



NIGHTINGALE
P A R T N E R S

Post-Election Outlook for Medicare Advantage, Medicaid and Social Determinants of Health

*Presentation to 22nd Annual Industry Collaboration Effort
(ICE) Conference*

John Gorman, Founder and Chairman

December 2, 2020

Today's Agenda

- What to Expect from the Biden Administration on MA, Medicaid, ACA and SDOH
- Outlook for 2021 Supplemental Benefits/SDOH Services
- The Latest on the Industry's SDOH "Arms Race" and What to Expect
- Why SDOH Interventions are Central to Long-Term Success for MA, Medicaid and ObamaCare Plans



**TAKE
AWAY**

Biden promises to usher in a Golden Age of health equity.

SDOH account for 60-80% of health spending.

SDOH interventions reliably yield 3-8X ROI in reduced health costs.

Addressing poverty is the best path to bending the curve.



Biden Administration Health Priorities

1. COVID Pandemic Response and Economic Relief
2. Protect and Extend ACA
3. Re-orient Medicaid Policy
4. Reduce Drug Prices
5. Eliminate Health Disparities in Government Programs
6. Surprise Medical Bills
7. Enact Medicare at 60 and Public Option



Notable Details of Biden's Health Care Plan

COVID-19 Pandemic Response

1. Automatically increase FMAP funding during crisis
2. Major investments in public health and CDC
3. Guaranteed coverage for testing, vaccines and treatment
4. Expand ACA subsidies; offer temporary platinum-level Federal plan on exchange
5. Improve PPE stockpile by invoking Defense Production Act



Notable Details of Biden's Health Care Plan

Coverage Expansion and ACA Stabilization

1. Create a Public Option
2. Remove 400% FPL limit on premium subsidies
3. Lower Medicare age to 60
4. Reverse Medicaid work requirements
5. Use Section 1332 waivers for coverage initiatives



Notable Details of Biden's Health Care Plan

Health Equity

1. Mandate all Federal agencies ensure data-driven strategies to eliminate health disparities
2. CMMI Demonstrations on SDOH innovation
3. Improve cultural competence in health care workforce
4. Roll back Trump LGBTQ+ discriminatory policies
5. Major new investments in health equity research and data collection



