

ADDRESSING AND MITIGATING THE IMPACTS OF SOCIAL DRIVERS OF HEALTH

April 2024

BCBSA believes that health equity can be achieved by improving social drivers of health (SDOH) — factors that influence a significant part of a person’s health, such where they live and their access to healthy food and reliable transportation. Social drivers of health (SDOH) cannot be addressed in silos. We need to work together with community-based organizations (CBOs) to foster public-private partnerships, incentivize industry and accreditation standards and ensure that together we can effectively address and improve SDOH in local communities.

KEY FACTS:

SDOH are the non-medical, community factors that influence health outcomes

SDOH impact as much as 50% of health outcomes compared to clinical care, which impacts about 10%

SDOH are one of three priority areas for Healthy People 2030— a set of goals created by the U.S. Department of Health and Human Services

BCBSA RECOMMENDS:

BCBSA encourages policymakers to address social drivers of health to improve health equity by bolstering efforts of community-based organizations; fostering public-private partnerships; ensuring adequate data collection; and providing flexibility for payers to include SDOH-related services.

In November 2023, the White House released the U.S. Playbook to Address Social Determinants of Health (SDOH). The Playbook lays out an initial set of structural actions across three pillars that federal agencies are undertaking to address SDOH. A number of BCBSA recommendations align across all three pillars of the playbook.

- 1. Congress should pass legislation that allows community-based organizations to be reimbursed for the services they provide and support payment models that incorporate their services.** This will allow community-based organizations to bolster their infrastructure, be paid adequately for their services and connect members to services that address SDOH to improve overall health and well-being.*
- 2. Congress should support public-private partnerships to address SDOH** by incentivizing the adoption of technology-driven solutions that can improve health outcomes and build capacity for community-based organizations.

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*Aligns with Priority Action in White House SDOH Playbook

- **Foster private-public partnerships:** Federal, state and local governments should work with the private sector to eliminate health disparities perpetuated by SDOH. A commitment to strong partnerships between public and private entities to advance health equity is essential to mitigating the negative impacts that SDOH has on health outcomes.
- **Incentivize technology-driven solutions:** Congress should incentivize the adoption of technology-driven solutions to create an interoperable and secure data infrastructure that connects with community-based organizations that can improve outcomes for individuals at risk of poor health outcomes, experiencing barriers to care and services or with health-related social needs.*
- **Build CBO capacity:** Congress should support capacity-building and sustainability of community-based organizations by creating avenues for them to be reimbursed for their services to ensure they have adequate resources and infrastructure necessary for these partnerships to succeed.*
- **Monitor regulatory changes:** Federal and state government agencies should ensure regulatory changes are truly impacting SDOH without creating unintended negative consequences for beneficiaries.

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3. **The administration should develop and adopt national SDOH standards** to enable health care organizations to collect SDOH data, address needs and measure the impact of interventions. The current lack of aligned data standards and interoperability impacts health plans' ability to identify community needs and develop programs to address SDOH needs.*
 4. **Accreditation bodies should consider the roles of various entities in identifying and addressing SDOH needs** when developing accreditation standards for health plans. Effective SDOH initiatives will require the efforts of a range of stakeholders and policymakers to develop and implement SDOH interventions that address the root causes of inequities, including poverty, employment, and equal access to quality education.
 5. **Congress and the administration should enact legislation and regulation that allows Medicare Advantage plans to address SDOH needs.** Medicare Advantage has been at the forefront of advances in care delivery that address SDOH and is a vital partner in efforts to eliminate health disparities and improve care as the program increasingly serves a more diverse and lower-income population with greater clinical complexity as compared to traditional Fee-for-Service Medicare.*
 6. **CMS should address SDOH in Medicaid by ensuring capitation rates account for SDOH and including Medicaid in Center for Medicare and Medicaid Innovation SDOH demonstrations.** Individuals on Medicaid experience SDOH needs across food, housing, and transportation. Medicaid managed care organizations are well positioned to help advance health equity by addressing these needs through innovative programs and connecting members to the services they need. Ensuring capitation rates account for SDOH would give managed care organizations greater flexibility to connect members to benefits and services related to social needs that may be impacting their health. Including Medicaid in the Center for Medicare and Medicaid Innovation (CMMI) demonstrations will provide CMS and health plans with better understanding of how to address the SDOH needs of the Medicaid population.*
 7. **Federal regulators should address SDOH in the commercial market by including spending for SDOH in the Medical Loss Ratio numerator and allowing plans to provide SDOH interventions outside of wellness programs.** Commercial plans continue to create innovative programs and benefits to address the SDOH needs of their members. However, there are barriers that limit the extent of these interventions by commercial plans. By modifying the MLR formula to include spending on SDOH benefits in the numerator and issuing clarifying guidance on which programs qualify for treatment as Quality Improvement Activity expenses, CMS could provide a vital incentive for issuers to make additional investments in SDOH.*