

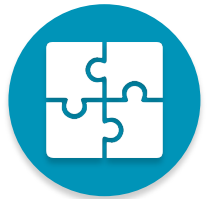
Medicaid Strategies for Supporting Investments in Social Determinants of Health

Arizona Medicaid Innovation Challenge

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Medicaid Focus on Social Needs



Addressing beneficiaries' SDOH and improving member engagement are key strategies for improving quality and outcomes, and lowering costs, especially in Medicaid expansion states



Medicaid has a range of levers to encourage or require providers and health plans to screen, identify, connect, or provide relevant interventions.



Generally implemented through 1115 waivers and Medicaid Managed Care regulations and contracts

1115 Waiver Examples

Oregon



- High performing coordinated care organizations (CCOs) will have a higher percentage of profit margin built into their capitation rates than lower performing CCOs.
- Designed to incent CCOs to invest in SDOH and combat premium slide.
- Likely implementation in 2022.
 - » Will factor in plan performance on efficiency and quality metrics, as well as “Health-Related Services” investments

Massachusetts



- Accountable care organizations (ACOs) can pay for traditionally non-reimbursed flexible services to address health-related social needs
 - » The state may provide a portion of flexible services funding directly to social service organizations to help them build infrastructure and capacity to better support ACOs in delivering flexible services

What are states requiring of MCOs to address SDOH?



- A growing number of states are requiring Medicaid MCOs to address social determinants of health as part of their contractual agreements
- 21 states require Medicaid MCOs to screen beneficiaries (often limited to “high-need, high-cost” populations) for social needs and/or provide enrollees with referrals to social services
- Several states, including MA and WA, also require MCOs to link members to social service providers as part of their contractual care coordination terms

What SDOH-related services can Medicaid managed care cover?

Type of SDOH Services	Examples	Financial Implications for MCOs
<p>Community Care Coordination: identify and coordinate community based, non-medical services that are related to meeting a patient’s health needs, with medical services.</p>	<ul style="list-style-type: none"> ■ Screening and identification ■ Referrals, information sharing, and follow-up ■ Peer support 	<ul style="list-style-type: none"> ■ Rate must be “adequate” to meet contract requirements ■ Can be a covered service and included in rate setting ■ Count toward the medical loss ratio
<p>Value Added Services: Additional services that are outside of the Medicaid benefit package but that seek to improve quality and health outcomes, and/or reduce costs by reducing the need for more expensive care.</p>	<ul style="list-style-type: none"> ■ In-home assessment and remediation for asthma triggers ■ Meals ■ Exercise or cooking classes 	<ul style="list-style-type: none"> ■ Count toward the medical loss ratio ■ May not be included in rate setting, unless specified in state plan
<p>In-Lieu of Services: substitutes for services or settings covered in a state plan because they are cost-effective alternative</p>	<ul style="list-style-type: none"> ■ Respite care as a substitute for inpatient stay ■ Medically tailored meals as a substitute for home visits 	<ul style="list-style-type: none"> ■ State must approve ■ Count toward the medical loss ratio ■ Included in rate setting

Sources: T. McGinnis, D. Crumley, D. Chang , “Implementing Social Determinants Interventions in Medicaid Managed Care, AcademyHealth, February 2018.

Bachrach, et. al, “Sustainable Investment in Social Interventions: Medicaid Managed Care Rate-Setting Tools, The Commonwealth Fund, Jan. 2018

Innovative Examples of Managed Care Efforts

Program requirements

North Carolina will require plans to use the NC Resource Platform to identify local community-based resources and for tracking closed loop referrals.



Procurement

Virginia utilizes its RFP process to better understand the ongoing or future efforts of MCOs.



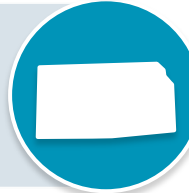
VBP requirements

New York requires providers in VBP arrangements to implement SDOH interventions and contract with CBOs.



Quality Metrics/ Incentives

Kansas requires MCOs to report SDOH measures in its pay for performance program.



Coverage

Arizona requires plans to engage members through web-based applications to assist with self-management of needs.



Question & Answer

