RESPONDING TO COVID-19 AND BEYOND
Demo Day for Medicaid Innovation White Paper
COVID-19 brought a set of exceptional challenges to the U.S. healthcare system, but the crisis has acutely impacted certain patient populations over others. As evidenced by higher infection and morbidity rates among low-income, Black, Hispanic, and other minority communities relative to their counterparts, the health crisis has had a disproportionate impact on vulnerable patient populations – many of whom are served by Medicaid plans.

The disparity of COVID-19's impact underlines the existing challenges experienced by Medicaid patient populations in unequal access to healthcare and unmet social needs. It also revealed the profound racial injustice experienced by these patient populations and was highlighted in the broader social unrest across the country after the death of George Floyd.

Healthcare startups and innovators can play a critical role in addressing these issues. However, it can be challenging for Medicaid stakeholders to find and implement solutions that can drive positive impact for the patients they serve.

Between April and June 2020, Adaptation Health, Acumen America, and the Center for Health Care Strategies, partnered to connect these stakeholders with innovations that could help address issues of access, quality, and unmet social needs exacerbated by COVID-19. In this paper, we share the design process and methodology to select and connect early stage startups to Medicaid buyers, profiles of the companies that were selected, and insights from the series of panels on the opportunities and challenges in serving vulnerable patient populations during this time.
PROJECT DESIGN

Adaptation Health, Acumen America, and the Center for Health Care Strategies, organized a series of Demo Days to source, showcase, and connect innovations that would be most relevant to the issues experienced by Medicaid stakeholders. The event aimed to enable partnership between vendors and buyers. With this goal, the organizing group worked with former state Medicaid leadership, plan executives, and Medicaid stakeholders, and identified **three key issue areas that have been exaggerated by COVID-19** and where many promising innovations have launched:

1. **ACCESS TO CARE**
   - with a particular focus on maternal health and behavioral health solutions

2. **SOCIAL DETERMINANTS OF HEALTH**
   - direct service delivery

3. **SOCIAL ISOLATION**
   - both with a historical context and in light of new distancing

Background, more information on the companies selected to present, and expert panels for [Access to Care](#), [Social Determinants](#), and [Social Isolation](#) can be found on the [Adaptation Health website for the Demo Days](#).

To select companies for the three web-based Demo Days sessions, the project team publicly launched a Request for Information (RFI) and selected finalists to pitch at the corresponding webinars. Each event included an expert panel discussion and company pitches of their solutions to the issue presented. Over 600 people registered to attend these events representing Medicaid leadership in 30+ states and 40+ Medicaid Managed Care plans and 35+ provider institutions. These participants were also accompanied by dozens of foundation leaders, investors, and nonprofit agencies supporting and working with the Medicaid ecosystem.

The application and RFI for companies to apply placed considerable emphasis on the company’s ability to address the focus area with value and efficacy. Companies were evaluated over multiple rounds of judging for readiness, traction, experience in Medicaid, and their response to COVID-19. The selection committee (comprised of industry experts and Medicaid venture investors) also focused special attention to companies that addressed racial and social injustice.
Medicaid beneficiaries have faced persistent challenges in accessing care, and the COVID-19 pandemic has further exacerbated these challenges. Research has shown that Medicaid beneficiaries experience disproportionate difficulties in accessing primary care and specialty services, and once Medicaid beneficiaries secure appointments, they face additional challenges finding affordable and convenient transportation. Also, Medicaid beneficiaries have longer wait times for their appointments, yet spend less time with their providers. With non-essential services closing across the U.S. and health systems rerouting their resources to manage COVID-19, Medicaid beneficiaries experience even more difficulty accessing care. Low-income patients also disproportionately lack access to broadband internet at home and smartphones, which has excluded them from transitioning to telehealth compared to their counterparts during the crisis.

Access to care and poor outcomes are of particular importance across two specific areas in Medicaid: maternal health (covering 43% of all births in the U.S.) and behavioral health (nearly 1 in 5 Medicaid beneficiaries have a behavioral health diagnosis including a mental health condition).

