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State Medicaid Program Requirements for Community Reinvestment: Will They Improve Health?

January 14, 2025

In Gratitude

This webinar is made possible with support from Kaiser Permanente and the Robert Wood Johnson Foundation.

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Medicaid Community Reinvestment Requirements

- Part of state contracts with Medicaid managed care organizations (MCOs)
- Require MCOs to reinvest in the communities they serve
- Amount of reinvestment often based on a percentage of their profits
- Goal is to invest in strategies other than health care to improve community health
- Reinvestments often required to focus on social drivers of health or other key state goals

A growing practice

Source: Manatt, Community Reinvestment: Forging New Partnerships in Medicaid, 2024

Moderator

Erika Hanson, JD

Clinical Instructor, Center for Health Law and Policy Innovation, Harvard Law School

Panelists

Dana Flannery

Medicaid Director, New Mexico Human Services Department

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Director, Michigan Department of Health and Human Services

Emma Sandoe, PhD, MPH

Medicaid Director, Oregon Health Authority

Discussant

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Professor, Department of Health Policy and Management, Johns Hopkins Bloomberg School of Public Health and Johns Hopkins School of Nursing

For Today's Webinar

- The webinar is being **recorded** and a link to the presentation will be sent to all registrants and posted on our website when it is available.

- We welcome your questions and comments. Please use the **Q&A feature** to ask your questions. We will try to get to as many of them as possible.

Agenda

- Introductions to Medicaid community reinvestment initiatives in New Mexico, Michigan, and Oregon
- Introduction to research on community reinvestment
- Moderated panel discussion
- Audience Q&A

NEW MEXICO HEALTH CARE AUTHORITY - MEDICAID

COMMUNITY REINVESTMENTS AND OTHER LEVERS

TURQUOISE CARE GOALS

Vision

Every New Mexico Medicaid member has high-quality, well-integrated, person-centered care to achieve their personally defined health and wellness goals.

Goal 1

Build a New Mexico health care delivery system where every Medicaid member has a dedicated health care team that is accessible for both preventive and emergency care that supports the whole person – *their physical, behavioral, and social drivers of health.*

Goal 2

Strengthen the New Mexico health care delivery system through the expansion and implementation of innovative payment reforms and value-based initiatives.

Goal 3

Identify groups that have been historically and intentionally disenfranchised and address health disparities through strategic program changes to enable an equitable chance at living healthy lives.

MCO CONTRACT IMPROVEMENTS

Centennial Care 2.0 vs Turquoise Care

Area of Accountability	CENTENNIALCARE2.0	TURQUOISECARE
Provider Reimbursement Requirements	• Limited specificity on how providers should be reimbursed	• Required reimbursement **at or above the approved Medicaid fee schedule**
Performance Penalties	• Failure to meet Performance Measures = 2% of annual capitation. • Performance measures based on regional averages. • Failure to meet Delivery System Improvement Performance Targets = penalty of **1.5%** of annual capitation.	• Failure to meet Performance Measure targets = **3% of annual capitation** • Targets based on **national** averages. • Failure to meet Delivery System Improvement Performance Targets = **penalty of 2% of annual capitation.**
Minimum Medical Loss Ratio	• Medical Loss Ratio of **88%**	• Medical Loss Ratio of **90%** (MLR = the portion of capitation payments that are spent on clinical services and quality improvement. Federal requirement is 85%.)
Community Reinvestment	• Minimal requirements	• MCOs must contribute **5%** of after-tax underwriting margin (profit) to **BH-focused community reinvestments**

COMMUNITY REINVESTMENT AND VALUE ADDED SERVICES

COMMUNITY REINVESTMENT

The CONTRACTOR shall demonstrate a commitment to improving the State of New Mexico Medicaid program by contributing 5.0% of its (up to) 3.0% of after-tax underwriting gain to community reinvestments.

VALUE ADDED SERVICES

The CONTRACTOR may offer Value Added Services to its members that are not covered services.

EXAMPLES

- Infant car seats, portable infant cribs
- Prenatal education
- Home meal delivery
- Wellness centers
- After school youth activities
- Respite care
- Remote monitoring program for managing chronic health conditions
- Digital mental health programs
- Virtual health partners
- Traditional healing benefits
- Enhanced services through specialized care coordination
- Shower chairs
- After-school youth activities

VALUE ADDED SERVICE EXAMPLES

ACCUPUNCTURE

HOME DELIVERED MEALS

HEALTH CARE APP

HOME HEALTH CARE VISITS

TRADITIONAL HEALTH CARE

PEST CONTROL SERVICE

HEALTH CARE AUTHORITY

Investing for tomorrow, delivering today.

Community Reinvestment Through Medicaid Health Plans in Michigan

Director Elizabeth Hertel
Michigan Department of Health and Human Services
January 2025

