



**Bradley**

# **Public Chapter 407 Presentation Shared Savings Incentive Programs**

**Presented by: Nathan H. Ridley**

**Nashville, TN**

**January 16, 2020**



# Questions, Comments, Observations?



**Nathan H. Ridley**

615.252.2382

[nridley@bradley.com](mailto:nridley@bradley.com)

**Bradley**

## Who is AHIP?



America's Health Insurance Plans (AHIP) is the national association whose members provide coverage and health-related services that improve and protect the health and financial security of consumers, families, businesses, communities and the nation.

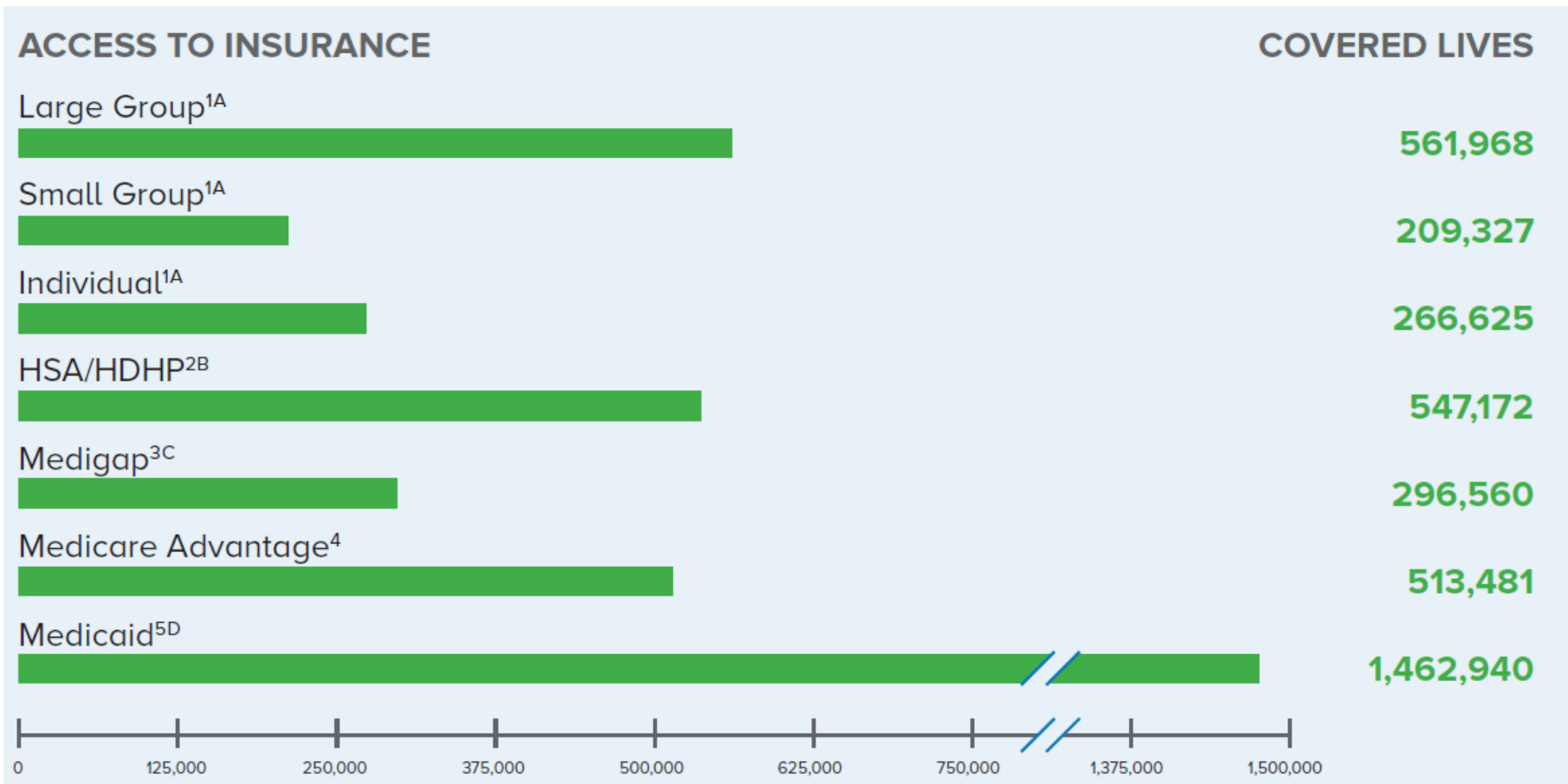
## AHIP's Mission



America's Health Insurance Plans and its members create and accelerate positive change and innovation across the health care system for consumers through market-based solutions and public-private partnerships that advance affordability, value, access, and well-being.

# Tennessee

## Health Insurance by the Numbers







## Chap. 407, Public Acts of 2019



You can observe a lot just by watching.  
Yogi Berra



# House Sponsor HB 419

Representative  
Robin Smith



# Senate Sponsor SB 510

Senator  
Kerry Roberts



# Study States



# Arizona



- No shared savings incentive plan
- Two Tracks
  - State Employees – Health Impact Program
  - Providers and Facilities must make available certain direct pay prices.  
(Chap. 266, 2015)

# Florida

- Shared savings incentive plan
- Two Tracks
  - State Employees – Health Care Bluebook began in 2019.
  - Patient Savings Act (Chap. 2019-100).



# Kentucky



- Kentucky's Dept. of Employee Insurance
  - Started in 2013 for state employee health plan
  - Uses Smart Shopper as administrator
- No statute for private sector health plans

# Maine



- Two Tracks
  - Private Plans (Chap. 232, 2017)
    - Only small group with HSA's
    - Repealed 1/1/24; 1<sup>st</sup> report due 4/1/20
    - Plans design incentives
    - Limited out of network options.
  - State Employee Plan
    - Health Credit Premium Program (5%)



# New Hampshire



- Two Tracks
  - Private Plans
    - Insurance Dept. offers a shopping tool, but not shared incentive program.
  - State Employee Health Plan
    - Incentives added in 2015
    - Must use in network provider
    - Smart Shopper is vendor.

## Crucial Element of Tennessee Statute

- In Network Providers Only
  - Health Plans issue credentials and oversee the quality delivered to their enrollees by contracted providers.
  - With networks, Health Plans negotiate discounts with high quality providers and facilities.

## Concerns

- Scope of Statute
    - Definition of “comparable healthcare service”
    - “includes but is not limited to”
- Substitute “means”  
(TCA 56-7-3502)



## Concerns

- Where are the providers and the facilities?
  - They order the procedures
  - Risk of surprise medical bills
  - Everyone who works at a facility does not work for the facility.



## Concerns

- Plan goals are your goals.
- High quality and Cost Efficient Medical Care
- Plans work every day to address rising costs.
- “Right to Shop” is a curious moniker.
- New regulatory oversight is potentially costly



# Crystal Ball



- TACIR report due to General Assembly, December 2020
- (Statute only took effect 16 days ago.)
- Introduction today; Supplementary Materials.
- No Silver Bullets. Must be “disciplined & patient”
- UT Study points to poor health of Tennesseans as an economic issue.

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