

# NASEM Committee Meeting 4

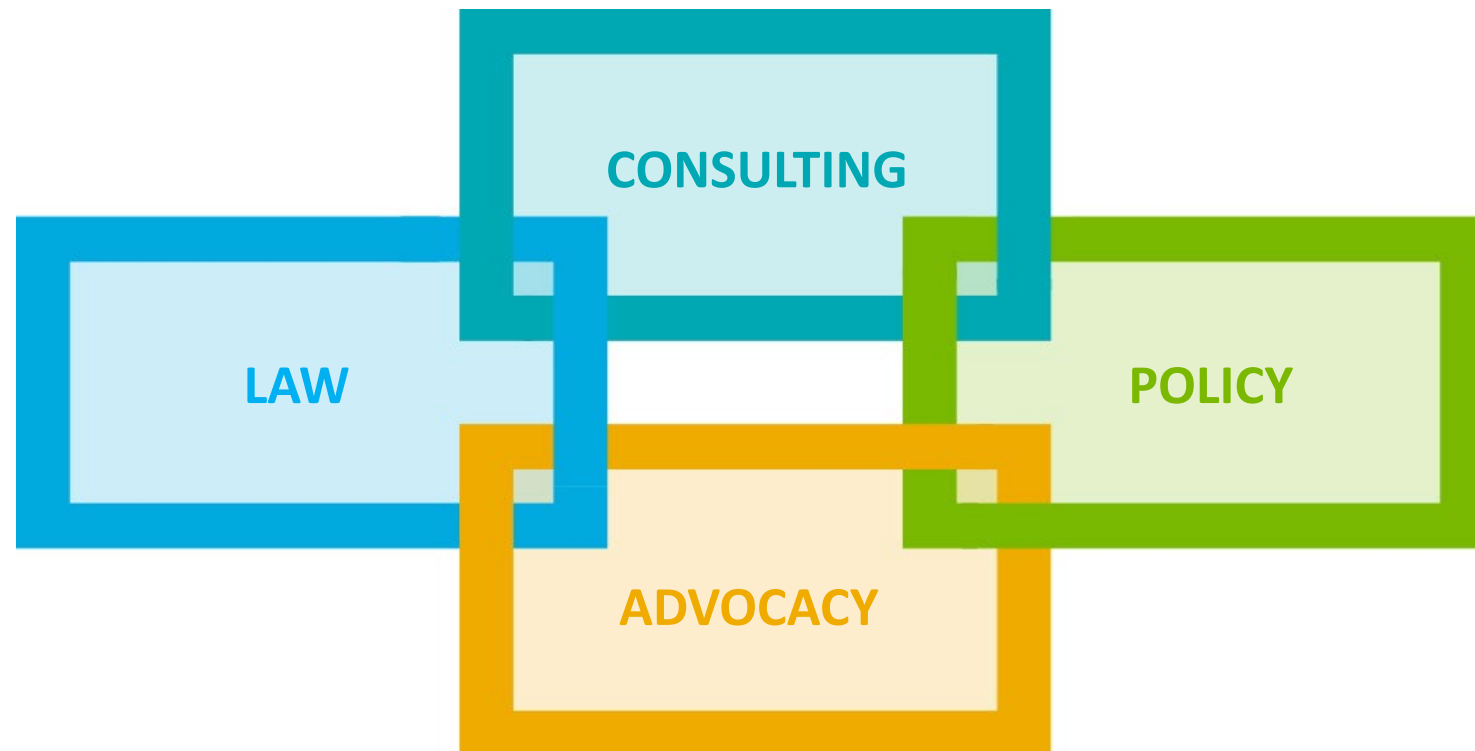
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# About Manatt Health

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**Manatt is a multidisciplinary, integrated national professional services firm that approaches client needs holistically, achieving business objectives through a suite of blended legal and consulting offerings.**



# Ensuring Coverage: Getting the Basics Right


**“Unwinding” PHE continuous coverage has identified new issues and laid bare some old issues**

- **Eligibility rules and systems:** Ensuring they are always up-to-date and accurate
- **Notices/communications with beneficiaries/applicants**
- **Reduce churning:** Continuous eligibility for children
- **Payment levels:** Eliminating disparities across and within payers

# Addressing Health-Related Social Needs (HRSN)

The most common strategy for addressing HRSN is through MCO contracts, typically requiring HRSN screening and referral to social services.

