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Health Policy Basics

Understanding and influencing state health policy

Cleveland, Ohio

Nov. 18, 2019

Addressing social factors in and through Medicaid

Patricia Boozang

The logo for Manatt, featuring the word "manatt" in a lowercase, sans-serif font, centered within a solid yellow square. This square is itself centered within a larger white rectangular box.

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Health Policy Basics

Understanding and Influencing State Health Policy

Addressing Social Factors in and Through Medicaid

Patricia Boozang
Senior Managing Director
Manatt Health
November 2019

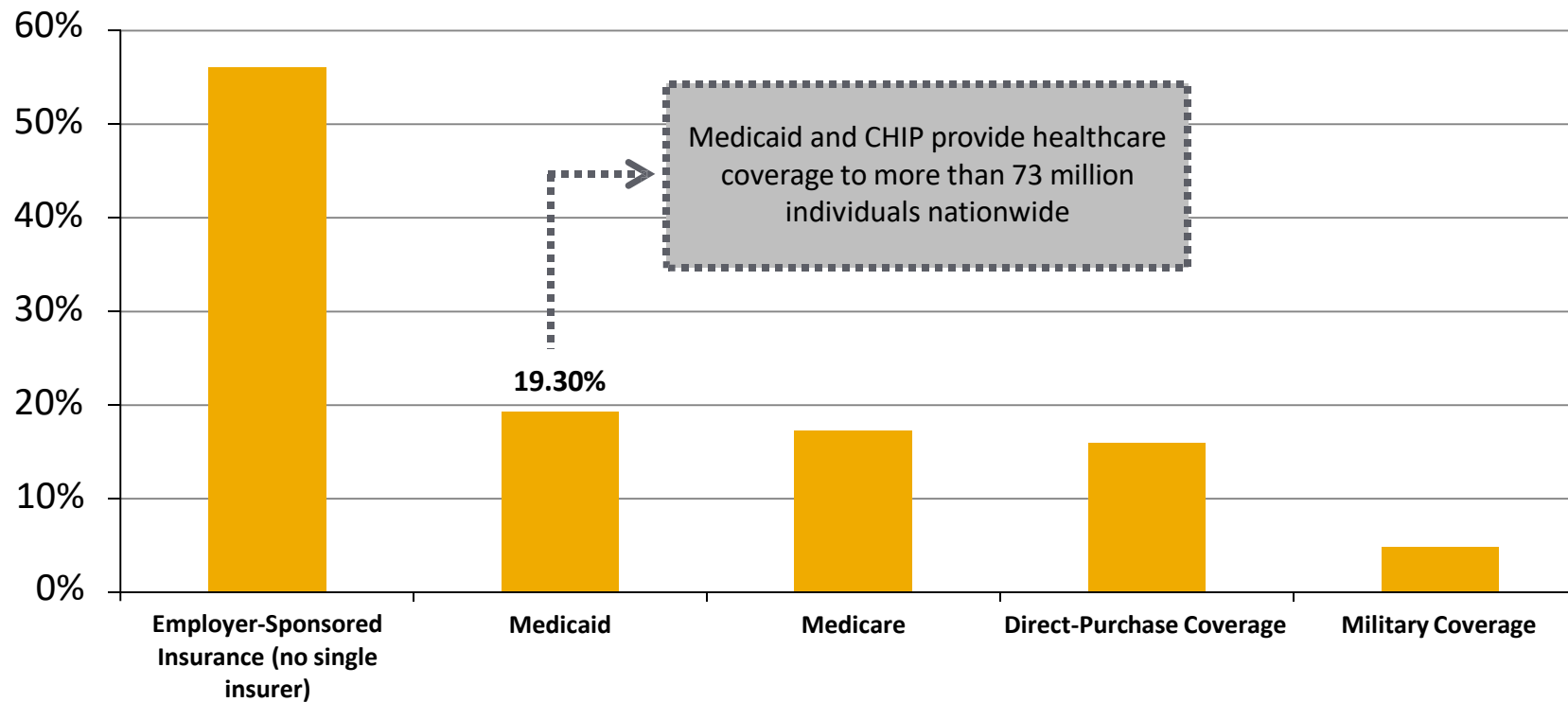
- **Medicaid and SDOH: The Landscape**
- **SDOH Interventions in Medicaid: Strategies for Coverage and Payment**
- **How Providers and Plans are Collaborating on SDOH**

