Addressing Social Determinants of Health: Challenges and Opportunities in a Value-Based Model

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Two forces are reverberating within the US health care system. The first is the medical system’s recognition that addressing a patient’s social circumstances is necessary to promote health and prevent disease. Pediatrics has long espoused the strong influence of family and social conditions on children’s wellbeing. The second force is movement away from fee-for-service reimbursement to a value-based model in which payment is based on quality measures and health outcomes. This value-based system, which was first tested in private insurers and Medicare, has now been extended into Medicaid, which is the largest insurer of US children. By 2020, accountable care organizations (ACOs) will cover 100 million Americans.1

These forces’ convergence is influencing Medicaid-related health policies. Medicaid managed-care-organization programs in 30 states are encouraging screening for social needs and providing referrals for social services. Some statewide Medicaid ACO programs require social determinants of health (SDoH) interventions (eg, housing programs) and include health-related social-need screening as a quality measure.2 The Center for Medicare and Medicaid Services (CMS) also recently announced the Integrated Care for Kids Model, a child-centered service delivery and state payment model that is aimed at reducing expenditures and improving quality of care for children through the prevention, early identification, and treatment of behavioral and physical health needs. The opportunity to engage the health care system with nonmedical sectors (eg, human services, education, and job training) to achieve the Triple Aim (higher quality care, lower per capita cost, and improved population health) and promote health equity is evident. However, key challenges remain.

**CHALLENGE 1: AN INSUFFICIENT SOCIAL SAFETY NET**

Successfully addressing families’ SDoH requires equitable access to adequate supports and community-based services. However, public benefits that address poverty-related risk factors, such as the

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Financial incentives may encourage health care providers to prioritize referrals of families to community resources. In the CMS Accountable Health Communities Model, 1 track requires that patients with positive screen results for a health-related social need and who have had ≥2 emergency department visits within the past year meet with a community service navigator. However, patients with a social need identified by using a screening tool may not want help.4 Nonetheless, providers (perhaps unwittingly) may move away from shared decision-making and respect for patient autonomy to a more paternalistic approach of making referrals to support staff or community agencies. This will more likely occur among patients with prevalent social needs that incur the highest costs, potentially contributing to mistrust of medical care providers among underserved, low-income, and racial and ethnic minority populations. Respect for patient autonomy needs to inform clinician actions when well-intentioned financial incentives may encourage a “screen-and-refer” approach.

**CHALLENGE 3: DIVERTING RESOURCES FROM 1 AT-RISK POPULATION TO ANOTHER**

The Massachusetts Medicaid ACO program uses an adjusted risk-scoring system that weighs SDoH to pay health care providers more for socially complex members because, on average, such members require additional care. In this payment model, a patient with an International Classification of Diseases code for homelessness generates an additional payment increment of $6500. Encouraging health providers to screen for homelessness may inadvertently shift limited housing resources from the poor who are not sick to those who seek medical care because of illness. For public-housing providers, giving such a preference likely conflicts with federal fair housing laws that preclude favoring 1 group over another.

**OPPORTUNITY 1: ENGAGING DIVERSE SECTORS TO IMPROVE CHILD HEALTH**

A value-based health care system that comprehensively addresses families’ adverse social circumstances by engaging multiple sectors has the potential to improve the quality of children’s care, address impediments that jeopardize health, and improve wellbeing. Since 2003, the Maternal and Child Health Bureau has encouraged and supported the development of Early Childhood Comprehensive Systems as partnerships between “…agencies [and/or] organizations representing physical and mental health, social services, families and caregivers, and early-childhood education to promote seamless care for young children…”5 The Early Childhood Comprehensive Systems Collaborative Improvement and Innovation Network initiative is aimed at addressing SDoH in 28 communities of concentrated poverty by building such linked and coordinated care systems. In Connecticut, 3 state agencies (Office of Early Childhood, State Department of Education, and Department of Public Health) support United Way’s Child Development Infoline, which serves as a centralized access point for early intervention, special education, case management for children with special health care needs, and access to community-based programs and services.

**OPPORTUNITY 2: A MEDICAID-SUPPORTED, INTEGRATED SDOH CARE MODEL**

Medicaid can bridge the gap between the health care sector and community agencies because it serves a large, diverse population (74 million people) often affected by adverse social circumstances.6 Furthermore, Medicaid and social-service agencies have an opportunity to blend administrative and financial resources to streamline families’ access to community agencies and social services. Since 2015, the CMS has allowed Medicaid funds to be used to assist homeless people and those with long-term disabilities in finding, applying, and maintaining permanent housing. Medicaid can potentially reimburse social services, such as job-search assistance and resources that assist with child-care costs and heating bills, so long as states request this and the Secretary of Health and Human Services makes such a determination through Section 1115 waivers. In addition, a percentage of any cost savings from a value-based ACO Medicaid model could be reinvested in the social safety net system to increase a state’s capacity to help additional individuals and families with their unmet social needs.7 With evaluations, researchers could measure the return on investment for such multisector SDoH care models, ideally looking at the potential for long-term total public savings.

Medicaid can also incentivize the design and implementation of effective practice strategies, such as the strengthening of care...
coordination and the colocation of community-based resources to address critical social, environmental, and behavioral needs. In Connecticut, a regional care-coordination collaborative model enables coordinators from diverse sectors to efficiently integrate their support for families and minimize redundancy. The CMS Integrated Care for Kids Model will require participants to integrate care coordination and case management across physical and behavioral health and other local service providers to provide child- and family-centered care. Pediatric advocacy should encourage support for such innovative new models of care as well as protect and augment the social safety net.

CONCLUSIONS

Promoting the optimal health and wellbeing of children through health care transformation demands a focus on addressing adverse social conditions. Value-based care can incentivize practices to screen for SDoH. However, such detection must respect the importance of families’ autonomy and priorities. Furthermore, detection must lead to helpful and desirable referral and linkage to a robust safety net of community-based programs and services. Medicaid policy at the state level, with federal approval when required, can strengthen the capacity of the social safety net by reimbursing SDoH interventions, reinvesting savings to expand social services, and engaging cross-sector collaborations. Despite formidable challenges, Medicaid provides a unique opportunity to advance an integrated, holistic system that promotes equity for US children.

ABBREVIATIONS
ACO: accountable care organization
CMS: Center for Medicare and Medicaid Services
SDoH: social determinants of health

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