

Challenges and Opportunities for Advancing Health Equity in Managed Care Organizations

The NORC Medicaid Managed Care Organization (MCO) Learning Hub shares timely and relevant resources to support Medicaid MCOs and other stakeholders in improving their members' health and increasing advancements in health equity and health care transformation. We encourage you to share your experiences and feedback on future Medicaid MCO Learning Hub work so we can better serve your needs. To start the conversation or join our distribution list, please email us at MCOLearningHub@norc.org.

Over the last year the Medicaid MCO Learning Hub has highlighted key initiatives addressing health equity driven by, or in partnership with, MCOs to inform the Robert Wood Johnson Foundation (RWJF) and its grantees. In addition, the Medicaid MCO Learning Hub has provided MCOs, community-based organizations, states, and other key stakeholders with examples of successful models of organizations working together to advance health equity.

The Medicaid MCO Learning Hub conducted interviews with five MCOs to gather their perspectives on how they plan to address health equity. This issue brief highlights the main takeaways from those discussions, which detail current challenges, initiatives, and the road ahead.

The COVID-19 pandemic and social justice movements of 2020 have been brought to the forefront of society and have sparked national discussions around the true disparities in health care. As a result, many states are exploring all available policy and operational options to address health equity and better serve the residents of their state.

The Medicaid program, in particular, offers states a vehicle to address health equity issues and drive improvements. With nearly 70 percent of all people served by the Medicaid program receiving services through managed care it is not surprising that states are turning to their MCOs to help address health inequities.¹ The State Health & Values Strategies (SHVS) program documented contract language in 12 states and the District of Columbia that expressly target health equity.² With more state managed

care procurements coming in 2021 and 2022, there is a high probability that the SHVS contract language will be used to facilitate MCO engagement in health equity.

There have been a number of webinars and documents presented on how states view and plan to address health equity; however, less exists from the MCO perspective. Over the last year, the MCO Learning Hub has explored how states, MCOs, and community-based organizations can work together to better serve their communities to promote transformations in health equity and health care. Throughout the project, consistent themes emerged on the role of the state and the MCO in addressing the growing challenges.

To further explore this, the MCO Learning Hub team interviewed five MCOs in the first quarter of 2021. All

¹ Hinton, E., Rudowitz, R., Stoylar, L., & Singer, N, (2020) 10 Things to Know about Medicaid Managed Care. Kaiser Family Foundation. <https://www.kff.org/medicaid/issue-brief/10-things-to-know-about-medicaid-managed-care/>

² State Health & Value Strategies. (2021). Medicaid Managed Care Contract Language:

Health Disparities and Health Equity Prepared by Bailit Health <https://www.shvs.org/resource/medicaid-managed-care-contract-language-health-disparities-and-health-equity/>

interviews were off the record to promote more candid conversations with the MCOs. This brief synthesizes current challenges, potential opportunities, and the road ahead for MCOs' role in advancing health equity.

MCOs' Health-Equity Related Activities

STATE ENGAGEMENT AROUND HEALTH EQUITY IS IN EARLY STAGES, AND MCO HEALTH EQUITY INITIATIVES ARE IN THEIR INFANCY

While health equity has been a topic of discussion among Medicaid leadership and staff for many years, it had not previously been a top priority. For example, the National Association of Medicaid Director's (NAMD's) November 2019 State Medicaid Operations Survey did not mention health equity as a strategic priority.³ The activities of 2020 (COVID-19, social justice movement) shifted the national discussion about health inequities and has now made addressing these inequities a national priority. MCOs noted that this quick priority shift in 2020, which is extremely important, has meant that there are currently no formal or consistent health equity strategies being deployed across states.

MCOS ARE DOING A NUMBER OF INTERNAL DIVERSITY, EQUITY, AND INCLUSION (DEI) ACTIVITIES

MCO DEI activities include hiring DEI-trained staff, requiring staff to take DEI and cultural competency training, and hiring a more diverse workforce. A few MCOs stated that they had been conducting trainings and trying to expand diversity in observing that they have made strides in gender equality. Many of the plans have female state plan presidents and a few have a majority of the c-suite positions held by female executives. However, more gains are needed in the racial/ethnic makeup of MCO plan staff, particularly at the executive level.

Challenges and Opportunities for MCOs to Advance Health Equity

MCOS CONSISTENTLY EXPERIENCE CHALLENGES WITH THE RACE AND ETHNICITY DATA THEY RECEIVE FROM THE STATE

As race and ethnicity are not required fields as part of Medicaid applications for new beneficiaries, these fields are reported to be missing about 30 percent of the time. A few MCOs stated that, even with this gap, they still have sufficient data for working on health equity issues. Nevertheless, across MCOs, there was a noted need for states to implement bi-directional data exchange for race and ethnicity data. Oftentimes, MCOs fill in the "missing" race and ethnicity data from other sources (e.g., providers, health information exchanges, commercial data), but there is no standard mechanism through which MCOs can then send these data to the state in order to update the beneficiary files. One MCO questioned why these data are not treated like third-party liability (TPL) data, which is shared between the MCOs and the state to ensure that Medicaid is the payer of last resort when other insurance is involved. By allowing MCOs to exchange race and ethnicity data back to the states, like TPL data, states would be able to in turn update these fields and fill in the missing data.