Medicaid and SDOH: The Landscape

Medicaid is the Nation's Largest Single Source of Insurance

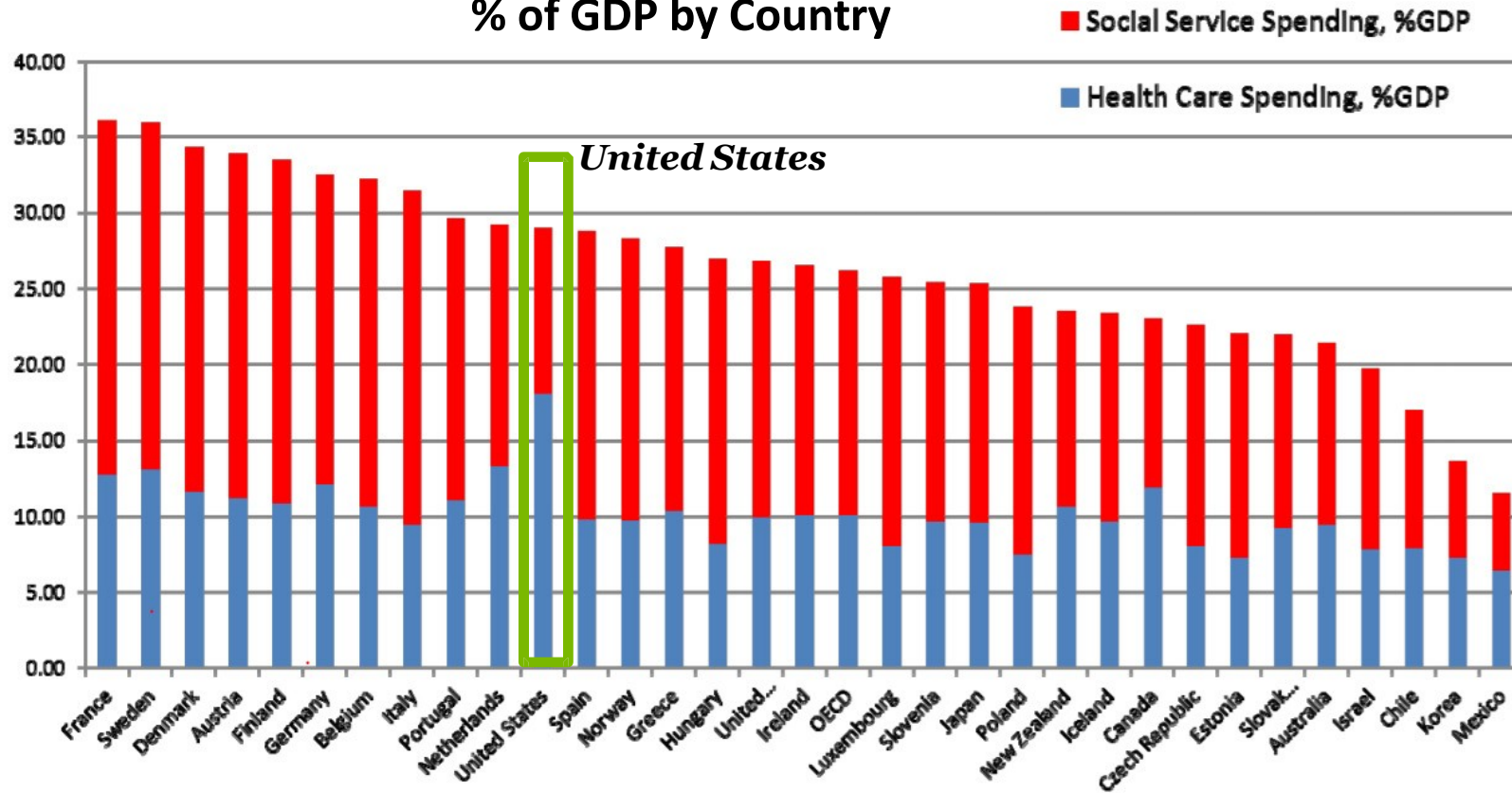
Medicaid covers nearly 1 out of 5 of the insured population and in some states as many as 1 in 3.

