Tennessee Health Care Innovation Initiative

The Fifth National Bundled Payment Summit
June 4, 2015

More information available at: http://www.tn.gov/HCFA/strategic.shtml

Tennessee's Three Strategies

	Source of value	Strategy elements	Examples
Primary Care Transformation	▪ Maintaining a person's health overtime ▪ Coordinating care by specialists ▪ Avoiding episode events when appropriate	▪ Patient Centered Medical Homes ▪ Health homes for people with serious and persistent mental illness ▪ Care coordination tool with Hospital and ED admission provider alerts	▪ Encouraging primary prevention for healthy consumers and coordinated care for the chronically ill ▪ Coordinating primary and behavioral health for people with SPMI
Episodes of Care	▪ Achieving a specific patient objective, including associated upstream and downstream cost and quality	▪ Retrospective Episodes of Care	▪ Wave 1: Perinatal, joint replacement, asthma exacerbation ▪ Wave 2: COPD, colonoscopy, cholecystectomy, PCI ▪ 75 episodes by 2019
Long Term Services and Supports	▪ Provide long-term services and supports (LTSS) that are high quality in the areas that matter most to recipients	▪ Quality and acuity adjusted payments for LTSS services ▪ Value-based purchasing for enhanced respiratory care ▪ Workforce development	▪ Aligning payment with value and quality for nursing facilities (NFs) and home and community based care (HCBS) ▪ Training for providers

Tennessee's Progress

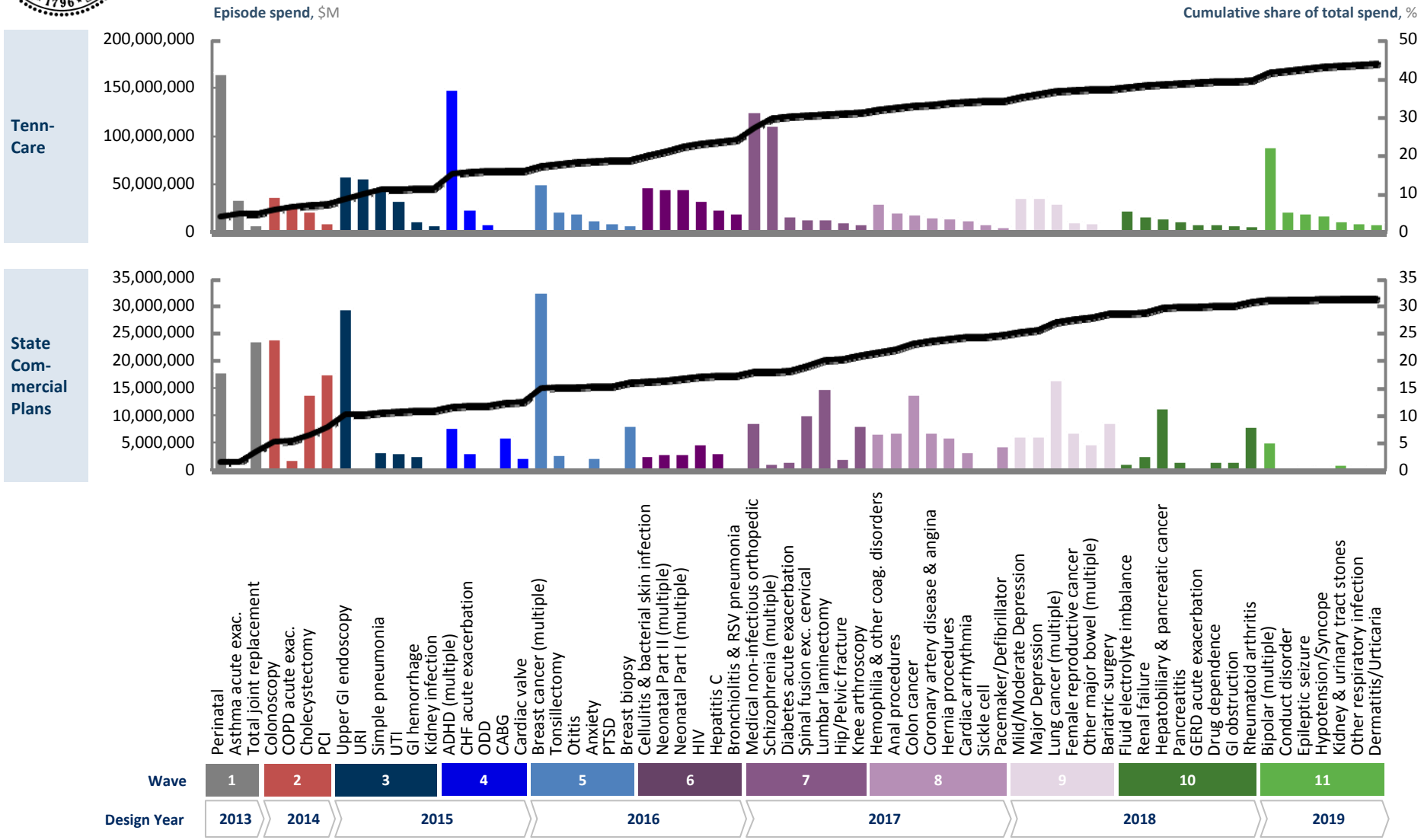
Feb. 2013	Dec 2014	Jan 2015	Jan 2016	Dec 2019
Governor Haslam launched Tennessee's Health Care Innovation Initiative	TN awarded a SIM Testing Grant	Procurement requires each MCO to implement the episode of care model & commit participation across their commercial and Medicare Advantage populations.	State employees health plan requires episodes for their population and each bidder's broader commercial population	75 episodes of care will be designed
TN awarded a SIM Design Grant	95% of wave 1 accountable providers agree to episodes			

