

SDS variables under consideration for risk adjustment like **Income, Education, Medicaid Status, and Race** may act through several pathways to influence episode of care payments

Lifetime health effects
of low SDS

Differential services
or discrimination

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or discrimination

Fewer resources

Pre-Admission

Health status at admission

- Comorbidities
- Prior procedures
- Time to arrival

Hospitalization

Clinical care

- Procedures
- Utilization of services
- Medical management

Additional services

- Translation
- Rehabilitation
- Nutrition

Care Transition

Discharge planning

- Communication with post-acute providers
- Schedule follow-up appointments
- Easy to understand discharge instructions

Mitigation of patient needs

- Access to necessary medications
- Transportation to follow-up appointments
- A place to recover post-discharge
- Connections to community resources

Post-Discharge Environment

Community factors

- Lack of community services
- Lack of social supports/caregivers

Patient Behavior

- May not use services provided
- May not fully adhere to care plan

Hospital influence on episode of care payment:

(1) Direct costs associated with care decisions and (2) Costs associated with the outcome of care