Social Risk Adjustment Advances Equitable Health Outcomes

Proposed guidance point of view: Incorporating social risk adjustment into the payment incentives and structures of APMs can increase payment opportunities and promote care transformation that advances equitable health outcomes.

When we apply or incorporate social risk adjustment into the payment incentives and structures of APMs, more providers (especially those that provide care to historically underserved groups), are better positioned to participate in APMs because they have greater financial potential and less risk of penalty. These additional resources enable care transformation that ensures quality, accessible, and efficient care for beneficiaries. They can also minimize inequities among beneficiaries when appropriately allocated. Providers participating in APMs receive higher payments upfront in order to improve quality of care and outcomes for individuals with complex health and social needs. They are also rewarded when they improve quality of care and outcomes for individuals with complex health and social needs. A greater number of historically underserved groups realize improved outcomes/reduced disparities as a result of effective APMs. While social risk adjustment advances this outcome, risk adjustment alone cannot achieve health equity. It is important to consider other policy and regulatory mechanisms needed to complement risk adjustment and advance health equity.





Dependencies/Relationship Between Social Risk Adjustment and Other APM Design Elements

ALIGNMENT CATEGORIES

8.8A Individuals and families access culturally appropriate and integrated care More **Equitable Providers** innovate to deliver more Health equitable care **Outcomes** Payers, purchasers and providers identify opportunities, monitor performance, and set goals related to health equity

AIM

INTERMEDIATE

OUTCOMES

(PRIMARY DRIVERS) **Care Delivery** Redesign **Payment Incentives** and Structures Performance

APM DESIGN ELEMENTS (SECONDARY DRIVERS) Partnership with community-based organizations and social service agencies Organizational mechanisms for partnering with patients to drive decision-making and investments Provision of person-centered, culturally and linguistically appropriate care Integrated care to address medical, behavioral health. and health-related social needs Organizational capabilities to support implementation and uptake of APMs to promote health equity Population-based payment models with prospective cash flows One-time infrastructure payments for care delivery transformation Payments designed to focus on populations historically harmed and underserved in health care systems Payment incentives to reduce health disparities in quality of care, outcomes, and patient experience Clinical and social risk adjustment for payment Payments to community-based organizations to fund collaborative partnerships Collection of data related to health disparities Stratified and risk adjusted performance measures Integration of state, public health, social service,

and community-level data

Multi-payer alignment on select design featur



Measurement