Tennessee
Payment Reform Initiative

State Innovation Model
Public Roundtable Meeting

August 26, 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 HIE/ HIT	1:30 – 1:55	Hunt Blair
▪ HIE/ HIT in Tennessee	1:55 – 2:20	George Beckett
▪ Stakeholder discussion on HIE/HIT	2:20 – 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.

SOURCE: State of Tennessee Newsroom and Media Center

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

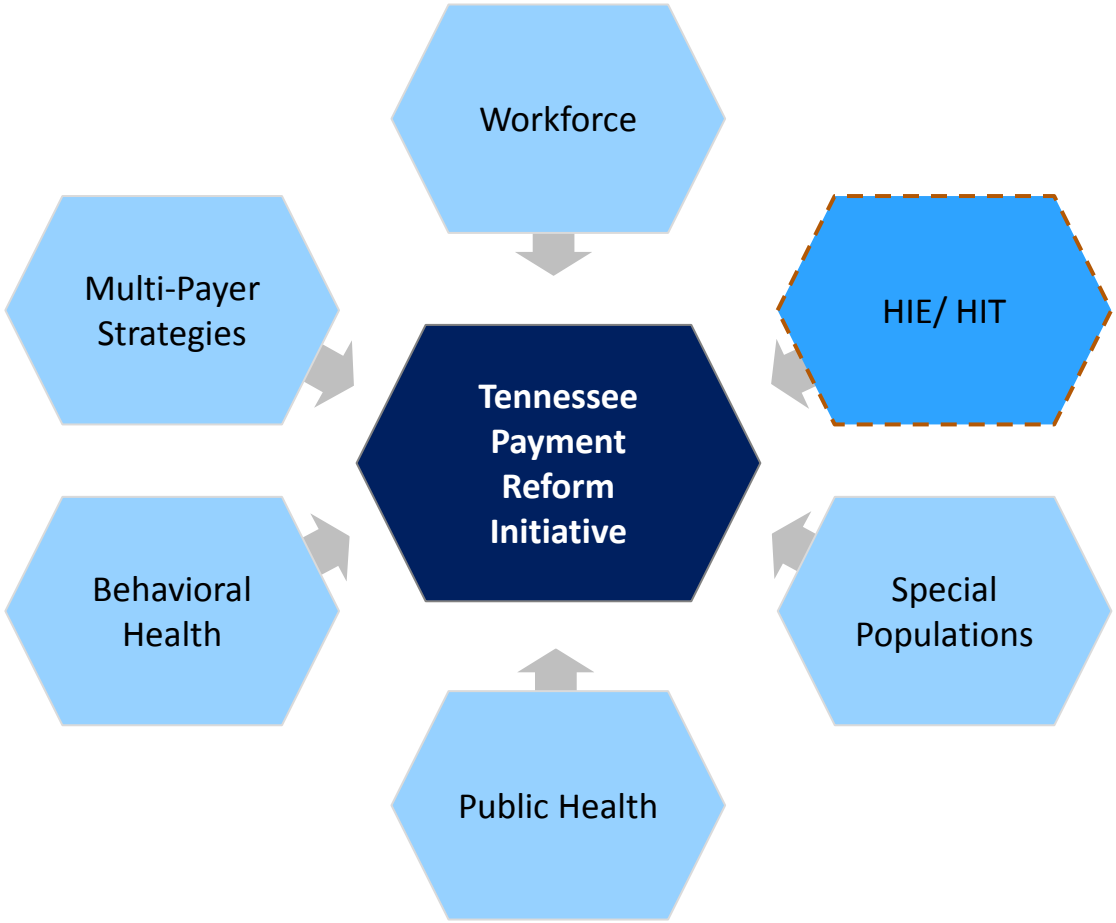
"It's my hope that we can provide quality health care for more Tennesseans while transforming the relationship among health care users, providers and payers. If Tennessee can do that, we all win."

– 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: ▪ 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	1:00 – 3:00
▪ Roundtable 3: Health Information Technology	August 26, 2013	1:00 – 3:00
▪ Roundtable 4: Topic TBD	September 25, 2013	1:00 – 3:00

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What actually *is* payment reform: The State's proposed payment innovation model includes "population" and "episode" based payment

	Basis of payment	TN Payment Reform Approach	Examples
Population-based	▪ Maintaining patient's health over time, coordinating care by specialists, and avoiding episode events when appropriate.	▪ Patient centered medical homes (PCMH)	▪ Encouraging primary prevention for healthy consumers and care for chronically ill, e.g., ▪ Obesity support for otherwise healthy person ▪ Management of congestive heart failure
Episode-based	▪ Achieving a specific patient objective at including all associated upstream and downstream care and cost	▪ Retrospective Episode Based Payment (REBP)	▪ 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

Patients and providers deliver care as today (performance period)

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

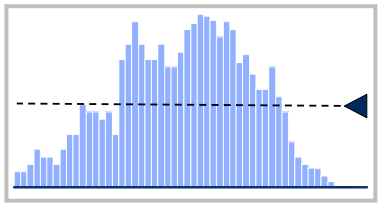
Calculate incentive payments based on outcomes after performance period (e.g. 12 months)

4

Review claims from the performance period to identify a 'Quarterback' for each episode

5

Payers calculate average cost per episode for each Quarterback[1]



Compare average costs to predetermined ''commendable' and 'acceptable' levels[2]

6

Providers will:

- Share savings: if avg. costs below commendable levels and quality targets met
- Pay part of excess cost: if avg costs are above acceptable level
- See no change in pay: if average costs are between commendable and acceptable levels

Initial episodes selected for the first wave

Episode selection driven by diversity considerations including

- Impacted population
- Therapeutic area
- Spend (TennCare and commercial)
- Quarterback (PAP)

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

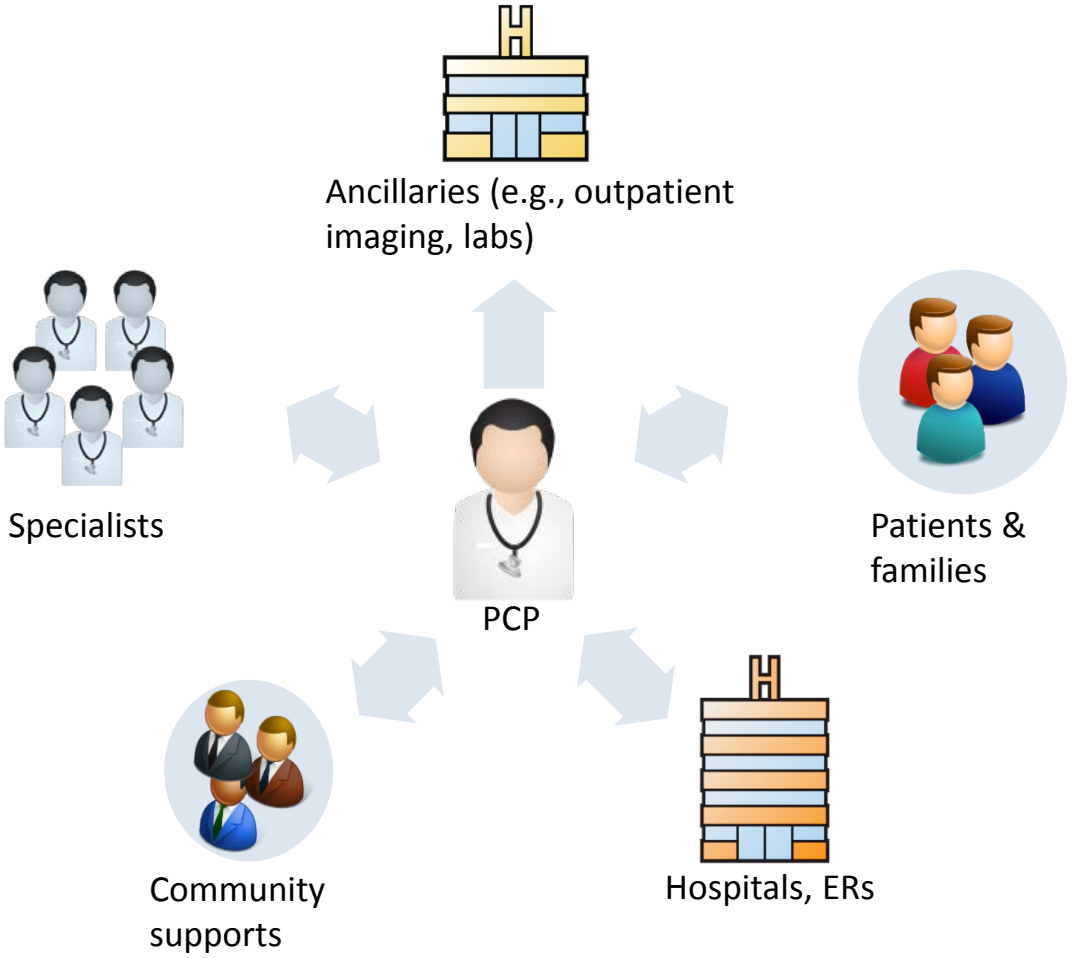
A team-based care delivery model led by a primary care provider that comprehensively manages a patient's health needs

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: Hunt Blair & George Beckett

Hunt Blair

Principal Advisor
State HIT-Enabled Care Transformation
Office of the National Coordinator for Health Information Technology (ONC)

Hunt Blair currently serves as Principal Advisor on State HIT-enabled Care Transformation at ONC, the Office of the National Coordinator of Health IT.

