

Addressing Social Determinants of Health via Medicaid Managed Care Contracts and 1115 Demonstrations

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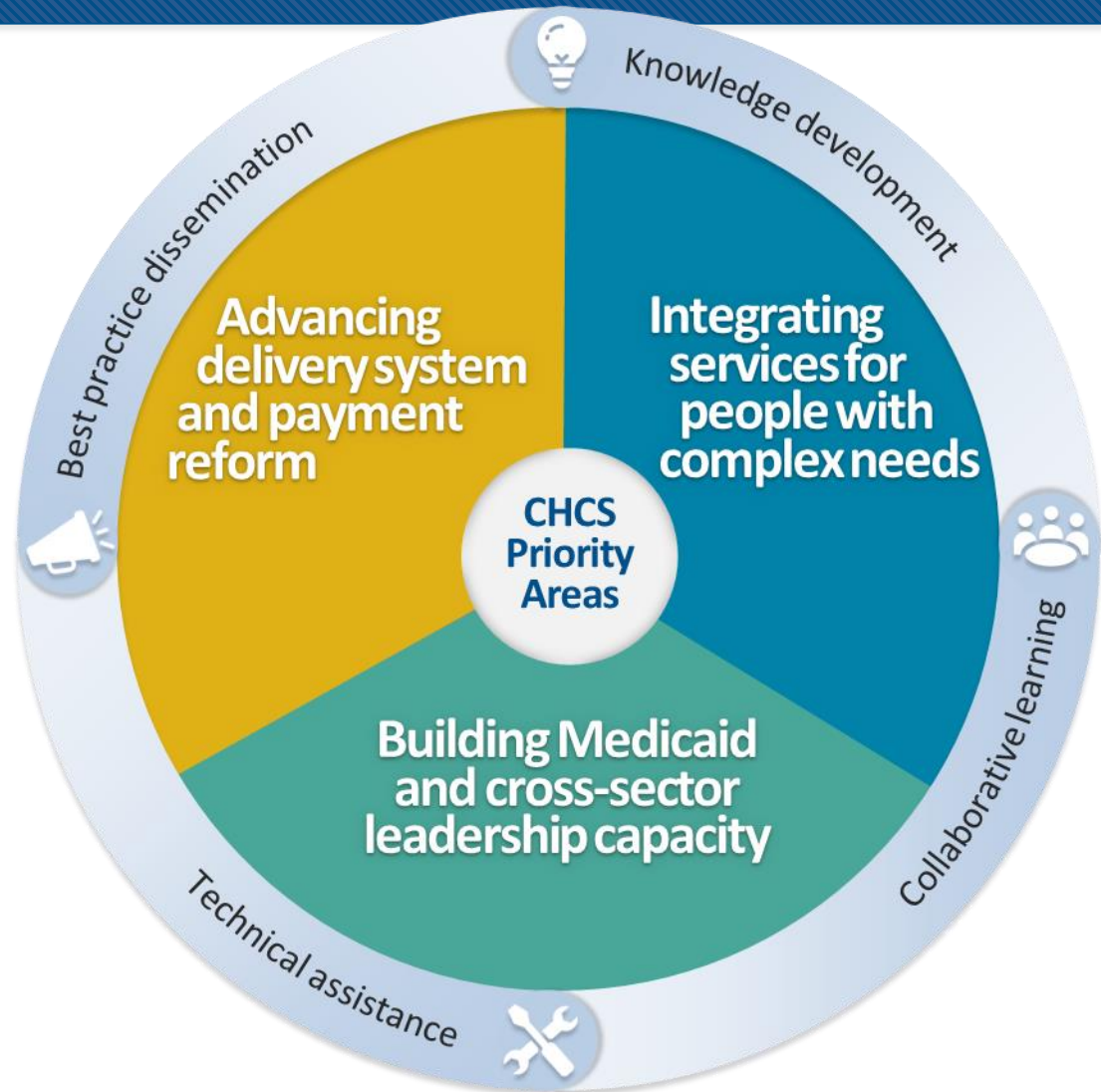
ACAP CEO Summit

June 20, 2019

With Support by the Association for Community Affiliated Plans

About the Center for Health Care Strategies

A nonprofit policy center dedicated to improving the health of low-income Americans



