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## **Lack of Financial Incentives is a Barrier to Health Equity** ***New paper from Finding Answers offers five key strategies for payers***

CHICAGO (May 17, 2016)—Health care organizations have known for decades that minority and disadvantaged populations often have poorer health outcomes and receive less-than-adequate care. Yet 30 years after U.S. Health and Human Services Secretary Margaret Heckler issued a call to arms, health disparities remain as pressing a problem as ever. A new [paper](#) in the *Journal of General Internal Medicine* suggests that changing the way we pay for health care could help—if it's done right.

“Lack of financial incentives is a major barrier to achieving health equity,” writes Marshall Chin, MD, MPH, the paper’s author, and director of **Finding Answers: Solving Disparities Through Payment and Delivery System Reform**. Payers and providers today must juggle so many issues and metrics directly related to their bottom line that most are not making reducing disparities a priority, says Chin, the Richard Parrillo Family Professor of Healthcare Ethics at the University of Chicago. Health care organizations therefore need a business case for equity.

There are five ways that governmental and private payers can help, says Chin:

- 1) **Require health care organizations to report clinical performance data stratified by race, ethnicity, and socioeconomic status.** This enables payments based on reductions in disparities. It also allows providers to understand the immediacy of the problem and motivates them to solve it. “The vast majority of providers [want] to provide the best care to all,” writes Chin. “No clinicians want their patients to have worse outcomes based on their demographic characteristics.”
- 2) **Incentivize preventive care and primary care.** This means implementing more aggressive shared savings plans, in which providers bear some financial risk for poor health outcomes. It means paying more for primary care and preventive care, which is currently under-reimbursed, and encouraging partnerships between clinical and non-clinical sectors, such as urban planning and education, to address the root causes of health disparities.
- 3) **Incentivize the reduction of health disparities with equity accountability measures in payment programs.** Efforts to increase overall care quality don’t necessarily reduce disparities. The Centers for Medicare and Medicaid Services (CMS) and other payers that use quality measures for reimbursement must also explicitly incentivize *equitable* care and outcomes.
- 4) **Align equity accountability measures across public and private payers.** Efforts to reduce disparities will be stronger if public and private payers convene and decide on the best measures of equitable care. Care providers will then have a consistent set of expectations for most of their patients.

## Finding Answers

Solving Disparities Through Payment and Delivery System Reform

- 5) **Assist safety-net organizations.** CMS and other payers should support providers who care for the most disadvantaged populations with both financial and technical assistance.

Finding Answers, a national program of the Robert Wood Johnson Foundation, was created to understand why gaps in care persist and explore practical ways to achieve health equity. Its new initiative focuses on discovering how payment and delivery models can be designed to facilitate health care disparities reduction, and is currently funding three pilot projects involving health systems and payers partnering to improve health equity:

### **University of Washington, Oregon**

[The University of Washington](#) partners with [Advantage Dental Services](#) to target disparities in oral health outcomes and utilization for low-income pregnant women and children in several counties of rural Oregon. They are using pay-for-performance incentives and restructuring the care team to rely more on expanded-practice dental hygienists in community-based settings.

### **George Mason University, Virginia**

[George Mason University](#) partners with [Fairfax County](#) and Molina Healthcare, to target disparities in hypertension, diabetes and cervical cancer among a diverse, multilingual population at three safety-net clinics. They have recalculated their billing structure to incentivize care for these conditions, and whole care teams (not just physicians) receive performance incentives.

### **Icahn School of Medicine at Mount Sinai, New York**

[The Mount Sinai Hospital](#) partners with [HealthFirst](#) (a Medicaid managed care organization) to target disparities in postpartum care for low-income patients, using a social worker—who helps patients get care and manage chronic conditions; financial incentives for measures like timely follow-up; and non-financial incentives including clinician education and performance feedback.

The lessons learned by these partners will be shared widely to encourage others to implement their own payment reform efforts—and to encourage other funders to pilot projects of their own.

More information about the Finding Answers payment and delivery system reform initiative is available on the website: <http://www.solvingdisparities.org/reducing-health-care-disparities-through-payment-reform>

Click [here](#) to read the paper in the *Journal of General Internal Medicine*.

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### **About Finding Answers**

**Finding Answers: Solving Disparities Through Payment and Delivery System Reform** is a national program funded by the Robert Wood Johnson Foundation and based at the University of Chicago. The program is a cornerstone of the Foundation's strategy to reduce racial and ethnic disparities in health care. To learn more about useful tools and initiatives dedicated to eliminating disparities in health care, visit [www.SolvingDisparities.org](http://www.SolvingDisparities.org) and follow @FndgAnswers.