HCPLAN
Health Care Payment Learning & Action Network

HEAT
HEALTH EQUITY ADVISORY TEAM

Advancing Health Equity Through APMs

Guidance for Equity-Centered Design and Implementation

CTC-RI Clinical Strategy Committee Meeting

February 18, 2022

Call To Action: The Health Care Payment Learning & Action Network (LAN) calls on private and public payers, purchasers, providers, community-based organizations, individuals, families, and their communities, and other relevant stakeholders to come together to eliminate health inequities. **The LAN encourages these groups to begin incorporating design elements that advance health equity into new and existing Alternative Payment Models (APMs)** in an aligned manner.

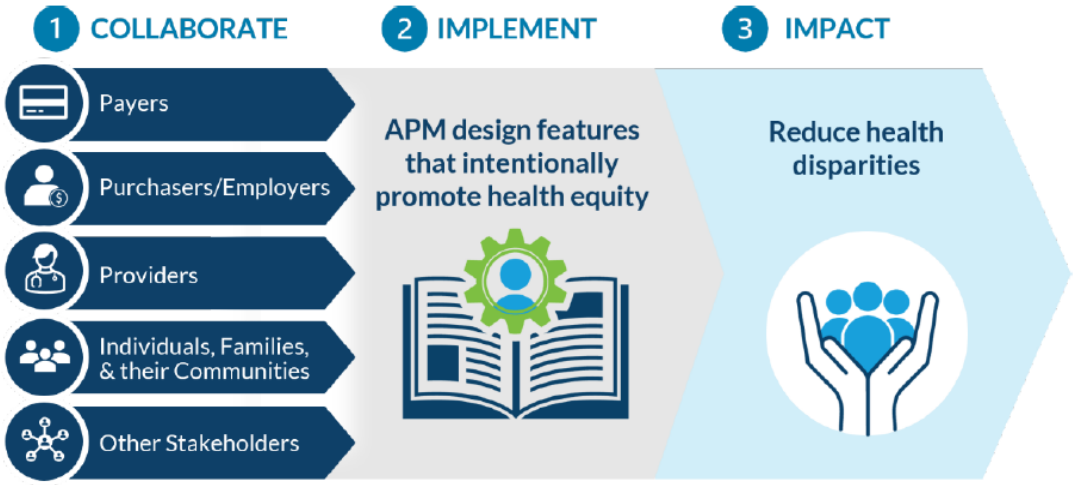
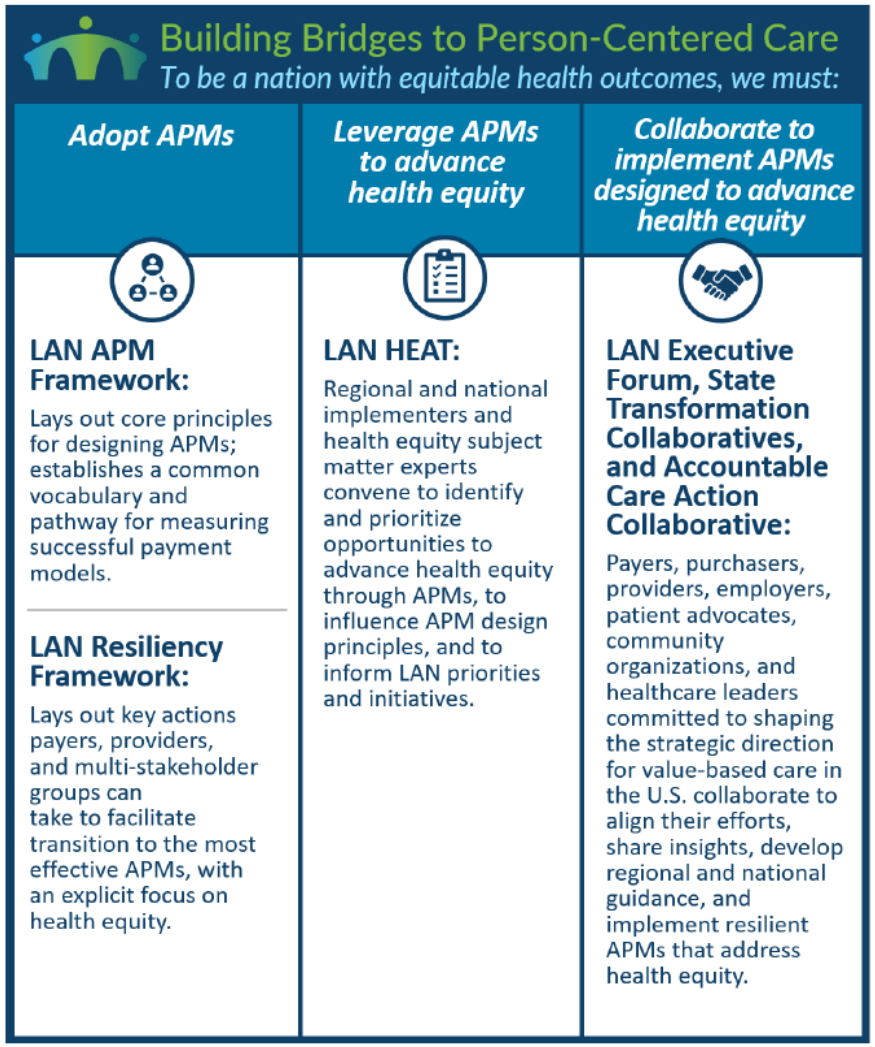