National Health Insurance Coverage by Subtype, 2017



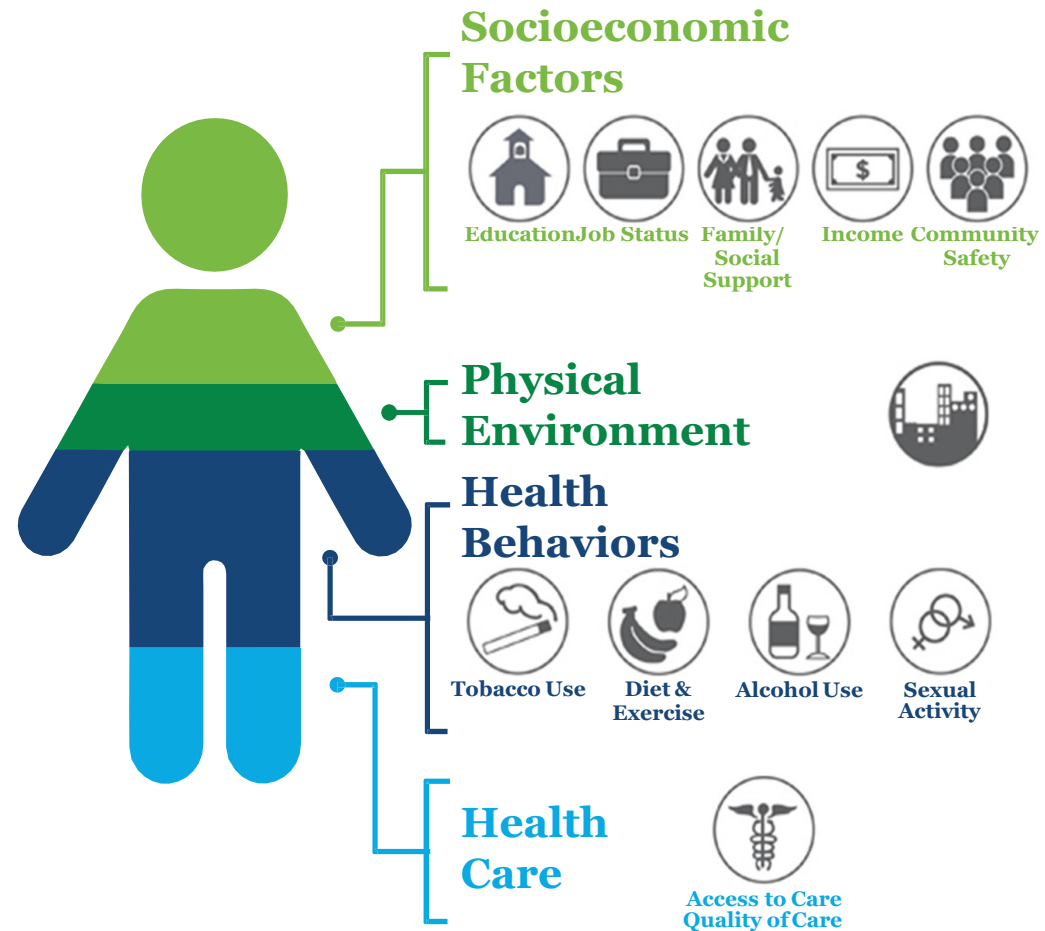
US Spends a Greater Percentage of GDP on Health Care than on Social Services Unlike Other Nations

Health and Social Service Spending as % of GDP by Country



Squires, D. and Anderson, C. U.S. Health Care from a Global Perspective. The Commonwealth Fund. Oct. 2019. [https://www.commonwealthfund.org/publications/issue-briefs/2019/10/u-s-health-care-from-a-global-perspective.](https://www.commonwealthfund.org/publications/issue-briefs/2019/10/u-s-health-care-from-a-global-perspective)

Social and Economic Factors are a Significant Driver of Health



Source: Institute for Clinical Systems Improvement, *Going Beyond Clinical Walls: Solving Complex Problems* (October 2014)

Patient Engagement IT; 4/19/19

How Medicaid Programs Can Revamp SDOH Programs, Community Health

As more Medicaid agencies embrace value-based care, they must reconsider strategies to address the social determinants of health.



