



Barriers to Moving Away from FFS Health Care Possible Solutions – Focus on Medicaid and SDOH

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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

Impediments Remain to VBP-based SDOH efforts

- 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 GHHI

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 GHHI 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

Let's keep in touch

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