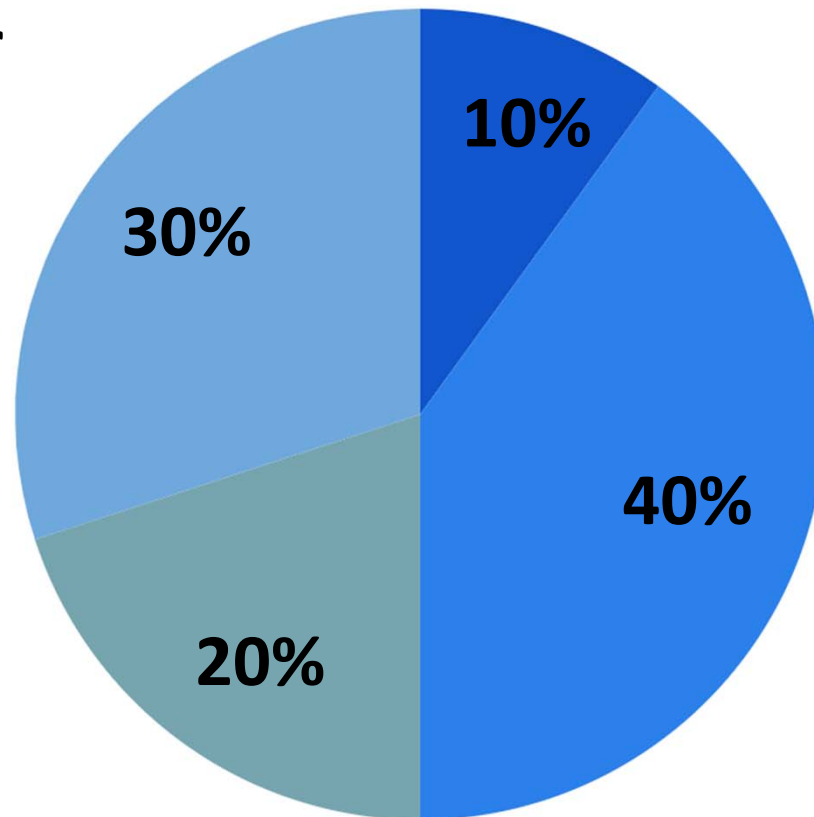
SDOH and Population Health

Health Behavior

Tobacco Use
Diet & Exercise
Alcohol Use
Unsafe Sex

Health Care

Access to Care
Quality of Care



Physical Environments

Environmental Quality
Built Environment

Socio-Economic Factors

Education
Employment
Income
Family/Social Support
Community Safety

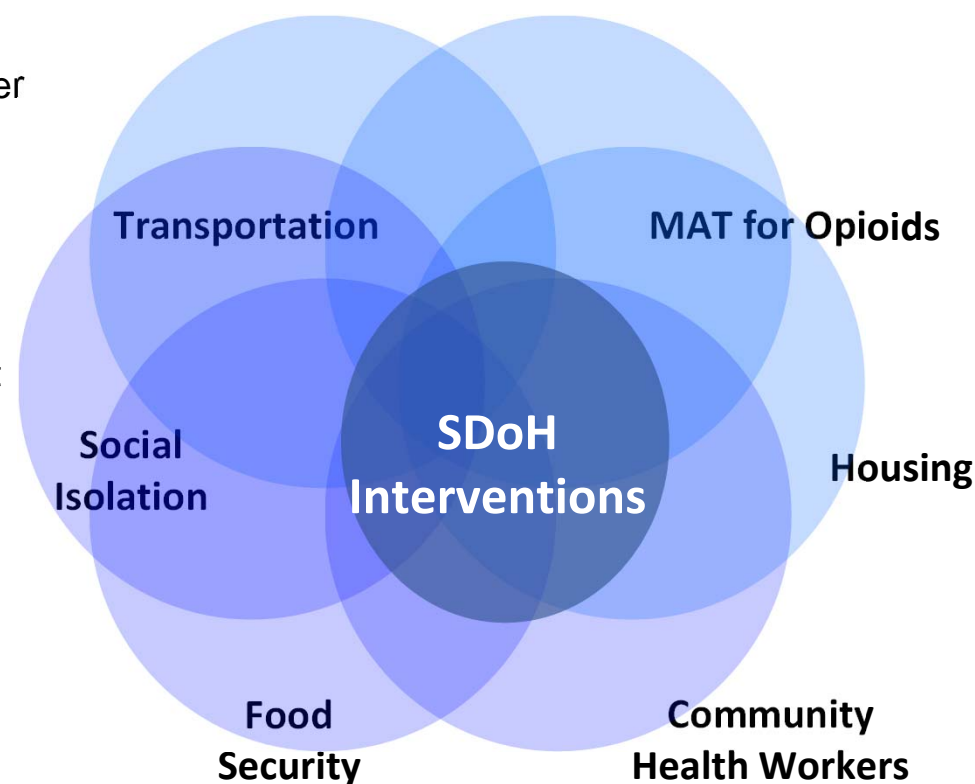
Source: University of Wisconsin Population Health Institute



SDOH and Medicare Advantage/Medicaid

Although Social Determinants of Health (SDOH)—the conditions in which people are born, grow, live, work, and age—are critical elements to improving individual and community health, public policies to finance and scale successful SDOH initiatives often lag behind.

- Medicare Advantage and Part D plans now offer supplemental benefits that facilitate
 - Healthier lifestyles
 - Improved illness management
 - Significant disease prevention
- Increased emphasis on comprehensive benefit offerings and patient choice promotion
- CMS believes plans need greater flexibility in offering benefits in SDOH
- Limited federal funding for SDOH creates opportunities for innovative financing



Source: Center for Medicare & Medicaid Services



SDOH Research Summary

	Market Opp (MA Population)	% MA Population	Net PMPM* value (total membership)
Benefit Enrollment	\$15B	Up to 40%	\$11-40+
Food Security	\$17.34B	15%	\$8-21
Housing/ Home Safety	\$11.6B	25%	\$1-2.6
Loneliness Outreach	\$2.1B	43%	\$5-10
Community Health Workers	\$30B+	30%	\$12-50
Transportation	\$9.68B	20%	\$4.5-18
Palliative/ Complex Care	\$30B+	2-5%	\$7-26
Opioid MAT	\$1.9B	0.5%	\$1-4

*PMPM value accounts for the cost of the service and totals net value across risk adjustment (where relevant), medical expense reduction and stars.



