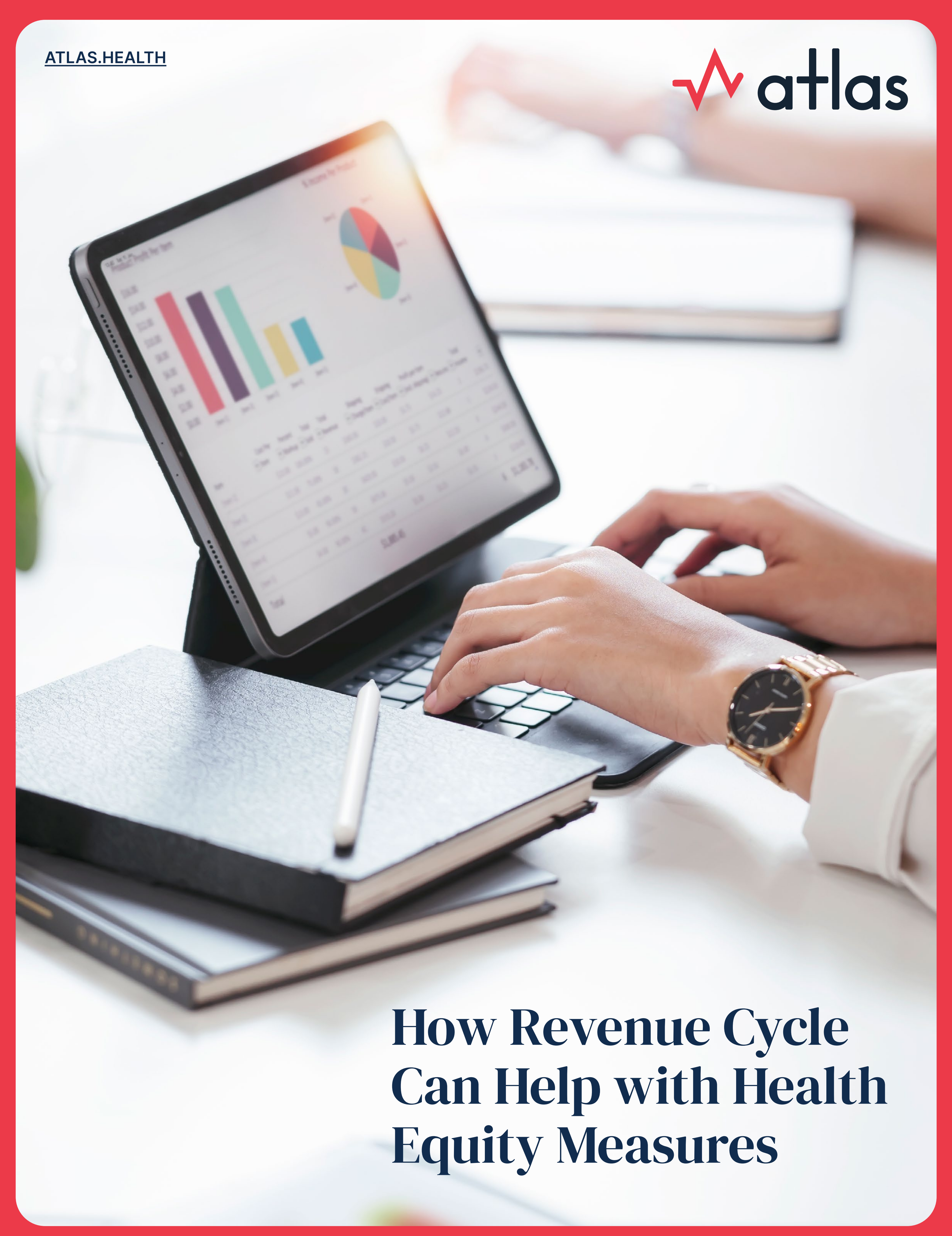

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How Revenue Cycle Can Help with Health Equity Measures

What Are the New Health Equity Measures?

As the healthcare industry continues to focus on improving health equity, regulatory and compliance standards for providers on health equity have increased. Health systems, hospitals and providers are already working to invest and align on health equity measures set by governing bodies. In the second half of 2022, two organizations issued new health equity measures or elements: the Centers for Medicare & Medicaid Services (CMS) and The Joint Commission (TJC). Revenue cycle is well positioned to support strategic health equity initiatives and satisfy these new standards.

CMS HEALTH EQUITY MEASURES

In August of this 2022, CMS released the final rule for the federal fiscal year (FY) 2023 inpatient prospective payment system (IPPS) and long-term care hospital (LTCH) payment system. This final rule included many changes such as reimbursement for Medicare, improvements for mental health and COVID-19-related changes.