Previously, Hunt spent four years as Deputy Commissioner of Health Reform and State HIT Coordinator in Vermont. Prior to joining state government, Hunt formed a federally-funded rural health network of Vermont's FQHCs, RHCs, and CAHs to put state health reform policy into practice.

He has been an active participant in the national conversation about how to use HIE to advance health reform at IOM, on ONC's Policy Committee Information Exchange Work Group, and elsewhere since the passage of Health Information Technology for Economic and Clinical Health (HITECH) Act.

National Perspective

George Beckett

HIT Coordinator
State of Tennessee

George Beckett serves as the Tennessee Office of e-Health Initiatives Health Information Technology (HIT) Coordinator.

Prior to joining the state of Tennessee, George served as Director of Business Applications and Development for Parkview Health in Fort Wayne, Indiana. While there, he formulated a corporate web strategy including the implementation of the same Regional Health Information Organization (RHIO) structure used by statewide RHIOs in South Carolina, Alabama, New Jersey and West Virginia. George also designed, sold and implemented a web-based EHR application from 1996 through 2007 which is currently utilized in over 150 community hospitals in the U.S. and U.K.

George also spent 11 years as a health care industry specialist with IBM. He holds a bachelors degree in business administration from Ferris State University.

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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The Office of the National Coordinator for Health Information Technology

Health IT and Payment / Delivery System Reform

Hunt Blair, Principal Advisor
State HIT-Enabled Care Transformation, ONC

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Putting the I in HealthIT
www.HealthIT.gov

On August 7, 2013, ONC & CMS released

HHS *Principles and Strategy for Accelerating Health Information Exchange (HIE)*

as the public response to a Request for Information (RFI) released by CMS and ONC in the spring.

http://www.healthit.gov/sites/default/files/acceleratinghieprinciples_strategy.pdf

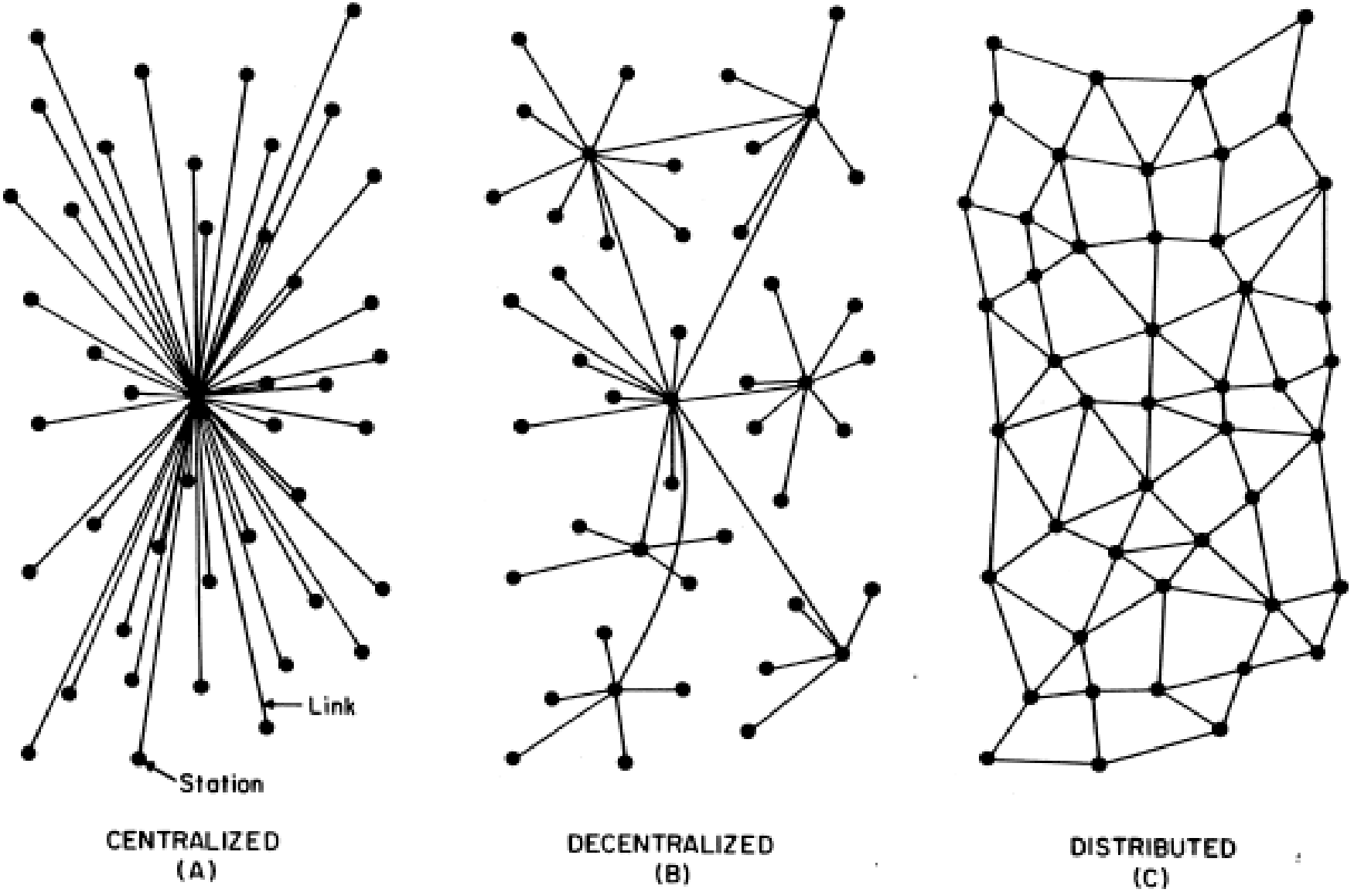
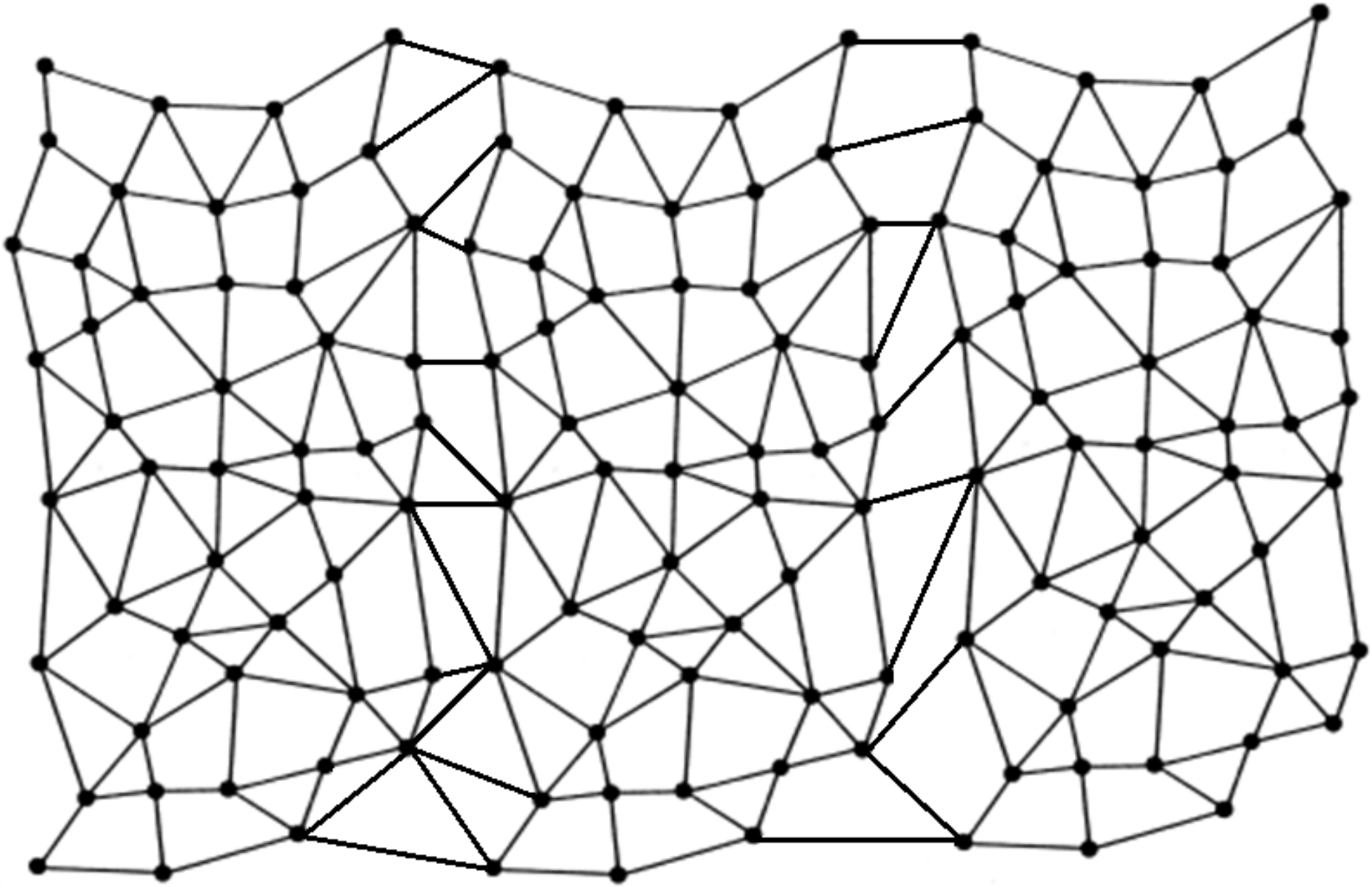


