

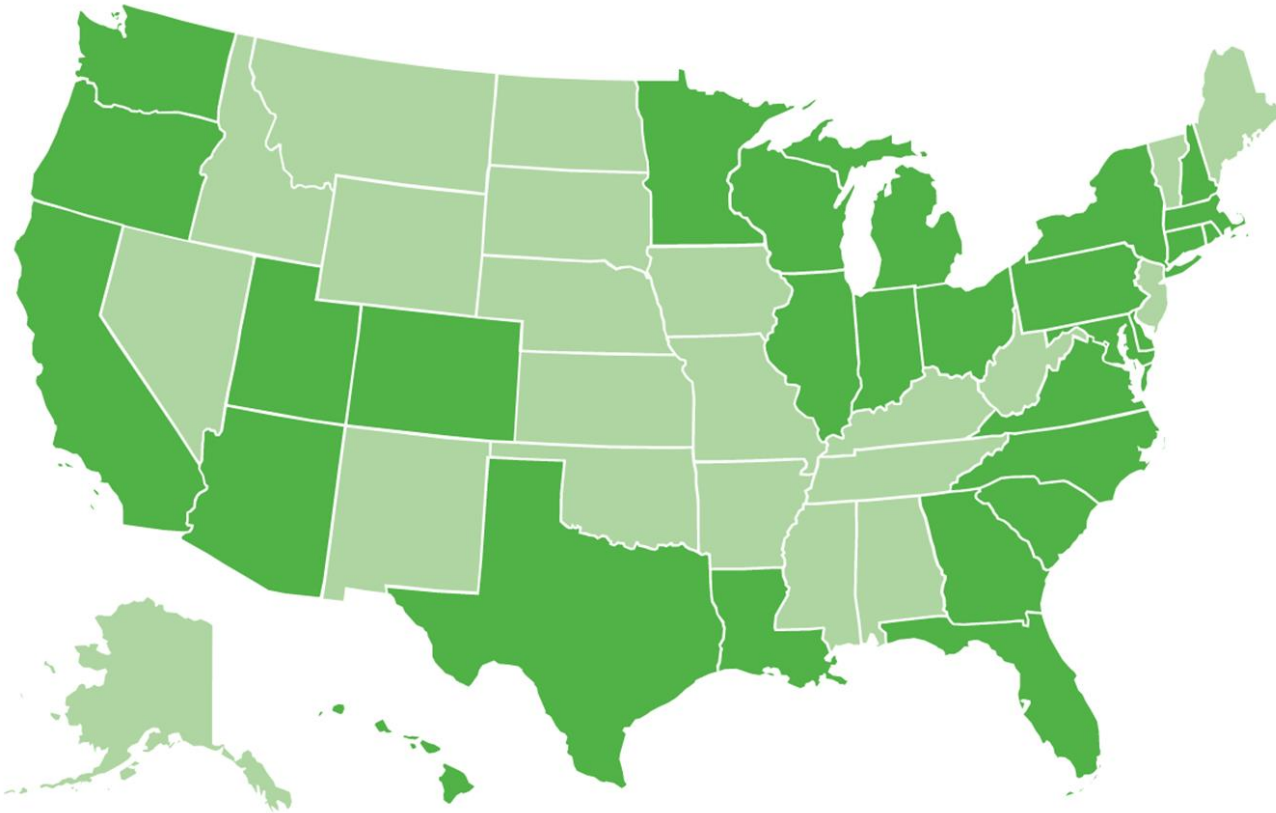


# **Sustainable Financing Approaches for Medicaid Managed Care Organizations to Address Health-Related Social Needs**

**April 6, 2023**

**Association for Community Affiliated Plans**  
*Strengthening the Safety Net Since 2000*

# ACAP's 79 Member Safety Net Health Plans Cover More Than 25 Million People



- **SNHPs** participate in Medicaid, Medicare, Marketplaces, and other publicly-supported programs.
- **Our mission** is to strengthen not-for-profit Safety Net Health Plans in their work to equitably improve the health and well-being of people with limited resources or significant health needs.

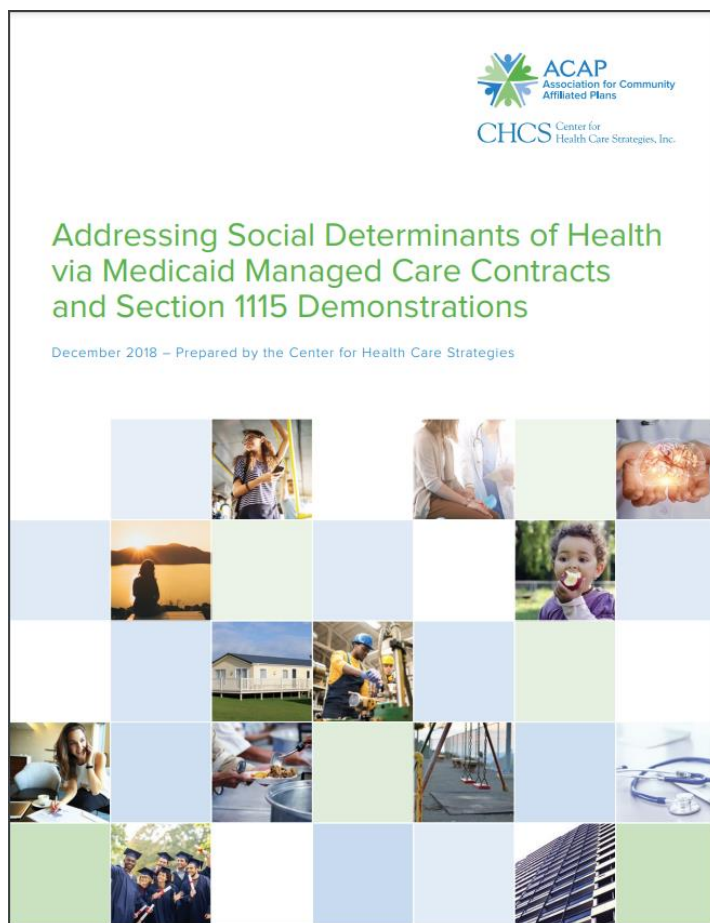
# Agenda



- Report Findings
  - **Diana Crumley**, JD, MPAff, Senior Program Officer, CHCS
  - **Amanda Bank**, MPH, Program Associate, CHCS
- Safety Net Health Plan Reactions & Achievements from CareSource
  - **Dwayne Dabbs**, Senior Director of Community Transformation – Complex Health
  - **Angela Bickerstaff**, National SDOH Strategy Lead for Food & Nutrition
  - **Kyle Lowe**, National SDOH Strategy Lead for Housing
  - **Teresa Hottle**, Director of SDOH
- Moderated by **Jenny McGuigan Babcock**, SVP, Medicaid Policy, ACAP



# Sustainable Medicaid Financing for HRSN



- In 2018, CHCS and ACAP worked together on an earlier report titled **Addressing Social Determinants of Health via Medicaid Managed Care Contracts and Section 1115 Demonstrations.**
  - CHCS compiled incentives and requirements relating to SDOH and identified common themes among state approaches.
- Recently, ACAP partnered with CHCS to publish **Financing Approaches to Address Social Determinants of Health via Medicaid Managed Care: A 12-State Review.**
  - Explores how states finance MCOs' HRSN activities and use federal flexibilities to do so.



# What We Know Now About Medicaid MCOs & HRSN Services



- **95%** of MCOs provided HRSN services in 2020. ([IMI](#))
  - In 2020, **79%** provided HRSN services to unhoused/housing insecure people; this increased to **90%** in 2022.
- In 2020, **95%** used internal funding for HRSN efforts; **45%** listed state capitation. ([2020 ACAP/SSX Benchmark Survey](#))
- **55%** *never counted* HRSN expenditures in MLR as administrative expenses; **50%** *never counted* HRSN as medical or other allowable expenditures.
- **30%** measured the benefits of HRSN programming; **30%** did not.





