Advancing Health Equity Through APMs

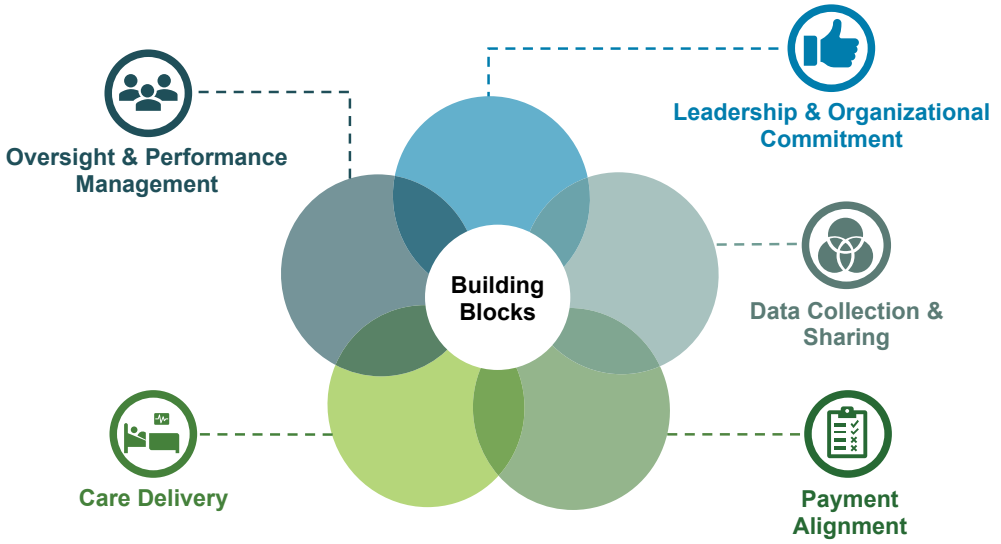
Practical Guidance for Leaders Building Payment Models Incentivizing Health Equity

Summary of Promising Practices

November 2024

Progress toward health equity remains an essential and transformational goal. This summary of Advancing Health Equity Through Alternative Payment Models (APMs): Practical Guidance for Leaders Building Payment Models Incentivizing Health Equity highlights promising practices to promote health equity through APM contracts, with the goal of reducing inequities in care, improving outcomes, and increasing voluntary adoption of promising practices.

Discussions with over 20 industry-leading organizations found five common enabling actions ("building blocks") that can help address underlying health disparities and inequities through design and participation in APMs, including the underlying contracts.



Each building block contains a set of voluntary promising practices developed with the expert advice of health care leaders representing over 20 HCPLAN member organizations. The following important considerations apply:

- Promising practices are not intended to be comprehensive, as existing efforts to advance health equity through APMs, on which these practices are based, are in varying stages of development and implementation.
- Promising practices are generally framed for providers, health plans, and purchasers, as these groups play a significant role in the design and negotiation of APM contracts. Other groups, including community-based organizations (CBOs), play a vital role in addressing health equities and should be considered.
- Promising practices are broken into short-term and long-term practices to guide readers to potential starting places.
- Each organization must self-assess to identify the most relevant, high-priority, and realistic promising practices to pursue. Implementing organizations will need to make their own decisions about what may be a good fit for their organizations, partners, and communities.

Leadership & Organizational Commitment

Organizational commitment is crucial in cultivating an organizational culture that prioritizes health equity. Effective leaders can champion initiatives that address health disparities, which can inspire wider organizational buy-in and create commitment to the work that will help to realize positive, mission-driven outcomes.

Short-Term Promising Practices:

- ☐ **Vision Setting:** Articulate a clear and compelling vision for health equity that:
  - Integrates into the organization's overall mission and objectives
  - Sets goals which impact the community
  - Is reflected in board-level compacts, such as an enterprise strategic plan and community health needs assessment, which should use a broad lens when determining which communities should be included
  - Is made clear across the organization, including front-line employees
- ☐ **Executive-Level Commitment:** Secure commitment from the board of directors and senior leaders. Leadership should be held accountable for this work in ways that are reflected in individual (e.g., reviews and monetary bonus potential) and enterprise (e.g., health equity impact dashboards) performance.
- ☐ **Cross-Organizational Commitment:** Engage employees at all levels of the organization, including front-line employees, early and often, including gathering input on the vision for health equity. Foster buy-in to the vision for health equity, which can lead to greater sustainability.
- ☐ **Resource Allocation:** Ensure that adequate resources — financial, human, and technological — are allocated, ideally as budgeted efforts, to support health equity initiatives effectively.
- ☐ **Policy Development:** Craft policies (e.g., grant-making policies, public awareness programs, and corporate social responsibility activities) that intentionally promote equity and remove barriers and show by leaders' personal and professional actions that they are authentic.