FIG. 1 — Centralized, Decentralized and Distributed Networks



Discussion

Q&A

hunt.blair@hhs.gov

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Health information Exchange

- Keep it simple – think big – start small and then build as you go

George Beckett
HIT Coordinator
Office of eHealth Initiatives, State of Tennessee

Tennessee ehealth

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HIE Technology Background

- "DIRECT" (Secure Messaging)
  - Mandatory for all certified EHRs by January 1st, 2014
  - Closed System, HIPAA Compliant
  - Point to point, Push technology
  - Automation expanding
- "Alerts" (Push)
  - ADT
  - Results
  - Care Opportunities
- "Query" (Google-like)
  - DCS Children
  - Hospital ED
  - New Patients
  - Geriatric Patients
  - Drug Shoppers

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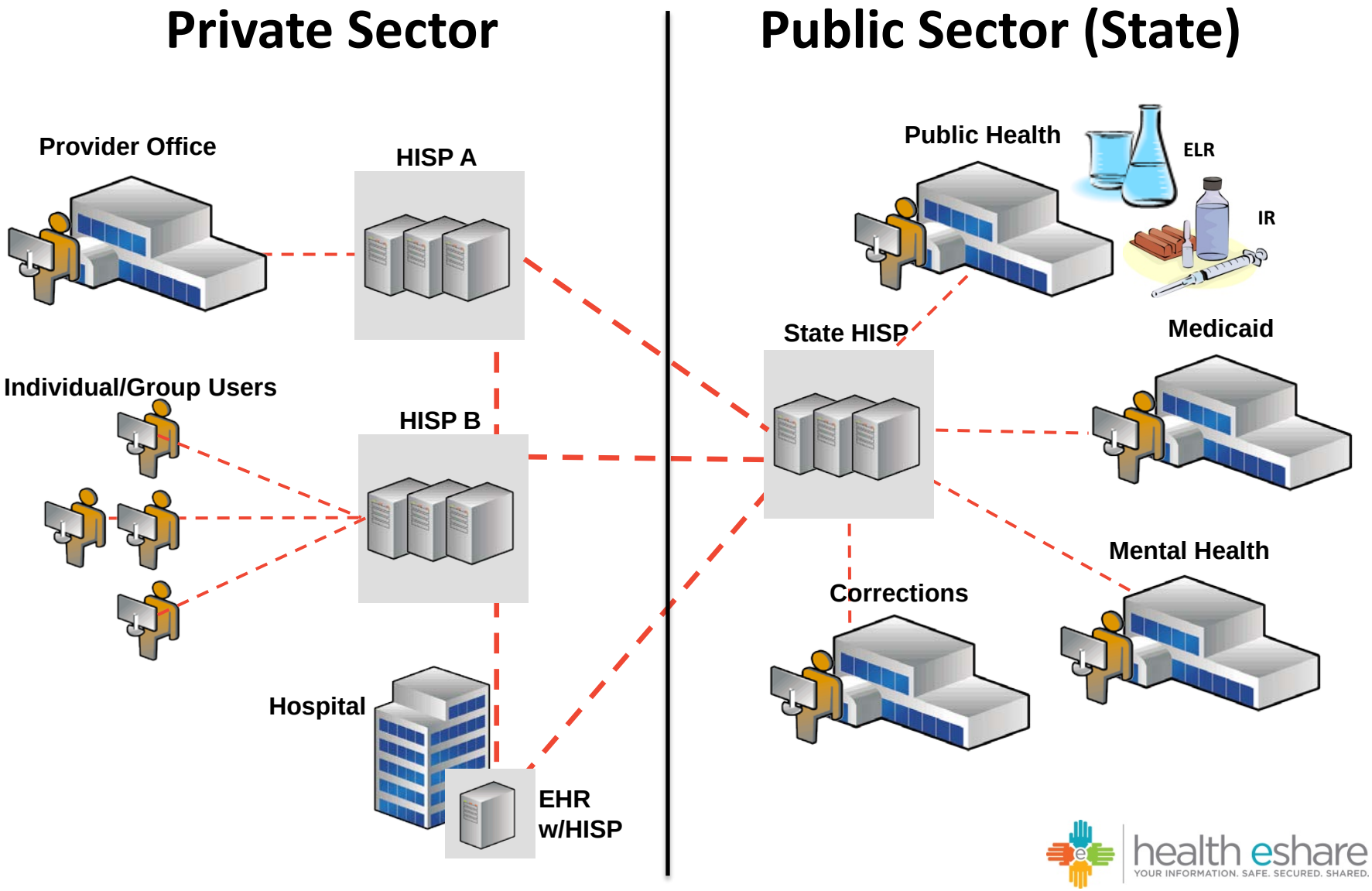
Tennessee Direct Adoption Strategy



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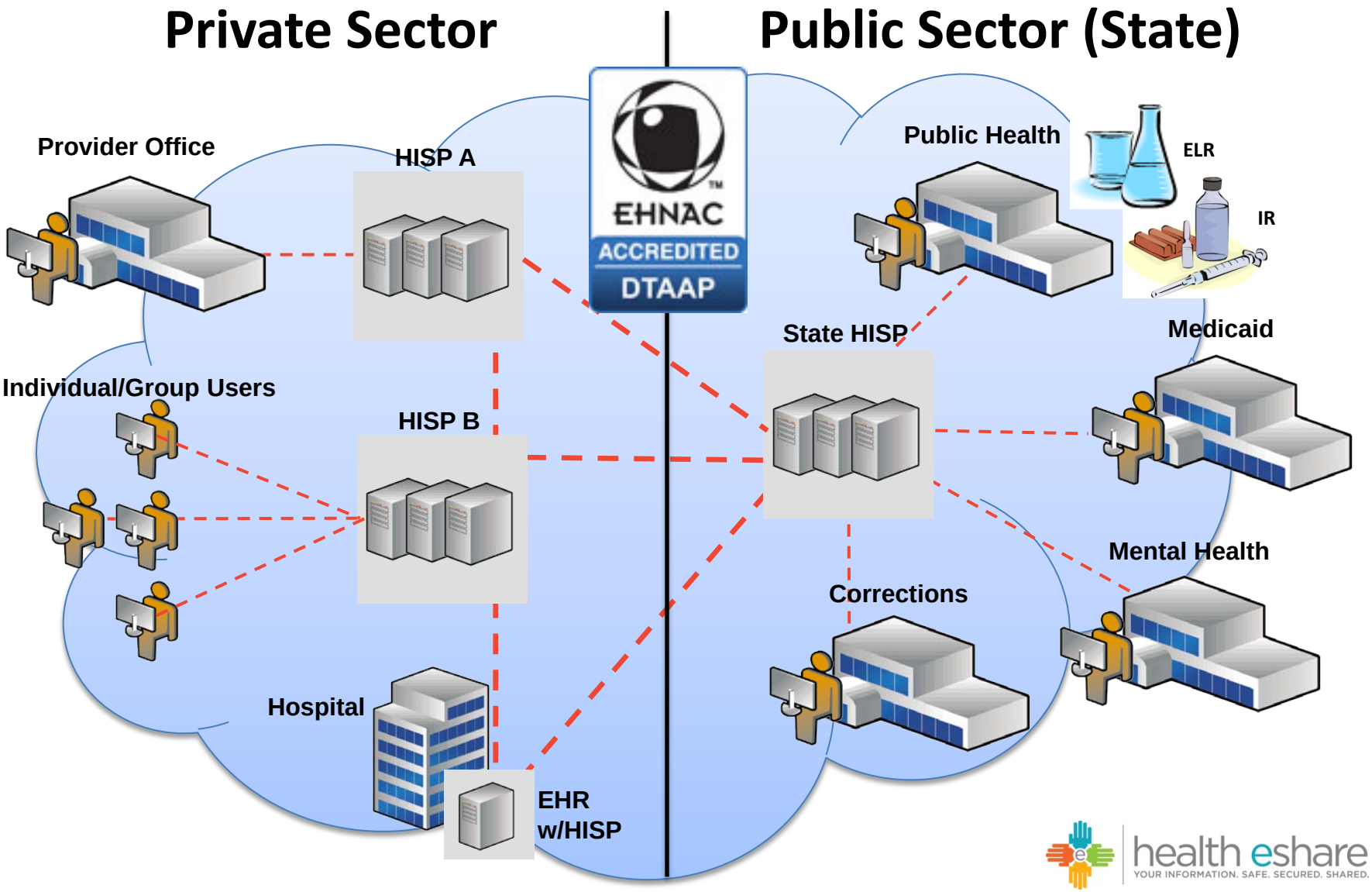
Tennessee Direct Adoption Strategy