Guiding Principles for SDOH Benefits



Guiding Principles

- Clear and easy to understand
- Equitable and targeted to those with greatest need
- Designed to be manageable and sustainable
- Evolve with experience and data supporting their effectiveness

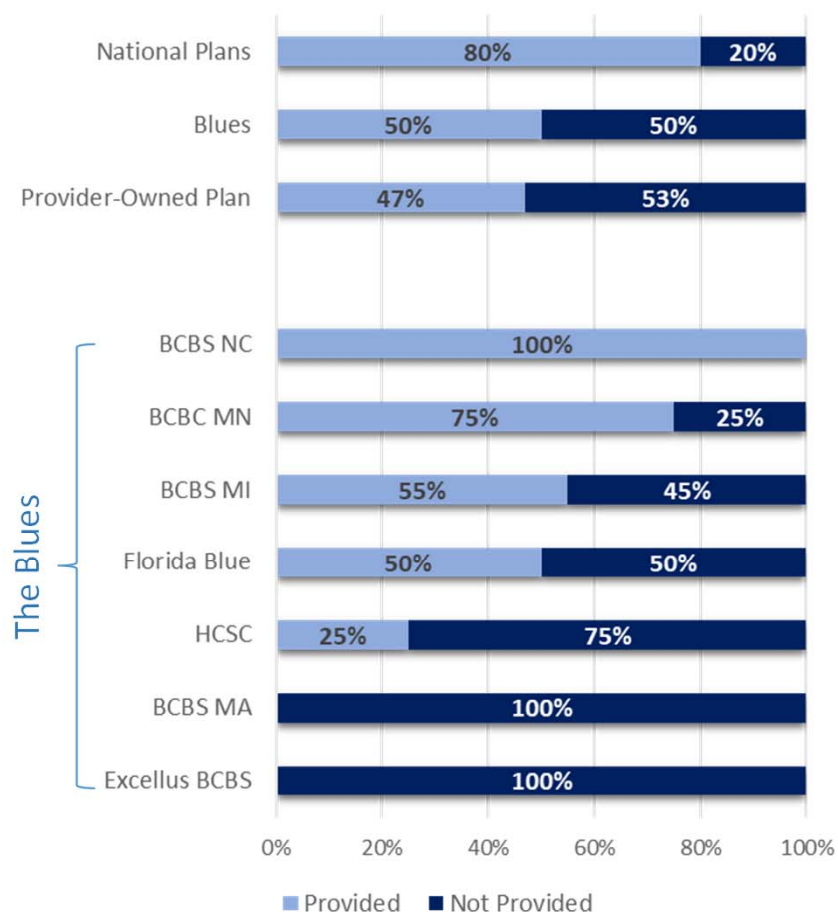
Source: LTQA, July 2019



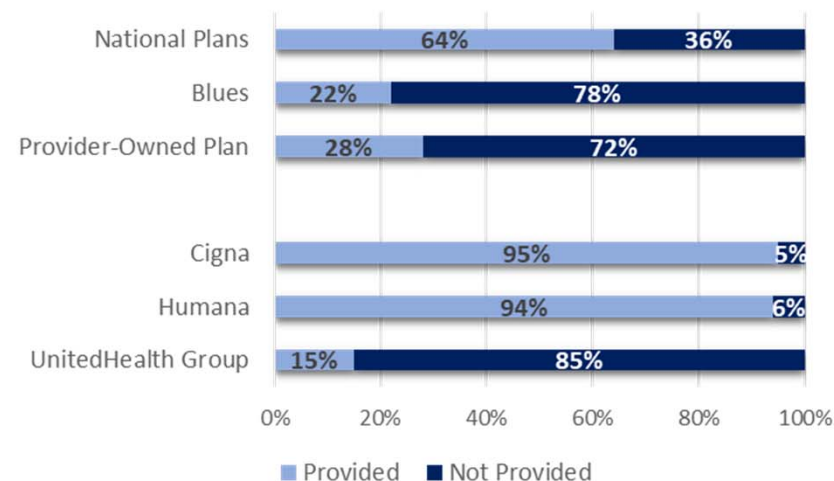
Supplemental Benefits and SDOH

What MA Market Leaders Are Doing

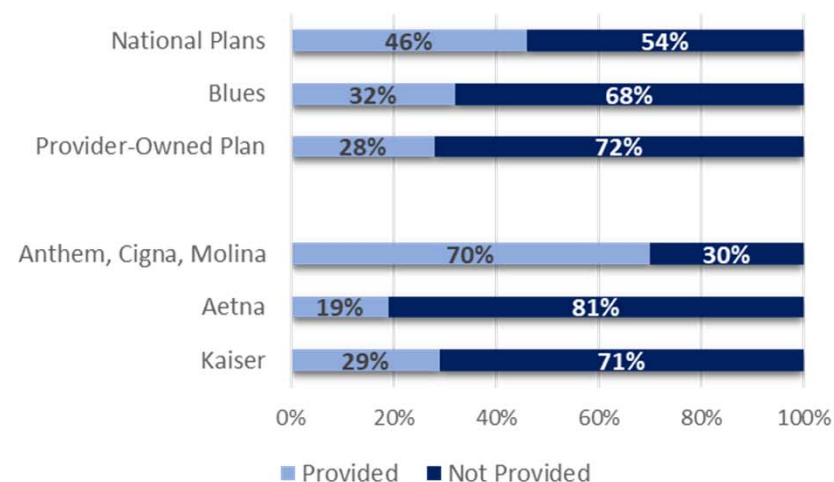
Providing Over the Counter (OTC)



