

# Addressing Social Determinants of Health in Michigan's Comprehensive Health Care Program



**This presentation will provide an overview of the following:**



**Michigan Department of Health and Human Services' (MDHHS) approach to addressing social determinants of health through the Comprehensive Health Care Program (CHCP).**



**A new set of nutrition services, called In Lieu of Services (ILOS), for eligible individuals enrolled in Medicaid Health Plans (MHPs).**



**How MHPs will invest in the communities they serve through a new Community Reinvestment requirement.**

# Framework for Addressing SDOH Through Medicaid Managed Care

In line with Michigan's broader strategy to address SDOH, MDHHS made updates to the Medicaid managed care contract in three key areas to help improve health outcomes for Medicaid Enrollees.



# Identifying Social Needs

# Framework for Addressing SDOH Through Medicaid Managed Care

## Key Requirements:

- Screen Medicaid Enrollees for unmet social needs.
- Monitor whether Medicaid Enrollees receive services to address their needs.



# Screening and Reporting Requirements



**Identifying Enrollee's unmet social needs is an important step in addressing the major causes of poor health and health care outcomes. The state established new requirements that Medicaid Health Plans screen for health-related social needs among Enrollees.**

- **Identifying Social Need Among Enrollees:** Medicaid Health Plans are required to screen Enrollees for needs, including food, housing, and transportation needs within 90 days of plan enrollment, at annual redetermination and during transitions of care, following up at least twice if needed to complete the screening.
  - **Reporting Screening Rates:** Medicaid Health Plans must submit quarterly reports showing how many members were screened, how many could not be reached, and how many declined to participate.
  - **Using Standardized Screening Tools:** To ensure consistency, the state requires all Medicaid Health Plans to use MDHHS-approved screening instruments to assess needs related to food, housing, and transportation.
- **Connecting Performance to Payment (Quality Withhold):** The state strengthened the SDOH-related benchmarks that Medicaid Health Plans must meet in order earn back the part of their funding that is contingent on performance and quality.

**Goal:** Ensure that Medicaid Health Plans are accountable for identifying unmet needs among Enrollees and help to address health-related factors.

Source: [Comprehensive Health Care Program for the Michigan Department of Health and Human Services \(FY2025\)](#). Contract Sections:

1.1. Contractor Requirements, V. Access and Availability of Providers and Services, S. Care Coordination

Appendix 5. Performance Bonus (Quality Withhold)

# State-Approved Screening Tools



**MDHHS approved a set of screening instruments that Medicaid Health Plans must use to ensure Enrollees are screened uniformly and provides structure needed for future accountability and reporting.**

Screening Tools	Domains		
	Housing	Food and Nutrition	Transportation
Accountable Health Communities (AHC) Health-Related Social Needs Screening Tool	X	X	X
American Academy of Family Physicians (AAFP) Social Needs Screening Tool	X	X	X
Children's Health Watch Housing Stability Vital Signs™1	X		
Health Leads Screening Panel	X	X	X
Hunger Vital Sign™1 (HVS)		X	
Inpatient Rehabilitation Facility - Patient Assessment Instrument (IRF-PAI)—version 4.0			X
Norwalk Community Health Center Screening Tool [NCHC]	X		
Outcome and assessment information set (OASIS) form—version E			X
Protocol for Responding to & Assessing Patients' Assets, Risks & Experiences (PRAPARE)	X	X	X
Safe Environment for Every Kid (SEEK)®1	X		
U.S Adult/Child/Household Food Security Survey (U.S. FSS)		X	
We Care Survey	X	X	
WellRx Questionnaire	X	X	X

# Key SDOH-related Components in the Quality Withhold



Features	New for Fiscal Year 2025 & 2026
Key HEDIS® measure performance	<ul style="list-style-type: none"> <li>✓ Medicaid Health Plans report the HEDIS® <i>Social Needs Screening and Intervention (SNS-E)</i> measure, which assesses: <ul style="list-style-type: none"> <li>• The percentage of Enrollees who were screened for unmet food, housing and transportation needs, and received a corresponding intervention if they screened positive.</li> </ul> </li> </ul>
Michigan-specific custom quality measures and priority projects	<ul style="list-style-type: none"> <li>✓ <i>Social Determinants of Health - Screening Rates</i>, requires Medicaid Health Plans to report unmet social need screening rates. Medicaid Health Plans earn points based on: <ul style="list-style-type: none"> <li>• Meeting screening thresholds</li> <li>• Showing statistically significant improvement in screening rate over the previous year</li> </ul> </li> <li>✓ <i>Social Determinants of Health –SDoH Referrals</i>, requires Medicaid Health Plans to report a comprehensive list of resources to meet members' SDOH-related needs for each Region they serve.</li> </ul>

