CALIFORNIA SCHOOL-BASED HEALTH ALLIANCE

Putting Health Care Where Kids Are

Teen Pregnancy Prevention at School-Based Health Centers: Challenges & Opportunities

www.schoolhealthcenters.org

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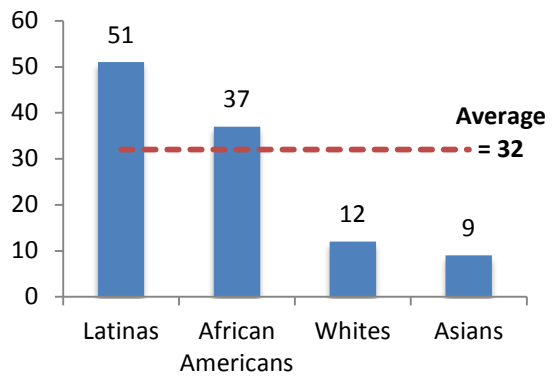
The **California School-Based Health Alliance** is the statewide nonprofit organization helping to put more health services in schools. This work was funded by **The California Wellness Foundation**.

Introduction

School-based health centers (SBHCs) have played a strong role in California's efforts to prevent teen pregnancy. Of the 231 SBHCs in the state, 70% provide some form of reproductive health services, ranging from prevention education to comprehensive contraceptive services.[a] SBHCs have struggled to maintain their programs in recent years due to state cuts in funding for teen pregnancy programs. This paper reviews current trends in teen birth rates, changes in state and federal funding, and innovative "pay-for-success" financing mechanisms that may provide a new funding opportunity. SBHCs are well positioned to partner in these new financing opportunities and suggestions for how SBHCs can best prepare themselves are provided in the conclusion.

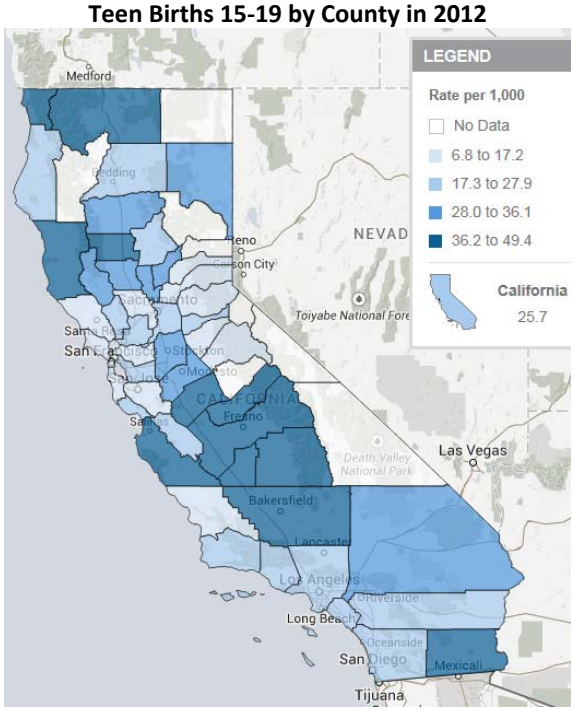
Table 1: Teen Births in California Each Year, per 1,000 females, 15-19



Trends in Teen Pregnancy in California

Each year, 750,000 American adolescents become pregnant.[1] Although teen births have been declining, there is still room for significant improvement.[2] In California, 32 of every 1,000 adolescent girls aged 15-19 have babies each year.[3] Notably, this statistic masks persistent and troubling racial and ethnic disparities: annually, for every 1,000 adolescent girls aged 15-19 living in California, there are 51 births to Latinas, 37 to African Americans, 12 to whites, and 9 to Asians (see Table 1).[4] Geographically, teen pregnancy is still a big issue in certain parts of the state (see map) with Kern, Tulare, Madera, Del Norte, Imperial, and Fresno counties having the highest rates of teen births.