Figure 1: Call to Action to Eliminate Health Inequities

- **Payers and purchasers** can adopt promising design elements into APMs in an aligned manner to maximize provider uptake and the positive impact of APMs on health equity.
- **Providers** participating in these APMs can make changes in care delivery that will enable them to advance health equity in a way that is flexible and aligned with their mission.
- **Individuals, families, their communities**, and other relevant stakeholders can work with payers, purchasers, and providers to ensure changes in health care delivery and payment through APMs reflect their needs and preferences for change.

Background



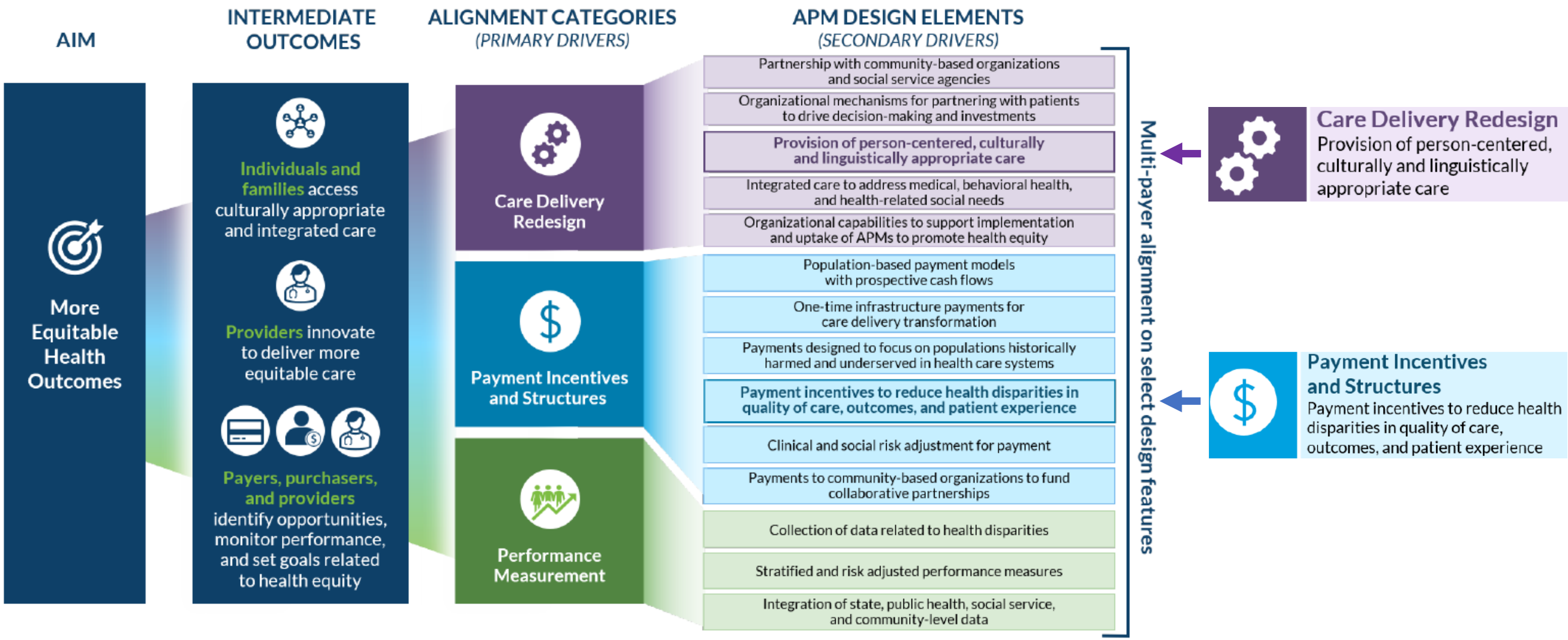
Definition: To guide this work, the HEAT defined health equity as the attainment of the highest level of health for all people. Achieving health equity requires valuing everyone equally with focused and ongoing societal efforts to address avoidable inequalities, historical and contemporary injustices—which includes systemic racism— and the elimination of health and health care disparities (adapted from Healthy People 2030).