Long-Term Promising Practices:

- ☐ **Demonstrate Alignment to Organizational Values:** Demonstrate how health equity initiatives complement and enhance the organization's core values and mission through internal (e.g., workforce diversity and retention) and external (e.g., health outcomes, philanthropic work) impacts.
- ☐ **Continuous Education and Awareness:** Organize workshops and training sessions that educate leaders about the importance of health equity and the role it plays in fostering a sustainable and inclusive business environment.
- ☐ **Impact and Relatability:** Focus leadership attention on concrete, data-driven outcomes and specific measures (e.g., A1c control in diabetes management) and patient and community impacts in the form of patient stories (e.g., how diabetes was identified, diagnosed, and what was done to manage it and maintain it at healthy levels).
- ☐ **Progress Monitoring:** Establish structural measures demonstrating leadership engagement, including but not limited to: number of community partnerships formed, amount of philanthropic dollars raised toward health equity efforts, and leadership accountability in performance outcomes for equitable improvements in care.

Data Collection & Sharing

Data collection and sharing of demographic and social data is critical to identifying health disparities and increasing care coordination.

Short-Term Promising Practices:

Data Collection and Stratification

- ☐ **Measures and Goals:** Identify measures and goals for health equity initiatives, using existing measure sets that are sensitive to the needs and priorities of the population served and can be aligned to payment incentives. Measure selection support tools can be found through the Buying Value Measure Selection Tool, which is disparity-sensitive and helps to align measure sets through multi-stakeholder processes. Focus on outcomes that can be aligned to payment incentives.
- ☐ **Measurement Tools:** Identify and implement reliable survey tools to measure patient-reported outcomes, health-related social needs, social determinants of health, and demographic details (e.g., REL and SOGI data), where possible.
- ☐ **REL/SOGI Data Collection:** Develop standardized protocols for collecting Race, Ethnicity, and Language (REL) and Sexual Orientation and Gender Identity (SOGI) data and provide comprehensive training for staff on these methods.
- ☐ **Baseline Inequities:** Define and measure baseline inequities that are identified by data stratification of disease groups and chronic conditions that are causes of comorbidities and overutilization of the health system. Identify specific outcomes with significant disparities (e.g., maternal mortality, diabetes) for focused data gathering and collection.

System Integration

- ☐ **Electronic Health Record (EHR) Investment Strategy:** Coordinate EHR implementation and stakeholder collaboration to meet federal regulatory requirements around SDOH data sharing to optimize investment cycle strategies and avoid costly inefficiencies.
- ☐ **Data Governance Frameworks:** Develop and implement internal data governance policies to ensure ethical and legal compliance in data collection, storage, sharing, and usage. Standard enterprise data governance frameworks can be found through the American Health Information Management Association.
- ☐ **Data Capability Advancements:** Identify and engage with partners to leverage their expertise and resources to enhance the richness, completeness, sophistication, validity, and actionability of data. Engage policy organizations to advance alignment across organizations, where needed.

Data Use

- ☐ **Trust Building:** Develop clear communication strategies to inform patients and families about the purposes of data collection and usage. Engage with nurses and clinical support staff to explain the benefits of data collection for care delivery and coordination, ensuring transparency and addressing privacy concerns to build ongoing trust. When possible and appropriate, share aggregated data with clinical staff, patients, and families to build and maintain trust.
- ☐ **Data Standards:** Align internal systems with existing national data standards (e.g., ONC) that include data protection policies; clear language regarding data definitions; and delivery, usage, and storage parameters for internal use, exchange, and interoperability.

Long-Term Promising Practices:

- ☐ **Data Integration**: Develop and implement standardized protocols for integrating a strategic set of diverse data sources, including clinical, social, and behavioral health data, to create comprehensive patient profiles.
- ☐ **Interoperability:** Invest in interoperable systems for seamless, multi-directional data exchange among platforms (e.g., Trusted Exchange Framework and Common Agreement, or TEFCA) and sharing data appropriately among stakeholders. This ensures continuity of care and requires multi-stakeholder alignment, public and private sector support, and significant investment and collaboration.

