

The Business Case for Oregon’s ADRC

Oregon’s Department of Human Services engaged Compelling Reason LLC to analyze the business case for the Information and Referral (I&R) program of the state’s Aging and Disability Resource Connection (ADRC). We conducted the analysis from February 2019 through August 2020.

Many forms of help are available for people in need, but help is not always easy to find or navigate. Age and disability can pose additional challenges for those who most need help. I&R specialists help people get services that can be unfamiliar, hard to find, or bafflingly complex.

Making the I&R business case

I&R’s “business case” means it creates more benefits or savings for consumers, the State of Oregon, and the federal government, than it costs. Not all benefits or savings can be quantified, of course. We simply estimate whether I&R’s benefits exceed its costs based on what can be quantified. (If we could quantify more, the business case would only get stronger.)

SROI: Social Return on Investment

Social return on investment measures how much “good” comes from a given effort. It is the ratio of quantified benefits (the social return) to quantified costs (the investment). We express it as, for example, “3.0 to 1”, which would mean \$3.00 of quantified benefits result from \$1.00 of quantified costs.

SROI ratio	Interpretation
Above 1.0 to 1	Case made. The program’s benefits exceed the program’s costs.
Equals 1.0 to 1	Breakeven. The program produces \$1 of benefit at a cost of \$1.
Below 1.0 to 1	Case not made yet. Costs exceed the benefits quantified so far.

Our estimate of I&R’s SROI for fiscal year 2018-19:

14.1 to 1

Benefits and savings include \$56,925,519 to consumers, \$12,895,578 to the State of Oregon, and -\$14,334,806 to the federal government.

Total benefits are \$55,486,291. Total costs are \$3,922,662.

The SROI ratio — benefits ÷ costs — is 14.1 to 1.

Quantifying I&R's SROI

We calculated I&R's SROI by comparing the benefits produced by I&R to the incremental costs borne by the state to operate the I&R program.

$$SROI = \frac{\text{Benefits (with ADRC)} - \text{Benefits (status quo)}}{\text{Cost (of ADRC)} - \text{Cost (status quo)}}$$

We quantified only benefits and costs due specifically to I&R. Our data came from surveys of I&R consumers, state data on benefits received by those consumers, and independent studies.

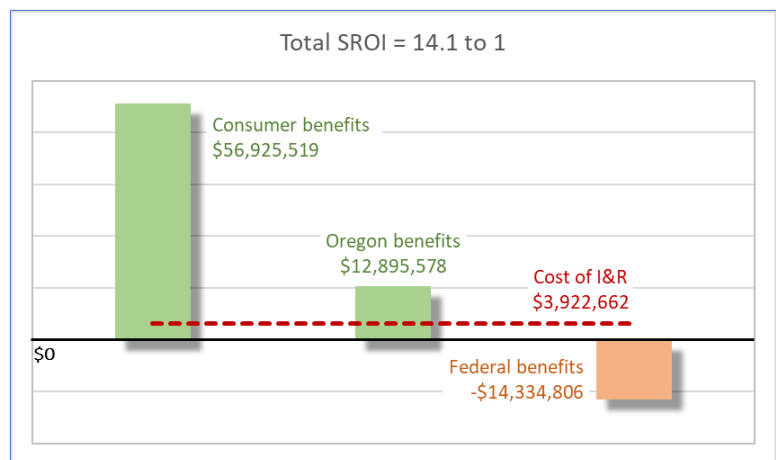
We quantified I&R benefits on seven "topics" for three beneficiaries: consumers, the State of Oregon, and the Federal government. Those benefits cover almost half of I&R referrals statewide.

Topics	Assistance from I&R specialists helped consumers to:
Medicaid	Decide when to apply for Medicaid assistance
Medicare	Apply for appropriate Medicare coverage, avoid penalties, and get improved health
In-home care	Stay at home rather than going to costly institutional care or becoming homeless
Personal care	Stay at home rather than going to costly institutional care or becoming homeless
Financial	Stay at home rather than going to costly institutional care or becoming homeless
Food	Avoid hunger, malnutrition, and costly, unpleasant declines in health
Legal	Get legal counseling the consumers could not otherwise afford

14.1 to 1: The business case for I&R is strong

The graph shows the benefits of I&R (the columns) far outweigh the costs of operating I&R (the red line).

Our research suggests that follow-up calls from I&R specialists would connect even more consumers to the services they need, and further strengthen the business case for I&R.



Graph: The Compelling Reason SROI model

Kristi Murphy and Dawn Rustrum managed the project for the Oregon Department of Human Services. The I&R business-case analysis was conducted by Bruce Hamilton, Kelly Jensen, and Mark Chussil. Contact Bruce, Kelly, and Mark at kellyjensen@compellingreason.com.