# Report Findings & Policy Recommendations

# Center for Health Care Strategies

**Dedicated to strengthening the U.S. health care system to ensure better, more equitable outcomes, particularly for people served by Medicaid.**

Together with our partners, our work advances:



**Effective models for prevention and care delivery** that harness the field's best thinking and practices to meet critical needs.



**Efficient solutions for policies and programs** that extend the finite resources available to improve the delivery of vital services and ensure that payment is tied to value.

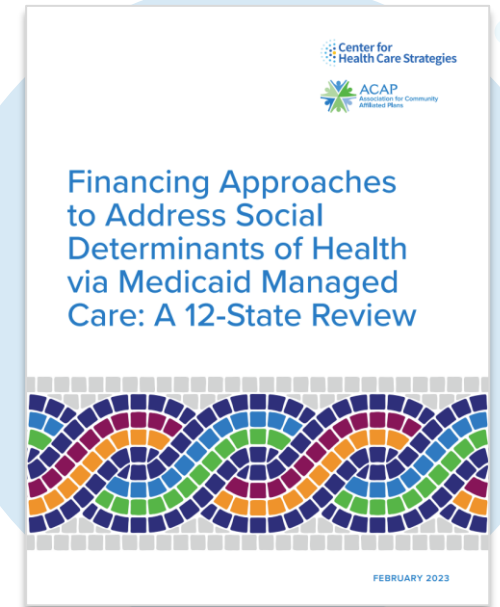


**Equitable outcomes for people** that improve the overall wellbeing of populations facing the greatest needs and health disparities.



## New Report (Released February 2023)

- **Goal:** Explore how funds flow to and through Medicaid MCOs to address Health-Related Social Needs (HRSN)
- **Approach:** Identified contract and specific cost reporting guidance relating to HRSN activities and interventions in 12 states
  - *Arizona, California, Massachusetts, Minnesota, North Carolina, New York, Ohio, Oregon, Pennsylvania, Texas, Virginia, Washington*





## Research Findings

1. HRSN contract requirements are commonplace, but rate impacts can be unclear.
2. When states provide guidance on reporting HRSN activities in the medical loss ratio, they rely heavily on broad definitions in federal rule.
3. States are using new and diverse managed care contracting levers to support provider-level and community-level HRSN-related activities.
4. Under new Section 1115 demonstrations, MCO capitation rates will reflect approved HRSN Services, like never before.

## Out of 12 states . . .

- 10** expanded access to HRSN services beyond traditional 1915(c) HCBS services through a **waiver or state plan amendment (SPA)**.
- 5** have approved HRSN services as **in lieu of services**.
- 6** reward **MCOs** for HRSN-related activities and related performance.
- 6** explicitly mention **HRSN-related non-benefit costs** used to develop rates.
- 7** direct MCOs to support provider-level HRSN-related activities through **value-based payment or directed payment arrangements**.
- 6** provide guidance on how HRSN-related non-benefit costs can be reported in the **numerator of the MLR**.
- 2** apply **social risk adjustment** to MCO rates.
- 6** allow or direct MCOs to **reinvest profits/reserves** into communities, with four of those states adopting a current or future requirement.

# State Financing Approaches

HRSN-RELATED APPROACH	AZ	CA	MA	MN	NC	NY	OH	OR	PA	TX	VA	WA
Community Health Worker SPA	X	X		X				X				
1915(i) or 1915(i)-like HCBS				X	X	X		X		X	X	X
Expanded HRSN Services via 1115	X	X	X		X	X		X			X	X
In Lieu of Services		X		X	X	X		X				
MCO Performance Incentives		X	X	X	X		X	X				
Projected non-benefit costs explained		X			X		X	X	X	X		
VBP/Directed Payment	X	X		X		X	X		X	X		
MLR Reporting Guidance	X		X		X			X	X	X		
Social Risk Adjustment of MCO Rates	X		X									
Community Reinvestment	X	X			X		X	X	X			

# Medicaid and Health-Related Social Needs (HRSN): Common State-Directed Activities



1. Screening for social risk factors



2. Coordinating and integrating care  
(e.g., across physical health, behavioral health, social care)

→ e.g., MCOs providing care coordination & care management (CC/M)



3. Encouraging partnerships among health care organizations and community-based organizations



4. Providing services that address HRSN:

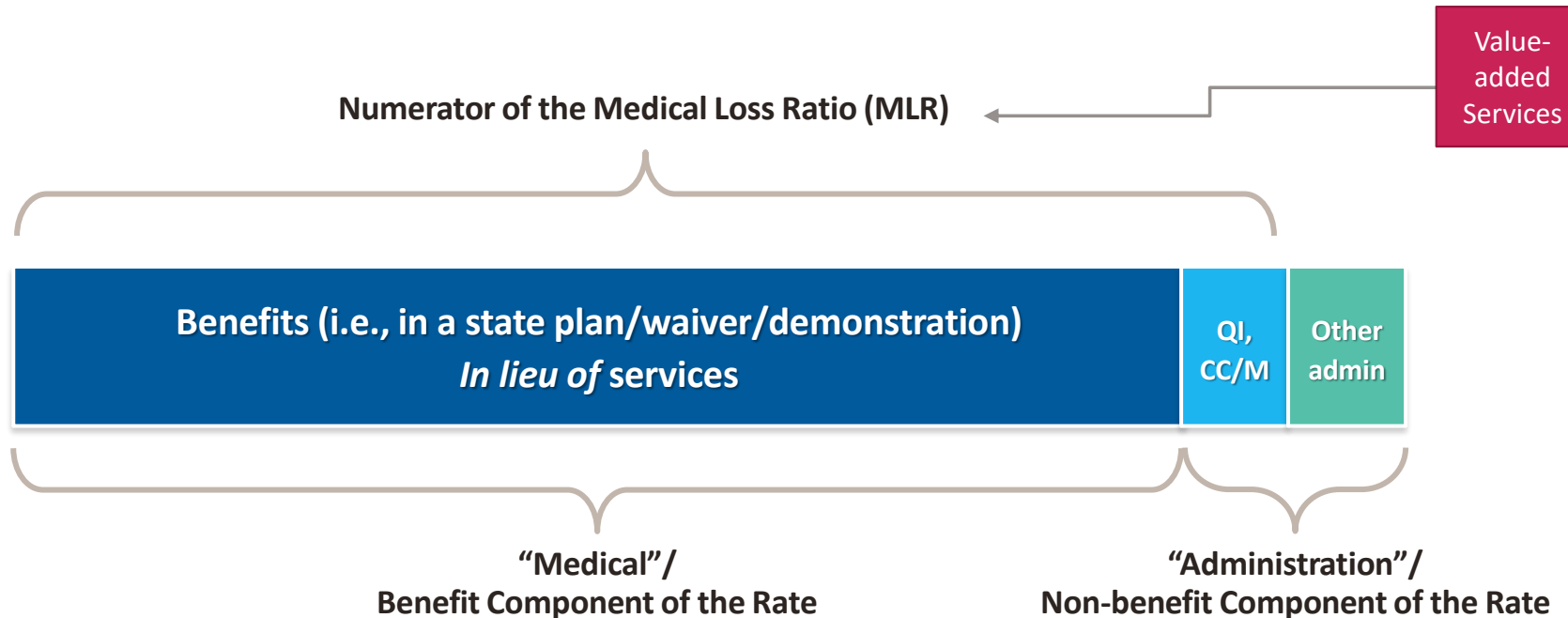
→ Formal Medicaid benefits

- e.g., through a new state plan amendment, Section 1115 demonstration, or policy change