Payment Alignment

Financial incentives can be powerful tools in promoting health equity within APM contracts. When determining how payment will be incorporated into a health equity-focused contract or APM, organizations must choose the appropriate payment mechanism that aligns with their business model, strategic priorities, and the preferences and needs of their patient population.

The HCPLAN APM Framework categorizes APMs based on the extent to which payments reward value of services rather than volume of services. APMs can incorporate incentives which advance health equity to varying degrees. For example, pay-for-performance models may reward providers for more equitable outcomes on specific quality measures. Meanwhile, payment models with capitated payments allow for greater flexibility in how care is delivered, to promote health equity, including greater flexibility for providers to make up front investments to assist patients with their health-related social needs.

Short-Term Promising Practices:

- ☐ **Strategic Priorities:** Demonstrate alignment of health equity incentives with the organization's strategic priorities to ensure a cohesive approach to accountable care.
- ☐ **Population Served:** Select payment models which bear risk on the specific populations that are most in need of health equity interventions. Consider implementing safeguards to ensure no populations are entirely excluded or disadvantaged.
- ☐ **Payment Model Alignment:** Seek to establish alignment, or compatibility, of payment models with Medicare and Medicaid to increase provider adoption and prevent further segmentation of services to their patient populations based on payer requirements.
- ☐ **Measure Selection:** Establish aligned, narrow measure sets that are clinically validated, aligned with payment method, and specific to improvements in health equity, such as increased rates of preventive care in underserved populations.
- ☐ **Non-Financial Resources:** Consider non-financial resources in addition to financial (e.g., training and peer learning opportunities and qualitative measures of community benefit).
- ☐ **Business Model:** Prioritize health equity in the mission and ensure that the business model and capabilities of the organization adapt to facilitate its achievement.
- ☐ **Financial Incentives:** Consider and implement financial incentives for health equity, such as:
  - Linking financial incentives to policies and practices that are focused on health equity (e.g., Hospital Commitment to Health Equity Measures)
  - Providing incentives for positive performance within stratified quality measures as part of a defined strategic goal to close a disparity gap
  - Making up front investments and/or prepaid capitated payments to help providers immediately build internal capacity, collect key data, inspire their leadership, train and build excitement among staff and clinicians, and engage with the community from the beginning

Long-Term Promising Practices:

- ☐ **Market Dynamics:** Analyze market dynamics (e.g., trends in age shift or geographic growth in population) to select models that are most conducive to populations with the highest need for intervention.
- ☐ **Internal Operational Integration**: Support integration of health equity incentives into existing contract design and business planning processes such as developing strategy, designing and maintaining products and networks, managing contracts, engaging providers/consumers, and analytics reporting.
- ☐ **External Alignment**: Aim for alignment of outcomes (e.g., quality, effectiveness, and patient experience measures) and associated incentives (e.g., performance payments) across partner organizations to the extent feasible.

Care Delivery

APM contracts can be designed to improve health equity by supporting care innovations that prioritize the organizational strategies and tactics described above, including greater focus on more person-centered, culturally and linguistically appropriate care. APMs can provide the clinical autonomy and organizational resources necessary to redesign care models for populations organizations seek to impact. Additional promising practices related to care delivery can be found in the HCPLAN's 2021 guidance on Advancing Health Equity Through APMs: Guidance for Equity-Centered Design and Implementation.

Short-Term Promising Practices:

- ☐ **Previous Successes:** Leverage insights from health organizations that have successfully revamped care models to enhance efficiency and patient outcomes.
- ☐ **Provider Cultural Competency:** Consider provider and staff cultural competency levels and implement education, training, feedback, technical assistance, and peer learning opportunities to ensure buy-in. Incentivize participation by offering continuing education credits or measuring cultural competency in performance reviews.
- ☐ **Accessibility:** Ensure all materials are available in multiple languages and consider developing digital tools to enhance bi-directional communication and access.
- ☐ **Open Forums:** Schedule regular grand rounds on health equity, encouraging participation from all staff levels. Additionally, organize monthly meetings to discuss health equity, fostering an open environment for sharing experiences and solutions.
- ☐ **Education for Data Collectors:** Provide education to providers and staff on the importance of REL and SOGI data collection and usage. Educating providers and staff on the uses of REL and SOGI data collection can encourage greater commitment to data collection.
- ☐ **Data Equity:** Implement equitable data collection, preprocessing, and analysis practices, including bias detection and fairness constraints in models, while involving diverse stakeholders and adhering to ethical guidelines. Regularly audit and update these practices to maintain fairness and equity in health outcomes.
- ☐ **Integrated Care Teams:** Implement integrated care teams (e.g., pharmacists, dieticians, social workers) to provide holistic, coordinated, and culturally competent care, addressing both medical and social needs. Ensure the right provider type is accessible to patients and collaborate with community-based organizations to enhance care delivery and reduce health disparities.
- ☐ **Patient Population:** Define specific patient populations for focused interventions and measurement.
- ☐ **Measure Patient Perspectives:** Identify and implement reliable survey tools in appropriate languages to measure patient-reported feedback and/or outcome measures.

