3

A WHOLE NEW MENU

OUTCOMES RATE CARDS IN PRACTICE

/ DAVID WILKINSON /

"Traditional" outcomes contracts often replace fine-grain fee for service (or per client) funding with cohort-based outcome payments. They reward improvement of average results across a service population.[1] While these remain valuable tools, a new generation of Pay for Success (PFS) contracts brings client-level emphasis to outcomes contracting. These tools, including Career Impact Bonds and outcomes rate cards, open new pathways for outcomes procurement, expanding the range of government services that engage outcomes contracting and/or optimizing for different priorities.

You've probably guessed by now that this is a chapter about government contracting. But it is not only that. It is also about the game-changing potential of results-driven government to move the needle for families and communities in need. It is about the barriers to getting there and what it will take for government to overcome them. Most importantly, it is a case study on a type of contract that is distinctively well-suited to help us do so: the outcomes rate card.

[1] For instance, an anti-recidivism program may be rewarded for reducing reincarceration by a certain percentage across a cohort of program participants or reducing total jail bed days across its entire client group.

An outcomes rate card is a procurement tool through which government defines desired outcomes for service recipients and the amount it will pay contracted providers for each instance that a client achieves one of these outcomes. Payment triggers may involve a wide range of outcomes: an unemployed individual getting a good job, a person struggling with homelessness attaining stable housing, or an opportunity youth graduating from high school.

When I was commissioner of the Connecticut Office of Early Childhood (CT OEC), we had the chance to launch one of the nation's earliest rate cards.[2] Our effort focused on home visiting programs, which serve at-risk pregnant women and mothers of young children. We chose home visiting because of the high capacity of Connecticut's providers, as well as

[2] With endless thanks to the brilliant, creative, and dedicated CT OEC staff leaders who made the nation's first early childhood rate card possible: Cathy Lenihan, Connie Heye, Ashley Murphy, Jen Wilder, and Mary Farnsworth.

their dedication and innovative spirit, characteristics for which the home visiting community is known in the national early childhood space.

It is useful—and only a slight oversimplification—to think of the rate card as a menu of posted prices government will pay for specific outcomes. One menu item in our rate card captured a great deal of attention: An early childhood agency was paying for adult workforce outcomes. It was like a sushi restaurant serving a hamburger. For a state government contract, it gained an uncommon level of recognition in national press and policy arenas.[3]

Parental economic stability is widely known to be one of the best predictors of child success, yet early childhood programs lack the mandate to invest in this priority. At the same time, workforce agencies have little authority or incentive to target programs to parents of young children. The outcomes rate card gave us a path to go beyond our silo, and we took it. As a result, we gained novel ability to incentivize one of the most important outcomes a child might hope for: mom getting a good job (and the stability and security that result).

This chapter explores the workforce outcome and the other items on our menu. As indicated by the investment it enabled across government silos, the rate card has great potential to help unlock important systems change—and it doesn't stop there. It is illuminating to consider the rate card in the context of the larger changes we need to see in government.

[3] Tina Rosenberg, "Issuing Bonds to Invest in People," The New York Times, March 6, 2018, www.nytimes.com/2018/03/06/opinion/social-projects-investing-bonds.html; Suzanne Adatto and Paul Brest, *The Pay for Success Handbook* (2020), https://stacks.stanford.edu/file/druid:jz224zp1899/Adatto%20%26%20Brest%2C%20Pay%20for%20Success%20Handbook.pdf; David Wilkinson and Roxane White, "Reinventing the Way We Measure Family Outcomes," The Aspen Institute, February 14, 2018, www.aspeninstitute.org/blog-posts/reinventing-way-measure-family-outcomes; ASTHO, *Policy Options for Promoting Early Brain Development: A Strategic Guide for State and Territorial Public Health Leaders*, accessed February 19, 2021, www.astho.org/Maternal-and-Child-Health/Early-Brain-Development/Policy-Options-for-Promoting-Early-Brain-Development--A-Strategic-Guide-for-State-and-Territorial-Public-Health-Leaders.

