



Tennessee Payment Reform Initiative

State Innovation Model Public Roundtable Meeting

July 31, 2013

PRELIMINARY WORKING DRAFT, SUBJECT TO CHANGE

Agenda for State Innovation Model Public Roundtable meeting

Activity	Time	Owner
▪ Why we are here / vision for Tennessee	1:00 – 1:10	Brooks Daverman
▪ Progress with payment reform to date	1:10 – 1:25	Brooks Daverman
▪ Introducing our guest speakers	1:25 – 1:30	Brooks Daverman
▪ National perspectives on health workforce	1:30 – 1:55	Peter Buerhaus
▪ Health workforce in Tennessee	1:55 – 2:30	Joe Burchfield
▪ Stakeholder discussion on workforce	2:30 – 3:00	All participants

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Vision for Tennessee Healthcare

- **At the direction of Governor Haslam**, Tennessee is **changing how the State pays for health care services**
- Within 3-5 years, the initiative aims to have value- and outcomes-based models account for the majority of health care spending.
- Payment reform will **reward high-quality care** and outcomes and **encourage clinical effectiveness**
- A coalition including TennCare, State Employee Benefits Administration, and major Tennessee insurance carriers is **working together** to **align incentives** in Tennessee
- The State of Tennessee has already been **awarded a grant** from the Federal Department of Health and Human Services to support payment reform.

“I believe Tennessee can also be a model for what true health care reform looks like.”

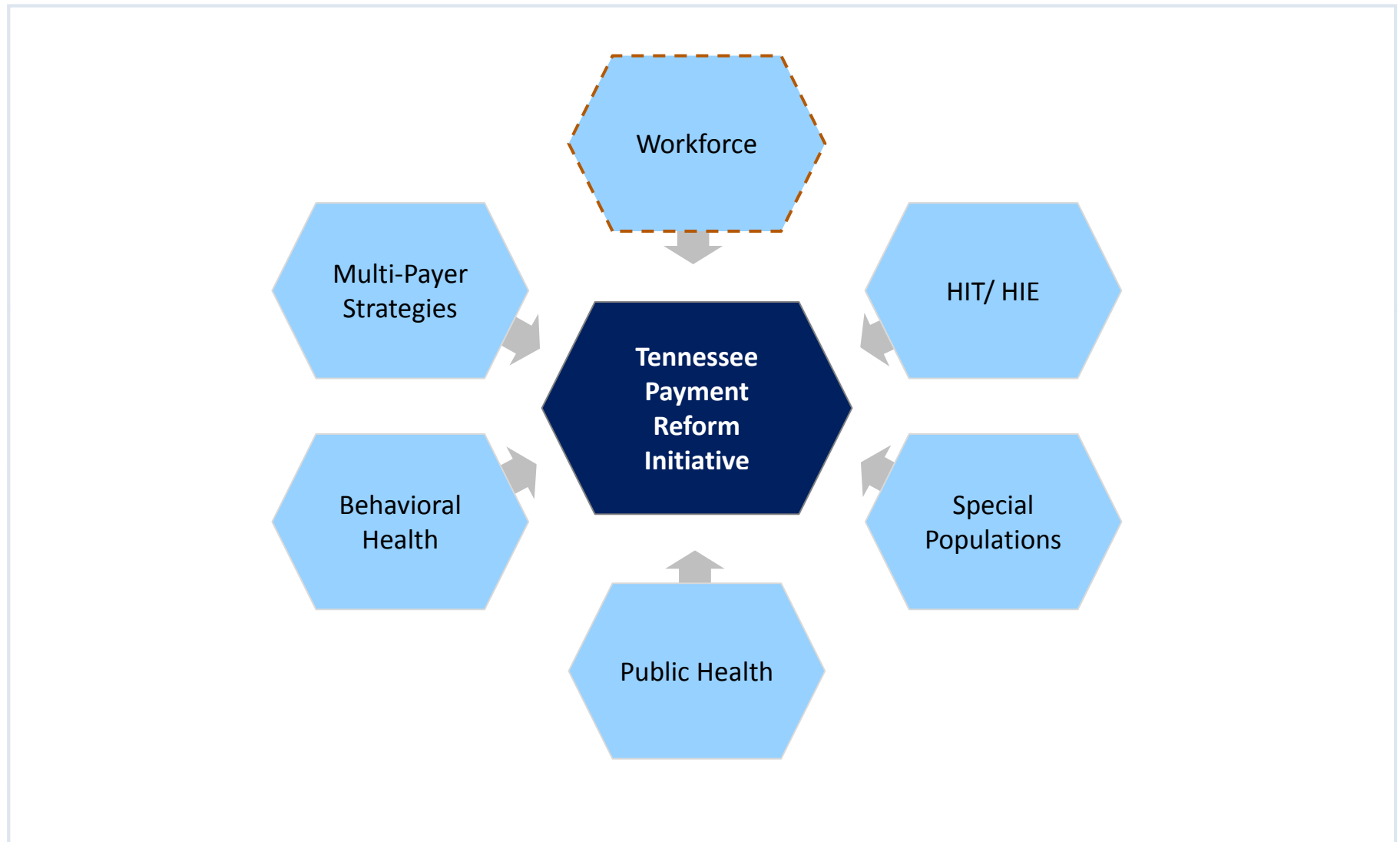
“It’s my hope that we can provide quality health care for more Tennesseans while transforming the relationship among health care users, providers and payers. If Tennessee can do that, we all win.”

