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

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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
Key Themes

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- Implementation Strategies
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
What do we know about the impact of these programs?

- Beneficiary awareness of programs
  - Low to moderate
- Utilization of preventive services
- Smoking cessation
- Access to care
  - Not clinically significant
- Medicaid expenditure
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?
Key Themes

• Landscape of Medicaid Health Behavior Incentive Programs

• Evidence Base for Medicaid Health Behavior Incentive Programs

• Implementation Strategies
### Hard to engage beneficiaries in Medicaid incentive programs

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<tr>
<th>Challenges</th>
<th>Potential Solutions</th>
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<tr>
<td>Medicaid beneficiaries are often transient</td>
<td>Meet members where they are</td>
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<tr>
<td></td>
<td>• Community events</td>
</tr>
<tr>
<td></td>
<td>• Mobile devices</td>
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<td>Incentive programs can burden clinical teams</td>
<td>Engage clinicians wisely</td>
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<td></td>
<td>• Align beneficiary and provider incentives</td>
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<td>• Electronic referrals to incentive programs</td>
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<td>“Money talks” but with limitations</td>
<td>Consider prizes and services</td>
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<td></td>
<td>• Social support</td>
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<td>• Combine money with other incentives</td>
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**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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