It is useful to think of the rate card as a menu of posted prices government will pay for specific outcomes. One menu item in our rate card captured a great deal of attention: an early childhood agency was paying for adult workforce outcomes.

What is required of government to become results-driven? I've had great fortune to work toward outcomes-driven solutions at the White House, at a small nonprofit, at a large state agency, and now at Yale University. Through these experiences, mostly in collecting the wisdom of others, I find it useful to frame the challenge as requiring four interdependent areas of transformation. Framed most simply, government must:[4]

1. Fund outcomes, not inputs
2. Be person- and family-centered
3. Listen to service recipients and providers
4. Use data as an asset to drive performance improvement

I have not encountered a tool better-suited than the rate card to advance each of these priorities through a single mechanism. Rate cards are especially compelling proof points that the barriers to outcomes-driven government are surmountable. Each one contributes to the precedence, staff experience, and policymaker enthusiasm that can pave the way for broader systems change.

[4] While there are many barriers to outcomes-driven government and many excellent ways to frame what needs to be done, this is the frame I find most useful. This synthesis incorporates ideas from Rod Brembly, Annie Donovan, Raquel Hatter, Ginny Hunt, Tom Kalil, Jeff Liebman, Anne Mosle, Tara McGuinness, Sen. Marilyn Moore, Lynn Overman, Tracy Palandjian, Jen Pahlka, Sonal Shah, Jim Shelton, Megan Smith, and Kathy Stack.

A CASE STUDY: RATE CARDS AS A TOOL TO HELP BUILD BETTER GOVERNMENT

1. Fund outcomes, not inputs

The purpose of publicly funded government programs is to achieve better outcomes for the people being served. Yet government tends to fund and assess programs based on metrics inadequately suited to this goal. Government contracts (the primary implementation vehicle for a wide array of public services) commonly allocate dollars based on throughput (e.g., numbers served or fee for service), rather than results achieved. For instance, in workforce training, government tends to pay for the number of people who receive training rather than the number of trainees who attain jobs.

This approach has the unintended effect of shifting government and service provider attention away from what matters most: results. It obscures both policymaker and public understanding of program impact—the degree to which hard-won policies to address critical objectives, such as improving health or alleviating poverty, achieve their goals. It also sharply reduces government's capacity to know what works and thereby intelligently target limited resources to best use. It compromises the ability of advocates to justify expansion of (or preserve funding for) high-impact programs. The inevitable result of our relative inattention to results is that government delivers fewer high-impact programs and services, taxpayer funds are not optimized, and service recipients face steeper odds in overcoming the challenges they face.

> ***Government contracts commonly allocate dollars based on throughput (e.g., numbers served or fee for service), rather than results achieved.***

Similar to other PFS contracting models, rate cards quickly shift the focus of government contract administrators and service providers to desired results for families and communities served. In a rate card contract, government sets priority outcomes, the prices it is willing to pay for those outcomes, and the measurement tools it will use to determine whether the outcomes have been achieved. Distinctively, through rate cards, multiple service providers can enter contracts for the same outcomes according to the same terms.

Highly effective providers demonstrate their impact and may earn increasingly large engagements. Lower performers must confront their shortcomings. They have a clear financial incentive to improve their results. Those unable to do so make way for those who can. Taxpayer funds achieve increasing value on the dollar through improved collective performance.

For any program, identifying and quantifying the desired outcomes is important. When we pivot to paying based on the achievement of outcomes, these choices become even more critical. In Connecticut, we started by developing the principles that we felt needed to be true across all outcomes. We decided outcomes listed in the rate card should generate value to families and society, link to administrative data, and support two-generation impacts (including those that reach across typical government silos). Finally, we wanted the selection of outcomes to be informed by providers as well as service recipients.