CMS.gov

However, the item that caught our eye was the "Hospital Commitment to Health Equity" measure. This will be mandatory as part of 2023 Inpatient Quality Reporting (IQR), and hospitals must participate in the IQR program to receive full IPPS rates. The intent of this measure is for hospitals to make health equity a strategic priority. Given the gaps in access, quality and outcomes for vulnerable populations, CMS is encouraging all healthcare leaders to advance health equity.

CMS HEALTH EQUITY MEASURES

This measure includes 5 domains. To receive a full point for each domain, all elements within each domain must be satisfied.

1

DOMAIN 1

EQUITY IS A STRATEGIC PRIORITY

The hospital needs to have a strategic plan for advancing health equity that:

- Identifies priority populations with health disparities
- Establishes healthcare equity goals and action steps to achieve them
- Outlines specific resources which have been dedicated to achieving these goals
- Describes approach to engaging key stakeholders such as community partners

Strategies to support:

In addition to hospitals completing their Community Health Needs Assessment (CHNA) every 3 years, it needs to align quantitative health equity goals with action steps necessary to execute. Additionally, hospitals need to find resources and/or technology that help achieve these goals efficiently. For example, cost-related medication nonadherence is a big factor in hospital readmissions: patients skip medication doses, take less or delay filling a prescription because they can't afford it. Having a patient assistance program with robust technology can fill this gap.

2

DOMAIN 2

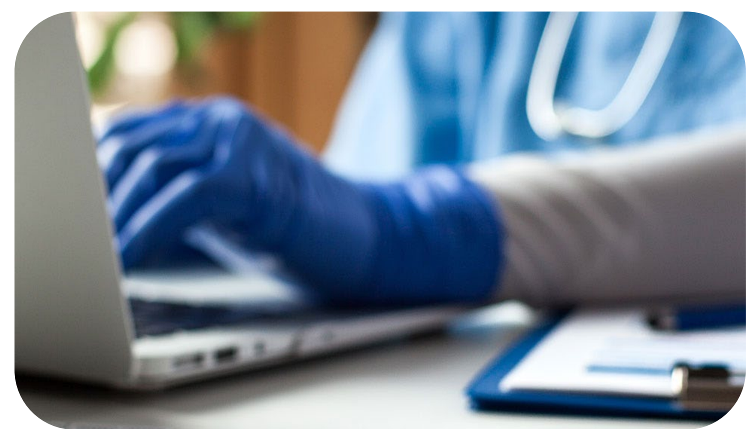
DATA COLLECTION

The hospital is actively engaged in these data collecting activities:

- Collect demographic information, including self-reported race and ethnicity and/or social determinant of health (SDOH) info on majority of patients
- Train staff in culturally sensitive collection of demographic and/or SDOH info
- Input demographic and/or SDOH info collected into structured, interoperable data elements using a certified EHR technology.

Strategies to support:

It's going to be critical to collect as much demographic and SDOH data as possible across the care continuum and store it securely. Leveraging technology and well-trained, culturally-sensitive staff will be key to securing honest information from patients about their health-related social needs.



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CMS HEALTH EQUITY MEASURES

3

DOMAIN 3

DATA ANALYSIS

The hospital needs to stratify key performance indicators by demographic and/or SDOH variables to identify equity gaps. Additionally, this information needs to be included on hospital performance dashboards.

Strategies to support:

Having a robust analytics platform capable of identifying patient cohorts within hospital performance measures will be necessary. This level of information will provide visibility on inequities across different patient demographics and SDOH variables. Data collection under domain 2 will be critical for robust and meaningful data analysis.

4

DOMAIN 4

QUALITY IMPROVEMENT

The hospital participates in local, regional or national QI activities focused on reducing health disparities.

Strategies to support:

Hospitals always do a great job at community events but we suspect there may be opportunity to focus on initiatives that specifically improve health equity. In addition, marketing these activities to vulnerable populations can improve awareness and engagement. Most local communities, especially the vulnerable populations, aren't even aware of the hospital's free wellness services. Additionally, this domain may encourage more hospitals to partner with other providers, or health and advocacy groups to reduce disparities in health.

5

DOMAIN 5

LEADERSHIP ENGAGEMENT

Hospital senior leadership, including chief executives and the entire hospital board of trustees, demonstrates a commitment to equity through the following:

- ✓ Annual review of strategic plan for achieving health equity
- ✓ Annual review of KPIs stratified by demographic and/or social factors

Strategies to support:

We believe this will be the easiest to achieve since the plan and measurement should be defined within the first 4 domains.

