

## The Janssen Pharmaceutical Companies of Johnson & Johnson Social Impact Bond - investor

**Liz Naylor**

Market Access and Government Affairs Group Manager  
Janssen New Zealand  
6<sup>th</sup> July 2020

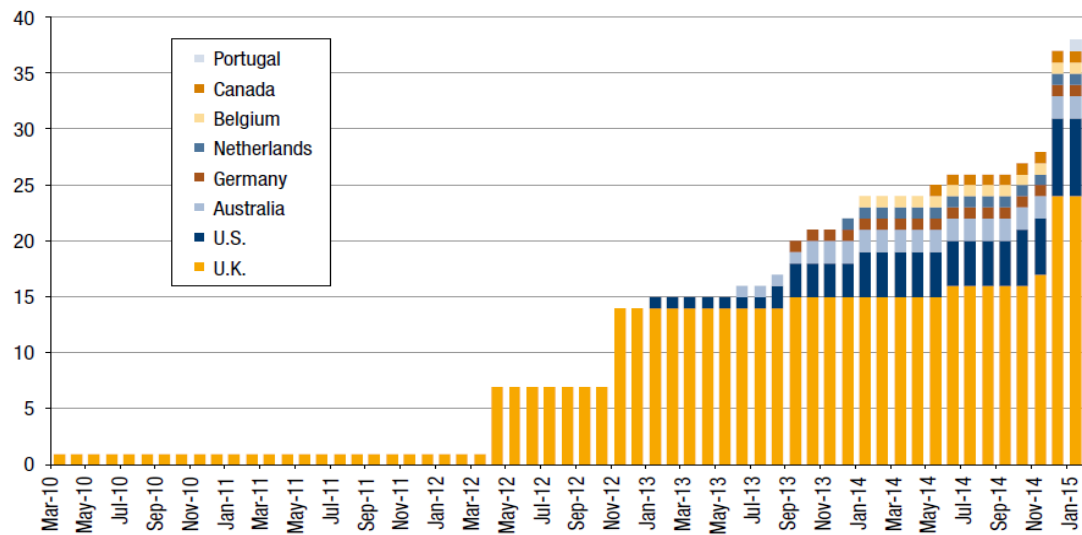
# We work tirelessly for the world's most vulnerable populations.

Through unique collaborations with government, healthcare agencies, NGOs and many others we seek to find innovative ways for vulnerable populations to access health innovations.



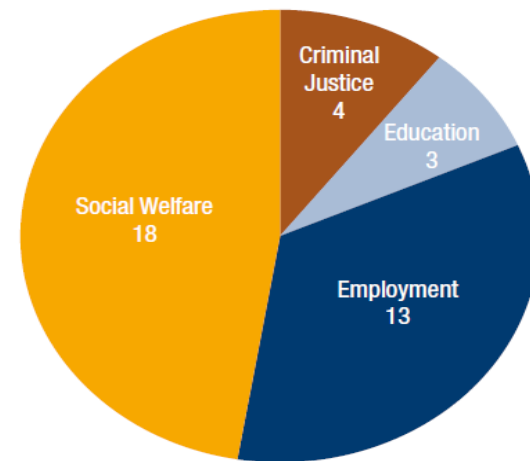
# Social Impact Bonds

- An innovative form of contracting for social outcomes
- Governments utilise private sector skills to:
  - i. Drive innovation in service delivery
  - ii. Manage associated risks
- Government will pay for the contracted outcome if achieved and investors will get back their investment plus a return.



Source: Authors' research.  
2020

Adapted from a 2015 review by the Brookings Institute



Source: Authors' research.

Note: Social welfare includes adoption or long-term foster care placement, family strengthening to avoid foster care, homelessness, and holistic support of disadvantaged young people.

# New Zealand's first Social Impact Bond

- Government led an innovation ROI awarded to:
  1. Mental Health employment solution
  2. Youth recidivism

