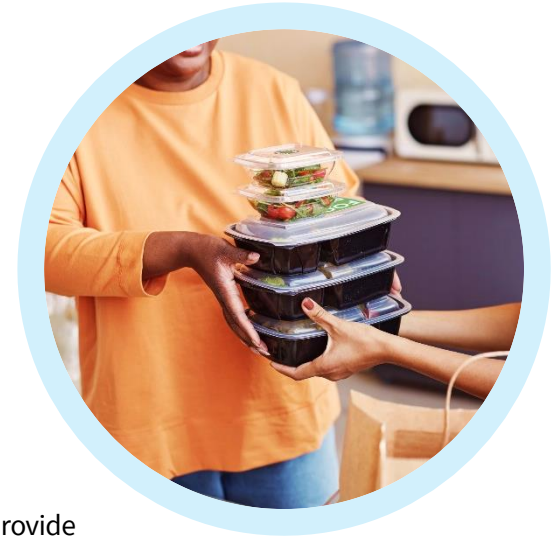
Center for Health Care Strategies

Designing a Health-Related Social Needs Strategy in Medicaid: State Considerations



With increasing support and guidance from the Centers for Medicare & Medicaid Services (CMS) and its federal partners, states are using a variety of Medicaid levers to address individuals' health-related social needs (HRSN). This is still a new and emerging priority for many state Medicaid programs and there is no one-size fits all approach to offering HRSN services to members. State policymakers will need to determine how to most effectively implement HRSN service coverage based on their specific state context.

This tool presents foundational decision points for states in defining an approach to address HRSN, with a focus on three key areas: (1) coverage; (2) accountability mechanisms; and (3) infrastructure to support partnerships with community-based organizations (CBOs) to provide HRSN services. It also features practical examples detailing how nine states — **California**, **Massachusetts**, **Michigan**, **New York**, **North Carolina**, **Oregon**, **Pennsylvania**, **Washington**, and **Wisconsin** — are approaching decisions related to HRSN services. The featured states are participants in the *Medicaid Health-Related Social Needs Implementation Learning Series*, a peer learning community coordinated by the Center for Health Care Strategies (CHCS) in partnership with HealthBegins and the Social Interventions Research and Evaluation Network, through support from the Kaiser Permanente National Community Benefit Fund at The East Bay Community Foundation.

State Decision Points for Designing an HRSN Strategy

Following are foundational questions that states should address in developing an approach to covering HRSN services through Medicaid, organized by three key areas: (1) coverage; (2) accountability; and (3) CBO partnership infrastructure.

1. Coverage

Under what authority will the state cover HRSN services?

Many states have shown interest in CMS' new HRSN Section 1115 demonstration opportunity, announced in late 2022. Pursuing an 1115 demonstration can be complex and time-intensive, and only required if the state wants to unlock federal Medicaid funds for: (a) HRSN infrastructure (e.g., technology, workforce development, and stakeholder engagement); or (b) HRSN services that directly support room and board (e.g., six months transitional rent, medical respite, short-term post-hospitalization housing, three or more meals a day). States should expect to wait longer than usual for CMS' review and approval, and anticipate lengthy negotiations.

Made possible through support from the Kaiser Permanente National Community Benefit Fund at The East Bay Community Foundation.

Alternatively, states can consider other coverage pathways that are less time and resource intensive for the state and CMS alike. For example, states can move forward with the Children's Health Insurance Program (CHIP) health services initiatives (HSIs) or Section 1915(i) state plan home and community-based services benefit. For example, **Wisconsin** has CHIP HSIs focused on maternal and children's health, including: housing supports services, asthma-safe homes program, and lead safe homes. In lieu of services (ILOS) are also an option (see below).

Will the state give Medicaid managed care organizations (MCOs) the option to provide in lieu of services that address HRSN?

Over the years, Medicaid MCOs have piloted HRSN service initiatives, but pointed to limited funding and state support to expand these pilots. Through ILOS, states can define optional services that MCOs can provide, which incorporate cost and utilization factored into MCO rates. See CHCS' related policy cheat sheet for additional details on using ILOS to cover HRSN services.

