

SUMMARY OF REPORT TO CONGRESS

Social Risk and Performance in Medicare's Value-Based Purchasing Programs

In 2014, under the Improving Medicare Post-Acute Care (IMPACT) Act, Congress asked the Office of the Assistant Secretary for Planning and Evaluation (ASPE) to study the relationship between social risk factors and Medicare's value-based purchasing (VBP) programs using Medicare and other available data. ASPE was tasked with writing two Reports to Congress and making recommendations.

Why is there interest?

There have been concerns that providers and plans who serve safety-net populations are disproportionately penalized under Medicare's VBP programs because their performance on quality metrics, on average, is lower than that of other providers and plans. To address these concerns, Congress requested that ASPE review the evidence and make recommendations.

What did the Reports find?



The two Reports conclude that addressing underlying and pervasive health equity issues requires: (1) a comprehensive approach to measuring and incentivizing improvements in health disparities; and (2) providing tools and resources to help providers and plans achieve high-quality outcomes for all beneficiaries.

Findings from Study A (2016)



Beneficiaries with social risk factors had worse outcomes on many quality measures, regardless of the providers they saw, and dual enrollment status was the most powerful predictor of poor outcomes.



Providers that disproportionately served beneficiaries with social risk factors tended to have worse performance on quality measures, even after accounting for their beneficiary mix. Under all five value-based purchasing programs in which penalties are currently assessed, these providers experienced somewhat higher penalties than did providers serving fewer beneficiaries with social risk factors.

Findings from Study B (2020)



Beneficiary social risk information is not routinely or systematically collected across the health care system, and there is not always standardized terminology to capture beneficiary social risk information.



After accounting for additional social and functional risk factors, dual-enrollment status remains a powerful predictor of poor outcomes on some quality and resource use measures in Medicare's VBP programs. Functional status is also a powerful predictor of poor outcomes on some measures but is not always included in measure risk adjustment



Although many organizations are working to improve equity by addressing social risk, which interventions are effective, replicable, and scalable remains unclear due to limited evaluation.

What are the Report's Recommendations?

The first Report laid out three strategies for accounting for social risk in Medicare's VBP programs to ensure that all Medicare beneficiaries receive the highest-quality health care services. The findings in this second Report reinforce the need for such strategies in a multipronged approach.

The second Report lays out a comprehensive approach to move towards programs that incentivize providers and plans to improve health outcomes by rewarding and supporting better outcomes for beneficiaries with social risk factors. Proposed solutions that address only the measures or programs without considering the broader delivery system and policy context are unlikely to mitigate the full implications of the relationship between social risk factors and outcomes.



STRATEGY 1

Measure and Report Quality

for beneficiaries with social risk factors

This strategy includes collecting data on social risk and reporting quality measures by patient social risk to identify and address patients' social needs and reduce health disparities. Separately reporting quality measures for those patients with and without social risk will assess progress toward closing the performance gap between these two groups of patients.



STRATEGY 3

Reward and Support Better Outcomes

for beneficiaries with social risk

This strategy recognizes that providing additional supports and resources is foundational to maintaining access to care and addressing beneficiaries' social risk to improve care and outcomes. Additional resources to meet beneficiaries' social needs may be made available through alternative payment models, supplemental benefits, or VBP incentive payments.

- ✔ SUPPORTS FOR SAFETY-NET PROVIDERS (TO SERVE SOCIALLY AT-RISK BENEFICIARIES)
- ✔ EVALUATE & SHARE HEALTH EQUITY BEST PRACTICES
- ✔ ENCOURAGE LINKS WITH COMMUNITY SERVICES

Recommendations on whether to adjust for social risk factors by type of measure and program

Measure Type	Whether to Adjust for Social Risk Factors	
	Quality Reporting Programs	VBP Programs
Process Measures	✗	✗
Outcome Measures	✗	✗
Patient Experience Measures	✔	✔
Resource Use Measures	✗	✔
Program Performance Scores	✗	✗

Note: VBP=value-based purchasing.

✗ indicates a recommendation not to adjust for social risk factors.
✔ indicates a recommendation to adjust for social risk factors.

