

Perspectives from the ARCH Project

How Do Leaders from Healthcare Institutions View Social Determinants of Health?



As part of the Advancing Resilience and Community Health (**ARCH**) project, networks of community-based organizations (CBOs) took steps to advance their relationships with healthcare institutions (payers and hospital systems) at a scale that would make a difference in addressing patients' social determinants of health (SDOH). With the end goal of establishing formal contracts to provide social services to patients, health leaders and CBOs explored options for their partnerships, but some partnerships did not progress beyond the exploratory phase. To better understand the challenges health institutions faced in contracting with CBO networks, the Nonprofit Finance Fund (NFF) partnered with Mathematica to conduct semi-structured interviews with seven leaders from five healthcare institutions that participated in the ARCH project. This document contains a summary of what we learned about health leaders' views on addressing SDOH that reveal key considerations for future partnerships between health care institutions and CBOs. Additionally, to provide further context related to their work on ARCH, NFF also included their perspective on our findings.

Definitions of SDOH

Our interviews with health leaders revealed that there are several SDOH definitions that inform their attitudes and approaches to addressing patients' needs (Exhibit 1). These definitions range from a narrower perspective of SDOH that focuses on individual needs to a broader perspective that focuses on societal risk factors. The definitions can generally be categorized along three levels: 1) The **functional level** focuses on addressing health-related social needs, which are tangible, individual-level needs that directly impact health outcomes. Examples include access to healthy food and consistent transportation. 2) The **philosophical level** focuses on how to apply an equity lens to healthcare services to ensure that people have an opportunity to be healthy. Examples include health institutions creating or updating their mission statement to center on health equity or incorporating implicit bias training for healthcare staff. 3) The **policy level** is the broadest level. Health leaders explained that this level is about disrupting structural and societal risk factors that prevent people from being healthy. Activities within this level include advocating for reforming social welfare programs or the criminal justice system. There are many reasons to engage in activities that fall under all three levels. However, health leaders confirmed that their health institutions use the functional level approach to guide their activities to address SDOH.



Exhibit 1: Three Levels of SDOH Definitions

Respondents noted that their health institutions use the functional level to guide their SDOH activities.



POLICY LEVEL

What are we doing at the policy level to disrupt structural and societal factors that prevent people from thriving and being healthy?

PHILOSOPHICAL LEVEL

How are we applying an equity lens to ensure people even have an opportunity to be healthy individuals?

FUNCTIONAL LEVEL

How are we helping families address health-related social needs at the individual level?

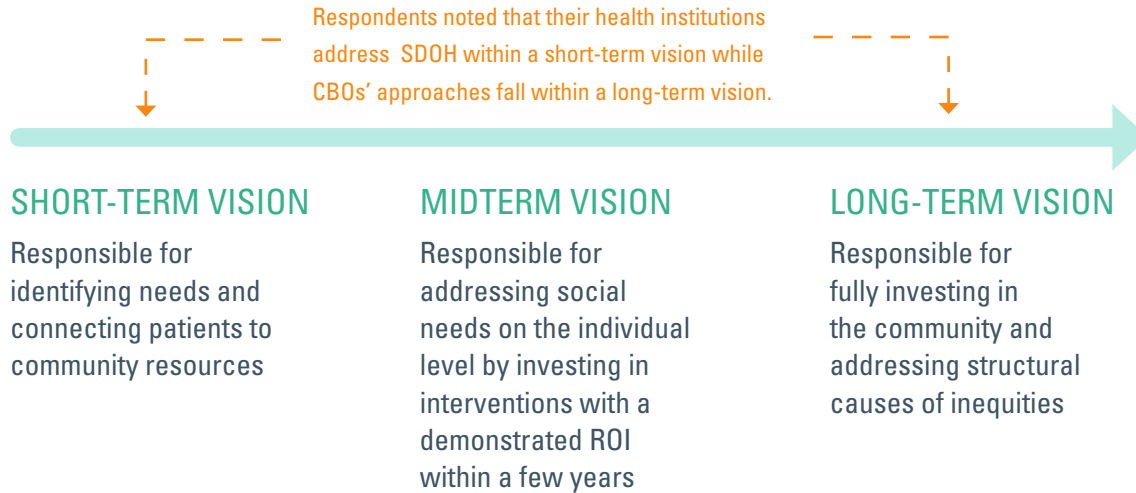
NFF REFLECTIONS ON SDOH DEFINITIONS

Such a focus on individual patients is, of course, consistent with an institutional disposition toward medical treatment and attention to financial returns. However, NFF has seen that systemic change is what's required, and deconstructing the inequities that contribute to poor health outcomes are unlikely to provide an immediate return on investment (ROI). Through our work at NFF, we believe that healthcare institutions have an opportunity to use their position of power and privilege to disrupt the existing system they sit within, rather than continue their work at a functional level. Health systems can use their power and influence to lobby and advocate for money to be invested into CBOs, who are better positioned to influence outcomes at the community, rather than at the individual and functional level.