Long-Term Promising Practices:

- ☐ **Collaborate on Data Collection:** Partner with EHR vendors to develop a commitment to prioritizing the collection and documentation of REL, SOGI, and SDOH data in the clinical workflows in the most efficient ways possible.
- ☐ **Care Redesign:** Design and implement models, in collaboration with targeted patient populations, that specifically address underlying structural barriers to care delivery for underserved populations (e.g., digital health and transportation service offerings for low-income areas with low access to public transportation).
- ☐ **Monitor Community Demographics**: Monitor demographics and trends in the patient population to gain insight into how to adjust care interventions.

Oversight & Performance Management

Effective oversight is essential for the successful integration and implementation of health equity initiatives within APM contracts. Oversight mechanisms help maximize the impact of health equity efforts by ensuring that resources are allocated efficiently, objectives are met, health equity initiatives are aligned with desired outcomes, and the organization remains responsible and adaptable to the evolving needs of health care systems and stakeholders.

Short-Term Promising Practices:

- ☐ **Steering or Advisory Committees:** Establish committees with diverse members, including health care professionals, patients, and community leaders, to oversee health equity initiatives in APM contracts. Provide funding to participants, especially under-resourced groups, to support their involvement in accountability bodies.
- ☐ **Stakeholder Involvement:** Formally include patient and community representatives within accountability bodies, which is crucial for program design and ongoing management to ensure health equity efforts reflect the needs and lived experiences of underrepresented populations.
- ☐ **Performance Management Systems:** Implement performance management systems to track progress against specific health equity metrics reflecting improvements in access to care, patient health outcomes, and satisfaction across diverse groups.
- ☐ **Reporting Requirements:** Design transparent and consistent reporting systems (e.g., dashboards) to hold all parties accountable for meeting health equity goals and targets.

Long-Term Promising Practices:

- ☐ **Stakeholder Engagement:** Involve a broad spectrum of stakeholders throughout the planning and implementation processes. Include patients and family members, health care providers, community leaders, and policymakers.
- ☐ **Transparency:** Share information about what is being done and why with leaders across partner organizations throughout the planning and oversight processes to build trust and accountability.
- ☐ **Continuous Improvement Processes:** Establish processes for continuous improvement (e.g., review and feedback loops) to allow for the regular review and refinement of health equity initiatives.

To effectively operationalize the promising practices, organizations can consider the following immediate next steps. Deeper strategic consideration will be needed as organizations mature in their health equity goals and initiatives.

1. **Conduct a thorough needs assessment** to identify gaps and opportunities within the five building blocks, taking care not to exclude important sub-populations.

2. **Develop a strategic plan** informed by the needs assessment to activate health equity incentives, including key steps, timelines, and resources. Set organizational goals with clear, measurable objectives aligned with health equity goals. Self-assess the extent to which the organization is prepared to commit to advancing health equity, as this can help determine the staying power of the initiative.

3. **Allocate necessary resources** (e.g., tools, data, personnel, stakeholder engagement mechanisms, etc.) to support the implementation process.

4. **Engage key stakeholders early and often**, including individuals (e.g., patients, caregivers), marginalized communities, and other key partners (e.g., CBOs) to understand their needs and lived experiences. Authentic engagement requires their ongoing inclusion in the codesign of solutions that directly impact them. Advancing health equity requires acknowledging and addressing historical bias and discrimination their families and communities might have experienced and holding stakeholders accountable for equitable engagement moving forward.

Further Reading

For additional information on this topic, we encourage you to review the full-length guidance document, available here: Advancing Health Equity Through Alternative Payment Models (APMs): Practical Guidance for Leaders Building Payment Models Incentivizing Health Equity. The full-length report contains detailed examples from trail-blazing organizations of recommendations in action, links to additional resources for further reading, definitions of key terms, and a list of key contributors.