

Innovative Approaches to Addressing Social Determinants of Health for Medicare Advantage Beneficiaries

Fact Sheet August 2021

Medicare Advantage (MA) has been a source of innovation within Medicare since its inception, from introducing new benefits to pioneering payment and care delivery arrangements. In recent years, health plans have increasingly turned their attention to addressing beneficiaries' social determinants of health (SDOH), the non-medical factors that influence health outcomes.

Understanding and addressing SDOH in MA is essential because the MA population is lower income and more racially and ethnically diverse compared to Traditional FFS Medicare. As such, the MA population has a higher proportion of beneficiaries with social needs. Better Medicare Alliance's Center for Innovation in Medicare Advantage (CIMA) commissioned independent research from NORC at the University of Chicago to conduct expert interviews with health plans, providers, and community-based organizations (CBOs) to identify areas that are most impactful for Medicare beneficiaries. Below are key research findings.



33.7%

of beneficiaries in MA identify as a racial or ethnic minority, compared to **16%** in Traditional FFS Medicare.¹



52.7%

of beneficiaries in MA live below **200%** of the Federal Poverty Level, compared to **39.1%** in Traditional FFS Medicare.²

Research Findings



- **Recent policy changes within MA increased activity around SDOH.** Health plans can now offer additional supplemental benefits and services that are not primarily health related and that target beneficiaries with certain chronic conditions. The changes led to a dramatic increase in plan activity to address social needs and prompted new business and technology innovations.



- **Barriers within the Medicare program and the health care industry increase challenges in addressing beneficiaries' needs because:**

- Social needs exist outside the health care system, limiting a health plan's ability to address and coordinate services.
- Medicare payment policies complicate efforts to integrate social services into health care.
- Lack of timely data and difficulty sharing information result in an inability to identify beneficiaries' social needs.



- **Health plans have responded by making substantial investments in their operations to identify social needs and monitor program effectiveness.** Health plans have also deepened longstanding partnerships with CBOs and formed new partnerships with an emerging class of vendors to address SDOH.

¹ <https://bettermedicarealliance.org/publication/2021-state-of-medicare-advantage-report/>

² Id.

Policy Recommendations

The following policy recommendations maximize the ability of health plans to address the social needs of beneficiaries.

Data Sources and Beneficiary Identification:



- Strengthen guidance and add standards for collection of SDOH information. Going forward, CMS should seek to align data standards to create consistency across programs.
- HHS, state Medicaid agencies, and plans should share eligibility information on beneficiaries across social support programs. In addition, HHS should initiate efforts to streamline enrollment processes in social support programs and explore ways to provide relevant eligibility and enrollment information to health providers.
- Incentivize and promote the identification of social needs by health providers by encouraging the use of ICD-10 Z codes, which identify non-medical factors that influence health status.
- Support health plan and provider efforts to standardize SDOH data elements and data exchange protocols.

Interventions:



- CMS should permanently authorize Value-Based Insurance Design (VBID) authority to promote SDOH innovation in Medicare and investments in efforts that require multi-year continuity to achieve effectiveness.
- CMS should provide greater transparency into supplemental benefits for providers and beneficiaries by listing them in a standardized format on the Medicare Plan Finder and developing standard language that health plans can use in promoting such benefits.
- The Centers for Medicare and Medicaid Innovation (CMMI) should continue to develop innovation models that provide additional flexibility and encourage partnerships between medical and social programs to address SDOH.

Evaluation:



- CMS should consider ways to encourage the sharing of best practices by health plans, providers, and social support services to address SDOH within Medicare. CMS should make aggregate data available to health plans, researchers, and the public.
- CMS should work with the health care community to identify potential quality measures related to addressing SDOH within the Medicare program.
- CMS should explore adjusting MA payment in annual risk adjustment to include the assessment of social risk factors of plan beneficiaries.
- CMS should explore modifying MA Stars quality performance measures to account for social risk factors of plan beneficiaries.