→ HRSN services, provided at option of Medicaid managed care organizations (MCOs)

- e.g., value-added services, in lieu of services, or quality improvement (QI)

# What's in the rate? What's in the MLR?





# Deep Dive: Three Financing Approaches

- In lieu of services
- Section 1115 demonstrations
- Community health worker state plan amendments (SPAs)

## In Lieu of Service (ILOS)

- **What is it?** A medically appropriate, cost-effective substitute for a state plan service or setting – provided at the option of plans
- **New development:** CMS released new guidance in January.
  - ILOS can be a direct substitute, or when service “can be expected to reduce or obviate the future need to utilize state plan-covered services or settings.”
  - ILOS can address health-related social needs.
- **Rate impact:** Managed care rates can reflect cost and utilization of in lieu of services. The ILOS cost percentage can be no more than five percent.
- **Example:** California Community Supports

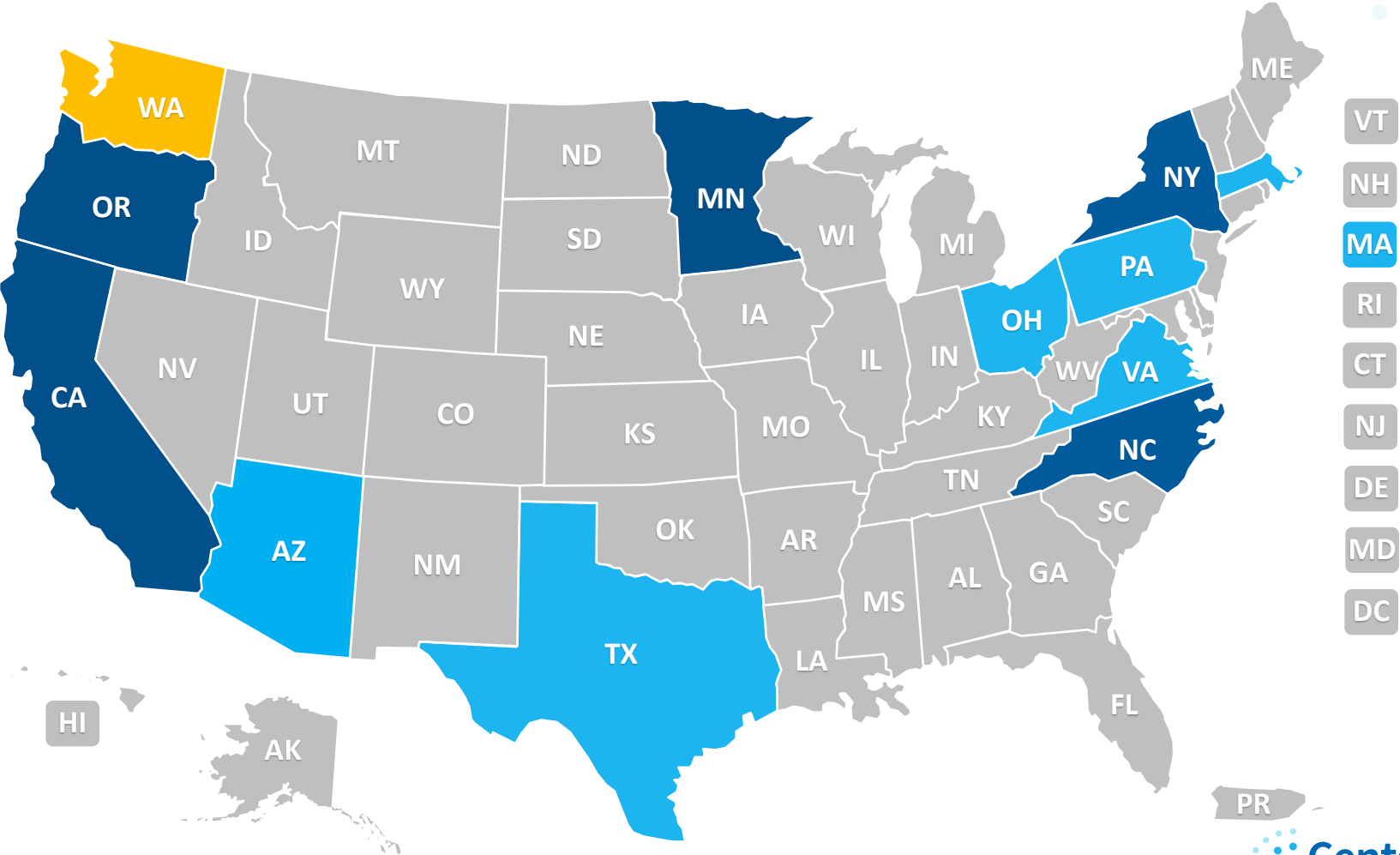
# In Lieu of Services

KEY

HRSN ILOS pre-approved list, or ILOS in use

HRSN ILOS anticipated

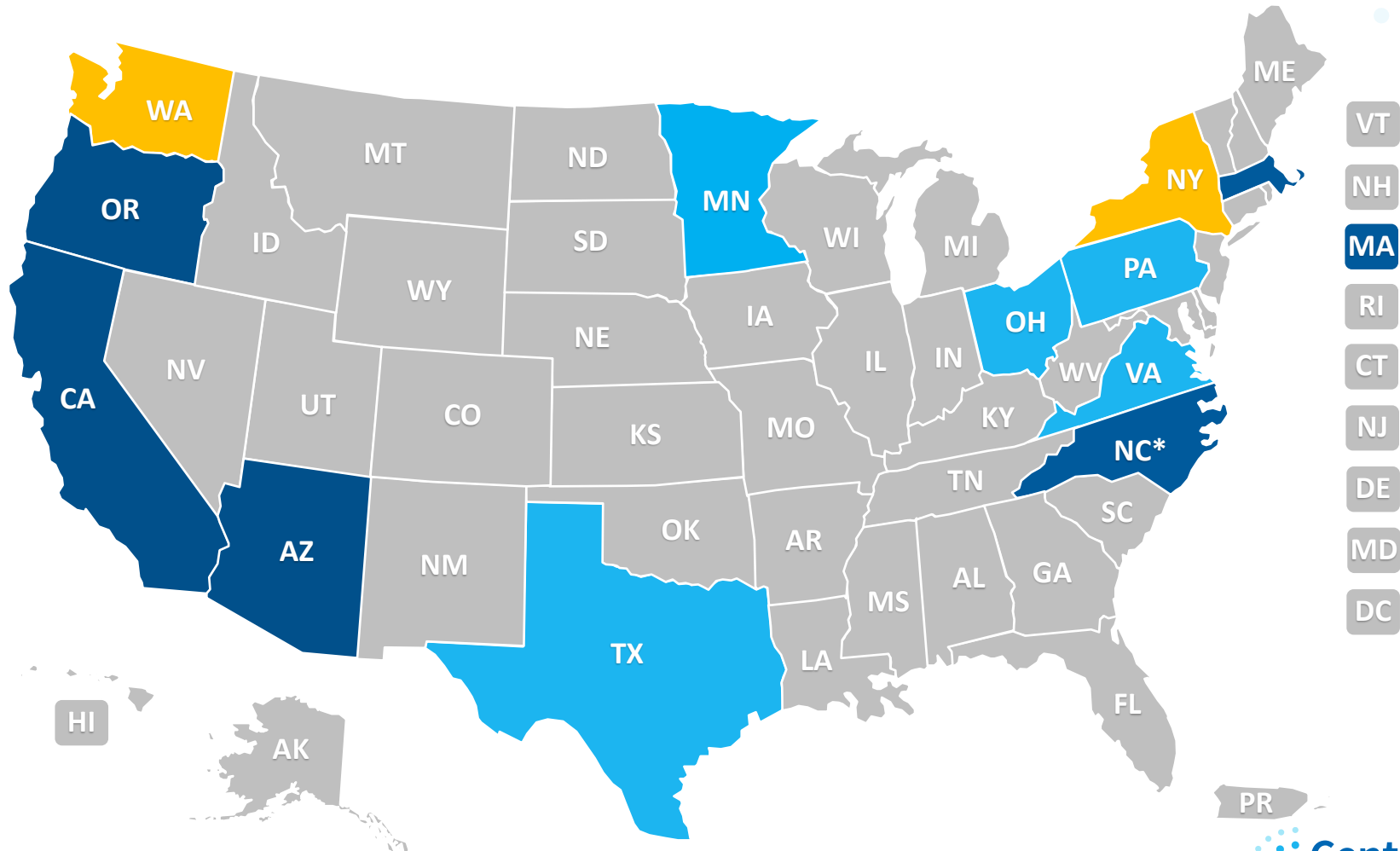
Part of study, but no proposed HRSN ILOS



