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Addressing social determinants of health through Medicaid: Lessons for Ohio from other states

Executive summary

The Medicaid program provides health care services for people with low incomes who meet additional eligibility criteria. In recognition of the health and economic impacts of housing and nutrition supports, the federal and state governments have expanded Medicaid funding mechanisms to address the social drivers of health in recent years. As a result, states and managed care organizations (MCOs) have moved to offer services that address members' social needs.

Funding mechanisms for delivering social supports through Medicaid include:
- **1115 demonstration waivers.** States waive some typical Medicaid requirements to implement projects to improve health outcomes and reduce healthcare costs.
- **In-lieu of services and settings (ILOS).** State implement cost-effective, medically appropriate substitutes for Medicaid State Plan benefits.

This report highlights findings from three states that have covered housing and nutrition services through Medicaid: North Carolina, Michigan and Kansas.

Understanding the lessons learned

Lessons identified through interviews with 10 key informants in the selected states can guide the development and rollout of reimbursable housing and nutrition supports within Medicaid programs.

Lesson learned 1

Gather and respond to feedback from the wide array of groups involved with providing reimbursable nutrition and housing services, during both policy development and rollout.

Regardless of the specific approach taken, all selected states prioritized convening and gathering feedback from a variety of partner organizations during the policy development process. This is especially important given the various groups involved with administering and delivering services for housing and nutrition to Medicaid recipients. Engaging stakeholders and soliciting feedback was important not only for understanding each group's needs and interests, but also to shape the policy itself, as these multi-sector perspectives could also help refine the model once rollout began.

> **"We wanted to be collaborative about it because you know… if we don't have the buy in and we don't have the understanding of the utilization of services, we're going to get a lot of abrasion and not a lot of buy in from the providers and others to participate."**
> — Kansas key informant

Lesson learned 2

Balance standardization and flexibility when shaping requirements to administer and deliver reimbursable housing and nutrition supports, particularly in contracting with community-based organizations (CBOs), data exchange across groups and service eligibility.

Structuring reimbursable housing and nutrition supports requires paying attention to the interconnected relationships between health plans, CBOs and the service recipients themselves.

Decisions surrounding how nutrition and housing services are sourced, paid for and delivered can either favor standardization, where stakeholders follow unified processes regardless of underlying context, or flexibility, where CBOs, health plans and other groups can create processes that are tailored to their specific needs. Differences across the states in how they balanced standardization and flexibility can be balanced across the following areas:

- **CBO contracting**: Balancing benefits of procuring local CBOs against potential difficulties with capacity and service infrastructure
- **Data exchange**. Balancing efficiencies of a unified data and billing system against upfront costs and implementation challenges
- **Service eligibility**. Balancing maximum uptake of service use through broad eligibility against issues with measuring direct health and financial impacts

Lesson learned **3**

Develop a deliberate and connected infrastructure that can help bridge and coordinate the multi-sector groups involved with delivering reimbursable housing and nutrition supports to enrollees.

Central coordination and an intermediary structure are essential when implementing complex, multi-sector policies to deliver and pay for nutrition and housing supports through Medicaid. With capacity-building funding available through the 1115 waiver process, North Carolina's Healthy Opportunities Pilot program incorporated formal intermediaries called "network leads" to help bridge the connection between Medicaid, MCOs and CBOs. In Michigan, some CBOs began to form informal intermediary structures to help meet the challenges associated with contracting with and billing Medicaid entities.

Lesson learned **4**

Emphasize and embed evaluation from start to finish to understand how addressing social needs through Medicaid impacts health outcomes and costs, thereby demonstrating value and encouraging service utilization.

Evaluation efforts across the focus states reveal interconnected challenges shaped by policy design, data limitations and competing definitions of value. Stakeholders emphasized people-centered outcomes, such as improved quality of life and care engagement, but these considerations must be balanced with the MCO's requirement to demonstrate return on investment (ROI), even when benefits are not easily monetized. This is especially true for an ILOS approach where there is no allocated funding for service reimbursement, as the nutrition and housing supports are designed to "replace" health care utilization. In North Carolina, dedicated waiver funding for evaluation helped to establish the health and financial benefits of these social supports.

> **"There's no funding in the health plan line for them to provide these services. There's an expectation that there's going to be some type of ROI, but that ROI is not going to be seen right away and then you're also working with [CBOs] that don't have the infrastructure that they need or that the plans need to be able to contract with them. So, then you're not just investing in the benefit, you also have to make some investments."**
> — Michigan key informant

Conclusion

In order to deliver reimbursable housing and nutrition services through Medicaid, states are faced with a series of important decisions related to benefit design. These lessons learned provide insight into the development of effective state-level policies. States must also remain adaptable as policies are rolled out and meet real-world issues, such as policy changes at the federal level. In Ohio, community reinvestment for Medicaid MCOs offers a framework through which investments can still be made in the necessary infrastructure to connect enrollees with critical social supports and secure sustainable funding for these initiatives.

Read the full report at:
https://bit.ly/4nrP51i

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