**FOR MATERNAL CARE**

improving maternal care extends beyond prenatal care and delivery and includes women’s health, well-being, and conception to postpartum support. Access to care across the spectrum of maternal health can be limited or wholly unavailable. MACPAC reports that women with Medicaid are more likely to have had a prior preterm birth, a low-birthweight baby, or both, which increases the odds of similar subsequent delivery.

**FOR BEHAVIORAL HEALTH**

Medicaid beneficiaries have higher rates of comorbidities, while there are lower reported rates of medication use, lower access to behavioral health providers (both outpatient and inpatient), and lower consistent use of behavioral health services once accessed. As a result, Medicaid beneficiaries have higher inpatient and ED visits related.
Panelists discussed the access and quality challenges exacerbated by the pandemic, as well as the opportunities and limitations of telehealth, a tool that was quickly implemented and adopted as physical care closed across the country. Many solutions beyond telehealth, such as remote patient monitoring, care management and care coordination tools, have emerged to fill in gaps of care and the panel encouraged purchasers to consider value of these innovations. The panel discussion can be watched here.

Patients appear to like and have comfortably adopted telehealth. "In Medicare, we have gone from 11,000 members accessing telehealth every week to over a million," noted Jared. His statement introduced a broader set of historical access challenges. In particular, there still remains a digital divide among those with devices, access, and data. "[This could leave] tens of millions of people without access," noted James.

While the panelists agreed that patients and providers like telehealth, they noted that telehealth still carries policy and payment risks. These barriers are critical to understand for early stage companies that are leveraging the shift to telehealth to demonstrate their solutions. "It is challenging to understand the policy landscape across the 50 states. All of the policy is changing rapidly. States are trying to figure out what they want to make permanent, and as such, it creates layers of complexity and confusion," noted Jared. In addition to policy, Jared added that "state budgets [will be] more constrained in the next 2-3 years than they have been in a long time."

"We cannot go back to the way things were," said Andrey, who encouraged stakeholders to find ways to improve the value of the system. He noted shared advocacy for increasing FMAP and legislations for telehealth payment parity. For change and lasting impact, ultimately, "as fast as possible, [we need to] move away from fee for service and toward globally capitated risk."
With this framing on need, risk, and value, four companies presented solutions addressing gaps in care, with a focus on maternal health and behavioral health. Watch their pitches here.

**ACCESS TO CARE SOLUTIONS**

**BABYSCRIPTS**

offers virtual maternity care experiences that address the outdated model for pregnancy care.

**mahmee**

offers both the software platform and the services necessary to design and implement value-based, outcomes-driven maternal and infant health care programs.

**Quartet**

tech-enabled, HIPAA-compliant, integrated mental health platform will connect health plan members to the appropriate mental health resources at scale, and ultimately reduce avoidable Inpatient / Emergency Room utilization while improving health outcomes and member experience.

**Workit Health**

offers award-winning online, on-demand, evidence-based addiction treatment. Through mobile and web apps, members meet with clinicians, counselors, and coaches and work towards self-set recovery goals.
Social determinants of health drive 60% of health outcomes and are responsible for health inequality between individuals living in low-income, vulnerable communities, and their counterparts. These social challenges are expected to rise to historical levels due to COVID-19, particularly food insecurity and economic vulnerability.

More than 49M people and 13% of U.S. households are already food insecure, and many more cannot obtain healthy food. Food insecurity - and demand for support from food banks - spiked immediately in the weeks following shelter-in-place orders. Feeding America's research highlights that with an increase in unemployment and child poverty, there could be a 9.3% increase in the overall child food insecurity rate, and "[brings] the total child food insecurity rate potentially to 24.5%," or 1 in 4 children in the U.S. Among the general population, Feeding America reported that "within a week of CDC guidelines on social distancing to reduce the spread of COVID-19, 41% of food banks were already reporting an immediate critical funding shortfall."

Food insecurity is only one symptom of the greater economic vulnerability experienced by low-income communities. The National Low-Income Housing Coalition reports that no state in the country has an adequate, affordable rental housing supply for the lowest-income renters. Low wage workers are more likely to lose their jobs during this crisis. Many low-income families have volatile incomes and would not be able to cover a $400 surprise expense. Housing, access to work, and financial health are also critical to health and well-being.
Panelists spoke about the opportunities and challenges in integrating social determinants support into healthcare delivery, as well as the persistent and growing need amongst vulnerable patient populations. The panel discussion can be watched here.

