



Social Bonds as a Pooled Financing Mechanism to Address Social Drivers of Health Equity

This study, funded as part of the Robert Wood Johnson Foundation's Systems for Action research program, investigates whether a novel type of social bond can pool resources across multiple competing health plans and create stable, long-term financing for interventions that address social determinants of health. The bond's design would allow multiple health plans participating in Minnesota's Medicaid program to invest collectively in a fund that finances community-based interventions targeting social issues such as food insecurity, housing instability, transportation, and structural racism. Specific bond features allow the financial risks and returns from these interventions to be distributed equitably across health plans and other potential investors, while targeting funding to interventions that promote racial equity and health equity. The study uses community participatory approaches to engage local health and social service stakeholders in the design of the bond instrument. Monte Carlo simulation methods are used to estimate the impact of bond financing on health and social outcomes for racial and ethnic minority populations over time, while also estimating economic returns to health plans, Medicaid and other investors. The research team is led by the University of Minnesota in partnership with the Minnesota Hospital Association, Minnesota Association of Health Plans, Minnesota Department of Human Services, Minnesota Department of Health, and other community partners.

Investigators



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Topic Areas

- Financing Models
- Health Plans
- Medicaid
- Social Services

Amount & Duration

- \$499,900 over 3 years

Partners & Collaborators

- Hospital & Health System
- State Dept. of Health Services
- State Dept. of Health

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- November 2021