2. Accountability Mechanisms

Will the state require, encourage, or incentivize Medicaid MCOs or providers to screen for social risk factors?

Over the past decade, Medicaid agencies have become increasingly interested in the impact of HRSN on patients' overall health outcomes. Some states developed social risk factor screening measures, or developed a list of required questions. The National Committee for Quality Assurance (NCQA) and CMS recently developed their own measures as well. With these measures, states are now considering how and when to integrate these new measures into their managed care contracts and value-based payment arrangements.

How will the state ensure equitable access to HRSN services?

In delivering HRSN services, states have begun to require MCOs to pursue CBO partnerships, or craft incentives and financing reporting accommodations to underscore the importance of equitable HRSN service delivery. For example, **California** monitors the following measures in its Incentive Payment Program: (a) the number of members receiving Community Supports; (b) the number of members receiving community health worker (CHW) services; and (c) the number of Black people experiencing homelessness receiving Enhanced Care Management.

3. Infrastructure to Support CBO Partnerships

Does the state encourage or directly invest in community care hubs or similar backbone coordinating entities?

Community care hubs are community-focused entities that support a network of CBOs providing HRSN services, centralizing administrative functions in contracting with health care organizations. In some states, hubs and similar backbone entities have organically formed in response to early delivery system reform initiatives, as well as community and market needs. State Medicaid programs have also explicitly invited existing and potential hubs to perform these functions. For example, **New York** is developing Social Care Networks, which include lead entities responsible for the integration of health care and social care service delivery in each of the state's nine regions. The Social Care Networks will support social risk factor screening

and navigation, a network of CBOs providing HRSN services, and data exchange with the state's health information network.

Does the state directly invest in community resource and referral platforms and CBO participation?

Some states, like **North Carolina** and **Pennsylvania**, have invested in community resource and referral platforms that enable streamlined referrals between health care and social care organizations. In other states, a range of platforms may be widely used, without explicit state support. CBOs often need explicit financial incentives to participate in these platforms, and funding to support additional demand for services generated from referrals from health care organizations.

State Examples of HRSN Strategic Approach

See **pages 4 and 5** of this tool for details on the strategies that nine states — **California**, **Massachusetts**, **Michigan**, **New York**, **North Carolina**, **Oregon**, **Pennsylvania**, **Washington**, and **Wisconsin** — are using to approach coverage, accountability mechanisms, and CBO partnership infrastructure related to HRSN service offerings in their states. The states featured are participants in CHCS' *Medicaid Health-Related Social Needs Implementation Learning Series*. State approaches to offering HRSN services depend on their unique context and population, and do not need to implement activities under each of the highlighted strategies to have a robust HRSN service model.

