Third Sector
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Sustainable Financing Analysis

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Prepared for:
Sonoma County Health Action

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GLOSSARY OF TERMS

Term	*Definition*
Accountable Community for Health (ACH)	A multi-payer, multi-sector alliance of major health care systems, providers, and health plans, along with public health, key community and social services organizations, schools, and other partners serving a particular geographic area. (Community Partners, "CACHI Frequently Asked Questions")
Aligned Funding	Funding targeting priority outcomes, yet not running through the Wellness Fund. Known as braiding funds. (JSI Research & Training Institute, Inc., "Accountable Communities for Health: Strategies for Financial Sustainability")
Backbone Functions	One of the five core elements of Collective Impact, this term is used to describe the critical, though often behind-the scenes, work that creates a successful collective impact initiative, including facilitation, data collection and reporting, and technology and communications support. (Kania, "Collective Impact")
California Accountable Communities for Health Initiative (CACHI)	A three-year initiative to create Accountable Communities for Health in California. The initiative supports six communities and is supported by a consortium of funders: The California Endowment, Blue Shield Foundation of California, and Kaiser Permanente. (Community Partners, "CACHI Frequently Asked Questions")
Capture and Reinvest	A contracting model in which a cashable savings payer calculates cost savings against appropriate benchmarks and then returns an agreed-upon fraction of those savings to the community. (The Atlanta Regional Collaborative for Health Improvement, "Capture and Reinvest Savings")
Cashable Savings	A type of savings that is reflected on a budget line through reduced current costs (fixed or variable) or avoided future costs. (Centre for Social Impact Bonds, "Cashable Savings to the Commissioner")
Cashable Savings Payer	An entity that accrues cashable savings and commits to sharing some of those savings through payments.
Collective Impact	A cross-sector collaborative effort that addresses deeply entrenched complex social problems. Stakeholders work to create five conditions that together produce alignment and lead to results: a common agenda, shared measurement systems, mutually reinforcing activities, continuous communication, and backbone support organizations. (Kania, "Collective Impact")
Health Action	A Sonoma County collective impact effort for community health improvement and health equity that mobilizes community partnerships and resources to focus on priority needs including community health, health system effectiveness, the built environment, and social determinants of health such as education and income. (Health Action, "About Health Action")
Health Action Wellness Fund	A fund currently in development in Sonoma as part of Health Action's efforts to bring innovative sustainable financing solutions to the county. The Fund will

	support investments in prevention strategies and systems changes designed to measurably improve results related to the county's priority outcomes.
Human Development Index (HDI)	A composite statistic of health, education, and income indicators widely accepted as a measure of a country or geographic region's development originally published by the UN Development Program. (Measure of America, "About Human Development")
Intervention-Level Outcomes	Outcomes that are specific to a particular intervention. Intervention-level outcomes are aligned with Priority Outcomes, but are specifically tailored to measure effectiveness of an intervention on a specific beneficiary population and for a specific intervention.
Outcome Payer	An entity that agrees to pay for positive movement on a specific outcome in the context of an outcomes-oriented contract or agreement.
Pay for Success (PFS)	A contracting model in which an outcome payer makes payments following agreed upon terms when there is a positive movement on outcomes. (Third Sector Capital Partners, Inc., "What is Pay for Success?")
A Portrait of Sonoma County	An in-depth report on statistics related to the Human Development Index in Sonoma County that maps disparities by census tract and population. (Measure of America, "A Portrait of Sonoma County")
Priority Outcomes	Community-level outcomes identified by Health Action to foster health equity in Sonoma County.
Prototypes	Prototypes are interventions that hold promise, but which need further testing or "prototyping" to gain a stronger evidence base for impact on outcomes or to meet all criteria for inclusion on the Portfolio of interventions.
ReThink Health	An organization that uses a systems-thinking approach to define three work areas for systems transformation: active stewardship, sound strategy, and sustainable financing. (Fannie E. Rippel Foundation, "ReThink Health")
Selected Outcome	For the purpose of this document, "selected outcome" means the outcome chosen by Health Action to be the starting point for the Wellness Fund's first cohort of prototype interventions. This first cohort will be comprised of interventions that are believed to have a measurable impact on the same community-level priority outcome to enable better testing of Health Action Wellness Fund hypotheses.
Social Determinants of Health	The conditions in which people are born, grow, live, work and age, which are strong predictors of long-term health outcomes. These circumstances are shaped by the distribution of money, power and resources at global, national and local levels. (World Health Organization, "Social Determinants of Health")
Social Return on Investment	Non-financial value that may accrue to a wide range of stakeholders as a result of impact-oriented investments. Metrics most commonly measured relate to environmental and social outcomes. (Social Value UK, "The SROI Guide")

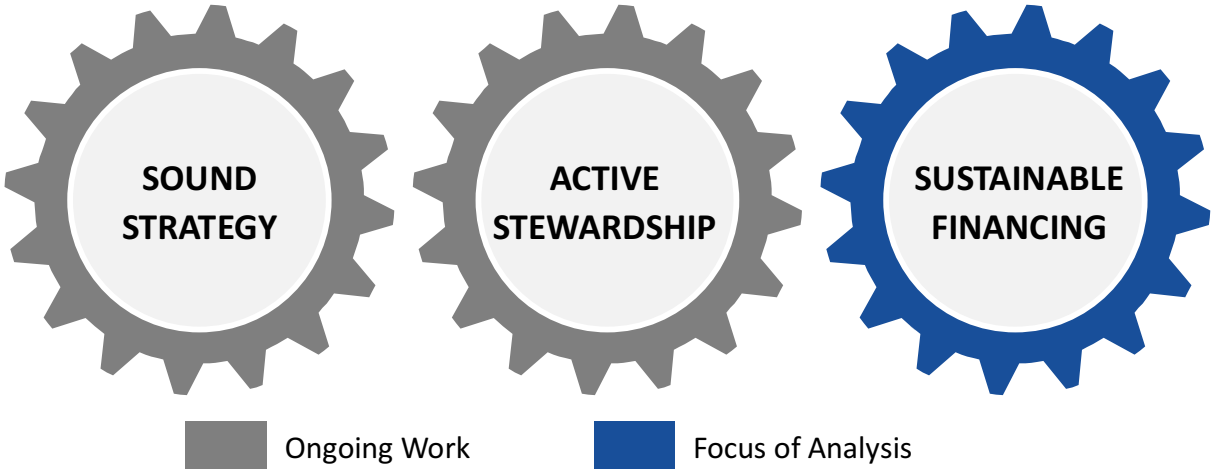
Spectrum of Prevention	A framework that systematically categorizes areas of intervention for prevention-focused activities in a wide range of contexts, from violence and injury prevention to nutrition and fitness. (Prevention Institute, "The Spectrum of Prevention")
Sustainable Financing Catalyst Team	A committee within Sonoma County's Health Action collective impact effort whose mandate is to design and launch a sustainable financing system and establish a local Wellness Fund in Sonoma County. The Fund will finance strategies that promote systems change and may encompass prevention, health equity, social determinants of health, and place-based approaches with the goals of achieving community-wide improvements and impacting priority outcomes. (Health Action, "Sustainability Financing Catalyst Team")
Upstream Investments	A collective impact effort in Sonoma County for building capacity for and commitment to investing in prevention-focused, evidence-informed solutions. Upstream Investments supports development of the Portfolio of Model Upstream programs, a local clearinghouse of evidence-informed programs. (Sonoma County Human Services Department, "Upstream Investments")
Value-Based Payments	A strategy used in healthcare to promote quality and value over volume, through payments that are more closely related to outcomes. (Health Care Incentives Improvement Institute, "Value-Based Payment – Metrics for Transformation")

CHAPTER 1: HEALTH ACTION SUSTAINABLE FINANCING

Health Action's vision is that Sonoma County is a healthy place for all residents to live, work, and play. To achieve this vision, Health Action drives a collective impact effort aimed at closing the equity gap that perpetuates long-term and multi-generational disparities in health outcomes. These disparities affect the well-being and prosperity of the entire community, thus demanding a collective approach to investing in and addressing critical health issues on a local level.

Health Action utilizes a framework designed by ReThink Health—a systems thinking approach designed by the Rippel Foundation—to develop a system of strategy, stewardship, and sustainable financing to meet the vision of health equity in Sonoma County.

FIGURE 1: RETHINK HEALTH FRAMEWORK



This analysis focuses on the elements and steps required to develop a system of sustainable financing to achieve health equity in Sonoma County and will complement Health Action's ongoing work to strengthen strategies and stewardship opportunities to fulfill Health Action's vision. This analysis articulates the current state of investments and capital used to support long-term health improvements and will provide recommendations to build a system that is sophisticated, coordinated, and focused on improving priority outcomes defined by Health Action. Ultimately, Health Action aims to bolster its efforts to achieve health equity by building a sustainable financing platform that will attract new capital, sustain investments, coordinate existing streams of capital for priority outcomes, and test innovative forms of financing that will meaningfully improve health outcomes in Sonoma County.

Current State, Transition Steps, Future State Approach

In its first decade, Health Action successfully deployed the collective impact model to build a shared understanding of community needs, priorities, and capacity. In 2014, *A Portrait of Sonoma County*, an in-depth demographic report, provided a baseline understanding of local disparities in health, education, and income, as measured by the Human Development Index (HDI)—a composite statistic of health, education, and income indicators widely accepted as a measure of overall development. The "current state" of Health Action referenced here is characterized by a strong history of collaboration, a

commitment to improving HDI, and an agreement to explore innovative sustainable financing strategies. Specific to sustainable financing, the current state encompasses the following:

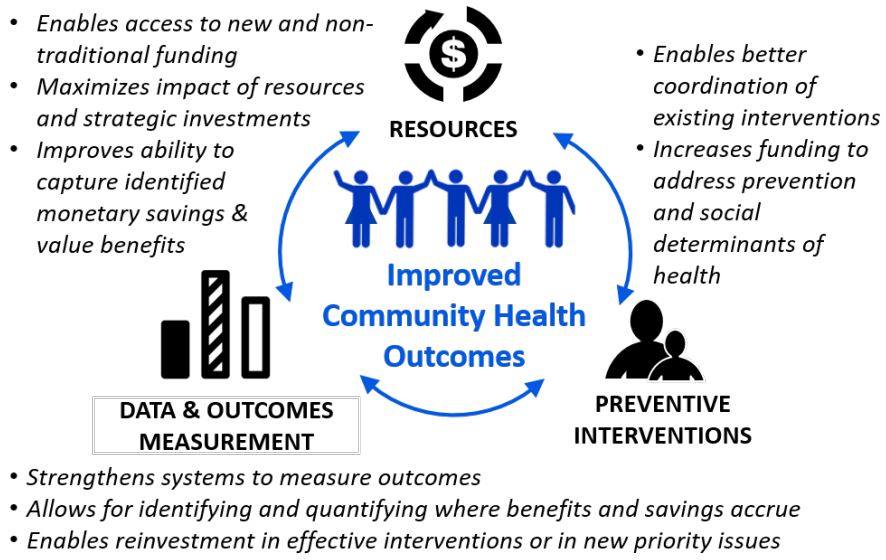
- Traditional grants and government contracts toward multiple issue areas that are currently not coordinated or aligned to priority outcomes
- Lack of consistent or sufficient funds flowing to foundational work of prevention and addressing social determinants
- Initial work to establish mechanisms for evidence-based practices through Upstream Investments

The future state is one in which Health Action is accountable for all activities related to improving Sonoma County's HDI score—from defining priority outcomes and funding interventions that affect those outcomes, to measuring their impact and adjusting funding strategies as needed. In this future state, Health Action will:

- Define priority outcomes and evaluate population-level strategies, programs, and policies to bring measurable improvements to those outcomes
- Calculate projected savings and social benefit anticipated by interventions and measure actual savings accrued
- Articulate a clear value proposition for investing in and achieving health equity that resonates with diverse stakeholders
- Align payers, providers, and community-based-organizations to a sustainable funding system that leverages value-based payments for improving HDI

Among the many benefits to moving Health Action from its current state to the future state is the opportunity to generate dynamic feedback loops on outcomes that will enable a continuous learning mindset critical to improving priority outcomes.

