Two Easy and One Hard

Brian Rosman
Health Care For All

Easy Topic 1: Prevention Trust

- 2012: Massachusetts working on comprehensive cost control and delivery system reform law
- Public health advocates team up with us to push for community-based, non-clinical prevention.


INVEST IN
PREVENTION
Payment Reform
Depends On It

Easy Topic 1: Prevention Trust

- Result: Prevention and Wellness Trust Fund
- Funded by 4-year, $60 million assessment on insurers
- Big grants to few local groups
- But – State wanted to show return on investment in 4 years, so less community prevention than we hoped

Easy Topic 2: Our HHH Coalition

- We convened Health, Housing and Food Security advocates – 33 groups
- Decided to focus on kids first ("children are our future")
- Result: One bill combining proposals from all 3 groups

Healthy Food, Healthy Homes, Healthy Children

The Hard One

Risk Adjustment and
Socio-Economic Status

-- WARNING --

What is Risk Adjustment?

Traditional Definition

A process of adjusting:

1. health plan payments, or health care provider payments, or premiums, or
2. quality measures

to reflect the health status of plan members.

Why Risk Adjust?
As we move away from Fee for Service, and to Capitated Payments . . .

- Adjust Payment:
  - reduce incentive to cherry pick healthier members
  - resources are available to pay for members with higher needs
  - avoid “death spiral”

Why Risk Adjust?
As we move to Pay for Performance . . .

- Adjust Quality Measures:
  - no penalty for enrolling sicker members
  - fair comparisons between providers

Why Comparisons Must Be Fair

The Issue:

- Should Risk Adjustment also include non-medical factors (socio-economic status) that we know influence health costs and health outcomes?
  - Individual
    - race, ethnicity
    - income, poverty
    - education, literacy
    - housing stability (homelessness, frequent address change)
  - Neighborhood
    - segregation
    - crime
    - availability of fresh food
    - community resources – public transit, social supports

First Issue: Adjust Payment for SES

- Already done crudely in Medicare via DSH adjustment
- General agreement to implement, as data becomes available
- Methodology issues are complex

Second Issue: Adjust Quality for SES

- Way more controversial
- Con:
  - Masks disparities, rather than expose them
  - Excuses lower quality care for poor as OK
- Pro:
  - Don't penalize providers for taking more low-SES patients
  - Allows fair comparisons

NQF Changes Its Mind

- 2004:
  Risk models should not obscure disparities in care for populations by including factors that are associated with differences/inequalities in care, such as race, socioeconomic status, or gender
- 2014:
  When there is a conceptual relationship between sociodemographic factors and outcomes or processes of care and empirical evidence that sociodemographic factors affect an outcome or process of care reflected in a performance measure, those sociodemographic factors should be included in risk adjustment of the performance score

Division in Our Ranks

For

- Community Catalyst
- Service Employees International Union

Against

- Consumer-Purchaser Alliance (composed of 33 consumer and purchaser organizations; incl. AARP, National Partnership for Women & Families)
- Consumers Union/Consumer Reports

An Ounce of Evidence | Health Policy

The blog of Ashish Jha — physician, health policy researcher, and advocate for the notion that an ounce of data is worth a thousand pounds of opinion.

Home About

Posted on **September 29, 2014**

Changing my mind on SES Risk Adjustment

https://blogs.sph.harvard.edu/ashish-jha/changing-my-mind-on-ses-risk-adjustment/

Jah's Synthesis ?

Goal of Performance Measurement	How to handle SES
Link performance to payment incentives	Use SES data to risk adjust*
Inform patient choice	Stratify data if possible
Motivate, target quality improvement	Use unadjusted data, and add stratified data

*only where patient characteristics are relevant