Today's Presentation



- Context for Social Determinants of Health (SDOH) in Medicaid Managed Care
- Unique Mechanisms for Addressing SDOH in Medicaid Managed Care
- State Examples
- Recommendations

Medicaid's Focus on Social Determinants



Addressing beneficiaries' social service needs is a key Medicaid strategy for:

- » Tackling immediate health-related needs of complex patients
- » Managing care for rising risk individuals
- » Upstream prevention for kids and healthy adults



Value-based payment and care models for complex patients are key contextual drivers



Federal regulations, waivers, and messaging are supporting state innovation and experimentation

Federal Regulatory Context



■ 2016 Medicaid managed care regulations

- » Extensive rules governing Medicaid when using managed care organizations (MCOs)
- » Clarified SDoH activities that MCOs can pay for
 - Community care coordination
 - Value-added services
 - In-lieu of services

■ 1115 Waivers

- » Enable Medicaid to “waive” specific federal program rules
- » Examples: Delivery System Reform Incentive Payments (DSRIP), recent 1115 work requirement waivers

Overview of Medicaid SDoH Activities and Levers



Activities include:

- » Screening
- » Referral and navigation
- » Non-health services delivery
- » Community and state level policy changes



Levers to foster provider and MCO activity:

- » Delivery system program requirements
- » MCO contracts
- » Financial incentives/value based payment
- » Quality measurement
- » Rate setting

Emerging Issues in Addressing SDOH vis Medicaid Managed Care



- Rate setting rules may negatively impact MCO incentives to invest in SDOH initiatives
- Optimal roles for MCOs and providers to play is unclear
- Individual patient needs may be easier to address than the broader social determinants
- Establishing robust contracts between MCOs and social services can be challenging
- Risk of overburdening providers amidst broader delivery system changes

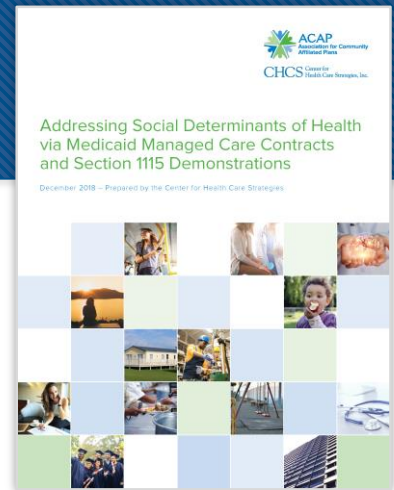
About the ACAP Report

■ Comprehensive review of:

» SDoH requirements and incentives within MCO RFPs/contracts from 40 states

» 25 approved § 1115 demonstrations

- Includes Delivery System Reform Demonstrations, such as Delivery System Reform Incentive Payment (DSRIP) demonstrations



Managed Care Requirements: Key Findings



Most common requirements center around SDoH screening and referrals



MCO contract language is flexible rather than prescriptive



States vary in how broadly or narrowly SDoH is defined



15 states align their SDoH requirements with broader delivery system reform efforts

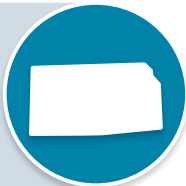


Payment incentives explicitly linked to SDoH are rare, but increasingly deployed

State Examples of Managed Care Requirements

Care Coordination and Management

Kansas requires screening questions on social needs. Community service coordinators ensure linkages to community resources.



Quality Assessment and Performance Improvement

D.C. will require MCOs to remediate identified SDOH and health disparities through targeted interventions.



VBP Initiatives

New York requires providers in VBP arrangements to implement SDOH interventions and contract with community-based organizations (CBOs).



MCO Payment Incentives

Michigan implements three pay-for-performance initiatives with a link to SDOH, including priorities such as housing and low birth weight.

