



Value-based Payment Models: A Catalyst for Addressing the Non-Medical Factors that Influence Health

As the health care industry strives to provide excellent person-centered care, high quality clinical care is not enough; it is imperative also to address non-medical factors that influence health. Research shows that social determinants of health— the social and economic factors that impact health— account for up to 75 percent of health outcomes¹. Ultimately, this means that where we live, work, eat and unwind all greatly affect our health.

This is particularly true for vulnerable populations. Research by the Kaiser Family Foundation (KFF) found that social and environmental factors, such as economic stability, education, food security and housing account for at least 20 percent of premature deaths in the United States². It is critically important for providers seeking to improve the health outcomes of their patients to provide holistic care that acknowledges and addresses social determinants of health (SDOH), social risk factors, and social needs. Value-based payment (VBP) provides a powerful opportunity to help providers do this as community wellness and person-centered care are at the heart of VBP. Fee for Service (FFS) models do not create the proper incentives to address non-medical factors since they do not adequately reimburse providers for extending care beyond the providers' walls. By paying for health instead of volume of services, VBP will continue to be a powerful lever to encourage the health care industry to consider the impact of social determinants on the health of their patients and communities.

¹ <https://www.cdc.gov/nchhstp/socialdeterminants/fag.html#b>

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A provider participating in a value-based payment risk arrangement may partner with transportation services, including on-demand companies, to ensure at-risk patients have the transportation they need to make it to their appointments. Additionally, payers and providers are increasingly investing in housing for low-income and homeless individuals and partnering with community organizations that address food insecurity. VBP encourages and incents providers and payers to proactively identify the social risk factors and unmet social needs that pose a barrier or threat to an individual's health. Recognition of the need to address SDOH is increasing, according to a recent survey, 80 percent of payers believe that addressing the SDOH of their beneficiary populations will be a key strategy to improve their population health programs.³

Value-based care models are key to addressing SDOH and unmet social needs and promoting health equity. The Health Care Transformation Task Force (HCTTF) looks forward to continuing to push this important work forward with like-minded organizations. By continuously developing and disseminating strategy and policy recommendations, HCTTF sparks important discussion and idea sharing among its diverse group of members. Working alongside leading health care payers, providers, purchaser and patient organizations will ultimately help accelerate the movement toward more collaborative, holistic, and person-centered care that addresses the non-medical factors that influence health.

³ <https://healthpayerintelligence.com/news/80-of-payers-aim-to-address-social-determinants-of-health>