Theory of Change: Alignment Categories For APMs Advance Health Equity

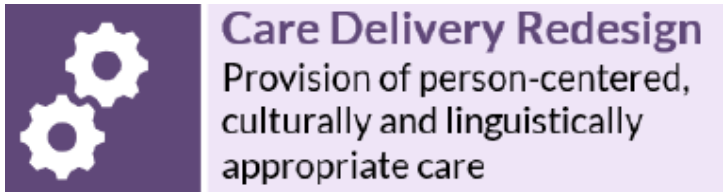
Figure 3: APM Features that Can Drive More Equitable Health Outcomes

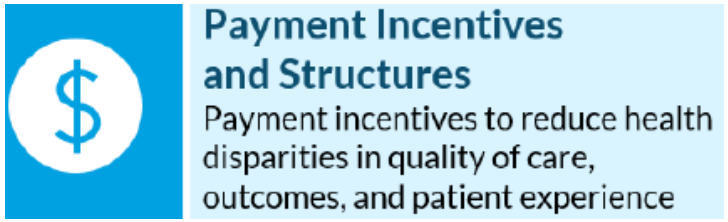
- **Hold provider organizations accountable** for delivering better care and achieving better health outcomes for all people;
- **Give providers greater flexibility** to deliver whole-person care, consistent with each individual's community, culture, and identity; and
- **Increase accessibility and use** of effective, appropriate, and affordable care and services.

Theory of Change: Design Elements to Advance Health Equity



Theory of Change: Guidance Initially Focuses On Two Design Elements





- There are **14 design elements** that LAN stakeholders can incorporate into APMs to help advance health equity
- **Adoption will take time** due to a variety of important factors, including payer and provider capacity, the availability of complete and accurate demographic data, and access to health and social services
- To provide stakeholders with a **starting point for action**, Advancing Health Equity through APMs offers **guidance on how to operationalize two design elements** within the alignment categories of care delivery redesign and payment incentives and structures
- These two design elements were **selected based on** their potential for **impact, necessity, and feasibility**
- Over time, the **LAN plans to develop additional guidance** for other design elements and incorporate these into Advancing Health Equity through APMs.2

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Care Delivery Redesign
Provision of person-centered, culturally and linguistically appropriate care

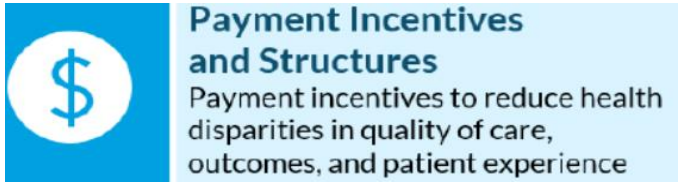
Design Element 1 – Designing Provision Of Person-Centered, Culturally and Linguistically Appropriate Care

APM contractual terms set expectations for:

- Encouraging and **enabling person-centered, culturally and linguistically appropriate care** that integrates physical, behavioral, oral, and social health; treats people with dignity and cultural sensitivity; and prioritizes promotion of health equity.
- Incorporating a **diverse (e.g., racial diversity, diversity in lived experience) and expanded health care workforce** in collaboration with CBOs to provide services relevant to the needs of populations experiencing disparities.
- **Measuring adoption of person-centered, culturally and linguistically appropriate** care practices, with a focus on patient-reported outcomes and experiences, using a parsimonious set of aligned measures to minimize provider burden.

Payments from payers to providers to support care delivery redesign includes both:

- **Time-limited, upfront payments** to support capacity-building; and
- **Prospective, population-based payments sufficient to support services** designed to advance health equity via an expanded health care workforce.