For reasons I will discuss in greater detail, the rate card was structured to provide bonus payments to providers as

In designing any outcomes contract, a payor must be cautious not to create perverse incentives to serve lower-need families who may require fewer services and be more likely to achieve the desired outcomes.

opposed to creating contingencies for their core funding. To determine the amount of each bonus payment in the rate card, we started with the total amount of funding available for these payments and then modeled the expected number of times each outcome would be achieved. From there, we were able to set a price. Given our available pool of funding, we capped each provider's bonus payments at 3% of its total contract value.[5]

In designing any outcomes contract, a payor must be cautious not to create perverse incentives to serve lower-need families who may require fewer services and be more likely to achieve the desired outcomes. We mitigated this risk by offering higher bonus payments for outcomes achieved by higher-need families. The accompanying table reflects the 2018 rate card available to providers.[6]

[5] Bonus payments can often accomplish most of what one might hope to achieve with larger contingent payments while avoiding some of the downside. In many ways, the best outcome payment amount is whatever level of funding is feasible and sparks an outcomes orientation in providers. There is some level so low that it won't motivate effort. We were unsure if 3% would be enough. We found that, because agencies are so tightly budgeted, the prospect of earning 3% of total funding that could be flexibly spent was a sufficient incentive. The Hartford Foundation for Public Giving generously provided a grant enabling our first rate card to supplement federal funds and reach this meaningful level. (An attribute of the rate card and other PFS contracts is that they can accommodate multiple payors, including those in the private sector.)

[6] The program involved providers using the following models: Parents as Teachers, Nurse-Family Partnership, Early Head Start, or Child First. We wanted to involve real-world circumstances like multiple providers to better test the rate card. In the case of Child First, which serves the highest-risk families with compound challenges, system involvement, and very low rates of prenatal enrollment, we set a distinctive outcome focused on family stability. The Child First rate card makes an outcome payment if a significant need is met in child care (attaining care), health care (for instance, getting treatment in depression), or housing (transition to stable housing from homelessness).

Connecticut's First Home Visiting Outcomes Rate Card (2018)

Metric	Definition	Low-risk family bonus payment	High-risk family bonus payment
Safe children	At the time of measurement, there are no substantiated cases of maltreatment (other than any reported by provider staff) and no incidents of injury- or ingestion-related visits to the emergency room.	$90	$115
Caregiver education and employment	At the time of measurement, the caregiver is employed, enrolled in education or training, or has recently graduated from an education or training program.	$180	$225
Full-term birth	For families enrolled prenatally before 28 weeks' gestation, the child is born at 37 weeks' gestation or later.	$135	$170

2. Be person- and family-centered

Individuals and families can have complex needs that often cause them to interact with multiple government and social service agencies. Government programs, by contrast, are typically designed to address particular challenges an individual may face (lack of access to food, lack of employment, need for child care, lack of housing, desire to avoid reincarceration) but often fail to consider how these elements interact in a person's life—much less across a family unit.

Picture a typical client of a government service—a single mom seeking to better support her family through the promise of a workforce training program. If she faces common challenges such as unreliable child care, depression, or unstable housing, a training program alone is unlikely to help her secure and maintain a job. While clients of government services typically face multiple barriers, government offers fragmented, misaligned services that are hard to navigate. The effective result is that government often offers part of a solution but nearly impossible odds of success. Over time, hope for a better life can erode, leaving behind frustration and self-doubt.

We can examine home visiting programs through the same lens. Home visiting is designed to improve parenting skills, cultivate strong child-parent attachment, and advance a child's social, emotional, and intellectual development. Yet a mom is less likely to find the emotional reserves and time to execute the best parenting practices if she has unstable employment, is working multiple jobs to make ends meet, or has low prospects for career advancement due to limited education and skills. The same can be said if she is homeless, faces mental health challenges, or experiences domestic violence.

National experience shows that coordinated agency action can align existing resources to help families overcome common barriers to success. When agencies focus collaboratively on an outcome for an individual rather than delivering isolated services, they are able to identify likely barriers and offer a service array that can help a person overcome them. As a result, government resources can be spent more efficiently, achieving more value on the dollar while helping families escape the cycle of poverty and subsidy.