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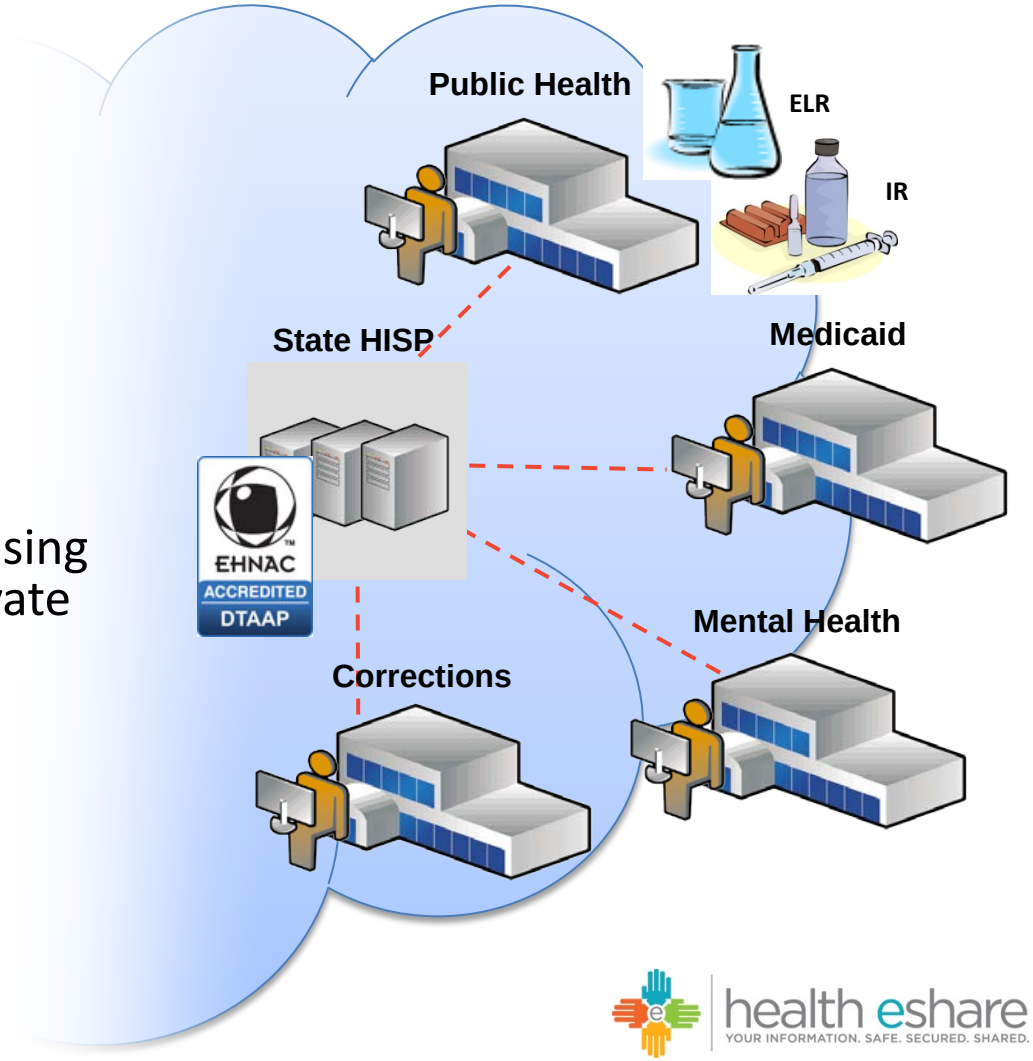
Tennessee Direct Adoption Strategy

"Direct Enable" State Services

- Public health reporting
  - Immunization registry
  - Electronic reportable labs
  - Cancer Registries
- Mental Health, Corrections, TennCare and other State departments
- Create additional use cases for using Direct HIE capabilities in the private sector

Public Sector (State)



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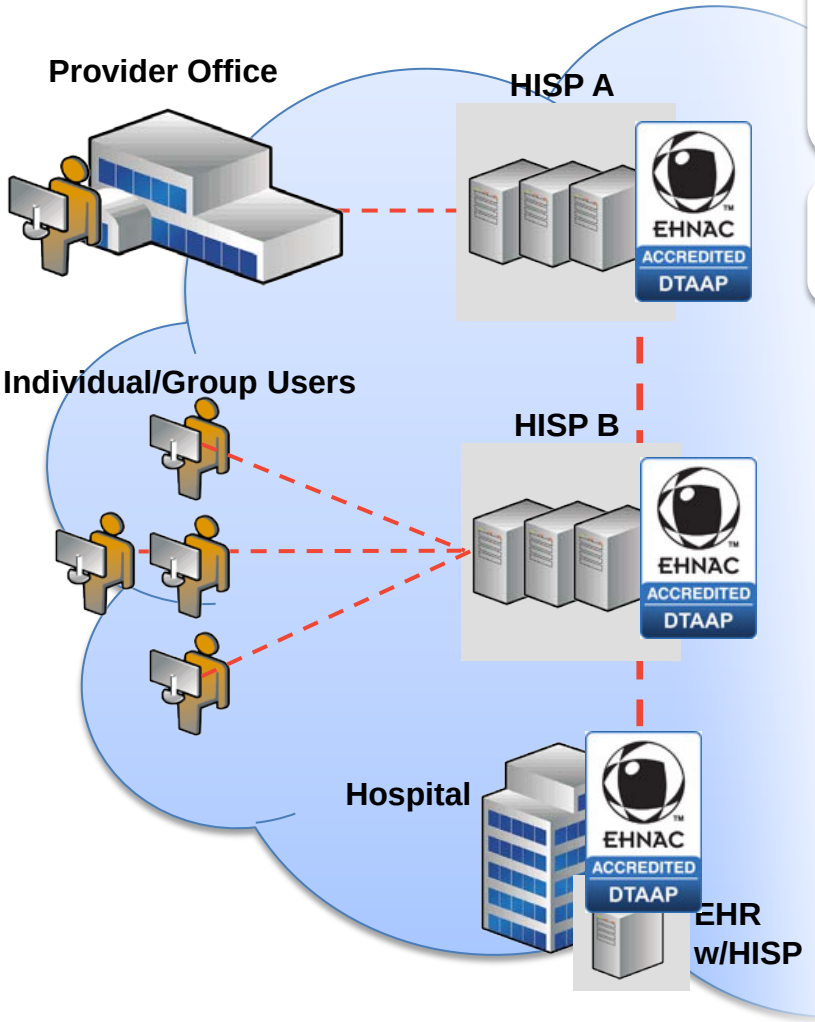
Tennessee Direct Adoption Strategy