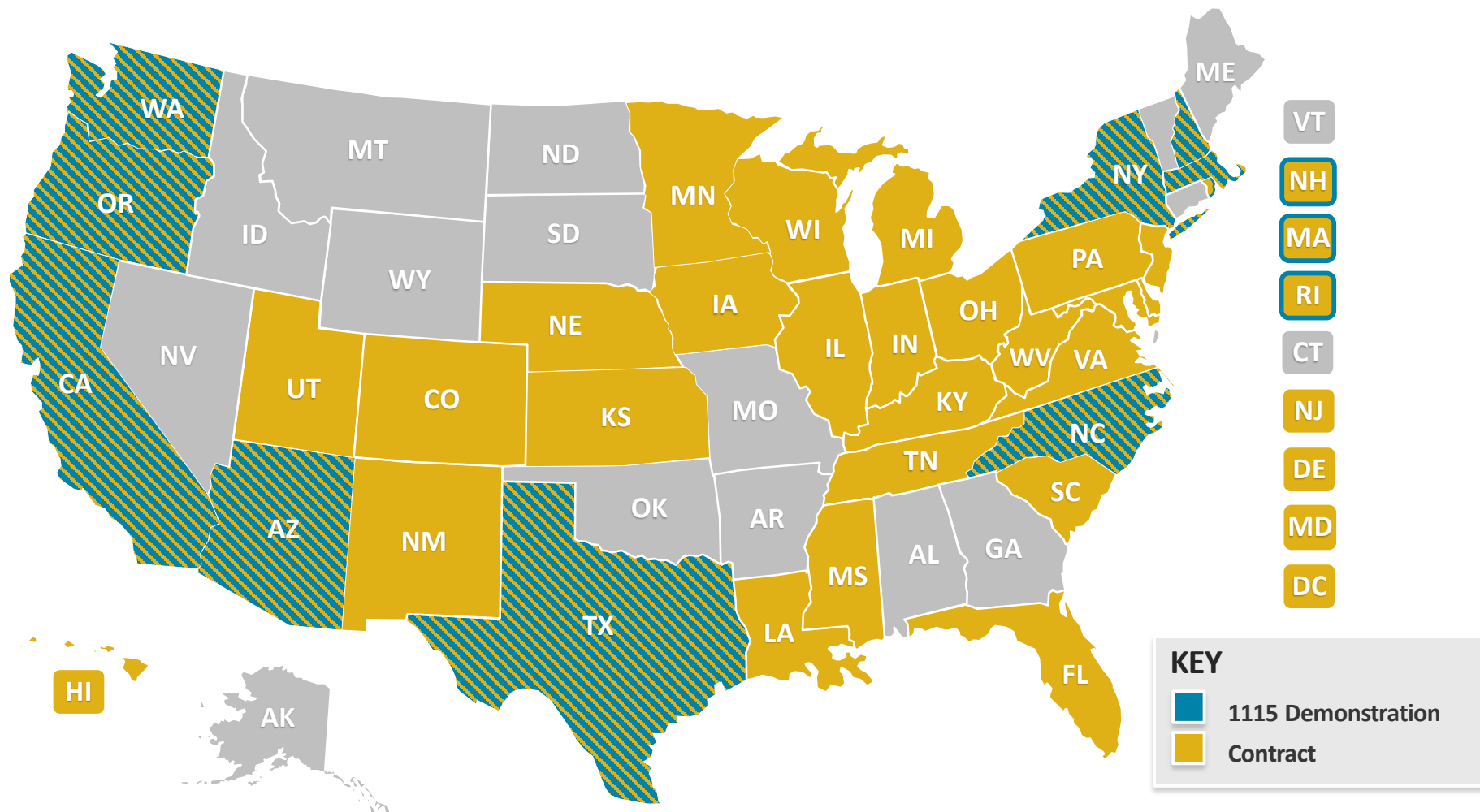


Additional Services

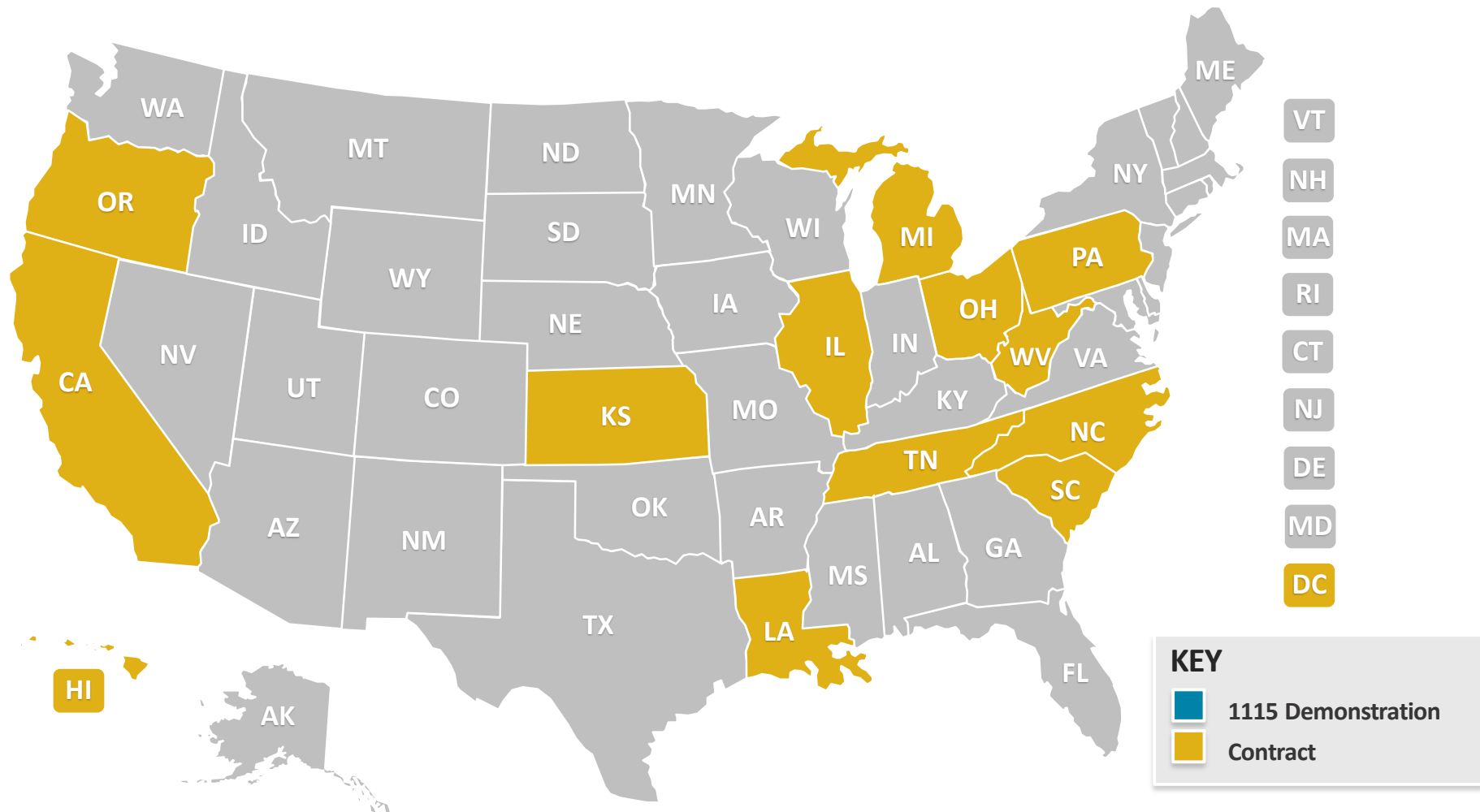
North Carolina requires MCOs to coordinate with lead pilot entities that provide enhanced case management and other services related to SDOH.



