



Addressing Equity and Barriers to Housing Stability and Quality

**A Use Case in Leveraging the
Value-Based Insurance Design
(VBID) Model**

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1 Definition and Context

Definition and Context for Interventions Focused on Housing Stability and Quality.

This Use Case will discuss leveraging the flexibilities available within the Value-Based Insurance Design (VBID) Model to address housing instability and utility needs that may impact health outcomes for individuals in Medicare Advantage Plans. According to the U.S. Department of Health and Human Services, "[Housing instability](#) encompasses a number of challenges, such as having trouble paying rent, overcrowding, moving frequently, or spending the bulk of household income on housing. These experiences may negatively affect physical health and make it harder to access health care."

Recent research suggests that older Americans struggling to pay for housing or utilities forgo medical care and keep their homes at unhealthy temperatures. Data collected in 2018 reveal that lower income households headed by adults 65 years and older with high housing costs spend [nearly 50% less](#) on health care than similar households without high housing cost burdens. Additionally, in 2020, [6.93 million](#) American homes with a household member 60 or older reduced or went without food or medicine to pay energy costs, and [4.38 million](#) American homes with a household member 60 or older left their homes at an unhealthy temperature. Households with substantial housing and utility burdens sacrifice their health and forgo health care to afford their rent, mortgage, and/or utility bills.

Medicare Advantage Organizations (MAOs) participating in the VBID Model have the potential to reduce the risks to housing stability and quality and address members' unmet utility needs by implementing targeted housing and utility interventions, sometimes referred to as "[general supports for living](#)" by CMS, based on chronic health condition(s) and/or socioeconomic status. These targeted interventions to address housing instability have the potential to impact health outcomes, given the link between housing instability and [mental health and chronic illness](#).

Housing and utility benefits discussed in this Use Case are based on the targeting criteria permitted in the VBID Model, which includes a waiver of the Medicare Advantage Program's uniformity requirement and of certain limits on types of supplemental benefits that are not primarily health-related. The discussion here does not constitute approval for benefits, or changes to the MA statute and regulations. Please see the [Calendar Year \(CY\) 2023 Request for Applications \(RFA\)](#) for the Model for further information on Model waiver authority.

2 Investment Rationale

Why address housing related needs in your enrollee population?

- [Health-related social needs](#), such as housing, have been associated with chronic conditions, as well as increased stress and depressive symptoms.
- Populations facing barriers to affordable housing have increased odds of poor [self-rated health](#).
- [Research](#) shows that unmet utility needs are associated with negative outcomes for respiratory health, mental illness, and quality of sleep; and have been linked to increased hospitalization.
- Access to utilities such as high-speed internet decreases the rate of missed telehealth appointments, yet [approximately 41% of Medicare beneficiaries](#) lacked access to a desktop or laptop with a high-speed internet connection.



Pro Tip: Because VBID allows MAOs to more specifically target enrollees, interventions can result in higher return on investment.

See section 6 for more!

3 Laying the Groundwork for a Successful Intervention

How can you lay the groundwork for launching successful interventions?

- ✓ Incorporate considerations of health equity into decision-making, including the potential impact on targeted populations when weighing benefit and benefit design decisions.
- ✓ Develop an understanding of patients' health behavior and health literacy.
- ✓ Conduct a risk assessment and evaluate potential challenges enrollees may face such as access to affordable housing, unmet utility needs, cost of living, and cultural needs; including leveraging existing social determinants of health (SDOH) screening and assessment tools to identify enrollee and community specific needs.
- ✓ Develop an understanding of barriers to housing stability and quality faced by the specific population(s) receiving housing and utilities benefit(s), such as differences in barriers for rural versus urban enrollees.
- ✓ Develop partnerships with essential community providers and other community service partners who provide a range of general supports for living services.
- ✓ Conduct systematic reporting and document improvement in performance data stratified by social risk factors.

Additional Resources

National Quality Forum [report](#) on health equity measurement based on Social Determinants of Health, including housing.

4 Potential Target Populations

MAOs participating in VBID are uniquely able to target individuals most at risk for experiencing housing instability and related barriers.

- Under a combination of programmatic waivers available in the VBID Model and subject to CMS approval, MAOs can offer primarily and non-primarily health related supplemental benefits, such as housing and utilities benefits for medical and/or non-medical housing needs (e.g., flex card for rent assistance, utilities assistance, and maintenance) to members based on the established targeting criteria of [Low-Income Subsidy](#) (LIS) status, chronic health condition(s), or both.* Interventions must have a reasonable expectation of improving or maintaining the health or overall function of the targeted enrollee with regard to the chronic health condition(s) or socioeconomic status of the targeted enrollee population.
- Many of the targeting mechanisms available under VBID (subject to CMS approval) are not available to plans under the Medicare Advantage program.