Private Sector



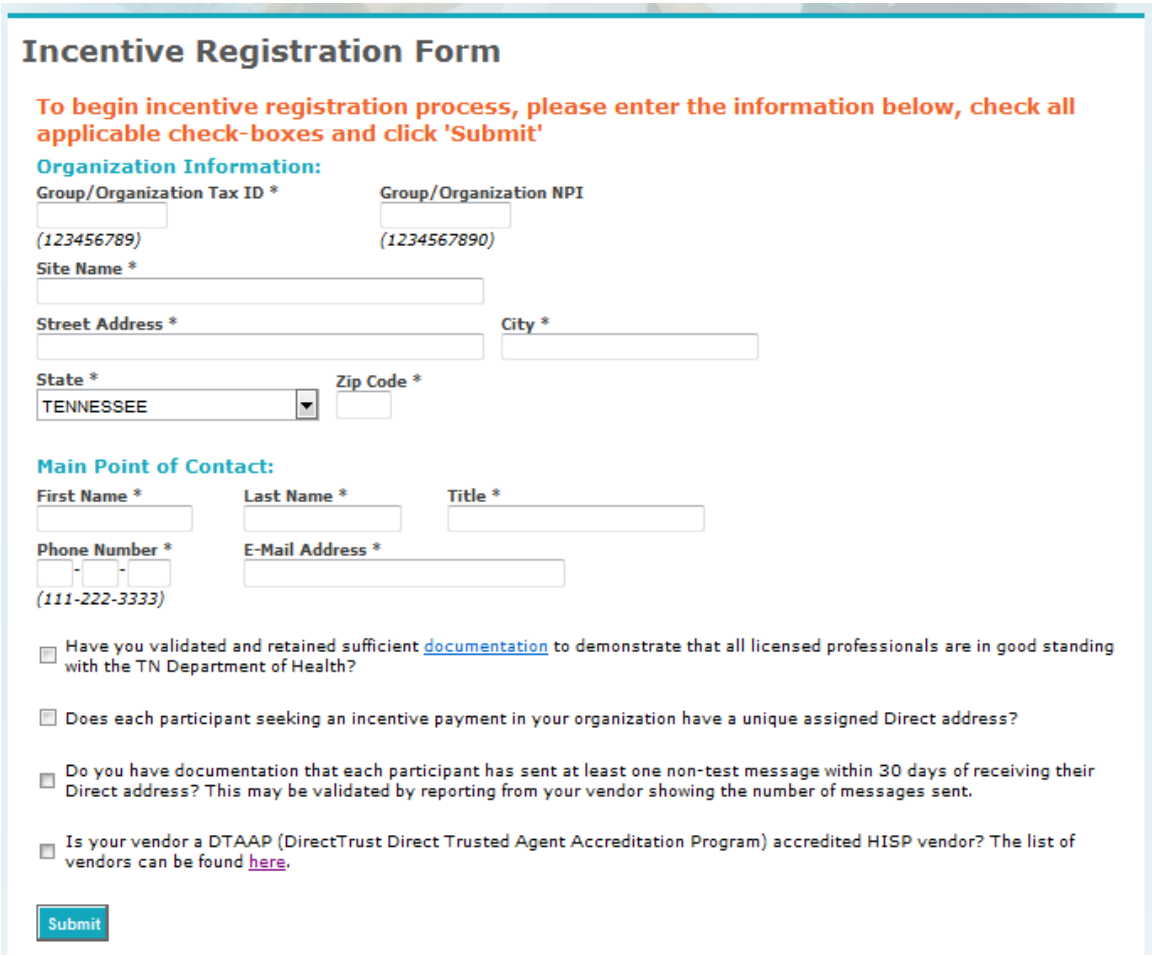
Health eShare

The financial incentives for initial participation is $500 per participant assigned a unique Direct email address.

Participants applying for the incentive must:

- Licensed professionals are in good standing.
- Listed in the provider directory on the Health eShare website.
- Establish at least one Direct account with a DirectTrust Accredited solution.
- Send at least one non-test Direct message for each user account.
- Comply with HIPAA and/or other applicable regulations within each participant's professional roles and responsibilities.
- Incentive payment amount may be reduced as program expands.

Health eShare Registration Screen



Incentive Registration Form

To begin incentive registration process, please enter the information below, check all applicable check-boxes and click 'Submit'

Organization Information:

Group/Organization Tax ID *
(123456789)

Group/Organization NPI
(1234567890)

Site Name *

Street Address *

City *

State *
TENNESSEE

Zip Code *

Main Point of Contact:

First Name *

Last Name *

Title *

Phone Number *
(111-222-3333)

E-Mail Address *

- [ ] Have you validated and retained sufficient documentation to demonstrate that all licensed professionals are in good standing with the TN Department of Health?
- [ ] Does each participant seeking an incentive payment in your organization have a unique assigned Direct address?
- [ ] Do you have documentation that each participant has sent at least one non-test message within 30 days of receiving their Direct address? This may be validated by reporting from your vendor showing the number of messages sent.
- [ ] Is your vendor a DTAAP (DirectTrust Direct Trusted Agent Accreditation Program) accredited HISP vendor? The list of vendors can be found here.

Submit

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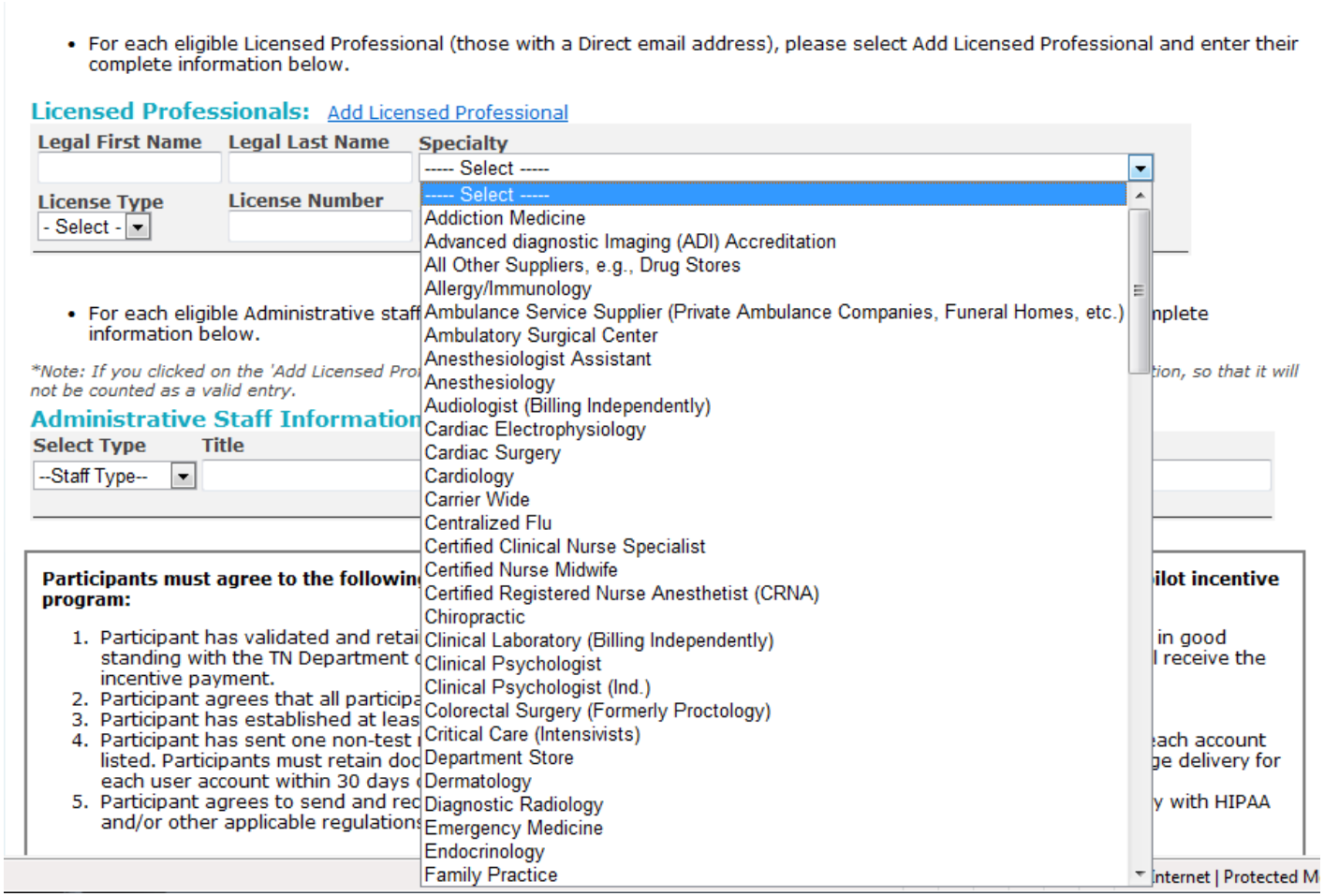
Health eShare Registration Screen



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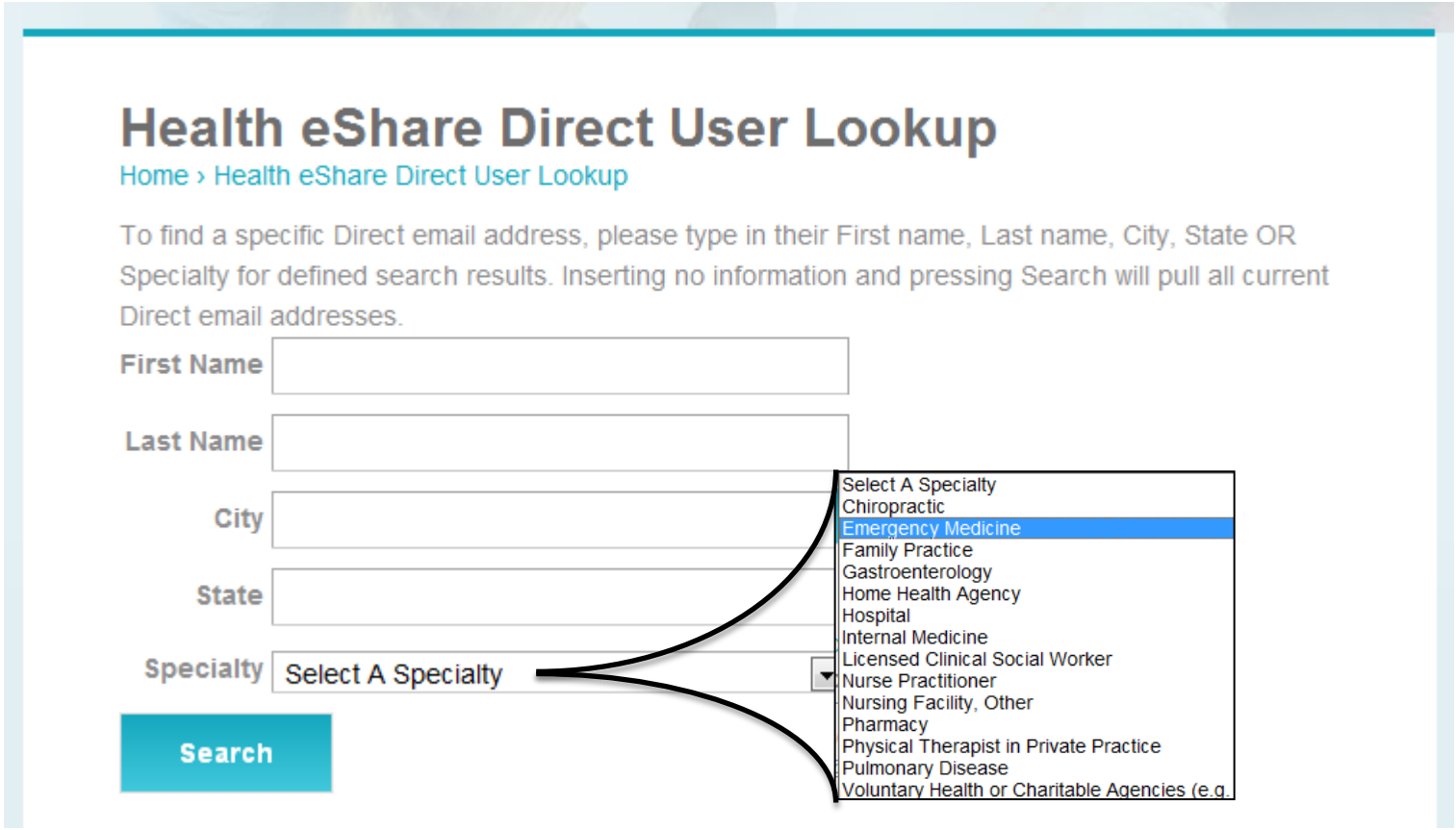
Health eShare Directory (Online Search)