Tennessee insurance marketplace

	BCBS	United	Amerigroup /Wellpoint	Cigna	Aetna	Other Payers	Total
TennCare	518 (8%)[1]	565 (9%)	213 (3%)				1,296 (20%)
State Employee Plan	144 (2%)			133(2%)			277 (4%)
Commercial Self Insured (other)	805 (12%)	230 (4%)	190 (3%)	707(11%)	136 (2%)	259 (4%)	2,327 (36%)
Commercial Fully Insured	742 (11%)	142 (2%)	10 (0%)	21 (0%)	39 (0%)	118 (2%)	1,072 (16%)
Medicare Advantage	34 (1%)	70 (1%)	5 (0%)	90(1%)	1 (0%)	127 (2%)	327 (5%)
Total	2,243 (35%)	1,007(15%)	418 (6%)	951 (14%)	176 (3%)	504 (8%)	5,299 (81%)
Medicare FFS						817 (13%)	817 (13%)
Uninsured						384 (6%)	384 (6%)

SOURCES:
Medicare, Aetna, Other payers: 2012 Health Leaders / InterStudy; State Group Insurance Program 2011 Annual Report
Payer Coalition members: Enrollment as of July 2014
Unisured: Kaiser Health Facts, 2012
1 Includes Cover Tennessee programs, including CoverKids, Tennessee's SCHIP program

