

Payment Transformation to Advance Health Equity

2025 National Webinar Series: Strategies from the Field
April 23, 2025

Welcome to AHE's 2025 Webinar Series:


Strategies from the Field

- The Advancing Health Equity program facilitates cultural – not simply operational – systems change, with the goal of creating anti-racist care transformations and integrated payment models that are wide-reaching, sustainable, and replicable.
- Each “Strategies from the Field” webinar:
 - Shares our learnings and feature members of AHE’s multi-stakeholder [Learning Collaborative teams](#) and other experts in the field
 - Centers our Roadmap to Advance Health Equity
 - Reflects AHE’s approach to payment reform and healthcare innovation, describing barriers, solutions, and a way forward

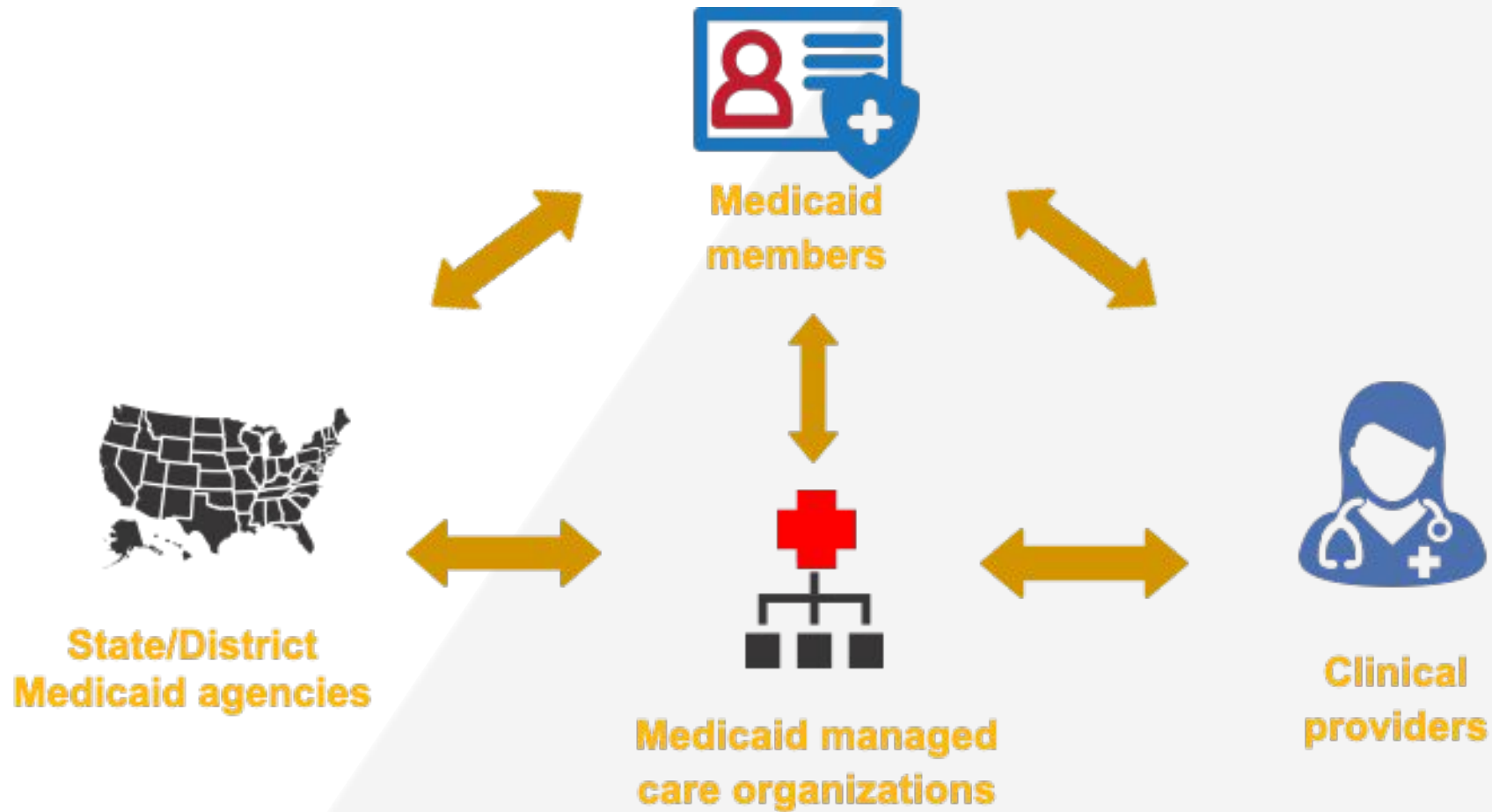
Today's Webinar

- Welcome and Introduce the Roadmap to Advance Equity
- Opportunities to Promote Health Equity through Value-Based Payment (VBP)
- Delaware Learning Collaborative Team's VBP Approach
- Q&A
- Closing

Housekeeping

- Mute when not speaking
- Please feel free to send questions or comments via the chat
- To enable closed captioning:
 - Click the **Captions** icon () and select **Show Captions**
 - Select your speaking language

Bringing Key Stakeholders Together



Roadmap to Advance Health Equity



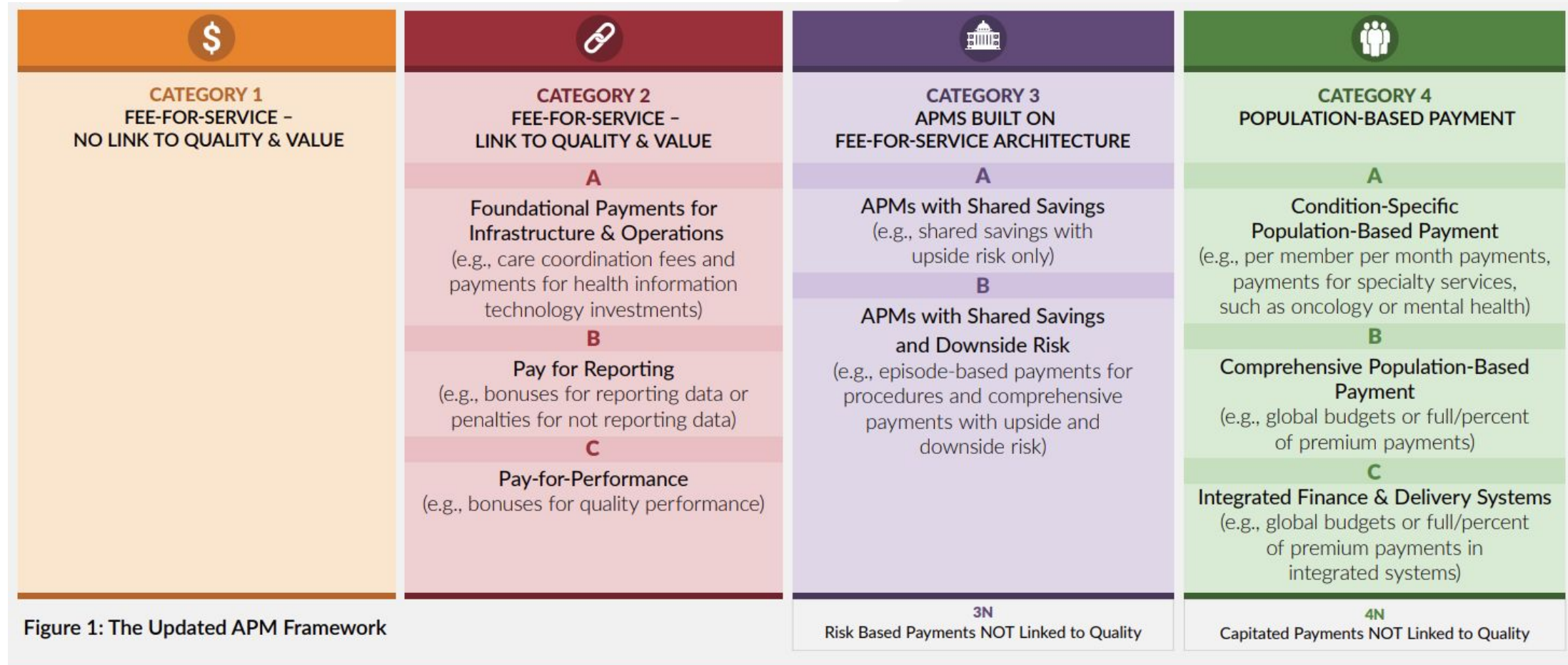
Opportunities to Promote Health Equity through Value-Based Payment