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Health eShare Directory (Alphabetized list)

Clicking on a letter will bring up an alphabetized list by last name of all users in the directory.

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

D. Kimbro, Christopher - Licenesed Practical Nurse - Hickman Community Hospital
Centerville, TN 37033
931-729-6780
chris.kimbro@hchcs.icadirect.com

Darnell, Teresa - Master of Surgery - Nashville Gastrointestinal Specialists at Southern Hills
Nashville, TN 37211
615-833-1617
teresa.darnell@nashvillegi.icadirect.com

Davis, Stephanie - Licenesed Practical Nurse - Hickman Community Hospital
Centerville, TN 37033
931-729-6780
stephanie.davis@hchcs.icadirect.com

Debalski, Jennifer - Manual Assist Pulmonary Disease - Mid South Pulmonary
Memphis, TN 38157
901-276-2662
j.debalski@mspulmonary.icadirect.com

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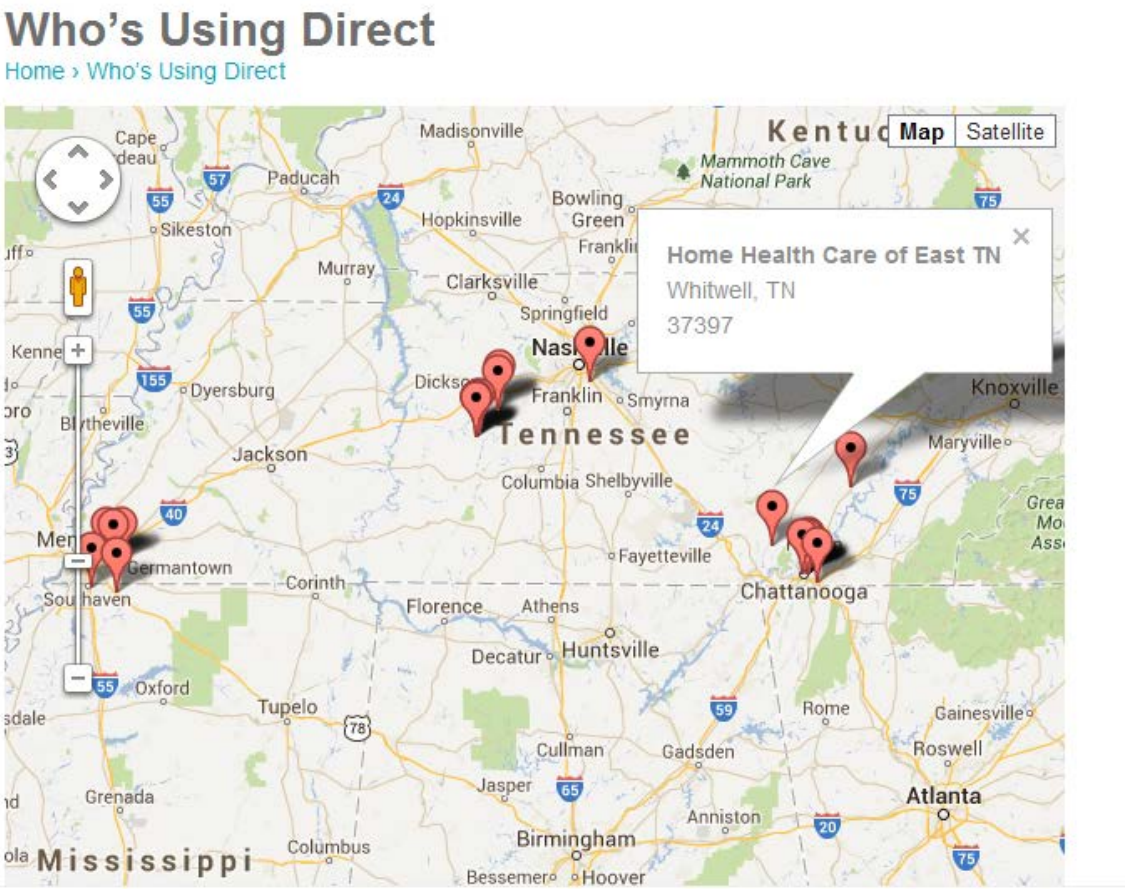
Health eShare Directory (Map listings)



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For more information visit…

- http://www.healthesharetn.com/

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Short-term *Payment Reform* HIE Enablement

- DIRECT Strategy
  - DIRECT financial incentives available for all “Quarterbacks and their Teams”
    - OB/GYN, teammates, hospitals & local PCPs
    - Orthopedic Surgeons, teammates, & local PCPs
    - Hospitals & local PCP’s
  - DIRECT financial incentives available all PCMH’s & their “teammates”
- DIRECT Program Communications
  - Development of use cases with TAGs (September)
  - QSource HIT Specialists
  - Collaboration with Payers, Provider Associations
  - State-wide Communication Campaign
    - Associations/MCO’s/Direct Mail

Long-term HIE Enablement *Discussion*

- Brief History of HIE in Tennessee
- Current state
- Basic concept of HIE
- National HIE Architecture Component Review
- Questions….
  - What is available?
  - What else do we need?
  - Who should provide it
- Sustainability Opportunity Example