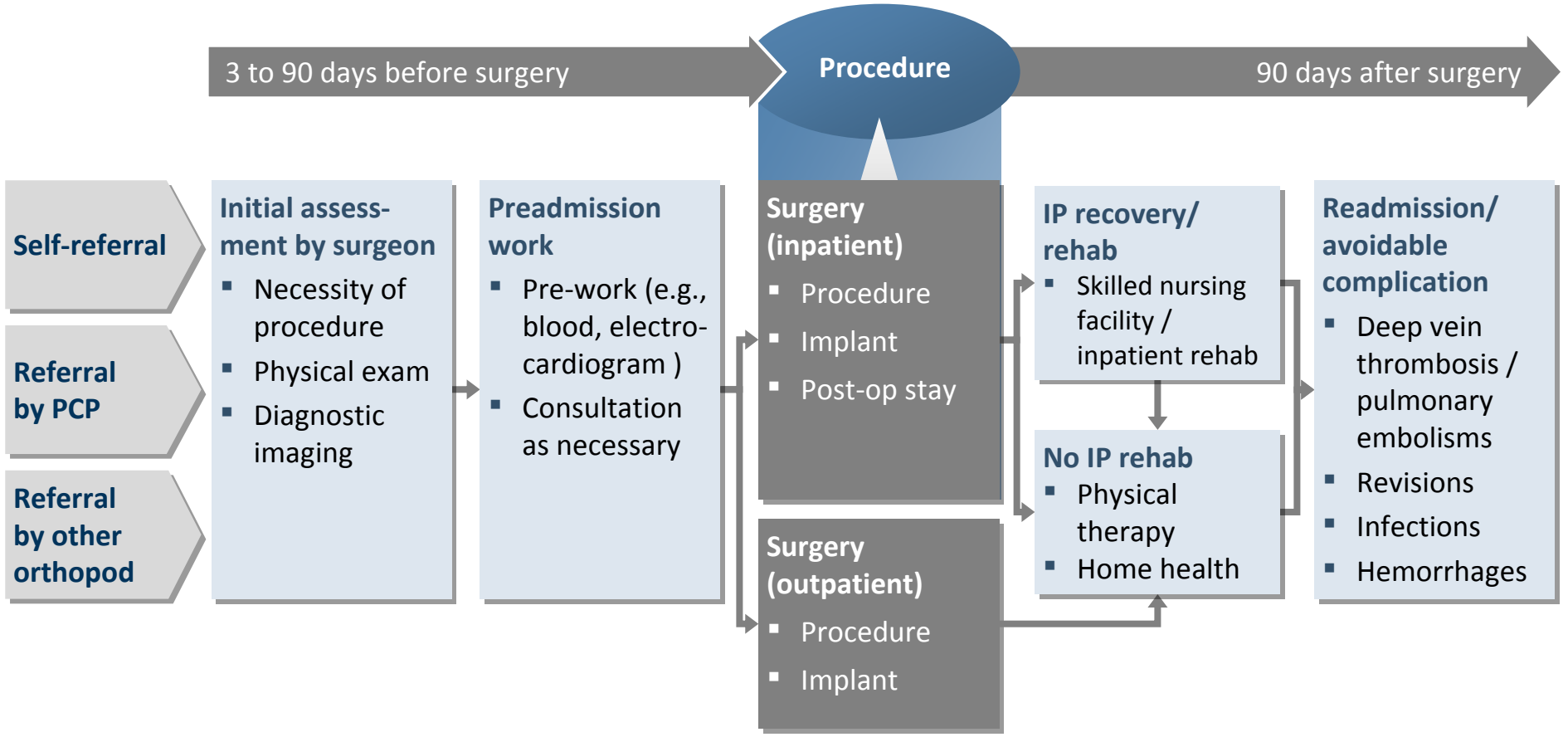
75 episodes in 5 years



Note: (multiple) indication identifies episodes in which more than one episode may be designed
Source: TennCare and State Commercial Plans claims data, episode diagnostic model, team analysis

Episodes of Care: Definition

Example patient journey for hip & knee replacement

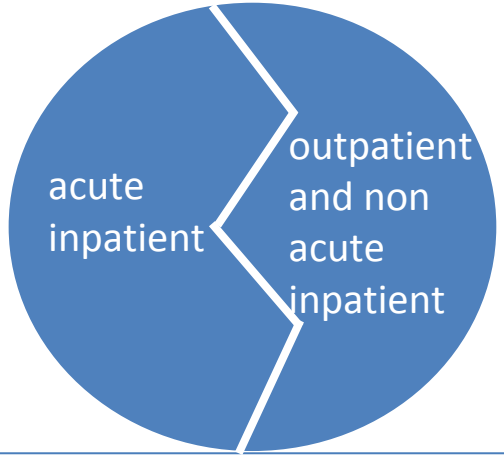


Episodes include services from multiple providers

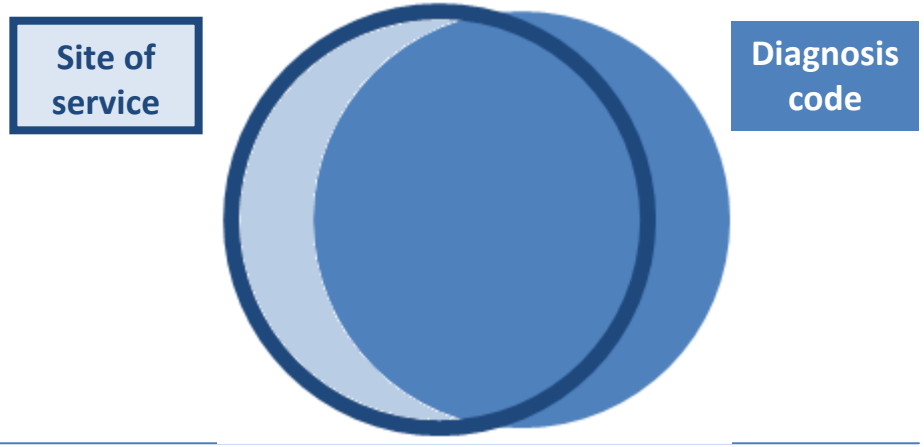
Clinical input is driving our episode definitions