## Common Practices



 Screening or Assessing Population for Social Needs

 Referral to Social Services

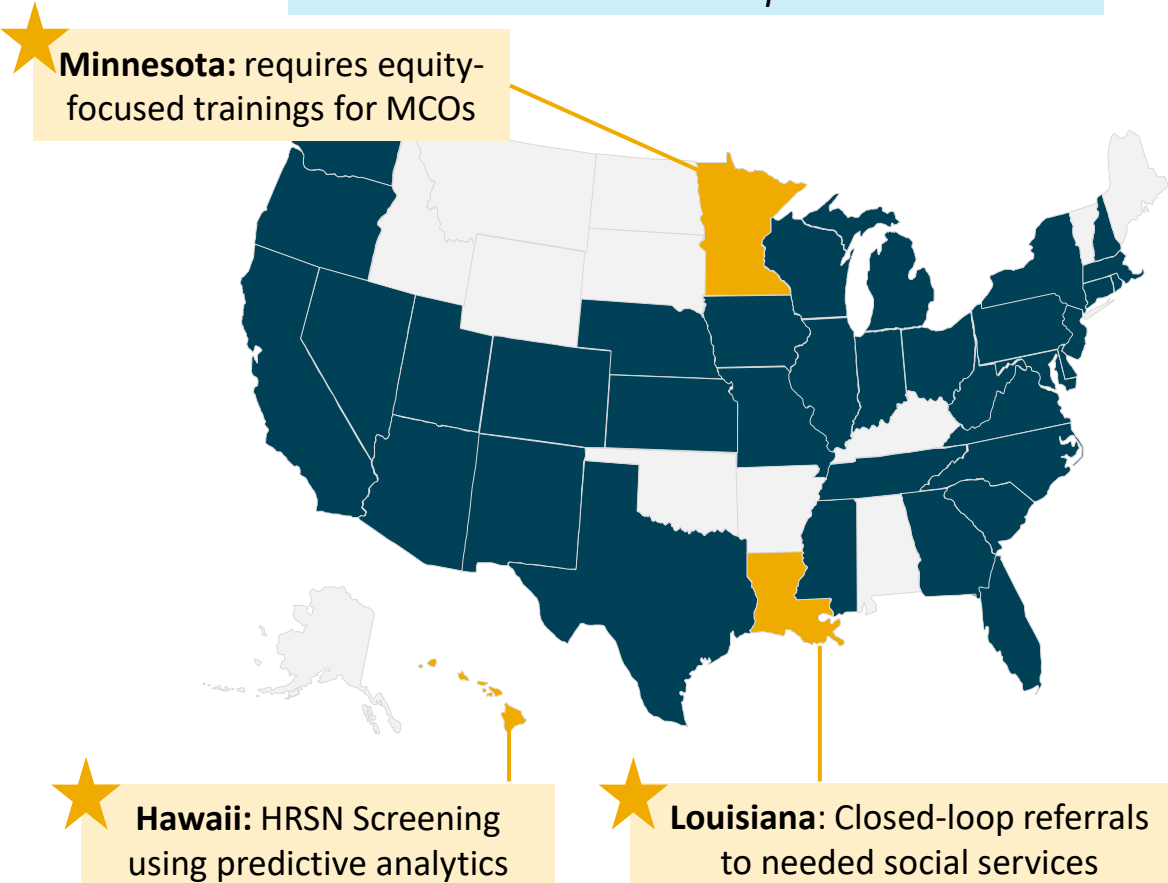
 Coordination of Social Needs

 Reporting on HRSN initiatives

### Key

-  = States with at least 1 HRSN provision
-  = Example State

## Select State Examples: Taking Common Practices One Step Further



## Common HRSN Domain: Housing

Housing continues to be the most common HRSN domain addressed explicitly in MCO contracts.