Design Element 2 – Designing Payment Incentives To Reduce Health Disparities In Quality Of Care, Outcomes, and Patient Experience

APM methodologies are modified to:

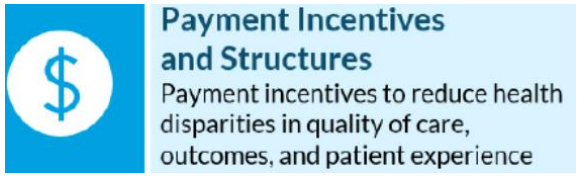
- Create **accountability for more equitable health outcomes**, including meaningful rewards for both reducing health disparities and achieving performance benchmarks.
- Health equity performance represents a **significant percentage of a provider's overall quality score**; and
- Prospectively paid primary care/population health APMs, shared savings rates, and other performance-based payments are **adjusted upward or downward based on improvement and achievement**.

Support historically under-resourced providers:

- An **additional equity pool, available only to providers who have been historically underfunded** and serve low-income populations in areas of high social vulnerability, rewards improvements in health equity (independent of adjustments to prospectively paid budgets or shared savings rates they would otherwise receive);
- A **time-limited, upfront payment to support capacity building** and practice transformation is part of prospectively paid primary care/population health APMs and shared savings/risk models; and
- Ensure **payments adequately cover patient care costs**.

Priorities For Multi-Payer Alignment

- Develop a mutual **understanding of the services and staffing approaches** that promote person-centered, culturally and linguistically appropriate care.
- Develop an **aligned set of monitoring measures** to reflect person-centered, culturally and linguistically appropriate care, and meaningful care delivery redesign.



- Adopt one **aligned health equity performance measure set**, stratified by race, ethnicity, language, and other characteristics, to assess health equity performance (i.e., the health equity performance measure set), which reflects the most substantial health disparities in the relevant state or region.
- Adopt a **common methodology to measure the size of health disparities** and year-over-year changes. This methodology must measure disparities by self-reported race, ethnicity, and language; and preferably disparities by disability status, sexual orientation, gender identity, and geography.

Overarching Guidance For Designing And Implementing APMs To Advance Health Equity

How stakeholders implement these APM changes is key—**it is insufficient to incorporate these changes into contracts without making additional efforts** to ensure the success of APMs to advance health equity.

- ✔ Adopt an **aligned definition** of health equity
- ✔ Partner with communities and **analyze root causes**
- ✔ Partner with and **support individual providers and other staff** to help them understand existing health disparities and make the necessary changes to address these disparities and advance health equity
- ✔ Modify contracts and include incentives to **foster accountability**
- ✔ Develop a **plan for monitoring** and addressing any unintended negative consequences

  APMs frequently do not function as designed; in the past, some APM design elements have unintentionally penalized providers serving communities of color, encouraging providers to avoid caring for individuals who have complex needs, potentially exacerbating health disparities

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Overarching Guidance For Designing And Implementing APMs To Advance Health Equity

Payers Can:

- ☐ Incorporate the *Advancing Health Equity through APMs* guidance into new and existing APM arrangements and contracts with provider organizations and others, including CBOs.
- ☐ Align health equity APM approaches with other payers and purchasers to drive adoption among providers.
- ☐ Develop and strengthen ongoing partnerships with individuals and communities to guide health equity goals and strategies.
- ☐ Adjust performance-based compensation to reward leadership and staff for improvements in health equity.
- ☐ Monitor and address unintended consequences.

Purchasers Can:

- ☐ Modify contractual value-based payment requirements with payers and providers to incorporate the *Advancing Health Equity through APMs* guidance into new and existing APM arrangements with providers.
- ☐ Modify payers' contracts to include measurable goals for reducing health disparities, using an aligned set of health equity performance measures (ideally across purchasers and payers).
- ☐ Adjust performance-based contract incentives to reward payers for achieving health equity goals.
- ☐ Develop and strengthen ongoing partnerships with individuals and communities to guide health equity goals and strategies.
- ☐ Monitor and address unintended consequences.

Provider Organizations Can:

- ☐ Incorporate the *Advancing Health Equity through APMs* guidance into new and existing APM arrangements with payers and others, including CBOs.
- ☐ Collaborate and contract with CBOs to build a person-centered, culturally and linguistically appropriate workforce.
- ☐ Adopt new practices to provide person-centered, culturally and linguistically appropriate care.
- ☐ Develop and strengthen ongoing partnerships with individuals and communities to guide health equity goals and strategies.
- ☐ Adjust performance-based compensation to reward leadership and staff for improvements in health equity.
- ☐ Monitor and address unintended consequences.

