

# Using Pay for Success to Finance Nurse Home Visiting

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**Written by: Sara Gunderson**

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Pre-term and low birthweight infants face significant risks for medical and developmental disabilities which are expensive to government and private entities throughout a child's life. Nurse home visiting, in which nurses and peer counselors provide support and education to high-risk pregnant women in their homes, have had excellent results over the past 30 years in preventing poor birth and long-term outcomes. Such programs that could significantly reduce state expenditures.

This paper, co-authored by Voices for Utah Children Early Childhood and Education Senior Policy Analyst Janis Dubno, explains how Pay for Success (PFS) finance could be used to pay for expanding nurse visiting programs. PFS finance involves a partnership between philanthropic and business entities (organizers and investors) and governments to provide performance-based investments in social programs, with payments made to the investors from cost avoidance savings that governments

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enjoy as a result of the program, or because the program meets certain prespecified outcome improvements. The key idea in a PFS project is that private investors (the managed care organization and/or senior and subordinated lenders) are repaid only from success payments, amounting usually to 80% to 90% of total cost avoidance savings.

This is the latest in a series of ReadyNation papers on using Pay for Success (PFS) social impact finance to improve early child health and education outcomes. This paper focuses on using PFS finance to scale-up effective early health interventions. PFS is a new financial and contracting arrangement that increases investment in evidence-based programs resulting in measurable social outcomes. Savings from these outcomes can repay investors and fund continued services. ReadyNation is leading a project to provide technical assistance to state and city teams developing PFS contracts. See [www.ReadyNation.org/PFS](http://www.ReadyNation.org/PFS).

For more information, read the complete paper:

**[Early Health “Pay for Success” Social Impact Finance: Scaling Up Prenatal Health Care in Virginia](#)**

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