## Spotlight on Health Equity

States have increasingly included health equity related requirements in their MCO contracts. Requirements range widely such as training, reporting, hiring practices, and quality incentive measures.



# Deeper dive: Medicaid payment for HRSN services

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**To support equity goals and address “whole person” care, CMS has is offering greater flexibility to use Medicaid funds to address HRSNs under two different legal authorities**

**Section 1115 demonstrations** allow states to test and evaluate new features in their Medicaid programs, including paying for “HRSNs” and helping to build capacity of CBOs and other providers.

- New services permitted, “guardrails” imposed; states can but need not provide services as an entitlement

**ILOS regulatory authority** allows States to permit Medicaid managed care plans to pay for alternative services instead of standard Medicaid benefits when medically appropriate and cost-effective. ILOS are optional for health plans; no waiver is needed.

- Expansive definition of “cost effectiveness;” “guardrails” imposed; *if* offered by a plan, services must be provided to eligible members (i.e., an entitlement)

Sources: SMD 23-001 - ILOS ([medicaid.gov](https://www.medicaid.gov)); All-State Medicaid and CHIP Call December 6, 2022; New CMS Guidance on “In Lieu Of” Services ([shvs.org](https://www.shvs.org))

# Deeper Dive: CMS Has Broadened Its View of ILOS Authority

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Prompted by a request from California, CMS recently broadened its reading of allowable ILOS services and cost-effectiveness.



CMS recently approved **12 different services** in California under **ILOS authority**, including **asthma remediation** (i.e., making physical modifications, including moisture control interventions, ventilation improvements and other interventions to the home to prevent acute asthma episodes). Asthma remediation interventions are shown to reduce the proportion of children with asthma-related ED visits by 42% and urgent care visits by 37%.



## Preventive Services

ILOS services do not need to be an immediate substitute for a Medicaid service (i.e., ILOS can be preventive).



## Cost-Effective in Aggregate

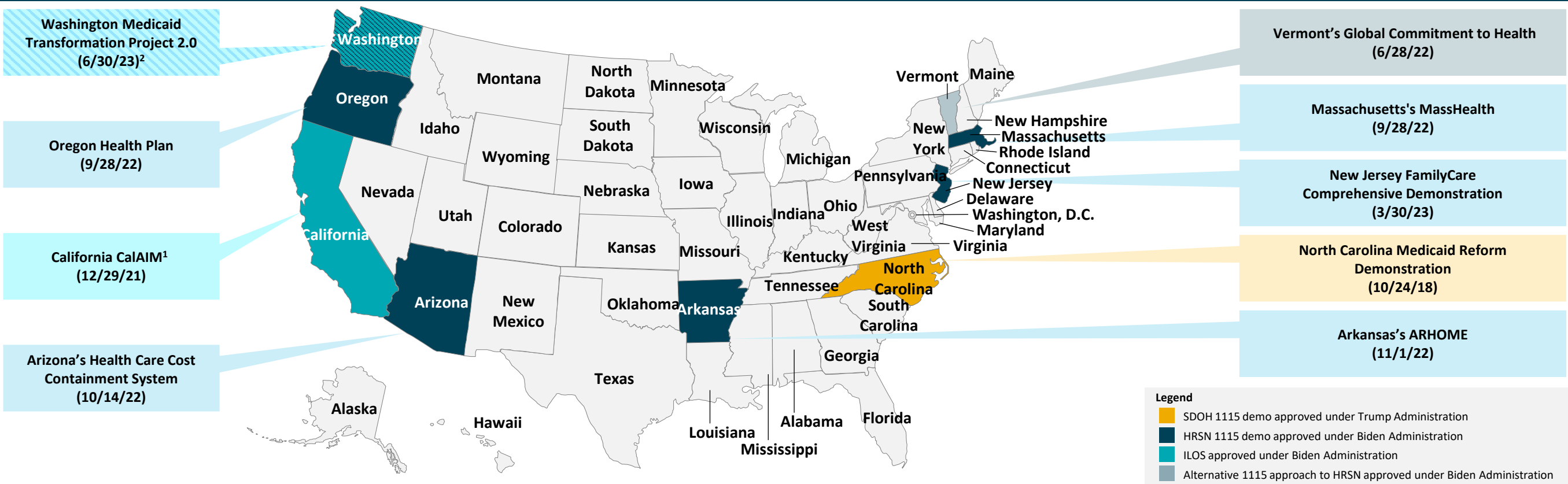
Services must be cost-effective in aggregate but do not need to be cost-effective on the individual level.