Robust interagency programs that coordinate to deliver such person-centered or family-centered care are

> ***When agencies focus collaboratively on an outcome for an individual rather than delivering isolated services, they are able to identify likely barriers and offer a service array that can help a person overcome them.***

exceedingly rare. Many structural barriers exist within each agency and program that inhibit coordination. Routine cross-silo collaboration would require overhauling embedded structures, an enormous undertaking. Agencies and policymakers need proof points that exhibit the promise and impact of outcomes-focused collaboration before upending large systems. Unfortunately, these same embedded structures make it very challenging to pilot or test collaborative approaches.

In Connecticut, the rate card has proved to be an effective tool to work around common barriers to cross-silo action. The rate card enables government to name multiple, separate outcomes that may fall beyond one agency's typical domain and may have material value to other agencies. This allows for two possibilities:

- The rate card can enable agencies to reach beyond their typical area of funding. CT OEC does not have the authority, for instance, to fund the service of workforce training itself, but federal regulators enthusiastically agreed it was appropriate to pay for the outcome of parental job attainment as a vehicle to support child success given the robust evidence supporting the link.[7] This has been the path CT OEC has taken so far—using the rate card to reach past former boundaries to other key metrics important for children.
- The rate card can serve as a vehicle that allows agencies to address the "wrong pockets problem." A rate card can enable multiple agencies to collaborate in a discreet and affordable way to support preventive interventions that advance their downstream goals.

[7] I remain grateful for the fast and supportive approval from the Maternal and Child Health Bureau of the Health Resources and Services Administration (HRSA), and to David Willis, then director of the Division of Home Visiting and Early Childhood Services, whose vision and support for PFS applications in the home visiting space created the conditions for federal approval.

One or more agencies can participate in a rate card contract by contributing to the specific outcome payment that falls within their domain. For instance, a housing agency may pay for the outcome of career advancement when it raises income to the level where housing subsidy is no longer required. This could also cross levels of government. A city substance abuse treatment program for parents that reduces child welfare system involvement may attract outcome payments from its state child welfare agency.

It is often claimed that preventive programs cover their own costs by avoiding more expensive system hits later. In Connecticut's case, while home visiting programs have many critical measures of success, the outcome measures that we defined as most important represent cost savings outside of our agency. Savings from avoidance of preterm birth and emergency room visits (two outcomes measures in our rate card) typically accrue to Medicaid. Savings from reduction in developmental disorders accrue to the education system in the form of reduced utilization of special education. And benefits from workforce outcomes accrue in the form of both reduced dependence on welfare systems and increased tax revenue collected from resulting higher incomes. It stands to reason that savings generated across systems may collectively allow well-run prevention programs to "pay for themselves" in whole or in part.[8] In our rate card, each successful outcome represents a family that did not experience a crisis that would have triggered use of more expensive services. While not indicating causation that could prove savings, rate cards help set the stage to do so, forging the cross-silo data connections necessary for rigorous evaluation.

It stands to reason that savings generated across systems may collectively allow well-run prevention programs to "pay for themselves" in whole or in part. In our rate card, each successful outcome represents a family that did not experience a crisis triggering use of more expensive services.

3. Listen to service recipients and providers

The individuals who interact most closely with services—beneficiaries and providers—have the most nuanced and current appreciation of what is working and what is not. Unfortunately, they rarely have a seat at the table when government officials set the standards by which programs are run. Even when public hearings or surveys are conducted, many participants feel their voices are not heard. One provider told us, "It's like shouting into the ocean." Effective feedback loops require genuinely listening, acting on what is heard, and reporting back on how feedback is being implemented. Government programs and policies can often make this difficult due to long time horizons and lack of flexibility in ongoing contracts.

Another common challenge in government contracting is the strained relationship between state contract overseers and providers doing the work on the ground. Providers often come to resent government overseers who seem to be focused on metrics that feel disconnected from the problems their clients face. Government contract officials, for their part, can come to mistrust service provider reporting. Done right, a rate card aligns incentives in a way

[8] Use of administrative data to better observe patterns and match services to those most in need can increase the chances that preventive programs generate savings.

that melts away these historic tensions. By refocusing on results and encouraging collaboration, government funders can support service providers in problem-solving and achieving the desired outcomes.