Teen Births 15-19 by County in 2012



Data source: www.kidsdata.org

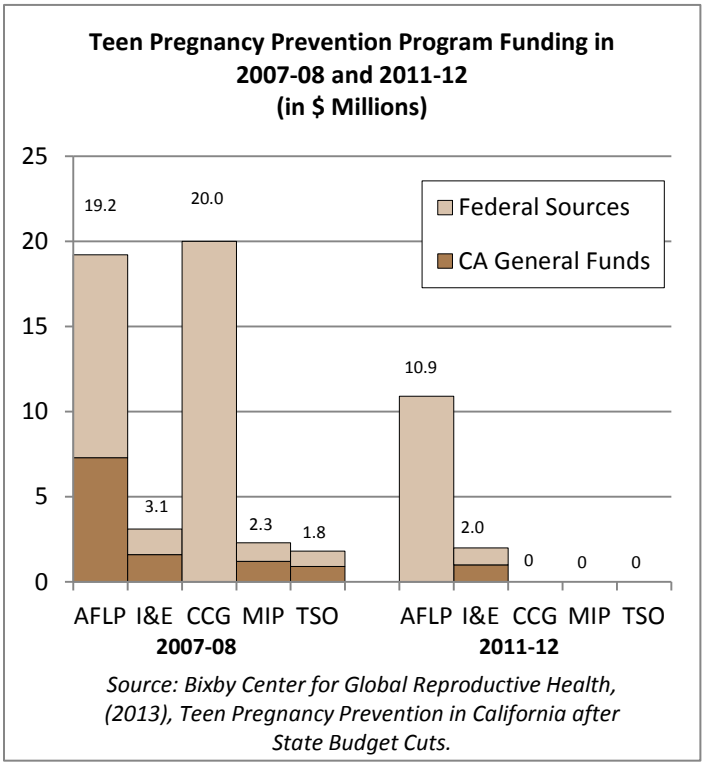
Even with the overall decrease, further reductions could save the state millions of dollars annually. Between 1991 and 2010 there have been 1,158,701 teen births in California, costing taxpayers[b] a total of $27.4 billion. The net cost of teen births to California taxpayers in 2010 alone was estimated at $870 million.[5]

[a] No SBHCs provide abortions.

[b] Cost calculations include the negative consequences sometimes experienced by children of teen mothers during their childhood and adult years, including costs associated with public health care (Medicaid and CHIP); increased risk of participation in child welfare; increased risk of incarceration; and lost tax revenue due to decrease earnings

Changes in State & Federal Funding

During the recession, California cut funding to teen pregnancy prevention despite the proven cost-effectiveness of these programs. In fiscal year 2007-08, California budgeted $46.4 million, including $11 million from state general funds, to five programs geared toward pregnancy prevention.[6] After 2008, there was a 72% decline in spending on teen pregnancy prevention programs. The Male Involvement Program (MIP) and TeenSMART Outreach (TSO) programs lost all funding in 2008, while the Community Challenge Grant (CCG) program was eliminated in 2011. Funding for the Adolescent Family Life (AFLP) and the Information & Education (I&E) programs have been significantly reduced. As a result, participants receiving services declined from 300,000 in 2007-08 to 18,228 in 2011-12, representing a 94% decline in participants served.[7] Although it is still too early to tell how these funding cuts will impact California's teen pregnancy rates, many providers caution that the decreases in funding may lead to increased teen birth rates in some communities.[8]



Source: Bixby Center for Global Reproductive Health, (2013), Teen Pregnancy Prevention in California after State Budget Cuts.

At the federal level, in a significant shift away from abstinence-only education, the federal government invested $105 million in competitive grant funds for implementation of 30 evidence-based interventions demonstrated to reduce teen pregnancy. In 2010, $75 million was awarded to 75 organizations in 32 states and the District of Columbia to implement evidence-based models. These funds have helped make up for some of the cuts at the state level in California. In early 2015, the federal Office of Adolescent Health released funding announcements for a second round of five-year grants also focused on evidence-based programs.

New Opportunities: Social Impact Bonds

The innovation spurred by health care reform has provided new models for health and public health financing. Some of these emerging models offer new opportunities to implement school-based teen pregnancy prevention. These models for investing in social and health services look closely at the costs of a public health or social issue. Because research has shown that teen pregnancy prevention is a cost-effective public health investment, it is well positioned to attract this new type of financing.