MDHHS
Michigan Department of Health & Human Services

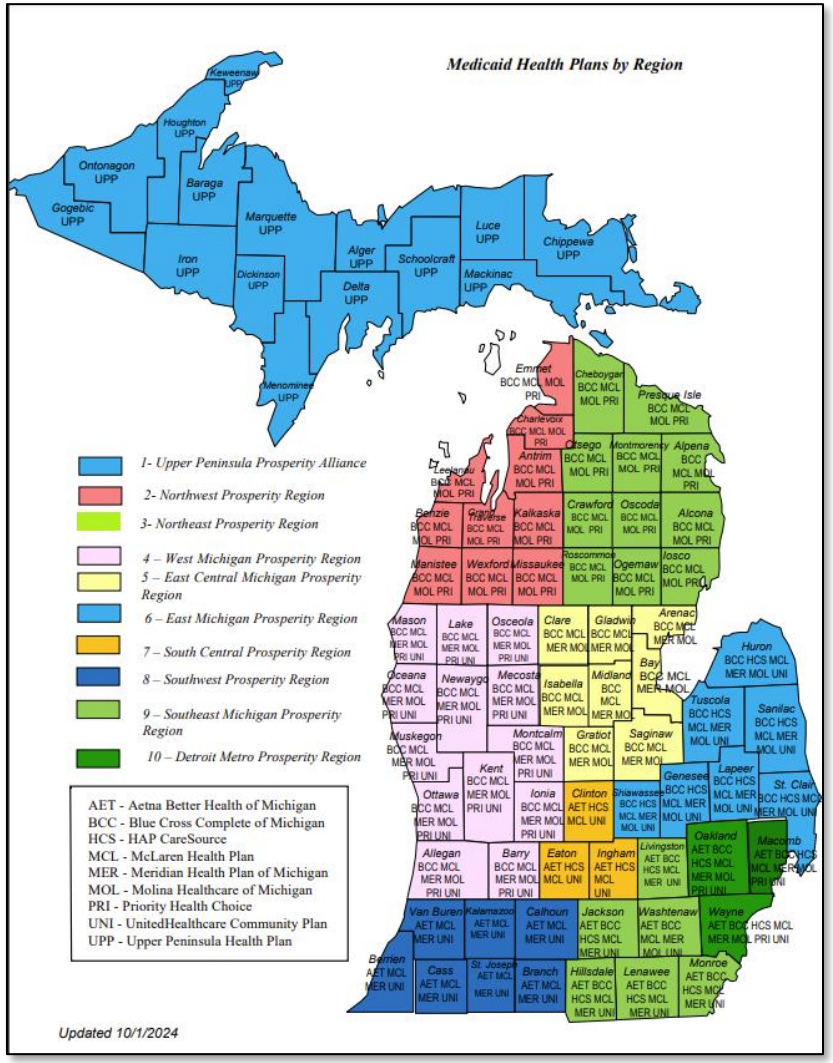
Medicaid in Michigan

MDHHS
Michigan Department of Health & Human Services

Total Enrollees:

2.6 million.

Medicaid Health Plans: Nine.



MIHealthyLife

MDHHS seeks to bring together the investment, creativity and commitment of the department and its partners – including health plans, providers and communities – to create a more equitable, coordinated and person-centered system of care dedicated to ensuring people a healthier future.

MDHHS
Michigan Department of Health & Human Services

MIHealthyLife

- July 2022: Survey launch for public input.
- Nearly 10,000 responses.
- Identified five pillars to guide Medicaid health plan rebid.
- Community reinvestment introduced as a new contract requirement.

Serve the Whole Person, Coordinating Health and Health-Related Needs.

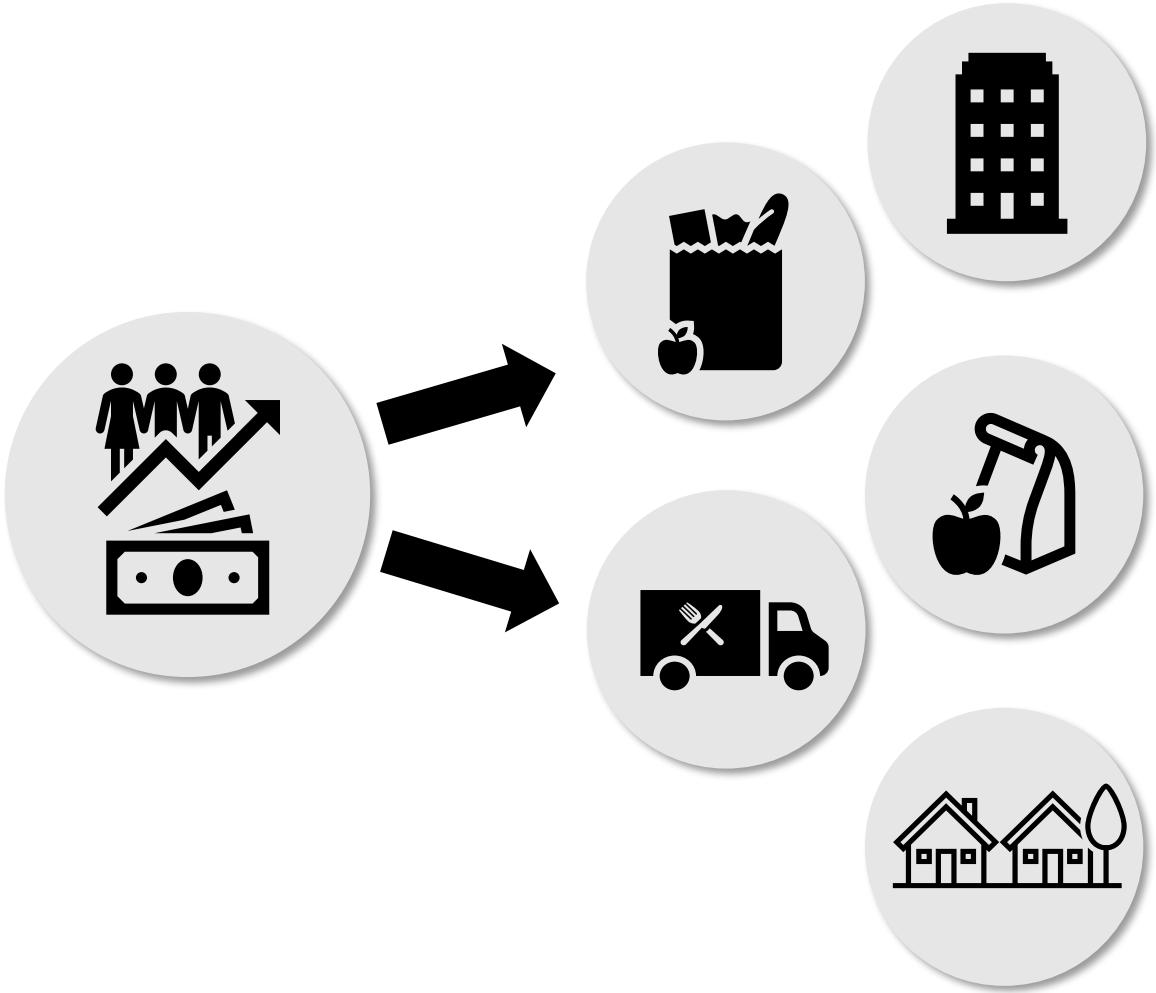
Give All Kids a Healthy Start.

Promote Health Equity and Reduce Racial and Ethnic Disparities.

Drive Innovation and Operational Excellence.

Engage Members, Families and Communities.

Community Reinvestment Requirements



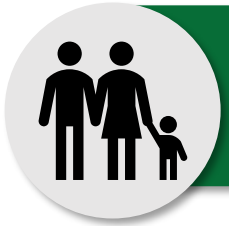
- Required to reinvest 5% of pre-tax profits into communities they serve.
- Primarily focused on food and nutrition:
  - A minimum of 60% of funds must be spent addressing food insecurity.
  - Remaining portion may address food insecurity and/or housing instability.

