



Value-based Payment Models: A Catalyst for Addressing Social Determinants of Health (SDOH)

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 social determinants of health (SDOH). 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% 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 addresses SDOH. Value-based payment 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 SDOH since they do not reimburse providers for extending care beyond the providers' walls. As the health care system continues to move away from FFS, VBP will continue to be a powerful lever in addressing SDOH by paying for health instead of services.

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

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

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and incents providers and payers to proactively identify the factors outside of clinical care that pose a barrier or threat to an individual's health. For example, Accountable Care Organizations that take on risk for the whole patient, often hire health coaches and assign them to rising risk patients to address social determinants of health. As one Executive of an Integrated ACO described their process: "We have been doing daily huddles on any ACO patient admitted to the hospital. All the case managers jump in. We now know who's in the hospital. We run down them. Why are they there? What's going on? What's the plan?"³

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 way to improve their population health programs.⁴

Value-based care models are key to positively addressing SDOH and promoting health equity. As a member of the Health Care Transformation Taskforce (HCTTF), we look forward to continuing to push this important work forward and partner 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 SDOH.

³ <http://hcttf.org/2017-11-8-levers-of-successful-acos/>

⁴ <https://healthpayerintelligence.com/news/80-of-payers-aim-to-address-social-determinants-of-health>