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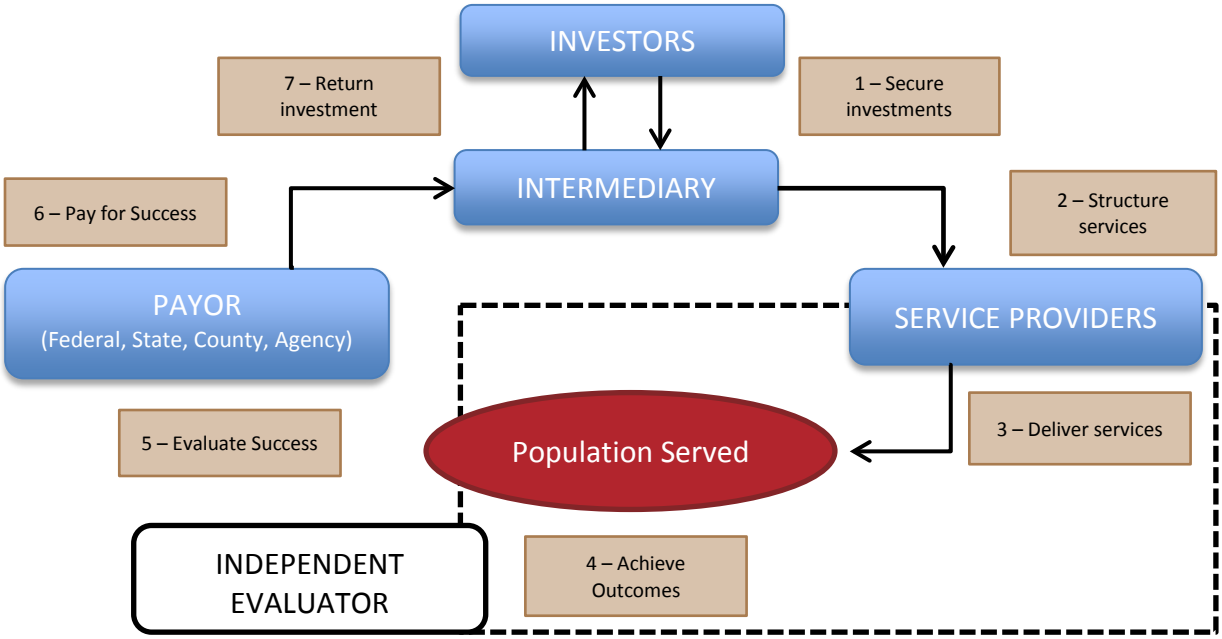
and spending. Cost calculations also factor in the negative consequences experienced by the teen mother and father in terms of lost tax revenue due to decreased earnings and spending (Source: The National Campaign).

Understanding Social Impact Bonds

Social impact bonds (SIBs), also known as pay-for-success or social impact financing, utilize capital from private investors to expand proven interventions that yield cost-savings. For governments without the resources to invest in effective services to curb a social problem (such as recidivism or teen pregnancy), social impact bonds are an innovative method to raise capital from private sources. For investors, SIBs can be an opportunity for their investments to reflect their values. Many governments across the country are looking to SIBs as a way to generate resources for social and public health programs.

To make a social impact bond work, funds are first secured from private investors to finance a social or public health program. Second, those funds are used to pay for services that achieve some cost-savings to the payor (typically federal, state, or county government). Those services are delivered to the targeted population and a set of predetermined outcomes are achieved. Some examples of cost-saving outcomes include decreased incarceration rates, decreased teen birth rates, or decreased homelessness. The success of these positive outcomes is evaluated by an independent evaluator and savings to the payor are calculated. For example, an analysis by the Children's Aid Society found that a program addressing juvenile recidivism in New York City would save the state $29,412 per young parolee that does not return to prison.[9] Based on those incurred savings, the payor compensates the investors for their initial investment plus interest based on a percentage of the savings created by the intervention. Figure 1 illustrates the key players and steps in launching and completing a social impact bond.

Figure 1: How Social Impact Bonds Work



Social Impact Bonds in California

There is a lot of interest in California in social impact bonds: service providers are interested in demonstrating the cost benefits of preventative programs, and governments are interested in financing such programs.[10] In California, a Pay for Success Initiative was launched in January 2014, with six projects selected to participate in a learning cohort and to evaluate the opportunities for a social impact bond in their communities.[11] The projects include:

1. Feasibility analyses and capacity building for pay-for-success models in Los Angeles and San Francisco counties.
2. Reducing recidivism and improving employment outcomes for formerly incarcerated individuals in San Diego County.
3. Addressing chronically homeless and acutely mentally ill in Santa Clara County.
4. Assessment for implementation of the Nurse Family Partnership in various Bay Area and Orange County locations.
5. Increasing maternal hospital screenings and home visitation programs in Los Angeles and Orange counties.