– Governor Haslam’s address to a joint session of the State Legislature, March 2013

We have formed stakeholder committees that facilitate collaboration and incorporation of multiple perspectives in the overall reform initiative

Stakeholder group	A State Innovation Model Public Roundtables	B Provider Stakeholder Group	C Payment Reform Payer Coalition	D Employer Stakeholder Group	E Payment Reform Technical Advisory Groups
Stakeholders involved	Open to the public in person or by conference call: <ul style="list-style-type: none"> ▪ June 26, 10am-noon CT ▪ July 31, 1-3pm CT ▪ August 26, 1-3pm CT ▪ September 25, 1-3pm CT 	Select providers meet regularly to advise on overall initiative implementation	State health care purchasers (TennCare, Benefits Administration) and major insurers meet regularly to advise on overall initiative implementation	Introductory webinar held on Thursday June 27 at 11am CT, and repeated on July 18 at 11 am CT Periodic engagement with employers and employer associations	Select clinicians meet to advise on each episode of care
Meeting rhythm	4 by October	Monthly	2 per month	2 by August	3-4 per episode

Multiple dimensions impact the Tennessee Payment Reform Initiative



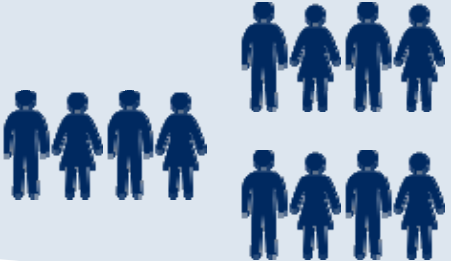

State Innovation Model Public Roundtables

Meeting Topic	Date	Time
▪ Roundtable 1: Introduction to Payment Reform	June 26, 2013	10:00 – 12:00
▪ Roundtable 2: Healthcare Workforce	July 31, 2013	13:00 – 15:00
▪ Roundtable 3: Health Information Technology	August 26, 2013	13:00 – 15:00
▪ Roundtable 4: Topic TBD	September 25, 2013	13:00 – 15:00