In Connecticut, while the rate card created promising opportunities for providers, it also caused them to confront new logistical complexities. This required thoughtful collaboration sensitive to the fact that providers are strained and underfunded. We engaged providers through surveys, workshops, and ad hoc communication throughout the rate card development process to reduce administrative burden on providers, earn provider buy-in, and provide clear guidance.

No longer confined to typical fee for service and process payments, we also had the opportunity to ask parents about what outcomes they wanted for themselves. Young mothers told us they most hoped for greater financial stability to allow them to better care for their children. The rate card freed us to act on this aspiration—to show we were listening by investing in their own goals for their families.

To our delight, providers were enthusiastic about this outcome. While home visitors do not provide workforce training, they had seen the stabilizing effect of their services help enable economic success. Like so many social service providers, they were already going beyond their compensable services to meet mothers' needs in a variety of ways, such as helping them find a training program, an apprenticeship, or a child care provider during class times. With the rate card, providers' long unrecognized extra efforts would finally be valued.

In the first meeting announcing the rate card, nerves were high that the outcomes contracts would endanger provider business models. Anticipating that concern, we structured the first rate card purely as upside bonus payments to encourage a focus on outcomes while not introducing downside risk to providers. Providers' willingness to contribute time and energy to test an unproven model was essential for developing a smart program—a priority that would have been undermined with a punitive component. In later iterations, we did offer providers the option to become eligible for higher bonus payments if they accepted a small degree of downside risk for underperformance in key areas. We first offered this option to 14 providers and, to our surprise, nine accepted the contingent risk model. As opposed to inflexible mandates, CT OEC's deferential and consultative approach created a trusting partnership that has helped the program be a success and a point of pride for providers that have won recognition as innovators in the national home visiting community.

4. Use data as an asset to drive performance improvement

Successful companies invest billions in data analytics to continually improve their products and services, better meeting the needs of customers. Government, by comparison, expends significant funds collecting extensive data yet too rarely puts it to good use. There is tremendous untapped potential to utilize existing government administrative data to evaluate impact, improve performance, and drive efficiencies. Advances in economics and data science can provide critical new insights on key challenges—and tell us more about how to respond to them. Cross-system integrated data can be applied in game-changing ways. Among other things, it can dramatically reduce the cost of rigorous evaluations, enable predictive analytics to more smartly target limited resources, and allow for real-time analysis to react quickly to changing trends.

The development of a rate card in and of itself can help agencies become better versed in the measurable impact of their services and more comfortable using data in an ongoing way.

Examples abound of how data integration can provide vastly improved understanding of program outcomes. An anti-recidivism intervention may use corrections department data to determine if it has reduced recidivism. Programs seeking to support opportunity youth may use education and juvenile justice data to determine if they are increasing graduation and reducing system involvement. A housing intervention may use shelter system data to determine if it has reduced homelessness.

Rate cards are an excellent tool to kick-start more sophisticated data use. The development of a rate card in and of itself can help agencies become better versed in the measurable impact of their services and more comfortable using data in an ongoing way. Administrative data is an excellent resource for establishing baseline performance on outcomes metrics. Where consistently available, administrative data is typically the most accurate and reliable source for affirming achievement of contracted outcomes. In an outcomes contract, a simple pull of the relevant administrative data set can allow the release of outcomes payments.

In our case, for instance, preterm birth and emergency room records are available in Medicaid claims data. Child maltreatment records are collected by the state Department of Children and Families. The state's Homelessness Management Information System maintains real-time records that indicate when a family no longer appears in its systems and, therefore, is housed. A mother's job attainment and retention can be affirmed through both the state Department of Labor's new hires data and its unemployment insurance program.[9]

LESSONS LEARNED

The rate card is a new tool with great promise both for individual agency programs and for contributing to broader goals of government transformation. When undertaken with great care and planning, I believe that agencies will find developing a rate card to be well worth the effort. I recommend the following to other jurisdictions considering adopting rate cards:

