



# **Tennessee Health Care Innovation Initiative**

Provider Stakeholder Group Meeting

October 8, 2014

# Agenda

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Wave 1 episode of care thresholds

Update on wave 2 episode of care TAG process

Update on the SIM testing grant application

Recent news on payment reform

## Episode of care thresholds: Quality

- In September, we finalized the quality thresholds for wave 1 episodes of care. Based on 2013 claims data from TennCare and State of Tennessee, quality thresholds were set between the 50th and 75th percentile.
- Based on these thresholds, the state and MCOs reviewing the 2013 quarterback cost curves to set the acceptable and commendable thresholds. Based on provider feedback, thresholds target that penalties do not exceed rewards for the 2015 performance period.

### Asthma Exacerbation

- Percent of episodes where the patient visits a physician or other practitioner within 30 days of discharge: 43%
- Percent of patients on an appropriate medication (oral corticosteroid and/or inhaled corticosteroids): 82%

### Perinatal

- Percent of patients for whom HIV screening was conducted: 85%
- Percent of patients for whom Group B strep screening was conducted: 85%
- Percent of patients for whom C-Section was conducted: 41%

### Total Joint Replacement

- No gain sharing linked quality metrics

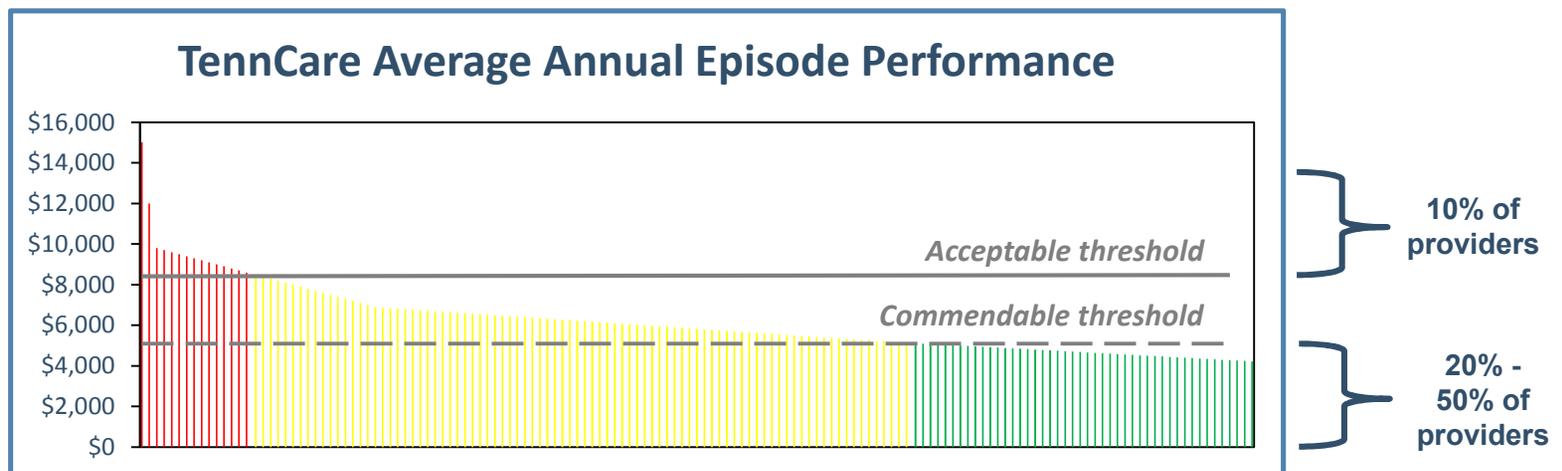
# Episodes of Care Thresholds: Cost

## How Thresholds are Set

1. TennCare sets acceptable threshold so that the providers with the highest risk-adjusted average annual cost for all TennCare would see a penalty, based on 2013 data.
2. Each MCO sets its own commendable thresholds such that reward and penalty dollar amounts would be equal, again based on 2013 data. Based on the data, 20% to 50% of the lowest cost providers would be eligible for rewards for each MCO and each wave 1 episode.