## Section 1115 Demonstrations

- **What is it?** Demonstrations give states additional flexibility to design and improve their programs, and allow state and federal partners to test and evaluate new approaches.
- **New Development:** In December 2022, CMS announced a demonstration opportunity to address health-related social needs (HRSN), with a focus on nutrition supports, housing supports, and HRSN case management.
- **Rate impact:** Managed care rates can reflect cost and utilization of approved HRSN services. Separate state funding will be available for HRSN infrastructure, like technology and workforce.
- **Example:** Arizona and Oregon's new Section 1115 demonstrations, which include coverage of a new HRSN service: 6 months of post-transition rent.

# Section 1115 Demonstrations

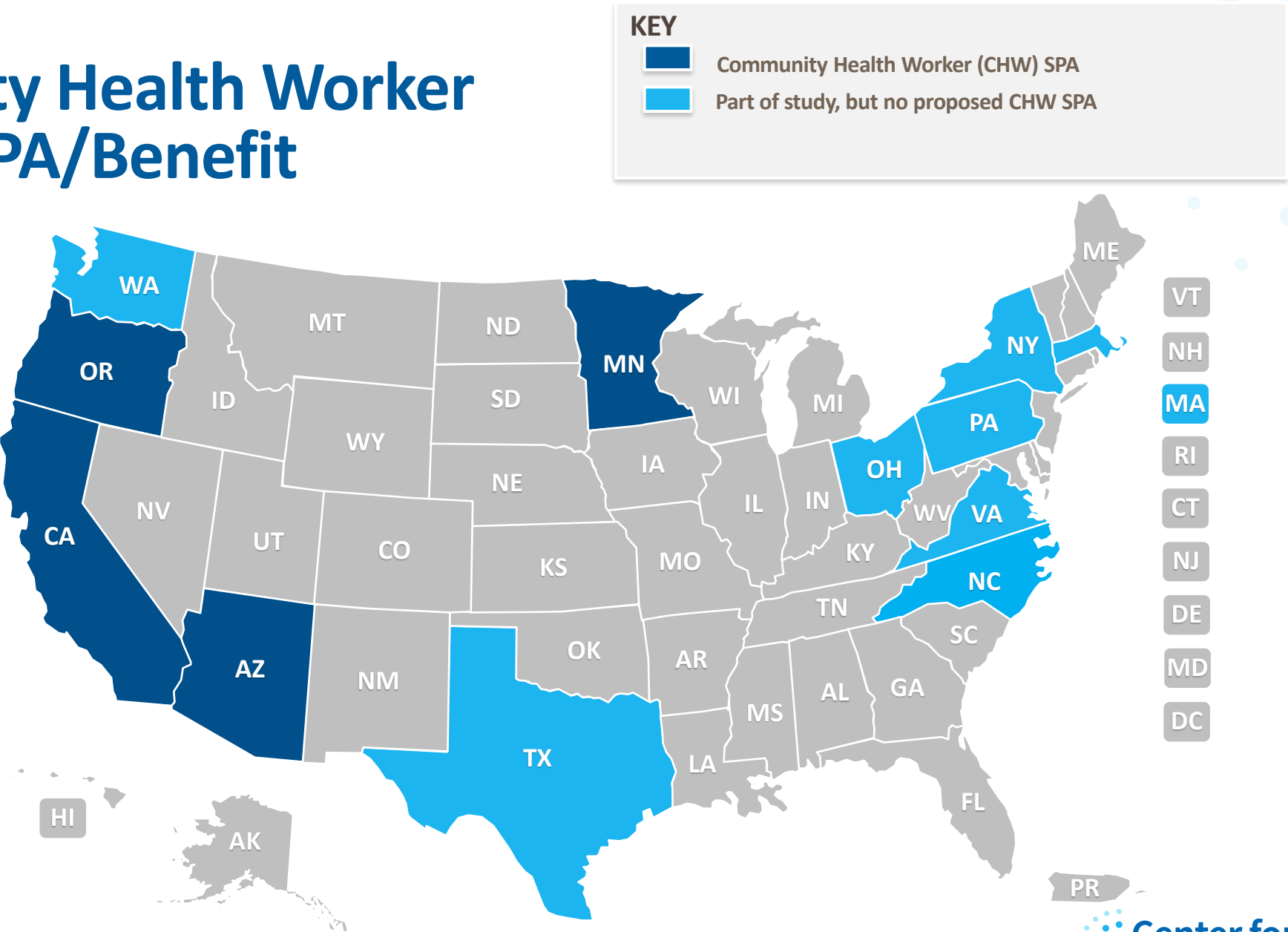




# Community Health Worker State Plan Amendment (SPA)

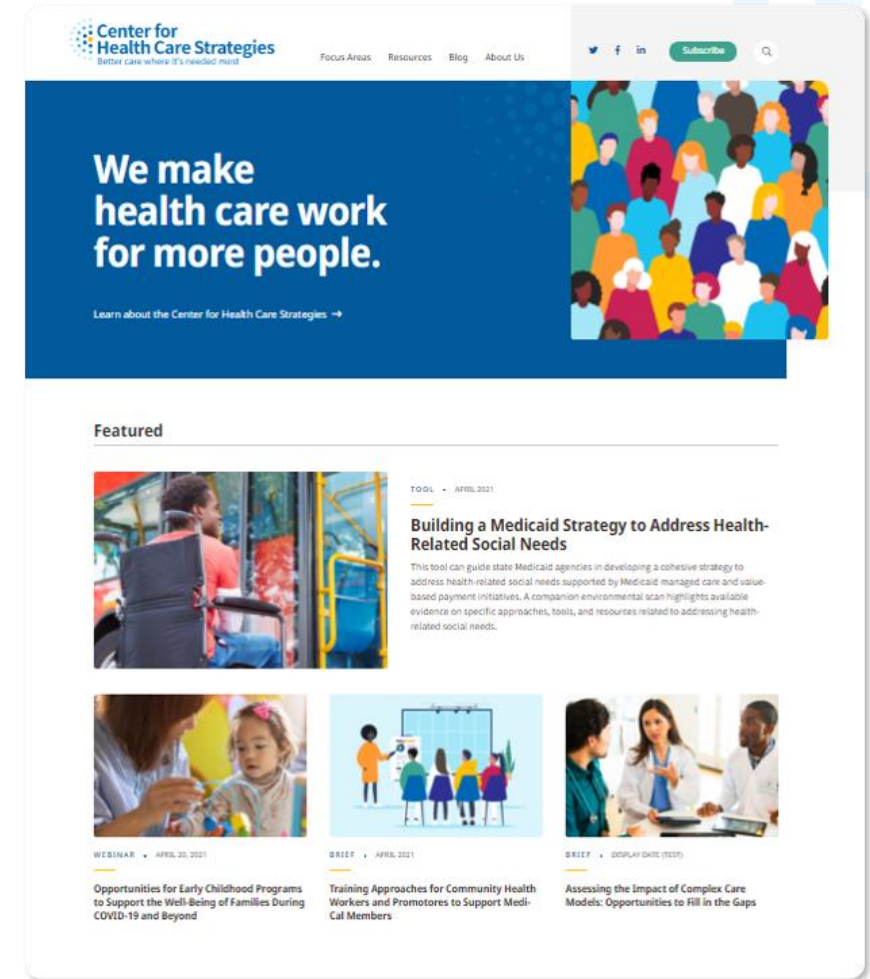
- **What is it?** States can cover community health worker services as formal Medicaid benefits. States do this by submitting a SPA.
- **New Development:** In 2014, CMS clarified that states can pay for preventive services provided by practitioners that do not have a medical license, such as community health workers. States are increasingly submitting more SPAs using this rule (42 C.F.R. 440.130).
- **Rate impact:** Managed care rates can reflect cost and utilization of state plan services.
- **Example:** Minnesota's Community Health Worker SPA