"A significant reason that [social services have been integrated into] healthcare delivery is because the shift towards value-based payment has created an environment in which there is permission for some flexible ways to innovate — to think about how to improve health outcomes versus just buying healthcare services," noted Elizabeth on the opportunity to address social determinants. R.J. furthered emphasized the opportunity and shared, "We have not been effective at population-based strategies thus far, but [States] have enormous power in the [managed care] RFPs." These comments by the panelists highlight the opportunity to improve value through existing state mechanisms.

Despite the value of addressing social determinants, panelists discussed the challenges and gaps in delivery. "We don’t yet have population-based strategies that connect policy to payment," noted Therese, who shared (1) the challenges experienced by providers delivering programs that are not reimbursed and (2) mismatched desired outcomes between the healthcare system and CBOs. “When healthcare is driving the agenda and definition of success, engagement [of social service providers] can be tricky long term. ED utilization is not something that is [relevant to the CBOs],” Therese noted. Beyond tech, she noted the opportunity to build trust and relationships with communities of color and “to make an effort to learn the priorities and preferences [of these communities] often isn’t prioritized as it should be.” Her comments highlighted the need to expand how the healthcare systems defines outcomes, and the opportunity to utilize different tools, such as community health workers, to bridge social needs and healthcare.

R.J. responded to Therese’s comments and shared the perspective from providers. R.J. noted that payers understand the “concern about the medicalization of social determinants” and want CBOs to be rewarded for their services, but challenges still remain in showing ROI. R.J. noted the opportunities for tech solutions to collect more data, including outcomes and “[knowing] what happened to the member,” so that payers can “go upstream to those with social risks.”

“COVID has laid bare the impact of whether someone can access social services,” noted Elizabeth. These comments highlighted the areas for continued innovation with addressing social determinants of health.
SOCIAL DETERMINANTS OF HEALTH SOLUTIONS

With this framing on the opportunity and continued need, three companies presented solutions with specific value and attention to needs in social determinants. Watch their pitches here.

Healthify builds and manages accountable networks of community-based organizations and provides an interoperable technology platform that allows healthcare organizations to coordinate care with social service organizations.

Propel builds modern, respectful, effective technology that helps low-income Americans improve their financial health. Propel’s current focus is developing technology that makes SNAP a more supportive, modern, and integrated experience that can better lift families out of economic hardship and food insecurity.

Unite Us builds coordinated care networks of health and social service providers. With Unite Us, providers across sectors can send and receive secure electronic referrals, track every person’s total health journey, and report tangible outcomes across a full range of services in a centralized, cohesive, and collaborative ecosystem.
Social isolation is a growing challenge with dire implications on health outcomes and is well-documented amongst senior citizens. One in four Americans between the ages of 50 and 80 report that they feel socially isolated. One in three people between the ages of 65-84 and 50% of people over 85 live alone. Addressing social isolation is critical as the number of Americans ages 65 and older is projected to more than double by 2060, with seniors' share of the total population expected to rise from 15% to nearly 24%. A 2009 study on cardiac disease found that "living alone was identified as the single most important risk factor for early readmission to a hospital." Estimates by AARP suggest that social isolation adds $6.7 billion annually to Medicare's medical costs. Social isolation increases the odds of death by 26% and having a stroke by 32%.

COVID-19 will likely have an acute impact for both older adults with existing chronic social isolation and younger populations that are newly experiencing isolation during shelter-in-place.

Social distancing is critical for reducing the disease spread, but could negatively impact already high isolation rates.

The full impact of social isolation due to the pandemic prevention strategy is yet to be known (although early assessments have shown dramatic short-term increases), specifically among low-income populations that have poor access to care and experience a higher degree of social and economic vulnerability.
Panelists spoke about the growing social isolation amongst aging patient populations. The panel can be watched here.

