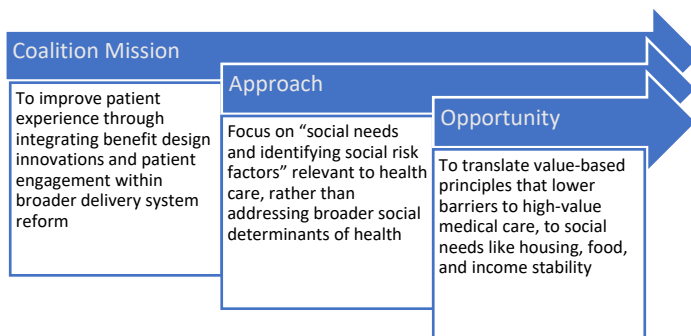


Background: Smarter Health Care Coalition and Social Determinants of Health

Stakeholders are increasingly aware of the critical role that the social determinants of health – the conditions and environments in which people live, learn, work, and play that affect health outcomes – play in building healthy communities. The Coalition believes the health care industry can [identify and reduce unmet social needs](#) that result from poor social determinants. Aligning incentives for health care organizations to invest in these processes, and ultimately incorporate them into benefit designs, will help close health disparities based on social inequities. The Coalition believes that health plans could play a role in closing health disparities through social needs using principles of “value-based insurance design.”

The “Value” Framework and Social Needs Services

Like medical services, determining [the “value” of a SDOH service](#) is a complex process dependent on a myriad of factors – who receives it, when, how, and from whom. Notably, what may be considered “high-value” will oftentimes differ between individuals of the same target population, regardless of disease state – *SDOH services are both highly personal and local*. Some services are better suited for benefit design than others, therefore we propose three criteria to map our mission and value-based principles to improving access to SDOH services via benefit designs.



Criteria for SDOH Services in Benefit Design

1. Services Must Improve Patient-Reported Quality of Life
2. Services Must be Feasible, Cost-Effective, and Practical to Address Through Benefit Design
3. Services Should Address Patient-Specific Needs

Policy Recommendations

The following recommendations have been sourced from a review of best practices, primarily in Medicare Advantage and Medicaid managed care. As managed care organizations, including Medicare Advantage plans, are increasingly expected to manage social risks through non-health benefits, additional flexibility through regulatory and legislative actions are increasingly important as the COVID-19 pandemic widens pre-existing disparities and unmet social needs:

1. **CMS should expand [qualifying indicators](#) for Supplemental Services and Benefits for the Chronically Ill (SSBCI) in Medicare Advantage**, such as functional status or social risk indices, to better target services including beneficiaries who are not already but at high risk of becoming chronically ill because of social needs [Legislative Bill: [H.R.4074](#)].
2. **CMMI should expand [MA V-BID demonstration](#) SDOH qualifying indicators beyond Low-Income Subsidy (LIS)** to other indicators of social needs, including functional status, activities of daily living, and others – and a number of tools exist already to measure social needs, including the Accountable Health Communities Social Needs Screening.
3. **Congress should make the MA-VBID demonstration, and an expanded scope of qualifying indicators for SDOH services, a national and indefinite part of the MA program** which would therefore allow plans to adopt value-based insurance design plan elements without going through the demonstration project.
4. **Congress should update commercial Medical Loss Ratio (MLR) standards** such that a defined list of “Allowed Social Needs Expenses” would be counted towards a commercial (individual market, small and large group) plan’s [medical loss ratio](#) (MLR) [Legislative Bill: [H.R.3969](#)].

For further information on these recommendations, please see the Smarter Health Care Coalition’s full white paper on *The Intersection of Benefit Design, Social Determinants of Health, and COVID-19 Response* [here](#).