CMS expects states to demonstrate cost-effectiveness through evidence (e.g., pilot program or existing literature), and states will need to implement a process to monitor cost-effectiveness and document that services are medically appropriate.



# States Are Taking Advantage of New Flexibilities to Address HRSN and Advance Whole-Person Health

The Biden Administration has approved 1115 demonstrations in 7 states that take comprehensive approaches to advancing whole-person health by addressing HRSN; some states are also using “in lieu of” flexibility.










<sup>1</sup> While CA is primarily using ILOS authority to deliver services, it has 1115 authority for certain services

<sup>2</sup> WA is using both an 1115 demonstration and ILOS authority.

# New HRSN 1115 Waiver Framework: Flexibility to Use Medicaid to Finance Evidence-Based Initiatives and Capacity Building

HRSN services must be medically appropriate based on clinical and social risk factors. To support HRSN service providers, many of whom may not traditionally participate in Medicaid, states may receive federal matching funds to invest in and build HRSN capacity.

Allowable HRSN Services	
	Food
	Housing (including up to 6 months rent)
	Other health-related services with an evidence base for populations with clinical and social needs

HRSN Capacity	
	Technology costs
	Development of business or operational practices
	Workforce development
	Outreach, education, and stakeholder convening





As a condition of approving HRSN services and infrastructure funding, CMS has set certain requirements for states.

CMS set the following requirements in its HRSN framework:

Promoting cost-effective and targeted investments	Limits and requirements to ensure these investments are cost-effective and targeted and build on a strong foundation	Changes to budget neutrality
<ul style="list-style-type: none"><li>▪ Cap on allowable expenditures</li><li>▪ No supplantation</li></ul>	<ul style="list-style-type: none"><li>▪ Narrow Medicaid to Medicare payment rate gap (primary care, behavioral health, OB-GYN)</li></ul>	<ul style="list-style-type: none"><li>▪ Updated baseline budget neutrality calculation</li><li>▪ Savings rollover from prior demonstrations (up to 10 years)</li><li>▪ “Hypotheticals” to demonstrate budget neutrality</li></ul>



## Operational Issues and Bringing Children to the Forefront

- Much work to be done on integrating the HRSN and traditional health care teams
  - Organizational set up: “hubs” are gaining momentum
  - Data sharing, IT and privacy issues
- Outreach and participation challenges
- Reporting/evaluation is burdensome and not yet integrated with other outcome measures
- Investments for children requires a different value proposition
  - Investments likely to be cost effective but over time and across multiple sectors (not just health)

# Children's Health and Wellness Funds Can Address the Wrong Pockets Problem and Galvanize Support From Investors and Stakeholders

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**CHWFs can align stakeholder incentives and provide a foundation for investments that address SDOH for kids.**

- Funds can help leverage financing to address SDOH for kids by:



**Diversifies funding while leveraging the value different sectors/entities realize through interventions focused on children, therefore addressing the wrong pockets problem**



**Benefiting parties – along with families/ community partners – can share governance to achieve goals/mission (e.g., prioritizing investments, sustaining and broadening funding base)**







For more information on CHWFs, see: *Caring for the Whole Child: A New Way to Finance Initiatives to Improve Children's Health and Well-Being* (2020).