4 examples: Cholecystectomy, PCI, Colonoscopy, and Upper Respiratory Infection

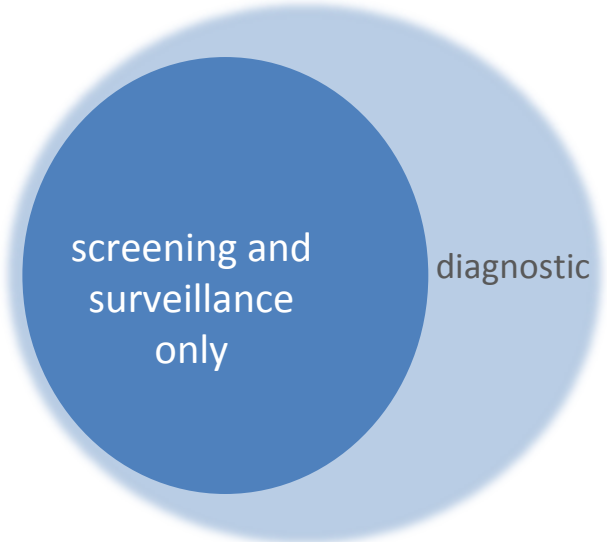
Cholecystectomy episode split



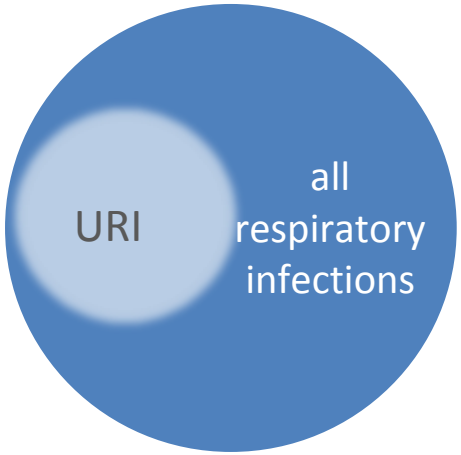
Definition of "acute" PCI episode



Colonoscopy episode narrowed



Respiratory episode expanded



Process

Unchanged Billing Process

1

Patients seek care and select providers as they do today

2

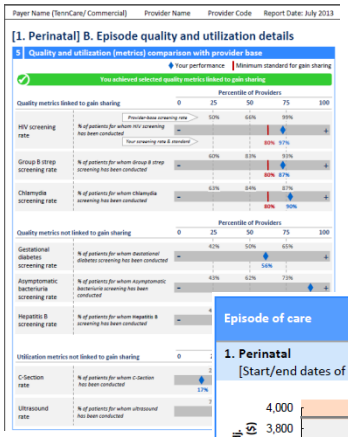
Providers submit claims as they do today

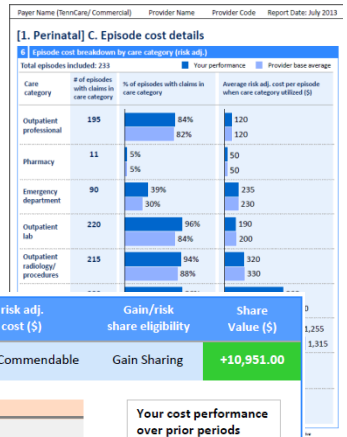
3

Payers reimburse for all services as they do today

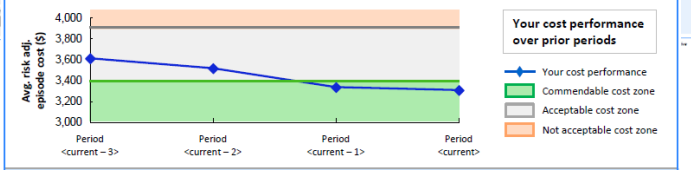
New Information

'Quarterbacks' are provided detailed information for each episode which includes **actionable data**