Modern Healthcare; 8/3/18

Better State Policy Needed to Address Social Determinants of Health

Health Payer Intelligence; 4/18/19

Medicaid Programs Seek to Address Social Determinants of Health

Social determinants of health are the target of an increasing number of Medicaid programs.

Patient Engagement IT; 6/10/19

Moving Beyond Social Determinants of Health to Community Health

Health payers must move beyond social determinants of health screening to build out community health programming.



Modern Healthcare; 8/3/18

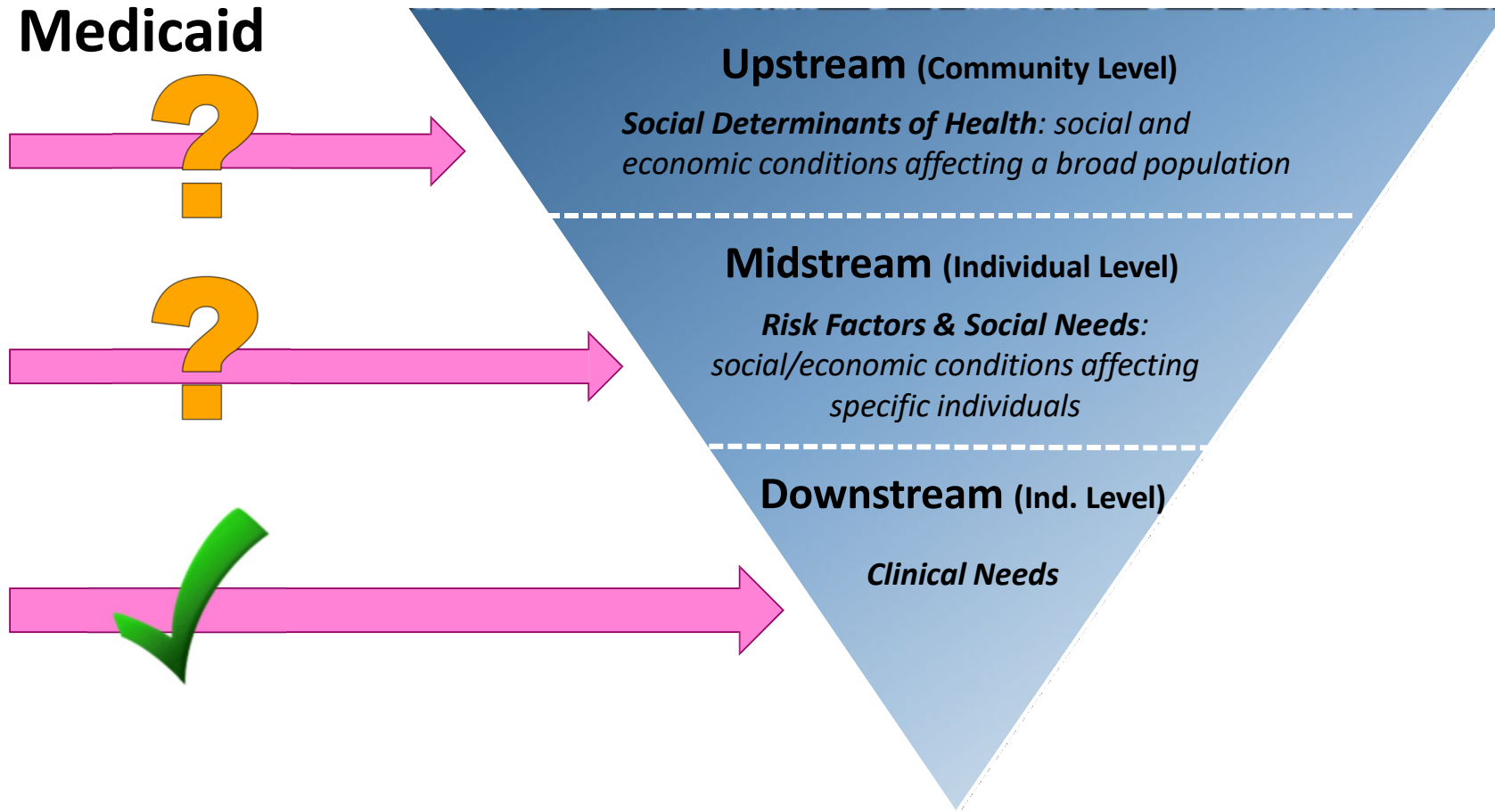
SOCIAL DETERMINANTS ARE CORE OF NORTH CAROLINA'S MEDICAID OVERHAUL

Milbank Quarterly;



Leveraging Medicaid for the Social Determinants of Health

What Does It Mean for Medicaid to Focus on Social Determinants of Health?



Adapted from: "Meeting Individual Social Needs Falls Short Of Addressing Social Determinants Of Health" Health Affairs, 2019.

Midstream Opportunities for Medicaid

Housing	Transportation	Food	Care Coordination
<ul style="list-style-type: none">• Tenancy Sustaining Support• One-time Payments to Secure Housing• Housing Improvements (e.g. A/Cs)• Short Term Housing, Post Hospitalization	<ul style="list-style-type: none">• Linkages to Existing Transportation Resources• Transportation to Social Supports	<ul style="list-style-type: none">• Linkages to Community Based Food Resources• Fruit/Vegetable Prescriptions• Cooking/ Nutrition Coaching• Medically Tailored Meals	<ul style="list-style-type: none">• Deployment of CHWs• Linkages w/ CBOs; Directory of Community Resources• Screening and Referral to Social Supports; Tracking and Evaluation

SDOH Interventions in Medicaid: Strategies for Coverage and Payment

Strategy 1: Classify Certain Social Services as Covered Benefits Under the State's Medicaid Plan

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States may classify a range of social supports as Medicaid plan benefits

- States can include these services in plans' benefit packages and build costs into managed care rates
- Plan payments to providers are classified as part of "claims" and are included in the numerator of the MLR
- Federal Medicaid law permits Medicaid coverage of:
 - **Linkages to social service programs** that offer help with food assistance, rent, and childcare costs
 - **Stable housing support** provided through services that help people find and remain in homes
 - **Assistance in finding and retaining employment**, particularly for people with disabilities
 - **Peer support** offered by individuals who come from a beneficiary's community or who have had similar experiences

Value-Added Services

