

## Social Impact Bond in Health

**Published On:** 03 April 2017

**Organisation:** Public Health Agency of Canada

**Country:** Canada

**Level of government:** Central government

**Sector:** Health

**Type:** Partnerships, Public Service

**Launched in:** 2016

**Overall development time:** 2 year(s)

**Like this innovation**

0 persons like this innovation

# Description

---

The Public Health Agency of Canada is working in partnership with the Heart and Stroke Foundation and the MaRS Centre for Impact Investing to deliver the first health-related Social Impact Bond (SIB) in Canada. The Community Hypertension Prevention Initiative is an evidence-based program designed to address hypertension (high blood pressure) among seniors by improving their ability to manage their modifiable risk factors (e.g. exercise, dietary changes, smoking cessation). With the SIB model, investors (i.e. foundations, corporations and funds) provide the upfront capital and government only pays if the project achieves health outcomes, in this case, a change in blood pressure. The initial roll-out of the program is being delivered in two provinces, Ontario and British Columbia. The Heart and Stroke Foundation aims to replicate the intervention on a national scale in the future as elevated blood pressure in seniors is a ubiquitous issue, and the opportunity to reduce its prevalence and improve health outcomes is a Canada-wide priority.

---

## Why the innovation was developed

- Cardiovascular disease (CVD) continues to be pressing health problem; a conservative estimate is that 1.6 million Canadians have heart disease or are living with the effects of a stroke. Moreover, nine in ten Canadians have at least one modifiable risk factor for heart disease, making preventing CVD a significant and worthwhile public health challenge. High blood pressure (i.e. hypertension) is considered the single most important risk factor for stroke and an important risk factor for heart disease. Prevalence increases with age: among seniors aged 60 years and older, 53% are estimated to be hypertensive. Even a modest reduction in blood pressure can dramatically decrease the risk of cardiovascular disease. The Community Hypertension Prevention Initiative through the SIB model brings together the Heart and Stroke Foundation (the not for profit delivery organization), investors and government to work together to address hypertension among Canadian seniors.
- 

## Objectives

Improve access, Improve service quality, Increase citizen engagement

---

## Main beneficiaries

Elderly people, Government bodies

# Results

---

## Results not available yet

- Through the SIB, PHAC has redefined how government can work with the private sector to achieve results. The Agency demonstrated that the federal government can be innovative in using its program levers to advance a policy objective. It is expected that using innovative funding models and forging new partnerships will break down barriers within and across government, civil society, and industry and will lead to greater results for Canadians.

# Development

---

## Design

The Public Health Agency has been investing in “prevention” solutions for chronic diseases, including cardiovascular disease, for the past 40 years, but the statistics are not moving in our favor. These statistics are the driver being the government’s decisions to fundamentally rethink the use of its program and policy levers in search of new opportunities and new ways of working to achieve better outcomes. The “idea” or using innovative social finance opportunities, such as the SIB model, was generated from two years of consultations with the Heart and Stroke Foundation of Canada and the MaRS Centre for Impact Investing. With the SIB model, governments have the potential to achieve measurable change in health outcomes not yet seen through traditional funding approaches. Design time: 2 year(s)

---

## Testing

- Our proposed initiative builds on the Cardiovascular Health Awareness Program (CHAP), a tested model operationally as well as in terms of impact on CVD. CHAP is a multipronged prevention program that mobilizes and coordinates trained peer volunteers, health professionals and community-based organizations to better identify and manage heart disease and stroke risk factors. CHAP has been tested and refined through several rigorously designed research pilots and community-wide demonstration projects in Ontario and Alberta. In a community cluster randomised trial where 20 rural communities were randomised to receive CHAP and 19 received no intervention, there was a 9% relative reduction or 3.02 fewer annual hospital admissions for CVD per 1,000 people aged 65 years and above in those communities that established CHAP.

Testing time: 8 month(s)

---

## Implementation

### Tools used:

- The CHPI is considered a pilot due to the innovative nature of the pay for performance SIB funding mechanism. Innovative financing and procurement tools were developed to allow government to tap into new sources of funding and deliver better results. These tools include financial modeling and principals of shared decision-making among the private-public partners involved. In addition, legal advice was sought in developing the “contract” between the Government of Canada and the Heart and Stroke Foundation.

### Resources used:

- The total project implementation cost is \$4 million. The negotiations and consultations to design the project intervention to finalization of partnerships and investors have been over two years in the making. A significant staff commitment was made during this time period to ensure the project was well-designed. A project team within government continues to maintain oversight of the project during this implementation phase.

Implementation time: 3 year(s)

---

## Challenges and solutions

- We asked the question, how can we do our business differently to find new and innovative ways to improve the health of Canadians? Designing a complex social finance model such as a SIB is a significant undertaking. There is a need to balance the interests of investors, government and the not-for-profit organization, while yet remaining flexible. MCII acted as an intermediary for the SIB and played a crucial leadership role in managing multiple objectives and approaches from significant and influential players with different backgrounds and sometimes differing priorities. The combining of talents and blending of needs of all partners resulted in a better end result for the program design.
- 

## Partnerships

**The Heart and Stroke Foundation (HSF), The MaRS Centre for Impact Investing, Social Research and Development Corporation (SRDC)**

Academics and Research Bodies, Civil Society, Other Public Sector, Private sector

At the centre of the success of the SIB development was the unique collaboration amongst diverse partners – PHAC, HSF, MCII – with each bringing specific skills and expertise required for this project to take place. Complex public health challenges like chronic disease defy single solution approaches developed in isolation. The Public Health Agency of Canada, along with the project partners, decided to employ a social finance model and change the way government does business in this area through the principles of co-creation and co-investment. The design of the outcome payments for this project has been carried out through expert input and consultation with scientific, clinical and health advisors, in conjunction with MCII, HSF and PHAC. Based on financial and statistical modeling, a sliding scale dependant on the under- or over-achievement for each outcome will be used to make the repayments.

---

# Lessons Learned

---

## Lessons Learned

- It is important to obtain stakeholder buy-in (i.e. legal, finance, evaluation, experts) early on in the SIB design process so that there is co-creation and commitment to the project. The design of the outcome payments for this project were carried out through expert input and consultation with scientific, clinical and health advisors, in conjunction with MCII, HSF and PHAC. It is important to ensure that outcomes are clear and quantifiable, yet simple enough to understand to attract investors.
- 

## Conditions for success

- Advancement of innovative social finance models requires true leadership and a desire to change the way government conducts business in order to address social problems and achieve results. It requires a bold objective to create a paradigm shift within government and harness new approaches that are typically seen as outside of traditional government processes. In addition, given the significant work involved in designing social finance models such as SIBs, it is recommended that sufficient resources be allocated to the project development and negotiations among partners.
- 

Copyright OECD. All rights reserved.