Encouraging Investment in Health

MDHHS
Michigan Department of Health & Human Services

Holistic approach to improving the health of communities.

Building and strengthening relationships.



Bridging the gap between health and human services.

Related Efforts

In lieu of services (ILOS)

- Food and nutrition-related ILOS:
  - Medically tailored meals.
  - Healthy home-delivered meals.
  - Healthy food packs.
  - Produce prescriptions.
- Community reinvestment can support capacity building efforts to offer ILOS.

Related Efforts

Michigan's Social Determinants of Health (SDOH) Strategy

- Health in All Policies (HiAP) framework and Interagency Workgroup.
  - Food donation and surplus recycling initiative.
- Food Delivery Service pilot.
- Good Housing = Good Health program.
- Transportation systems information exchange.

OREGON HEALTH AUTHORITY

Coordinated Care Organization Community Investments:

Health-Related Services and Supporting Health for All through Reinvestment

Health-related services overview

Health-related services (HRS) definition

HEALTH-RELATED SERVICES:

Services beyond members' covered benefits to improve care delivery, and member and community health and well-being.

FLEXIBLE SERVICES:

Cost-effective services for an individual OHP member. Complement covered benefits to improve health and well-being.

COMMUNITY BENEFIT INITIATIVES:

Population services for OHP members and the broader community. Focus on improving community health and well-being.

Includes health information technology (HIT) investments

More details in Code of Federal Regulations (45 CFR 158.150, 45 CFR 158.151) and Oregon Administrative Rule (OAR 410-141-3845)