Source: [Comprehensive Health Care Program for the Michigan Department of Health and Human Services \(FY2025\)](#). Appendix 5. Performance Bonus (Quality Withhold)



# Managing Social Needs

# Strategies to Address SDOH Through CHCP



# In Lieu of Services (ILOS)

## What are In Lieu of Services (ILOS)?

- ILOS are services a state deems to be **medically appropriate** and **cost effective** when provided as substitutes to other services and settings covered in a state's Medicaid program.
- **ILOS** is administered through Medicaid, which is a health program, so **they must address health-related needs.**

# Goals of ILOS

## What are MDHHS' Goals in Introducing ILOS?

- Promote availability of services to:
  - **Meet Enrollee needs;**
  - **Improve health; and**
  - **Reduce the future need for medical services.**
- Connect with MDHHS' broader strategy to address SDOH and improve health equity.

## Why Focus on Food and Nutrition?

**Michigan's ILOS will initially focus on food and nutrition services because:**

- Barriers to food and nutrition is a **critical need in communities across Michigan**; and
- Substantial evidence shows that **investing in food and nutrition** significantly **improves health outcomes** and reduces unnecessary health care costs.

# ILOS Definitions in Michigan



## **Medically Tailored Home Delivered Meal**

A fresh or frozen home delivered meal which is medically tailored for a specific disease or condition. This ILOS includes support from a certified nutrition professional.



## **Healthy Home Delivered Meal**

A nutritionally-balanced, home delivered meal consisting of a hot, cold, frozen or shelf-stable meal aimed at promoting improved nutrition for the Enrollee.



## **Healthy Food Pack**

A healthy food pack consists of an assortment of medically-tailored or nutritionally-appropriate foods provided to an Enrollee.



## **Produce Prescription**

A voucher for the Enrollee to purchase any variety of fruits and vegetables or plants/seeds that produce fruits and vegetables.

# Medicaid Health Plan ILOS Offerings



**ILOS are optional; Medicaid Health Plans choose whether to offer ILOS, and Medicaid Enrollees choose whether to use ILOS. Several MHPs have already indicated they will implement ILOS.**

