Current Status of Value-based Health Care in Medicaid

• Remains a work in progress
• Some states are leading the way – New York, TN, NC, MA, MN, Maryland to name a few
• Efforts to use VBP as force for addressing SDOH are even more mixed
• States are experimenting with how to drive SDOH interventions via VBP – see New York’s requirements that all advanced VBP contracts must ID an SDOH need and contract with a CBO to address it
• Helgerson Solutions Group (HSG) and Green & Healthy Homes Initiative (GHHI) are working together to expand VBP contracting to address SDOH around the country
• Traditional Medicaid policies such as “state-wideness” make it difficult to conduct VBP direct contracting

• Most states utilize managed care plans who have greater flexibility but states are often hesitant to “force” plans to contract utilizing VBP

• Multiple plans in a market adds complexity - lots of variation which causes confusion, raises costs

• Many SDOH expenditures are considered administrative expenses and not included in the MLR for plans - this discourages major efforts

• Time horizon problem – plans only willing to invest in SDOH projects with quick ROI
Possible Solutions – Based on Our Work with GHII

1. Implement SDOH Parity – treat SDOH expenditure as true medical costs
2. Minimal Threshold for SDOH – all Medicaid managed care plans should be required to spend at least 2% of total capitation on SDOH interventions
3. Statewide SDOH Strategy – every state should have a strategy for addressing SDOH needs, Plans should then act to help implement those plans
4. SDOH Requirement in all 1115 Medicaid Waivers – if you want flexibility you must be willing to meaningfully address SDOH

None of these recommendations require new money or an Act of Congress!
Closing Thoughts

• While progress is being made to utilize the power of VBP to address SDOH... change isn’t happening fast enough

• Our experience with GHII and helping them negotiate contracts around the country is that there are structural barriers and that need to be addressed

• Our recommendations address those barriers and importantly don’t require new money while greatly expanding the potential for VBP to be a powerful good for the Medicaid population
Thank you
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