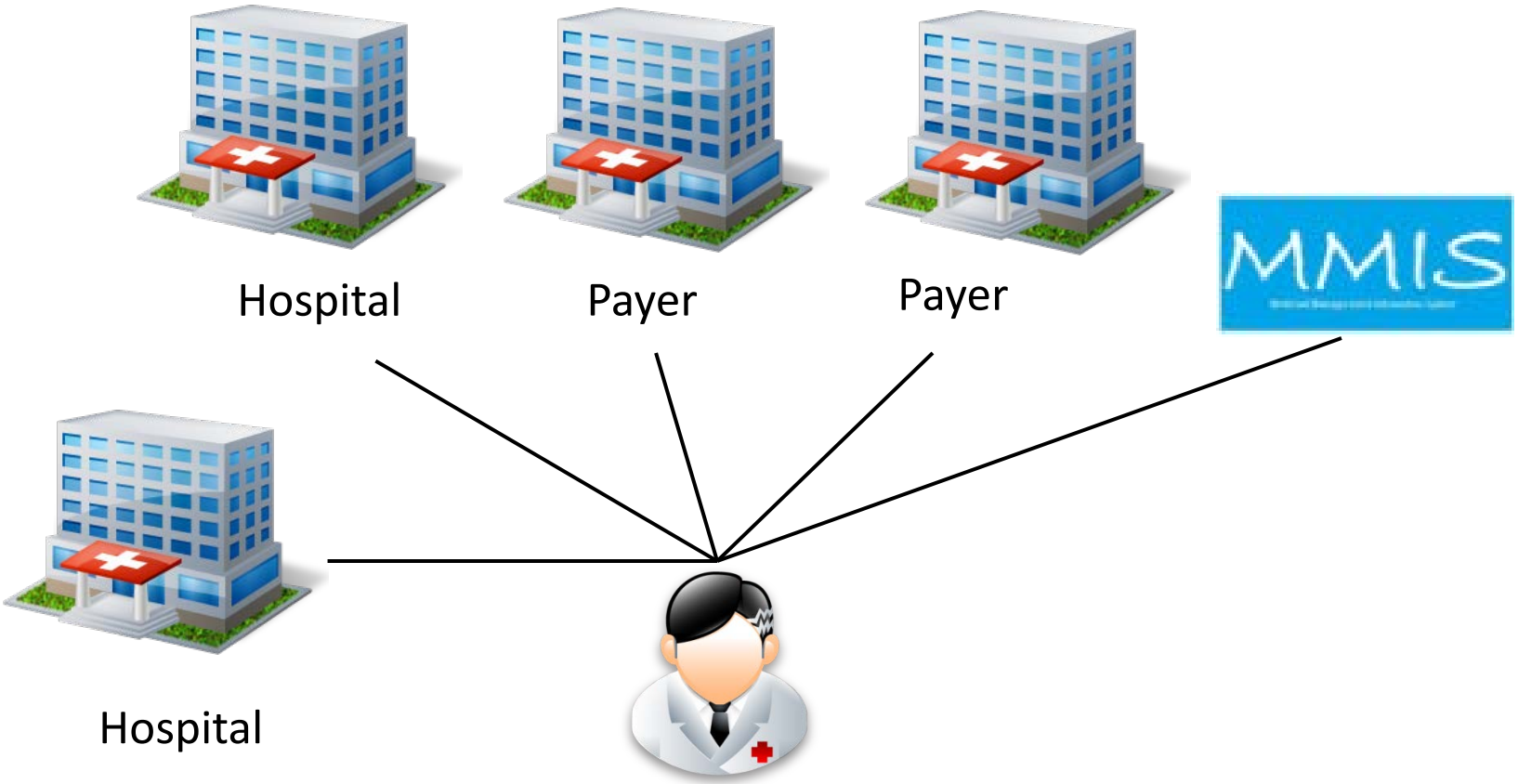
Brief History of HIE in Tennessee

- ATT/Covisint (State initiative)
- Network of Network
  - Regional HIEs (Stakeholder initiatives)
    - Tri-cites
    - Knoxville
    - Chattanooga
    - Nashville
    - Memphis
  - HIP-TN Spine
    - Connects Regional HIEs
    - Gateway to State Systems- Immunization Registry, Electronic lab Reporting
    - Gateway to other states
    - Gateway to Federal Systems- VA, DOD, CMS, CDC, SSA

Current State of HIE in Tennessee

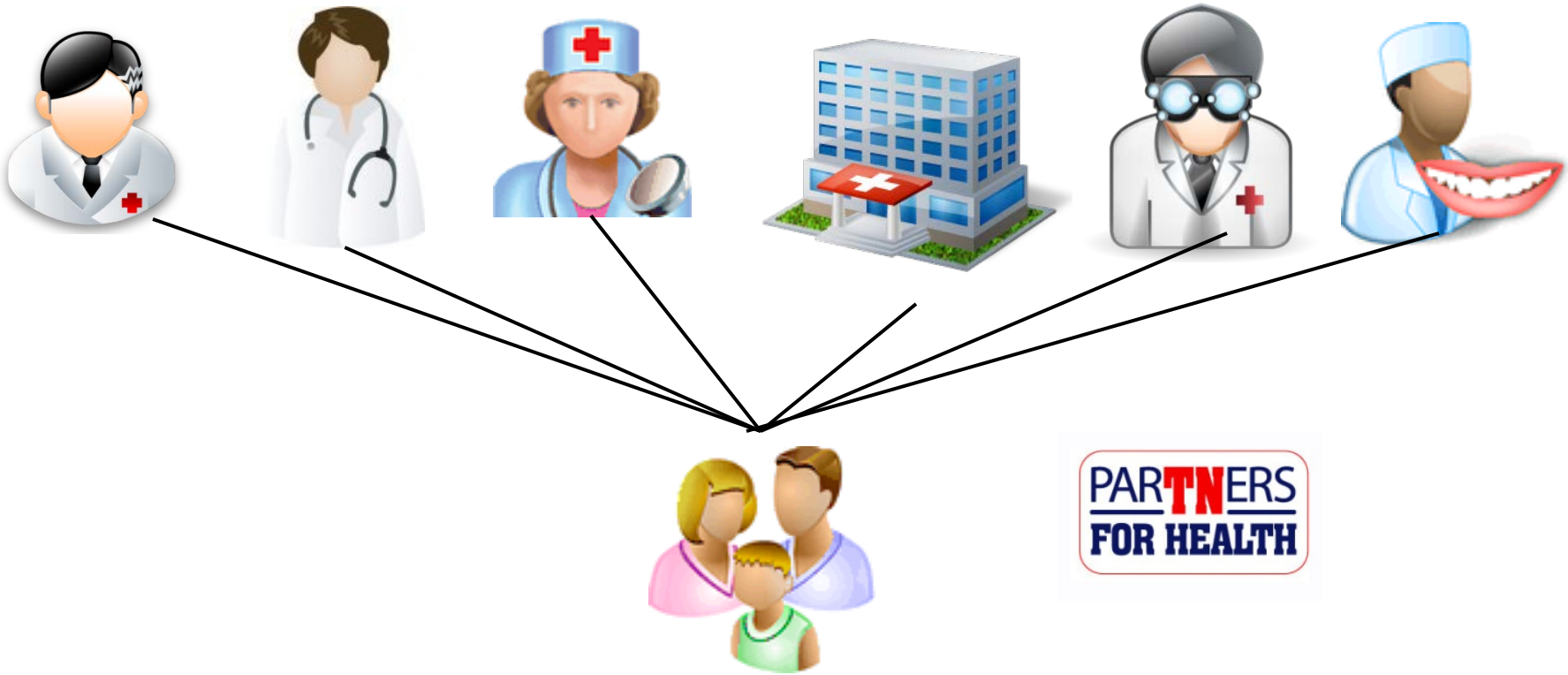
- (2) Public HIE's
  - Knoxville- ETHIN
  - Memphis- MidSouth eHEalth Alliance
- (6-12) Private HIE's
  - For Profits- HCA, CHS
  - Not-for-Profits- Baptist, Methodist, St. Thomas, Erlanger, more
  - Payer Networks- PCMH Care Coordination, ADT Alerts
- State-wide DIRECT Roll-out
- Public Health Systems
  - Point-to-point enabled
  - ETHIN HIE connected, update only

Basic concept of HIE



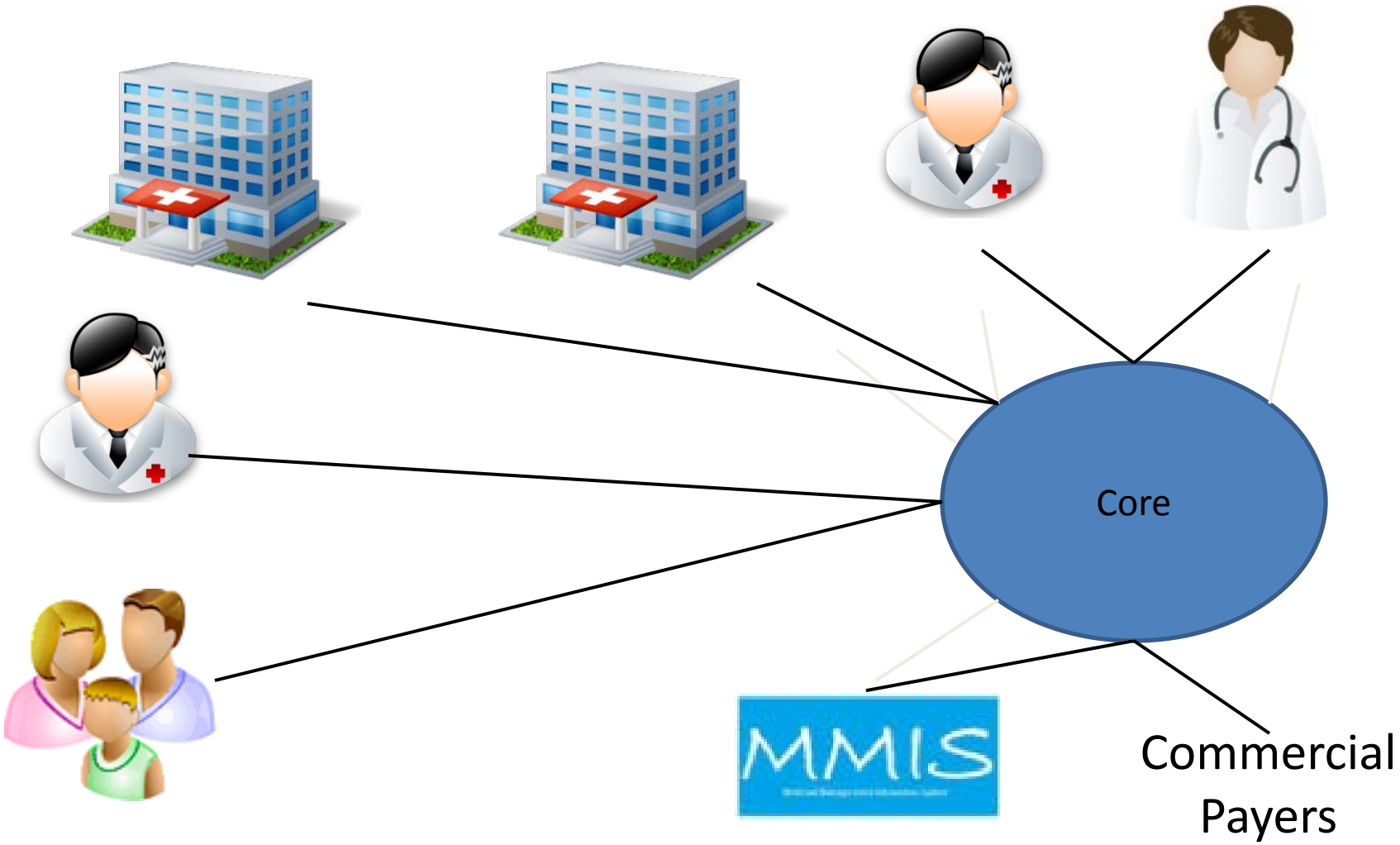
- Provider is forced to access multiple portals and have multiple interfaces both for systems and alerts.

