Addressing social factors in and through Medicaid

Patricia Boozang
Health Policy Basics
Understanding and Influencing State Health Policy
Addressing Social Factors in and Through Medicaid

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Agenda

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

Medicaid and CHIP provide healthcare coverage to more than 73 million individuals nationwide.
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

Social and Economic Factors are a Significant Driver of Health

Socioeconomic Factors
- Education
- Job Status
- Income
- Community Safety

Physical Environment

Health Behaviors
- Tobacco Use
- Diet & Exercise
- Alcohol Use
- Sexual Activity

Health Care
- Access to Care
- Quality of Care

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

Addressing Social Factors in and Through Medicaid, November 2019 | Manatt Health Strategies, LLC
Medicaid is Focusing on Addressing SDOHs

**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?

Medicaid

Upstream (Community Level)

Social Determinants of Health: social and economic conditions affecting a broad population

Midstream (Individual Level)

Risk Factors & Social Needs: social/economic conditions affecting specific individuals

Downstream (Ind. Level)

Clinical Needs

Adapted from: “Meeting Individual Social Needs Falls Short Of Addressing Social Determinants Of Health” Health Affairs, 2019.
# Midstream Opportunities for Medicaid

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**Care Coordination**
- 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

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
State Example: Louisiana

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

- 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.”
Frequently Provided 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
Group & Community-Level Health Related Services

**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
State Example: Oregon

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

States may incentivize or mandate Medicaid Managed Care plans to make Value Based Payment (VBP) to providers that, in turn, can use these payments to invest in social interventions. 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.
State Examples: Arizona and North Carolina

Arizona encourages plans to use value-based payments to 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.
Other Options for Investing in Social Interventions

States are exploring a variety of other avenues to fund social interventions in 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
Massachusetts Flexible Services Program

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

Integra Social Partnerships Innovation Initiative (Rhode Island)

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.
Conclusion

Multiple options for states to finance selected SDOH interventions through Medicaid, including Medicaid managed care; challenge may be finding the state matching dollars

Biggest challenge is cost for housing; no easy direct route to coverage

Implementation challenges, especially related to providers, plans and CBOs integrating their unique skills, abound.

Key Takeaways
Thank You!

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Key Sources

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About Manatt Health

Manatt Health, a division of Manatt, Phelps & Phillips, LLP, is an integrated legal and consulting practice with over 90 professionals in nine locations across the country. Manatt Health supports states, providers, and insurers with understanding and navigating the complex and rapidly evolving health care policy and regulatory landscape. Manatt Health brings deep subject matter expertise to its clients, helping them expand coverage, increase access, and create new ways of organizing, paying for, and delivering care. For more information, visit www.manatt.com/ManattHealth.aspx