The first pillar of the Centers for Medicare & Medicaid Services' (CMS) Strategic Plan is health equity. This "Hospital Commitment to Health Equity" is part of the larger effort to encourage all healthcare providers to prioritize and address existing health disparities. While the CY2023 measure is largely a data request, we anticipate subsequent years will include process and outcome measures for health equity which could have payment implications.

THE JOINT COMMISSION HEALTH EQUITY MEASURES

Effective January 1, 2023, The Joint Commission (TJC) issued a new standard, LD.04.03.08, in the Leadership (LD) chapter with 6 new elements of performance designed to address healthcare disparities as a quality and safety priority.
TJC is a nonprofit who accredits over 20,000 healthcare organizations and programs in the country. Organizations undergo onsite surveys every 3 years to maintain accreditation.
In order to qualify for Medicaid or Medicare reimbursement, most states require organizations to be accredited.

Standard LD.04.03.08 will apply to the following TJC-accredited organizations:

- ✓ All critical access hospitals and hospitals
- ✓ Ambulatory health care organizations providing primary care within the "Medical Centers" service in the ambulatory health care program (the requirements are not applicable to organizations providing episodic care, dental services, or surgical services)
- ✓ Behavioral health care and human services organizations providing "Addictions Services," "Eating Disorders Treatment," "Intellectual Disabilities/Developmental Delays," "Mental Health Services," and "Primary Physical Health Care" services

The requirements of Standard LD.04.03.08 are:

- ✓ **EP 1:** The organization designates an individual to lead activities to reduce healthcare disparities for the organization's patients.
- ✓ **EP 2:** The organization assesses the patient's health-related social needs and provides information about community resources and support services (examples include transportation, difficulty paying for prescriptions or medical bills, education/literary, food insecurity, housing insecurity).
- ✓ **EP 3:** The organization identifies healthcare disparities in its patient population by stratifying quality and safety data using the sociodemographic characteristics of the organization's patients (organizations may focus on areas with known disparities in the scientific literature (e.g., diabetes, kidney disease, substance disorder, etc.).
- ✓ **EP 4**: The organization develops a written action plan that describes how it will address at least one of the healthcare disparities identified in its patient population.
- ✓ **EP 5:** The organization acts when it does not achieve or sustain the goal(s) in its action plan to reduce healthcare disparities
- ✓ **EP 6:** At least annually, the organization informs key stakeholders, including leaders, licensed practitioners and staff about its progress to reduce identified healthcare disparities.

Additionally, TJC also made addressing healthcare disparities a new National Patient Safety Goal 16.01.01.

The Joint Commission

How Revenue Cycle Can Support Health Equity Measures

Revenue Cycle plays an important role in helping healthcare organizations achieve financial and health equity goals.

IDENTIFYING PATIENTS AND NEEDS

Typically, patients are notified about the final cost of services after they get the bill. However, revenue cycle and financial navigators are positioned to work with care teams to be more upfront about costs so that the patients understand their options prior to receiving the bill. Once identified, organizations should have a formal process to support vulnerable patients with the right stakeholders and resources. A variety of options exist such as patient assistance programs, payment plans, charity care, etc. When revenue cycle intervenes early in the process with these options, the patient is most likely to adhere to care plans.

UTILIZING TECHNOLOGY, SERVICES AND SURVEYS

When identifying a patient is unable to pay, revenue cycle attempts to secure the most affordable payment method or find patient assistance programs which provide financial support. Additionally, addressing financial toxicity is also gaining traction from healthcare providers which is the emotional distress associated with the cost of treatment which has been shown to impact outcomes negatively, even if patients can afford treatment. However, addressing payment strategies and financial toxicity can be a time-consuming, cumbersome effort. Technology improves efficiency in this process by matching patients with assistance programs and automating the enrollment process. Surveys are another great method which can compile information about patient cultural preferences, social determinants of health and economic status leading to personalized care plans.