State Examples of HRSN Strategic Approach

State	New HRSN 1115 Demonstration (Post 2021) / Notable services	Other HRSN Service Coverage Authorities	HRSN-Related MCO Accountability Mechanism	State-Supported Community Care Hub-Like Model	Statewide Community Resource and Referral Platform
CALIFORNIA	Request pending for six months transitional rent. Notable services under the 1115 include pre-release HRSN case management, short-term post hospitalization, and medical respite	**ILOS**: 12 Community Supports approved as ILOS under 1915(b) (2021); includes: medically supportive food and asthma remediation	Incentive Payment Program, Health and Homelessness Incentive Program, Equity and Practice Transformation DPP, Population Health Management Initiative	N/A	N/A
	California Highlights: (1) Strong uptake of nutrition and a subset of housing Community Supports; (2) investment in street medicine and MCOs engagement with members experiencing homelessness; and (3) home-and community-based alternatives for nursing homes and psychiatric facilities				
MASSACHUSETTS	Nutrition supports for household of eligible pregnant person/child; Flexible Services Program (FSP) (launched in 2020, will transition to HRSN framework); Community Support Program (homelessness, justice-involved, and tenancy preservation)	N/A	Since 2018, accountable care organizations (ACOs) are financially accountable for HRSN screenings via a quality measure. Beginning in 2023, MCOs and ACOs will be financially accountable for HRSN screenings via a Health Quality and Equity Incentive Program measure.	N/A	Planned activity
	Massachusetts Highlights: Quality and Equity Incentive Program includes performance targets for social risk factor completeness				
MICHIGAN	N/A	**ILOS**: Planned. See Nutrition Supports Request for Information (published March 2024); Recuperative Care Targeted Case Management benefit (state plan amendment, in development)	MCOs input the number of new and existing members screened for HRSN, as well as referral	Social Determinants of Health Hub Pilots (public health initiative, builds on community health innovation regions)	N/A
	Michigan Highlights: Established (1) CHW Medicaid policy stakeholder engagement; (2) relationships with MCOs to improve SNAP enrollment; and (3) relationships and monthly file-sharing process with MCOs to improve SNAP enrollment				
NEW YORK	Housing, including six months transitional rent; medical respite; nutrition services including nutrition supports for household of eligible pregnant person/child; cooking supplies and pantry stocking; HRSN case management; and transportation to/from covered HRSN services	**ILOS**: Medically tailored meals **Other**: State Plan Amendment to cover preventive services of CHW and certified dietitians/nutritionists	HRSN interventions required as part of value-based purchasing arrangements (*MCO expenses in numerator of MLR*); NCQA HEDIS SNS-E measure; VBP Resource Library	Regional Social Care Networks made up of CBOs in each region of the state	Regional social care referral platforms feed data to Statewide Health Information Network for New York
	New York Highlights: (1) Standardizing data collection and exchange using Gravity Project data standards and Statewide Health Information Network for New York; and (2) seeking to support community hubs, HRSN workflows (screening, assessment, referrals, enhanced service provision), HRSN payment models, MCO contract standardization, and best practices to integrate/sustain HRSN services in Medicaid				

State	New HRSN 1115 Demonstration (Post 2021) / Notable services	Other HRSN Service Coverage Authorities	HRSN-Related MCO Accountability Mechanism	State-Supported Community Care Hub-Like Model	Statewide Community Resource and Referral Platform
NORTH CAROLINA	2018 approval of similar HRSN services to new demonstration; renewal pending as of May 2024	**ILOS**: One plan offers community integration supports and environmental modifications	MCO health risk assessments include standardized SDOH screening questions	Network Leads	NCCARE360
	North Carolina Highlight: April 2024 interim evaluation results for Healthy Opportunities Pilots				
OREGON	Climate-related services (i.e., air filtration/ air conditioners for wildfires and extreme heat)	**ILOS**: Seven CMS-approved ILOS, two additional ILOS in review, and over 20 ILOS proposals in development **Other**: 1915(i) services	Coordinated care organization incentive measures include a social needs screening and referral measure	N/A	N/A
	Oregon Highlights: Established approach to HRSN offerings, including through ILOS, 1115 services, health-related services, and Supporting Health for All through Reinvestment				
PENNSYLVANIA	Approval pending: Bridges to Success: Keystones of Health, including pre-release, housing, and nutrition services	**Other**: Community-Based Care Management program with focused and targeted HRSN interventions addressing food and housing (limited program)	Community-Based Care Management, HRSN interventions embedded in VBP models	N/A	PA NAVIGATE
	Pennsylvania Highlights: Established: (1) closed loop referral system (PA NAVIGATE); and (2) relationships with MCOs to improve SNAP enrollment				
WASHINGTON	Transitional rent; HRSN case management, outreach, and education; pre-release HRSN case management; Foundational Community Supports (current program, approved in past administration)	**ILOS**: In development; many HRSN services will be covered as ILOS	N/A	Community Hub and Native Hub	N/A
	Washington Highlights: (1) Initial focus on HRSN case management via Community Hub and Native Hub; and (2) building on relationships with Tribes and Accountable Communities of Health				
WISCONSIN	N/A	**ILOS**: Planned (in development) CHIP Health Service Initiative: Housing Supports Services, Asthma-Safe Homes Program, Lead Safe Homes **Other**: Planned 1915(i) to address homelessness	Annual Performance Improvement Projects requirements have a capitation withhold related to HRSN	N/A	N/A
	Wisconsin Highlights: Established programs to reduce birth outcomes disparities including the Prenatal Care Coordination Benefit and Obstetrics Medical Home Program				