

Are Carrots Good for Your Health?

Current Evidence on Health Behavior Incentives in the Medicaid Program

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Sources for Today's Talk

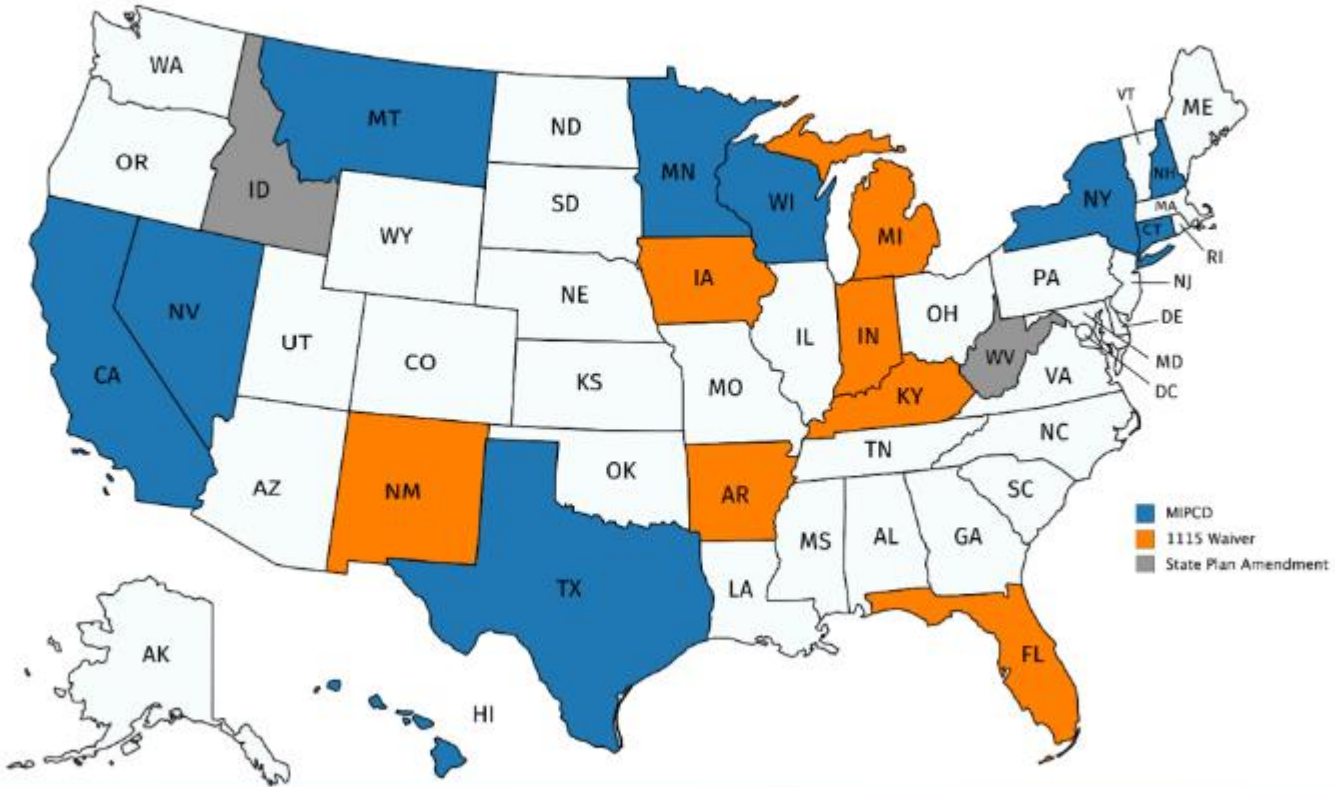
- Literature review of existing academic publications, white papers, and evaluation reports.
- Interviews with over 70 Medicaid incentive program stakeholders.
- Initial results summarized in an issue briefs and a Health Affairs article (Vulimiri et al. 2018)



Key Themes

- Landscape of Medicaid Health Behavior Incentive Programs
- Evidence Base for Medicaid Health Behavior Incentive Programs
- Implementation Strategies