Basic concept of HIE



- Patients are forced to access multiple provider portals

Basic concept of HIE



- Patients and providers have *<u>one</u>* connection to the HIE and all data and alerts from all others on the HIE are routed through it.

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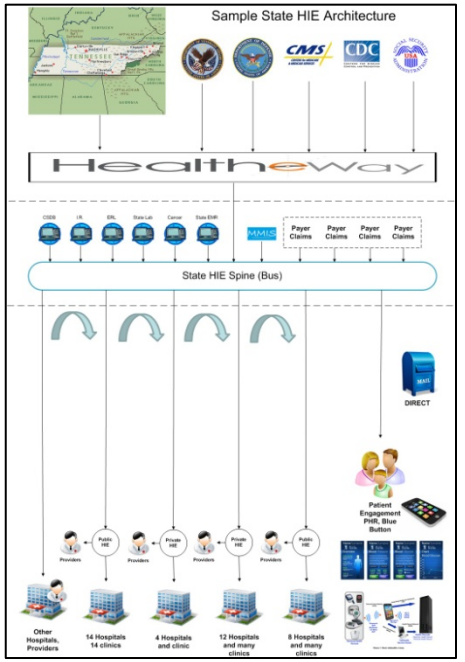
HIE National Architecture Component Review

1. Alerts – Payer, Provider, Patients
2. Provider/Payer Connectivity
   - Public Provider HIEs
   - Private Provider HIEs
   - Payer Networks
   - Stand-alone Practices/Providers
     - Includes many provider types (i.e. LTC, HHC, BH, etc.)
3. Inter-EHR/HIE Connectivity/"Spines"
4. Access to Clinical Data in Claims Systems
5. Access to State patient information
6. Access to other State's patient information
7. Access to Federal patient information
8. Patient Engagement (PHR)
   - Stage 2 Requirement



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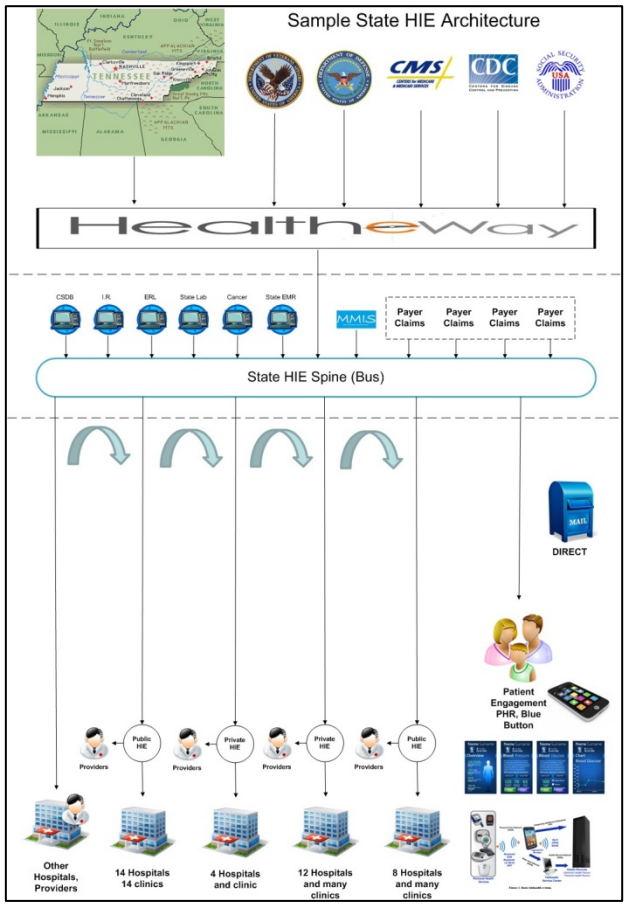
Questions we need to answer….

- What is reasonably available?
- What else do we need?
- Who should provide it?

- How do we test it?
  - What?
  - Where?
  - Who?
  - When?
  - How?



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Federal Sources?

Tier 1

550,000 Veterans in TN

Multiple Hospitals and Clinics in TN

Fort Campbell 101st

Active Duty 30,438
Family Members 53,116
Retirees and their Family Members and Reserve Component 151,360

Tier 2

CMS
CENTERS for MEDICARE & MEDICAID SERVICES

CDC
CENTERS FOR DISEASE CONTROL AND PREVENTION

SOCIAL SECURITY ADMINISTRATION
USA

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Eight Boarder States and beyond?

Single state connection to the national spine?

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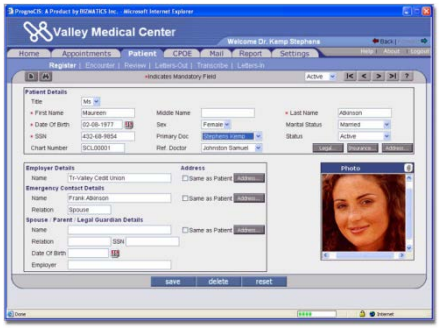
Public Health/State Sources?

TWIS
Tennessee Web Immunization System

Immunization Registry

TENNESSEE
DEPARTMENT OF
HEALTH

Electronic Reportable labs

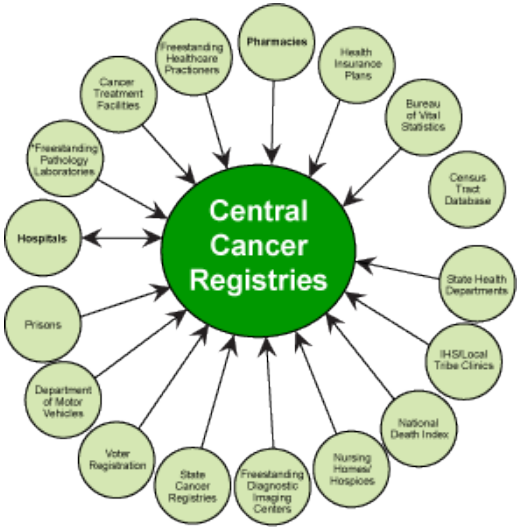


State EMR systems

State Lab

PDMP

CSDB



Cancer Registry

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Single State HIE Spine for state systems?

Tennessee State HIE Spine (Bus)

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Suggested methodology?

- ONC report of states & territories progress
  - Deep dive into the different states leading in different disciplines of HIE successes and challenges
  - Understanding successful unique programs beyond HIE
- CMS funding opportunity analysis
- Stakeholder meetings
  - Include payers, providers and patients
  - What is reasonably available?
  - What else do we need?
  - Who should provide it?
- Regional consensus forums
  - Obtain consensus on a regional basis
- State-wide conference
  - Merge regional agreements into a state-wide consensus
  - Obtain solid commitment from stakeholders

HIE Sustainability Opportunity Example

- MMIS "owns" the spine (As in the State of MA.)
- Core Services
  - Initial Build
    - Federal HITECH 90/10
    - *plus* 75/25 going forward
      - » Annual Maintenance, Operations, etc.
- Population of Medicaid Claims Clinical Data
  - CMS pays 90/10
- Payer/Provider Connectivity
  - CMS pays 90/10 for HIE Side of interface
  - On-boarding activities, CMS pays 90/10
  - Vendor initiatives to be explored for EMR side of interface
- "Fair Share" Formula TBD

Agenda for State Innovation Model Public Roundtable meeting

- Why we are here / vision for Tennessee
- Progress with payment reform to date
- Introducing our guest speakers
- National perspectives on HIE/ HIT by Hunt Blair
- HIE/ HIT in Tennessee by George Beckett
- **Stakeholder discussion on HIE/HIT**

Understanding your HIE/ HIT requirements

Questions to address from **your perspective**	What are the key **features/ functionalities/ capabilities** that should be offered by Tennessee's HIE which you can leverage to **improve quality and reduce costs?**
	What according to you should be the key **role of the State of Tennessee** in building the state-wide HIE?
	Where do you see the **other stakeholders** (payers, provider networks etc.) contributing and/ or driving the state-wide HIE effort?

Thank you!

The State of TN has recently published a White Paper on the Tennessee Payment Reform Initiative

To download/ read in PDF format, please visit
http://www.tn.gov/HCFA/forms/WhitePaper.pdf