Patient Incentives in Medicaid:

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Overview:

- Evidence behind patient incentives
- Incentives in Medicaid: What Works and What Doesn’t
  - Lessons Learned from States
- Monitoring and Evaluating Incentives
How do we help patients improve their health?

U.S. dealing with chronic disease epidemic
- 1 in every 2 adults has at least one chronic illness\(^1\)
- 1 in 5 adults smoke\(^1\)
- Lower income carry greater burden of chronic conditions \(^2\)

How do we help people maintain their health and make healthy behavior changes?
- Incentives for participating in health promotion activities and achieving health goals
  - Private Industry Trend
  - Would this work for Medicaid?

\(^1\)Center for Disease Control. “Chronic Diseases and Health Promotion”
http://www.cdc.gov/chronicdisease/overview/index.htm

Evidence on Patient Incentives

Research on financial incentives:
- Can promote one-time behavior changes and participation \(^3\)
- Rewards tied to changing health outcomes less effective\(^3,4\)
  - No effect on sustained weight loss
  - Mixed evidence on smoking cessation

Limited scope of research
- No studies on insurance-based incentives
- Most studies not on Medicaid population

Designing Incentives for Medicaid

Incentives must be paired with intervention:
- Low income, vulnerable population
- Face economic, environmental and social barriers to accessing health care/supports

Avoid varying health care costs or benefits based on compliance:
- Could threaten access to care for most vulnerable

Gold Star Incentives: Minimize Barriers to Engaging in Healthy Behaviors

Make health promotion program easily accessible
- Assist and pay for transportation
- Cover participation fee

Remove barriers to appropriate care
- No co-pays for diabetes meds for ALL diabetics

Engage providers and community centers in program design and patient outreach
Behavioral Intervention + Reward

Reward engagement in health promotion activity
- Still must address accessibility

Small, frequent rewards more effective

Cash, gift cards, small prizes
- Shouldn’t affect Medicaid eligibility

Tiered incentive structure:
- Reward participation, behavior change & attainment of health goals

MIPCD: Intervention + Incentive

Medicaid Incentives for Prevention of Chronic Disease Grants

- 10 states awarded $5 - $10 mill/5 year
  - CA, CT, HI, MN, MT, NV, NH, NY, TX, WI

- Must address: tobacco cessation, controlling or reducing weight, lowering cholesterol, lowering blood pressure, and/or avoiding the onset of diabetes or managing diabetes
MIPCD Requirements

Intervention must include:

- “increased awareness about health issues, motivation to change, skill building and support tools, and providing opportunities for healthy lifestyles, which include providing a supportive community environment and available resources to support risk reduction”
- Address behavioral, social and economic barriers
- Consumer groups included in development
- SPA must cover preventive services

Minnesota’s MIPCD

Population: Pre-diabetic adults

Goals: Weight loss, reduced risk of diabetes

Activity: YMCA 12 month Diabetes Prevention Program

- 16 weekly sessions, 8 follow-up monthly sessions
- Free, multiple locations/times, help with transportation/child care, meals

Incentive: class participation+ weight loss

- Cash incentives via debit card (up to $600 in year)
- Farmers’ market vouchers, healthy cookbooks
Limitations of Patient Rewards

- Rewards tied to participation w/o efforts to improve access
- Rewards for one-time actions or treatment compliance (doc visit, immunizations, drug compliance)
  - Does it incentivize use of service or just reward those who would have done it anyway?

Florida’s Experience

Enhanced Benefits Reward Program:

- Started in 2006
- Earn credit for goods at pharmacies (diapers, OTC medicine, vitamins)
- Rewards for obtaining health care services, participating in wellness classes (tobacco cessation, weight loss)

Very few credits earned for participation in wellness activities
  - Majority for receiving health care services

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Problems with Insurance-Based Incentives

Vary health care costs or benefits based on participation or attainment of health goals
- Includes increased co-pays or premiums with health rewards to pay down

Creates additional barrier to care for most vulnerable and those that most need care

Counterproductive to aim of health promotion

West Virginia’s Experience

“Enhanced” vs. “Basic” benefits plan
- “Basic” plan: more limited coverage of drugs, mental health services, physical and speech therapy.
- “Enhanced” package only if keep doc appointments, comply with medications

Restricted access to care for those who may most need “enhanced” plan services
Monitoring and Evaluating Incentives

- Include evaluation plan from start
  - Isolate affect of incentive
  - MIPCD experimental or quasi experimental designs
- Include enrollee experience survey
  - Perspective on reward’s influence on behavior
  - Perceived accessibility of program
  - Reasons for non-participation

Key Take Aways:

- Design incentive alongside meaningful supports
- Consider whether added “reward” is necessary to promote target activity
- Protect benefits and cost-protections for all enrollees
- Be able to evaluate effect of incentive
Thank You!

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