

Developing Financially Sustainable Child Health Transformation: Lessons from Primary Care Innovators

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TAKEAWAYS

- Health care provider organizations serving children often face financial barriers to providing more comprehensive and patient-centered care, particularly for children in communities that are marginalized.
- This brief describes existing payment barriers and opportunities for primary care providers serving children to work toward financially sustaining care transformation. It draws from interviews with pediatric practices and subject matter experts engaged in the national *Accelerating Child Health Transformation* initiative.
- To support long-term funding for care delivery improvements, pediatric primary care practices may consider strategies such as: engaging in early sustainability planning, leveraging data to align with payer goals, developing long-term relationships with payers, and supporting multi-stakeholder collaborations.

Child health transformation is needed in pediatric and family primary care settings to holistically serve the unique needs of children and their families. Comprehensive child health transformation includes addressing health-related social needs; advancing anti-racist practices; and co-creating meaningful strengths-based partnerships with patients, families, community partners, and providers. This transformation is especially critical to meet the needs of Black, Indigenous, Latino, and other children of color who are more likely than white children to face structural racism, receive worse care delivery, and experience inequitable health outcomes.¹ Despite this need, health care provider organizations serving children face financial barriers to providing more comprehensive and patient-centered care.



This brief, developed by the Center for Health Care Strategies (CHCS) with support from the Robert Wood Johnson Foundation, distills insights for financially sustaining child health care transformation from interviews with pediatric practices and subject matter experts engaged in the national *Accelerating Child Health Transformation* (ACHT) initiative.² Over two years, ACHT convened a learning community of pediatric care providers and family representatives to promote anti-racist, family-focused strategies to transform child health care services. As part of that work, ACHT examined financing and payment barriers hindering transformation in child health care as well as ways to advance improvement strategies at the primary care level. This brief highlights key considerations to guide primary care providers in pursuing sustainable financing strategies for child health transformation. The themes in this brief apply to multiple types of payers (e.g., Medicaid and CHIP, commercial) and funders (e.g., philanthropy, internal funding from health systems). However, there is a strong focus on Medicaid, as the public sector may have particular opportunities to spearhead more investment and flexible payment policies to support child health.

Interviewee List

Individuals from the following organizations were interviewed to inform this brief:

Provider Organizations

- Child Health Clinic, Children’s Hospital Colorado, UC Anschutz Medical Campus (Aurora, CO)
- Cincinnati’s Children’s Hospital Medical Center Academic Pediatric Primary Care (Cincinnati, OH)
- Hasbro Children’s Hospital Pediatric Primary Care (Providence, RI)
- Primary Health Care (Des Moines, IA)
- University Of New Mexico ADOBE Program (Albuquerque, NM)

Subject Matter Experts

- Charles Bruner, InCK Marks
- Gretchen Hammer, Public Leadership Group

Payment Obstacles for Child Health Transformation in Primary Care

Provider organizations, payers, and other stakeholders increasingly recognize the need to expand investments in primary care to provide higher quality and more equitable care. There is also increasing recognition that fee-for-service (FFS) payment fails to adequately support integrated, coordinated, and team-based care and that more flexible payment models are likely needed.³ Additionally, pediatric practices and other provider organizations serving a large proportion of children — including family medicine practices and federally qualified health centers (FQHC) — face unique payment challenges. Pediatric primary care, which is largely focused on preventive care and supporting healthy development, is often undervalued in the current health system as many of its impacts are seen in non-health sectors and only fully realized in the long term.⁴ Additionally, because children are not the main drivers of health care costs — they only account for nine percent of national health care spending even though they account for 25 percent of the population — they are often not the focus of care delivery and payment reforms. Many policy reforms focus on improving care and containing costs for adults with chronic conditions rather than on prevention and well-being for children and supports for their families' health-related social needs.⁵ Moreover, pediatric providers are often heavily reliant on Medicaid payments, which generally has lower rates than commercial plans or Medicare.⁶

