

# White House visit by Portland addiction collaborative could pave the way to opioid funding

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By Joe Lawlor Staff Writer

A White House visit by a contingent of Portland officials Thursday may result in millions of dollars in private investment flowing to Portland to help combat the opioid epidemic.

The Greater Portland Addiction Collaborative, led by Mercy Hospital, met with numerous federal officials and investors and was recognized during a White House panel discussion about local models that could be replicated to alleviate the opioid epidemic.

## Program driven by results

A few examples of Pay for Success programs across the country:

- **Utah preschool program**

Investment: \$7 million over five years

Goal: Provide early childhood education for low-income families to improve academic performance and reduce the need for special education services

Investors: Goldman Sachs and Pritzker Family Foundation

- **Massachusetts Juvenile Justice**

Investment: \$21.7 million over seven years

Goal: To reduce recidivism and increase employment among those who age out of juvenile justice system

Investors: Goldman Sachs and numerous other investors

- **Housing to Health Initiative in Denver**

Investment: \$7 million over five years

Goal: House 250 chronically homeless individuals

Investors: Northern Trust and numerous other investors

- **Reducing recidivism program in Rochester, New York, and New York City**

Investment: \$13.5 million over four years

Goal: To reduce recidivism and increase employment for those exiting prison

Investors: Bank of America and Merrill Lynch

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The collaborative has an excellent chance to be chosen for funding in the [Pay for Success program](#), local officials said, which would mean millions coming to Greater Portland over several years.

“There’s a lot of energy and enthusiasm about what we’re doing,” said Cullen Ryan, executive director of Community

Housing of Maine, who attended the White House event.

The group – including Melissa Skahan, a vice president at Mercy; Portland City Manager Jon Jennings; Cullen; and three other representatives from city nonprofits – attended the day-long activities hosted by the White House’s Office of Social Innovation and Civic Participation on Thursday.

### **‘THIS IS SETTING THE STAGE’**

Skahan said the collaborative was personally invited by David Wilkinson, director of the Office of Social Innovation, to apply for initial “technical assistance” grants that would jump-start the plan and means Portland has a greater chance of being chosen as a Pay for Success program.

It’s unclear how much money would be awarded, but most Pay for Success programs are in the \$5 million to \$15 million range and run for four to six years.

“We are getting a lot of national attention,” Skahan said. “This is setting the stage for us to be successful.”

The program, coordinated by the White House, but mostly funded by private investors, has launched dozens of projects that are in various stages of development.

The Pay for Success program has picked different issues to focus on, such as recidivism, early childhood education and homelessness.

Now Pay for Success is focusing on the opioid epidemic, the topic of Thursday’s meeting.

Portland, if successful, would be among the first Pay for Success programs to address the opioid epidemic.

Skahan said the technical assistance grants would include “substantial” funding and would help the collaborative devise the methodology behind how outcomes would be measured. Skahan said they are applying for grants from nonprofits that include the Urban Institute, the Laura and John Arnold Foundation, and the Corporation of Supportive Housing.

She expects that the collaborative will hear within a month or two whether it received the technical assistance grants, which would pave the way for being selected as a Pay for Success program.

Measuring whether the programs work to achieve goals is at the heart of Pay for Success, said Nima Krodel, a director at the New York-based Nonprofit Finance Fund, which has studied the first 10 Pay for Success programs.

Krodel said government programs are often measured by how many people receive services, and are not rigorously tested to see whether they meet desired goals.

Pay for Success attempts to resolve that weakness in government programs by creating tools to measure whether the program works to achieve outcomes.

“This is far and above beyond business as usual,” Krodel said.

Krodel said Pay for Success is so new – it was launched in 2010 by the Obama administration – that it’s too soon to conclude that it works, but she said the model holds promise.

### **DRUG OVERDOSES HAVE SURGED**

The Greater Portland Addiction Collaborative has been working for nearly a year on putting together a model that could result in a much better social service system for those addicted to opioids.

Jennings said the current patchwork system lacks treatment options, sober housing and connections between social

service agencies and nonprofits.

“We would actually have a real program running instead of responding to situations in the moment,” Jennings said.

The opioid epidemic has fueled a surge in drug overdose deaths in Maine, a record 272 in 2015 and 189 through the first six months of this year.

Reducing opioid deaths, emergency room visits for drug overdoses and detox visits are outcomes that could be measured by Pay for Success.

If the outcomes are achieved, the investors are paid back and given a return on investment. If the goals are not met, the money doesn't have to be paid back. In Massachusetts, for example, the state has set aside money it would save on Medicaid spending to repay investors in a program to combat homelessness.

“It's a transfer of risk from the public to the private sector,” Krodel said.

Having evidence that a program works also can mean that the program would be replicated in communities across the country.

Skahan said it hasn't yet been determined how a Pay for Success project would pay back investors in Portland, but treating and preventing drug addiction saves the system money on a number of fronts.

The collaborative's plan is already moving forward in one area: sober housing.

## **SOBER HOUSING ON HORIZON**

The group has been awarded \$400,000 from the Sisters of Mercy, a Roman Catholic religious order, for new sober housing in the Portland area, starting with a 12-bed recovery home for women expected to open by the end of the year, and the funding means a second recover home will open in 2017.

The plan also calls for greater coordination among nonprofits and social service agencies, an expansion of detox services at the Milestone Foundation and more investment in Milestone's Home Team, which works to identify addicts on the streets and connect them to help.

In Massachusetts, the Massachusetts Housing and Shelter Alliance received \$3.5 million from Pay for Success to combat homelessness over a four-year period. During that time, other funding is contributing to a \$24 million effort to reduce homelessness in Massachusetts.

So far, 349 formerly homeless people are in housing through the program.

“We are analyzing the living daylights out of this,” said Joe Finn, president of the Housing and Shelter Alliance.

Finn said they've only been through one year of Pay for Success funding, so it's too early to definitively declare it a success. But Finn said the goal of Pay for Success is to reduce the population of the chronic homeless and demonstrate that it saves the system money. For instance, he said they will be able to show that Pay for Success saves Medicaid money because formerly homeless people are not utilizing as many hospital, mental health, other medical and shelter services. Finn said state government has earmarked money to pay back investors in Pay for Success.

In the six months prior to when the 349 homeless people were given housing, they spent 27,433 nights in the shelter, 2,164 days in the hospital, had 667 emergency room visits, 562 nights in detox and 336 ambulance calls. In the six months after Pay for Success began, there were dramatic reductions in all of those categories.

“Homelessness in many respects only exists because the systems are not working in some way,” Finn said. “This is a population that many people said 10 years ago couldn't be housed. We are housing them.”

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