- ✔ MEASURE HEALTH EQUITY IN QUALITY REPORTING PROGRAMS
- ✔ REPORT MEASURES STRATIFIED BY SOCIAL RISK*
- ✔ SUPPORT SOCIAL RISK DATA COLLECTION & DATA SHARING POLICIES

*Do not adjust measure performance or composite scores



STRATEGY 2

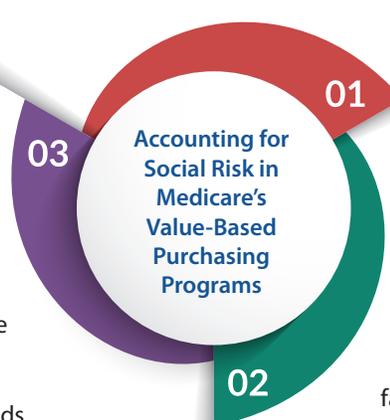
Set High, Fair Quality Standards

for all beneficiaries

This strategy aims to hold providers accountable to the same standards in VBP programs in order to improve care and health outcomes for all Medicare beneficiaries. It recognizes that beneficiaries with social risk factors may require more support and resources to achieve the same outcomes. A standard, comprehensive risk-adjustment framework for all outcome and resource use measures, including functional risk factors, improves comparisons across measures.

- USE STANDARD RISK-ADJUSTMENT FRAMEWORK INCLUDING FUNCTIONAL RISK ✔
- REWARD IMPROVEMENTS IN HEALTH EQUITY ✔
- DO NOT ADJUST QUALITY MEASURE OR PROGRAM PERFORMANCE FOR SOCIAL RISK* ✔

*Except resource use and patient experience measures





STRATEGY 1

Measure and Report Quality for Beneficiaries with Social Risk Factors

- ▶ **Recommendation 1.1:** HHS should support and inform the development of data collection and interoperability standards for social risk. CMS should explore ways to encourage providers to collect social risk information.
- ▶ **Recommendation 1.2:** Federal and state agencies should consider policies regarding how and when to share social risk data across agencies. HHS should explore whether some social risk data can/should be shared at the local level between health and social service providers.
- ▶ **Recommendation 1.3:** Quality reporting programs should include health equity measures.
- ▶ **Recommendation 1.4:** Quality and resource use measures should be reported separately for dually enrolled beneficiaries and other beneficiaries.
- ▶ **Recommendation 1.5:** Quality and resource use measures should not be adjusted for social risk factors for public reporting.
- ▶ **Recommendation 1.6:** Composite scores should not be adjusted for social risk factors for public reporting.



STRATEGY 2

Set High, Fair Quality Standards for All Beneficiaries

- ▶ **Recommendation 2.1:** Measure developers and endorsement organizations should create a standard risk-adjustment framework that includes functional risk for all risk-adjusted outcome and resource use measures used in Medicare programs.
- ▶ **Recommendation 2.2:** Value-based purchasing programs should include health equity measures and/or domains.
- ▶ **Recommendation 2.3:** Resource use and patient experience measures should adjust for social risk factors in VBP programs.
- ▶ **Recommendation 2.4:** Process and outcome measures should not be adjusted for social risk in VBP programs.
- ▶ **Recommendation 2.5:** Value-based purchasing programs should not use peer grouping or categorical adjustments for social risk factors. Where these adjustments are currently in place, they should be removed when additional actions and tools are implemented to help providers achieve high-quality care for all beneficiaries.



STRATEGY 3

Reward and Support Better Outcomes for Beneficiaries with Social Risk Factors

- ▶ **Recommendation 3.1:** CMS should continue to support providers and plans addressing social risk factors through models, supplemental benefits, and VBP payment adjustments. HHS should continue to develop approaches to address beneficiaries' social needs. Additional research is needed on best practices for providing care to socially at-risk beneficiaries. Best practices, once identified, need to be scaled.
- ▶ **Recommendation 3.2:** Learning networks, such as Quality Improvement Organizations (QIOs), should share best practices across providers.
- ▶ **Recommendation 3.3:** HHS should encourage medical providers and plans to build links with social service providers to better address beneficiaries' social needs.