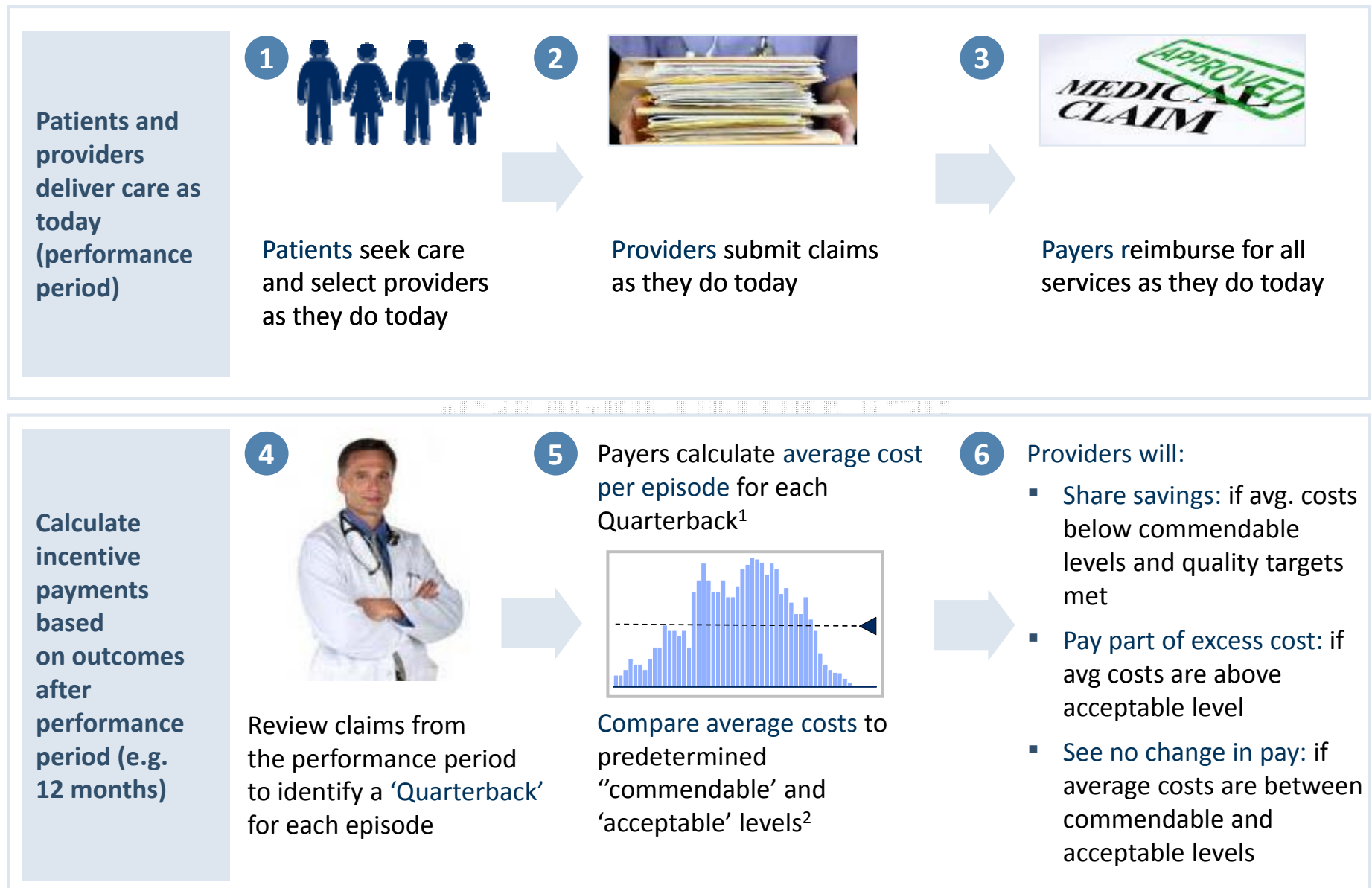
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What actually *is* payment reform: The State’s proposed payment innovation model includes “population” and “episode” based payment

Population-based	Basis of payment	TN Payment Reform Approach	Examples
	<ul style="list-style-type: none"> Maintaining patient’s health over time, coordinating care by specialists, and avoiding episode events when appropriate. 	<ul style="list-style-type: none"> Patient centered medical homes (PCMH) 	<ul style="list-style-type: none"> Encouraging primary prevention for healthy consumers and care for chronically ill, e.g., Obesity support for otherwise healthy person Management of congestive heart failure
	<ul style="list-style-type: none"> Achieving a specific patient objective at including all associated upstream and downstream care and cost 	<ul style="list-style-type: none"> Retrospective Episode Based Payment (REBP) 	<ul style="list-style-type: none"> Acute procedures (e.g., hip or knee replacement) Perinatal Acute outpatient care (e.g., asthma exacerbation) Most inpatient stays including post-acute care, readmissions Some behavior health Some cancers

How retrospective episodes work for patients and providers



Initial episodes selected for the first wave

State's working hypothesis

Represents episodes that **score highly on selection criteria**, as well as episodes launched in Arkansas

Categories	Episodes Considered
Prevention	Colonoscopy
Acute outpatient medical	Ambulatory URI
Behavioral Health	ADHD
	ODD
	ADHD/ODD Comorbidity
Acute inpatient medical	CHF Exacerbation
	Asthma Exacerbation
	COPD Exacerbation
Acute procedural	Cholecystectomy
	PCI
	CABG
	Total Joint Replac. (Hip & Knee)
	Tonsillectomy
	Perinatal

