

*How States Leverage  
Medicaid Managed Care  
to Address Health-  
Related Social Needs*

Bailit Health

November 9, 2022

**STATE**  
Health & Value  
**STRATEGIES**

*Driving Innovation  
Across States*

*A grantee of the Robert Wood Johnson Foundation*

# About State Health and Value Strategies

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State Health and Value Strategies (SHVS) assists states in their efforts to transform health and healthcare by providing targeted technical assistance to state officials and agencies. The program is a grantee of the Robert Wood Johnson Foundation, led by staff at Princeton University's School of Public and International Affairs. The program connects states with experts and peers to undertake healthcare transformation initiatives. By engaging state officials, the program provides lessons learned, highlights successful strategies, and brings together states with experts in the field. Learn more at [www.shvs.org](http://www.shvs.org).

**Questions?** Email Heather Howard at [heatherh@Princeton.edu](mailto:heatherh@Princeton.edu).

*Support for this webinar was provided by the Robert Wood Johnson Foundation.  
The views expressed here do not necessarily reflect the views of the Foundation.*

# About Health Foundation of South Florida

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Founded in 1993, the Health Foundation of South Florida is a change agent focused on improving the health and well-being of Miami-Dade, Broward and Monroe county residents, especially those in vulnerable and low- to moderate-income communities. Through funding, expertise and advocacy, and by catalyzing collaborations, the Foundation works on three strategic areas:

- Improving healthcare access, availability, and utilization among the uninsured and underserved.
- Advancing a system of health that integrates social needs and clinical care.
- Fostering a healthy and thriving community by addressing the root social and economic causes of health disparities.

*Learn more at [www.hfsf.org](http://www.hfsf.org).*



# About Bailit Health

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Working with state agencies and their partners to improve healthcare system performance for all.

<http://www.bailit-health.com/>

# Housekeeping Details

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All participant lines are muted. If at any time you would like to submit a question, please use the Q&A box at the bottom right of your screen.

After the webinar, the slides and a recording will be available at [www.shvs.org](http://www.shvs.org).

# Introductions

**Mary Beth Dyer**, Bailit Health, *Presenter and Facilitator*

## Guest Panelists

- 1. Judy Mohr Peterson**, Medicaid Director, Med-QUEST Division, Hawaii Department of Human Services
- 2. Shelli Silver**, Deputy Director, Health Plan Operations, Arizona Health Care Cost Containment System (AHCCCS)



# Agenda

1. Webinar Objectives

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2. Overview of “***Addressing Health-Related Social Needs Through Medicaid Managed Care***” Toolkit

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3. Panel discussion and Q&A with state Medicaid officials

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# Webinar Objectives

- Offer specific examples for how states can leverage Medicaid managed care to address health-related social needs (HRSN) within existing Medicaid authorities
- Orient participants to new SHVS/HFSF resource, ***Addressing Health-Related Social Needs Through Medicaid Managed Care (MMC)***
- Describe state approaches to require and/or incentivize MMC plans to address HRSN
- Learn more about state approaches through facilitated ***discussion and Q&A*** with state Medicaid officials

# Federal Medicaid Authorities Related to Addressing Social Determinants of Health (SDOH)

CMS' 2021 State Health Official [Letter](#) reviews Medicaid authorities that states can use to address SDOH

