

OUTCOMES RATE CARD

a menu of outcomes that government seeks to achieve and the prices they are willing to pay for each outcome achievement

Illustrative outcomes rate card:

Outcome Per at-risk youth ages 14-24	Maximum Outcome Price
Improved behavior at school	\$500
Completed Level 1 Certification	\$800
Completed Level 2 Certification	\$1,300
Entry into First Employment	\$2,000
Entry into First Employment <i>(per high-risk of reoffending indiv)</i>	\$3,000
Employment Retention <i>(12mos)</i>	\$2,500

Comparing Outcomes Focused Tools

● Often ● Sometimes ● Rarely

Outcomes Rate Card PFS

Outcomes Based Contracting

Government Sets Outcomes & Prices Before Procurement

Ability to Contract with Multiple Providers

Financed by Outside Investor Capital

Potential to Reach Population-Level Scale

Outcomes Measured by Academic Evaluation



Traditional SIB/PFS



Performance Based Contract



The Potential of Rate Cards

The outcomes rate card is an innovative tool to launch multi-provider outcomes-focused procurements. Because much of the development work is done upfront, the process is standardized, time between contract award and launch of services is significantly shortened, and a single rate card can drive multiple PFS projects.

Outcomes Rate Cards in U.S.

- Focus on evidence-based providers
- Differentiate pricing for the most vulnerable based on stratification of target population
- Emphasize strong data systems to support outcome validation & payment
- Potential to use in policy areas including: child welfare, opioid, substance use disorders, post secondary education & training, and chronic homelessness

The Rate Card Development Process Differs from Traditional PFS

To develop an outcomes rate card, government selects outcomes, identifies target population(s), sets prices, and selects an evaluation/measurement methodology as the basis for a PFS procurement for multiple service providers



Example Outcomes Rate Card Projects

UK Innovation Fund

The First UK Rate Card Project: **The Innovation Fund** pilot initiative launched by the Department for Work & Pensions in 2011 aimed to support disadvantaged young people considered to be NEET (not in education, employment, or training).

From a **single rate card**, the Innovation Fund:

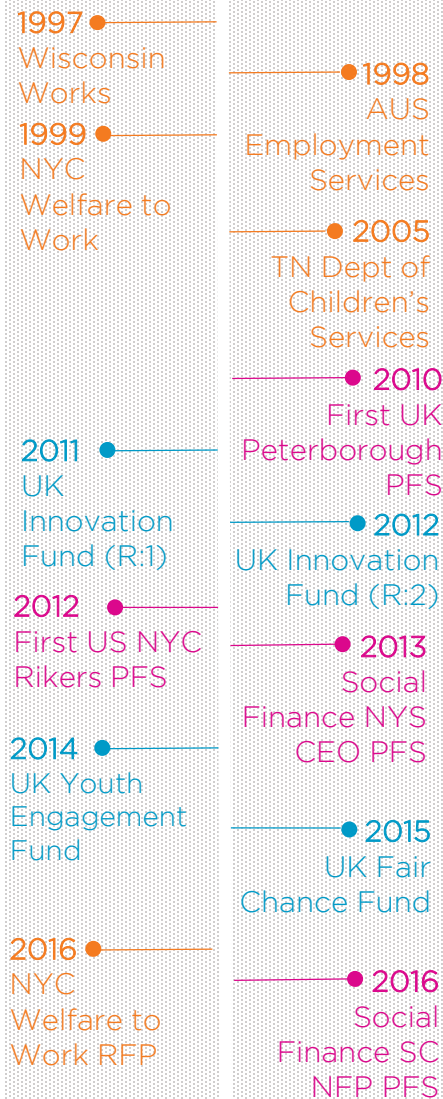
- Served up to **17,000 at risk youth** ages 14-24
- Launched **two separate rounds** of open competition
- Deployed roughly **£30 million** of capital
- Prompted over **130 interested service applicants**
- Finalized **10 contracts** with **6 providers** across the UK
- All 10 Innovation Fund pilots have been deemed successful by project partners

Youth Engagement Fund & Fair Chance Fund

Launched in 2014, the £16.5m **Youth Engagement Fund (YEF)** builds on the existing DWP Innovation Fund to pay for positive education and employment outcomes to support 8,000 disadvantaged individuals. 39 bids were submitted and 4 were selected for contracting.

Launched in 2015, the **Fair Chance Fund (FCF)** was designed to help 2,500 vulnerable young people by assisting them into housing, education, training or sustained employment. The £15m fund represents a joint effort by the Department of Communities and Local Government as well as the UK Cabinet Office. Over 150 organizations submitted bids and 7 were selected for contracting.

History of Outcomes Based Projects (select examples)



Outcomes Rate Card

Traditional SIB/PFS

Performance Based Contract