

Contact: Denise Portner, dportner@steegethomson.com, 267-670-7010 (office) or 215-815-0451 (mobile)

Grant program reveals challenges in using payment reform to reduce health care disparities

(CHICAGO, IL, June 5, 2017) — A new paper in the June issue of [*Health Affairs*](#) describes health care providers' efforts to connect payment and delivery system reform with disparities reduction. Based on grant applications to [Finding Answers: Solving Disparities Through Payment and Delivery System Reform](#) between March and August 2014, the study reveals a major challenge for the field of health care equity: providers and payers are unsure how to tie payment and delivery reforms together in a way that effectively encourages health care organizations to address health and health care disparities.

Health care disparities persist despite decades of documentation, leading to a greater toll on health for racial and ethnic minorities and other marginalized populations. Previous interventions funded by Finding Answers, a program of the Robert Wood Johnson Foundation, have provided valuable lessons on health care interventions that can reduce disparities. Nevertheless, health care equity often gets lost amidst competing priorities.

"It's not surprising that health care systems and providers are consumed with a multitude of immediate regulatory, financial, and quality improvement concerns combined with the ongoing rapid pace of change in health care," said Scott Cook, PhD, deputy director of Finding Answers and one of the study's co-authors with colleagues at the University of Chicago. "We need to better understand how payment and delivery models can reliably be designed and integrated to reduce health disparities."

Finding Answers solicited applications from health care payers and providers throughout the United States for ideas about how to tie disparities reduction to payment reform. Forty organizations submitted proposals and three received funding. An analysis of the 40 proposals yielded insight into the landscape of payment reform and equity:

- A previous request for proposals — related to health disparities but which did not require a link to value-based payment reform — received 177 responses. The fact that this request received only 40 responses suggests that the current health care payment and delivery system is not prepared to integrate payment and health care delivery reforms to address inequities in patient care and health outcomes.
- While most applicants aimed to improve the care and outcomes of a vulnerable population, none of the 40 grant proposals initially linked payment incentives with an actual, measured reduction in disparities between patient groups.

Finding Answers

Solving Disparities Through Payment and Delivery System Reform

- Applicants were unclear about exactly how payment reform would affect providers' motivation to reduce disparities, despite specific requests for this information.

Researchers concluded that more demonstration programs that integrate care innovation and payment reform to achieve health equity are needed.

RWJF program officer Andrea Ducas concurred.

“The pace of change from volume- to value-based payment models in recent years has been remarkable,” Ducas noted. “Given how quickly health care providers are adopting these new approaches, it is critical for us to ask ourselves how alternative payment models advance equity, and where they might fall short. We are very interested in understanding how we can make sure new advancements like accountable care organizations and bundled payments can be designed to improve the quality of care for all patients.”

“Tying payment incentives to patient outcome measures is a potentially powerful lever for reducing health disparities,” Cook said. “We hope that the lessons learned by the current grantees will help inform future interventions and give providers and payers a basis for working together to reduce disparities.”

Information about the projects and a blog featuring lessons learned can be found on Finding Answers' [website](#) and is shared on Twitter (@FndgAnswers).

The three funded grantees are:

- George Mason University (Fairfax County, VA): Improving screening and disease management for diverse, multilingual patients at safety-net clinics in northern Virginia using team quality improvement incentives.
- Icahn School of Medicine at Mount Sinai (New York, NY): Ensuring postpartum care for Medicaid-covered, high-risk, mostly minority women in a New York City health system through physician incentives and coordinated care.
- University of Washington (rural counties in Oregon): Community-based oral health care for mothers and children in rural Oregon using expanded-practice dental hygienists, global budgeting and a team payment incentive.

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 and follow @FndgAnswers.

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