Issue in Brief: Accounting for Social Risk in Medical & Social Service Payments in an Age of Value-Based Purchasing

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Why This Is an Important Topic to Address (brief description):

A mix of social, environmental occupational and economic factors collectively labelled the social determinants of health (SDH) have a greater combined influence on the morbidity and mortality of our patients than the services we deliver in traditional medical care. Addressing SDH can prevent illness and unnecessary services and produce better health. And yet, U.S. health care payments do not typically adjust for these factors to support related needs and services and do not support tools, teams, or delivery redesign needed to adequately address SDH. The 2014 IMPACT Act directed the US Secretary of Health & Human Services to review the evidence linking social risk factors with performance under existing federal payment systems and to suggest policy options. Most US states now require assessing and addressing social determinants in Medicaid contracts but most of these offer insufficient specificity or adjustment tied to accountability. And while there are several research studies and philanthropic demonstrations focused on addressing social determinants, there is little U.S. evidence available on which to build. Other countries, including England, have for decades routinely adjusted payments for health care and social services to account for neighborhood deprivation. These international examples, and related models in the US, have the potential to improve the effectiveness of value-based purchasing and health for the nation. There are several, related small-area SDH indices in the US with a growing amount of evidence of their relationships to important health outcomes, avoidable hospitalizations, and disease prevalence. These indices are potential candidates for meaningful and reliable health services payment adjustment.

What We Think We Know (Bulleted evidence + Seminal references):

- Place matters to personal and population health, and primary care sits at a critical juncture between the public health, health care, and community resources[1-3]
- The National Academy of Medicine and National Quality Forum both recommended inclusion of SDH in Electronic Health Records, and identified actionable SDH domains for inclusion in EHRs[4,5]
- Asking frontline practices to collect SDH from patients is a substantial burden and threat to reliability[6]
- Pathways to Integrating SDH into data systems but also Primary Care delivery pathways are being investigated and implemented[7]
- Neighborhood SDH are highly correlated with individual health risks and outcomes and offer a reliable, standardized way to adjust payments for the clinicians who serve them and offer a say for clinicians to identify patients at greatest risk who need those resources[8,9]
- England adjusts payments for SDH to adjust for patient complexity and cost but do not directly address SDH-related needs; however, England also adjusts social service payments to address need[10,11]
- Massachusetts adjusts payments using the Neighborhood Stress Score as well as individual measures of housing instability and behavioral health diagnoses; Minnesota is close to doing similar
- If SDH are used to adjust payments, there is implied intent to hold practices accountable but there is need to also adjust quality measures to avoid giving practices more resources but then penalizing them for outcomes of a complex patient population[12,13]

Implications for Action (In Research, Education, Policy, Practice and Organizational and Community Action):

Policy: Consideration of small-area based SDH indices as a mechanism for payment and quality measure adjustment in response to the 2014 IMPACT Act. Small-area based SDH indices can also be used as a mechanism for health system and/or neighborhood-level resource allocation, for individual patient-level resource allocation, programmatic targeting, and service eligibility determinations. This latter point can be especially important in promoting increased efficiencies for front-line providers in service-outreach efforts. Precision-level geographic approaches like these can also naturally enhance synergy and collaboration amongst the multitude of federal, state, local and private agencies that address social determinants of health.

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