A few MCOs stated that they have large teams working on analyzing current data to identify existing health disparities. MCOs use health disparity data to plan for programs and interventions that address these disparities among their members. To make these analysis more useful, a few MCOs use supplemental data sources, like commercially available data and health information exchange data. These additional sources help the MCOs conduct targeted analyses down to the zip code level.

STATE MEDICAID AGENCIES NEED TO TAKE A LEADERSHIP ROLE IN HEALTH EQUITY

MCOs outlined key areas where states can drive change:

- promote **standards for data collection** and data sharing
- **coordinate across state agencies.** For example, one plan commented how in some states, the various state agencies do not coordinate their activities or message around health equity. MCOs reported that are

³ <https://medicaiddirectors.org/wp-content/uploads/2019/11/100-copies-NAMD-Operations-Survey.pdf>

oftentimes pulled in different directions and that limited resources are being wasted.

- **Promote requirements that would lead to a “closed loop” referral system from MCOs to community-based organizations (CBOs) that are addressing member social determinant of health needs.**

Oftentimes MCOs seek to connect their members to CBOs to help meet a member’s food insecurity or housing needs, for example, but the MCO may not receive data or information from the CBO that the member’s SDOH needs were met.

- **convene and educate stakeholders** around health equity challenges, strategies, and opportunities. These challenges are too big and too complex for any one organization to solve, so Medicaid must leverage partnerships. State Medicaid programs have a unique role in serving populations that range from newborns to those near end-of-life. This diversity creates an opportunity for the state to hear about a wide range of community issues and impacts and drive change. All MCOs stated that the state can be a leader and facilitate change through convenings around key issues.

LEVERAGE STATE CONTRACT REQUIREMENTS TO LAY OUT CLEAR EXPECTATIONS FOR MCOs AROUND HEALTH EQUITY

MCO leaders stated that contract requirements result in increased investments by MCOs to address issues when they are a state priority. These requirements also build alignment and intentionality in how issues will be approached across the broader delivery system. Potential areas for leveraging contracts include:

- **creating incentives, e.g., through value-based payment (VBP) arrangements like pay-for-performance programs.** The most often cited performance measures used in these VBP arrangements were from the Healthcare Effectiveness Data and Information Set (HEDIS), which are focused on specific racial and/or ethnic minorities.
- **Leveraging community invest requirements.** These requirements are starting to appear in contracts and requests for proposals across the states. For example, Arizona, requires health plans to contribute six percent of annual profits to community reinvestment.⁴ In general, MCOs supported the requirements as they felt it is a way to give back to the communities they serve. However, MCOs did not agree on how much that

community reinvestment should be. Some MCOs liked a specific percentage and others did not.

STATE LEADERS SHOULD PROVIDE CONSISTENT INFORMATION ON THE IMPORTANCE OF HEALTH EQUITY TO MEDICAID PROVIDERS

Providers play an important role in addressing inequities given that they are patient-facing; education and messaging around racism, bias, and health equity for providers are needed. An MCO noted that at their provider meetings, they have witnessed limited provider knowledge about the importance of health equity. For example, some providers had never heard of the [Tuskegee Syphilis experiment](#). This MCO pointed out the need to more intentionally provide consistent educational materials that speak to disparities, inequities, and the impacts of implicit racism.

Conclusion

Health equity may be one of the most important issues both states and MCOs will face this year and for years to come. While the problems associated with structural racism and health disparities came to the national spotlight over the last year, these have been longstanding and entrenched issues across the country and especially prevalent in the Medicaid population. Advancing health equity will take a concerted and coordinated effort across sectors, sustained for many years, in order to see real change. MCOs reported that they are willing to take on this issue and are implementing a range of initiatives to begin to address the challenges. MCOs are also looking for consistency and guidance from state Medicaid agencies on the topic of addressing health inequities to ensure that state guidance and requirements are clear, efforts are aligned, and multi-year initiatives can focus on the topic.

⁴ Arizona Health Care Cost Containment System (2019). https://www.azahcccs.gov/Resources/Downloads/ContractAmendments/ACC/YH190001_ACC_AMD6.pdf

ABOUT NORC MEDICAID MCO LEARNING HUB

The key goal of the NORC Medicaid MCO Learning Hub is to serve as a source of information, expertise, and best practices to support managed care organizations in moving forward with system reform. NORC and its partner organizations identify, develop, and disseminate promising approaches and emerging opportunities for MCOs to improve the physical health, behavioral health, and social needs of their members.

Your ideas and opinions are important to us. We welcome your feedback on future Medicaid MCO Learning Hub work or programs you are working on to better serve your needs.

We want to hear from you. Please contact us at MCOLearningHub@norc.org to start the conversation or join our distribution list.

www.norc.org/Research/Projects/Pages/medicaid-managed-care-organization-learning-hub.aspx

Acknowledgements

Support for the NORC Medicaid MCO Learning Hub is provided by the Robert Wood Johnson Foundation. The views expressed here do not necessarily reflect the views of the Foundation.

NORC'S PARTNERS

