

Leveraging Medicare policies to address social determinants of health

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Today's presentation

- Background
- Summary of literature review and interviews about interventions to address social determinants of health (SDOH) in Medicare
- MedPAC's work to date and moving forward to address social risk
- Discussion

What are SDOH and social risk factors?

- *SDOH*: Conditions in the environments in which people are born and live that affect a wide range of health, function, and quality-of-life outcomes, for example:
 - Safe housing, food security, transportation options
- *Social risk factors*: Constructs that capture how conditions influence health-related outcomes. Example of measures:
 - Dual-eligibility for Medicare and Medicaid, race and ethnicity, and neighborhood deprivation index

Note: SDOH (social determinants of health).

Growing recognition of the importance of SDOH for health outcomes

- Many organizations in the public and private sectors are prioritizing SDOH for quality improvement
 - Many health systems are making sizeable investments in SDOH
 - CMS has prioritized advancing health equity across its programs, including innovation models and quality reporting programs
- Uneven COVID-19 outcomes have further elevated the role SDOHs play in health disparities

Medicare incentives to address SDOH

- Little financial incentive under FFS for providers to address social needs
 - Initiatives often increase practice costs
- Capitated payments can provide incentives to consider patient health more holistically
 - Some MA plans can now implement non-medical supplemental benefits targeting SDOH, but unclear extent of their reach
- ACOs can earn shared savings
 - Keeping costs under a target may justify support of interventions

Themes from literature review and stakeholder interviews

- Many organizations are working to address SDOH, but evidence of effectiveness is limited
- Interventions usually aimed at broad population health goals; not exclusive to Medicare beneficiaries
- Value-based payment can help drive focus on SDOH
- Great deal of heterogeneity among interventions
- Most efforts to address SDOH involve community-based organizations

What the literature review found

- Most common types of SDOH interventions:
 - Coordination of care, food insecurity and nutrition, housing needs
- Most interventions associated with improvement in at least one clinical outcome or utilization measure
- Relatively few studies evaluated the relationship between interventions and spending, and findings were mixed

What stakeholder interviews found

- Efforts to address food insecurity, transportation, and housing needs are most common interventions
 - All organizations depend on partnerships with community-based organizations (CBOs)
- Reasons why organizations address SDOH: Mission driven values, community needs, participation in value-based payment arrangement
- Funding sources: Demonstration programs, philanthropy, operational revenues, shared savings payments

Commission's work to date to address social risk

- MedPAC focuses on modifying payment systems to deliver high-quality care in an efficient manner
- Strong incentives for achieving value are critical but it is important to apply such incentives fairly
 - Recognize when incentives place some providers at a relative disadvantage

Account for differences in patients' social risk factors using a peer-grouping mechanism in quality payment programs

- If providers with populations at high social risk are disadvantaged in achieving good performance, stratify providers into peer groups
- Adjust payments based on performance relative to peers
- MedPAC has recommended redesigned quality payment programs that incorporate peer grouping for hospitals, MA plans, and SNFs

Identifying and supporting safety-net providers

- Concern that the care of low-income beneficiaries being concentrated among certain providers may create undue financial strain
 - May diminish access or quality of care for beneficiaries
- MedPAC has started analytic work examining safety-net providers
 - How to define safety-net provider
 - How Medicare can support their critical missions

Further analyzing and reporting disparities

- MedPAC's payment adequacy analyses highlight some disparities in care
 - Differences in experiences accessing care by race/ethnicity
- Moving forward, will more deliberately incorporate social risk factors into our payment adequacy analyses
 - Analyses may identify needed policy changes

Other policies Medicare can leverage to address health disparities

- Improve data collection of beneficiary social risk information
 - Not routinely or systematically collected across the health care system
 - Need for more comprehensive proxies for identifying beneficiary social risk, but limitations in claims data

Other policies Medicare can leverage to address health disparities

- Stratify quality measure results by social risk and publicly report them
 - Allow policymakers and providers to track outcomes and incentivize improvement
 - Progress has been made, but more can be done

Summary

- Desired health outcomes can be adversely affected by social risk factors
- MA plans and ACOs have more incentives to focus on improving outcomes for high-social-risk populations, but unclear about their use and effectiveness
- MedPAC's work addressing social risk:
 - Redesigned quality programs and examination of safety net providers aims to apply incentives fairly
 - Will more deliberately incorporate social risk factors into future payment adequacy analysis
 - Interest in collecting better data and increased public reporting

Discussion

- Questions?
- Reaction to the approach outlined?
- Other ideas to pursue?