FIGURE 2: BENEFITS OF SUSTAINABLE FINANCING



Considering the gap between the current state and the future state, this analysis focuses on the actions required to bridge the two, which are referred to as the "transition steps." At a high level, the transition steps concentrate on building the infrastructure needed to successfully achieve the future state and to more effectively target strategies and investments to fulfill the vision of health equity and improvement in Sonoma County. The focal point is establishing a Health Action Wellness Fund ("Wellness Fund") – a fund currently in development in Sonoma as part of Health Action's efforts to bring innovative sustainable financing solutions to the county—as a means to test component parts of Health Action's sustainable financing system.

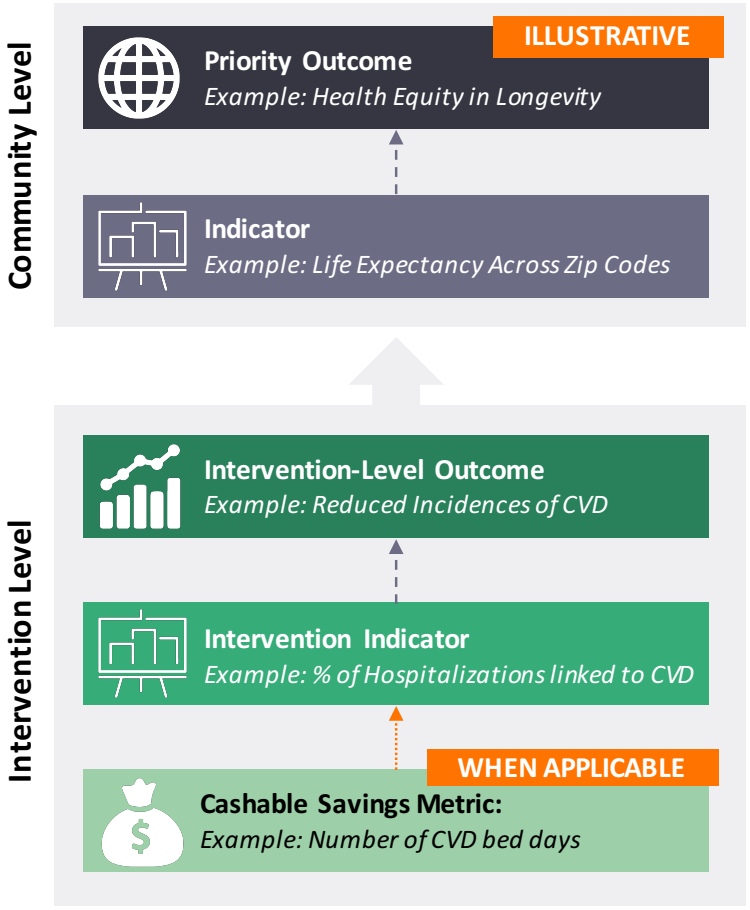
Priority Outcomes, Indicators, and Intervention-Level Outcomes

The shift to sustainable financing strategy and an outcomes-orientated approach to solving societal challenges can sometimes be complicated by the lexicon that it brings—a lexicon that is still in development and does not yet have universally applicable definitions.

For this reason, it is useful to define how certain terminology is used within this document. "Priority outcomes" are community-wide outcomes determined and tracked by Health Action through various indicators that support measurement of broad outcomes. "Intervention-level outcomes" are the outcomes specific to an individual intervention. While these outcomes will be aligned with priority outcomes, because interventions have more narrow goals and specific target populations, intervention-level outcomes are separate from priority outcomes (See Figure 3).

As the Health Action Wellness Fund begins to take shape, it may be useful to converge on a uniform lexicon used throughout the county and to establish clear hierarchies and definitions for terms such as priority outcomes, indicators, and intervention-level outcomes to name a few.

FIGURE 3: PRIORITY OUTCOMES VS. INTERVENTION-LEVEL OUTCOMES



The terminology suggested in this document is not meant to set the lexicon or hierarchy of terms for the Wellness Fund; rather it is designed to provide a single, clear definition for this initial work and signal the need for community-wide development of a shared lexicon.

Sustainable Financing Catalyst Team

Health Action convened a Sustainable Financing Catalyst Team ("The Catalyst Team") to develop and recommend innovative investment models and to launch these efforts aimed at improving community health outcomes. The Catalyst Team—whose members represent several organizations—informs and stewards efforts to establish a Wellness Fund to test Health Action's sustainable financing strategies. These recommendations will inform future work related to integrated efforts of Health Action and Upstream Investments, a local initiative to build capacity and commitment to invest in prevention-focused, evidence-informed solutions. The Catalyst Team worked with Third Sector Capital Partners to produce this analysis. This analysis complements Health Action's efforts to develop sound strategies and active stewardship protocols to improve health outcomes and equity in Sonoma County.

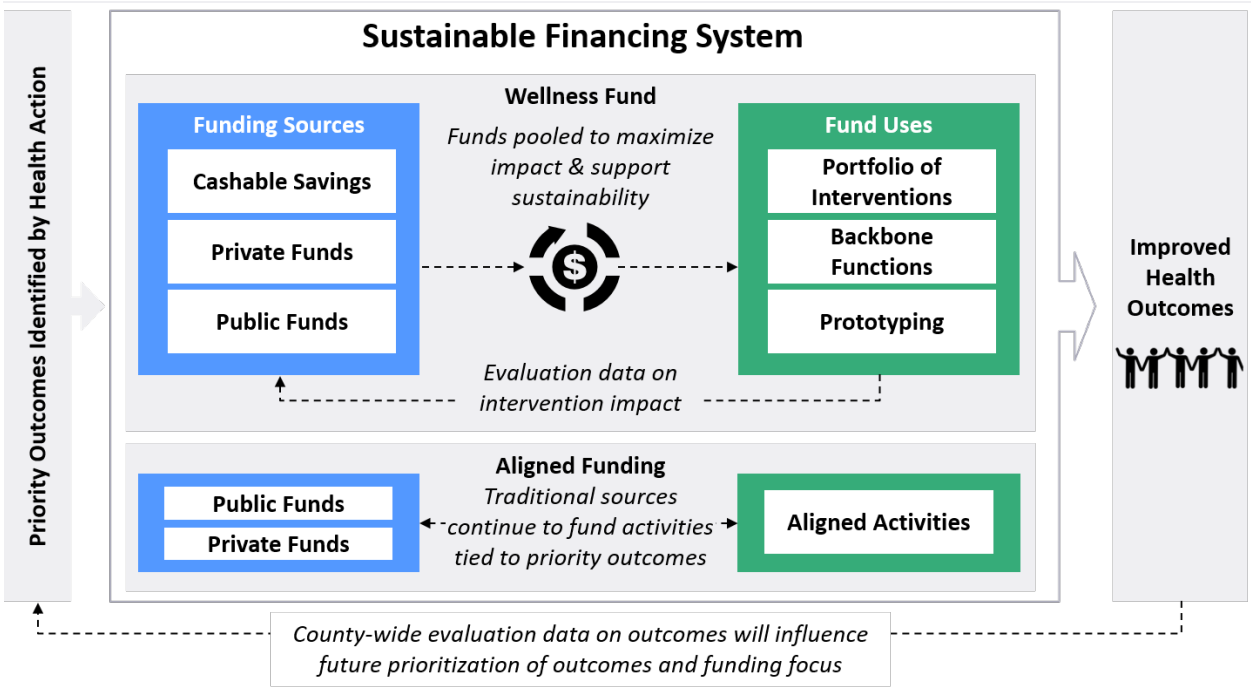
Approach to Sustainable Financing Analysis

This analysis proposes recommendations and steps for Health Action to develop and sustain a financing strategy and build the Health Action Wellness Fund. Chapter three explores considerations for use of funds in support of a portfolio of interventions that contribute to improving priority outcomes. Chapters four and five explore considerations for utilizing different funding sources, including cashable savings and private and public funding. Chapter six provides recommendations to expand critical backbone functions in support of the sustainable financing system. Chapter seven provides an analytical framework for determining the Fund's optimal placement, governance structure, and operating model. Further developing capacity to expand and sustain the Wellness Fund will be a key component of Health Action's long-term, future state, sustainable financing goals, which are anticipated to add significant value to collective efforts to achieve health equity and health improvement in Sonoma County.

CHAPTER 2: HEALTH ACTION WELLNESS FUND

The Wellness Fund will support Health Action's vision by providing mechanisms to test innovative approaches of sustainable financing aimed at achieving improvements in health outcomes and health equity. In addition, the Fund will engage in practices known as "braiding" and "blending" funds. Blending funds means the Fund will pool sources of funding and disburse money raised to address specified priority outcomes. Braiding funds means coordinating independent investments between local funders, government agencies, and community-based organizations to address priority outcomes.

FIGURE 4: HEALTH ACTION VISION FOR SUSTAINABLE FINANCING



Health Action Wellness Fund Guiding Assumptions

The Health Action Wellness Fund is rooted in three tenets to support improvements in priority outcomes.

- **MEASURABLE IMPACT**: Investment decisions are data driven and prioritize positively impacting Health Action outcomes occurrence
- **DIVERSITY**: The fund integrates a variety of funding sources and funding is used for a range of investments, utilizing innovative mechanisms
- **EXPANSION:** The fund scales over time and is partially self-sustaining through Cashable Savings

This report sets forth recommended steps to move the Health Action Wellness Fund from its current state to a future state. The analysis reviews key considerations needed for this transition that are meant to test the mechanisms and set up a financing infrastructure that can be scaled, be flexible to meet emerging issues, and capture new forms of capital to further impact priority outcomes. Core elements of the Wellness Fund and sustainable financing strategy include identifying eligible interventions, architecting capture-and-reinvest models, securing data-sharing agreements, and successfully

identifying funding streams for both interventions and backbone functions. The transition steps include running several prototype projects to test the concepts and assess capacity gaps that must be filled to scale and achieve meaningful impact on priority outcomes.