What is Value-Based Payment (VBP)?

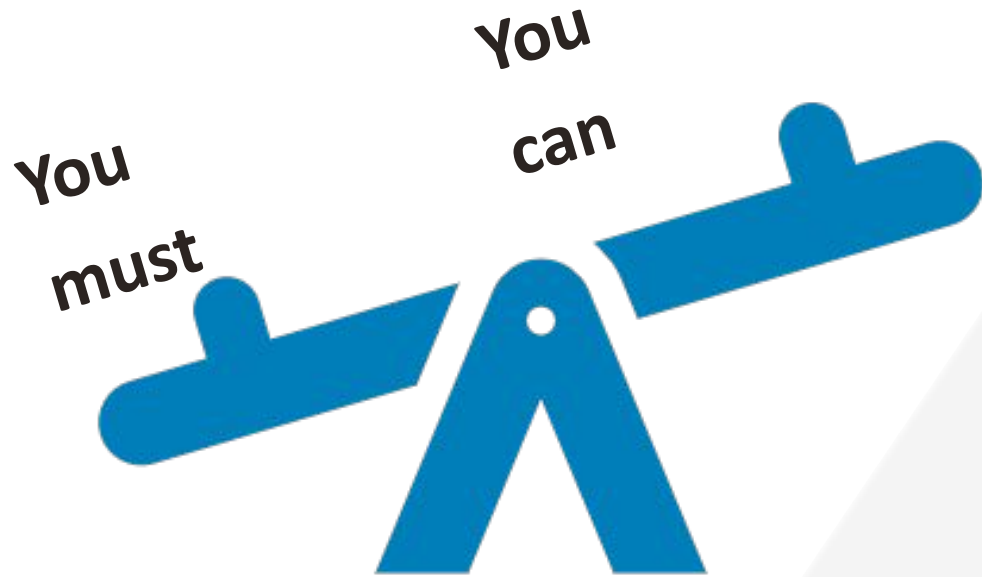
VBP is a broad set of performance-based payment strategies that link financial incentives to providers' performance on a set of defined measures of quality and/or cost or resource use



HCP LAN Alternative Payment Model Framework



Prescriptiveness vs. Flexibility



- Key decision to weigh when developing any policy or program:
 - How prescriptive will the design be?
 - Where and how much flexibility can we allow?
- **Power** and **relationships** play a key role in these choices
 - Who holds the power in your contractual relationship?
 - What does accountability look like?
 - In an ideal world, how can our definition of “accountability” include accountability towards community?

How Flexible/Prescriptive Should a VBP Model Be?

More Flexible

Pros

- Encourages innovative approaches and supports community-specific interventions
- Allows variance for payer/provider capacity

Cons

- May encourage “least common denominator”
- Misalignment across payers
- Hard to evaluate

More Prescriptive

Pros

- Can ensure a specific VBP approach is implemented
- Leverages multi-payer alignment
- Easier to evaluate

Cons

- May stifle innovation or limit community-specific interventions
- May not allow for payer/provider capacity

VBP with a Health Equity Lens

- Payment can be a lever for:
 - Reimbursing for activities that promote health equity
 - Rewarding providers and organizations that produce more equitable outcomes
- VBP must be intentionally designed to produce equity
 - Stratified performance metrics
 - Equity-enhanced payments
 - Risk adjusted payments
- Payment is just one lever to support more equitable health care and outcomes – other activities from the AHE Roadmap should inform and work

