STARFIELD SUMMIT

...where primary care research inspires policy and practice

STARFIELD HEALTH EQUITY SUMMIT ISSUE BRIEF

Theme: Economics & Policy

Title of IGNITE Presentation Topic:

ACA Opened the Door for Payment Reform and Practice Transformation to Address SDoH, Now What?

Why This Is an Important Topic to Address (brief description):

Payment and practice transformation have been encouraged by the Affordable Care Act (ACA) under the rubric of value-based pay or value-based care. In Oregon, the Oregon Primary Care Association (OPCA), Federally Qualified Health Centers (FQHCs), and the state Medicaid program changed Medicaid payment for FQHCs and Rural Health Clinics (RHCs) in 2013 to minimize emphasis on the billable visit and shift the clinics' focus to team-based care that includes addressing SDoH interventions. Additionally, Oregon's Coordinated Care Organizations (CCOs) have been using a flexible services program to target some Medicaid managed care payments toward SDoH interventions. These efforts are starting to shift health care dollars to services that are more meaningful to vulnerable populations' health than traditional medical services.

Simply put, the FQHC Alternative Payment Methodology (APM) converts payments to a PMPM rate. Capitation is not new, but the amount of payment that these pilot clinics are receiving free from the visit opens up a lot of opportunity to innovate. When you combine the FQHC APM Medicaid payments and other revenue FQHCs receive that are free from the visit or FFS form of payment (e.g., the 330 grant to serve uninsured patients and 340B pharmacy revenue), most of the clinics are receiving over 80% of their revenue from payment that is disconnected from FFS. These primary care clinics are collecting SDoH information on their populations through empathic inquiry, segmenting populations by SDoH barriers and medical condition, and testing SDoH interventions. They are also partnering with CCOs, social service agencies and public health to address patient and population health issues. Critical to sustaining these efforts, the clinics are developing a value equation for payers and funders to support the work as the health care system transitions to value-based pay. How will this work evolve under the new federal administration?

What We Think We Know (Bulleted evidence + Seminal references):

- SDoH have a much larger impact on health than our health care system
- The PCMH model can be a better way of delivering primary care to improve health outcomes and decrease cost
- Other countries spend more on social services, less on health care and have better health outcomes
- The current fee-for-service system for primary care is structurally flawed.

McGinnis, J. M., Williams-Russo, P., & Knickman, J. R. (2002). The case for more active policy attention to health promotion. Health affairs, 21(2), 78-93. http://content.healthaffairs.org/content/21/2/78.full

https://www.ncqa.org/Portals/0/Programs/Recognition/NCQA%20PCMH%20Evidence%20Report,%20June%202015.pdf

Squires, D., & Anderson, C. (2015). US health care from a global perspective: spending, use of services, prices, and health in 13 countries. Issue brief (Commonwealth Fund), 15, 1-

15. http://www.commonwealthfund.org/publications/issue-briefs/2015/oct/us-health-care-from-a-global-perspective

Allan H. Goroll, M.D., N Engl J Med 2008; 359:2087-2090, November 13, 2008, DOI: 10.1056/NEJMp0805765. Reforming Physician Payment

Questions for Group Discussion

Questions to Address in Group Discussion:

How have health care payers in your community started recognizing and paying for SDoH interventions and who is delivering these services?

What efforts do you know of that are creating an ROI for SDoH interventions that can be used with health care insurance companies?

How do you think value-based pay for health care should evolve to take SDoH barriers and interventions into account?

Should there be an adjustment to health outcome targets and/or health care payments for psychological and socio-economic barriers? Why or why not?

What strategies should primary care clinics that serve vulnerable populations employ to be successful in value-based pay?

Will the opportunity for paying for SDoH interventions for Medicaid and Medicare patients increase, decrease or remain the same under the new federal administration?

Implications for Action (In Research, Education, Policy, Practice and Organizational and Community Action):

An ROI needs to be developed for health care payers to invest in SDoH interventions.

Risk adjustments for psychological and socio-economic barriers should be developed for health care patients.

There needs to be a common methodology developed for capturing SDoH barriers to improve patient care and payment that supports better care.

State and federal policymakers should consider investments in social services as part of their strategy to improve health outcomes and lower the total cost of health care.