Subsequent chapters describe considerations for constructing the Health Action Wellness Fund, including recommendations for transition steps. This analysis should be viewed as a roadmap that charts the course from the current state of the Wellness Fund, through transition steps that enable a Wellness Fund to be operational, to a future state that deploys sustainable financing and advanced data and outcomes measurement practices, all in support of achieving meaningful improvements in health equity in Sonoma County. The analysis also highlights successful examples of sustainable financing from around the United States and opportunities to prototype concepts locally, including leveraging Health Action's participation in the California Accountable Communities for Health Initiative.

ACH Case Example

ACH Pilot Case Examples

In addition to standing up the Health Action Wellness Fund, Health Action is working to pilot an Accountable Community for Health in Sonoma. The ACH pilot is an opportunity to advance the work of Hearts of Sonoma, an effort focused on decreasing Cardiovascular Disease (CVD). Where possible, case examples are used to illustrate how the concepts articulated in each chapter could be applied to an ACH pilot focused on CVD. The examples are designed to provide a simple representation of concepts that are often theoretical and easier to appreciate through a tangible example. Specifically, the case examples showcase:

- ACH "Domains" as Framework
- Incentives for Stakeholder Participation
- Measuring Cashable Savings

The Wellness Fund and the ACH both support achieving measurable improvements in priority outcomes. For example, intervention-level outcomes that would mark progress on CVD reduction could include body mass index, tobacco use, and diabetes prevalence. These intervention-level outcomes advance Health Action's priority outcomes and its vision for Sonoma County as a healthy place for all residents to live, work and play.

CHAPTER 3: PORTFOLIO OF INTERVENTIONS

Key Concepts

- A portfolio of interventions targeting priority outcomes should drive the analysis and prioritization of funding uses of the Health Action Wellness Fund and recommendations for aligned funding
- The analysis should consider the level of funding needed for desired impact and economic valuation of cashable savings and/or societal benefit
- It is critical to build and test the data capacity of the backbone to measure the impact of interventions on priority outcomes

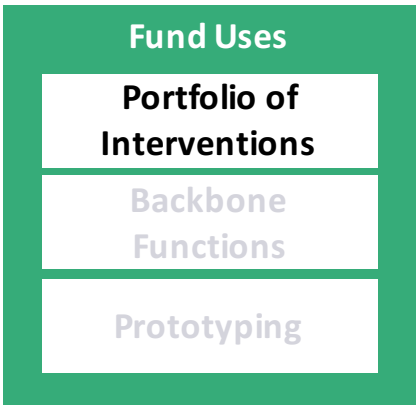
The sustainable financing strategies of Health Action support work to achieve improved impact on health equity and health outcomes in Sonoma County. Determining how funds in the Health Action Wellness Fund will be disbursed will follow a multi-step process and will leverage existing local needs assessments and the work of Upstream Investments, in particular the Portfolio of Model Upstream programs, to assess data-driven approaches to impacting outcomes.

Linking individual intervention outcome evaluations with population-level outcome evaluations is a critical next step in the evolution of Health Action's and Upstream Investments' work together.

Creating an Investment Strategy for Interventions

The Health Action Wellness Fund's strategy for its portfolio of interventions may adopt the spirit of classic portfolio theory—to assemble a portfolio of interventions such that the expected impact on priority health outcomes is maximized for a given level of investment. Some interventions may result in a steady flow of cashable savings with moderate impact on community-level health outcomes; others may result in significant or dispersed impact on health outcomes with no cashable savings. Both types of interventions, and everything that lies in between on either the impact or savings continuum, are eligible for consideration. Investment decisions will take into consideration potential for both generating impact on outcomes and cashable savings.

FIGURE 5: FUND USES



Spectrum of Prevention

In addition to specific program-level interventions, the investment strategy may include a broad range of intervention types that are believed to contribute to improvements in priority outcomes. For example, Health Action uses the Spectrum of Prevention—a framework that systematically categorizes areas of intervention for prevention-focused activities—to assess different types of interventions. Similarly, the ACH work categorizes interventions into "domains" that inform analysis of the impact of different types of interventions.

ACH Case Example

ACH Case Example 1:
ACH "Domains" as Framework

Sonoma County's ACH pilot will invest in a variety of interventions aimed at impacting cardiovascular disease. The ACH categorizes interventions by five "domains" key to maximizing impact and ensuring both individual and system-wide outcomes improvements. These five domains are similar in concept to the Spectrum of Prevention that Health Action uses; both are organizing frameworks that help to systematically categorize different types of interventions.

Five Domains

1. **Clinical Services**: Services delivered directly at primary point of contact with recipient
2. **Community Programs**: Programs that provide support to community members and take place in a community setting
3. **Community-Clinical Linkages**: Programs or activities that foster connections between different types of services
4. **Policy & Systems Change**: Changes to public and private practices, rules, laws, and regulatory systems
5. **Environmental Changes**: Changes in social, community, or physical environments that support positive behavior change

Portfolio as a Tool for Priority Health Outcomes

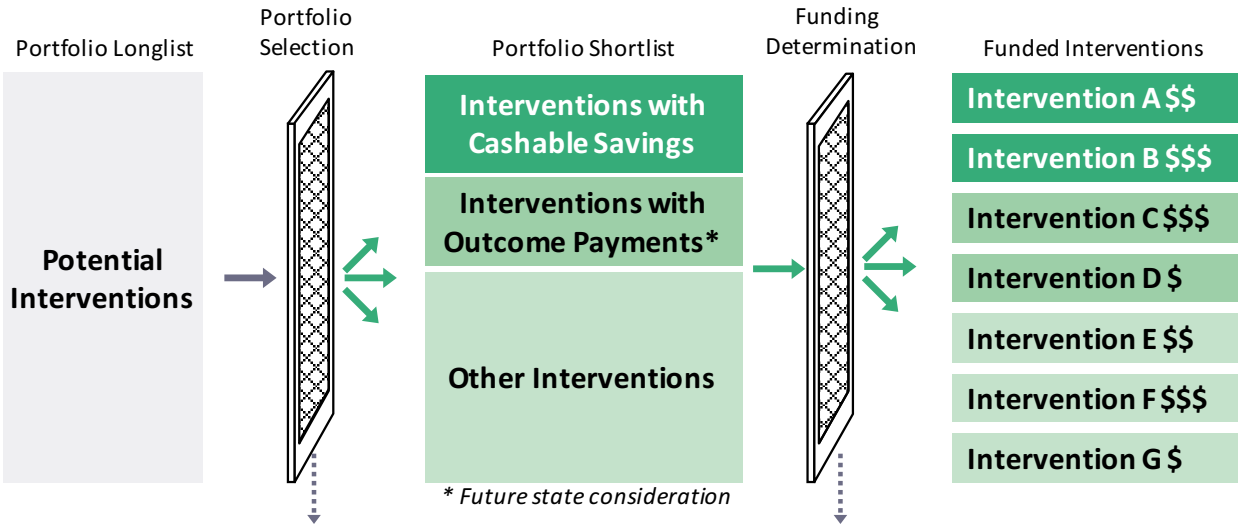
The Health Action Wellness Fund's sophisticated portfolio of interventions will be one of several important tools for Sonoma County's efforts to assess the viability of interventions to contribute to improving specific priority outcomes. On a local level, Sonoma County Upstream Investments can play a pivotal role in assessing the relationship between single and multiple interventions on priority health outcomes, specific target populations, and long-term effects on the HDI and local disparities. Aggregate impacts of interventions on population-level outcomes is emergent and being developed by those in the collective impact space nationally**.** Health Action can also leverage ReThink Health's expertise using decades of evidence to develop predictions on how various strategies, including multiple interventions and funding mechanisms, can affect high-level long-term outcomes.

In the long run, the portfolio may include multiple interventions for each of Health Action's priority outcomes. During the Wellness Fund's transition steps, it is advisable to select a single outcome as an area of focus for initial prototype interventions; selecting a basket of prototype interventions designed to influence multiple priority outcomes would help build backbone functions but may result in diluted impact in terms of priority outcomes that can be measured community-wide. This single outcome of focus is referred to hereinafter as the "selected outcome."

Eligibility for Portfolio

The screening process for determining which interventions are eligible for the Portfolio of Interventions pipeline may build upon the work to date of Upstream Investments, which has defined a process for vetting participants in its Portfolio of Model Upstream Programs that the Health Action Wellness Fund can mirror.

FIGURE 6: PORTFOLIO OF INTERVENTIONS SELECTION AND FUNDING DETERMINATION



Because the Health Action Wellness Fund seeks to cultivate an outcomes orientation, the eligibility criteria for inclusion (Figure 7) feature both outcomes and indicators. While all interventions funded by the Fund are not expected to generate cashable savings, they are expected to support priority outcomes and have clearly established intervention-level outcomes and indicators to assess impact.

FIGURE 7: ELIGIBILITY CRITERIA FOR PORTFOLIO OF INTERVENTIONS SHORTLIST

Criteria	*Description*
Community Priority & Needs	• Alignment with a well-defined issue area supporting one or more Health Action priority outcomes • Focus on a clear, unmet need for services
Outcomes & Indicators	• Clearly defined intervention-level outcomes and indicators to assess impact • Historical data showing positive impact on intervention-level outcomes or indicators (if data is not from Sonoma County, there is a strong hypothesis for achieving similar results in Sonoma) • Plan for evaluation and data collection
Program Quality	• High-quality leadership and experienced staff • Strong business plan, including understanding of the cost structure • Strong partnerships for serving population of interest • Willingness to collaborate with other interventions
Community Engagement	• Developed channels for genuine, authentic community engagement and involvement
Funding Power	• Ability to leverage other funding sources that could be blended into the fund or aligned funding that could be braided • Potential to attract new funding sources (e.g. cashable savings, outcome payments)
Scalability	• Reasonable plan for providing additional services with additional investment

Ability to Generate Cashable Savings

The aspiration to generate cashable savings (see Chapter 5) must be balanced with the need for interventions to affect priority outcomes, which may require investment in interventions that do not generate cashable savings. Although the Health Action Wellness Fund is not envisioned to be fully self-sustaining, there must be sufficient cashable savings to scale the Wellness Fund over time. The potential screening process to assess eligible interventions may be based first on anticipated impact on priority outcomes and second on potential to generate cashable savings. As noted Figure 6 (Portfolio of Interventions Selection and Funding Determination), funding decisions should consider both level of impact and potential to generate savings to be reinvested back into the Wellness Fund.

Evaluating Results

It will be necessary to develop data capacity and diverse evaluation methodologies to assess impact of investments on priority outcomes. Upstream Investments plays a critical role in this work and can build upon several shared measurement and collective impact evaluation efforts currently underway in Sonoma County. Baseline data on health equity, as measured by the HDI, is documented in the *Portrait of Sonoma County* report and ongoing work should focus on understanding the aggregate impact of program, policy, and other interventions on long-term health outcomes. Some clinical interventions can be measured at the individual level, whereas policy and environmental changes will require community-wide measurement to capture their effects. The process of identifying suitable sources of data for evaluating results should begin as interventions are selected for prototype projects, including ACH, to allow time for building relationships with data owners or developing new collection protocols where necessary. This data can be used for periodic evaluations and ongoing process improvement where the data frequency allows. The evaluation component is key to creating the type of performance feedback loops that will deliver improved impact over time.

Recommendations for Transition Steps

Transition steps may be taken in parallel and may be iterative. Where appropriate, specific steps are cross-referenced in brackets as steps in other chapters.