Managed Care Programs

Home and Community Based Services

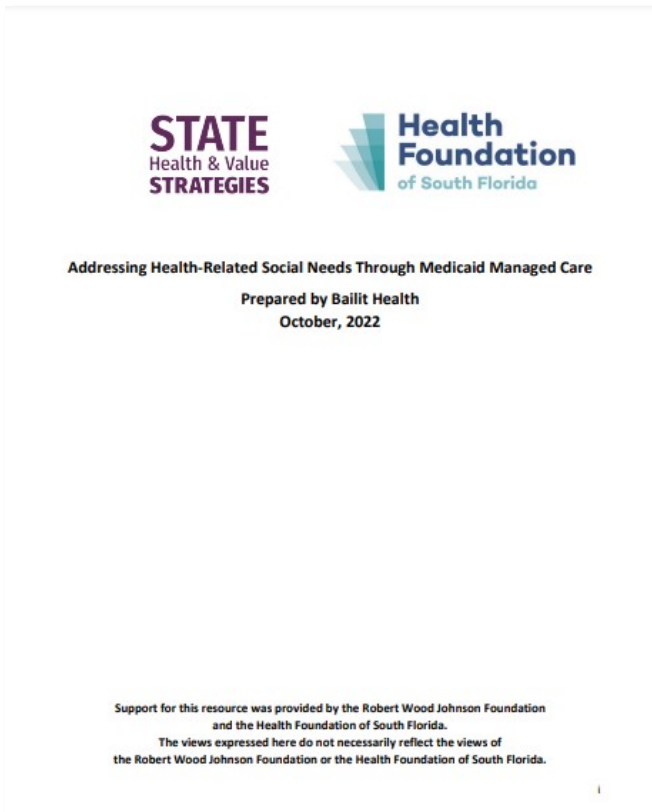
State Plan Authorities

1115 Demonstrations

Health Home Benefit

Program for All-Inclusive Care for the Elderly

# Overview: Addressing Health-Related Social Needs Through Medicaid Managed Care Toolkit



- Summary of different state approaches to address HRSN
- Examples from 16 states: **AZ, CA, HI, IA, LA, MA, MN, MS, NV, NC, OH, OR, PA, RI, TX, VA**
- Excerpts of MMC procurement questions and contract language related to HRSN
- Links to MMC procurements and contracts where available
- [Link](#) to Toolkit

## MMC Approaches to Address HRSN

- A. Identify and address HRSN within MCO care coordination/care management
- B. Require/encourage use of ICD-10 Z codes
- C. Encourage HRSN value-added services
- D. Encourage HRSN in lieu of services

# Hawaii

- Requires MCOs to have SDOH work plans as part of the state Medicaid quality improvement strategy and the MCO's Quality Assurance and Performance Improvement program.
- SDOH Work plan must describe how the MCO will:
  - Increase SDOH screening, including through use of ICD-10 Z codes
  - Document SDOH screening results
  - Provide SDOH value-added services
- Requires MCOs to use screening results to inform interventions and identify individuals for care management.
- Determines final SDOH questions used in MCO screening tools.

## MMC Approaches to Address HRSN

- E. Direct/encourage MCOs to engage providers in HRSN
- F. Encourage MCO HRSN approaches with incentives
- G. Account for social risk factors in managed care payment methodologies

# Variety of MCO/Provider Incentives

- **Hawaii** requires Medicaid MCOs to support providers in understanding and assessing SDOH and to connect with social services providers to address member SDOH needs as part of broader value-based payment (VBP) transformation requirements.
- **Arizona** requires MCOs to reinvest 6% of their annual profits on their Medicaid lines of business back into the community. MCOs have some discretion to identify appropriate investments. MCOs must submit an annual plan that details anticipated Community Reinvestment activities, and report expenses on financial reports.

# Other Community Reinvestment Incentives

- **Nevada** directs Medicaid MCOs to invest 3% of pre-tax profits into the community, and to submit a plan detailing anticipated community reinvestment activities.
- **North Carolina** encourages Medicaid MCOs to make voluntary investments in community-based resources to address social factors.
  - In the numerator of their Medical Loss Ratio (MLR), MCOs can include expenditures on improving SDOH outcomes for enrollees, such as for housing or transportation costs.
  - If an MCO does not meet the minimum MLR threshold, the MCO can contribute to SDOH activities that improve enrollee outcomes and support the cost-effective care instead of rebating the funds to the state.

# HRSN Toolkit – Appendices

- [Appendix A](#): MMC procurement questions focused on HRSNs in 6 states, plus evaluation questions and rating factors in 2022 Medi-Cal Managed Care RFP
- [Appendix B](#): MMC contract language pertaining to each of the identified HRSN approaches
- [Appendix C](#): Links to MMC contracts and procurement documents referenced

# Discussion

The slides and a recording of the webinar will be available at [www.shvs.org](http://www.shvs.org) after the webinar

# Thank You

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# Appendix

# Screening Tool Comparison

	<b>AHC HRSN</b> Accountable Health Communities Health Related Social Needs	<b>PRAPARE</b> Protocol for Responding to and Assessing Patients' Assets, Risks, and Experiences
<b>Developed by</b>	CMS CMMI	National Association of Community Health Centers
<b># of core questions</b>	10	16
<b># of optional questions</b>	16	4
<b>Patient or clinic population</b>	Medicare and Medicaid	Community Health Centers
<b>Reading level</b>	7th grade	7th grade
<b>Additional languages</b>	Spanish, Chinese, Arabic, German, Ilocano, Japanese, Korean, Portuguese, Tagalog, Vietnamese	Arabic, Burmese, Chinese – simplified, Chinese – traditional, Korean, Portuguese, Somali, Spanish, Tagalog, Vietnamese
<b>Cost</b>	Free	Free

# ICD-10 Z Codes

ICD-10	Description	Number of Sub-Codes
Z55	Problems related to education and literacy	7
Z56	Problems related to employment and unemployment	12
Z57	Occupational exposure to risk factors	12
Z59	Problems related to housing and economic circumstances	10
Z60	Problems related to social environment	7
Z62	Problems related to upbringing	24
Z63	Other problems related to primary support group, including family circumstances	14
Z64	Problems related to certain psychosocial circumstances	3
Z65	Problems related to other psychosocial circumstances	8