Medicaid incentive programs are popular and widespread



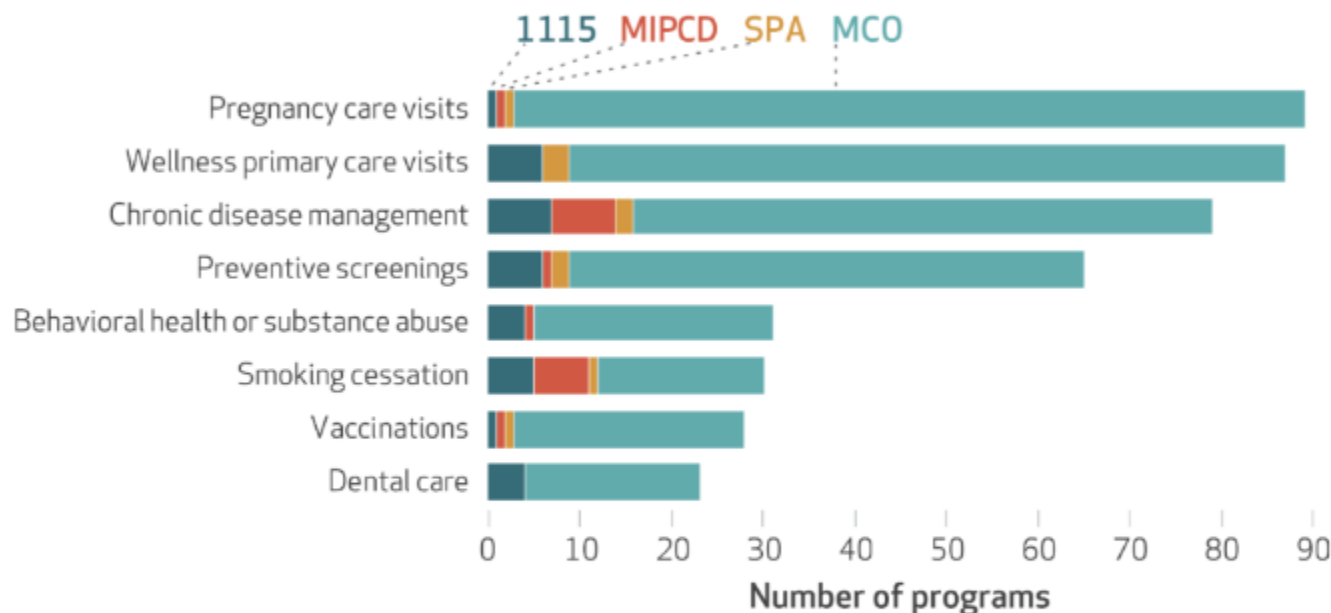
As of May 2018

Evolution of incentive programs

- ***State Plan Amendments for Early Incentive Programs***: One-time, preventive services; rewards.
- ***Medicaid Incentives for the Prevention of Chronic Disease Model***: Chronic disease focused, all rewards
- ***1115 Waiver Programs***: Mix of one-time preventive behaviors and chronic diseases; rewards and penalties; focus on expansion population or most beneficiaries.
- ***Medicaid Managed Care Organizations (MCOs)***: Almost all MCOs offer beneficiary incentives for health behaviors.

Don't let these themes obscure the significant variation in each category....