1	Select one priority outcome as an initial area of focus during transition steps
2	Finalize first cohort of prototype interventions aligned with Health Action priority outcomes *[See also transition steps in Chapters 4, 5, 6]*
3	Design and conduct longitudinal evaluations to assess impact of prototype interventions on intervention-level outcomes and indicators for beneficiary population
4	Continue to track progress on county-wide Health Action priority outcomes and indicators

5 Assess the social return on investment of selected priority outcomes to estimate funding required to achieve intervention-level outcomes and determine which prototype interventions have potential to accrue cashable savings *[See also transition steps in Chapters 4, 5, 6]*

- Design a fund disbursement plan to fund specific evidence-informed prototype interventions and estimate expected intervention-level outcomes and aggregate impact on selected priority outcome *[See also transition steps in Chapter 6]*
- Assess potential for cashable savings based on specific interventions *[See also transition steps in Chapter 5]*
- Design an evaluation plan, including sources of data and real-time performance improvement metrics *[See also transition steps in Chapter 6]*
- Where possible, seek out administrative data sources held by government or other parties *[See also transition steps in Chapter 6]*

Future State Considerations

As the Health Action Wellness Fund expands to address additional issue areas, it will need to repeat the process of establishing outcomes, interventions, data sharing, and a funding strategy. These processes require an iterative, learning approach based on the desired impact on priority outcomes, availability of data for evaluation of impact, and partnership development to assess value, accrued savings and social return on investment, among other factors. Ultimately, the work of Health Action and Upstream Investments should focus on developing and testing an integrated system for coordinating and evaluating efforts across systems, directing investments toward priority outcomes and tracking intervention results for further sustained investments to meet the vision of improved health equity and health outcomes.

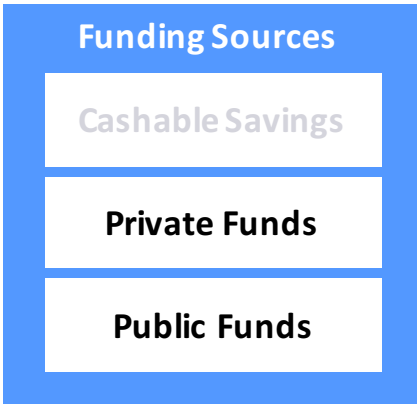
CHAPTER 4: PRIVATE & PUBLIC FUNDING

Key Concepts

- The Health Action Wellness Fund will seek to blend and pool funds from public and private sources to address unmet needs in priority outcomes and to scale investments toward increased impact
- Each contributing funder to the Wellness Fund will have its own grant-making or lending strategy, contracting processes, restrictions, and reporting requirements
- Aligned funding is an important tool to direct traditional, ongoing funding targeting priority outcomes, wherein funds continue to flow through traditional channels, a practice known as "braiding" funds

Both public and private funds will be critical sources of funding for the Health Action Wellness Fund. Private funding comes from individuals, foundations, corporations, and any other non-governmental organization. Public funding comes from different levels of government (local, county, state, and federal). It will be important for the Fund to diversify approaches to securing both public and private funds, as volume and sources of funding may be episodic due to funder priorities as well as economic and political shifts. Those managing the Fund must consider lead times, restrictions, and reporting requirements tied to securing funds as well as ensuring the backbone functions include an expanded range of grant-making, compliance, contracting and lending practices and processes.

FIGURE 8: FUNDING SOURCES



The Health Action Wellness Fund has features that should appeal to both national and local funders, including philanthropists, impact investors, and others. National funders may be drawn to the prospect of replicating the model in other jurisdictions and developing an outcomes-oriented system of investments, or anticipating both financial and social return on investment as a result of capture-and-reinvest-type models. Local funders may be drawn to the opportunity to bring greater leverage to their investments by strategically aligning investments on collective priority outcomes. Many funders, both local and national, will be excited about the prospect of shifting healthcare and social services spending from a patient level to fund community-level approaches that measure impact on outcomes.

Separate from the Health Action Wellness Fund, funding that is used to provide existing social services—from MediCal and emergency medical services to crisis counseling and foster care—is called "aligned funding." These funding streams are separate from the fund, yet the better aligned they are with Health Action's vision the stronger the chances of impacting priority outcomes.

Private Funding

Deploying sustainable financing models such as capture and reinvest may open the door to different and new sources of funding. Each type of funding presents different opportunities and challenges, and should therefore be evaluated carefully for fit. For instance, if loans are pursued, a future source of funds to repay the loan must be identified. In the near term this could be cashable savings; in the future state this may include outcome payments.

FIGURE 9: PRIVATE FUNDING OPTIONS

	Type	*Sources*	*Opportunities*	*Challenges*
Grants	**Traditional Grant**	**Foundations** (Grant-making) **Corporations** **Individuals**	• Some funders have Interest in funding system-wide change (e.g. the Wellness Fund), particularly systems that may draw in new sources of funding (e.g. cashable savings payers), others may target a specific issue area, while corporate funders usually have a geographic focus • Focus on measurable impact in grant-making strategies	• Wellness Fund's priority outcomes must align closely to funder's giving priorities • System-wide change is a more complicated pitch and longer term than discrete programs • Smaller funders less likely to invest in costly, long-term system-wide changes
	Community Benefit Spending	**Non-Profit Hospitals**	• Interest in using community benefit spending to address social determinants of health	• Spending needs to align with the hospital's existing strategy • Use of funds must meet IRS criteria for allowable activities
Loans	**Program-Related Investment (PRI)**	**Foundations** (Social Investing or Donor Advised Funds)	• Interest in using these investments to attract other funders to projects • Used to strengthen capacity of recipient organizations for long-term sustainability • Could lead to follow-on grants if impact on priority outcomes is demonstrated • Repayment requirements are less stringent than other below-market-rate loans	• IRS designation requires that the investment's primary purpose advance the foundation's charitable objectives • PRIs are typically expected to be repaid (sometimes with modest interest)
	Other Below-Market-Rate Loans	**Banks** (seeking CRA credit) **Community Development Financial Institutions** **Other Impact Investors**	• Often new parties in impact investing with large amounts of capital • Funders may be eligible for government incentives (e.g. New Market Tax Credits) • May be less competition for these loans vs. grants, as there are few market-ready projects	• Loans are expected to be repaid (with modest interest) • Often includes an onerous due diligence process to appropriately forecast the likelihood of default and appropriate interest rate

Public Funding

Funds from public sector sources include federal, state, and county-level funds. The Health Action Wellness Fund may seek to: align existing public funding streams with portfolio-eligible interventions that support improvements priority outcomes; carve out new directed funding streams; and pursue innovation funds designed to test and catalyze new models of social service provision.

FIGURE 10: PUBLIC FUNDING OPTIONS

	Opportunities	*Challenges*
Directed Funds	• Funds could be raised through a revenue generation mechanism (e.g. sugary beverage tax) that is sustainable in the long term and may not be contingent on the discretion of the legislature • Funds from more flexible provisions of existing funding streams (e.g. Social Services Block Grants) may be leveraged	• Requires considerable resources to create new taxes (e.g. ballot measure campaigns) and may be tied to a specific spending plan • Existing funding streams, even those that are more flexible, have compliance measures that may limit the use of these funds
Innovation Funds	• Interest in using these grants to test innovative ideas before scaling them (e.g. CMMI Innovation Grants) • Typically, more flexible than other government grants • May include a "learning community or cohort" of jurisdictions testing similar concepts	• Funding is only used to test a concept and is not sustainable • Availability of these grants is contingent on the economic and political climate
Contracted Funds	• Funding for Backbone entity raised through collective impact membership fees from member agencies to support backbone (Note: these funds may also be raised from private entities)	• Varying levels of commitment and discretionary funding amongst agencies

Aligned Funding

The Health Action Wellness Fund may work to form partnerships with "aligned funding" funders and entities to support its work. This may involve "braiding" funds from outside the Wellness Fund into programs that targeting priority outcomes. These traditional funds may be categorical funding or small grants that can be directed using evidence-informed strategies to target and measure outcomes aligned with the investments of the Wellness Fund.

Fund Development

Raising initial funds for the Health Action Wellness Fund during the transition steps may be coupled with a long-term fund development plan for funding sources, potential agreements, and investments targeting priority outcomes as well as an analysis of backbone funding needed to run a successful collective impact initiative. The Wellness Fund's long-term sustainability will depend on secure support for backbone functions, diverse funding sources, success of investment decisions, and ability to measure meaningful impact on Health Action priority outcomes.

Lessons from the Field

Learning from Pooled Funds

Pooled funding to support collective investments in prevention-focused health outcomes have been successfully launched throughout the United States. Pooled funds leverage resources from various sources to increase investment size and potential for impact and to align major funding sources toward desired impact. Examples of launched Wellness Funds include:

- Massachusetts Prevention and Wellness Trust
- North Carolina Health and Wellness Trust
- Kentucky Healthy Futures Initiative

Sonoma County has also pooled funds to achieve a specific impact; Project Nightingale—a respite care pilot program—pooled funds from Kaiser Permanente, St. Joseph Health, Sutter Santa Rosa, and the Department of Health Services. The Health Action Wellness Fund can build upon this experience and leverage lessons from the project to propel its own work.

Recommendations for Transition Steps

Fund development to support backbone functions and prototype interventions targeting the selected priority outcome should consider the steps outlined below. Determining how distinct funding sources will be secured and leveraged may vary by intended use of funds or prototype intervention.

Transition steps may be taken in parallel and may be iterative. Where appropriate, specific steps are cross-referenced in brackets as steps in other chapters.

1 Finalize first cohort of prototype interventions aligned with Health Action priority outcomes. *[See also transition steps in Chapters 3, 5, 6]*

2 Assess the social return on investment of selected priority outcome, estimate funding required to achieve intervention-level outcomes, and determine which prototype interventions have potential to accrue cashable savings. *[See also transition steps in Chapters 3, 5, 6]*

3 Educate stakeholders about the value of the backbone functions to secure funding streams dedicated to capacity as well as prototype interventions. *[See also transition steps in Chapter 6]*

4 Assess backbone funding needs. *[See also transition steps in Chapter 6]*

- Estimate five-year budget required to support Health Action Wellness Fund backbone functions and initial prototype projects.

5 Assess opportunities to secure and strategically inform use of public funds.

- Once prototype interventions are selected, document the existing public funding sources from all levels of government that currently fund these interventions. Assess the fit for each funding source within the Wellness Fund and/or as aligned funding.
- Determine whether ongoing public funding streams that have not been fully appropriated could be directed into the Wellness Fund.
- Develop and deploy strategy for "blending" grants, pilots, or waivers to support the Health Action Wellness Fund, considering the resources needed to secure such funds.
- Develop and deploy strategy for "braiding" aligned funds.

6 Assess opportunities to secure and strategically inform use of private funds.

- Develop a concise value proposition and concept paper to support pursuing a mix of local and national funders.
- Assess landscape of local and national funders who are interested in investing in the Wellness Fund and/or aligning funding. Create a strategy for Fund development and strategy for braiding aligned funding targeting the selected priority outcome.
- Continue to engage local funders to discuss the Wellness Fund and opportunities to further invest and align funding.