- Services not covered under state plan that an MCO covers to improve quality and/or reduce costs
- Within limits, states can award extra points during procurement to plans that agree to cover specified value-added services (e.g., home visiting, medical respite)

“In-Lieu-Of” Services

- Cost-effective alternative to a covered service referenced in contract; not covered in state plan or managed care contract



Louisiana

- ✓ **Through the procurement process, managed care plans receive additional points** if they agree to offer adult dental coverage, medical respite care, and other value-added services
- ✓ States could use this strategy to **incentivize plans to provide additional social interventions**, such as parenting programs, food or non-medical transportation

Strategy 3. Use Medicaid Section 1115 Demonstrations to Cover Health Related Services

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1115 waivers offer broad authority to waive provisions of the Medicaid statute and finance services not otherwise included in Medicaid

- Services offered through 1115 waivers must further the purposes of the Medicaid statute and be budget-neutral to the federal government
- States have frequently used 1115 waivers in recent years for Medicaid delivery system reform and sought to encourage investments in social interventions
 - North Carolina received \$650 million over five years to invest in food, housing, transportation and interpersonal violence/toxic stress as a means of systematically evaluating the value of social interventions
 - Oregon received an 1115 waiver that allows it to cover “health-related services”



Equipment

- Bath scale
- Blood pressure cuffs
- Pill minders and medication dispensers
- In-home exercise equipment (e.g., exercise bike)



Memberships

- Gym memberships
- Pool memberships
- Parks and recreation memberships
- YMCA punch card



Shelter

- Hotel rooms for recovery or as a bridge for hospital discharge
- Rental assistance
- Temporary housing



Education

- Cribs for Kids education program
- Health classes
- Community cooking classes
- Parenting programs



Health & Wellness

- Abuse prevention
- Tobacco cessation for pregnant women
- Wellness center (behavioral health/pain management)
- Community health worker hub



Social Support

- Farmer's market
- Drop-in center for peer support
- Community youth programs
- Employment services for substance use disorder
- Homeless shelter



Using an 1115 waiver, Oregon operates its Medicaid program through CCOs, community-based partnerships of managed care plans and providers that manage physical, behavioral, and oral health services.