To address social isolation, it is critical to understand the distinction between social isolation and loneliness, and the role of caregivers and families. “You can be lonely in a crowded room. Most solutions aim [to bring] people together. If you are not into dominos and dancing, that’s a problem,” noted Bruce. “Social isolation is a person and family-centered issue,” noted Rani.

Panelists further discussed the need to be intentional and considerate to nuanced needs. Renee explained how social isolation can fall heavier on some populations over others—particularly communities of color. “There is very little research on low-income populations, and it is important to think about these communities when we talk about solutions,” noted Renee.

On the delivery side, panelists describe the immense opportunity afforded through the current crises. “More has happened in the last three months than the last ten years [concerning telehealth],” noted Renee. Chernof added that “policy flexibilities, [such as the 1135 waivers], have allowed for many these changes in the last three months, saying that “many of these flexibilities will enable all kinds of business opportunities” and that there needs to be leadership on how to innovate on this effectively. He went on to say that plans and providers will be looking for this help.

Social isolation is also a growing issue amongst many other patient populations. There is an opportunity and need culturally responsive, high-quality mental health services to address social isolation, and the growing conversation and care delivery innovations that have supported older patients could be applied to support other patient populations as well.
ACCESS TO CARE
SOLUTIONS

With this framing around the immense challenge and opportunity COVID-19 has created, four companies presented solutions to social isolation. Watch their pitches here.

**inquisith**

helps support patients in between doctor visits through peer-to-peer mentoring, with a focus on improving their health outcomes while addressing their feelings of loneliness. Patients are also guided to engage more effectively with PCPs, SDoH experts, and other effective programs offered by their health plan, hospital, and local CBOs.

**MindRight**

provides culturally responsive and trauma-informed mental health coaching over text messages to youth and young adults. Members receive a personal team of coaches who support them seven days a week, 365 days a year.

**Pyx Health**

a first-to-market technology that offers scalable loneliness and social isolation solution for healthcare organizations – all at no cost to the user. Pyx provides 24/7 companionship and support for members via a mobile platform and compassionate call center that helps treat loneliness through a non-clinical, whole-person care approach.

**Wider Circle**

provides evidence-based solutions countering the adverse outcomes related to loneliness, social isolation, and complex manifestations of the Social Determinants of Health factors.
RECOMMENDATION

We believe the participation, engagement, panel discussions and solutions presented demonstrated the value of connecting innovation to Medicaid stakeholders. This Demo Day event series highlighted some key takeaways:

1. **Considerable willingness from buyers to partner to develop solutions to the challenges presented by COVID-19.**
   The attendance of over 30 state Medicaid offices, including many State Medicaid Directors, highlights that there is interest in understanding value-added services with precise and narrow targeting despite the complexities in managing COVID-19 response and member access. There is a clear need for the continued building of channels for value across the "aisle" between ventures and States/MCOs.

2. **More curated channels are needed for innovation and partnership.**
   The project also highlighted a notable lack of avenues for companies to present to the right buyers in the most effective way. Development cycles are long in Medicaid and complicated by RFI cycles and procurement. More reliable mechanisms for regular deal flow review can help ensure that buyers are clear on the available value and that innovative companies can be sure they are creating solutions around defined needs.

3. **Improved dialogue is needed to ensure better product-market-fit.**
   A longstanding challenge has been to ensure alignment between market need, market fit, and market supply. The voice of Medicaid members must be included to support solutions that beneficiaries need while ensuring that the process is considerate of the Medicaid payors that invest in solutions and their operational challenges. This alignment can ensure that the cumulative brain trust of Medicaid innovation (and investment dollars) is appropriately aligned to drive better time to market, improved equity in service delivery, and the most effective and equitable outcomes.
Adaptation Health bridges together state Medicaid agencies, Managed Care Organizations, and innovators to solve deep-rooted problems in Medicaid service delivery. To learn more or to join the conversation, contact David Kulick, co-founder of Adaptation Health at david@adaptationhealth.org.

Acumen America invests in early-stage companies across three sectors addressing challenges that face low-income Americans: health, workforce development, and financial inclusion. Learn more about Acumen America here.

The Center for Health Care Strategies (CHCS) is a nonprofit policy center dedicated to advancing healthcare delivery innovations for low-income Americans. Learn more about CHCS here.