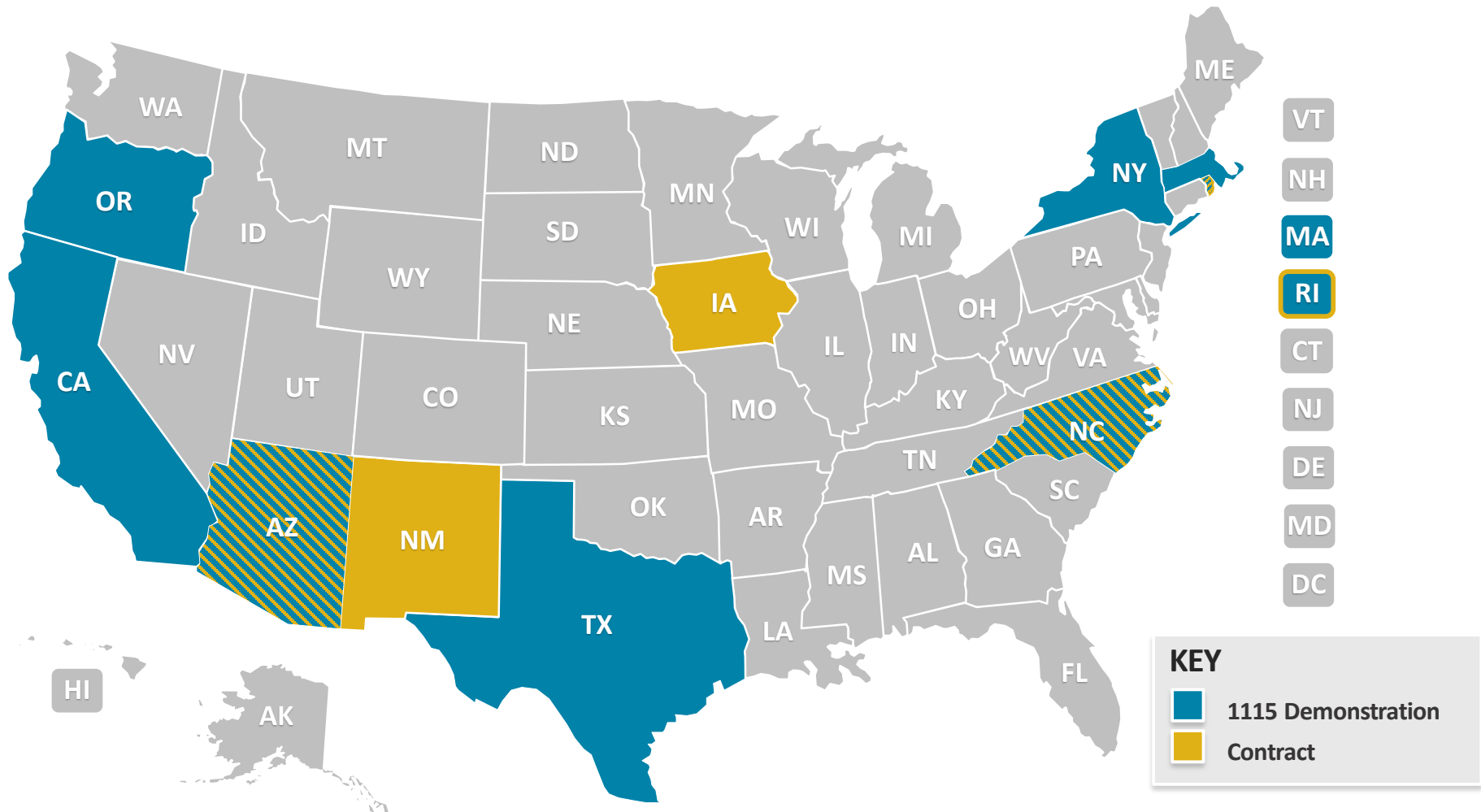
Care Coordination and Management: 35 States



