

Return on Investment

We talk about return on investment in the business case for addressing SDOH, but what we really want to demonstrate is a path to sustainability for this important work. This includes identification of all incremental costs associated with the SDOH work, along with any revenue opportunities related to impacts of the program and external funding opportunities through grants or philanthropy. Where such opportunities are insufficient to cover the full cost, the sustainability plan must also include an acknowledgment and quantification of any organizational commitment to provide ongoing support for the program. This commitment will, by necessity, be in the form of dollars, but it should be supported by a rationale that attributes value to qualitative benefits of the program.

Ultimately, both cost and funding need to be viewed for an organization's entire program. At the same time, it is also important to understand how costs are driven by volume, by workflows, intensity of service, and patient characteristics. This type of cost detail by process (e.g. screening or navigation) or by need (e.g. per patient served with transportation needs) provides the support for total program cost and is important when an organization is considering service expansion or spread. Understanding cost components is also important so that the impact of any program or volume change can be assessed.

Suggested categories for cost-benefit analysis summary

TOTAL COSTS (itemize or note components included in the total)		SECURED FUNDING or COST OFFSET (itemize amounts by source)	
\$		\$	
Screening		Revenue enhancement (PfP, increase in paid clinic visits, etc.)	
Referral		Cost avoidance	
Navigation		Cost reduction	
Care management		Philanthropy	
Service delivery		Grants	
Follow up		Other federal/state/local dollars	
Administration/ supervision			
Any allocated overhead			
A. TOTAL COST		B. TOTAL FUNDING	
		QUALITATIVE BENEFITS	
		Community benefit contribution	
		Educational mission	
		Patient retention	
		Staff retention/Staff joy in work	
		Patient activation	
		Readiness for APMs	
		C. TOTAL for which a dollar value can be attributed	

When A-B yields a negative number, the organization should look to Total C as an offset. Even if the qualitative benefits listed cannot be appropriately quantified, they should be articulated and acknowledged for their intrinsic value. When all benefits are considered, **required organizational budget allocation or support commitment = A-B-C.**