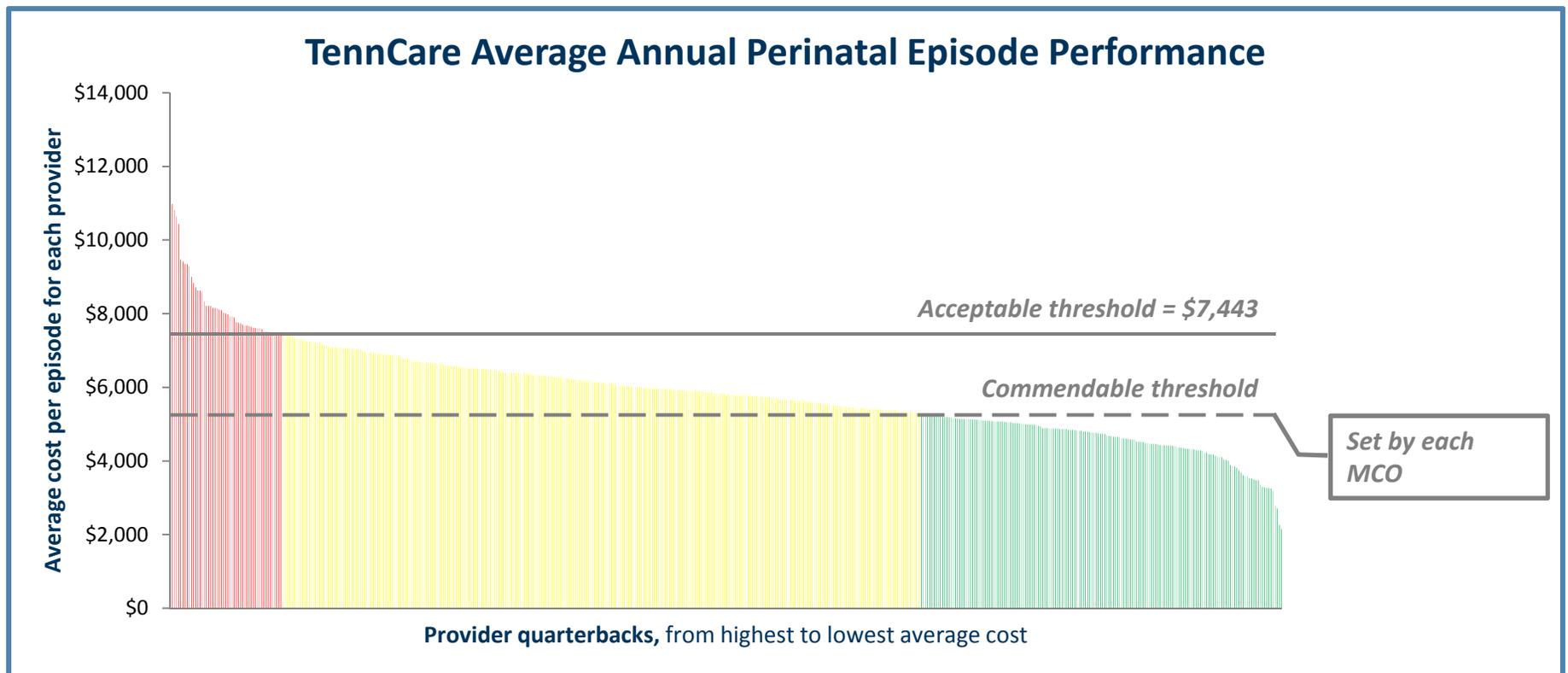
## Notes on Thresholds

- All thresholds are set before the performance year. Actual experience may be different from previous years, so actual results will vary from the projections. The best outcome would be that results would be lower than our projections which would lead to savings for the payers and rewards for providers.
- In the first year, thresholds will be set so that rewards and penalties are expected to be equal. In future years this may not be the case. Faced with a choice between lowering rates across the board versus lowering thresholds, for example, thresholds would result in concentrating payments to high value providers.
- Commercial payers will set their own thresholds according to their own approaches.