Enrollees with LIS*

Only Permitted under VBID

LIS* + Chronic Health Condition

Only Permitted under VBID

Enrollees with Chronic Health Conditions

Permitted under VBID and the MA Program

**Under the VBID Model, targeting by dual status is also permitted in the territories.*

What populations served by your MAO may face housing instability and related barriers?

- [Enrollees with chronic physical and mental health conditions](#)
- [Dual-eligible enrollees](#)
- Enrollees living [below the Federal Poverty Level](#)

5 Relevant Model Interventions



Flex card for rent



Flex card for electricity



Flex card for internet

Potential Model Interventions to Address Barriers to Housing Stability and Quality

Model Intervention*	Description	Examples of VBID Supplemental Benefits that Address Barriers to Housing Stability and Quality
VBID Flexibility	<ul style="list-style-type: none"> Allows MAOs participating in the VBID Model the ability to offer supplemental benefits or reductions in cost-sharing subject to CMS approval to enrollees based on one or more chronic health conditions, LIS eligibility, and/or a combination of these statuses. MAOs can further require eligible enrollees to participate in a care management program to receive the benefit. As part of their care management program, MAOs can implement screenings for unmet utilities needs and barriers to housing stability and quality through a standard screening tool (e.g., Accountable Health Care Communities Health-Related Social Needs Screening Tool) in order to understand the needs of their member population, and to consider concerns around health equity. Grants waivers of the <i>limits</i> on coverage of <i>only</i> primarily health-related items and services to <i>only</i> chronically ill enrollees (who meet the statutory definition) 	<ul style="list-style-type: none"> A utilities allowance card for enrollees with LIS that can be used to cover utilities, such as gas, electric, water, internet, and/or phone bills A subsidy for enrollees with LIS that can be used for paying a portion of an enrollee’s rent, assisted living communities or mortgage for a limited or extended duration as determined by the plan Plan-sponsored housing consultations Elimination of cost-sharing for enrollees with LIS in order to provide more expendable income to support addressing housing costs.



Pro Tip: MAOs can use VBID interventions to complement one another. For instance, an MAO may elect to eliminate cost-sharing on Part D drugs for enrollees with LIS and provide a subsidy that can support paying an enrollee’s rent or mortgage. These two interventions work in different ways to help to address the financial barriers to housing stability and quality that enrollees with LIS may face.

*Interventions must have a reasonable expectation of improving or maintaining the health or overall function of the targeted enrollee with regard to the chronic health condition or socioeconomic status of the targeted enrollee population.

6 Financial Implications

Implication	Details
Cost Savings	<ul style="list-style-type: none"> Ability to decrease hospital admission rates and length of hospitalization Ability to decrease missed telehealth appointments Ability to reduce the plan's health expenditures
Bid Adjustment	<ul style="list-style-type: none"> Lower utilization and medical spending estimates can be used to: <ul style="list-style-type: none"> Adjust estimated cost savings in the VBID Model for CMS Adjust bid pricing By lowering bid pricing, MAOs can extend to enrollees (including enrollees with LIS if targeting through the VBID Model) increased supplemental benefits, which can be either primarily health-related or not primarily health-related under the Model, or subject to limitations, under the MA program generally. MAOs can then take other actions that have been shown to increase enrollment, increase enrollee retention, and improve Star ratings – all of these outcomes have a positive financial impact.
Beneficiary Impact	<ul style="list-style-type: none"> Housing and utilities assistance benefits have the potential to improve patient satisfaction
Increased Enrollment	<ul style="list-style-type: none"> According to a 2020 McKinsey study, MAOs with an average customer experience measure rating of 4 or more Stars added 2.1 times more net enrollees in 2019 than their less customer-friendly competitors. Since 2015, the highest shares of MA enrollees are in plans that have 4 or more stars.
Star Ratings	<ul style="list-style-type: none"> Utilizing VBID interventions to improve enrollee experience can have a meaningful effect on Star ratings, effecting benchmark rate and rebates. MA and Prescription Drug Plan (PDP) Consumer Assessment of Healthcare Providers and Systems (MA PDP CAHPS) customer experience questions potentially responsive to enhanced benefits under VBID include C22, C24, C25, and C26. See increased enrollment details above for how Star ratings affect enrollment



Pro Tip: Start with a target population of enrollees with LIS and who have a chronic health condition that is linked to above average utilization of care, high level of inpatient admits, or high frequency of emergency room visits. Utilize a VBID supplemental benefit that addresses barriers to housing stability and quality with the goal of improving health outcomes and reducing utilization of high cost care. These improvements can be tracked and savings to the MAO can be estimated.