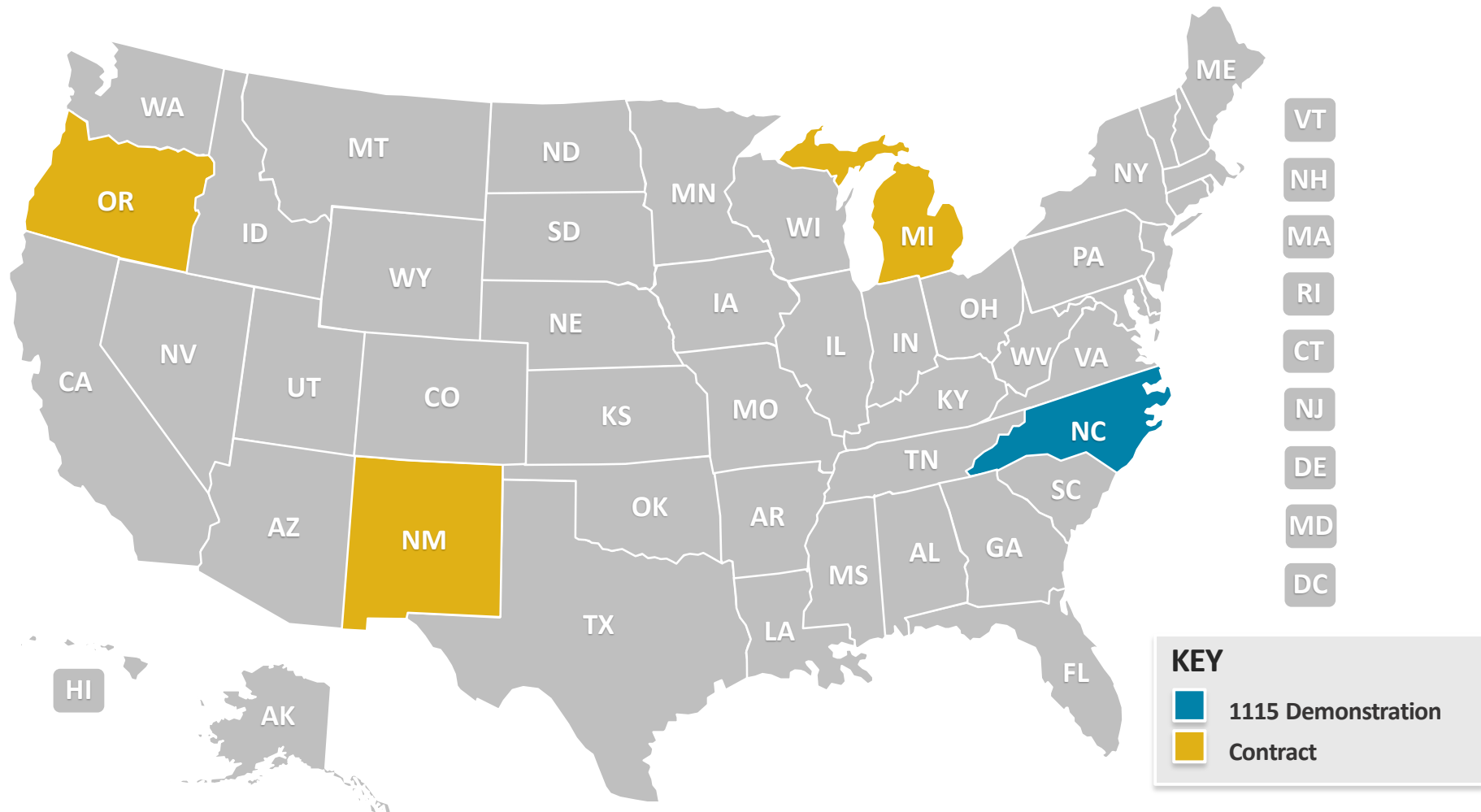
Quality Assessment and Performance Improvement: 14 States