Episode selection driven by diversity considerations including

- Impacted population
- Therapeutic area
- Spend – commercial vs. TennCare
- Primary Accountable Provider (Quarterback)

Asthma Exacerbation

- Significant proportion of cost incurred at the hospital
- Captures pediatric patients
- Demands emergency response

Total Joint Replacement (Hip & Knee)

- Largely covered by commercial segment (vs. TennCare)
- Older patient population
- Primarily elective cases

Perinatal

- High case volume across commercial and TennCare
- Touches a large number of providers across the state

A robust PCMH program is a natural complement to an episode-based payments program

Vision

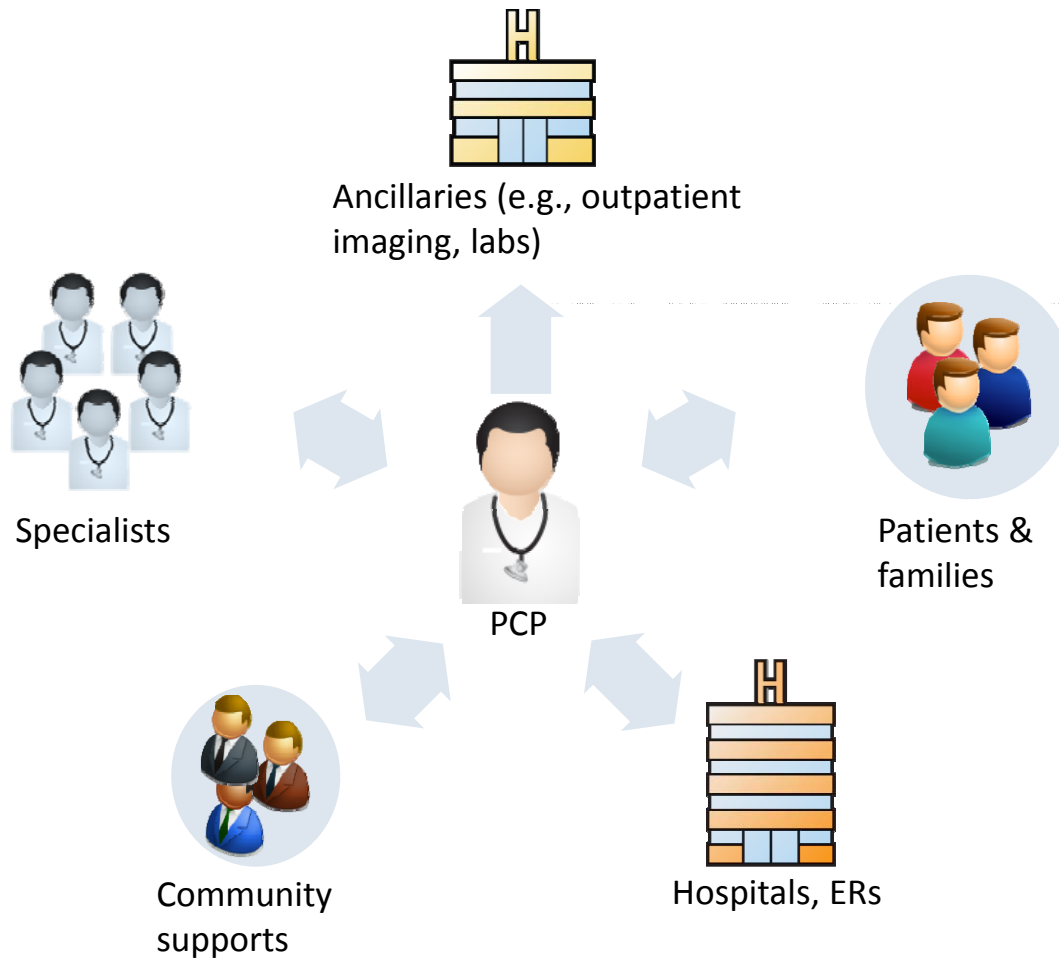
A team-based care delivery model led by a primary care provider that comprehensively manages a patient's health needs

Elements

- Providers are responsible for managing health across their patient panel
- Coordinated and integrated care across multidisciplinary provider teams
- Focus on prevention and management of chronic disease
- Expanded access
- Referrals to high-value providers (e.g., specialists)
- Improved wellness and preventative care
- Use of evidence-informed care

Why primary care and PCMH?