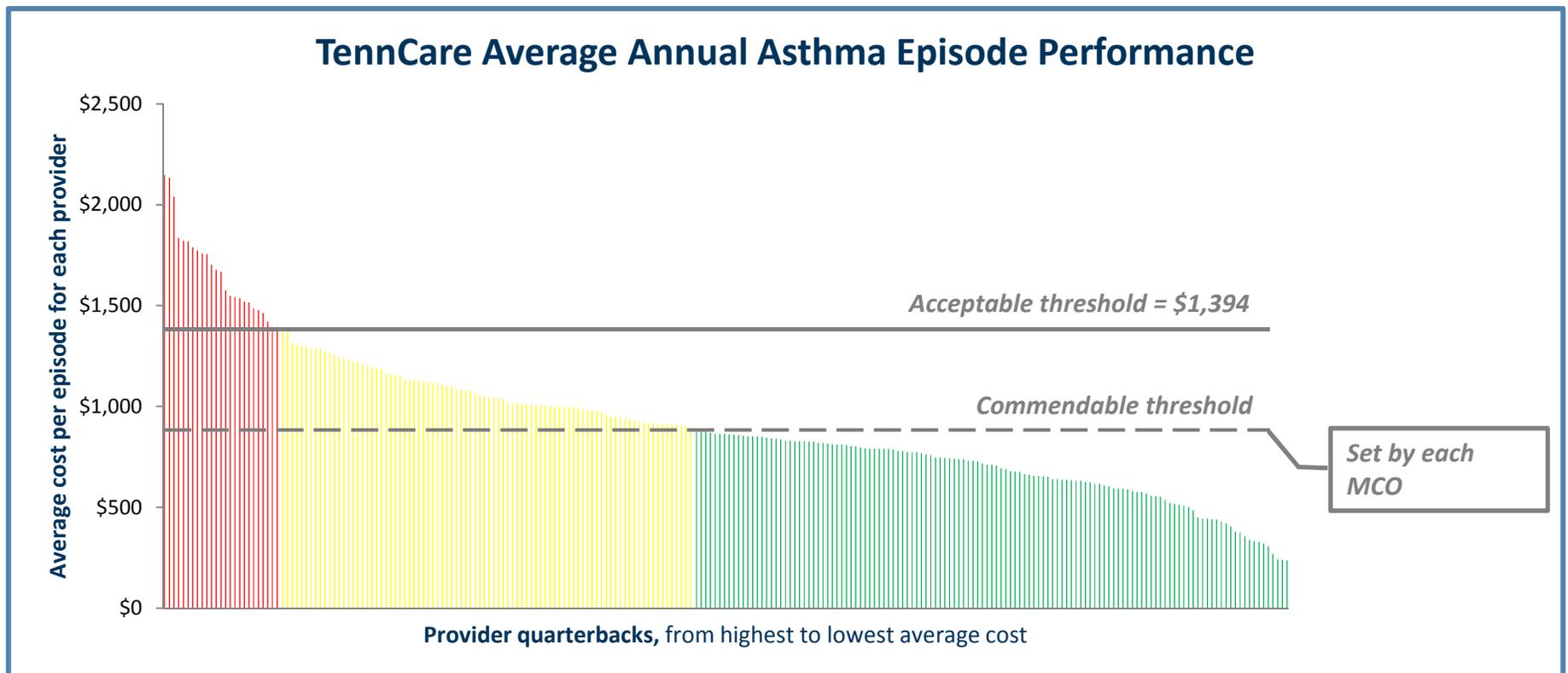
## Episode of care thresholds: Perinatal

- The acceptable threshold, set by TennCare, is \$7,443. Ten percent of providers would have been eligible for risk sharing based on 2013 data.
- Each MCO sets its own commendable thresholds. Across all MCOs, over 30% of providers would be eligible for gain-sharing.



