Tennessee Payment Reform Initiative

State Innovation Model
Public Roundtable Meeting

August 26, 2013
## Agenda for State Innovation Model Public Roundtable meeting

<table>
<thead>
<tr>
<th>Activity</th>
<th>Time</th>
<th>Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Why we are here / vision for Tennessee</td>
<td>1:00 – 1:10</td>
<td>Brooks Daverman</td>
</tr>
<tr>
<td>Progress with payment reform to date</td>
<td>1:10 – 1:25</td>
<td>Brooks Daverman</td>
</tr>
<tr>
<td>Introducing our guest speakers</td>
<td>1:25 – 1:30</td>
<td>Brooks Daverman</td>
</tr>
<tr>
<td>National perspectives on HIE/ HIT</td>
<td>1:30 – 1:55</td>
<td>Hunt Blair</td>
</tr>
<tr>
<td>HIE/ HIT in Tennessee</td>
<td>1:55 – 2:20</td>
<td>George Beckett</td>
</tr>
<tr>
<td>Stakeholder discussion on HIE/HIT</td>
<td>2:20 – 3:00</td>
<td>All participants</td>
</tr>
</tbody>
</table>
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
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

SOURCE: State of Tennessee Newsroom and Media Center
We have formed stakeholder committees that facilitate collaboration and incorporation of multiple perspectives in the overall reform initiative.

<table>
<thead>
<tr>
<th>Stakeholder group</th>
<th>Meeting rhythm</th>
<th>Stakeholders involved</th>
</tr>
</thead>
</table>
| A State Innovation Model Public Roundtables | 4 by October | 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 |
| B Provider Stakeholder Group | Monthly | Select providers meet regularly to advise on overall initiative implementation |
| C Payment Reform Payer Coalition | 2 per month | State health care purchasers (TennCare, Benefits Administration) and major insurers meet regularly to advise on overall initiative implementation |
| D Employer Stakeholder Group | 2 by August | 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 |
| E Payment Reform Technical Advisory Groups | 3-4 per episode | Select clinicians meet to advise on each episode of care |
Multiple dimensions impact the Tennessee Payment Reform Initiative

- Multi-Payer Strategies
- Behavioral Health
- Public Health
- HIE/ HIT
- Special Populations
- Workforce

Tennessee Payment Reform Initiative
## State Innovation Model Public Roundtables

<table>
<thead>
<tr>
<th>Meeting Topic</th>
<th>Date</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roundtable 1: Introduction to Payment Reform</td>
<td>June 26, 2013</td>
<td>10:00 – 12:00</td>
</tr>
<tr>
<td>Roundtable 2: Healthcare Workforce</td>
<td>July 31, 2013</td>
<td>1:00 – 3:00</td>
</tr>
<tr>
<td><strong>Roundtable 3: Health Information Technology</strong></td>
<td>August 26, 2013</td>
<td>1:00 – 3:00</td>
</tr>
<tr>
<td>Roundtable 4: Topic TBD</td>
<td>September 25, 2013</td>
<td>1:00 – 3:00</td>
</tr>
</tbody>
</table>
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
What actually *is* payment reform: The State’s proposed payment innovation model includes “population” and “episode” based payment

<table>
<thead>
<tr>
<th>Population-based</th>
<th>Basis of payment</th>
<th>TN Payment Reform</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>▪ Maintaining patient’s health over time, coordinating care by specialists, and avoiding episode events when appropriate.</td>
<td>▪ Patient centered medical homes (PCMH)</td>
<td>▪ Encouraging primary prevention for healthy consumers and care for chronically ill, e.g.,</td>
</tr>
<tr>
<td></td>
<td>▪ Achieving a specific patient objective at including all associated upstream and downstream care and cost</td>
<td>▪ Retrospective Episode Based Payment (REBP)</td>
<td>▪ Obesity support for otherwise healthy person</td>
</tr>
<tr>
<td>Episode-based</td>
<td></td>
<td></td>
<td>▪ Management of congestive heart failure</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>▪ Acute procedures (e.g., hip or knee replacement)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>▪ Perinatal</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>▪ Acute outpatient care (e.g., asthma exacerbation)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>▪ Most inpatient stays including post-acute care, readmissions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>▪ Some behavior health</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>▪ Some cancers</td>
</tr>
</tbody>
</table>
How retrospective episodes work for patients and providers

1. Patients and providers deliver care as today (performance period)
   - 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

4. Calculate incentive payments based on outcomes after performance period (e.g. 12 months)
   - Review claims from the performance period to identify a ‘Quarterback’ for each episode

5. Payers calculate average cost per episode for each Quarterback
   - Compare average costs to predetermined ‘commendable’ and ‘acceptable’ levels

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.
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
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.