Individuals, Families, and Their Communities Can:

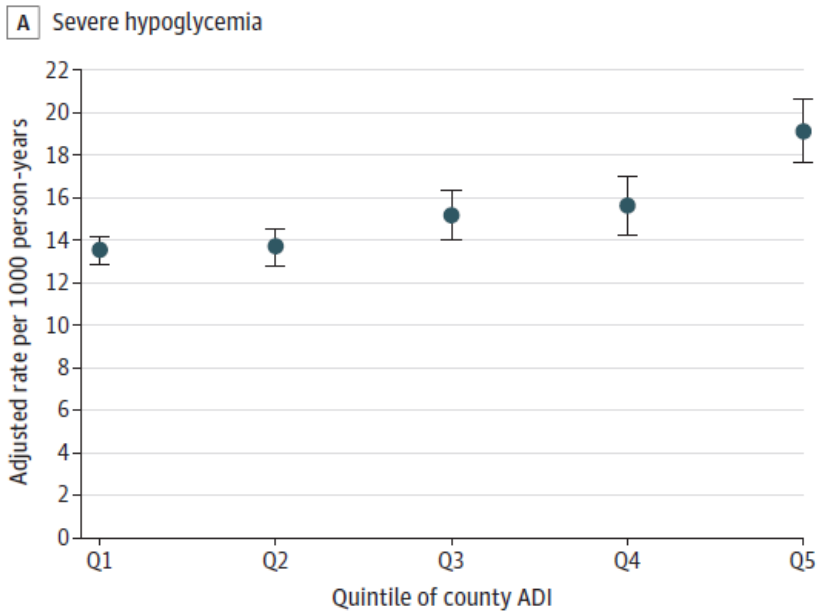
- ☐ Collaborate with payers, purchasers, and providers to identify health equity goals, measures, and implement strategies to address health inequities.
- ☐ Identify practices to enhance person-centered, culturally and linguistically appropriate care.
- ☐ Partner with payers and providers to foster transparency and accountability for improvements in health equity.
- ☐ Engage with payers, purchasers, and providers in evaluating the impacts of APMs on health equity.

Data Is Available Data To Support APMs & Health Equity

JAMA Network Open

Original Investigation | Diabetes and Endocrinology

Association of Area-Level Socioeconomic Deprivation With Hypoglycemic and Hyperglycemic Crises in US Adults With Diabetes