7 Pursue agreements to secure private funding.

- Refine the value proposition and design a fundraising campaign plan for grants, ensuring efficient use of time and effort, including a detailed work plan and supporting materials.
- Educate and engage funders in the ongoing work of the interventions to address priority outcomes and opportunities to impact the outcomes through investment in the Wellness Fund and aligned funding.
- Initially pursue grants and consider long-term opportunities to pursue loans, which will require principal repayment and/or interest and are typically more resource intensive.

8 Pursue agreements for public funding streams.

- Educate and engage funders in the ongoing work of the interventions to address priority outcomes and opportunities to impact the outcomes through investment in the Wellness Fund and aligned funding.
- Work with appropriate government agencies to develop agreements for funding to flow into the Wellness Fund.

Future State Considerations

Once the Health Action Wellness Fund is more established, Health Action should revisit the need for loans, as they can help the Fund continue to grow once other private sources have been utilized. Loan funding can expand the scope of potential fundraising efforts by establishing agreements between the Fund and cashable savings payers. Loan agreements must include repayment schedules, default terms, and other considerations that require a more sophisticated system of outcome and financial evaluation. Additionally, initial work to develop capacity to show data on outcomes will yield opportunities to

evaluate the probability of cashable savings and/or societal benefit that can be valued based on specific priority outcomes resulting from targeted investments. Finally, the Health Action Wellness Fund should monitor changes in public funding and capitalize on the growing movement toward more flexible, performance-based payments over those for specific services.

CHAPTER 5: CASHABLE SAVINGS & BEYOND

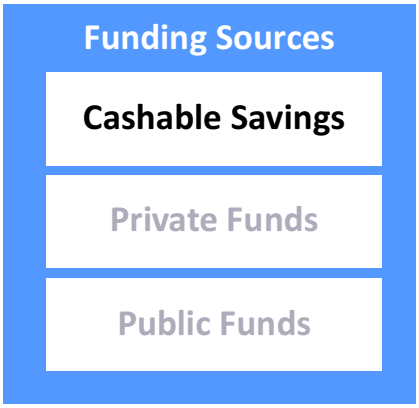
Key Concepts

- Cashable savings are one of three anticipated funding sources for the Health Action Wellness Fund
- Cashable savings are realized and collected using a capture-and-reinvest model in which payments to the Wellness Fund are made using pre-agreed metrics and prices
- Cashable savings are distinct from outcome payments, part of the pay-for-success model in which an outcome payer is willing to pay a specific price for long-term outcomes, regardless of whether that outcome yields the payer financial savings
- In addition to interventions that yield cashable savings, health interventions that bring wider societal benefits will be considered by the Wellness Fund using different funding sources

Cashable Savings

Cashable savings are achieved when, through an intervention, an agency or entity realizes reduced costs or avoids future costs. They are "cashable" because a portion of the savings can be reallocated (as "cash") for other purposes. Examples include: savings to a health plan due to reduced incidence of diabetes following a community-wide diabetes prevention effort or a county jail seeing lower occupancy due to an effective recidivism reduction program. In such scenarios, a capture-and-reinvest model, in which savings are captured and then reinvested to support a portfolio of interventions, is applicable. Cashable savings derived from a capture-and-reinvest model are a powerful way to leverage a new source of funding for impactful social interventions.

FIGURE 11: FUNDING SOURCES



Cashable savings are expected in a minority of the interventions in which the Health Action Wellness Fund will invest and are not a prerequisite for the fund's portfolio of interventions.

The Wellness Fund will assess which interventions that affect priority outcomes may also generate cashable savings and implement the capture-and-reinvest model where appropriate. For those that do fit the criteria, the Wellness Fund will identify and engage key stakeholders, assess savings, and negotiate agreements and payment terms.

Stakeholder Engagement

Stakeholder support is critical for the success of the Health Action Wellness Fund and its ability to leverage innovative models such as capture and reinvest. The Fund may utilize a variety of tools to assess community readiness and engage stakeholders, such as providing incentives for participation that can accelerate adoption of innovative models.

The Fund will benefit from understanding stakeholder perspectives and questions, and proactively addressing them. Questions that frequently arise when introducing innovative financing in the social

sector include whether or how the mechanism will affect the service population, or the financial sustainability of stakeholders such as service providers.

As a collective impact model, Health Action has a strong history of engaging stakeholders; as the Wellness Fund introduces sustainable financing tools to the community, a continued and robust effort to engage and educate stakeholders will facilitate Health Action's success in leveraging these tools to support measurable improvements in priority outcomes.

ACH Case Example 2
Incentives for Stakeholder Participation

Stakeholder	*Example*	*Incentive for Participation*
Savings Payer	Private and public health plans including Medicare and Medicaid	• The Centers for Medicare and Medicaid Services are incentivizing a move from volume-based payments to value-based payments • In the short term, capture and reinvest will yield savings to health plans through avoided hospitalizations • In the long term, prevention-focused interventions may decrease CVD prevalence, providing additional savings to health plans
Service Delivery Partners	Primary care providers or hospital systems	• Capture and reinvest will drive more efficient utilization of healthcare system, as CVD patients seek out primary care providers for preventive services and fewer CVD hospitalizations reduce load on over-utilized hospital systems
Potential Intervention Providers	Community-based organizations	• Wellness Fund investments can enable organizational excellence, improve coordination of services, and advance organizational missions
Service Population	Residents of Sonoma County at risk of CVD	• Residents at risk of CVD may gain access to more prevention-focused services, potentially cost less out of pocket, and improve health and longevity

Assessing Cashable Savings

Agreement on the methods and metrics that determine cashable savings accrued—and therefore the funds that will be redirected into the Health Action Wellness Fund—will position the Fund for successful deployment of capture and reinvest. The three parties to a capture-and-reinvest agreement are the Wellness Fund, the savings payer, and the data administrator. In some cases, the savings payer and the data administrator are both part of the same entity. Alignment between these three parties on how to assess cashable savings will be the cornerstone of any capture-and-reinvest agreement. The Wellness Fund will select interventions whose intervention-level outcomes and indicators support Health Action priority outcomes.

Cashable savings are assessed using administrative data, which are data collected by organizations as part of the normal course of business. Two types of administrative data drive cashable savings calculations: agreed evaluation metrics and the savings payer's cost structure related to those metrics. For example, an evaluation metric could be the number of children requiring a specific type of special education or the number of pre-diabetes cases that avoid progressing to type 2 diabetes within a given time period. Special education enrollment data and diabetes diagnostic data are collected as part of the normal course of business. The cost structure for providing (or avoiding) services in both these cases should be known to the payer. Leveraging administrative data in capture and reinvest is important for two reasons: it eliminates the need for additional data gathering and it ensures payments are triggered by independently verifiable results that support Health Action's priority outcomes.

FIGURE 12: SUMMARY OF STEPS TO ASSESS CASHABLE SAVINGS

Define Metrics	**1**	Identify metrics that are meaningful to potential savings payers, achievable by the interventions, and aligned with Health Action priority outcomes
Set Benchmarks	**2.1**	Agree on evaluation methodology (historical data or comparison group) and process, benchmark methodology (multi-year average, adjustments for demographics, etc.), and validation requirements (audit rights, third-party review, etc.)
	2.2	Define data needed to calculate the benchmark utilization level and cost of services for each metric and identify data owner(s)
	2.3	Acquire baseline data and calculate the benchmark for each utilization metric and associated cost structure
Analyze Results	**3.1**	Formalize data sets needed to track results for each metric and address data-sharing or compliance sensitivities
	3.2	Select the party that will analyze this data, define access protocols for data sets, set the frequency of access, and analyze data sets for results at the agreed frequency
	3.3	Analyze impact on the selected metrics by comparing the results (3.2) to the benchmark (2.3)
Calculate Payments	**4**	Convert measured impact (3.3) to savings payments based on terms negotiated in the capture-and-reinvest agreement

Defining Metrics

In capture and reinvest, a portfolio of interventions results in cashable savings that accrue to a savings payer who agrees to share those savings with the Wellness Fund. A strong metric is meaningful to both the savings payer and Fund. The savings payer is interested in a metric that can be clearly linked to cost reduction. The Fund is interested in a metric that can be clearly linked to a priority outcome. For example, the cashable savings metric could be the number of bed days avoided for congestive heart failure (see Case Example 3). This metric could be aligned with an outcome of closing the health equity gap by improving life expectancy among residents historically disadvantaged by social determinants of health. Improvements in life expectancy may bring additional benefits to other entities or systems—consider a potential for decreased sick days or increased tax revenue from delayed retirement—but all those benefits do not result in savings that can be captured in a capture-and-reinvest model.

Setting Benchmark and Cost Data

Selecting an evaluation methodology is an important first step in setting benchmarks. This step occurs prior to data collection as the methodology may constrain the type of data considered admissible. Two evaluation methodologies can be used to measure whether savings are accruing:

1. Historical data tied either to an individual or to average cost or utilization across a population. This benchmark can be assessed in advance of the intervention and is generally simpler to calculate.
2. Comparison of the intervention group to a control group that does not receive the intervention. This provides greater methodological rigor when measuring impact on agreed upon outcomes, but is complex, expensive, and time consuming.

In an ideal capture-and-reinvest model, the savings payer has sophisticated data capabilities that result in swift access to both utilization and cost data, and these data are aligned with the chosen metrics. Combined, these pieces of information form the foundation of the savings payments. If we know the baseline number of hospital bed days for a specific condition and the cost data associated with those bed days, we can estimate the potential savings that result for each avoided hospitalization.

Data privacy and compliance hurdles are surmountable with persistence; for example, compliance protocols can seem complex but can be overcome, and in some cases elsewhere a third party with existing data-sharing agreements has performed the analysis to expedite the process.

Identifying metrics and setting benchmarks are iterative steps. They require reviewing administrative data sets that are currently being collected, yet data administrators need a sense of the metrics first to provide access to the right data. The team working on these steps and the savings payer—who in many cases holds the data—should expect several iterations of this process. Ongoing stakeholder engagement—particularly with the leadership of the savings payer—and strong relationship management with the data administrators can facilitate more rapid iterations as well as smoother execution of long-term data access protocols.

Analyzing Results

Ideally, through the first two steps (defining metrics and setting benchmarks) the team will have a solid understanding of the data sets needed, any data-sharing or compliance requirements, whether a third party will be involved in the analysis, and the expected frequency for analyzing results. This is an opportunity to formalize any final data requirements or access protocols that may arise.

Results are then analyzed periodically—whether monthly, quarterly, or semiannually depends on the nature of the metrics selected and the savings payment frequency. The party chosen to analyze results will follow the protocols defined in this step at the agreed frequency for the entire duration of the capture-and-reinvest agreement.

Calculating Savings Payments

The final step of capture and reinvest is converting the measured impact on the cashable savings metrics into payments. This step executes the protocols established in the capture-and-reinvest agreement, respecting the evaluation methodology, utilization and cost benchmarks, and payment frequency that the parties agreed to.