- **Consider selecting important outcomes, even if they fall outside the direct purview of a given agency.** For CT OEC, including the workforce outcome was the right thing to do for young children. It was also a way to advance our cross-silo, two-generation objectives. Investing in outcomes that are priorities for other state agencies is a way to model the sort of cross-silo, outcomes-focused action that often best serves families and individuals. In our case, tying home visiting to important statewide priorities in health, child welfare, and employment was also a compelling way to showcase the impact and value proposition of home visiting. In budget seasons, legislators are accustomed and even inured to anecdotes of impact and theoretical arguments that prevention programs

[9] This has the added benefit of avoiding reliance on more costly alternatives including provider self-reporting (which can be a burden on providers) and government auditing or third-party monitoring. CT OEC has not yet won sufficient access to automate payment based on administrative data in this way, but its rate cards will enable it to do so when circumstances allow.

drive savings. Programs that can point to downstream impact affirmed in contracts, especially when verified by state data, provide dollars-and-cents connection to value and savings.

- **Build a culture of trust and engagement by making feedback a permanent aspect of your rate cards across funding cycles.** My successors at the CT OEC, now under the leadership of Commissioner Beth Bye, sponsored 10 community listening sessions throughout Connecticut to gather feedback. This informed the request for proposal and rate card design in 2020. As with earlier iterations, providers shared their views through surveys, workshops, and ad hoc communication throughout the development process to help ensure the rate card did not place undue administrative burden on providers, that provider buy-in was achieved, and that guidance was clear. In addition, because of their personal connection to service recipients, providers are often best positioned to appreciate nuanced opinions of clients; they should be activated to do so continually and encouraged to represent recipient priorities.

- **Maximize the power of incentives by providing payments quickly following the achievement of results.** Behavioral economics research indicates that "Money received right away is perceived as different in value than money to be received in the future, even the near future."[10] This research suggests that, in an ideal world, there should be minimal lag time between the achievement of an outcome and the receipt of the financial incentive. While it is necessary to balance this ideal with the administrative burden of more frequent payments, CT OEC rate card's quarterly payments have been well-received by providers.

[10] Ateev Mehrotra, Melony E. S. Sorbero, and Cheryl L. Damberg, "Using the Lessons of Behavioral Economics to Design More Effective Pay-for-Performance Programs," *American Journal of Managed Care* 16, no. 7 (July 2010): 497–503.

- **Select outcomes that can be measured through existing government data.** From the beginning, we decided a key criterion for selection of outcomes metrics was whether each outcome was reflected in administrative data. We made this decision to maximize consistency and reliability in establishing baselines as well as enable opportunities to pull data to trigger outcomes payments quickly and confidently. We also believed this design choice would catalyze cross-agency data sharing. We found that, by paying for outcomes that were priorities for other agencies, we were able to overcome the typical reluctance to share data that often plagues outcomes-based contracting and evaluation efforts across the country.

- **Reduce the provider reporting burden.** Contracted providers of services spend as much as 10% of their time on overlapping and redundant reporting to government funders. Much of this is unrelated to outcomes, has little or no policy use, and emphasizes measures that distract from more important priorities. Providers have limited capacity. As government asks them to take on new and challenging outcomes-focused obligations, it should similarly seek to reduce the reporting burden on less important measures. In Connecticut, providers conveyed enthusiasm regarding the new outcomes emphasis but expressed concern about taking on even more reporting. We discovered that providers were spending a great deal of time reporting similar metrics across two systems. The rate card called into focus this longstanding source of provider frustration. We decided to eliminate one of the two systems, cutting provider reporting obligations substantially. As a result, more state dollars go to service delivery[11] and less to time-consuming and duplicative data-entry—increasing the odds that outcomes will be achieved.

[11] These savings constitute provider time worth nearly $1 million annually.

- **Appreciate the power that lies even in small payments contingent upon outcomes.** There can be a tendency to assume that outcomes-based funding is all or nothing. We found that provider behavior changed even with bonus payments that amounted to a maximum of 3% of the total contract size. Even a small pool of capital is sufficient to make a difference in outcomes if allocated strategically.

