INTEGRATING PAYMENT AND HEALTH CARE DELIVERY REFORM TO REDUCE DISPARITIES

Recommendations for Health System Leaders, Payers and Policymakers

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Finding Answers: Solving Disparities Through Payment and Delivery System Reform, a national program of the Robert Wood Johnson Foundation, has been on a 13-year journey to learn—and teach others—what works to reduce disparities in health care. Through comprehensive reviews of interventions taking place across the United States and abroad, and the lessons learned by our 36 grantees, we developed core lessons for health care systems that wish to tackle disparities in the care they give. We created the Roadmap to Reduce Disparities, with detailed steps health care providers can follow. Yet one problem came up again and again for our grantees: conflicting priorities. Health care practitioners at all levels face a wide variety of quality metrics, assessment systems, accreditation and institutional requirements. It is difficult for them to devote the required attention and resources to disparities reduction efforts in the midst of these many other demands.

To make equity rise to the top, we must make a business case for it. Payment reform initiatives in the health care field—including the introduction of Medicare Access and CHIP Reauthorization Act (MACRA) reforms—provided fresh ground for experimentation. In 2014, Finding Answers funded three new grantee projects to test out combining payment incentives with care delivery changes to reduce disparities.

This field is new; so new that very few programs responded to our request for proposals, and few of the ones who did offered feasible plans. None tied payment incentives to an observed reduction in disparities. The three grantee projects we chose examined other ways of using payment incentives:

- **Mount Sinai Health System in Manhattan** partnered with Medicaid Managed Care provider Healthfirst to co-fund a social worker and patient navigator to ensure that low-income women who gave birth at Mount Sinai received a timely postpartum check-up (project led by the Icahn School of Medicine at Mount Sinai).
- **Advantage Dental**, a Medicaid dental health plan in rural Oregon, used field-based expanded-practice dental hygienists and a team incentive structure to reach low-income mothers and children (project led by the University of Washington).

- **The Community Health Care Network**, a safety-net health system funded by the Fairfax County Health Department in northern Virginia, used a team incentive—encompassing both care teams and front-office staff—to motivate improved care for non-Hispanic patients who were less likely to receive "high performance" care for cervical cancer screening, diabetes control and hypertension control than Hispanic patients (project led by George Mason University).

Preliminary Results and Lessons-Learned

While data are still being analyzed for all three interventions, preliminary results indicate that:

- Mount Sinai's intervention resulted in a 27 percent increase in postpartum visit rates among women on Healthfirst Medicaid plans. Initially, the project had tried to implement an incentive for its ob-gyn providers, which did not go into effect; the increase in postpartum visits therefore appears to be due to the work of the social worker and patient navigator, and the cost-sharing arrangement that made their positions possible.

- Advantage Dental was able to reach more low-income patients insured through the Oregon Health Authority. The project is still analyzing data to determine how much the team financial incentive might have affected quality measures. However, the ability to restructure care teams for improved effectiveness depended on flexible organizational funding from OHA.

- The Community Health Care Network saw a statistically significant increase in blood pressure control in the target population that decreased the disparity, but based on preliminary results, other measured disparities do not appear to have changed.

Among our grantees, several key lessons emerged about attempts to reduce disparities through payment reform. Some of these lessons were also demonstrated by previous grantees whose work did not include a payment component.

- **Designing and implementing effective financial incentives to reduce disparities has potential but is more complex than anticipated**. Financial incentives are information-technology-intensive to implement, and an incorrectly designed financial incentive system can have little impact, or can even discourage staff. Integrated payment and delivery reforms to address disparities need to be tailored to the patient population, community, organizations and settings. There is no one-size-fits-all answer.

- **There are many benefits of team-level incentives**. One of the advantages is that they can encourage integrated care management as team members strive toward a common goal.

- **Data management is critical.** Revealing and combating health care disparities requires sustained collection, integration and reporting of key demographic data, such as race, ethnicity and language (REL).

- **There are factors other than money that health care teams find motivating.** Seeing positive movement in reduction of a disparity and related quality of care measures, for example, may be more motivating to some health care team members than a financial incentive.

- **Patient navigators, social workers and others in similar positions can make a big difference in disparities—if their positions are funded**. **Especially if the positions are held by peers who share language, identity or heritage with a vulnerable group.** Flexible funding models and high-level commitment are necessary to ensure their success. Much work remains in changing policy and practice so that payers cover peer-based models.

- **Institutions, leaders, and individual team members must buy in.** Policy change and value-based payment systems can encourage health care leaders to prioritize disparities reduction in a sustained way—and make it financially viable to do so. They can also incentivize the hard work of culture change necessary to address disparities.
- **Providers and other health care team members are usually surprised to discover disparities in their patient care.** Once they find out, they are highly motivated to do something about it. New financial models might make it more possible to do so, especially when aligned with state Medicaid programs and federal policies.

We compiled more granular lessons-learned in a report for organizations interested in taking the next step in their own work. Click here to see the full report.

Recommendations

Based on our current and previous grantees' experiences, Finding Answers has compiled overall recommendations for health systems, payers and policymakers regarding the use of health care payment reform to promote disparities reduction. Top-line recommendations are as follows.

- In many cases, payment reform for equity initiatives **must incentivize the organization as a whole**, including its leaders and investors, not just the practitioners within the organization. While some disparities interventions may save payers or providers money in the long run, measuring, reporting and reducing disparities requires immediate commitment, infrastructure, experimentation and staff time. Programs must be designed from the earliest stages to not only support the resources needed initially, but also with

in-depth knowledge of what organization leaders view as key metrics to monitor and measure that will inform and encourage long-term sustainability.

- To help justify the organizational investments by providers, payer organizations—especially large payers such as state Medicare and Medicaid administrations—could **prioritize disparities reduction in their requirements for health plans**. Because safety-net systems often bear the costs of health and health care disparities, a focus on disparities reduction would likely prove to be both mission-driven and financially responsible. Future efforts must explore ways to incorporate disparities-reduction guidelines without negative side effects (for example, they should not overly burden safety-net health systems).
- Because there is no one answer that works to reduce all disparities, **incentive systems should be flexible and allow for experimentation and rearranging the care system** in whatever way is most effective.
- At every level, **improved data collection and management** are necessary for the wider adoption of disparities-reduction efforts.

Learn more about Finding Answers' work in payment reform at http://www.solvingdisparities.org/reducing-health-care-disparities-through-payment-reform.

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 disparities in health care. Health care disparities persist despite decades of documentation, leading to a greater toll on health for racial and ethnic minorities and other marginalized populations. Health care systems need tools, strategies and interventions to tackle these disparities. Finding Answers funds interventions, disseminates information on best practices, and develops tools to help providers take action on equity. **To learn more, visit www.SolvingDisparities.org, read our blog and follow @FndgAnswers on Twitter.**