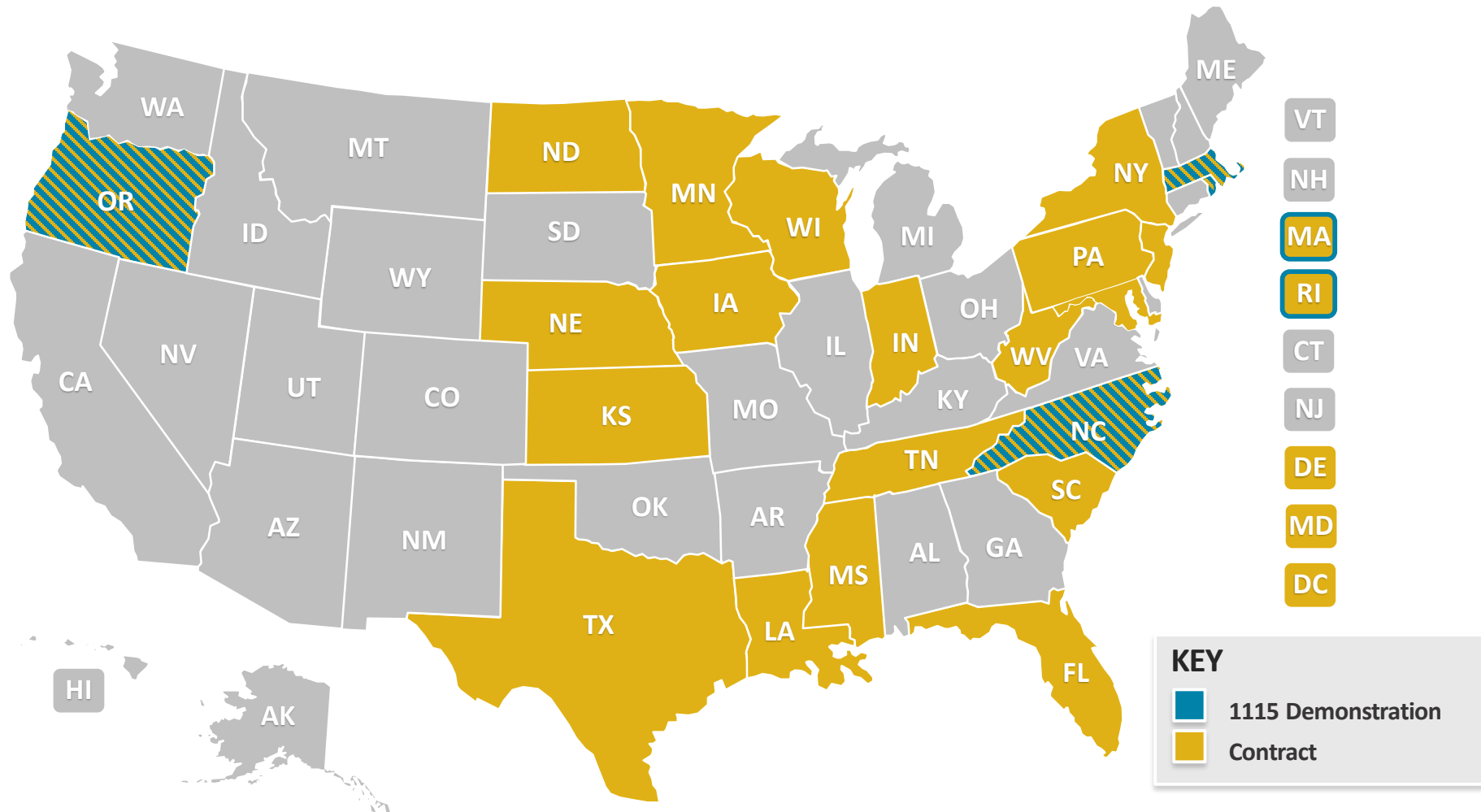
VBP Initiatives: 10 States



MCO Payment Incentives: 4 States



Additional Services: 24 States



State Example: Louisiana's SDOH-Related MCO Requirements



- Use a state-developed survey instrument to survey enrollees for social determinants data during the Health Needs Assessment.
 - » Minimum focus on housing, food insecurity, physical safety, and transportation.



State Example: Louisiana's SDOH-Related MCO Requirements



- Partner with community-based organizations, Office of Public Health, and high-volume primary care providers.
- Implement three levels of case management to support both clinical and social needs.
- Maintain a community health worker caseload ratio of 1:100.



State Example: Louisiana's SDOH-Related MCO Requirements



- Create a Population Health Strategic Plan.
- Stratify and re-stratify population using social needs data.
- Use self-reported social needs data for aggregate use in population health management, network adequacy determination, and quality improvement activities.



State Example: Louisiana's SDOH-Related MCO Requirements



- Participate in initiatives to develop a core set of SDOH, community-based support service provision, utilization, and health outcomes.
- Submit updates on the effectiveness of its population health and case management initiatives.
- Measure and report effectiveness of its evidence-based interventions to reduce health disparities.



State Example: Oregon's SDOH-Related CCO Requirements



- Create a Community Health Assessment and Community Health Improvement Plan, with assistance of the Community Advisory Council and SDOH Partners
- May collect member-level data (to be determined)



State Example: Oregon's SDOH-Related CCO Requirements



- Include “health-related services” in addition to covered services
- Spend a portion of annual net income or reserves on services designed to address SDOH and health disparities
- Implement SDOH and Health Equity Performance Improvement Projects



State Example: Oregon's SDOH-Related CCO Requirements



- Develop a process analysis to evaluate investments in health-related services and initiatives to improve members' SDOH by 2021
- Report member-level data to assist risk adjustment, if implemented



State Example: Oregon's SDOH-Related CCO Requirements



- Submit a plan for distribution of MCO incentive funds to participating providers, including SDOH and public health partners
- Earn funds in incentive and withhold arrangements:
 - » SDOH and Health Equity Capacity-Building Bonus Fund
 - » Quality Pool
 - » Variable Profit Margin



Federal Policy Recommendations



- Provide additional guidance on addressing SDOH
- Enhance agency collaboration at the federal level
- Approve § 1115 demonstrations that test strategies to address SDOH
- Support outcomes-based payment for SDOH interventions
- Make it easier for vulnerable populations to access needed health services and care coordination