- CCOs are encouraged to offer HRSs – services not otherwise covered by Medicaid that affect health. These include “flexible services” (targeted to individual members) and “community benefit initiatives” (community-level interventions)
- To be considered a HRS, the service must meet requirements for improving quality under 45 CFR 158.150 or be an expenditure related to health information technology and meaningful use under 45 CFR 158.151; HRSs are included in the numerator of the MLR
- Oregon considers the costs of HRSs in rate development within the non-benefit load of the CCO’s rate if they result in a decrease in the rate of the CCO’s per-capita expenditure growth over time
- Oregon continues to review ways to reward CCOs that invest in HRS that increase quality and efficiency, ultimately resulting in lower growth in capitation rates

Strategy 4: Use Value Based Payment (VBP) to Support Investment in Social Interventions

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States may incentivize or mandate Medicaid Managed Care plans providers that, in turn, can use these payments to invest in social

- Unlike fee-for-service, VBP arrangements reward providers for delivering higher value care and improving enrollee health, thereby incentivizing investments in effective social interventions
- Of the 36 state Medicaid managed care contracts reviewed by Manatt, 27 require plans to engage in VBP with providers; two additional states encourage or otherwise incentivize plans to engage in VBP but do not require it
 - For example, New York requires plans to meet specific VBP targets or risk losing premium dollars. To meet some of the targets, plans' VBP arrangements must include at least one community-based organization offering services that address social drivers of health



Arizona encourages plans to use value-based payments finance a comprehensive array of medical and social services when it is cost-effective to do so.

- Medicaid managed care plans establish shared-savings arrangements with organizations such as Circle the City, an organization that works with people who have been or are currently homeless
- Shared-savings payments made by plans to Circle the City and other such organizations are part of a plan's medical claims and are included in future capitation rates and the numerator of the MLR

In North Carolina, plans must describe how their value-based payments will support community-based organizations and/or promote data exchange and coordination for beneficiaries requiring social services.



States are exploring a variety of other avenues to fund social interventions through their Medicaid Managed Care programs

- States can indirectly encourage investments in social supports by linking **incentive and withhold payments** to outcomes that can be improved by offering social supports
- States can pay for certain **quality improvement activities** related to social interventions, such as efforts to connect individuals with serious mental illnesses to housing, may be considered part of a quality initiative aimed at reducing unnecessary readmissions
- States may require plans, as part of their **care coordination /care management** responsibilities, to address enrollees' social needs.

How Providers and Plans are Collaborating on SDOH

NEW FLEXIBLE SERVICES PROGRAM TO ADDRESS TENANCY AND NUTRITION NEEDS

In November 2016, MassHealth received federal approval for its flexible services program (FSP), a component of MassHealth's overall strategy to address the social determinants of health. The FSP launches in January 2020 and will provide certain ACO members with a range of assistance. The goal of this program is to try and address certain social needs known to impact health and potentially reduce an ACO's total cost of care.

ELIGIBILITY CRITERIA

- Enrolled in one of MassHealth's ACOs
- Meet at least one health-needs-based criterion (e.g., have a behavioral health need or a complex physical health need)
- Have at least one risk factor (e.g., homeless, at risk of being homeless, or at risk for a nutritional deficiency).

Tenancy Service Examples



- Housing application assistance
- First/last months' rent, household setup costs
- Help in communicating with landlord

Nutrition Service Examples



- SNAP and WIC application assistance
- Home-delivered meals

SOURCE: MassHealth. MassHealth Flexible Services Program (November 2018). Accessed at www.mass.gov/files/documents/2018/11/14/MassHealth_Flexible_Services_One_Pager.pdf.

