbidity and improve the delivery of care.

About Quantified Ventures

Quantified Ventures is an outcomes-based capital firm that drives transformative health, social, and environmental impact. Our Health and Human Services practice creates opportunities for healthcare organizations to test partnerships with community-based service organizations seeking scaling capital to advance promising solutions. We collaborate with Medicaid Managed Care organizations, health systems, and other entities that assume financial risk for individuals and populations by supporting them in their transition to value-based care. We help quantify the full value of interventions, identify potential repayment sources and means, and attract external capital from the large and expanding pool of investors seeking both social and financial returns. This work enables healthcare companies and human services organizations to collaboratively test and scale innovative solutions that address critical and often unmet needs.

Benefits of Outcomes-Based Financing:

- Accelerate and scale the implementation of innovative solutions
- Mitigate risk from uncertain outcomes
- Access new sources of capital on seemingly intractable challenges
- Quantify the cost savings potential and improved health outcomes
- Refine the validation methodology for selected interventions or services
- Develop a performance pricing structure based on economic and probabilistic models of outcomes
- Source investors keen on driving scalable impact through new financing models

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