



Health Care
Innovation Initiative

Tennessee Health Link model review

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Here is what we heard from you after the last webinar

We heard from many Health Link applicants after the 1st webinar. In response, TennCare leadership has met with 18 practices individually to further understand your concerns. In addition, we met with the TAMHO membership at the Board meeting on June 16. During these interactions we heard several common themes that we have been able to address:

- 1) More time needed for provider testing of billing systems before launch
- 2) Rates do not take into account a ramp-up time to enroll new patients
- 3) Model does not take into account a manager or lead care coordinator
- 4) Applied benefits and overhead percentages will not cover actual costs

Program launch update

We will be delaying the launch of the Health Link program until December 1st, 2016

- Gives providers additional time to configure and test their billing systems
- Allows additional time for the provider training and technical assistance vendor to begin their work

We made several model adjustments based on your feedback

1) Recognized need for additional staff:

- Added manager role to the model
- Disaggregated specific lead care coordinator role (from care coordinator role)

2) Updated salaries:

- Used Bureau of Labor Statistics 2015 Tennessee median figures for roles¹

3) Significantly increased applied benefits and overhead percentage:

- Increased benefits and overhead from 30% to 70% based on TN provider feedback and external research²

¹ Used median salary for job title in BLS that most closely resembles the Health Link role: Registered Nurses position in BLS for Manager and Lead Care Coordinator roles (although Manager is not required to be a registered nurse), Licensed Practical and Vocational Nurses position in BLS for Care Coordinator role, and Mental Health and Substance Abuse Social Workers position in BLS for Case Manager role

² Bureau of Labor Statistics; Medical Group Management Association

Program rate update

Based on levels of care and staffing required to support the Health Link program

Based on current spending in Level 2 Case Management

Transition of provider cash flow from L2CM

- **\$200¹ monthly activity payment**
 - \$139 for care and staffing
 - \$61 to support new population ramp-up
- For 7 months through 6/30/17

Stabilization of member in Health Link

- **\$139¹ monthly activity payment**
- 12 paid months per member beginning 7/1/17

Recurring coordination of member in Health Link

- **\$TBD¹ monthly activity payment**
- From 13th month onwards, as long as member continues to meet medical necessity criteria

Outcomes payments based on performance against quality & efficiency metrics



~60K total estimated enrolled Health Link members²



¹ Rate is for Health Link activities only. It does not include other items that are currently billed fee for service
² Estimate includes dual eligible members and is for an entire year

Updated staffing model for Health Link activity payments

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 Required position (all others optional)

Annual salary ¹	 Benefits, overhead, and indirect ²	 Staffing ratio ³	 Months	 PMPM rate
Manager = \$56,840	70%	<u>1 manager</u> 1000 patients	12	\$8 
 Lead care coordinator (RN) = \$56,840	70%	<u>1 lead care coordinator</u> 1000 patients	12	\$8 
Care coordinator = \$36,670	70%	<u>1 care coordinator</u> 200 patients	12	\$26 
 Case manager = \$30,820	70%	<u>1 case manager</u> 45 patients	12	\$97
Total				\$139

Activity payment model



1 BLS Occupational Employment Statistics 2015, TN only median

2 Includes travel, retirement benefits, health insurance, training, administrative work, outreach time, etc. To calculate PMPM rate, multiply by 1.7 (instead of 70%)

3 Health Link provider feedback; TAG input

Payment examples for Health Link members

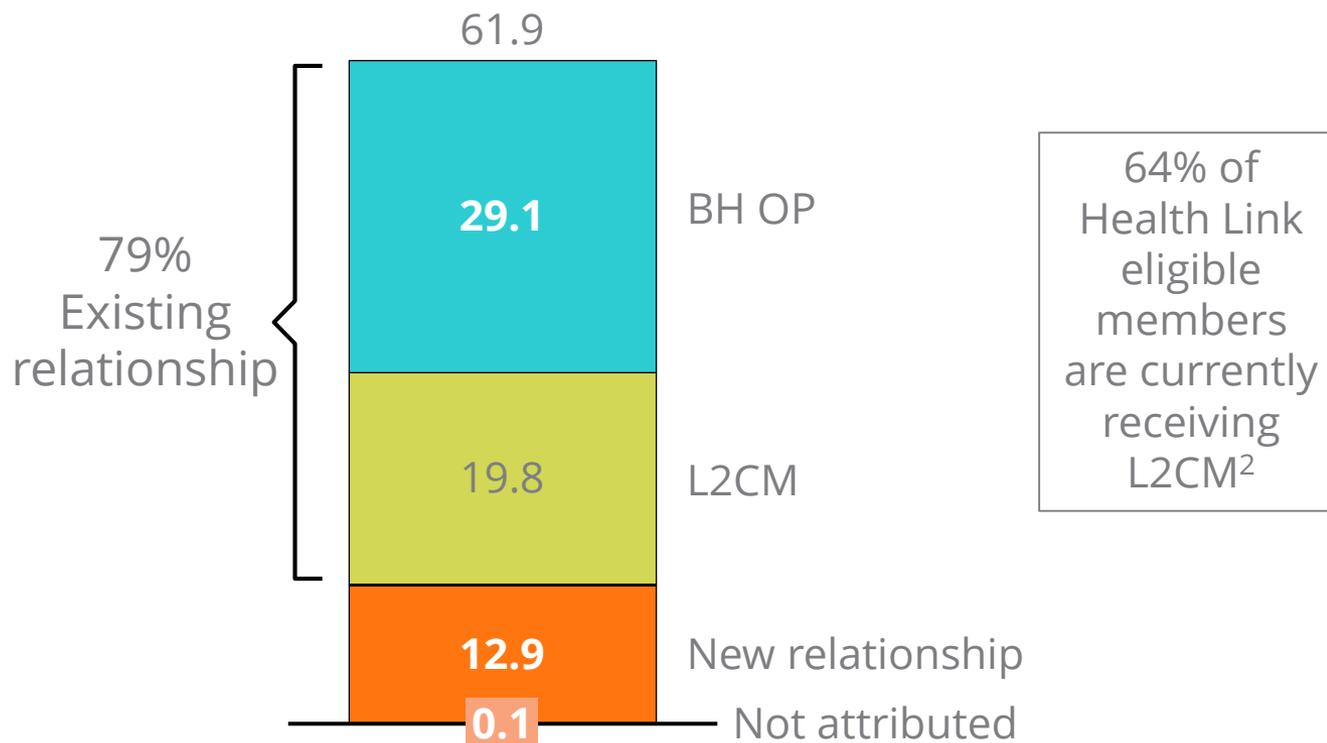
-  Transition rate: \$200
-  Stabilization rate: \$139
-  Recurring rate: \$TBD