Integra Social Partnerships Innovation Initiative (Rhode Island)

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Integra is using Medicaid Health System Transformation funding to create a planning grant program to test innovative, health related social needs (HRSN) interventions for Integra's Medicaid population: The Social Partnerships Innovation Initiative.

- The Integra Community Care Network is a Rhode Island ACO with 50,000 covered lives in accountable care arrangements with Medicare, Medicaid, and commercial plans.
- Integra intends to award planning grants to community based organizations in areas including:
 - Housing and homelessness, including housing search, pre-tenancy, stabilization, etc.
 - Housing remediation for health and safety
 - Nutrition, including programs that improve access to healthy food
 - Maternal and child health
 - Preventing and addressing adverse childhood experiences
 - Transportation
- Integra also plans to provide technical assistance to CBO grantees in the form of learning collaboratives, tools and direct consultant support.

Key Takeaways

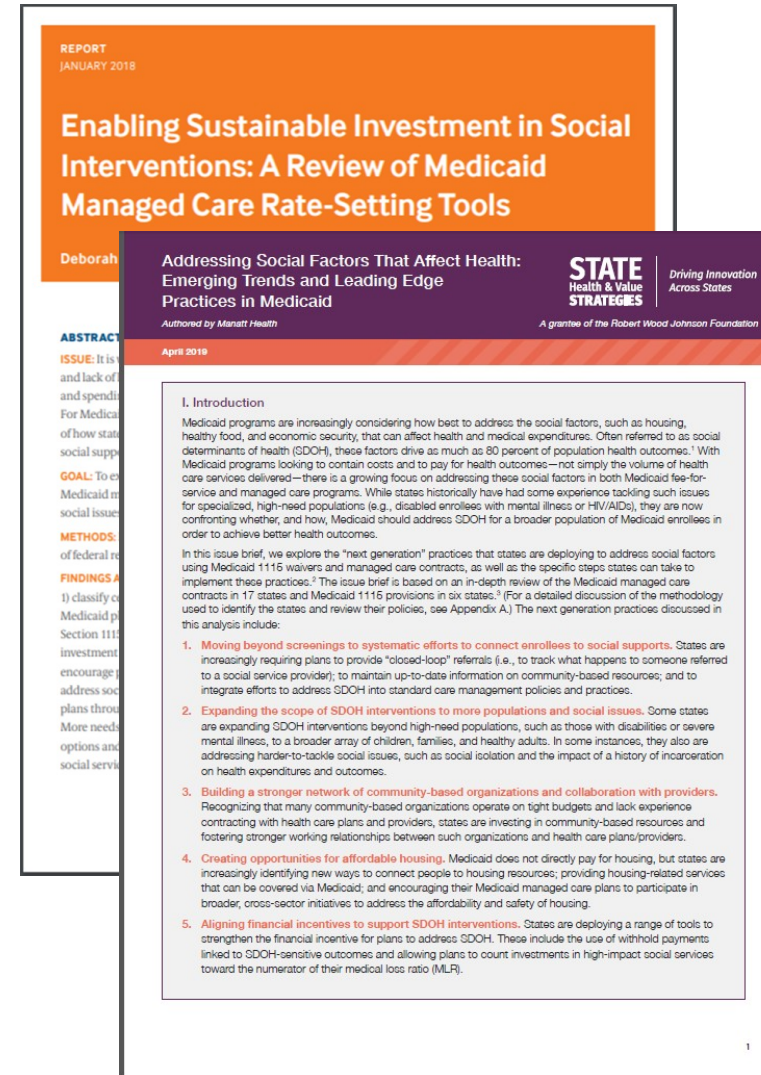
- 1 Multiple options for states to finance selected SDOH interventions through Medicaid, including Medicaid managed care; challenge may be finding the state matching dollars
- 2 Biggest challenge is cost for housing; no easy direct route to coverage
- 3 Implementation challenges, especially related to providers, plans and CBOs integrating their unique skills, abound.

Thank You!



Patti Boozang
Senior Managing Director
Manatt Health
pboozang@manatt.com

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