SUPPORT THROUGH A VARIETY OF SITES OF CARE

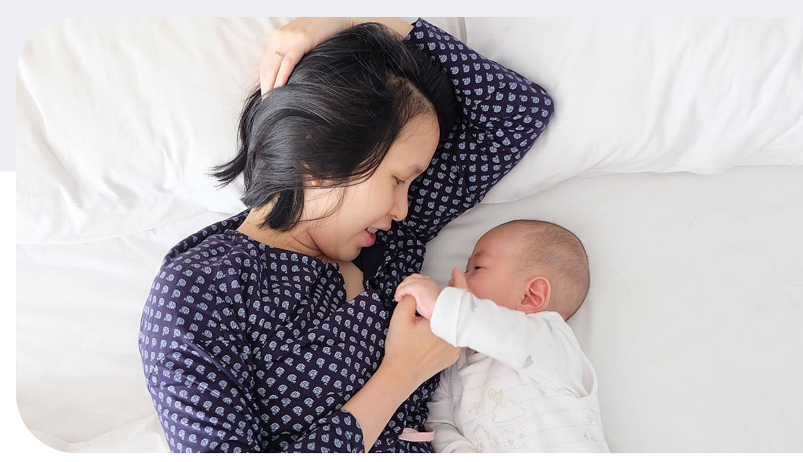
In addition to alternative payment options and patient assistance programs, revenue cycle should consider evaluating the most appropriate site of care. Patient access and affordability vary across sites of care including physician office practices, infusion centers, clinics, hospitals and specialty pharmacies. Stepping back to evaluate which site of care is the most accessible, clinically appropriate and affordable is a key strategic health initiative that helps vulnerable populations, often when patients need it most.

OFFER SERVICES TO IMPROVE HEALTH LITERACY

The revenue cycle team can be trained to engage with patients from diverse backgrounds in a culturally sensitive and respectful manner. This includes understanding different languages, customs and beliefs to ensure effective communication and to address any cultural barriers that may hinder equitable access to care. Additionally, revenue cycle can educate patients about their financial responsibilities, including insurance coverage, billing processes and available assistance programs. Clear and transparent communication can empower patients to make informed decisions and seek necessary care without undue financial burden.

Addressing Health Equity Impacts the Community and Patients You Serve

Addressing health equity will help to build trust and engagement between the hospital and the community, leading to improved patient satisfaction, lower healthcare spending and higher quality care.



1 COMPLIANCE WITH NEW AND UPCOMING HEALTH EQUITY MEASURES FROM GOVERNING AND ACCREDITING ORGANIZATIONS

Since there is an ever-growing focus on reducing disparities in care, it's no surprise healthcare governing and accrediting organizations are rolling out health equity measures to hold providers accountable. While most healthcare providers support vulnerable populations in some capacity, an opportunity to be more focused and strategic on health equity remains. For example, investing in technology that identifies vulnerable patients, matches and enrolls them into patient assistance programs satisfies several compliance measures and maximizes access and affordability for patients.

2 ALIGNMENT WITH VALUE-BASED CARE PERFORMANCE INCENTIVES

Revenue cycle can address health equity and stay aligned with value-based care initiatives by taking a patient-centered approach to care that considers the unique needs and challenges of each patient. This can involve leveraging data and technology to identify and address disparities in care, collaborating with other healthcare providers to deliver comprehensive and coordinated care, and focusing on prevention and population health management to improve outcomes and reduce healthcare costs. These strategies reduce uncompensated care and improve clinical outcomes for patients.

3 ALIGNMENT ON THE OVERALL HEALTH SYSTEM MISSION

According to the American Hospital Association, nearly 60% of hospitals in the United States are nonprofit, and 18.5% of hospitals are faith-based. Every non-profit hospital and health system is required to complete a Community Health Needs Assessment (CHNA) every three years to maintain its non-profit tax-exempt status. This assessment must identify the health needs of the community served by the hospital and develop an implementation strategy to address those needs. By and large, the CHNA is a plan to address the health disparities of the community. When developing action steps for CHNA initiatives, consider those that will also impact health equity allowing you to fulfill both health equity compliance measures and your CHNA strategy.

60%

of hospitals in the U.S. are nonprofit

18.5%

of hospitals in the U.S. are faith-based

4 REPUTATION IMPROVEMENT

Despite stepping up during COVID, healthcare providers are constantly scrutinized. Quality measures have been publicly reported for years but now providers are required to provide more transparency into their pricing. 340B covered entities continue to be criticized in the news for perceived abuse of financial savings associated with the program. Utilizing a portion of 340B savings to fund health equity initiatives is a great opportunity to meet 340B program intent and support the additional health equity regulatory measures. While the governing bodies have elevated health equity as a priority, currently there is no additional payment or revenue associated. Providers should publicize their health equity strategies and socialize the impact they are having on patients and the community.

Providers should publicize their health equity strategies and socialize the impact they are having on patients and the community.

Conclusion

Health equity will be an area of focus for the healthcare industry this year and in the immediate future. While great strides have been made, there is still a long way to go. Consider how your organization can be more strategic in addressing health equity along the entire patient journey. As the only department that is directly involved with every patient, revenue cycle can play a tremendous, life-saving role in helping healthcare organizations move rapidly and thoughtfully towards equitable healthcare.