Interviews with ACHT participants highlighted additional nuances related to challenges and opportunities for financing child health transformation. First, state, local, and organizational context are important factors dictating funding opportunities. For example, state Medicaid programs vary in terms of services covered and payment rates, and local health priorities inform the focus of external grants from foundations or state government. Additionally, the structure of provider organizations (e.g., independent practices, hospital-affiliated practices, and FQHCs) impacts the degree of infrastructure, staff capacity, and funding needed and available to support quality improvement initiatives. FQHCs, for instance, are paid through a different methodology in Medicare and Medicaid (FQHC Prospective Payment System) than other providers to support accessible and comprehensive primary care services for underserved populations. For this reason, covered services, rates, and restrictions on FQHC payment often differ from those used for other primary care providers.^{7,8,9} As another example, practices affiliated with large health systems often have more administrative supports, such as a development office, to support new projects through grant-funding. These types of differences in practice structure and affiliation can impact the types of and degree to

which transformation efforts are sustainable. Sustainability strategies that work for one type of provider may not apply to another.

Interviewees also highlighted common themes related to financing care transformation. For instance, practice staff described how funding needs and opportunities evolve as programs mature. New initiatives tend to be highly dependent on philanthropic grants and internal health system funding. As initiatives mature, the ability to bill services or access enhanced and flexible funding through a value-based payment (VBP) arrangement is key to scaling and sustaining programs over time. Interviewees also described how certain types of services are consistently more challenging to cover than others. In particular, practices identified the need for enhanced payment to cover interventions to address social needs. Finally, interviewees were cautiously optimistic about the potential for VBP models to support child health transformation. They agreed that models with upfront, flexible payments like per-member per-month payments in addition to or instead of FFS may provide more predictable revenue and offer practices flexibility to implement models that support coordinated, team-based, and family-centered care. At the same time, interviewees emphasized that VBP models need to be explicitly designed to address child health needs, such as by providing enhanced investment for services supporting prevention and healthy development, including appropriate quality measures. VBP models to support enhanced child health services must also address how payment can better support cross-sector alignment to help address health-related social needs.

Considerations for Pediatric Practices Looking to Sustain Transformation Efforts

While ACHT practices vary in the specific payment strategies they have adopted to support practice transformation, interviewees identified common considerations for provider organizations seeking to implement and support new care transformation approaches, described below.

1. Consider sustainability planning from the beginning.

Interviewees described the consistent challenge of gaining enough organizational and/or policymaker buy-in to be able to move from temporary to permanent funding for transformation initiatives. Because of the complex and evolving nature of funding child health transformation activities, it is important that practice staff engage in sustainability planning from the very start of an initiative. Planning for sustainability



early on can best allow organizations to work toward gaining organizational buy-in, demonstrating program value, and developing long-term funding strategies.

Multiple interviewees spoke to how critical it is to gain leadership and care team buy-in both to get startup funding for innovations and to sustain those innovations through dedicated staffing and other needed capacities. For example, as a part of program design, interviewees from practices that are part of larger health systems described how it can be beneficial to build off programs that already exist elsewhere in an organization. Showing that a quality improvement approach worked well in one setting (e.g., a hospital) can help make the case that a similar approach will be beneficial in pediatric primary care. It is also important to make the most out of temporary start-up funding. For example, one interviewee described how grants from external organizations can serve dual purposes. In addition to providing startup funding, such grants can also lend external legitimacy to a new program as validation that an outside organization sees the initiative as a promising and valuable investment. It is also critical to develop evaluation plans early on. Considering how to effectively obtain qualitative and quantitative data is essential for demonstrating value and making the case for sustaining a program in the long run. Interviewees also emphasized that it is not all about money — program champions are essential. For programs to have lasting power, care teams must be supportive of the intervention and new processes must be feasibly operationalized into current systems.