# Community Health Worker Services SPA/Benefit



# Visit CHCS.org to...

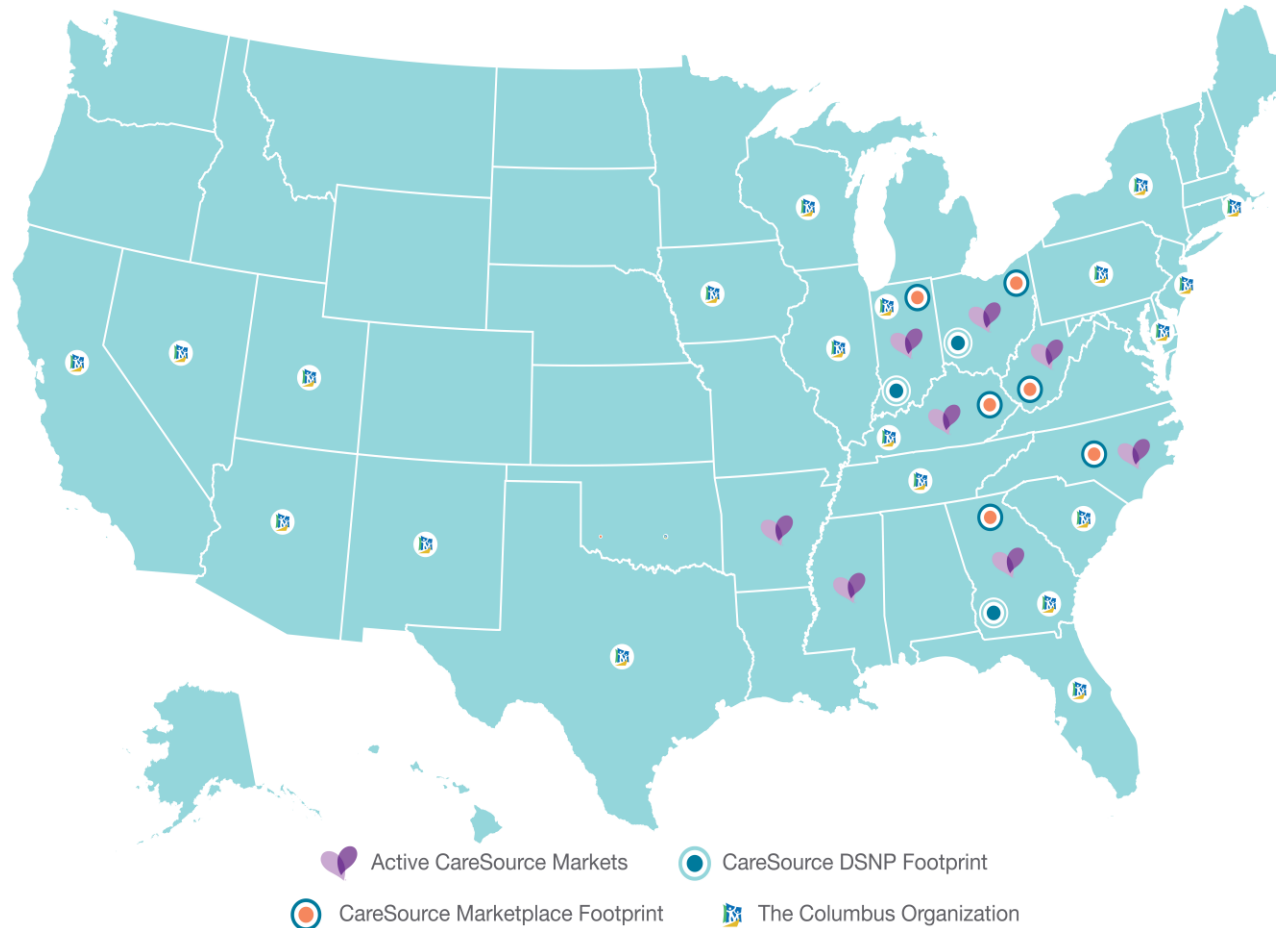
- **Download practical resources** to improve health care for people served by Medicaid.
- **Learn about cutting-edge efforts** from peers across the nation to enhance policy, financing, and care delivery.
- **Subscribe to CHCS e-mail updates**, to learn about new resources, webinars, and more.
- **Follow us on Twitter @CHCShealth.**





# Safety Net Health Plan Reactions & Achievements

# CareSource Overview



**Arkansas**  
• Medicaid PASSE

**California**  
• Clinical Staffing

**Delaware**  
• Care Coordination

**Florida**  
• Care Coordination

**Georgia**  
• Medicaid  
• D-SNP  
• Marketplace  
• Care Coordination

**Indiana**  
• Medicaid  
• D-SNP  
• Marketplace  
• Care Coordination

**Iowa**  
• Clinical Staffing

**Kentucky**  
• Marketplace  
• Care Coordination

**Maryland**  
• Clinical Staffing

**Mississippi**  
• Medicaid

**New Jersey**  
• Care Coordination  
• Clinical Staffing

**North Carolina**  
• Marketplace

**Ohio**  
• Medicaid  
• D-SNP  
• MMP / Integrated CareDemo  
• Marketplace

**Pennsylvania**  
• Clinical Staffing

**South Carolina**  
• Care Coordination

**Tennessee**  
• Clinical Staffing

**Texas**  
• Clinical Staffing

**West Virginia**  
• Marketplace

**Wisconsin**  
• Clinical Staffing  
• Care Coordination





# SDOH and HRSN

## Building Momentum...

2021

New guidance from The Centers for Medicare & Medicaid Services (CMS) designed to drive the adoption of strategies that address the social determinants of health (SDOH) in Medicaid and the Children's Health Insurance Program (CHIP)

2022

CMS announces a new 1115 Medicaid demonstration opportunity around housing supports, nutrition supports and HRSN case management

2023

CMS SMD#: 23-001 Additional Guidance on Use of In Lieu of Services and Settings in Medicaid Managed Care expands the definition of HRSNs, the Use of In Lieu of Services and Settings in Medicaid Managed Care