Designing VBP for Health Equity

- ❑ Articulate the health equity goals with stakeholders
- ❑ Assess the current payment environment
- ❑ Design payment approaches that support care delivery transformation strategies
- ❑ Select performance and quality measures that reflect health equity goals
- ❑ Address operational issues in partnership with stakeholders (community-based organizations (CBO), providers and provider organizations, and managed care organizations (MCO))



1. Articulate the Health Equity Goals of Payment Transformation

- Work with key partners to identify your goals, including provider organization staff and frontline workers; and patients and community members
- Explore how progress on your health equity goals can be measured
 - **Increasing delivery of services that promote equity** (e.g., increase screening of Black people who recently gave birth for postpartum depression)
 - **Improving quality of care** (e.g., improved scores on ‘trust’ measure in experience of care surveys)
 - **Improving health outcomes** (e.g., decreased opioid overdose deaths of Medicaid members returning to the community after incarceration)
- Consider measures that can identify short-, medium-, and long-term changes that point

toward your goals

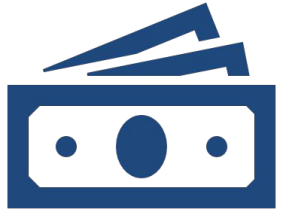
Work with Community Members to Articulate Health Equity Goals

- Patients and their families should be at the heart of the goals of your payment transformation
 - How can we design VBP models that promote equity and improve experience of care if we don't know what the community wants and needs?
 - Organizations should seek to move from a “feedback” or “consultation” mindset to ceding decision-making power to community when possible
- **Start** with community focus groups, individual interviews, and surveys
- **Move towards** ongoing relationships with community members
 - Existing general patient/family advisory councils can be leveraged
 - New VBP-focused advisory councils can be developed
- Patients and communities can improve design of (1) Goals of VBP; (2) Prioritized quality measures; (3) Care delivery transformation



2. Assess the Current Payment Environment

- Are payment reforms currently underway that can be leveraged?
 - E.g., a maternity bundle in place that could incorporate additional equity measures?
 - E.g., VBP models in other contracts that could be implemented more widely?
- Are payment reforms currently underway that might conflict with this new model?
- What is the level of buy-in from involved parties?

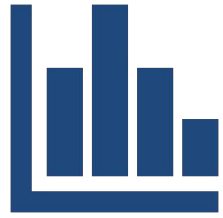


3. Design Payment Approaches that Support a Care Transformation Addressing Root Causes

- Upfront or prospective funding
 - Cover infrastructure and workforce for interventions such as community health workers, community partnership, or changes to IT systems to track equity
 - Provide more flexible funding to cover expenses associated with non-billable services
- Retrospective payment
 - Reward and incentivize reducing disparities and advancing health equity

Design Payment Approaches: Additional Functional Questions

- What is the magnitude of incentive(s) needed to reduce barriers and support care delivery transformation?
- What changes to payment approach are needed to reduce barriers and support care delivery transformation?
- How can incentives at the provider organization level flow down to individual providers or other staff?
- What level of financial risk or reward is appropriate?
- Can non-financial incentives increase individual provider engagement and improve performance?
- How and when can we assess value and success of the model?



4. Select Performance and Quality Measures

- Tips for selecting performance and quality measures
 - Ensure measures reflect health equity goals and community goals
 - Consider feasibility of collecting timely and accurate data
 - Think about who can influence the measures
 - Prioritize a limited, but meaningful, measure set
 - Choose a balance of process, outcomes, and experience measures



5. Address Additional Issues in Partnership with Stakeholders

- In what ways can MCOs, state Medicaid agencies, health care providers, social service organizations, and community-based organizations partner to implement care transformation and supportive VBP?
 - Thought partnership in program design
 - Data collection, sharing and analysis
 - Shared learnings from community engagement
 - Training and skill-building around payment reform

Q&A

Please tell us how we did!