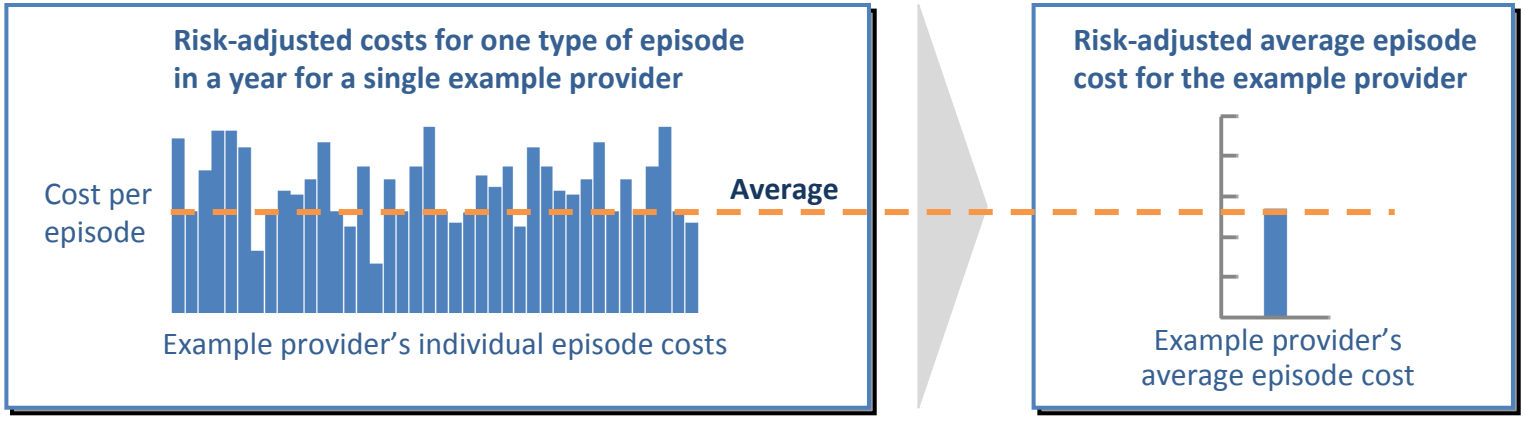


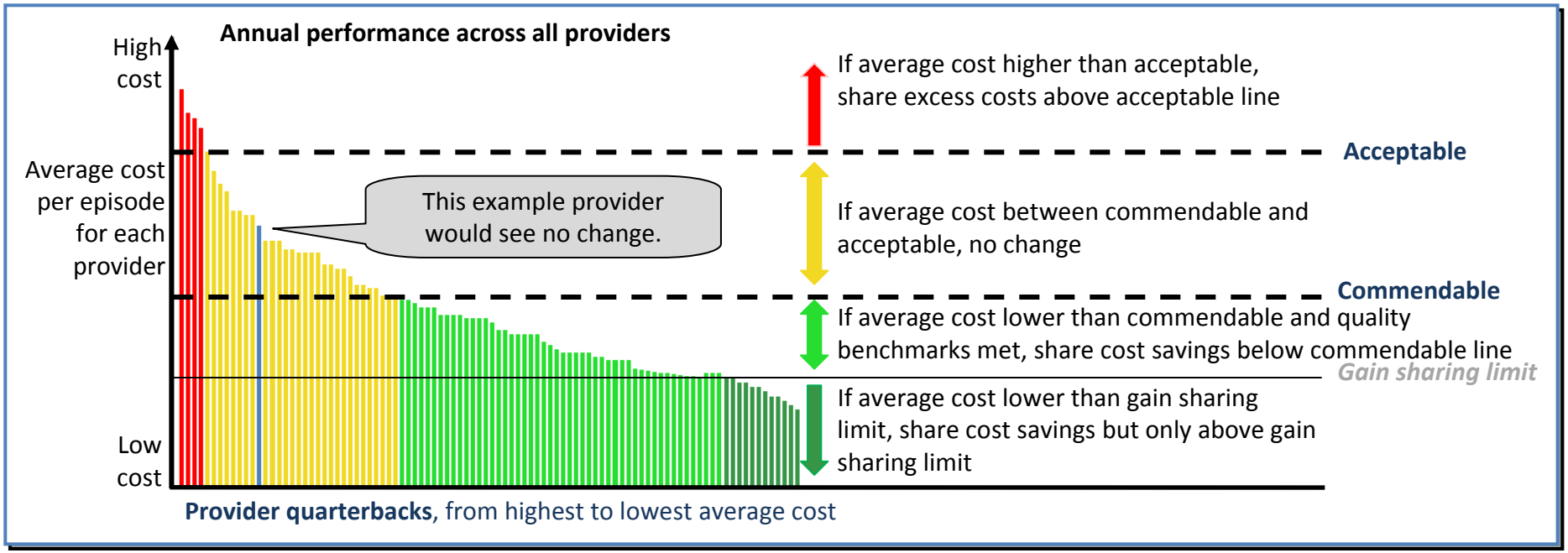


Episode of care	Quality metrics	Average risk adj. episode cost ($)	Gain/risk share eligibility	Share Value ($)
1. Perinatal [Start/end dates of period]	Met	3,300.00	Commendable	Gain Sharing	+10,951.00