- 1** Transition rate ends on 6/30/17 regardless of member enrollment date
- 2** The recurring rate eligibility continues until the Health Link is no longer medically necessary
- 3** The 12 stabilization months are available to a member regardless of when they join the program
- 4** The 12 stabilization months can occur at any point and do not need to be continuous

~80% of attributed members at program launch are those with whom providers have existing relationships

Projected Health Link eligible members¹ by attribution method as of Health Link launch
 Thousand members



¹ Estimation of eligible members prior to applying exclusion of members in select DCS programs (estimated to impact less than 1,000 members)

² Percentage reflects members who received Level 2 case management in the prior 6 months.

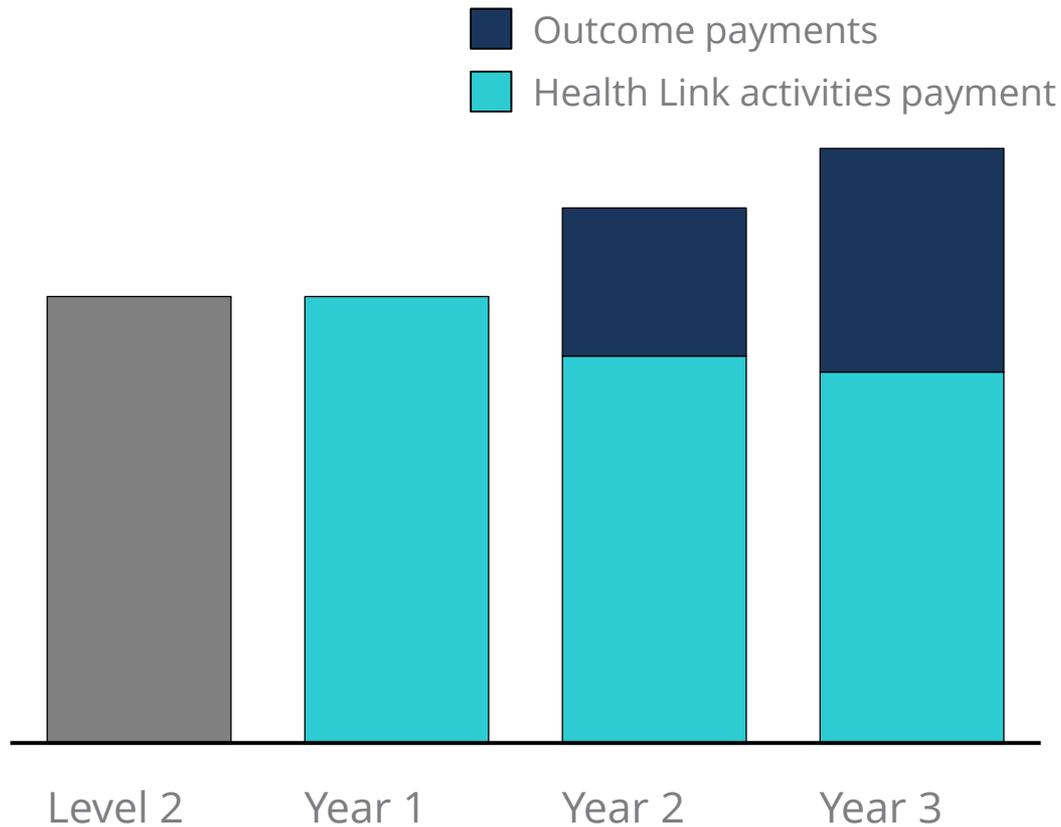
SOURCE: TennCare claims extract, CY2014-2015

Outcome payments are expected to become a larger share of practice reimbursement over time

Potential payments over time to a single top performing provider

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USD



Top performers could expect outcome payments to represent up to 25% of total Health Link payments

Next steps: Preparing for program launch

July - November

December and onward

Information sharing and preparation

Launch

July and August: Counts of attributed members calculated by MCOs and shared with providers at the end of the month

September (and following months): Lists of attributed members provided

November: First preview reports

December 1st: Program launches and activity payments begin

January 1st 2017: Start of the first performance period

December 31st 2017: End of the first performance period

July 2018: First outcome payment

Question & answer

Please submit your questions through the webinar interface –
we'll aim to address as many as time permits

For any additional questions please contact:

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