# Exploring Children Health and Wellness Funds

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**A CHWF is both an organizing strategy and a mechanism to collect and administer funding from different sources that can be used on SDOH initiatives for kids and families.**

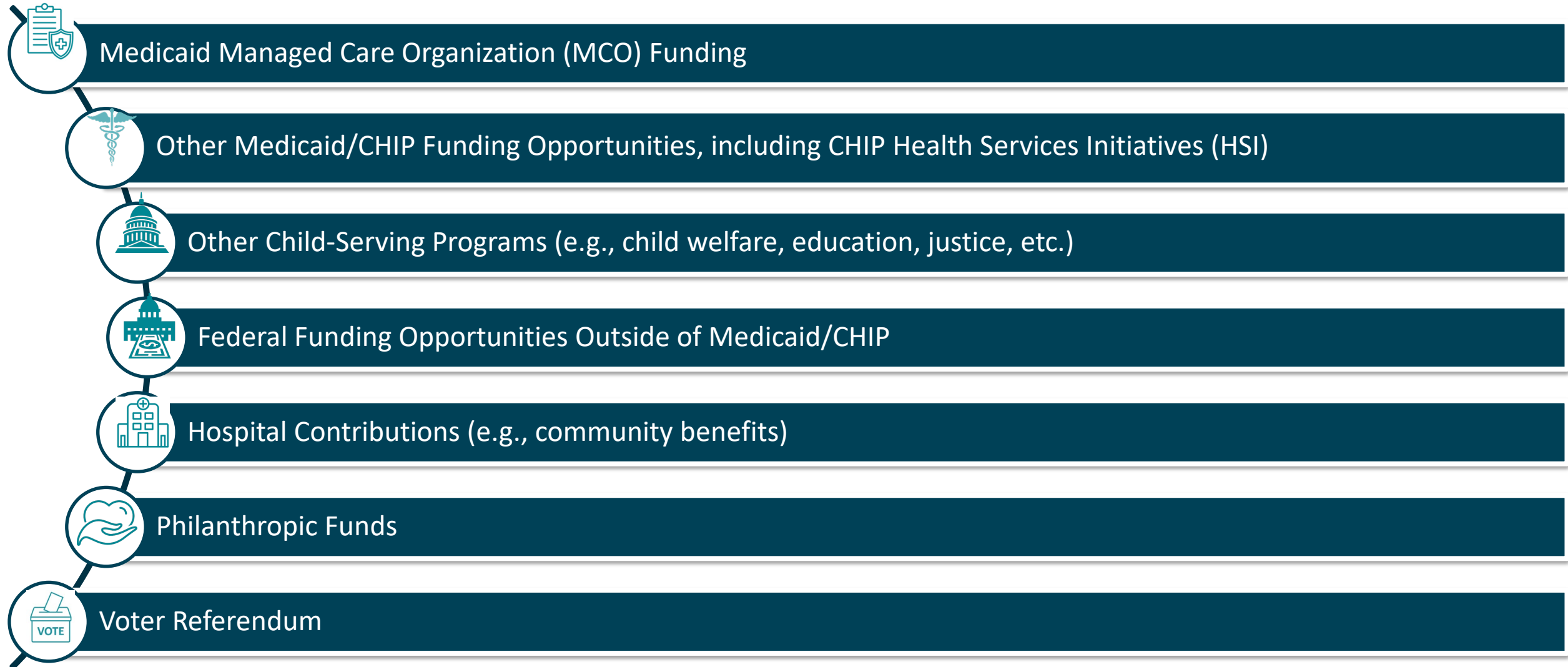
## **CHWFs Can Achieve the Following:**

-  **Bring together public and private stakeholders – including community leaders – to invest in social needs for children and families while addressing the wrong-pocket issue**
-  **Rely on multiple funding sources (can build over time) representing the different interests in healthier children and families**
-  **Advance health equity**
-  **Reduce fragmentation and duplication of services**
-  **Promote sustainability**
-  **Align with movement towards value-based payment (VBP) and shift towards integration of social services within healthcare**

For more information on CHWFs, see: *Caring for the Whole Child: A New Way to Finance Initiatives to Improve Children's Health and Well-Being* (2020).

# Potential Financing Sources for CHWFs

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*These funds can “stand alone” to finance services; some sources can be used as nonfederal share to claim federal match*