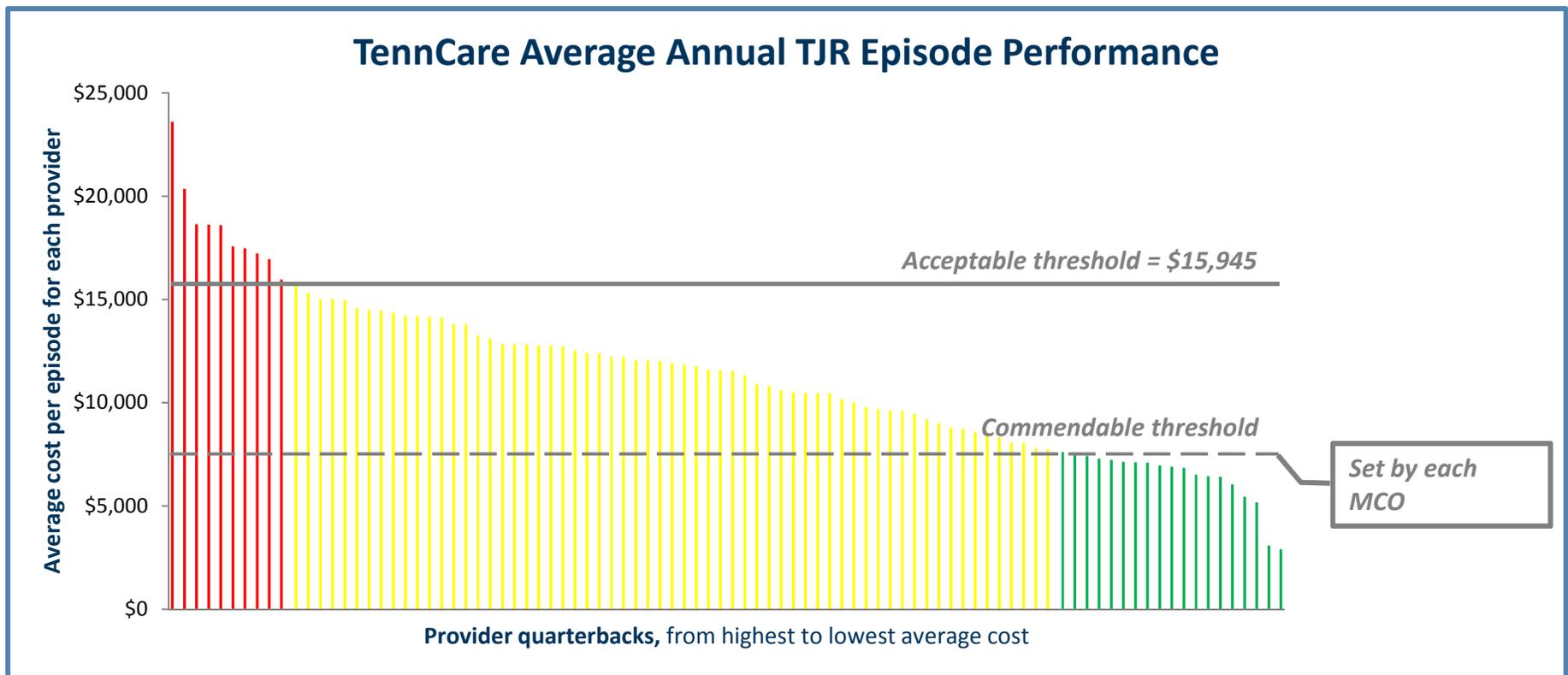
## Episode of care thresholds: Asthma

- The acceptable threshold, set by TennCare, is \$1,394. Ten percent of providers would have been eligible for risk sharing based on 2013 data.
- Each MCO sets its own commendable thresholds. Across all MCOs, over 40% of providers would be eligible for gain-sharing.



## Episode of care thresholds: Total joint replacement

- The acceptable threshold, set by TennCare, is \$15,945. Ten percent of providers would have been eligible for risk sharing based on 2013 data.
- Each MCO sets its own commendable thresholds. Across all MCOs, approximately 20% of providers would be eligible for gain-sharing.



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## Acute and Non-Acute PCI – Payer and Provider Members

	TAG 1	TAG 2	TAG 3
Acute and Non-Acute PCI TAG (Wednesday)	October 8 <sup>th</sup> 9-11am (CT)	October 15 <sup>th</sup> 9-11am (CT)	October 29 <sup>th</sup> 9-11am (CT)

Name	Affiliation
Michael Alexander, MD	Cigna
Joel Bradley, MD	UnitedHealthcare
Dwight “Dan” Dishmon, MD	Methodist Le Bonheur Healthcare: Sutherland Cardiology Clinic
Cy Huffman, MD	BlueCross BlueShield of Tennessee
Mark Koenig, MD	St. Thomas Health System
Mark Mahler, MD	Amerigroup
Kevin Maquiling, MD	Vanderbilt Cardiology, Maury Regional Medical Center
Renee McLaughlin, MD	Cigna
Mark McLean, MD	TEAMHealth, Maury Regional Medical Center
David Moroney, MD	BlueCross BlueShield of Tennessee
Margaret Morrison, NP	Vanderbilt University Medical Center
Robert Piana, MD	Vanderbilt University Medical Center
Robert Ripley, MD	The Cardiology Group of Middle Tennessee
Dale Wortham, MD	University Cardiology