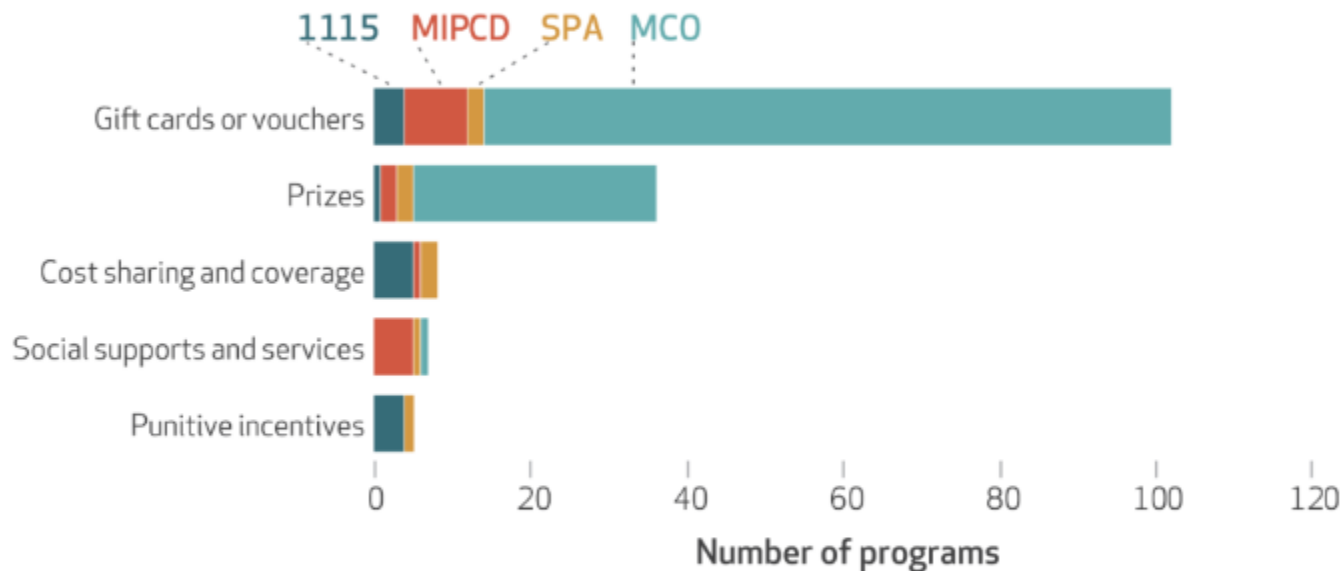
Range of **health behaviors** targeted by Medicaid beneficiary incentive programs, 2006-2018



- **Slight targeting differences:**

- MCOs commonly incentivized preventive visits (similar to HEDIS quality measures) and focused more on pregnancy
- State programs targeted more complex chronic disease health behaviors

Various **types of incentives** used in Medicaid beneficiary incentive programs, 2006-2018



- **Gift cards or vouchers were most common, especially among MCOs**
- **States offering cost-sharing, social supports, and penalty incentives**

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What do we know about the impact of these programs?

- *Beneficiary awareness of programs and satisfaction:* low to moderate
- *Utilization of preventive services:* Mixed
- *Smoking cessation:* Generally improved
- *Chronic condition health outcomes:* Not clinically significant
- *Medicaid expenditures:* Mixed

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- *Chronic conditions* not clinically significant
- *Medicaid expenditure*

EVIDENCE IS LIMITED

Where is more evidence specifically needed?

- Effect on simple, one-time behaviors vs longer term, complex behavior?
- Amount and design of incentive?
- Optimal length of time to change habits?
- Extrinsic vs intrinsic motivation?
- Burden on vulnerable populations?

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Hard to engage beneficiaries in Medicaid incentive programs

Challenges	Potential Solutions
Medicaid beneficiaries are often transient	Meet members where they are <ul style="list-style-type: none">• Community events• Mobile devices
Incentive programs can burden clinical teams	Engage clinicians wisely <ul style="list-style-type: none">• Align beneficiary and provider incentives• Electronic referrals to incentive programs
“Money talks” but with limitations	Consider prizes and services <ul style="list-style-type: none">• Social support• Combine money with other incentives

On the importance of beneficiary education:

“You can’t just tell someone to go get a health risk assessment if they have no idea what that is or know the value or importance of it.”

Administrative hassles— implementation is difficult!

- ~42% of costs are administration (including evaluation)
- Every state and MCO underestimated the time and resources needed to stand up an incentive program
- Data systems for tracking and administering the incentives are substantial
 - It's hard to find people!

Other implementation considerations

- Need to align incentive programs with other payment & delivery reforms (such as measures)
- Helpful to involve (and incentivize) clinicians, as they can ensure that patients understand the programs
- Evaluations hard and require long time horizons, especially for judging financial return on investment

Incentive Programs: One Tool in a Broader Toolbox

- Given heavy resource lift, important to make sure incentive programs align with other priorities
- Many paths forward; similar programs could also help states achieve goals:
 - Addressing social drivers of health
 - Increasing investment in primary care
 - Improving chronic disease management, but not necessarily through financial incentives for a specific behavior change
- Each state experience is different; states will need to figure out what works for them.

Top Takeaways

- Incentive programs are popular, with lots of diversity among different states.
- Current evidence is limited and mixed, especially on impact on beneficiaries' health and health care costs.
- Don't underestimate the operational challenges—states said they were always greater than expected.
- Start simple and then go more complex

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