Most medical costs occur outside of the office of a primary care physician (PCP), but PCPs can guide many decisions that impact those broader costs, improving cost efficiency and care quality



- The State is currently surveying the landscape to understand the scope of current PCMH efforts and barriers to scale
- In the coming months, Tennessee will be defining a strategy for the scale-up of PCMH programs

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Introducing our guest speakers: Peter Buerhaus & Joe Burchfield

Peter Buerhaus

Valere Potter Distinguished Professor of Nursing & Director of the Center for Interdisciplinary Health Workforce Studies, Institute for Medicine and Public Health at VUMC

Dr. Buerhaus was inducted into the American Academy of Nursing in 1994 and elected into the National Academy of Sciences Institute of Medicine in 2003. He has published more than 100 peer-reviewed articles with five publications designated as "Classics" by the Agency for Healthcare Research and Quality (AHRQ) Patient Safety Network.

On September 30, 2010, Dr. Buerhaus was appointed Chair of the National Health Care Workforce Commission. Created under the Affordable Care Act, the Commission (once funded) will advise Congress and the Administration on health workforce policy and serve as a resource for the states and localities.

Joe Burchfield

Senior Director, Operations and Member Services, Tennessee Hospital Association

Joe Burchfield oversees a variety of projects related to the health care workforce, diversity and inclusion, health reform and Medicaid.

Prior to joining THA in 2011, Joe Burchfield served four years in the administration of Tennessee Governor Phil Bredesen where he led grassroots and outreach efforts for the Cover Tennessee programs and later worked on the redesign of the health plan for the State Group Insurance Program.

A graduate of the University of Tennessee at Knoxville and native East Tennessean, Joe has called Nashville home for the past 10 years where he is actively involved in the nonprofit community as a volunteer.

National Perspective

State of Tennessee Perspective

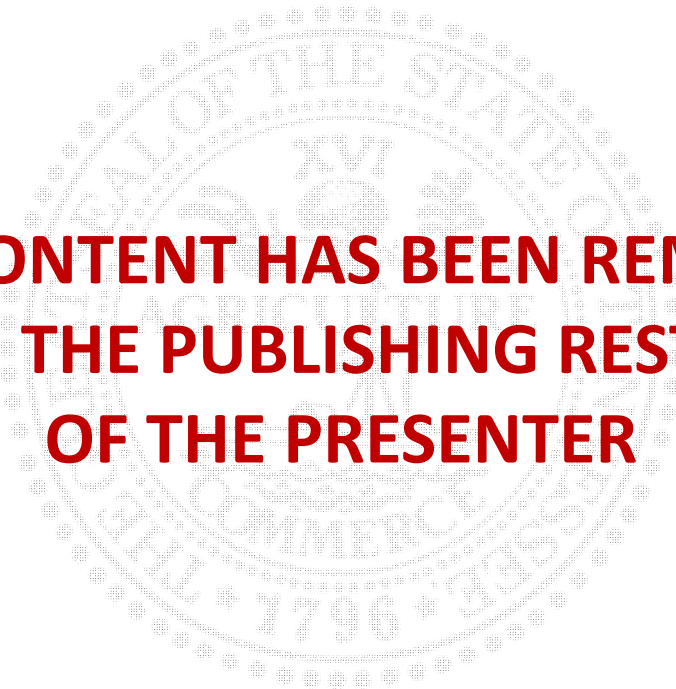
Disclaimer:

Views expressed by the presenters are their own and as such are not that of the Tennessee government. The presenters are not affiliated with Tennessee State Government, and their views and remarks do not necessarily reflect the policy of the State of Tennessee.

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Health Workforce in Tennessee

Joe Burchfield

Tennessee Hospital Association

July 31, 2013

Health Workforce

- Tennessee Hospital Association and the Center for Health Workforce Development
- Health Workforce Advisory Committee
- Past research and work
- Current efforts
- Future plans

THA and the Center for Health Workforce Development

- Unified voice of hospitals and health systems in Tennessee
- More than 140 dues-paying members
- Support across many areas of health care
 - Quality and safety
 - Reimbursement
 - Data
 - Advocacy
 - Workforce

Health Workforce Advisory Committee

- 20 members from hospital, education and public service sectors
- Quarterly meetings
- Board-level attention
- Guide THA's efforts and focus areas