## MHP Elections of ILOS

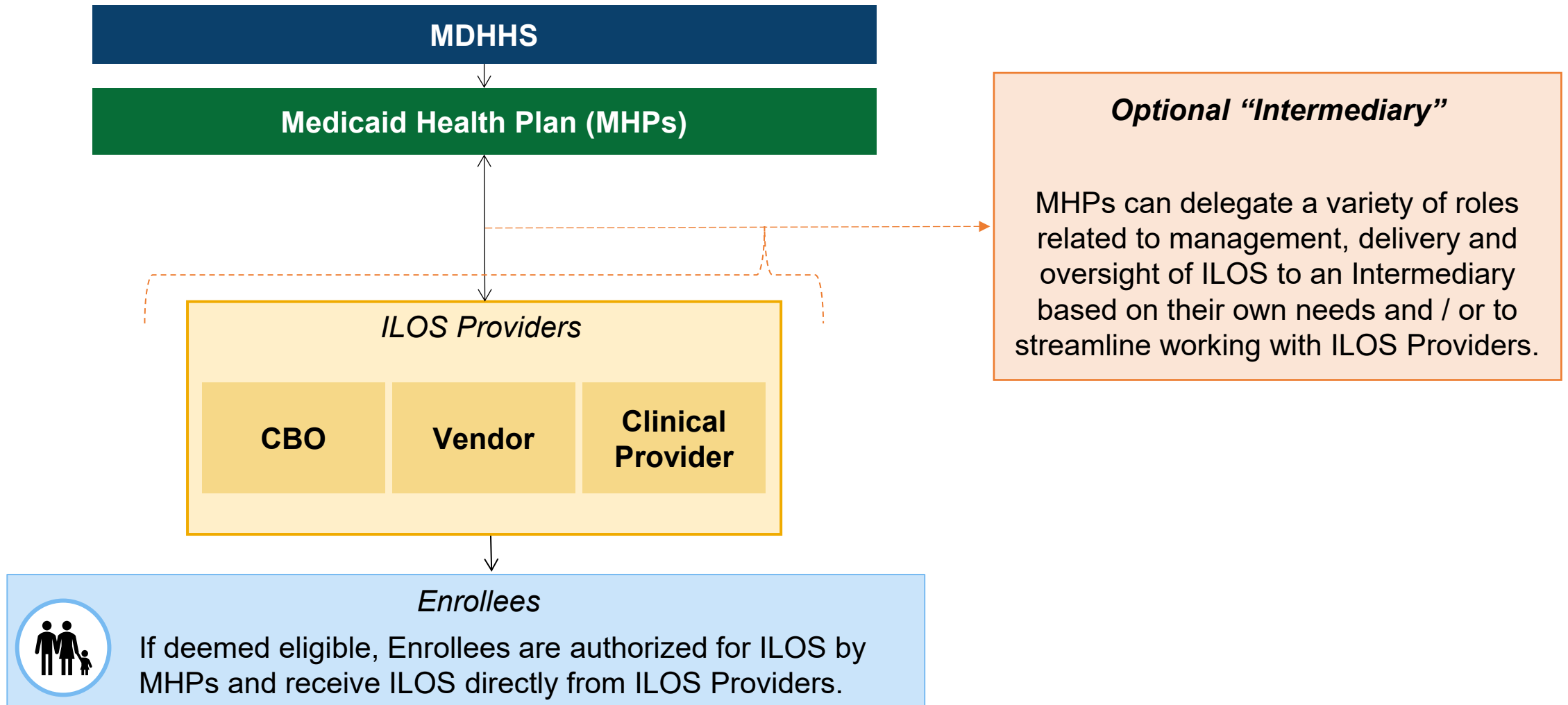
### Offering ILOS

- In fiscal year 2025 (October 1, 2024 – September 30, 2025), MHPs may begin offering ILOS at any point during the year following MDHHS-approval of the MHP's ILOS Implementation Plan.
- MHPs are allowed to terminate ILOS once annually at the end of the fiscal year.

### ILOS by Region

- MHPs may elect to offer one or more approved ILOS and may choose which of its Region(s) to offer the ILOS. MHPs may choose to offer different ILOS in different Regions.
- MHPs must, however, make the ILOS available for all Enrollees residing within the Region(s) it is electing to offer ILOS.

# Illustrative ILOS Roles and Functions



*This visual is illustrative – Medicaid Health Plans are responsible for developing processes related to ILOS so workflows may differ as ILOS is implemented.*



# Potential ILOS Providers



**An organization may opt to become an ILOS Provider because providing ILOS aligns with the organization's goals to address food needs and contribute to the health and wellness of Michiganders.**

## Examples of Entities that May Become ILOS Providers



### **Community-based Organizations (CBO)**

Public and private non-profit organizations that represent a community or significant segments of a community and provide educational, health, social support or other related services to individuals in the community.

**Example ILOS Provider:**  
Food bank



### **Vendors**

Private, non-profit or for-profit companies that provide nutrition-related goods or services.

**Example ILOS Provider:**  
Companies that provide prepared meals

# MHPs are Required to Utilize Locally-Based ILOS Providers



30%

## Requirement:

- In fiscal year 2025, at least **30% of each ILOS type must be provided by locally-based ILOS Providers.**
- Over time, this percentage will increase.

## Rationale:

- Ensures ILOS are delivered by organizations familiar with Enrollees' communities.
- Support capacity of local organizations—ILOS can provide a more stable funding stream to organizations.

## To be a locally-based ILOS Provider, an organization must be:

- A CBO with a physical presence in Michigan, defined as having one (1) or more office locations in Michigan—preferably in the Region(s) the ILOS is being provided—and participate in the Michigan food economy;
- An independent community grocer, headquartered in Michigan; or
- A direct marketing farmer, headquartered in Michigan.

# Community Reinvestment

# Addressing SDOH Through Community Reinvestment

**Beginning fiscal year 2026, MHPs must invest 5% of profits in their communities.**

## **OBJECTIVES OF COMMUNITY REINVESTMENT:**

- ❖ Formalize longstanding reinvestment efforts by MHPs.
- ❖ Increase funding in communities to address Medicaid members' SDOH, to ultimately improve health.
- ❖ Provide funding to support new and expanded partnerships between CBOs and MHPs, including to build CBO capacity to provide in ILOS.

## **KEY DETAILS:**

- ❖ The first fiscal year MHPs will invest in CBOs is October 1, 2025 - September 30, 2026.
- ❖ The Medical Loss Ratio (MLR) report, through which MHPs report financial information, will be used to assess the size of profit each year.
- ❖ The majority of Community Reinvestment dollars must fund activities that address food insecurity.