Negotiating Agreements and Terms

At the heart of capture and reinvest is an agreement between the Health Action Wellness Fund and the savings payer. Benchmarks related to utilization and cost are critical inputs, but other factors are important to consider and agree prior to finalizing an agreement. Other key areas for negotiation include:

- **TIMING**: What is the agreement duration? How frequently are data analyzed and payments triggered? Is there a renewal option and what are the terms of renewal?
- **USE OF SAVINGS**: Are the savings returned to the Wellness Fund restricted to fund the intervention that is generating cashable savings? Are there other restrictions the savings payer aims to place on the funds? Does the Wellness Fund require all savings returned to be unrestricted and will the savings payer accept this? What percentage of the cashable savings will be used to support backbone functions that enabled the launch of capture and reinvest?
- **DIVISION OF SAVINGS**: What portion of the assessed cashable savings accrues to the Wellness Fund versus the savings payer?
- **LONG-TERM SHIFTS**: What happens when there is a material shift in community-wide prevalence or demographics? How does the mechanism account for external shifts that may affect prevalence? How does the mechanism react to success over the long term, which could cannibalize future savings payments by shifting baseline prevalence? Imagine if pre-diabetes prevalence decreased by 50% over a 5-year period—how would that affect future benchmark analysis and savings payments?

Beyond Cashable Savings

Cashable savings do not represent the full societal value of outcomes that could be achieved by a coordinated portfolio of interventions aimed at priority outcomes. For example, the benefits of a juvenile avoiding the criminal justice system go well beyond the marginal savings that accrue to a local jail. The benefits of high-quality early childhood education span throughout a child's lifetime, and have been shown to affect long-term outcomes such as high school graduation rates and lifetime earnings.

The full value of upstream and preventive interventions is both difficult to calculate with certainty and implausible to capture fully. Two additional methods of assessing and quantifying impact are worth reviewing: social return on investment and outcome payments.

Social Return on Investment

Social Return on Investment (SROI) represents non-financial value that accrues to stakeholders as a result of impact-oriented investments. Metrics most commonly measured within this context relate to environmental and social outcomes. These outcomes theoretically may have the potential to bring stakeholders financial benefits in the form of avoided costs (e.g. better overall population health should reduce overall health plan payer costs), however they are difficult to quantify and measure with certainty. Expected SROI may be estimated or approximated in advance to evaluate the case for investing in a specific issue area, but these are only estimates; they are not actual savings and therefore do not form the basis of payments.

Estimating the SROI of a portfolio of interventions and measuring population-level outcomes over time can facilitate strategic and financial decisions and inform the setting of priority outcomes.

ACH Case Example

Case Example 3
Measuring Cashable Savings

Health plans are envisioned as the primary savings payer for the ACH pilot focused on cardiovascular disease outcomes. Metrics selected for cashable savings must bring value to a health plan. One of the most interesting metrics for health plans could be utilization rates—each time a service is utilized it triggers payment for a claim. Lowering utilization through preventive services could bring cashable savings to a health plan while improving patient outcomes. Because utilization rates affect health plan profitability, the plans collect this data meticulously. This rich data environment makes utilization a promising starting point for an intervention designed to achieve cashable savings.

Let's review the potential for measuring cashable savings in the form of utilization rates:

Step	*Example*
Define Metrics	A health plan and the Wellness Fund agree to a metric of bed days avoided for congestive heart failure among patients at high risk of one or more hospitalizations within the next 18 months.
Set Benchmarks	Using historical data on hospitalization for patients with congestive heart failure, the parties extract current hospitalization rates (e.g. admissions and bed days for congestive heart failure per 1000) to understand baseline hospitalization trends.
Analyze Results	The health plan agrees to a monthly report of utilization data to relevant parties, signs data-sharing agreements, and all parties agree to a quarterly review of data by a third-party evaluator.
Calculate Payments	Parties review existing reimbursement rates for congestive heart failure hospitalizations and agree to payment amounts and terms for avoided bed days.

Lessons from the Field

Learning from Pay for Success

Pay for success (PFS) is an emerging field that harnesses new capital to support impact on critical social outcomes.

Sonoma County completed a PFS feasibility analysis to consider expanding access to high-quality preschooling. The feasibility study reviewed key outcomes, including kindergarten readiness and third-grade reading and math, detailed an expansion and evaluation plan, and assessed the anticipated value of those outcomes for both investors and the County of Sonoma. The lessons learned in the feasibility analysis included that outcomes payments, rather than cashable savings, are more appropriate for a preschool project. Lesson learned from local projects can influence and assist development of future outcomes-oriented investment projects.

The Pay for Success Learning Hub, hosted by the Nonprofit Finance Fund, includes examples of PFS deals leveraging new capital that have launched and successfully negotiated terms based on both anticipated savings and societal benefit of investing in outcomes.

Outcome Payments

Some outcomes that are believed to have a high social return on investment but are not strong candidates for cashable savings could be considered for a different mechanism: outcome payments. Once the Health Action Wellness Fund develops the capacity to assess the value of outcomes based on both accrued savings and anticipated societal benefits, it becomes possible to identify an "outcome payer"—a public or private funder who is willing to pay for successful outcomes. The Wellness Fund may then begin negotiating agreements with outcome payers who similarly value these outcomes and are willing to make payments based on their achievement. These payments, called outcome payments, can be a worthwhile supplement to cashable savings, as they are applicable to far more interventions—particularly preventive interventions that do not have direct links to short-term cost savings. The steps involved in defining, measuring, and contracting for cashable savings can function as a guide for outcome payments.

In the pay-for-success model, a payer (usually a government agency) makes outcome payments for an outcome being achieved (e.g., a formerly homeless person remains housed after an intervention). Determining the methodology for calculating outcome payments is more complicated than it is for calculating cashable savings, as positive outcomes may not be tied to direct savings, those savings may accrue to different agencies and there may not be administrative data already collected on the outcome.

All stakeholders—particularly those in contractual agreements with the Health Action Wellness Fund—must be willing to amend agreements over time based on experience. Cashable savings and outcomes payments alone will not be sufficient to achieve financial self-sufficiency for the Wellness Fund; public and private entities will also be critical contributors to the Wellness Fund's sustainable financing strategy.

Recommendations for Transition Steps

Transition steps may be taken in parallel and may be iterative. Where appropriate, specific steps are cross-referenced in brackets as steps in other chapters.

1 Educate stakeholders on specifics of utilizing the capture-and-reinvest model and its applicability to Health Action goals and priority outcomes.

2 Finalize first cohort of prototype interventions. *[See also transition steps in Chapter 3]*

3 Assess the social return on investment of selected priority outcome, estimate funding required to achieve intervention-level outcomes, and determine which prototype interventions have potential to accrue cashable savings. *[See also transition steps in Chapters 3, 4, 6]*

- Assess potential for cashable savings based on specific interventions. *[See also transition steps in Chapter 3]*

4 Identify potential savings payers.

- Using prototype interventions, such as Project Nightingale, to identify potential savings payers.
- Develop strategy to engage savings payers in capture-and-reinvest discussions.

5 Define metrics that are meaningful to savings payer and which are impacted by the intervention, then negotiate the methodology for calculating benchmarks, impacts and payments.

- Contractual agreements: Draft initial term sheet for review by savings payers, including flexibility to support all uses of funds within the Wellness Fund.
- Begin to develop capture-and-reinvest agreements with those savings payers.

Future State Considerations

As data and analytics capacity improves, Health Action will continue to build the case for investments that yield long-term savings and benefits. Identifying where long-term value accrues can greatly expand the scope of potential fundraising efforts by engaging new payers, including partners in systems such as criminal justice, education, economic development, and the private sector who are interested in improved well-being resulting from investing in upstream, prevention-focused interventions.

CHAPTER 6: EXPANDED BACKBONE FUNCTIONS

Key Concepts

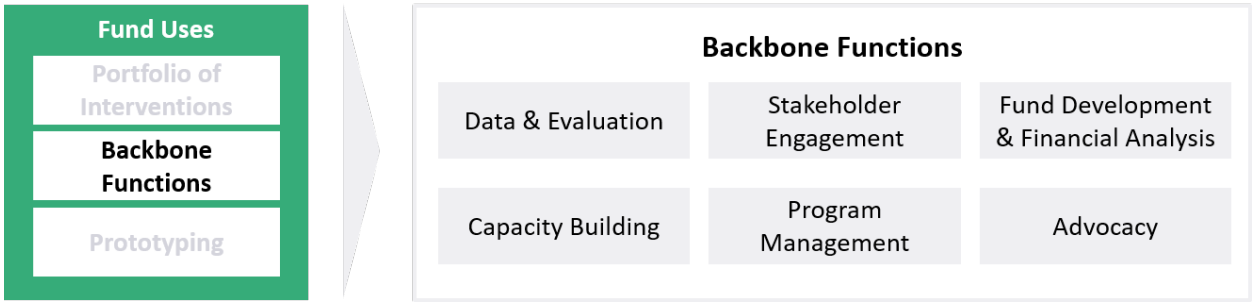
- Backbone capacity is essential for the success of achieving the vision of health equity and health improvement in Sonoma County
- The Backbone will require sophisticated capabilities including hard skills, such as designing and executing complex financing, modeling, data analysis, and evaluation functions, and soft skills such as engaging stakeholders, negotiating with savings payers and data owners, and project managing complex programs
- The future work of Health Action and Upstream Investments should build upon existing backbone support and identify opportunities to expand and position backbone functions for maximum impact

Backbone Functions

Collective Impact endeavors require robust backbone functions to support the successful attainment of long-term health and well-being improvements. In Sonoma County, backbone support for Health Action is provided by the Department of Health Services and support for Upstream Investments by the Human Services Department. Building upon the success of efforts to date, the Health Action Wellness Fund will be better positioned to support attainment of priority outcomes by expanding the capacity of backbone functions.

It is important to further develop backbone functions capable of fulfilling numerous roles, as well as to support prototyping to guide process improvement, evaluation of metrics, and development of an evidence base for interventions.

FIGURE 13: OVERVIEW OF BACKBONE FUNCTIONS



Data & Evaluation

Collecting and disseminating actionable data is a key backbone function and should build upon existing work of Upstream Investments. The Fund's success depends on understanding impact on priority outcomes, identifying potential of cashable savings for specific interventions, and assigning reasonable metrics for evaluation of short- and long-term impact on health equity and health improvements.

Lessons from the Field

Learning from Successful Data and Evaluation: Camden, New Jersey

Camden New Jersey's ARISE (Administrative Records Integration for Service Excellence) system combines information from public data systems to create a multi-dimensional picture of citywide challenges. By linking information from multiple data systems, including criminal justice, health care, and housing Camden ARISE helps drive better decisions about allocation of resources and addressing the root causes of recurring public problems.

The project's first phase integrated data from the Camden County Police Department with information from regional hospitals to shed light on overlapping issues in health care and public safety. Analysis of the combined data will indicate strategic points of intervention that may reduce hospital readmissions, arrests, recidivism, and more.

Existing data collection tools may be sufficient for measuring priority outcomes at the County or community level, but additional data analytics capacity is needed for the Wellness Fund to measure intervention-level outcomes, produce data that can be used in economic models of social return on investment and cashable savings, and evaluate aggregate impact of Wellness Fund interventions.

