

## Introduction

Medicaid programs are increasingly considering how best to address the social factors, such as housing, healthy food and economic security, that can affect health and health care expenditures. Often referred to as social determinants of health (SDOH), these factors drive as much as 80 percent of population health outcomes.<sup>1</sup> A new State Health and Value Strategies issue brief, [Addressing Social Factors That Affect Health: Emerging Trends and Leading Edge Practices in Medicaid](#), explores the “next generation” practices that states are deploying to address social factors using Medicaid 1115 waivers and managed care contracts, as well as the specific steps states can take to implement these practices. This State Health Policy Highlight summarizes the next generation practices analyzed in more detail in the underlying issue brief.

## Emerging Trends in Efforts to Address Social Factors in Medicaid

States are expanding the scope and intensity of efforts to address social factors, reflecting their interest in paying for cost-effective improvements in health outcomes, rather than the volume of medical services provided. The next generation practices profiled in Table 1 below were identified through an in-depth review of the Medicaid managed care contracts in 17 states and Medicaid 1115 provisions in six states.<sup>2</sup>

*Table 1. Summary of Emerging Trends and Leading Edge Practices in Medicaid*

State Trends	Leading Edge Practices
Moving beyond screenings to systematic efforts to connect enrollees to social supports	<ul style="list-style-type: none"> <li>› Requiring use of closed-loop referrals</li> <li>› Requiring use of a standardized screening tool or standardized screening elements</li> <li>› Requiring use of community health workers and expertise on local resources</li> <li>› Stronger integration into primary care</li> </ul>
Expanding the scope of SDOH interventions to more populations and social issues	<ul style="list-style-type: none"> <li>› Expanding interventions to children, families and healthy adults</li> <li>› Addressing harder-to-tackle social issues</li> <li>› Increasing focus on a recent history of incarceration as a key SDOH factor</li> </ul>
Building a stronger network of community-based organizations and collaboration with providers	<ul style="list-style-type: none"> <li>› Using Medicaid 1115 waivers to strengthen community-based organizations</li> <li>› Encouraging or requiring investments in communities</li> <li>› Requiring contracts and data sharing with community-based organizations</li> </ul>
Creating opportunities for affordable housing	<ul style="list-style-type: none"> <li>› Using waivers to provide additional housing-related services</li> <li>› Requiring managed care organizations (MCOs) to work with state and local housing initiatives</li> <li>› Requiring in-house expertise on housing</li> </ul>

Aligning financial incentives to support SDOH interventions	<ul style="list-style-type: none"> <li>› Using value-based payments to incentivize cost-effective SDOH interventions</li> <li>› Linking incentive or withhold payments to performance on SDOH-related metrics</li> </ul>
Systematic evaluation and greater use of SDOH data	<ul style="list-style-type: none"> <li>› Developing an evidence-base through pilot projects</li> </ul>

States have a variety of tools and strategies available to them to implement the emerging practices described in Table 1. The full brief explores in more detail state implementation strategies and how to tailor them to the scope and nature of a state’s SDOH initiatives, as well as its approach to Medicaid managed care, local and community resources, existing infrastructure, and other considerations.

## Conclusion

As states enter a new phase of work related to SDOH, interventions to address social factors will be more closely integrated into the delivery of care. As these interventions expand, it will be important to measure their impact. It will also be key to recognize that some of the benefits of addressing social factors may have a long-term impact and may benefit programs and entities outside of Medicaid.

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State Health and Value Strategies (SHVS) assists states in their efforts to transform health and health care by providing targeted technical assistance to state officials and agencies. The program is a grantee of the Robert Wood Johnson Foundation, led by staff at Princeton University’s Woodrow Wilson School of Public and International Affairs. The program connects states with experts and peers to undertake health care transformation initiatives. By engaging state officials, the program provides lessons learned, highlights successful strategies and brings together states with experts in the field. Learn more at [www.shvs.org](http://www.shvs.org).

### ABOUT MANATT HEALTH

This highlight was prepared by Jocelyn Guyer, Patricia Boozang, and Bardia Nabet. Manatt Health integrates legal and consulting expertise to better serve the complex needs of clients across the healthcare system. Our diverse team of more than 160 attorneys and consultants from Manatt, Phelps & Phillips, LLP and its consulting subsidiary, Manatt Health Strategies, LLC, is passionate about helping our clients advance their business interests, fulfill their missions, and lead healthcare into the future. For more information, visit <https://www.manatt.com/Health>.

## Endnotes

1. Moody's Analytics. Understanding Health Conditions Across the U.S. *BlueCross BlueShield Association*. December 2017. [https://www.bcbs.com/sites/default/files/file-attachments/health-of-america-report/BCBS.HealthOfAmericaReport.Moodys\\_02.pdf](https://www.bcbs.com/sites/default/files/file-attachments/health-of-america-report/BCBS.HealthOfAmericaReport.Moodys_02.pdf).
2. State Medicaid Managed Care Contracts reviewed include: Arizona, Colorado, Illinois, Louisiana, Massachusetts, Michigan, Minnesota, Nevada, New Mexico, New Hampshire, New York, North Carolina, Rhode Island, Tennessee, Virginia, Washington and Wisconsin. State 1115 demonstration waivers reviewed include: Hawaii, Maryland, New York, North Carolina, Rhode Island and Washington.