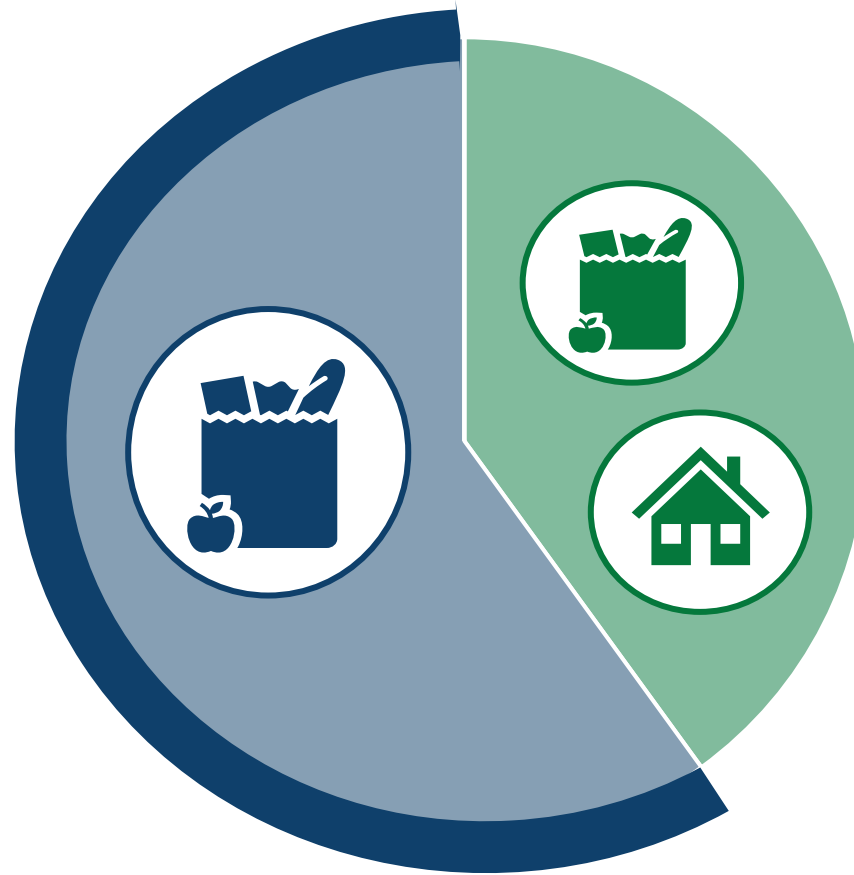
### **Key Term**

#### ***Community Reinvestment Obligation:***

**The amount of the 5% of annual pre-tax profits that MHPs are required to reinvest in the local communities they serve.**

# Activities that the Community Reinvestment Obligation Can Fund

**60% must address food insecurity.**



**The remaining 40% can address food insecurity and/or housing instability.**



**The Community Reinvestment Obligation cannot pay for services that MHPs are required to pay for or to meet other contract requirements.**

# Community Reinvestment Support for ILOS



## The Community Reinvestment Obligation can help CBOs get ready to offer nutrition-focused ILOS.

- Many Michigan CBOs have expertise delivering services like the nutrition-focused ILOS but may not have worked with healthcare partners or MHPs.
- The Community Reinvestment Obligation can be used to fund infrastructure – ***like billing and data sharing software*** – to make it easier for CBOs to partner with MHPs.

# Example Activities that the Community Reinvestment Obligation Can Fund



## Examples of what Community Reinvestment dollars can fund

Software or technology for a CBO to bill an MHP for providing a nutrition service.

Vehicles for a CBO to deliver nutritious meals to people in the community.

Nutrition counseling services that are provided with a produce prescription ILOS.

Kitchen supplies to support food preparation or operational capacity.

Local housing authority home repairs.

A daytime drop-in service center that provides emergency housing vouchers and helps with housing applications.



## Examples of what Community Reinvestment dollars cannot fund

Screening for Medicaid members' SDOH.

Care management services.

Community Health Worker services.

Payment for healthy food packs provided as an ILOS.

Gift cards for Medicaid members to access covered Medicaid services.

# Organizations that Can Receive the Community Reinvestment Obligation

**To receive Community Reinvestment funding,  
an organization must:**

✓ **Be a CBO**

CBOs are public and private non-profit organizations that represent a community or significant segments of a community and provide educational, health, social support or other related services to individuals in the community.

✓ **Address SDOH**

The CBO must deliver services, or run programs, that address the SDOH of Medicaid Enrollees in the Region(s) that the MHP's Medicaid Enrollees live in.

✓ **Be in Michigan**

The CBO must have one or more office locations in Michigan, ideally in the Region(s) that the MHP's Medicaid Enrollees live in.



***If the CBO is focused on addressing food insecurity, it must also participate in the local Michigan food economy (e.g., purchases locally grown, produced or sourced foods).***



# The Role of Community Partners in Community Reinvestment

**MHPs must consult the communities they serve when deciding what to fund.**

- In Regions with Hubs, **MHPs must engage all SDOH Hub Pilot Sites.**
- In Regions without Hubs, **MHPs must engage with external coalitions**—when available—that represent **multiple sectors, include individuals who live in the community** and focus on **priorities identified by the community.**



**Thank you for your time listening to how MDHHS is addressing social determinants of health for Michiganders.**

**Please refer to the MIHealthyLife webpage for resources and any updates on ILOS and Community Reinvestment:**

**<https://www.michigan.gov/mdhhs/mihealthylife>**

**If you have any questions, please contact:**  
**[MDHHS-ENGAGEMedicaid@michigan.gov](mailto:MDHHS-ENGAGEMedicaid@michigan.gov)**