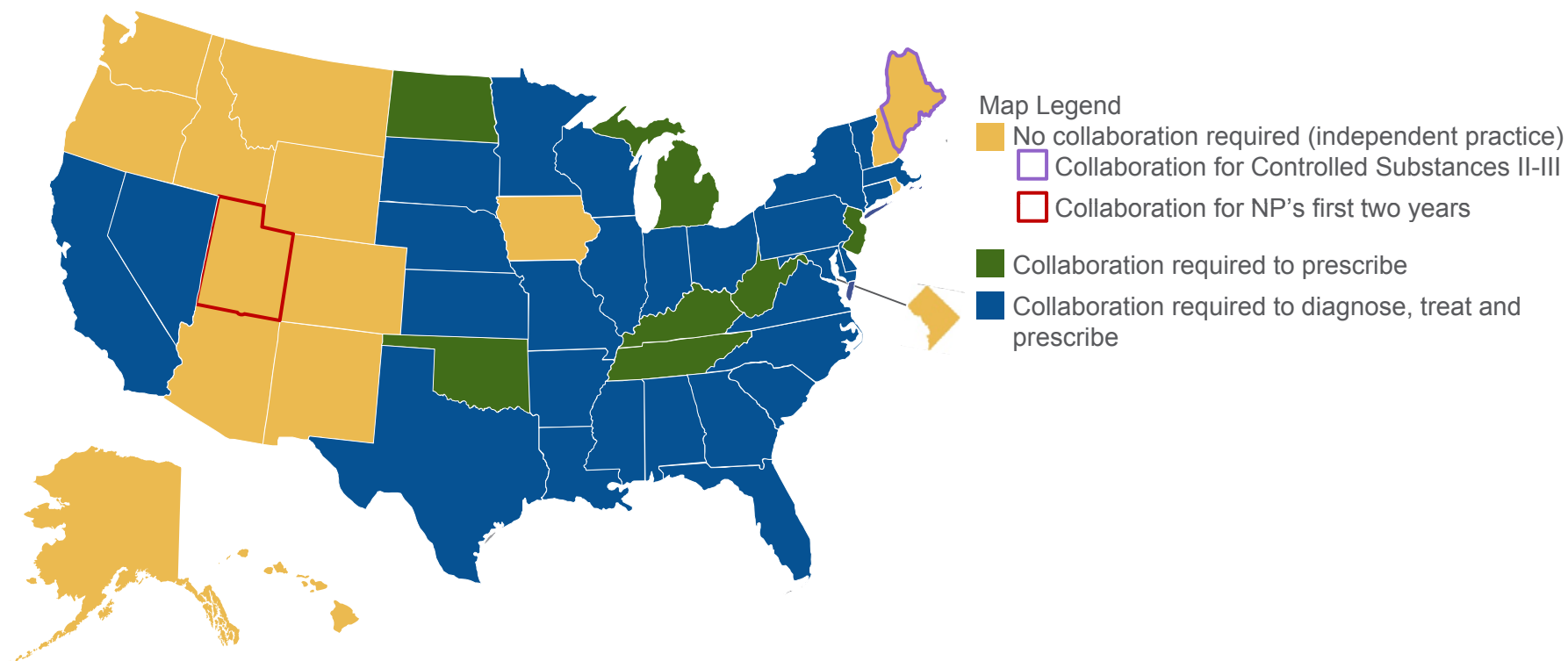
Past Research and Work

- Partnership with Tennessee Center for Nursing
- Johnson & Johnson Campaign for Nursing's Future
 - 2011 Promise of Nursing Gala
 - 2012-13 Nursing school grant program
- 2010 Allied Health Supply and Demand Study

Current Efforts

- Regional skills panels
- Allied health needs
 - Supply/demand
 - Education
- Tennessee Action Coalition
 - Outgrowth of Institute of Medicine Report on Future of Nursing
- Tennessee Rural Partnership

Nurse Practitioner-Physician Collaboration Requirements by State



Source: This map combines Map1 "Overview of Diagnosing and treating aspects of NP practice," and Map 2 "Overview of Prescribing aspects of NP Practice," developed by Linda Pearson, The Pearson Report, 2010. Map was prepared for the Center to Champion Nursing in America.

The Center to Champion Nursing in America is an initiative of AARP, the AARP Foundation and the Robert Wood Johnson Foundation. More information on the Center to Champion Nursing in America can be found at www.championnursing.org.

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Future Plans

- Member survey to better understand:
 - Nursing supply, demand and turnover
 - Allied health shortages and needs
 - Educational and training requirements and needs
- Partnership with regional and state stakeholders in targeted career areas

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