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TennCare's Delivery System Transformation Shows Savings and Improved Outcomes

Analytics reports confirm Tennessee is changing how health care is delivered across the state.

Nashville – TennCare, Tennessee's Medicaid agency, is seeing positive results from several ambitious changes it has made to how health care is paid for and delivered in Tennessee.

The reports released today from TennCare on its Delivery System Transformation programs provide the most complete picture to date of how the state's innovative programs are resulting in improvements in the care that is being received by TennCare members as well as significant savings for Tennessee taxpayers. The three programs are Tennessee Health Link, Patient-Centered Medical Homes, and Episodes of Care.

Since December 2016 TennCare has partnered with a statewide network of community mental health providers to improve care coordination for members with significant behavioral health needs. This program, called Tennessee Health Link, which serves 70,000 TennCare members has reduced inpatient hospital admissions by 11 percent through one-on-one interaction with these members from 2013-2018. Primary care follow-up visits after acute hospital events have increased by 7 percent for active Tennessee Health Link members which allows for better continuity of care. In 2019, these Tennessee Health Link providers received almost \$12 million in bonus reward payments from TennCare. "We are proud of the work we have done with TennCare to improve health care for our patients," said Tennessee Association of Mental Health Organizations executive director Ellyn Wilbur. "TennCare consulted with providers and stakeholders and made improvements to the program design. We are so excited to see the positive results."

TennCare simultaneously invested in a Patient-Centered Medical Home (PCMH) program, working with providers who deliver primary care to more than 550,000 TennCare members. The improvements that those providers have delivered include a 68 percent improvement in controlling high blood pressure for diabetics, 40 percent increase in nutritional counseling for children and adolescents, and a 20 percent increase in childhood immunizations. In 2019, these primary care providers received over \$11 million in bonus reward payments from TennCare in addition to their normal payments. Additionally, the care delivered showed positive utilization trends toward more cost-effective services such as a reduction in ER costs and ancillary services like duplicate labs and diagnostic testing.

TennCare, in partnership with the Tennessee Hospital Association, is now sending alerts in real time to primary care providers in PCMH and Tennessee Health Link when their patients go to the hospital or emergency room. The Care Coordination Tool (CCT) allows providers to better detect gaps in care, proactively reach out to patients after a discharge, and "treat the whole patient" more effectively by sharing information with other providers. This data is the most actionable



information that the CCT provides to PCMH and Tennessee Health Link providers.

Tennessee is also a national leader in applying the episodes of care approach to reward high quality and cost-effective acute and specialist-driven care. TennCare has designed 48 different episodes and they will all be in financial accountability by 2020. The Episodes of Care program, which was first implemented in 2014, continues to align provider incentives with patients' desired outcomes resulting in maintained or improved quality of care across most episodes while achieving an estimated savings of \$38.3 million to the state. The Episodes program was recently approved as an Advanced Alternative Payment Model (APM) by CMS through the year 2025, which gives Tennessee providers more flexibility to join the Advanced Payment Model (APM) track of Medicare's Quality Payment Program (QPP) and earn potential bonuses from Medicare. TennCare secured this designation for the Episodes program to ensure that it is easier than ever for providers who are providing high quality care and improving health outcomes in TennCare to be able to participate in and get rewarded for high quality, cost-effective care in other, broader delivery system transformation efforts.

Providers made a variety of changes that resulted in improved quality of care, including an increase in prenatal group B streptococcus screening rates from 88 percent in 2014 to 95 percent in 2018 in the perinatal episode, a reduction in acute exacerbations of asthma treated in the inpatient setting from six percent in 2014 to three percent in 2018 in the asthma acute exacerbation episode, and a reduction in the number of children with non-comorbid oppositional defiant disorder (ODD) receiving inappropriate medications from 23 percent in 2015 to 4 percent in 2018 in the ODD episode.

"The evidence is clear that the Delivery System Transformation model in Tennessee has impacted, for the better, the health care system in this state," said Division of TennCare director Gabe Roberts. "We achieved these improvements by bringing together providers, clinicians and payers to look at how we can change the health care system in a way that serves our members and provides the care they need when they need it. We value these partnerships and look forward to our continuing work on these initiatives."

For more information on the Delivery System Transformation Analytics Reports, please visit <https://www.tn.gov/tenncare/health-care-innovation.html>.

About TennCare

TennCare is the state of Tennessee's Medicaid program which provides health insurance to approximately 1.4 million low-income Tennesseans including pregnant women, children, caretaker relatives of dependent children and older adults, and adults with disabilities. With a satisfaction rating above 90 percent since 2009 TennCare provides health insurance, including long-term services and supports, through the use of managed care.

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