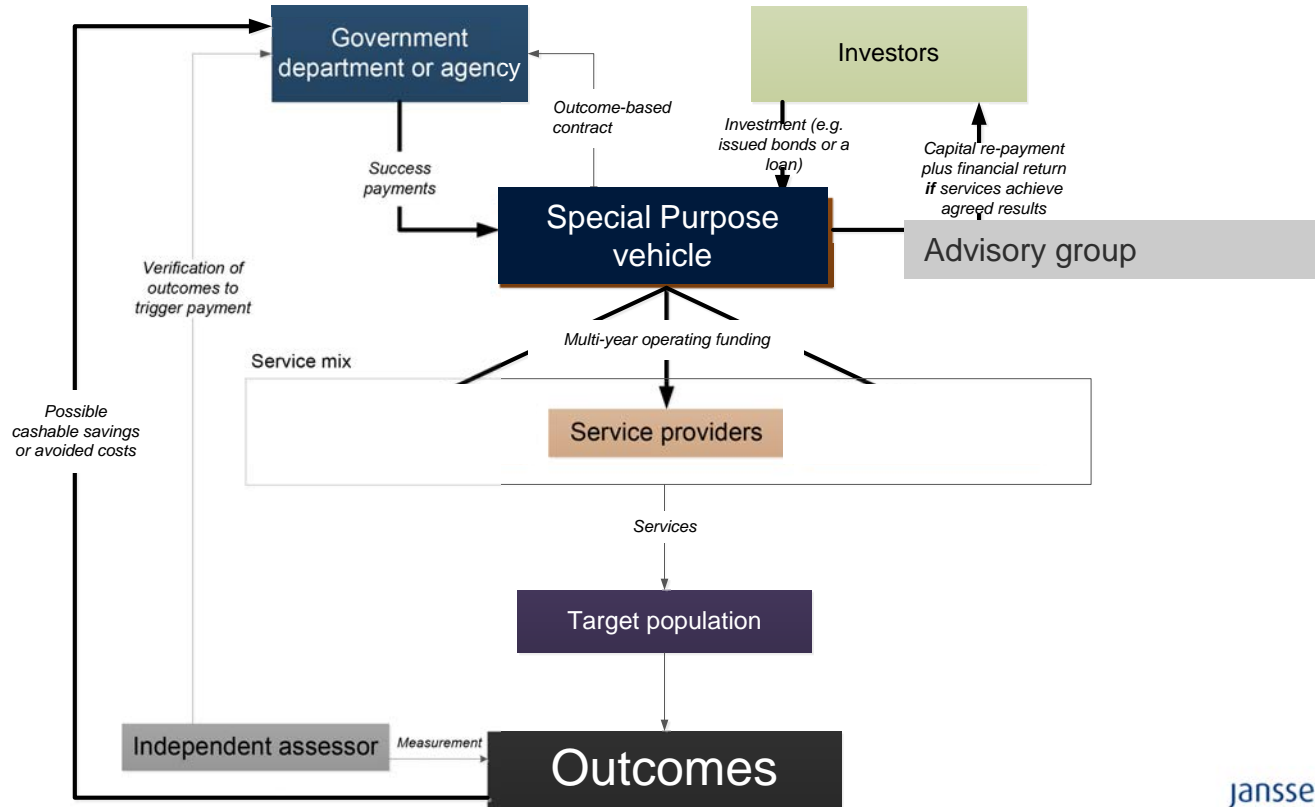
## This Bond was:

Improved Mental Health through Employment

4 investors:

- Janssen, the Pharmaceutical Companies of Johnson & Johnson
- 2 philanthropic investors
- The Service provider

# Bond (SIB) Structure: Improved Mental Health Through Employment



# This Bond: Improved Mental Health through Employment

## Goal

- Improve mental health outcomes
- Deliver reduced welfare dependence

## Target group

- Job seekers with a diagnosed mental health condition
- 6 Auckland city suburbs

## Referral process

- Work and Income office
- General Practitioner office
- Service provider
- Self-referral

## Outcomes

- Over 1000 entrants to the programme
- Target success rate of placement
- Range of employment (full-time, part-time, or 'other')
- Ongoing support leads to sustained employment

Adapted from :

<https://treasury.govt.nz/publications/information-release/social-bonds-information-release>

<https://treasury.govt.nz/sites/default/files/2016-11/sb-3693730.pdf>

# Outcome achieved

## Mental Health Employment Bond:

- Now adopted as Government business as usual employment outcome agreement

## Janssen:

- Informs and guides other new Bonds
- Informs new 'beyond the pill' innovation solutions e.g. outcome agreements

# Key learnings for employment outcome agreements

1. Mental Health clients can have high and complex needs
2. Amenability of clients to be referred.
3. Warm referral handovers critical
4. Referring Case Managers may have many other competing programmes to refer clients to.
5. Appropriate referrals



# Key Learnings for Social Impact Bond

1. The Bond was structured to ensure there was an incentive for the Programme to run for 2 years without risk of investors losing interest payments and capital.
2. The Bond structure allowed for an Advisory board to review performance and make recommendations leveraging private sector structure and innovative approaches.
3. Agility to respond to solution adjustment
4. Political ideology



Questions

Creating a future where  
disease is a thing of the past

janssen 

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