Responsibility for Addressing SDOH

Health leaders acknowledged that CBOs are the rightful providers of social services and resources because of their expertise and experience with communities. The approaches CBOs use to address social needs often involve a mid- or long-term vision that seeks to invest in communities and address both individual and structural causes of inequities (Exhibit 2). Consistent with working at a mostly functional level for addressing SDOH, health leaders believe that hospitals and health plans should primarily be responsible for identifying patients' individual social needs and connecting them with community resources. Health leaders acknowledged that the functional level approach of playing a "connecting role" constitutes a short-term vision for SDOH – one that focuses on providing immediate help for a social need instead of addressing the underlying factors that lead to the patients having unmet needs. The health leaders understood that focusing on immediate outcomes is a strategy that's limited in its impact on SDOH but felt that until there is a shift away from fee for service (FFS) or there are policies and mandates that incentivize healthcare institutions to invest in mid- and long-term SDOH strategies, there are limitations to the financial support that these institutions can provide to CBOs after their patients are connected to resources.

Exhibit 2: Continuum of Vision and Responsibilities to Address SDOH



NFF REFLECTIONS ON SDOH RESPONSIBILITIES

NFF has observed that healthcare institutions typically explore two approaches when addressing SDOH: they can build the services in-house themselves and deliver it, or they can connect with their community CBOs and refer patients to existing resources/services. We agree with the interviewed healthcare leaders in this study that CBOs should provide these services because of their expertise, history, and community-centered design. However, an unintended consequence of relying on CBOs to provide additional and responsive services to those most in need is that in the absence of health systems paying directly for CBO services, the financial burden shifts from the health system to the CBO. This devalues organizations and the communities they serve by contributing to a chronically underfunded nonprofit industry. It also exacerbates the power differential where health systems can dictate that their own "high cost" patients get prioritized over broader communities that CBOs are working with to provide equitable and accessible care.

Challenges Addressing SDOH with Community Partners

Health leaders expressed appreciation for the work of CBOs and, as mentioned above, recognized their critical role in addressing SDOH. They further mentioned that there were many benefits from working with a network of CBOs, including having one entity act as the point of entry for the network and less administrative burden. However, various challenges make a partnership difficult to establish, including:

- **Funding SDOH.** Health leaders reported that their institutions have limited internal funding to address patients' SDOH. Many of these institutions rely on grants or philanthropic donations to fund their SDOH activities. Health leaders emphasized that the healthcare system's current FFS structure does not support SDOH funding and because addressing SDOH is not reimbursable, their efforts are limited. In instances where internal funding is available to partner with CBOs to address patients' SDOH, institutional leadership may expect that a ROI will be achieved within a short timeframe (such as one to two years). However, health leaders described that the healthcare system is starting to shift away from FFS to value-based payment models, and they believe that funding limitations will decrease within three to five years.
- **Contracting process.** CBOs are familiar with contracting with various entities, including those with a more strenuous contracting process, such as the federal government, and those with more straightforward contracting processes, such as grants from philanthropic entities. Yet, most CBOs are structured and operate in ways that meet compliance and business requirements that differ significantly from the requirements of healthcare institutions. Meeting the data security and compliance requirements to partner with healthcare institutions required CBOs to build new systems and processes, which resulted in longer wait times to launch partnerships and/or frustrations from both healthcare institutions and CBOs.

- **Defining the partnership.** Health leaders reflected on two main challenges with defining their partnerships: (1) determining how to partner with the network to help address patients' SDOH and (2) clearly defining the network's role in the partnership. The options for partnering with a CBO network were limited by funding and complicated by data sharing requirements, integration of the network into risk-based payment arrangements, and/or an unclear understanding of the network's value proposition. Therefore, only a few health institutions had formal partnerships with a network within ARCH. Furthermore, when there was a formal partnership, health leaders noted that roles and responsibilities were not always clear. Health leaders expected the lead entity within the network to facilitate engagement between the health institution and other CBOs and/or to take the lead in defining next steps or activities within the partnership, but this did not always occur.

NFF REFLECTIONS ON CHALLENGES WITH PARTNERSHIPS

NFF's experience within ARCH and other initiatives is that the network approach does streamline some processes for participating CBOs, but, in general, coordinating multiple CBOs with different services, structures, and administrative processes into a single contracting entity creates an additional administrative burden for CBO and network leaders. So when considering the system as a whole, the administrative burden isn't lessened, it's simply shifted from healthcare institutions to CBO networks.

Based on the Robert Wood Johnson Foundations' **Cross-Sector Alignment Theory of Change**, there are four key components that lead to successful collaboration between organizations in different sectors: purpose, data, financing, and governance. Our interviews revealed that healthcare institutions and CBOs are still learning how to activate these elements for effective partnerships. More community engagement and discussion on alternative options for supporting each other's work and centering the needs of patients will also be critical steps for collaboration. As the healthcare and social services industries continue to find ways to align in addressing SDOH, our findings and NFF's reflections provide key considerations that can illuminate a path forward.

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ABOUT MATHEMATICA

Mathematica applies expertise at the intersection of data, methods, policy, and practice to improve well-being around the world. We collaborate closely with public- and private-sector partners to translate big questions into deep insights that improve programs, refine strategies, and enhance understanding.

ABOUT NFF

NFF is a nonprofit lender, consultant, and advocate with over 40 years of experience committed to reforming the nonprofit funding system. Our work supports a wide range of nonprofit organizations, but our focus is on helping to fix the systemic and institutional racism that prevents equitable access to capital and financial expertise in communities of color. We are on a mission to support community-centered organizations led by and serving people of color to gain control of the financial resources and knowledge they need to realize their communities' aspirations.