To take advantage of the potential for data analytics to provide valuable feedback, the Fund will need to establish multiple data sharing agreements for data collected at the individual, longitudinal level. Most individual-level health and education data are protected under federal law; developing adequate security features to satisfy data owners is key.

Furthermore, a system capable of integrating data from multiple sources will enable improved coordination between referring organizations and more comprehensive evaluations that capture the full breadth of intervention impact. This work can leverage existing pilots, including ACH, Road to the Early Achievement and Development of Youth (READY), Project 301, Keeping Kids in School, and other shared measurement projects. Upstream Investments' shared measurement work group can serve as a learning community for sharing best practices and addressing challenges faced as data and evaluation capacities strengthen.

Significant resources may be required to develop the data sharing agreements and build the infrastructure necessary for collecting administrative data from multiple sources, while addressing privacy and security concerns. This route takes advantage of the large amount of existing administrative data rather than creating new data reporting processes for each outcome. Once suitable data are identified, it will be necessary to develop objective evaluation criteria to track progress.

Fund Development and Financial Analysis

The backbone will be an important contributor to Health Action's fundraising efforts for the Wellness Fund. This includes relationship building, grant writing, aligning investments with priority outcomes, negotiating agreements to secure savings reinvestment, and articulating the value proposition of the Wellness Fund. Health Action's ability to raise funds and secure new funding sources is crucial to enabling substantial investments toward meaningful improvements in priority outcomes.

Expanded capacity for financial analysis and economic modelling will be critical to both fund development and other backbone functions. This function is key to coordinating budgets across different sources and uses, projecting funding in future years, and estimation of both social return on investment and cashable savings.

Program Management

Determining the Health Action Wellness Fund's strategic and programmatic direction requires combining existing backbone capabilities with a sophisticated capacity to develop and manage a range of agreements. These include grant or funding agreements with private and public funders, service agreements with providers of interventions, cashable savings agreements with savings payers, as well as any incidental agreements with technology vendors, evaluators, consultants, and others. Each of these types of agreements will be pursued, negotiated, and maintained as part of the backbone functions.

Capacity Building

The shift to a continuous improvement mindset that leverages data analytics, dynamic feedback, and outcomes measurement is both technically and culturally challenging. Building this capacity within a single organization takes significant effort and expertise; weaving this capacity into the DNA of an entire community is an even bigger challenge.

The Health Action Wellness Fund will seek to develop capacity and build effectiveness among entities directly engaged in interventions as well as within the wider community of stakeholders. Areas for capacity building range from improving referrals and coordination among entities to tracking outcomes and leveraging data feedback loops for continuous improvement. For entities that are delivering prototype or portfolio interventions, the Wellness Fund may need to tailor capacity building to specific needs of the organization or intervention.

Stakeholder Engagement

Stakeholders that require engagement for successful development of the fund include a diverse range of people and entities—from potential funders, service providers, community organizations and other government entities at county, state, and possibly federal levels to savings payers and data owners. Collaboration, alignment on vision, and especially a shared lexicon of sustainable financing will enable the cultural shift necessary to facilitate sustainable financing and outcomes-oriented practices.

Particular challenges include: translating often complex concepts into "laymen's" terms without diluting the meaning of the message; ability to analyze data and share insights with stakeholders in a manner that resonates with their interests and understanding; educating stakeholders about best practices in prevention-focused and evidence-based interventions; maintaining diverse public and private interest and investment in the Wellness Fund over long implementation periods and throughout setbacks; and community and resident engagement to inform key needs and community readiness for interventions.

As a collective impact effort, Health Action is familiar with these challenges and will need to both lean on its experience and consider allocating additional resources to educating and cultivating deeper knowledge within the robust stakeholder landscape of Sonoma County.

Advocacy

The Health Action Wellness Fund is pursuing innovative financing and outcome measurement strategies that are neither well understood nor designed for traditional funding mechanisms. Educating and informing policymakers and funders of these innovative practices will enable future policies and funding streams that support sustainable financing efforts as well as wider data sharing and outcomes measurement. Advocacy functions will support the investment strategy, deploy strategic communications, build public interest, and support policy development in support of advancing Sonoma's progress towards reaching priority outcomes.

Recommendations for Transition Steps

Transition steps may be taken in parallel and may be iterative. Where appropriate, specific steps are cross-referenced in brackets as steps in other chapters.

1	Finalize first cohort of prototype interventions aligned with Health Action priority outcomes. *[See also transition steps in Chapters 3, 4, 5]*
2	Assess the social return on investment of selected priority outcome, estimate funding required to achieve intervention-level outcomes, and determine which prototype interventions have potential to accrue cashable savings. *[See also transition steps in Chapters 3, 4, 5]*
3	Educate stakeholders about the value of the backbone functions to secure funding streams dedicated to capacity as well as prototype interventions. *[See also transition steps in Chapter 4]*
4	Assess backbone funding needs. *[See also transition steps in Chapter 4]*

- Estimate five-year budget required to support Health Action Wellness Fund backbone functions including funding needed to support key backbone capabilities and prototype interventions.

5	Benchmark successful backbone organizations, baseline capabilities of Health Action and Upstream Investments, and conduct gap analysis to assess viability of maintaining existing operation model and governance structure or considering different structure
6	Coordinate assessment of backbone functions with recommendations surfacing in Health Action and Upstream Investments, including coordinated integration of the two collective impact initiatives, regarding strategies and stewardship objectives
7	Invest in robust backbone functions to ensure interventions create maximum impact through coordination, fundraising and use of data and analysis
8	Cultivate a continuous learning mindset for the Wellness Fund by investing in and learning from transition steps to evaluate the effectiveness of prototype interventions and build capacity of local partners and funders to evaluate impact on priority outcomes

Future State Considerations

Backbone functions exist to support the Health Action Wellness Fund's operations and to advance its strategic goals. Almost by definition, these functions will be changing as the Wellness Fund matures and the landscape changes. In general, a biannual assessment of the importance, ongoing utility, and performance of existing functions, as well as a review of potential functions that may be lacking, would help the maintain a lean, innovation-oriented mindset and ensure the Wellness Fund is being well served as it evolves.

The backbone functions will need to adapt as new issue areas become high priorities, whether a result of demographic changes, economic downturns, political shifts, or improvements in priority outcomes. Maintaining a dynamic and learning mindset and willingness to adapt both proactively and reactively will be critical to the Wellness Fund's resilience.

More specifically, the future state is likely to require robust data analytics infrastructure and skills (see Lessons from the Field box on Camden New Jersey). Data analytics needs will become more sophisticated and substantial as the Wellness Fund matures and selects additional priority outcomes on which to focus.

In this future state, data on outcomes, indicators, and metrics flows dynamically and seamlessly between the Wellness Fund, its funders, and service providers whose interventions are part of the portfolio. These feedback loops should catalyze continuous improvement among all parties as the stakeholders better understand how funding and interventions—both individual and collective—are improving priority outcomes and achieving Health Action's vision of a Sonoma County that is a healthy place for all residents to live, work, and play.

CHAPTER 7: WELLNESS FUND STRUCTURE

Key Concepts:

- Limitations of current Health Action structure including challenges related to decision making, authority, and accountability
- Guiding questions for developing the design, operating structure, and execution plan of a future Health Action structure including a Wellness Fund
- Continued role of existing collective impact, backbone, and pooled funds infrastructure in the new structure
- Recommended transition steps for making, formalizing, and implementing key decisions

Health Action Today

Health Action has used three overlapping but separate mechanisms to build the foundations of the Wellness Fund: a multi-year collective impact effort leveraging a wide range of stakeholders, professional county staff who have provided varying levels of backbone support, and a small pooled fund housed under the Community Foundation Sonoma County.

As a mechanism for bringing multiple parties into alignment on a shared vision, this has served Health Action well. Health Action has benefited from continuity in backbone support for a decade, engagement of senior leaders across multiple sectors and organizations, local input from community-based chapters, and establishment of a pooled fund which signals funder support for finding sustainable solutions for improving social outcomes. The tenure of these efforts and the level of engagement signal a deep and genuine interest in achieving complex systems changes that aim to improve social outcomes.

The Wellness Fund's foundation has been patiently and meticulously built over the last decade of Health Action; the next step is to add framing onto the foundation—to design the shape and build the structural support that will enable Health Action to sustainably finance both improving priority outcomes and rigorous measurement of those outcomes.

The Case for Change

To progress from foundation building to framing—and from visioning to execution—Health Action will need to initiate a fundamental shift in its working processes. A key shift will be creating a more formalized structure with clear lines of decision-making responsibility and authority. The decade of collaboration and contribution from many parties has ensured that voices were heard, ideas and interests were reflected, and diverse groups bought into the ideas generated; this was an effective way to come to a multi-stakeholder agreement on a vision. Moving into execution—particularly around critical investment decisions—will now require empowered leadership, the ability to act with agility, and delegated authority. In short, Health Action will need to invite the three overlapping mechanisms—the collective impact network, the backbone support, and the pooled fund—to integrate and delegate ownership to clearly delineated leadership that is empowered to act.

Existing Structural Limitations

As Health Action stands up an operational Wellness Fund, it is worthwhile to consider the limitations of operating within existing structures. An analysis of these structures through the lens of five key elements may help highlight their limitations for the next phase of Health Action.

- **DECISION MAKING:** Currently there is no individual or entity that holds decision-making authority within or across the collective impact network, the backbone support, and the pooled fund. This situation limits the decision-making styles that can be employed to move the work forward—in effect, decisions default to being made by consensus across parties representing different spheres of interest and influence and without transparent lines of authority or accountability. Research on leadership decision-making suggests there are three decision-making styles successful leaders employ: authoritative, consultative, and consensus (Vroom, "Leadership and Decision-Making"). Every situation has an optimal decision-making style—the style that leads to the best decision for a given situation and the greatest likelihood of adoption. Health Action may struggle to make decisions for an effective and sustainable Wellness Fund if it is limited to one decision-making style; it is advisable prior to standing up the Fund to assess the need for utilizing the full suite of decision-making styles and to consider opportunities for delegated authority for particular components of its work. The collective impact approach is and will continue to be a key resource—it will be critical for Health Action to leverage the group's past work and actively cultivate and harvest continued input from stakeholders. By assessing the need for additional decision-making styles and exploring avenues for delegating authority, Health Action will be better positioned for effective decision-making optimized for accelerating progress on priority outcomes.

- **ACCOUNTABILITY:** The current decision-making structure does not delineate clear lines of accountability; since no individual or entity holds concrete decision-making authority, no individual or entity can be held accountable for the success or failure of their efforts. During the early years of Health Action, there was no pressing need for holding someone accountable. As Health Action seeks to raise funds for the Wellness Fund, make investments, and measure outcomes, transparency and accountability will become critical.

- **RESOURCE CONTROL:** Executing the Wellness Fund will take time, people, and funds. It is critical that leadership be established to have ownership and control of the resources required to stand up the Fund, to have authority over a specific budget, and to be held accountable for executing that budget. Ownership and control of resources are currently shared and stretched across multiple parties. For instance, pooled funds are currently located in an account managed by the Community Foundation Sonoma County; the teams overseeing the pillars of the ReThink work—strategy, sustainability, and stewardship—have been comprised of peers coming from multiple organizations; and Health Action relies significantly on assignments of people from the county to act as backbone support. While this structure was appropriate and effective for the work to this point, the success of the Wellness Fund will ultimately depend on clearly delegated resources and budget autonomy to effectively conduct the work over the long term.