Providing Meal Benefits



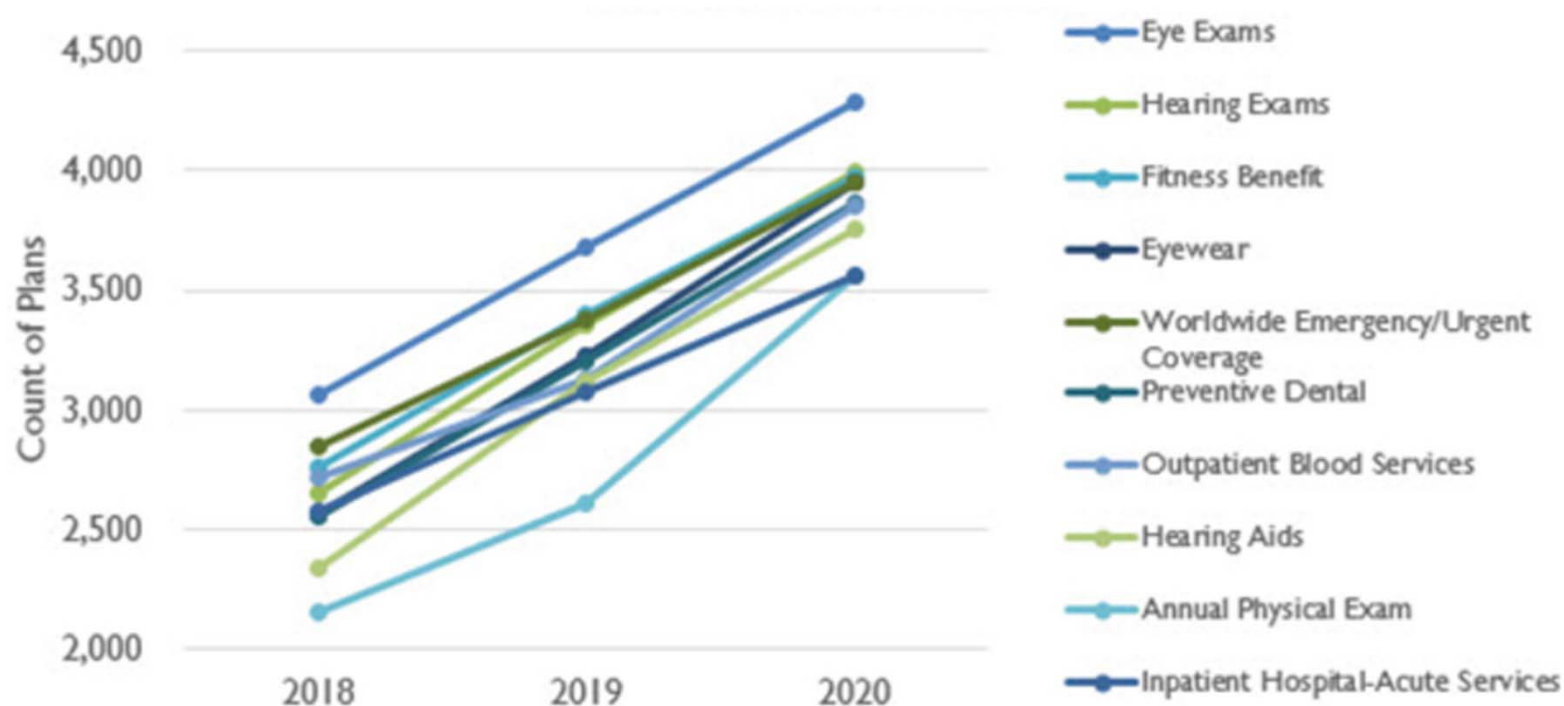
Providing Transportation Benefits



Source: Pareto Intelligence, October 2019

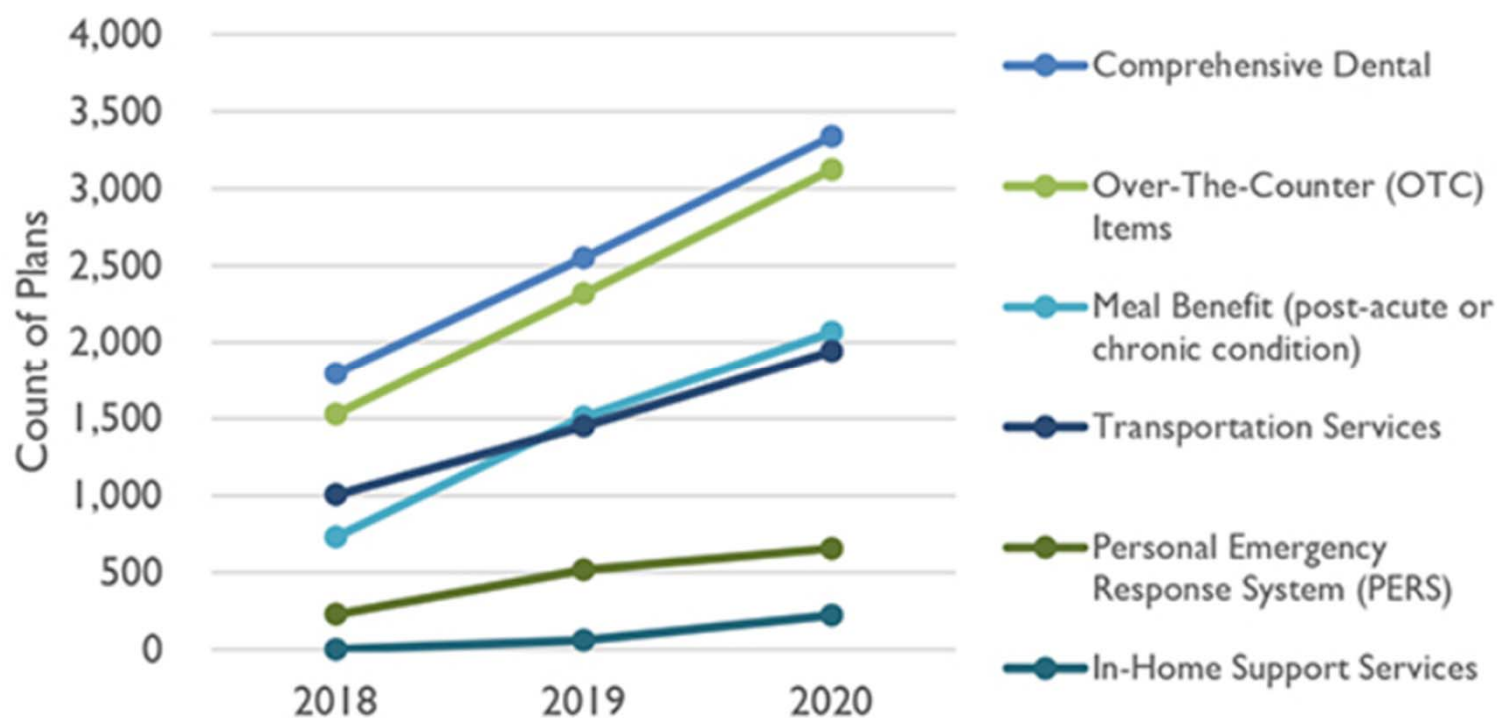
Supplemental Benefits and SDOH

Trends for Top 10 Most Popular Supplementals in 2020



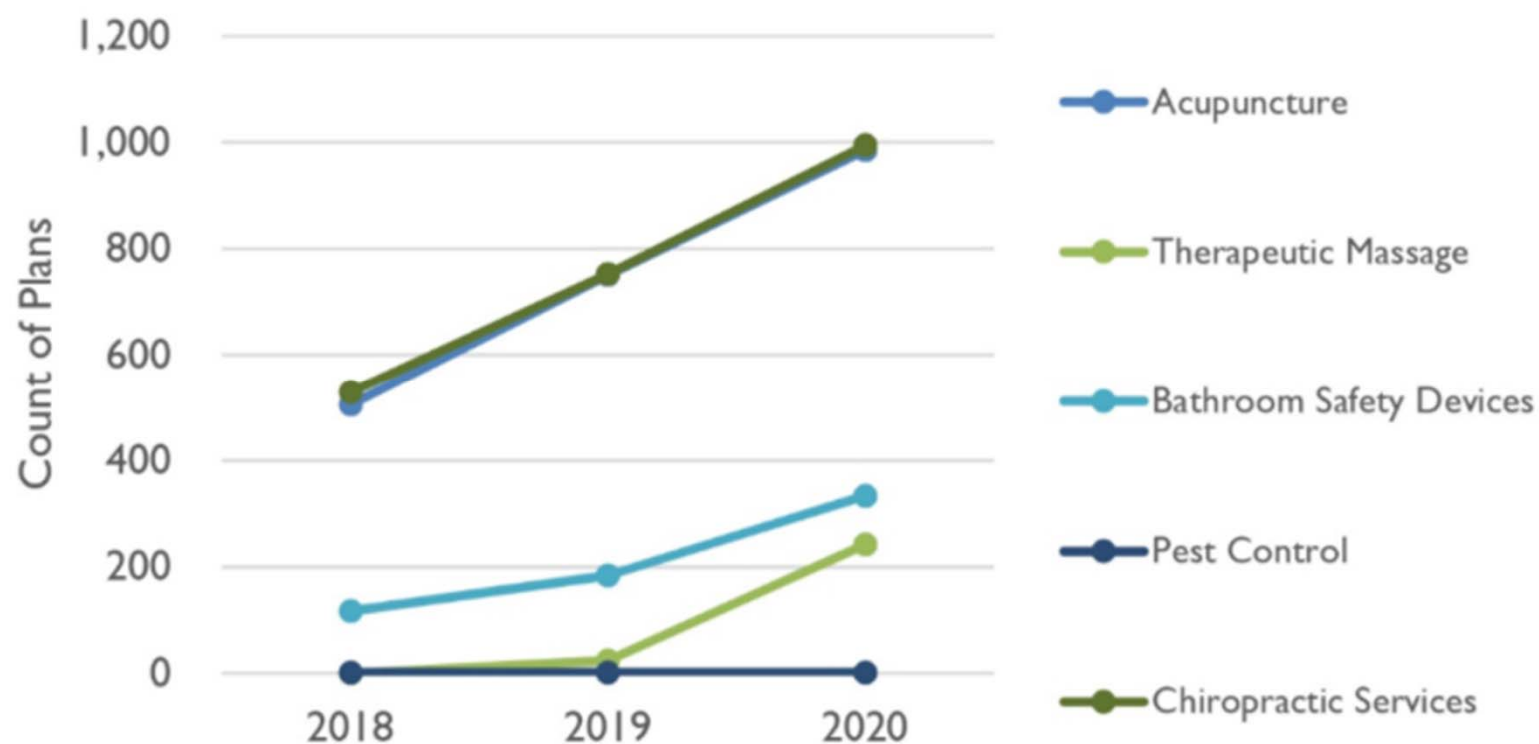
Supplemental Benefits and SDOH

Trends for Most Discussed Supplementals in MA Plans in 2020



Supplemental Benefits and SDOH

Trends for Most Creative Supplementals in MA Plans in 2020



Supplemental Benefits and SDOH

Expansion of Popular Supplementals for 2021

	Benefit	Number of Plans Offering in 2020: ⁶	Number of Plans Offering in 2021:
New Primarily Health-Related Supplemental Benefits	In-Home Support Services	223	429
	Adult Day Health Services	84	127
	Home-Based Palliative Care	61	134
	Support for Caregivers of Enrollees	125	95
	Therapeutic Massage	230	176
	TOTAL (offering at least 1 new primarily health-related supplemental benefit):	499	737