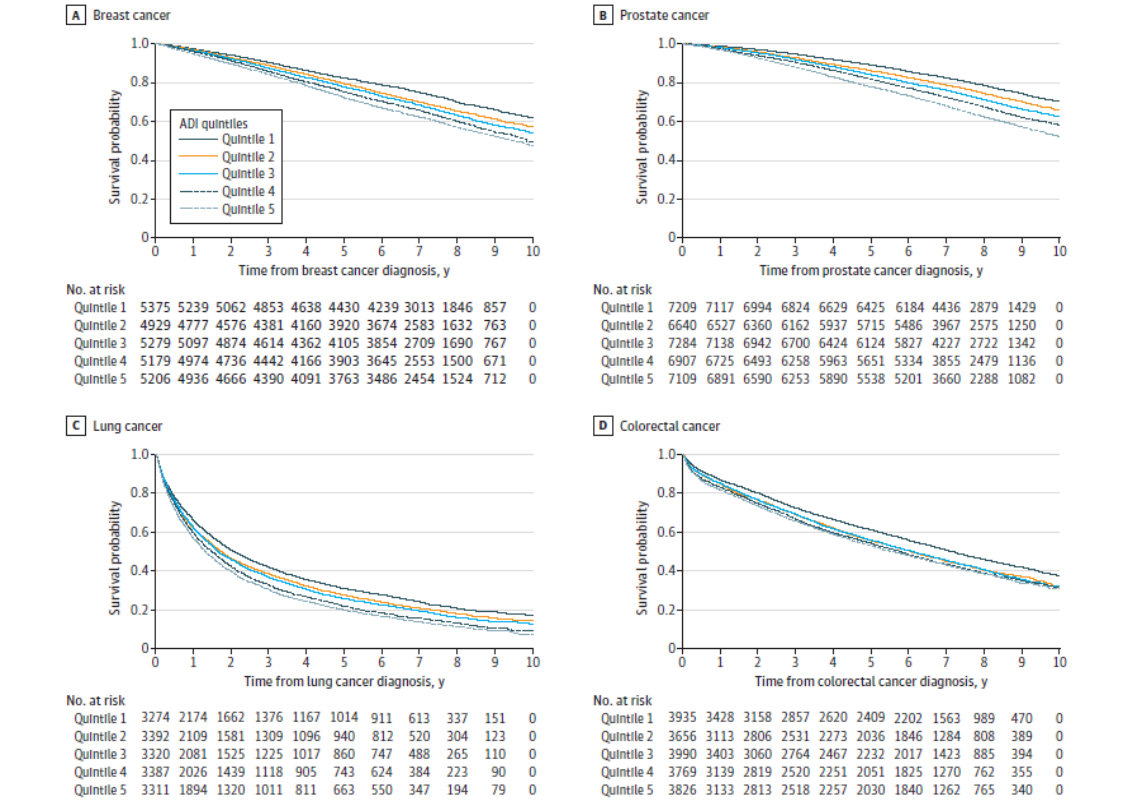


This study found an independent and consistent association between area-level deprivation and hospitalizations for both severe hypoglycemia and DKA or HHS. After adjusting for pertinent individual- and treatment-level risk factors, we found that patients living in the quintile of counties with the most deprivation had a 41% higher risk of severe hypoglycemia and a 12%higher risk of DKA or HHS compared with people living in the quintile of counties with the least deprivation.

Original Investigation | Oncology

Neighborhood and Individual Socioeconomic Disadvantage and Survival Among Patients With Nonmetastatic Common Cancers

Figure 1. Kaplan-Meier Estimates for Overall Survival by Quintiles of Area Deprivation Index for Patients With Breast, Prostate, Lung, and Colorectal Cancer



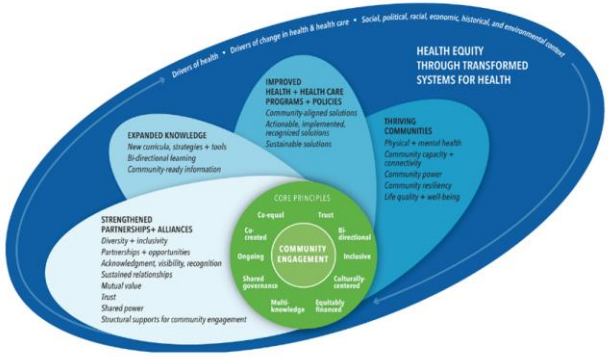
In this study, we found that neighborhood and individual socioeconomic disadvantage were significantly and independently associated with worse overall and cancer-specific survival among patients with nonmetastatic breast, prostate, lung, and colorectal cancer.

Opportunity and a Shifting National Narrative

Assessing Meaningful Community Engagement: A Conceptual Model to Advance Health Equity through Transformed Systems for Health

A National Academy of Medicine Commentary

nam.edu/Perspectives



INTRODUCING A LAN STRATEGIC INITIATIVE

State Transformation Collaboratives (STCs)

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STCs

WHAT IS THE GOAL OF THE STCs?

The STCs will continue to shift the economic drivers away from fee-for-service to a value-based, person-centered approach to health through Medicaid and Medicare collaboration and partnership.

KEY COMPONENTS

- Four distinct working groups, each dedicated to transforming health care in a specific state or region within a state
- Comprised of payers, providers, health systems, purchasers, patient advocates, and community organizations
- Locally-focused approach to addressing the needs of state populations through alternative health care payment
- State initiatives focus on achieving health equity via payment reform and are grounded in HEAT APM Guidance for equity-centered design and implementation

NOTIONAL GOALS	POTENTIAL VALUE
☑ Shift 60% of payments to an APM for participating providers in a state	+ Integrate a greater diversity of community perspectives and needs into alternative payment initiatives
☑ Reduce avoidable hospitalizations in a state	+ Support and/or expand ongoing state efforts seeking to impact health equity
☑ Achieve measurable improvement in select health outcomes based on state-specific goals and needs	+ Harness the collective capabilities of state and federal government and private and non-profit organizations to accelerate transformation

STCs COLLABORATION WITH COMPLEMENTARY LAN INITIATIVES

The LAN's initiatives will build off each others' learnings and actions to implement and scale innovative models.

Health Equity Advisory Team (HEAT) will work with the STCs and AC AC to:

- Identify promising APMs designed to reduce health disparities
- Provide guidance on APM design and implementation
- Prioritize, specify, and recommend key model design elements and implementation approaches

The Accountable Care Action Collaborative (AC AC) will work with STCs to:

- Provide forum for sharing cross-state knowledge and information, including guidance, resources, and subject matter expertise
- Collect and synthesize data on cross-state efforts
- Scale promising practices and learnings to the regional and/or national levels

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