- **CONTINUITY:** As Health Action starts to seek funding for the Wellness Fund, make investments, track savings, execute data-sharing agreements, and measure outcomes (among other functions), the integrity and continuity of obligations, records, and commitments become paramount. The dispersed nature of Health Action's knowledge and people—which include volunteers, ad hoc assignments, and in-kind support—was appropriate during the first decade of the effort. As the Wellness Fund moves into execution, continuity of people, intellectual capital, and institutional knowledge will be critical and will require dedicated resources, processes, and leadership.

- **SILO RISK:** Health Action convenes a wide group of stakeholders together who bring an enormous value: a perspective that is unique to their community, position, sector, and/or organization. The corollary to this value is that these different perspectives can be isolated in silos from one another. Taken together, they provide a wealth of critical inputs, but individually they may be limiting. Without clearly defined leadership and accountability for the Wellness Fund, it may be easy to miss the 10,000-foot perspective. This leaves Health Action exposed to several risks, including one or more silos exerting a disproportionate influence, missing trends occurring outside the silos, or inability to make informed compromises necessary to advance long-term interests. One of the most important elements of executing this Fund will be considering all relevant perspectives in order to make decisions that advance the dual goals of both improving priority outcomes and ensuring the financial sustainability of the Fund.

Ongoing Role of Collective Impact, Backbone, and Pooled Funds

The three mechanisms that have enabled Health Action's progress—the collective impact network, the backbone support, and the pooled fund—will be integral to the new operating structure. The network of stakeholders will continue to be critical advisors, collaborators, sources of ideas, and funders. Appropriate elements of backbone support that are currently committed by several county offices and other organizations may be formally integrated into the new operating structure. The pooled fund currently housed under the Community Foundation Sonoma County may be formally moved into a location or entity that optimizes the Wellness Fund's ability to fundraise, disburse funds, make investments, and collect cashable savings as appropriate.

Integrating these three elements under one operating structure and clearly delineated leadership will enable agile execution and hopefully create synergies that advance improvement of priority outcomes.

Guiding Questions for Wellness Fund Execution

Two types of decisions need to be made to integrate the collective impact effort, backbone support, and pooled funds. The first type relates to the high-level design of the operating structure: Health Action must come to a decision on its design and oversight. The second type of decision relates to standing up the operating structure and executing the Wellness Fund's mandate. These latter decisions may best be postponed until Health Action comes to agreement on its vision for decision-making styles, delegation, and leadership, as some of these decisions are well-suited to delegation.

Operating Structure Design

Health Action will need to make critical decisions that define the operating structure in order for the Wellness Fund to begin execution of the sustainable financing strategy. The decisions relate to oversight, leadership, legal structure, mandate, and resources. Seeking stakeholder input on questions related to these decisions will help define the operating structure.

FIGURE 14: OPERATING STRUCTURE DECISIONS AND QUESTIONS

Decision Area	*Key Questions*
Organizational Structure	• What are the options to transition Health Action's organizational structure to effectively support its strategy and sustainability goals? • Is there an entity that holds the authority to stand up and administer the Fund? If not, is there a need for a different or new legal structure or entity? If not, is there an alternative path to fully delegating authority and providing resources required to stand up the Fund? • Is a new structure the optimal solution? What might be the most appropriate entity: standalone non-profit or foundation, public-private partnership, new public entity, or another structure? (See Velasquez) • Is there political will for a new entity? If a new entity is the right solution, and political will does not exist, how can it be cultivated? • What components of the existing structures and backbone functions of Health Action should be part of the entity to ensure success? • Is a strictly regulated structure (such as a CDFI) desirable? Is there a benefit to choosing a structure that allows for agile, rapid prototyping, startup-like culture?
Oversight	• Who holds oversight responsibilities for the fund? How can Sonoma County leverage the leadership of Health Action to ensure appropriate decision-making for the fund? A committee or board of individuals? A board with representatives appointed by specified entities? • How broad is the mandate of the fund's oversight body? How does this relate to oversight of the entirety of Health Action work and functions? • How independent is the oversight body? What structure will best position the fund for success? • Are there political dynamics that may stymie creating a best-in-class oversight body?
Leadership and Decision-Making	• What is the vision for leadership of the Wellness Fund? • What kind of leadership structure would give investors confidence? • Where are the lines of authority and accountability? • Will Health Action continue with a predominantly consensus-driven decision-making style or equip leadership with the full suite of decision-making styles (authoritative, consultative, and consensus)?
Mandate	• What is the breadth and depth of the mandate granted to the party delegated with executing the Fund? • What level of decision must be brought to the oversight body versus delegated to those executing the fund? Are there any strategic questions that require oversight or broader community consultation?
Resources	• As a benchmark, what is the fiscal load of current backbone staff from various organizations? What has been the nominal cost in terms of time and resources of Health Action over its decade of existence?

	• What is the size of the Fund? What is the estimated budget for operations? • What is the Fund development plan? Who are potential investors in the Fund? • What is the expected initial allocation for backbone support? Will backbone support come through direct funding or through seconded resources? • Who is responsible for ensuring financial support as the Fund is stood up?
Data	• Who determines data ownership? Does the oversight body need to be involved in deciding who holds the data? • For data management, does the Wellness Fund leverage resources housed within the county, or integrate those resources under its operations?
Capacity Building	• Who will be responsible for capacity building to ensure success of the Fund and investments in priority outcomes? • Is there likely to be redundancy with other efforts in the county? If yes, is there a benefit to integrating relevant county efforts into the Fund? Efforts such as Upstream Investments are already working within the sustainable financing value chain—how can Sonoma County best leverage this network, knowledge, and capabilities as Health Action integrates with Upstream Investments to create even greater collective impact? • What is the strategy to ensure community partners and providers are prepared to measure and achieve outcomes related to these investments?
Stakeholder Integration	• How will existing stakeholders be leveraged and integrated into the Fund as it develops? • Should there be formal mechanisms or informal processes for soliciting stakeholder input?

Operating Structure Decision Making and Execution

As Health Action makes decisions regarding the Fund's operating structure, it will be critically important to also consider the vision for the Fund's leadership and decision making, and to proactively choose either to remain rooted in a model of consensus-based decisions or to shift towards a model that intentionally includes delegated authority and expanded decision-making styles for particular components of Health Action's work.

That choice will determine ownership and authority for making and executing operating structure decisions. In a consensus-based model, the questions that follow would be answered either through a similar process to that used to answer the operating structure decisions, or through an alternate process determined and defined by Health Action. In a delegated authority model, responsibility and authority for answering these questions would fall to the delegated party.

In many cases, it is helpful to review a benchmark study of similar entities that have encountered this challenge in an effort to determine the attributes that led to greater or lesser success. In this case, there is not a deep pool of parallel entities to benchmark, but it may be useful to conduct a study of decision-making and delegation in other collective impact efforts and social impact funds. Separately, it may be useful to interview potential funders of the Wellness Fund to understand their perspective on authority, leadership, and decision-making, as earning funder confidence and support is important.

Once Health Action has determined where decision-making authority is vested, that authority will be responsible for standing up the fund and engaging stakeholders appropriately in the tactical decisions delineated below.

FIGURE 15: EXECUTION DECISIONS AND QUESTIONS

Decision Area	*Key Questions*
Leadership Decision-Making	• Will Health Action shift towards a model that integrates delegated authority and expanded decision-making styles (authoritative, consultative, consensus) for the Wellness Fund? • If yes, what is the vision for identifying a leadership team that will be responsible for defining answers to the below questions? • If not, what is the expected decision-making process? Who or what body has the authority to make and execute decisions?
Budget	• How will the resources allocated be spent in the first, second, and third years? • Which functions are priorities during the different moments in time?
Execution and Fundraising Plan	• What is the timeline for establishing a pipeline of prototype projects and interventions? • What are the goals and objectives of the first few years? • What kinds of funds have been committed, and what is missing? Who needs to be engaged in fundraising? • What are the short, medium, and long-term visions for financial sustainability? • What percentage of funds aims to produce cashable savings?
Talent	• What functions within the operational structure need to be filled or enhanced that are currently not represented by the backbone team? • What is the mix of backbone staff, in-kind support, contractors, and outsourced talent?
Data Analysis	• Who is best positioned to analyze data? • Is data analysis and evaluation outsourced to a third party or is does the fund build this capacity internally?
Location and Disbursal of Funds	• Where are funds housed? • Are multiple financial vehicles necessary? • How are different funds disbursed? How are cashable savings recouped?
Intervention Selection Process	• What is the appropriate selection process for interventions? • Is it possible to use an existing pipeline of interventions or necessary to build a new one? • What are the standards for prototypes versus interventions?

Recommendations for Transition Steps

Transition steps may be taken in parallel and may be iterative. Where appropriate, specific steps are cross-referenced in brackets as steps in other chapters.

1 Determine timeline and plan for engaging stakeholders on operating structure

- Identify all stakeholders whose input is important to the quality of the decision or the adoption of the final recommendations; consider whether stakeholders outside of Health Action should be engaged and at what level
- Set and publicize plan to convene and consult stakeholders

2 Convene Health Action and other stakeholders to make key decisions

- Determine which questions would benefit from full group discussion vs. delegation to smaller working groups
- Convene stakeholders and working groups to gather input on key questions and make and document decisions

3 Determine operating structure, define lines of accountability, and articulate approach to defining oversight body and leadership

- Determine vision for fund leadership and decision-making (consensus-driven decisions, delegated authority, and/or other configuration), and recruit leadership if appropriate
- Estimate timing and determine prerequisites required to set up operating structure

4 Conduct fiscal analysis of existing Health Action efforts and projection of budgetary needs for establishing Health Action's structure with a Wellness Fund

- Make high-level estimates based on fully loaded salaries of individuals who have been assigned to Health Action and the percentage of their time they have spent on the effort
- Estimate costs of data infrastructure related specifically to Health Action
- Identify non-salary costs of Health Action
- Estimate costs of other backbone functions related to Health Action

5 Conduct fiscal analysis of alternative operating structures for Health Action with a Wellness Fund and compare to current structure

- Make and compare high-level estimates based on in-kind time or fully loaded salaries of individuals who have been assigned to Health Action and the percentage of their time they have spent on the effort
- Compare costs of data infrastructure related specifically to Health Action
- Compare non-salary costs of Health Action efforts (marketing, contractors, etc.)
- Compare costs of other backbone functions related to Health Action

6 Formalize and implement key decisions

- Document decisions on operating structure and lines of accountability
- Establish timeline and work plan to stand up new operating structure

7 Estimate budget and design fundraising strategy

APPENDIX: REFERENCES

Many of the theories, ideas, and frameworks that underpin the thinking of Health Action, The Health Action Catalyst Team, and Third Sector are informed by the work of other communities and thought leaders in the fields of innovative financing, health systems change, and social impact. To acknowledge the hard work of those who have shaped our thinking, we have sought to provide a comprehensive list of references used in producing this analysis and in defining the terms and ideas articulated in this analysis.

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