Incentives


Risk-adjusted costs for one type of episode in a year for a single example provider
Cost per episode
Average
Example provider's individual episode costs
Risk-adjusted average episode cost for the example provider
Example provider's average episode cost


Annual performance across all providers
High cost
Average cost per episode for each provider
Low cost
This example provider would see no change.
If average cost higher than acceptable, share excess costs above acceptable line
Acceptable
If average cost between commendable and acceptable, no change
Commendable
If average cost lower than commendable and quality benchmarks met, share cost savings below commendable line
Gain sharing limit
If average cost lower than gain sharing limit, share cost savings but only above gain sharing limit
Provider quarterbacks, from highest to lowest average cost

Quality Metrics

- Some quality metrics will be linked to gain sharing, while others will be reported for information only
  - Quality metrics linked to gain sharing incentivize cost improvements without compromising on quality
  - Quality metrics for information only emphasize and highlight some known challenges to the State
- Each provider report will include provider performance on key quality metrics specific to that episode

Example of quality metrics from episodes in prior waves

ASTHMA EXACERBATION

- **Linked to gain-sharing:**
  - Follow-up visit rate (42%)
  - Percent of patients on an appropriate medication (82%)
- **Informational only:**
  - Repeat asthma exacerbation rate
  - Inpatient admission rate
  - Percent of episodes with chest x-ray
  - Rate of patient self-management education
  - Percent of episodes with smoking cessation counseling offered

PERINATAL

- **Linked to gain-sharing:**
  - HIV screening rate (85%)
  - Group B streptococcus screening rate (85%)
  - Overall C-section rate (41%)
- **Informational only:**
  - Gestational diabetes screening rate
  - Asymptomatic bacteriuria screening rate
  - Hepatitis B screening rate
  - Tdap vaccination rate