Health-related services (HRS) examples

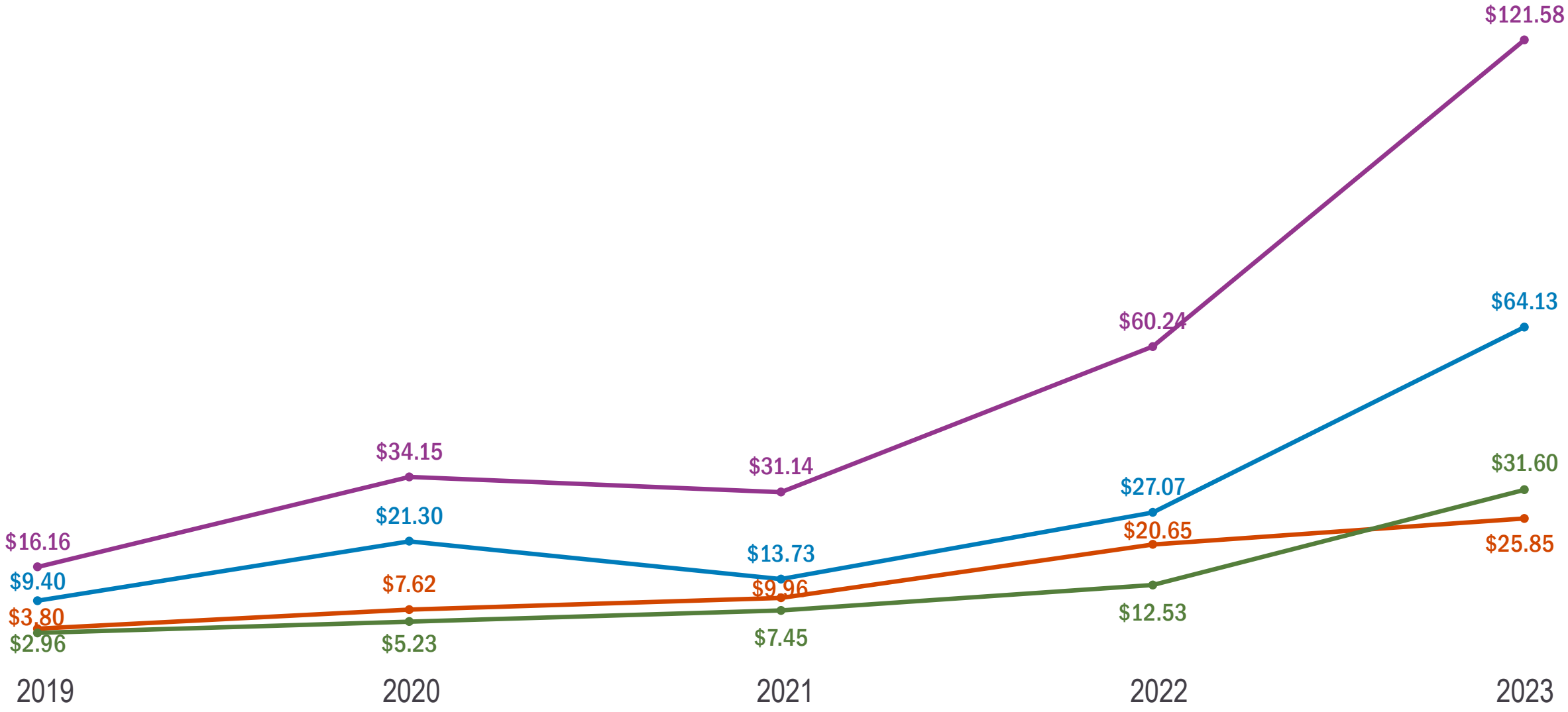
Flexible Services

Community Benefit Initiatives

Health-related services (HRS) key details

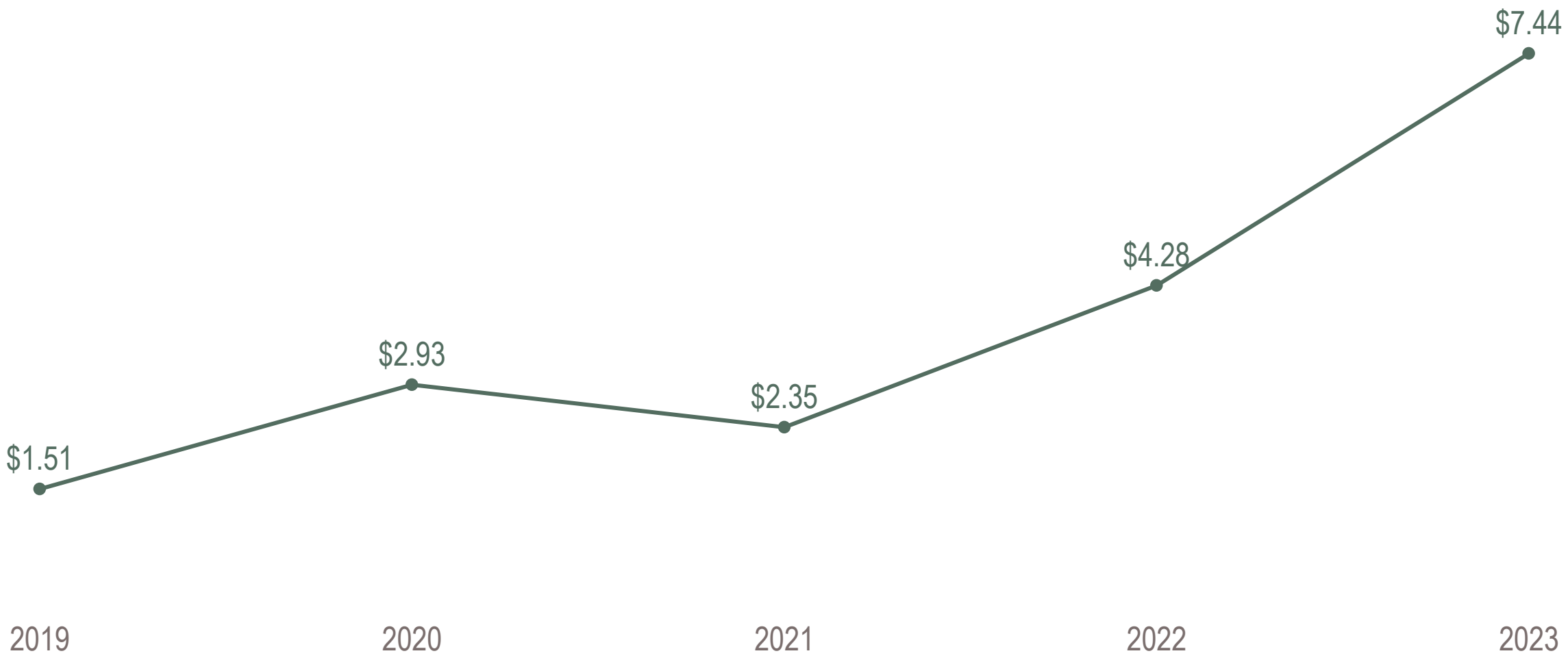
- HRS are services or items to improve member and community health that are **not covered under Medicaid**.
- CCOs are **not required to provide HRS** to either members or the community, but all CCOs do.
- CCOs use their Medicaid global budget to provide HRS. **There is no other funding source.**
- CCOs have **financial incentives** to spend on HRS.
- OHA retrospectively reviews CCO HRS spending data on an annual basis. **Accepted HRS spending is included in financial incentives.**

Total HRS (FS+CBI+HIT), **CBI** and **FS** spending in 2023 was more than double the amount in 2022 while **HIT** increased by a quarter*