Additionally, interviewees described how sustainable funding approaches are often complex and dependent on local payer policies/context (e.g., Medicaid policies in specific states; the type of provider organization; local grant opportunities). Longer-term funding approaches may pull from multiple funding streams. For example, while some costs may be billable to Medicaid or commercial payers, others may be covered by VBP incentive payments or internal health system funding. Because there is no one-size-fits-all model for care transformation funding, developing an approach for sustaining a program takes time, creativity, and understanding of the costs of discrete pieces of a model. One interviewee described the need to understand discrete costs and revenue associated with different staff positions. This type of analysis can help identify which new staff may “pay for themselves” by bringing in more revenue and which may require additional support from grants or internal funding. Relatedly, multiple interviewees described the importance of leveraging team-based care approaches, both to support high-quality, patient-centered care, as well as to provide care efficiently. For example, hiring staff, such as community health workers or care navigators, can expand the capacity of primary care teams to implement new activities that physicians may not

have the time for and support provision of culturally concordant care. Supporting staff to work at the top of their licenses can also promote staff development and help financially sustain care transformation efforts by efficiently delivering care.

2. Know your audience in developing your value proposition and telling your story.

To develop financing approaches to support transformation efforts that may not already exist, provider organizations can collaborate with various payers and funders, such as Medicaid agency staff, federal and state legislators, Medicaid managed care organizations, and commercial health plans. To effectively advocate for funding or changes in payment structures, it is important to understand what motivates stakeholders and use information that resonates with them.

Interviewees discussed how quantitative data can be a convincing tool to demonstrate value and the evidence-base to Medicaid agency staff and health plans. Quantitative data, including but not limited to peer-reviewed research, can show improvement in quality outcomes for care transformation initiatives and build the case for new financing approaches. For example, one interviewee used quantitative outcomes data to show Medicaid staff how their clinic supports better social outcomes and can potentially save the state money for children with complex health and social needs. That potential was so compelling that the clinic and state have subsequently engaged in a positive dialogue about sustaining state funding for the program.

In addition to quantitative data, qualitative data, including patient stories, can be a powerful tool for engaging policymakers and other stakeholders. For example, some interviewees described that qualitative data can be particularly effective when working with state legislatures to illustrate why transformation efforts are important. Interviewees found that this is especially convincing if the story comes from a patient who lives in the district a legislator represents, as legislators are typically motivated to deliver positive outcomes for their constituents. Primary care practices may consider how to engage patients and communities, such as through community listening events and family advisory boards, to understand the impact of care transformation and to leverage their stories when engaging policymakers and stakeholders around financing issues.

For primary care practices working within larger health systems, program champions may also consider how to leverage data to demonstrate to leadership how new care initiatives align with broader institutional missions. One interviewee shared that making sure the clinic's work and messaging aligned with the institutional mission and



community benefit plans related to advancing equity made it easier for the clinic to work with the larger hospital institution to secure funding for innovative projects. A provider organization’s culture may also impact what type of data or evidence is most convincing to internal stakeholders. For example, one interviewee from an academic medical center described the importance of publishing findings from innovative projects into academic journals. When working in an academic medical setting, interviewees explained that published journal articles can be a convincing tool to internal stakeholders to showcase institutions and create support for innovative initiatives.

3. Engage Medicaid and other payers in addressing practice-level challenges.

Medicaid and other payers can be partners in finding solutions for practice-level challenges. One effective way interviewees discussed to engage with Medicaid and other payers is by centering the conversation around the shared goal of improving child health outcomes. While providers and state agency staff may have different priorities, they both share a common goal for ensuring children are healthy. Pediatric providers offer on-the-ground perspectives that can help inform policy decisions. Keeping conversations focused on making services better for children can help make difficult conversations around covered services and rates run smoother since all stakeholders share this common goal.

As another strategy, interviewees discussed partnering with professional associations or children’s health advocacy organizations to engage with payers. Some pediatric practices find that leveraging local chapters of professional associations, such as the American Academy of Pediatrics, makes engaging Medicaid more productive. Professional associations can help prioritize the needs of local provider groups while also contributing insights on trends and policies that states across the nation may be using to overcome practice-level challenges.

It is also important to engage with Medicaid, managed care organizations, and commercial health plans regularly to build a sustainable relationship, instead of a relationship that only exists when one side needs something. Pediatric practices may work with professional associations or other advocacy organizations since these organizations may already have regularly scheduled meetings with payer staff. Regularly scheduled meetings help create a better mutual understanding of the challenges that children face when accessing health care and longer-term solutions. One interviewee described how ongoing meetings with Medicaid and a group of providers has helped



create a relationship that goes beyond working on just urgent matters to promoting long-term conversations around improving the child health system.