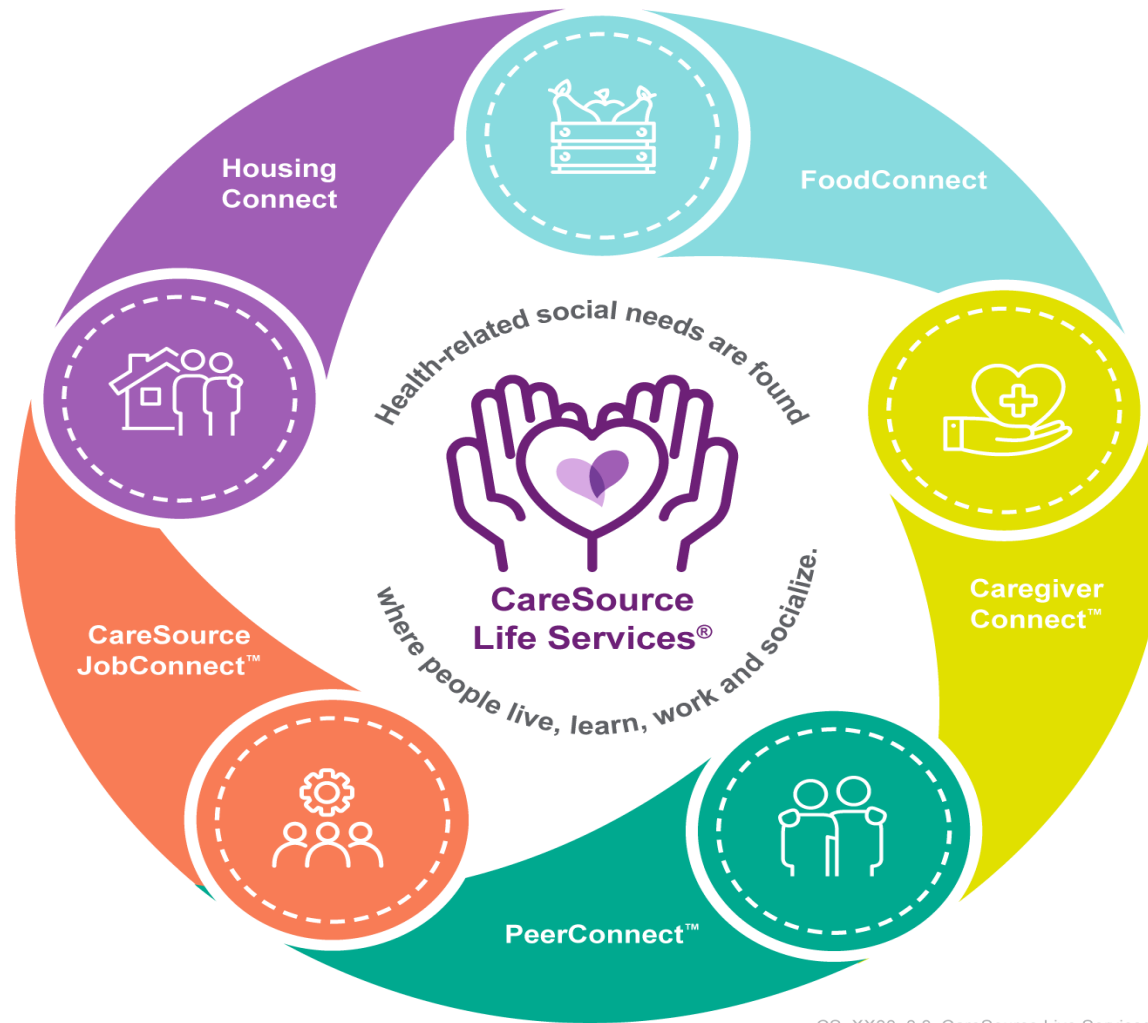


# CareSource Life Services® SDoH Strategy

- 1. Driving a life-course, whole-person model through MyLife**
- 2. Utilize real-time, high-quality data to drive our population health and SDoH strategy**
- 3. Our focus is on addressing HRSNs pro-actively in communities and with members – upstream focus**
- 4. Leveraging evidence-based, novel interventions to help prevent SDoH gaps from occurring and close them when they do occur**
- 5. Strengthening collaborations among all stakeholders to encourage gap closure with continuous feedback**
- 6. Driving, measuring and rewarding positive outcomes through innovative VBID that addresses all providers and collaborators engaged**

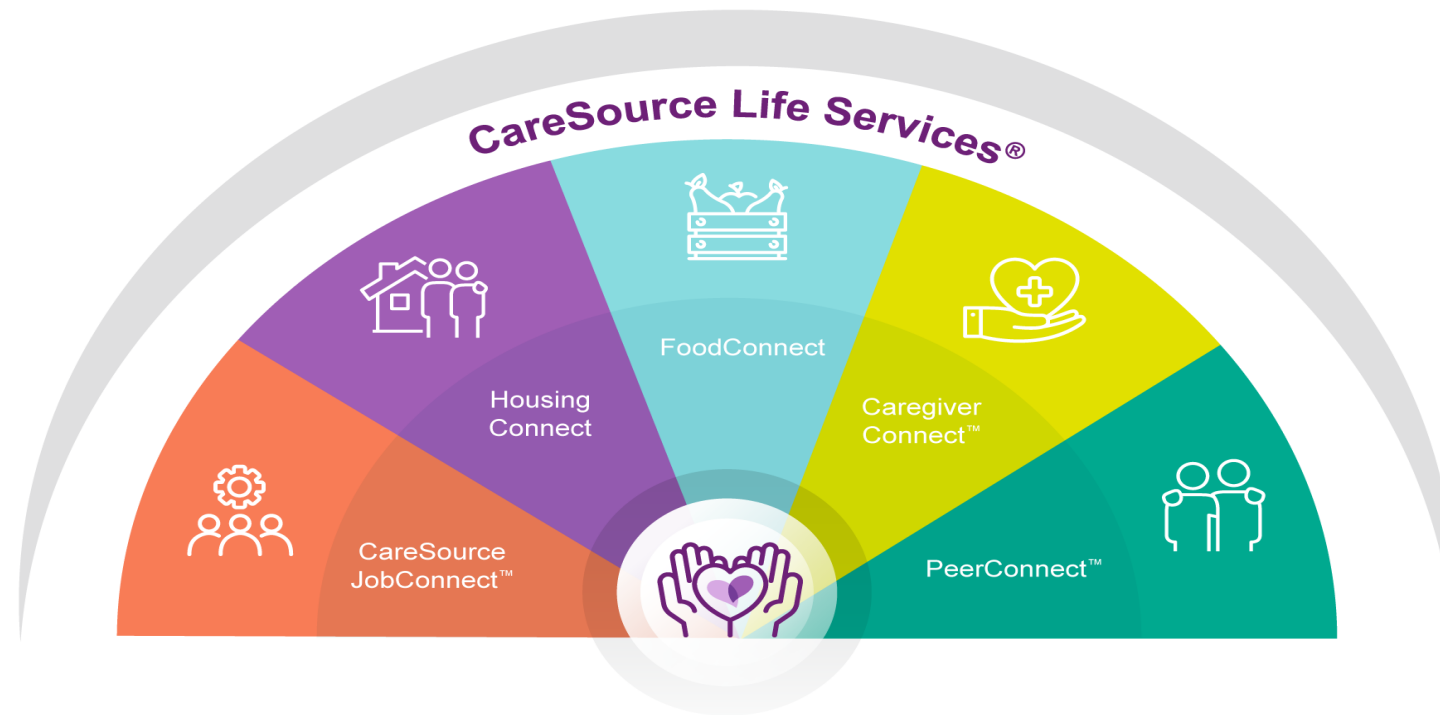


# CareSource Life Services



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#### CareSource JobConnect™

- CareSource's workforce development program
- Members are provided a life coach to assist with employment and/or education goals, and help with other SDOH barriers
- Facilitates access to community-based resources

