Child Health and Development Institute of Connecticut, Inc.

ISSUE BRIEF

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Investing in Child Health to Ensure Equity, Population Health, and Long Term Cost Savings:

Opportunities in State Health Care Reform

Public and private health insurers are adopting value-based payment models to contain costs and provide incentives to physicians to ensure healthier people. Most of this work involves development and deployment of strategies that address adults with chronic illness and work to keep patients in the early stages of illnesses from getting sicker. Child health services, which are largely focused on prevention and health promotion, are often not included in health reform efforts. In collaboration with the many community-based programs and services that support children and their families, child health services can provide the optimal opportunity to achieve improved population health outcomes through value-based payment. Population health outcomes begin at birth, and even prenatally. What happens to children in the early years makes an enormous difference for their health, mental health, and societal contributions later in life. **Health payment reform efforts that address children's health and development support the best long-term societal outcomes and have the biggest potential to reduce health disparities, and ultimately, health care expenditures.**

Supporting Health Promotion for Children in Health Care Reform Efforts

Value-based payment is expected to transform health services by paying for positive patient outcomes rather than the volume of care delivered. The rationale for value-based payment is that health care providers will be incentivized to use innovative practices to keep patients healthy, rather than relying on visits and procedures to maintain their practice revenue. Value-based payment models encourage health providers to use community resources and ensure their patients' access to community services that contribute to health and well-being. Home interventions, such as removing mold and mildew to address asthma triggers, are a good example of ways that health providers can use community services to support health outcomes. In addition, as racial and ethnic disparities begin at an early age and widen across the lifespan, value-based payment that is universally implemented across all child populations can contribute to the mitigation of health disparities over decades.

Value-based payment, then, can go a long way in meeting patient needs and improving population health. However, children's health services are rarely included in value-based payment models for several reasons:

- **Relative Cost Savings:** Children's health services are inexpensive relative to adults and their costs offer fewer opportunities for savings. Children represent 24% of the United States' population, but less than 12% of the health care dollars spent.
- **Long-Term Returns:** The return, both in terms of saving health care dollars and population health outcomes, come long after care delivery for children. Thus, payers are reluctant to invest when they are unsure of when the outcomes will be realized.
- **Cross-Sector Returns**: The return on investments in children's health are difficult to calculate and capture because they accrue in other systems such as schools, mental health, and juvenile justice. Keeping children healthy, investing in social-emotional development, and addressing developmental concerns early can improve outcomes and save dollars in improved school attendance and achievement, as well as higher rates of employment and greater productivity later in life.
- **Outcomes Measurement:** Child health services are largely geared toward health promotion and prevention, with outcomes that are less explicit than those for chronic disease management. We have few concrete outcome measures of preventive child health services, which are working to ensure child well-being into adulthood.
- **Family Context**: Child health is family health, which means that payment models need to move beyond the artificial boundaries that pay for child services and adult services separately. For example, parental mental illness and substance use have profound impacts on children's health, mental health, and developmental outcomes. Consequently, treatment and associated payment need to reflect a multi-generational approach.
- **Few Tested Models:** The development, implementation, and evaluation of value-based payment models in child health has not been undertaken, providing few best practices that can be brought to scale.

Value Based Payment Models that Include Child Health Services Can Result in Improved Population Health Outcomes in Connecticut

Connecticut is including children in health care reform work across a variety of initiatives. Care coordination for children is incorporated in the requirements for primary care sites that participate in the State Innovation Model (SIM) Community and Clinical Integration Program (CCIP). Quality metrics that reflect important child health services are contained within state pay-for-performance programs. And, the Office of Health Strategy (OHS) has recently included pediatrics in plans for the primary care modernization initiative.

This past year, the Child Health and Development Institute (CHDI) and the Connecticut Health Foundation (CHF) convened a pediatric primary care payment reform study group to lay the foundation for the OHS work. The study group will:

1. Put forth appropriate population health measures that reflect the long-term outcomes of early childhood and pediatric primary care services.
2. Explore evidence-informed primary care models that show promising outcomes for children.
3. Make recommendations to guide development of payment models to achieve outcomes.

The study group's final recommendations will inform how pediatric primary care can maximize its contributions to population health, mitigate health disparities, and better connect health providers with the many community resources that address children's health, development, and well-being.

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A "Children's First" Health Reform Agenda

Given the rationale for addressing child health in health care reform, the transformation of child health services can be a priority for payers, providers, and policymakers. The near-universal access of children to health services, the portfolio of evidence-based interventions available to promote children's healthy development and well-being, the long-term return on investment, and the relatively low cost of implementation argue for a "children's first agenda." Exploratory discussions with providers, payers, foundations, and public agencies (state and federal) are encouraging and worthy of acceleration.

The following recommendations will support inclusion of children's health in health care reform efforts:

- As the federal Center for Medicare and Medicaid Innovation moves forward to reform primary care payment, child health experts and advocates need to be vocal and assertive in promoting proposals that address child health, health promotion, and better integration of health with community services (e.g., schools, child care). Support at the national level, through federal agency initiatives, will inevitably guide state activities.
- Lessons from other states can inform Connecticut's efforts to address children in health reform efforts. Oregon has embraced school readiness and third grade reading level as important outcomes for health care reform. Since we "do what we measure," we must select outcomes for children's health that predict well-being across the lifespan.
- Connecticut must ensure that pediatric issues are at the forefront of ongoing health care reform work. Current SIM initiatives are promising in terms of addressing child health, but require vigilance in monitoring their implementation.
- As Connecticut prepares for value-based payment in primary care, which is a priority of the Office for Health Strategy, child health services need to be included at the initial phases of planning. Recommendations from the CHDI and CHF payment reform study group should be recognized in the final plan and then implemented.
- Families and pediatric providers are the best advocates for health reform. They experience the current system and are articulate about what they want from care and how it should be delivered and therefore must be included in planning, implementation, and evaluation.

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