4. Consider opportunities for multi-stakeholder, cross-sector collaboration.

Building multi-stakeholder, cross-sector relationships are important for developing aligned interventions that make the most of limited resources and informing policies that support enhanced investment in child and family well-being. While health care is an important aspect of supporting children’s healthy development and well-being, it is only one piece of the puzzle. Collaborations between health care, education, public health, and social service providers are critical to developing a comprehensive approach to supporting children and families. At the same time, interviewees described that a key challenge in transforming child health care is that funding is split across many different agencies and sectors, such as between physical and behavioral health. This makes it both challenging for organizations to fund comprehensive approaches to child health and can lead to duplication of efforts across systems. Pediatric providers may consider how to work and align with other stakeholders to design programs, develop financing approaches, and ensure different programs are not working at cross-purposes.

Additionally, developing a broad base of support for child health-focused policies is important for building the case for enhanced investment in health care and social services. Enhanced collaboration, across different health care constituencies and different sectors, can be a powerful tool for advocacy. For example, one interviewee described a situation in which health care and school leadership jointly testified at a state legislature to maintain funding for schools and health care services supporting children. Aligning on messaging can help stakeholders across sectors get the attention of and persuade policymakers. Multiple stakeholders also described how many Medicaid policies that benefit children also benefit adult populations. Children’s health advocates may consider how to broaden coalitions to change policies most effectively. For example, one interviewee described efforts to bridge the gap between children’s health advocates pursuing support for models integrating community health workers into care teams with other groups seeking the same goal. While specific needs may differ by patient population, demonstrating the widespread need and benefit of a policy helps build the broader case for change.

As a starting point, providers may consider strategies such as participating in existing local cross-sector coalitions and setting up regular touchpoints with organizations in other sectors. For example, one interviewee described that as part of their work on a



housing council, they spent a year meeting with community-based organizations to help understand their priorities and programs and build relationships. These efforts can be time intensive, but interviewees emphasized how personal relationships are often the key motivator or catalyst for action. For this reason, continuing to “show up” for community partners is essential. Provider organizations may also consider what role they can play to support cross-sector partnerships most effectively. For example, one interviewee reflected that in many cases, health care plays a relatively small role in child and family initiatives (as compared to schools, public health, etc.) and that in many cases, health care may best support cross-sector efforts by being a convener and supporter of other entities, as opposed to the lead.

Looking Ahead

Changing entrenched policy and payment barriers to children’s health transformation is a challenging effort that requires long-term work and dedication from both practices and other stakeholders committed to advancing children’s health and well-being. Ultimately, financially sustaining child health transformation will require enhanced investment in pediatric care and, likely, new ways of paying for care. While there are no easy short-term solutions, health care provider organizations serving children may consider the above approaches as initial steps to take toward developing approaches for financially sustaining pediatric care innovations and building support for broad payment policy changes.

Learn More

This brief is a product of the *Accelerating Child Health Transformation* (Acht) initiative, led by the Center for Health Care Strategies (CHCS) and made possible by the Robert Wood Johnson Foundation. Acht is convening a learning community of health care providers and family representatives — with input from health system leaders, payers, and policymakers — to advance anti-racist and family-centered pediatric practice, including payment and accountability levers to sustain enhanced approaches to care. To learn more and access additional resources, visit www.chcs.org/acht.



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ENDNOTES

¹ H. Gears, A. Casau, L. Buck, and R. Yard. *Accelerating Child Health Care Transformation: Key Opportunities for Improving Pediatric Care*. Center for Health Care Strategies, August 2021. Available at: https://www.chcs.org/media/Report-Accelerating-Child-Health-Care-Transformation-Key-Opportunities-for-Improving-Pediatric-Care_8.24.21.pdf.

² For more information on *Accelerating Child Health Transformation*, see: <https://www.chcs.org/project/accelerating-child-health-transformation/>.

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