- **State and local governments should get help. The federal government should provide it.** The work of setting up an agency's initial rate card will be faster and more likely to succeed with outside technical assistance (TA). CT OEC launched its first rate cards thanks to expert assistance from Social Finance, funded by a grant from the federal Social Innovation Fund (SIF). By 2018, funding was eliminated for both SIF itself and the grant program. The federal government invests substantially in various forms of TA but too rarely in the sort that assists recipients in executing the data-intensive and technical work necessary to assess impact or develop results-driven programs.[12] Outcomes-focused TA programs present some of the greatest opportunities to generate value for the public dollar and should be established, reinstated, and/or expanded by the federal government.

In the short time since the first home visiting rate card was implemented in Connecticut, the tool has exceeded expectations. Five subsequent home visiting rate cards have been issued since 2018, each improving on the last in small ways—or responding to new circumstances communities face—with modest adjustments to outcomes, payment amounts, and levels of contingency. At the time

[12] This approach to TA is referred to as Outcomes-Focused Technical Assistance; more detail can be found at the following site: David Wilkinson, "Outcomes-Focused Technical Assistance: Enabling Greater Impact through Data and Evidence," National Archives and Records Administration, December 15, 2016, https://obamawhitehouse.archives.gov/blog/2016/12/15/outcomes-focused-technical-assistance-enabling-greater-impact-through-data-and.

At the time of publication, all of CT OEC's contracts with home visiting providers (approximately 40 contracts worth over $20 million annually) now include a rate card.

These contracts serve approximately 2,600 families.

of publication, all of CT OEC's contracts with home visiting providers (approximately 40 contracts worth over $20 million annually) now include a rate card. These contracts serve approximately 2,600 families.

Thanks to experience developing the home visiting rate cards, as commissioner, I decided to launch a second rate card on family homelessness diversion. Recognizing the instability and trauma the experience of homelessness has on young children and taking a new step toward cross-silo engagement, we co-launched this rate card with the state housing agency and the statewide homelessness response network. The rate card makes a payment for each family that is successfully diverted from the homeless system and remains out of the homeless system for a year.[13] More broadly, the state is examining what opportunities exist to extend rate cards to other programs as well.

Through all of these experiences, we have seen rate cards succeed at advancing the key elements of results-driven policy. Even as we celebrate this progress, we recognize

[13] Based on the feedback of providers, this model combined rate card payments with traditional PFS payments based on percentage improvement across population served. We found the rate card model integrates well with other PFS approaches to effectively address various outcome priorities. With thanks to Lisa Tepper Bates, Kyle Pilon, Kate Parr at the University of Connecticut School of Social Work, and those at the state Department of Health, who each played essential roles in catalyzing this groundbreaking initiative. And with special thanks to current CT OEC Commissioner Beth Bye who has improved and expanded each of these initiatives among many others during her leadership.

that creating an outcomes-driven government that routinely collaborates across silos, listens to clients and providers, and uses data as an asset is a tremendous undertaking that may take a generation to accomplish. Rate cards alone will not create the government transformation we need. But they can provide valuable evidence to showcase why it is worth undertaking the much harder work of systems transformation.

Proof points like rate cards provide real-world examples that help abstract concepts come to life. They create precedents that pave the way for larger future efforts.[14] They build experience with key concepts and techniques across government and providers alike. Such proof points also feed the faith that larger transformation is possible.

So, create a menu—and put something surprising on it.

David Wilkinson is the founding executive director of the Tobin Center for Economic Policy at Yale University. Wilkinson was formerly director of the White House Office of Social Innovation and Civic Participation, Connecticut's chief performance officer, and commissioner of Connecticut's Office of Early Childhood.

This chapter came from the book *Workforce Realigned: How New Partnerships are Advancing Economic Mobility*.
Learn more at workforcerealigned.org

[14] As more provider contracts are based on outcomes reflected in data, the mainline mechanism of government decision-making (the accounting, reporting, and budgeting processes) could become increasingly connected to real-world results. Government administrators and legislators will be better armed with the information they need to assess what public investments are buying, what harms preventive programs are avoiding, and the savings or value associated therewith. Ideally, exposed to these outcomes-driven models, legislators and administrators will begin to seek and call for similar approaches in other program types. Thus, a few proof points may help create the conditions that allow for greater transformation.