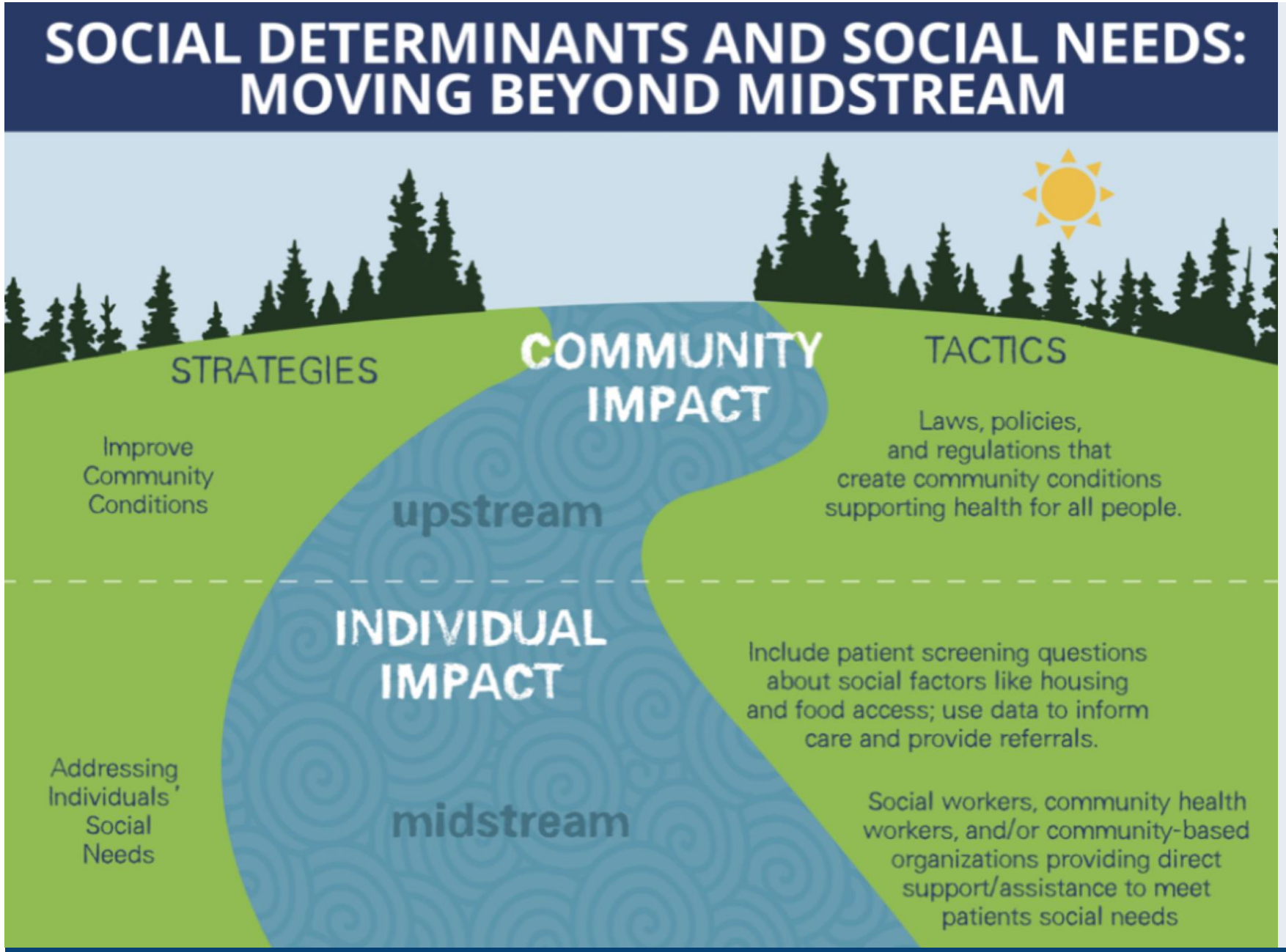


*All values shown are in millions of dollars

Average HRS per member per month in 2023 **increased by over $3**



Supporting Health for All through Reinvestment (SHARE) overview



SHARE Initiative

Primary goals

- Safeguard public dollars
- Improve member and community health by reinvesting "upstream"

SHARE spending must:

1. Support at least one of four **SDOH-E domains** and include spending toward the statewide priority **(housing-related services and supports);**
2. Align with community priorities from the CCO's **community health improvement plan;**
3. Fund **SDOH-E partners;** and
4. Include a decision-making role for the CCO's **community advisory council**.

SHARE examples (2023)

Topics (number of projects)

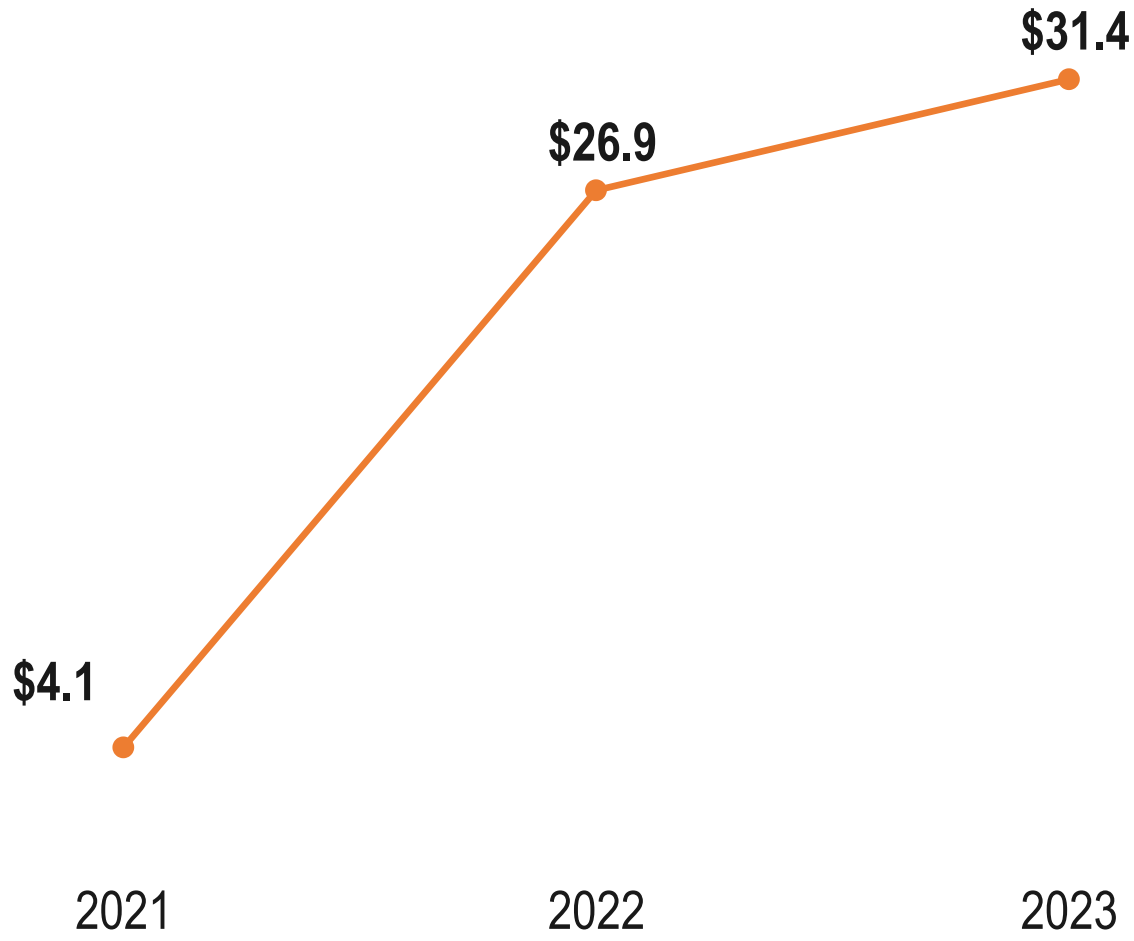
- **Housing** (64)
- **Food** (26)
- **Community well-being** (25)
- **Family education and support** (22)
- **Behavioral health** (17)
- **Other** (4)

Activities (number of projects)

- **Building organizational capacity** (staffing, operations, program expansion) (74)
- **Buying property** (land, buildings, vehicles) (41)
- **Improving property** (renovations, accessibility features, repairs) (23)
- **Workforce training, development** (9)
- **Data sharing and analysis** (5)

Reinvestment* in community (2021–2023)

- **>$63 million reinvested** in first three years
- **$36.8 million invested in housing** in first three years
- Amounts depend on CCO profits (for example, COVID reduced utilization so increased profits)



*All values shown are in millions of dollars

Who is supported through **which** pathway?