Source: ATI Advisory analysis of CMS PBP files.



Supplemental Benefits and SDOH

Expansion of Popular Supplementals for 2021

Special Supplemental Benefits for the Chronically Ill	Food and Produce	101	Data on 2021 SSBCI will be available in Q1 2021
	Meals (beyond limited basis)	71	
	Pest Control	118	
	Transportation for Non-Medical Needs	88	
	Indoor Air Quality Equipment and Services	52	
	Social Needs Benefit	34	
	Complementary Therapies	1	
	Services Supporting Self-Direction	20	
	Structural Home Modifications	44	
	General Supports for Living	67	
	Other: Service Dog Supports	51	
	TOTAL (offering at least 1 SSBCI):	245	

Source: ATI Advisory analysis of CMS PBP files.



Supplemental Benefits and SDOH

The Next Generation of Benefit Design

- Reduce/eliminate copays and deductibles
- Tiered supplemental benefits
- Vision, dental, hearing, OTC = new table stakes



2022:
Opioid treatment
MTM/Polypharmacy
Mental/behavioral care access
Dementia care
Adult day care
Telehealth
Caregiver Support/Respite

Medicaid State of Play on SDOH

- 40 states are addressing SDOH through their Medicaid programs, mostly around partnerships with community organizations and agencies and care coordination
- 35/39 states now require managed care organizations (MCOs) to screen enrollees, provide referrals to services
- Moving community-based organizations away from grants toward billing for services under VBP contracts
- Emphasis on data collection and effectiveness measurement:
 - Z codes in ICD-10-CM, to help clinicians capture a patient's socioeconomic and/or psychosocial needs
 - Accountable Health Communities (AHC) Health-Related Social Needs Screening Tool