7 Measurement

Housing and utilities assistance interventions are best paired with comprehensive screening for housing instability and unmet utility needs, and their severity, in a MAO's enrollee population. Screenings can be provided to all enrollees or limited to individuals who meet certain relevant criteria (e.g., enrollees with LIS, dual-eligible enrollees, enrollees with chronic health conditions), see high-value providers, or participate in care management programs. The [Innovation Center Strategy Refresh](#) includes an objective to advance health equity, including addressing social determinants of health such as barriers to housing stability. There are a number of established social needs screening tools that include questions related to housing and utility needs. Such tools include:

Accountable Health Care Communities (AHC) Screening Tool

The [Accountable Health Communities \(AHC\) Health-Related Social Needs Screening Tool](#) features evidence-based questions on social needs related to housing and utility needs, including:

- How hard is it for you to pay for the very basics like food, housing, medical care, and heating? (Very hard/Somewhat hard/Not hard at all)
- In the past 12 months has the electric, gas, oil, or water company threatened to shut off services in your home? (Yes/No/Already shut off)
- What is your living situation today? (I have a steady place to live/I have a place to live today but I am worried about losing it in the future/I do not have a steady place to live)



PRAPARE

The [Protocol for Responding to and Assessing Patients' Assets, Risks, and Experiences \(PRAPARE\) Screening Tool](#) features the following questions related to housing and utility needs, including:

- How many family members, including yourself, do you currently live with?
- What is your housing situation today? (I have housing/I do not have housing [staying with others, in a hotel, in a shelter, living outside on the street, on a beach, in a car, or in a park])
- Are you worried about losing your housing? (Yes/No/I choose not to answer this question)
- In the past year, have you or any family members you live been unable to get any of the following when it was really needed? Check all that apply. (Options include: Utilities/Phone/Other)

North Carolina Standardized SDOH Screening Questions

The [North Carolina Standardized SDOH Screening Questions](#) includes the following question related to housing and utility needs, including:

- Within the past 12 months, have you ever stayed: outside, in a car, in a tent, in an overnight shelter, or temporarily in someone else's home (i.e. couch-surfing)? (Yes/No)
- Are you worried about losing your housing? (Yes/No)
- Within the past 12 months, have you been unable to get utilities (heat, electricity) when it was really needed? (Yes/No)

Additional Screening Tools

- [Kaiser Permanente's Your Current Life Situation Survey](#)
- [WellRx Toolkit Questionnaire](#)
- [Boston Medical Center's \(BMC\) Thrive Screening Tool](#)
- [HealthBegins's Upstream Risks Screening Tool & Guide](#)

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Use Case: End-to-End View of Improving Health and Health Equity for a Housing Insecure Population

The MAO decides to participate in the VBID Model to strengthen community partnerships, capitalize on business opportunities and to advance health equity. In addition to its other strategic objectives, the MAO has made health equity a focus of its business strategy.

The MAO leverages a cross-functional team to analyze internal and external data.

To get a sense of who would benefit most from supplemental benefits under the VBID Model, the team analyzes: 1) Area Deprivation Index (ADI) to identify underserved communities in its service areas / market, 2) Disparities Sensitive Measures in its claims data to identify major health disparities in its enrollee population, 3) CAHPS/HEDIS Stratified Reporting to determine the largest disparities by contract and extrapolate findings to VBID PBPs, 4) other data available to the MAO such as health risk assessments, and 5) enrollee engagement data.

The MAO notices that based on their health risk assessments, there are significant disparities in the rate of depression among its enrollees, with a higher rate of depression for their enrollees with LIS relative to those enrollees without LIS.

The MAO identifies enrollees with depression and LIS as a group in its enrollee population facing housing instability.

The MAO utilizes a Health-Related Social Needs framework and identifies housing instability as a factor impacting the health disparities in their target population. This information is validated and supported by the MAO's medical team and community partners.

The MAO uses VBID Flexibilities for targeting supplemental benefits based on LIS to offer a benefit card that can be used to help pay for an enrollee's utilities. There is a reasonable expectation that providing this benefit will improve the mental health of the targeted enrollees as it may reduce the financial strain placed on their household that may be impacting housing quality.

In its VBID application, the MAO uses [estimated medical savings](#) from a decrease in unnecessary inpatient utilization to bid lower than the benchmark rate and uses the difference to pay for a benefit card to be used to cover utilities, such as gas, electric, water, internet, and/or phone bills.

Intervention results in improved enrollee outcomes and also positively affects the MAO's bottom line.

The MAO develops an evaluation strategy to assess the effect of these VBID Model supplemental benefits on quality, total cost of care, enrollee satisfaction, and engagement. After one year, the MAO finds that it has reduced [housing instability](#), [improved self-reported health](#), and improved [rates of psychological well-being](#) among its enrollees. CMS also evaluates the use of supplemental benefits under the Model.

The MAO participating in the VBID Model decides to implement this benefit for enrollees in more VBID-participating plans, subject to CMS approval.

For more information on the VBID Model, please visit the VBID Model Webpage at <https://innovation.cms.gov/innovation-models/vbid>

For questions, comments, or feedback, please reach out to the VBID Model Team at VBID@cms.hhs.gov.