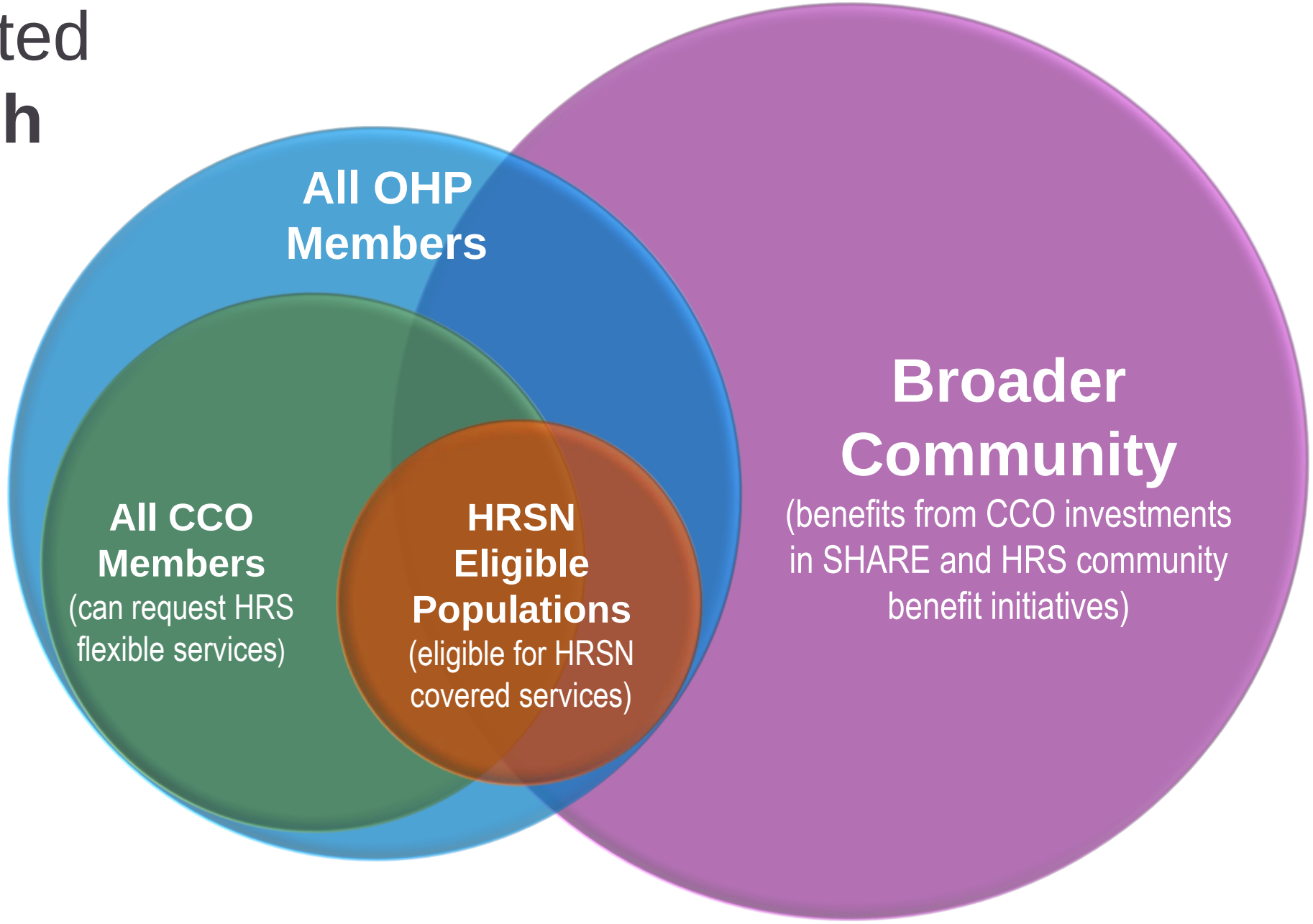
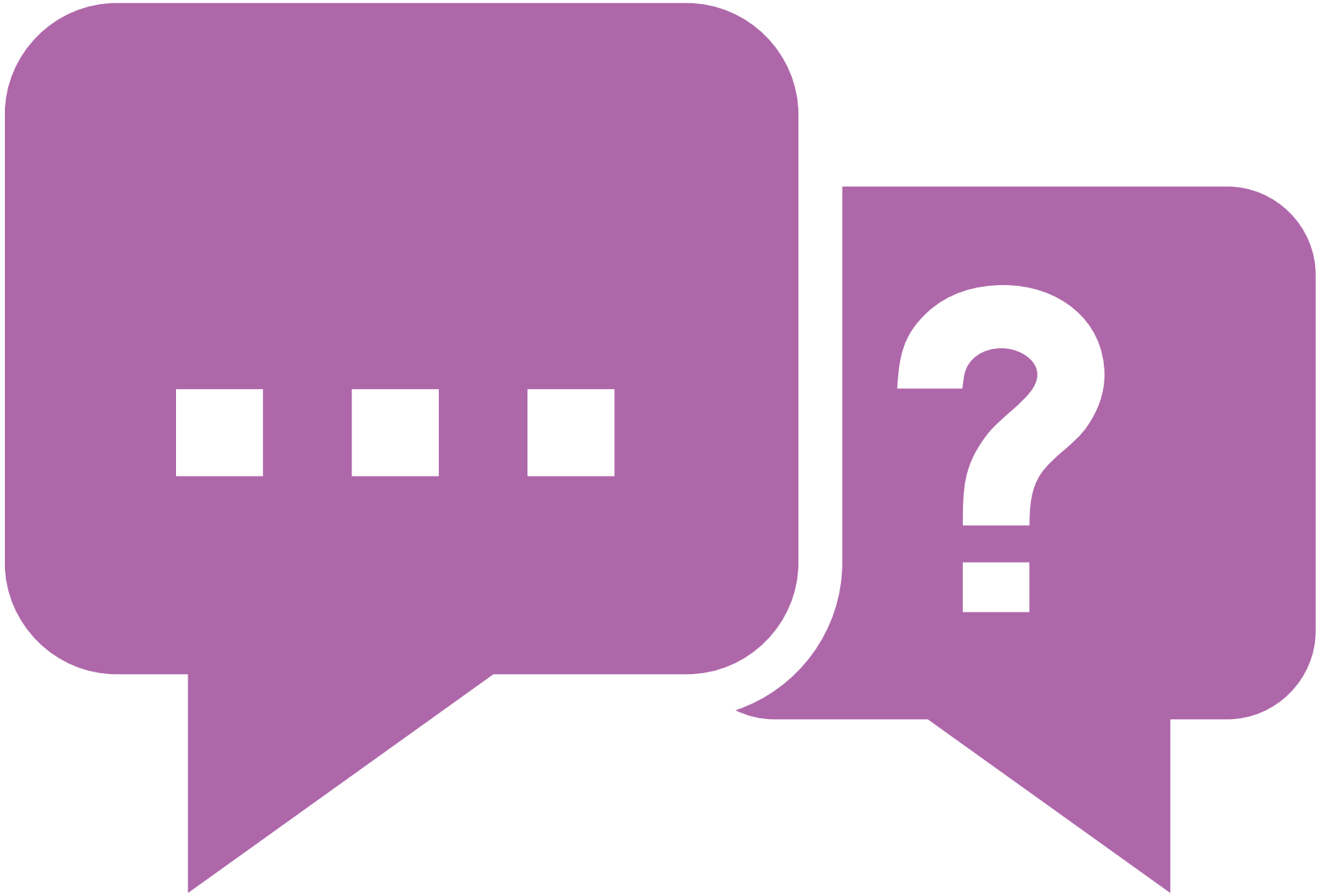