#### HousingConnect

- Identification and tracking of housing insecure/unhoused members
- Housing Locator and landlord recruitment
- Housing Investments in partnerships and programs
- Covered benefits and value-added services

#### FoodConnect

- Addresses food as both a social and clinical healthcare need
- Increase member security and access for food and nutrition
- Includes nutrition education, screening and referral, tailored food interventions, food assistance models, covered benefits

#### CaregiverConnect™

- Care plan development tailored specifically for the caregiver
- Innovative e-learning platform designed for family caregivers to provide tools to look after their loved ones in their own homes
- Provides access to training in caregiving skills, emergency response, and trauma informed care

#### PeerConnect™

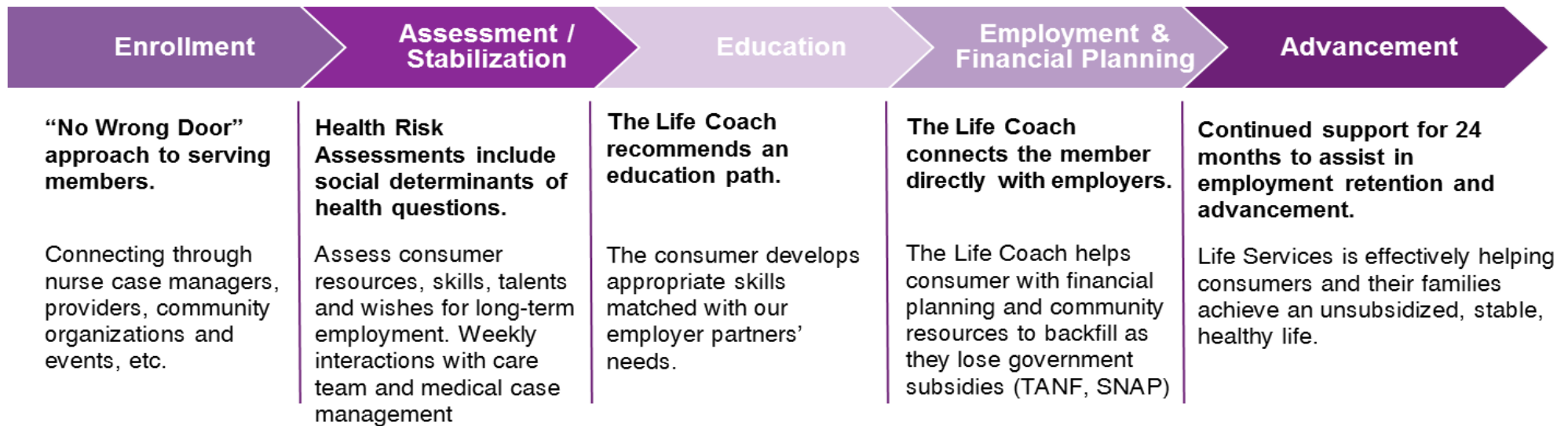
- Increase the use of certified Peer Support Specialists to assist our complex health population
- Increase provider competency on Peer Support
- Increase member awareness of and access to Peer Support Services

Health-related social needs are found where people live, learn, work and socialize; they impact health outcomes.



# Overview of CareSource JobConnect™

- JobConnect serves members or the parents/guardians of CareSource members in Ohio, Indiana, and Georgia.
- Life Coaches are paired with the member to work on SDOH needs, employment, and/or education.
- Enrollment into JobConnect has shown decrease in ED and in-patient utilization and total cost of care





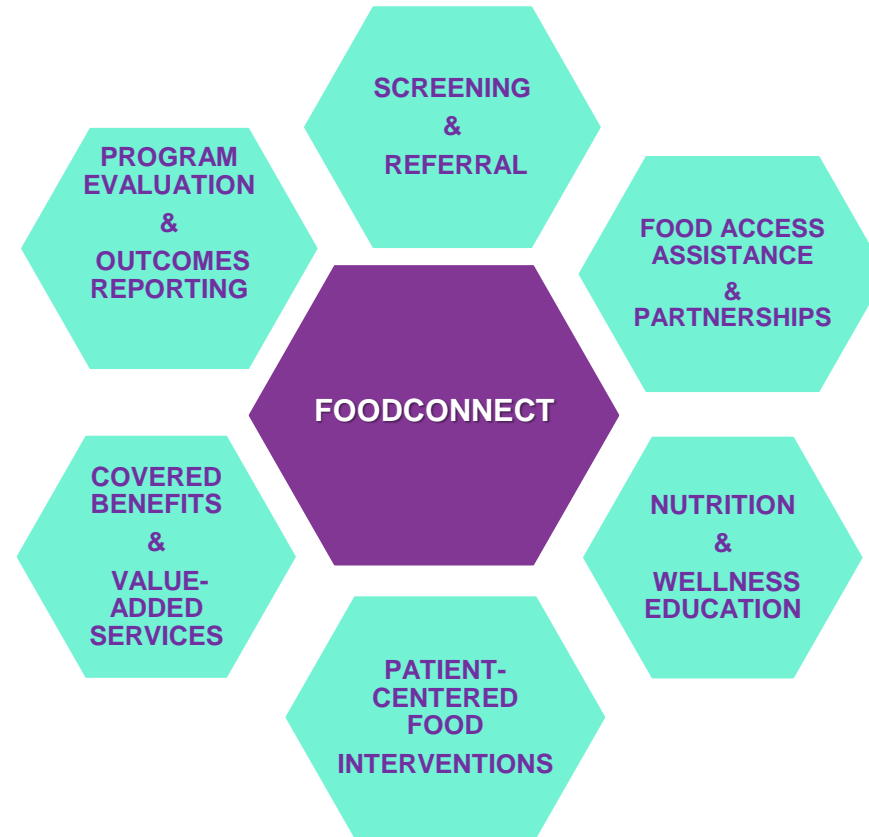
# CareSource JobConnect™ and CBOs

- Life Coaches facilitate access to community based referrals
- Over 30,000 CBO referrals since inception of the program (2016)
- Pilot partnership with a CBO for fee for service but moving to a value based payment model
- Mobile learning platforms as a way to increase employment opportunities and bridge the digital divide



# Overview of FoodConnect

A multi-layered, whole-person care approach to address food as a clinical and health-related social need.



Our program model provides the foundation for CareSource to address food insecurity and is focused on the direct connection of members to food and the nutritional support needed to heal and thrive.



# FoodConnect and CBO Spotlight



HAPCAP is one of [50 Community Action Agencies in Ohio](#) and is a part of [Corporation for Ohio Appalachian Development \(COAD\)](#). They are a private, non-profit, community-based organization serving Southeast Ohio and operate six Head Start centers, three Home Energy Assistance Program (HEAP) offices, a Housing office and the Regional Food Center.




HAPCAP for Health bridges the gap to ensure better health outcomes, equity, and literacy within a ten-county service area. Residents living within the ten-county service area are welcome to seek assistance for a variety of services including:

- Medicaid and SNAP application assistance
- Navigating Medicaid and Medicare
- Community resource referrals
- Food and nutrition programming and assistance

- HAPCAP, Hopewell Health Center, and CareSource are working collaboratively to develop a food prescription initiative focused on subset of CS members living in Southeast Ohio.
- Food Rx program in direct support of individuals with Diabetes and significant SDOH barriers.
- Program clients/CS members will receive food for the entire household - delivered monthly, directly to their residence
- Comprehensive case management, including a Dietician and a CHW, to support member and supply appropriate guidance regarding diet, recipes, meal planning and in-home checks/assessments
- **GOAL:** to increase access to healthy, nutritious food in rural, hard-to-reach communities, address chronic health conditions and resource navigation challenges, in addition to measuring behavior changes and health outcomes

A graphic with a green background and orange wavy borders. The title 'FoodRx as a 3-pronged approach' is in white. Below it are three columns, each with a photo and text. The first column shows a hand holding a can of Del Monte corn, with the text 'Provide ingredients' and 'Give patients the basic foods to encourage health and wellness'. The second column shows a plate of food, with the text 'Provide ready-to-eat meals' and 'Give the patient the end-product of what they can do with foods provided'. The third column shows an elderly woman and a child, with the text 'Cook with patients' and 'Show the patient with their own tools in their own homes how to prepare foods'. The HAPCAP FOR Health logo is in the bottom left corner.