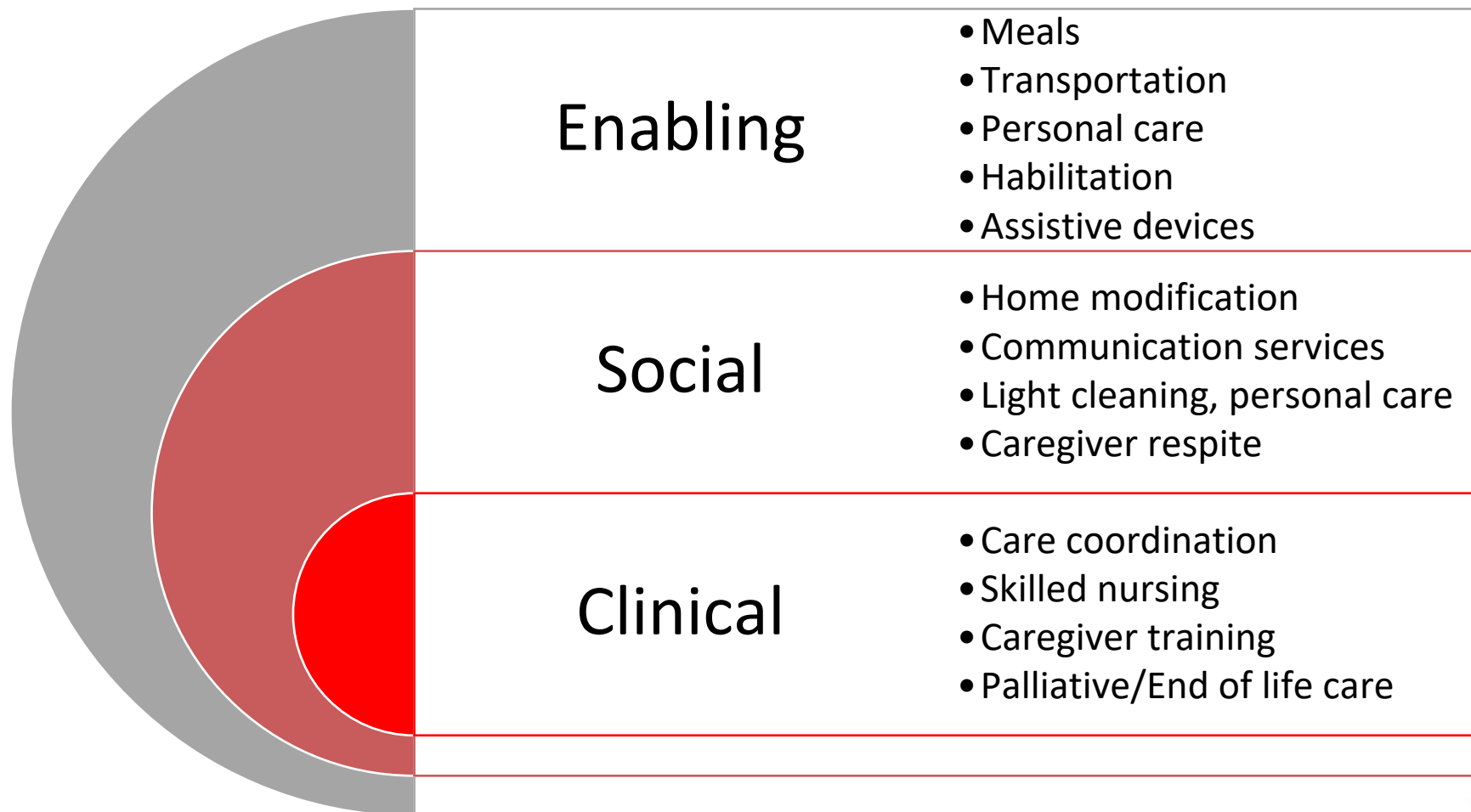


Medicaid State of Play on SDOH

- MD, MA, NM, RI: requires MCO to identify homeless, link to housing
- FL, NE: requires coordination between plans and community resources for those who are food insecure
- KS, WV: requires the plan to assist members with work opportunities and identify/treat behavioral/medical needs preventing employment
- AZ, FL, IA, IN, KY, MI, NM, WI: healthy behavior incentive programs, e.g., obesity mitigation, SA treatment, smoking cessation

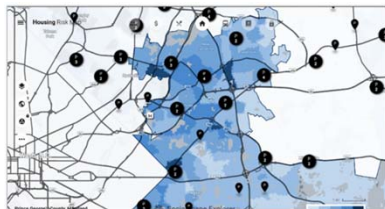


The New Normal in Network Management



Sample Network Analysis

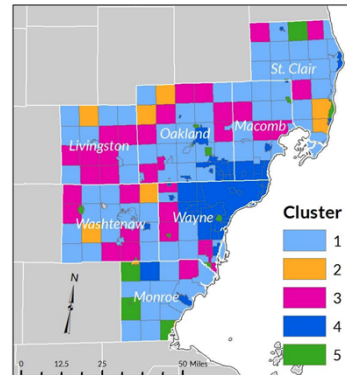
HEALTHY FOOD ACCESS



- 2 food pantries within 20 radius of members with diabetes
- 1 local mini-mart accepting EBT
- State supports use of EBT/WIC/SNAP at Farmer's Markets
- 1 farmer's market, no mobile farmers markets

HOUSING / SHELTER

- 63% of homes built before 1980
- Average annual repairs through local network estimated at \$1,200
- 2 programs with 10 local contractors



TRANSPORTATION



- 1 volunteer transportation program
- 3 active transportation vendors
- Limited to medically needed transport only
- Minimum 2-day advanced scheduling required



Executive Management



John Gorman - Chairman

Founder and Chairman of Gorman Health Group and former Clinton appointee to the Health Care Financing Administration.

John.Gorman@nightingalepartners.org
(202) 255-6924



Rita Mills - CEO

Former CEO of UnitedHealthcare State & Community (\$42B). Former Director, CMS Medicaid Managed Care.



Pamme Taylor, PhD - CIO

Former VP Community Impact WellCare, Exec. Dir. WellCare Foundation. Former SDoH executive at UnitedHealthcare and LACare.