Image not representative of actual population sizes



Abbreviations

Health-related services	**HRS**
Health-related social needs	**HRSN**
Oregon Health Plan	**OHP**
1115 OHP Demonstration Waiver (2022-2027)	The **waiver**
Health information technology	**HIT**
HRS flexible services	HRS **FS**
HRS community benefit initiative	HRS **CBI**
Per member per month	**SHARE**

Background (SHARE)

- **State legislation**
  - 2018: House Bill 4018, Section 3, 1(b)(C) – Requires CCOs to spend a portion of annual net income or reserves that exceed minimum financial requirements on addressing health disparities and the social determinants of health consistent with the CCO's CHP.
  - 2019: Senate Bill 1041, Section 57, 1(b) – Modified minimum financial standards used to determine CCOs' SHARE participation.
- **Oregon Administrative Rule**
  - OAR 141-414-3735 – Set SHARE definitions and requirements, including formula used to calculate CCOs' minimum SHARE obligation.
- **Oregon Health Policy Board —** Set statewide priority area for SHARE (currently housing-related supports and services).
- **Medicaid Advisory Committee —** Created definition of "social determinants of health" and "social determinants of equity."

More information?

Contact

- HRS team: health.relatedservices@oha.oregon.gov
- SHARE team: Transformation.Center@odhsoha.oregon.gov.

Resources

- HRS webpage has CCO guidance and other HRS resources.
  - 2023 CCO HRS Spending Summary with more details about how much and how CCOs spent on HRS.
- SHARE webpage has CCO guidance and other SHARE resources.
  - 2023 SHARE spending plan summary

Research on Community Reinvestment

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Johns Hopkins School of Nursing
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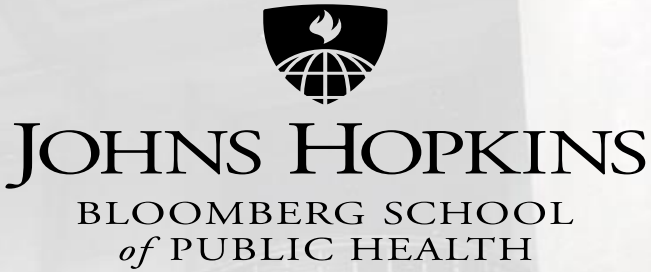


Why do research on community reinvestment

- Community reinvestment represents a way to facilitate conditions that support health and well-being

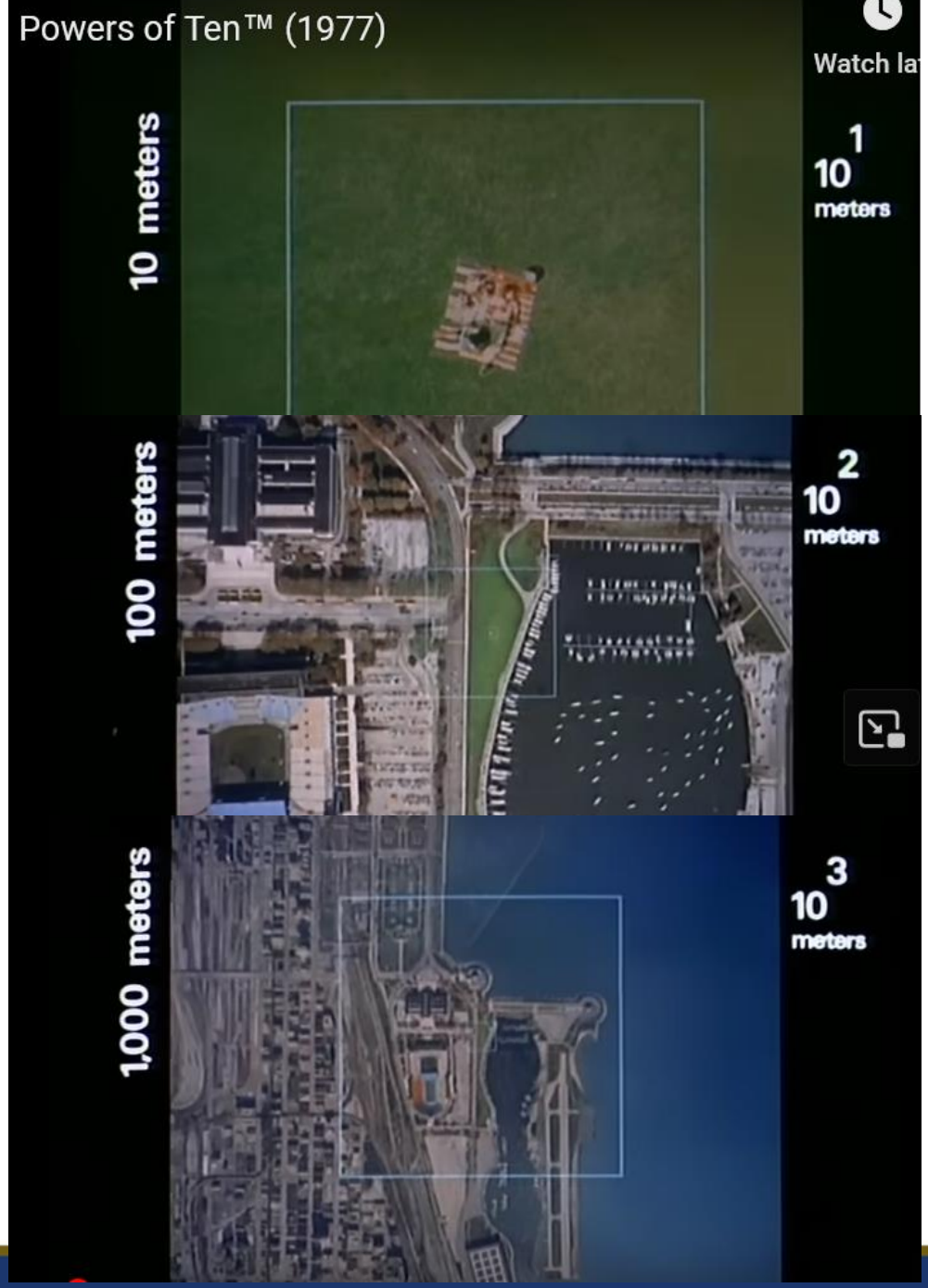
- Research can:
  - provide justification in states where such rules are already enacted,
  - help its spread to other jurisdictions, and
  - assist in maximizing investment's benefit