Separate from the state's Pay for Success Initiative, local communities are also looking into social impact bonds. In Alameda County, a social impact bond will attempt to reduce asthma-related hospitalizations and emergency rooms visits. The program includes environmental remediation and health education to improve management of asthma conditions. Investors may be repaid out of savings realized from reduced hospitalizations and emergency department visits. The payors are expected to be insurance companies, self-insured employers, and other entities that benefit from reducing asthma-related hospitalizations.[12]

Teen Pregnancy & Social Impact Bonds

Washington, D.C., is the first government entity to pursue a social impact bond addressing teen pregnancy. Announced in May 2014, this project aims to reduce the rates of unplanned teen pregnancy and their related educational and social effects. Even though teen birth rates have decreased in D.C. since 1991, the rate is still above the national average, and there are striking disparities in different neighborhoods within D.C., with birth rates soaring to three times the national average in three of D.C.'s eight wards.[13] For this reason, the social impact bond will focus on interventions in particular neighborhoods and with specific populations.

Teen pregnancy was selected over a number of other issues in Washington, D.C., including incarceration, poor childhood health, high school drop-out rates, and chronic homelessness, because the projected return on investment was considerable. It was estimated that approximately $50,000 would be saved per pregnancy avoided.[14] The analysts in D.C. used many of the calculations of the public costs of teen pregnancy projected by the National Campaign to Prevent Teen and Unplanned Pregnancies.[15] These calculations include costs associated with:

- participation in child welfare, criminal justice, and public health among children born to teen mothers;
- participation of teen mothers in public assistance; and
- lost tax revenue associated with reduced education and, consequently, reduced earnings and spending among teen mothers, their partners, and their children.

D.C. is currently working on structuring the teen pregnancy intervention including soliciting applications for service providers within the targeted neighborhoods in D.C. While still early in implementing the social impact bond, D.C.'s new model for financing teen pregnancy prevention holds promise for other locales that want to address teen pregnancy in their communities.

Implications for School-Based Health Centers

Research has shown that SBHCs are effective at reducing the unplanned pregnancy rate among adolescents.[16,17] Additionally, adolescent girls with access to SBHCs are more likely to get reproductive preventive care, use hormonal contraception, and to have been screened for an STI than similar girls without an SBHC.[18]

SBHCs bring together many of the interventions known to work to prevent teen pregnancies: increased access to clinical care and contraceptives, access to confidential and trustworthy services, and clinical and classroom settings to implement many evidence-based pregnancy prevention curricula. SBHCs are strategically situated to provide increased access to reproductive health services in conjunction with evidence-based curricula in the school. Many of the recipients of the federal teen pregnancy grants have adopted this approach. For example, Contra Costa Health Services is implementing evidence-based curricula in middle schools and high schools in conjunction with referrals to SBHCs. Tulare Community Health Clinic which runs mobile school-based clinics serving six schools, has also received funding to provide similar school-based curricula at schools in rural communities in Tulare County.

Recent federal grants and emerging social impact bonds put a strong emphasis on interventions that can demonstrate their impact and associated cost savings. Generating resources for teen pregnancy prevention activities in the new environment will require greater attention to the following:

1. *Utilization of evidence-based programs*. The list of programs identified by the Office of Adolescent Health as having evidence of effectiveness can be found at http://www.hhs.gov/ash/oah/oah-initiatives/teen_pregnancy/db/index.html.
2. *Robust data systems*. SBHCs will need to track participants and document outcomes to build a case for their programs. With the growing adoption of electronic health records, there may be greater ability to collect quality data that demonstrates outcomes.
3. *Calculation of return on investment*. Many health providers consider health outcomes to be an end goal in and of themselves. To take advantage of new financing mechanisms, SBHCs must be willing to work with analysts who can turn health outcomes (teen births avoided) into cost savings.
4. *Participation in efforts to implement social impact bonds*. SBHCs need to monitor state and local efforts to launch social impact bonds and ensure that they come to the table to advance teen pregnancy as a viable option for this type of financing.

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