

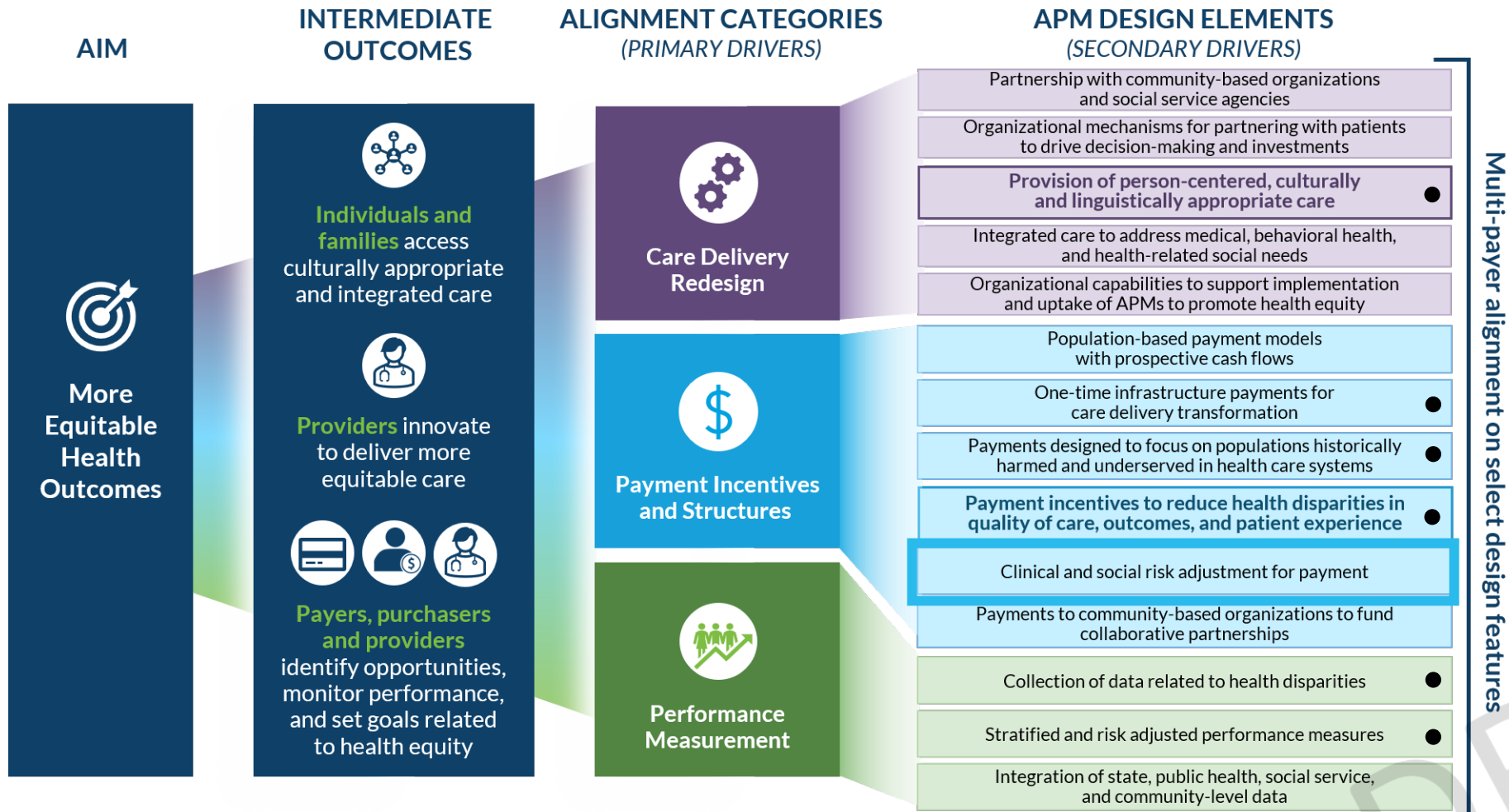
# Social Risk Adjustment Advances Equitable Health Outcomes

**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.

DRAFT

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



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