Framing thoughts (1)

1. Considering evaluation at the outset, especially in the setting of limited resources
2. Building trust takes time
3. Importance of multi-method and mixed method research
4. Working with community and policy advisory boards
5. Cost savings should not always be the goal

Framing thoughts (2)

5. Quantifying the benefits of individual investments
6. The sum of individual investments
7. Investment in the context of other initiatives
8. Building evidence across communities within and across states



Social Return on Investment (SROI)

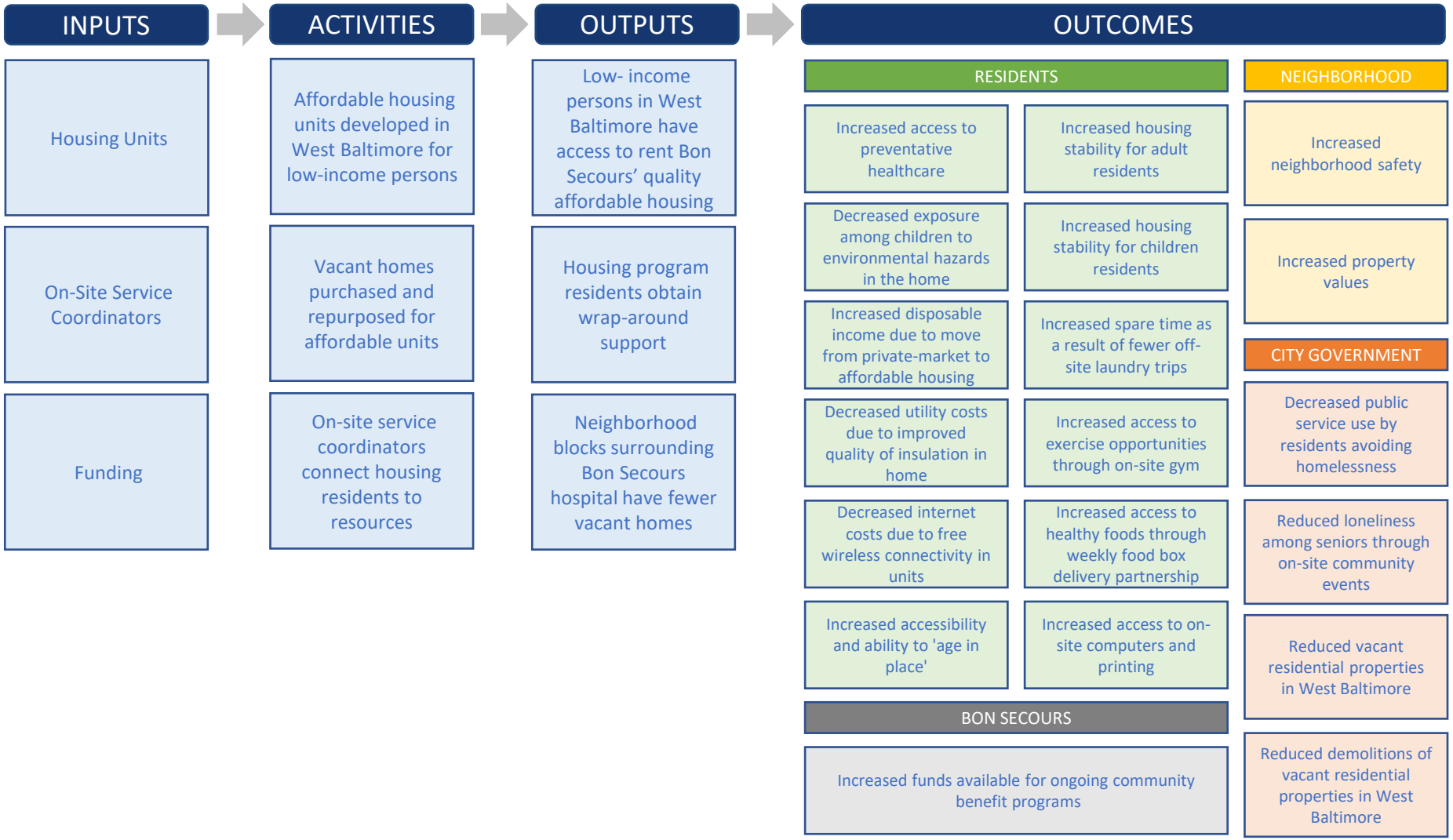
- Framework for valuing the broader social, economic, and environmental benefits generated by a program
- Uses impact or logic model to identify causal relationships between program inputs, activities, outputs, and outcomes across all relevant stakeholders
- Assigns monetary rates to all outcomes, even those that otherwise lack acknowledged market value
- SROI ratio = (Present value of social benefits) ÷ (Input costs invested)

Bon Secours' Affordable Housing Program

- Bon Secours has been investing in affordable housing since the 1990s
- 801 units of high-quality affordable housing at 12 properties across West Baltimore, serve low-income individuals, families, persons with disabilities, and seniors
  - On-site service coordinators provide wrap-around support to residents
  - Properties equipped with on-site amenities for the residents (e.g., WIFI, computer lab, gym, in-unit washers and dryers, social events, etc.)

Drabo E, Eckel G, Ross S, Brozic M, Carlton C, Warren T, Kleb G, Laird A, Pollack Porter K, Pollack CE, *Health Affairs*, 40, (2021): 513-520

Housing Program – Logic Model



https://housinghealth.org/

cpollac2@jhmi.edu

Panel Discussion