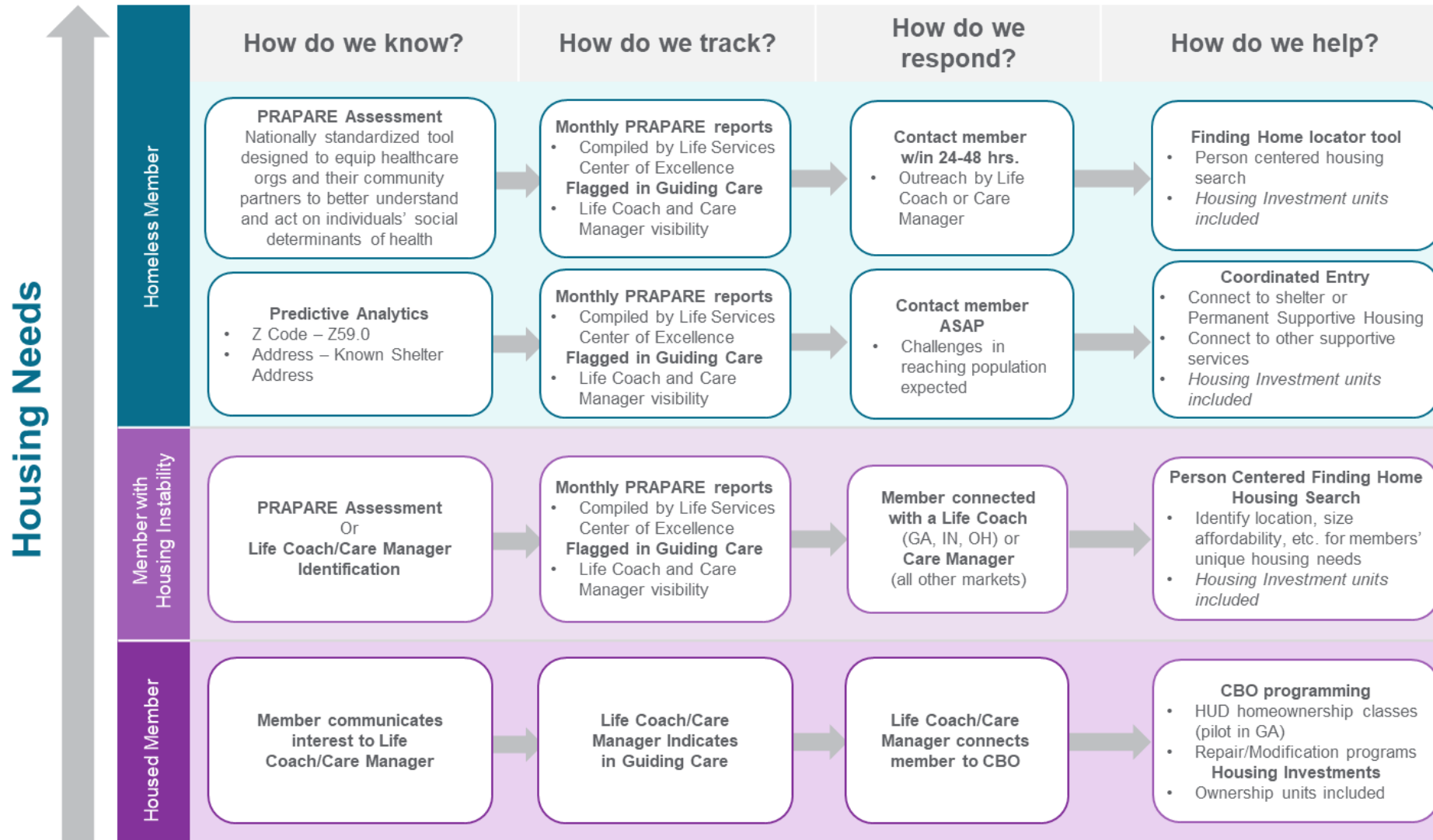
## FoodRx as a 3-pronged approach

		
<b>Provide ingredients</b>	<b>Provide ready-to-eat meals</b>	<b>Cook with patients</b>
Give patients the basic foods to encourage health and wellness	Give the patient the end-product of what they can do with foods provided	Show the patient with their own tools in their own homes how to prepare foods



# Overview of HousingConnect

## Member Journey to Stable Housing



# HBAH Overview

## Healthy Beginnings at Home



### GOALS:

- Decreased Infant Mortality
- Improved Birth Outcomes

### Target Population

Program Capacity of **100**  
At-Risk Women Identified and Enrolled



### Target Area

Franklin County, Ohio



**45%**  
of all infant deaths  
occur in 13 zip codes

### Social Determinants of Health Barriers



Lack of Housing



Food Insecurities



Poverty



Education Level

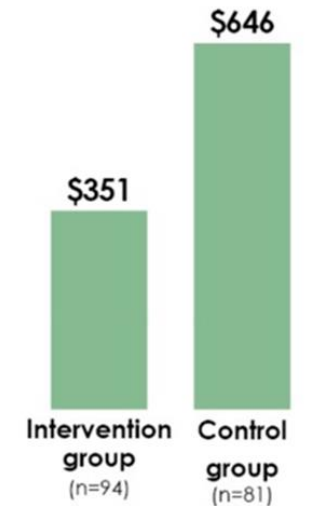


Employment

Average paid per claim:  
Infant only at time of birth  
until initial release



Total Medicaid spending  
per member, per month  
(PMPM) without outliers:  
All household claims  
(from date of infant's birth  
to first birthday)



\* N is based on live births. Does not include fetal deaths.

Source: CareSource



# CaregiverConnect™ and PeerConnect™

## CaregiverConnect™

- Serves the caregivers of our members
- Care plan developed specifically for each caregiver based on their needs
- Caregivers are provided an array of benefits, digital education, and training for caregiver skills, emergency response, and trauma informed care
- Program is altered depending on the population of the caregiver, e.g. seniors, foster parents, parents of chronically ill children, etc.

## PeerConnect™

- Designed to increase the use of Peer Support Specialists for our complex health populations
- Provide better access to peer support for our member
- Increase provider competency on peer support



# The Future

- Partnerships - Continued focus on VBID that starts with the member and builds out (think Bronfenbrenner's Ecological Model)
- Prevention - Utilizing data and insights to better inform preventive measures
- Caregivers - A focus on supporting those who care for our members
- MLR - Pushing the reimbursement envelope through state partnerships, ACOs, CBO partnerships, hub & spoke models and provider partnerships
- Focus on the member - Blurring the lines that separate payers, providers, CBOs and channel partners to provide informed whole-person care







# Questions?

# Keep In Touch!



1155 15th St. NW, Suite 600  
Washington, DC 20005  
202.204.7508

Fax: 202.204.7517  
[www.communityplans.net](http://www.communityplans.net)

Jenny McGuigan Babcock: [jbabcock@communityplans.net](mailto:jbabcock@communityplans.net)



@safetynetplans



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