## Colonoscopy TAG– Payer and Provider Members

	TAG 1	TAG 2	TAG 3
Colonoscopy TAG (Tuesday)	October 7 <sup>th</sup> 1-3pm (CT)	October 21 <sup>st</sup> 1-3pm (CT)	November 4 <sup>th</sup> 1-3pm (CT)

Name	Affiliation
Richard Aycock, MD	Gastro One
Joel Bradley, MD	UnitedHealthcare
Jeff Fenyves, MD	TN Society for Gastrointestinal Endoscopy
Timothy Geiger, MD	Vanderbilt University Medical Center
Alan Herline, MD	Vanderbilt Medical Group
David Klappholz, CRNA	Merit Anesthesia
Mark Mahler, MD	Amerigroup
Robert McClure, MD	Mid-South Gastroenterology
Renee McLaughlin, MD	Cigna
David Moroney, MD	BlueCross BlueShield of Tennessee
Bergein Overholt, MD	Gastrointestinal Associates
Mihir Patel, MD	West Tennessee Gastro
Nathan Schatzman, MD	Anesthesiologists Associated, PC
Colleen Schmitt, MD	Galen Gastroenterology
Craig Steven Swafford, MD	University Surgical Associates
Trannie Woodson, RHIA, CCS	TN Health Information Management Association
George Wright, MD	Heritage Medical Associates

## Cholecystectomy TAG– Payer and Provider Members

	TAG 1	TAG 2	TAG 3
Cholecystectomy TAG (Thursday)	October 16 <sup>th</sup> 1-3pm (CT)	October 23 <sup>rd</sup> 1-3pm (CT)	November 6 <sup>th</sup> 1-3pm (CT)

Name	Affiliation
Joel Bradley, MD	UnitedHealthcare
Dai Chung, MD	Vanderbilt Medical Group
Brian Daley, MD	University General Surgeons
Randal Graham, MD	Premier Surgical Associates, PLLC
Oscar Guillamondegui, MD	Vanderbilt Medical Group
Oliver Gunter, MD	Vanderbilt Medical Group
Jeanne James, MD	BlueCross BlueShield of Tennessee
Mark Mahler, MD	Amerigroup
Matt Mancini, MD	University Surgeons Associates
Renee McLaughlin, MD	Cigna
Kelly Oggero , MD	Wellmont Medical Associates
Benjamin Poulouse, MD	Vanderbilt University Medical Center
Michael Saridakis, MD	Regional Surgical Associates
Philip Smith, MD	University Surgical Associates
Jana Zbinden, ACNP-BC	Vanderbilt University Medical Center

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## Update on the SIM testing grant application

- The state submitted an application for a SIM testing grant on July 21. The grant focuses on payment and delivery system reform, including episode of care, primary care transformation and long-term services and supports.
- Funding is available for up to 12 testing grants ranging from \$20-100 million per state, based on size of the state and scope of the proposal.
- CMMI invited the state to travel to Baltimore to present our testing grant application. The state, along with representatives from the Provider Stakeholder Group and the Payer Coalition, will present to CMMI on Tuesday, October 14<sup>th</sup>.

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## Recent news on payment reform

- *The 2014 National Scorecard on Payment Reform from Catalyst for Payment Reform:*
  - Last week, Catalyst for Payment Reform released their annual scorecard. The report announced that in 2014, over 40% of all commercial in-network payments are value-oriented, exceeding the goal of 20% of payments by 2020.
  - The full scorecard is available here:  
<http://www.catalyzepaymentreform.org/images/documents/nationalscorecard2014.pdf>
  
- *Commonwealth Fund Report on Arkansas Payment and Delivery Reform*
  - In August, the Commonwealth Fund released a report on Arkansas's payment and delivery system reform. Arkansas's episode of care model has shown progress on several key cost and quality metrics. Results include:
    - Increased screening for diabetes, HIV, Hepatitis B, and other conditions in pregnant women,
    - From October 2012 through December 2012, a 29 percent drop in ADHD episode costs, and
    - Stabilized costs for congestive heart failure and total joint replacements.
  - The full report is available here:  
<http://www.commonwealthfund.org/publications/issue-briefs/2014/aug/arkansas-payment-reform>