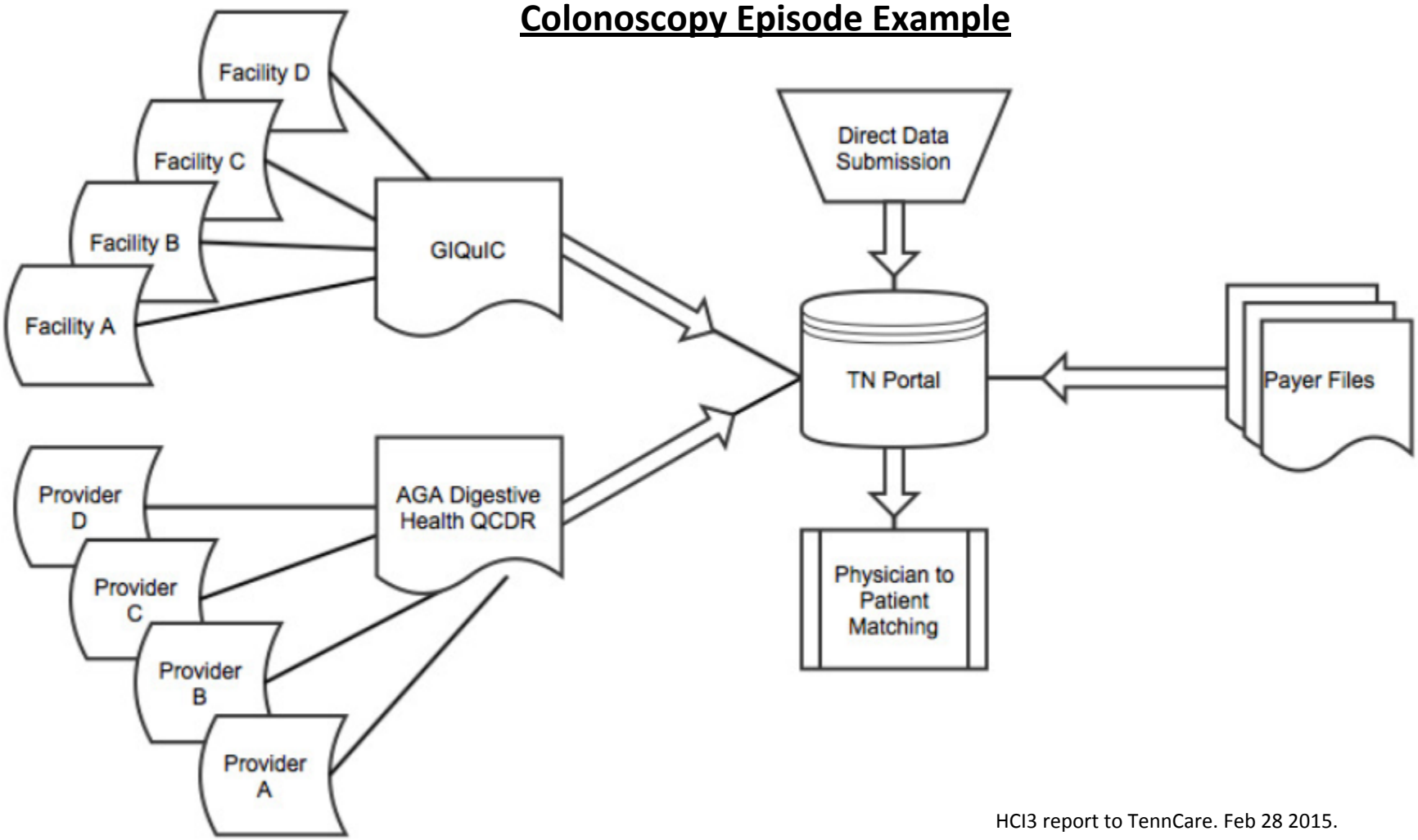
SCREENING AND SURVEILLANCE COLONOSCOPY

- **Linked to gain-sharing:**
  - Participating in a Qualified Clinical Data Registry (e.g., GIQuIC)
- **Informational only:**
  - Perforation of colon rate
  - Post-polypectomy/biopsy bleed rate
  - Prior colonoscopy rate
  - Repeat colonoscopy rate

The quality metric 'Participating in a Qualified Clinical Data Registry' is a first attempt at using quality metrics based on other information sources than medical claims

Incorporating clinical quality metrics

Three ways to report clinical quality measures: Direct data submission portal, Clinical Data Registries, EMR



HCI3 report to TennCare. Feb 28 2015.

Reporting

Quarterbacks will receive quarterly report from payers:

- **Performance summary**
  - Total number of episodes (included and excluded)
  - Quality thresholds achieved
  - Average non-risk adjusted and risk adjusted cost of care
  - Cost comparison to other providers and gain and risk sharing thresholds
  - Gain sharing and risk sharing eligibility and calculated amounts
  - Key utilization statistics
- **Quality detail:** Scores for each quality metric with comparison to gain share standard or provider base average
- **Cost detail:**
  - Breakdown of episode cost by care category
  - Benchmarks against provider base average
- **Episode detail:**
  - Cost detail by care category for each individual episode a provider treats
  - Reason for any episode exclusions

Payer Name (TennCare/ Commercial) | Provider Name | Provider Code | Report Date: July 2013

[1. Asthma] A. Episode Summary [Period: Start/end dates of period]

1 Overview

Total episodes: **262** | Total episodes included: **233** | Total episodes excluded: **29**

2 Cost of care (avg. adj. episode cost) comparison

Commendable	Acceptable	Not acceptable
Less than $1,000	$1,000 to $1,750	$1,750

Your avg. cost: $911.80 | Providers' base avg. cost: $1,242.20

YOUR GAIN/ RISK SHARE

You are eligible for gain sharing

+$10,391.80

Commendable cost ($)	–	Your avg. cost ($)	x	Number of episodes	x	Share factor
1,000		910.80		233		50%

3 Episode cost summary

Your average episode cost is commendable

Parameters	You	Provider base average
1. Total cost across episodes	$235,796.00	$317,301.09
2. Total # of included episodes	233	235
3. Avg. episode cost (non adj.)	$1,012.00	$1,350.22
4. Risk adjustment factor* (avg.)	0.90	0.92
5. Avg. episode cost (risk adj.)	$910.80 Commendable	$1,242.20 Acceptable

** Risk adjustment factor calculated for select provider's patient base*

Your episode cost distribution (risk adj.)

Distribution of provider average episode cost (risk adj.)

4 Episode quality and utilization summary

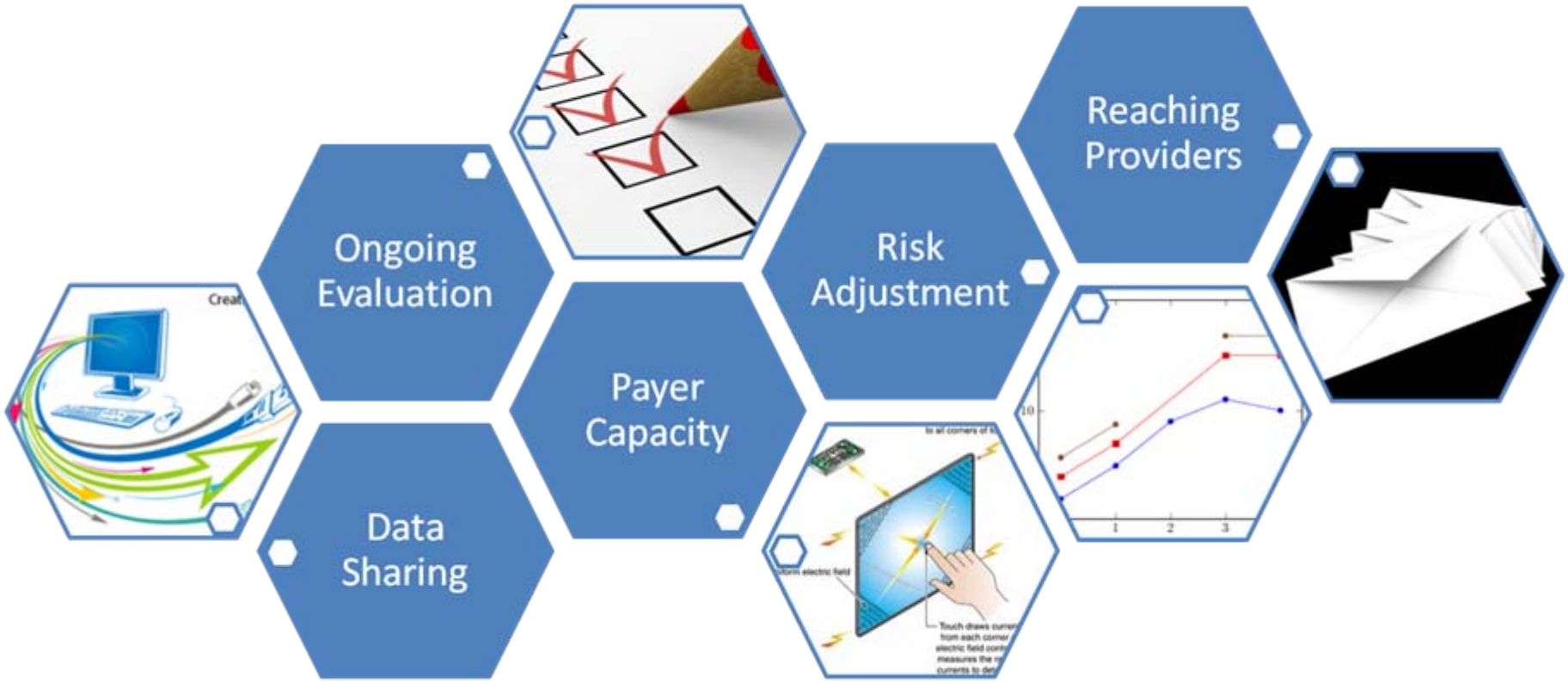
You achieved selected quality metrics

Quality metrics linked to gain sharing	You	Gain share standard	Met standard
1. Follow-up visit w/ physician	61%	55%	✓
2. Patient on appropriate medication	77%	70%	✓

Quality metrics not linked to gain sharing	You	Provider base average
1. Repeat acute exacerbation within 30 days	5%	8%

Preliminary draft of the provider report template for State of TN (for discussion only) | All content/ numbers included in this report are purely illustrative

Challenges


Ongoing Evaluation
Payer Capacity
Risk Adjustment
Reaching Providers
Data Sharing