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 bachelor’s degree in business administration from Ferris State University.

---

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.
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
Health IT and Payment / Delivery System Reform
Hunt Blair, Principal Advisor
State HIT-Enabled Care Transformation, ONC

Tennessee Payment Reform Initiative
State Innovation Model Public Roundtable Meeting
August 26, 2013
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.

FIG. 1 - Centralized, Decentralized and Distributed Networks
Discussion

Q&A

hunt.blair@hhs.gov
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
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
HIE Technology Background

- “DIRECT” (Secure Messaging)
  - Mandatory for all certified EHRs by January 1\textsuperscript{st}, 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
Tennessee Direct Adoption Strategy

Private Sector

- Provider Office
- Individual/Group Users
- Hospital

Public Sector (State)

- Public Health
- Medicaid
- Mental Health
- Corrections

HISP A
- EHR w/HISP

HISP B
Tennessee Direct Adoption Strategy

Private Sector

Provider Office

Individual/Group Users

Hospital

Public Sector (State)

Public Health

Medicaid

Mental Health

Corrections

State HISP

HISP A

HISP B

EHR w/HISP

ELR

IR

EHNAC ACCREDITED DTAAP
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
Tennessee Direct Adoption Strategy

**Private Sector**

- Provider Office
- Individual/Group Users
- Hospital

**Health eShare**

- HISP A
- HISP B
- EHR w/HISP

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.

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.
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](#).
Health eShare Registration Screen

For each eligible Licensed Professional (those with a Direct email address), please select Add Licensed Professional and enter their complete information below.

**Licensed Professionals:**
- **Legal First Name**
- **Legal Last Name**
- **Specialty**
- **License Type**
- **License Number**

For each eligible Administrative Staff Information below.

**Administrative Staff Information**
- **Select Type**
- **Title**

Participants must agree to the following program:

1. Participant has validated and retains standing with the IN Department of Business and Economic Development, who will receive the participant incentive payment.
2. Participant agrees that all participants are eligible.
3. Participant has established at least one user account.
4. Participant has sent one non-test approve user account within 30 days.
5. Participant agrees to send and receive all user accounts for the program delivery for the healthcare provider's benefit with HIPAA compliant practices.
Health eShare Directory
(Online Search)
<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Organization</th>
<th>Address</th>
<th>Phone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Darnell, Teresa</td>
<td>Master of Surgery</td>
<td>Nashville Gastrointestinal Specialists at Southern Hills</td>
<td>Nashville, TN 37211</td>
<td>615-633-1617</td>
<td><a href="mailto:teresa.darnell@nashvillegi.icadirect.com">teresa.darnell@nashvillegi.icadirect.com</a></td>
</tr>
<tr>
<td>Davis, Stephanie</td>
<td>Licensed Practical Nurse</td>
<td>Hickman Community Hospital</td>
<td>Centerville, TN 37033</td>
<td>931-729-6780</td>
<td><a href="mailto:stephanie.davis@hchcs.icadirect.com">stephanie.davis@hchcs.icadirect.com</a></td>
</tr>
<tr>
<td>Debalski, Jennifer</td>
<td>Manual Assist Pulmonary Disease</td>
<td>Mid South Pulmonary</td>
<td>Memphis, TN 38157</td>
<td>901-276-2662</td>
<td><a href="mailto:j.debalski@mspulmonary.icadirect.com">j.debalski@mspulmonary.icadirect.com</a></td>
</tr>
</tbody>
</table>
Health eShare Directory
(Map listings)
For more information visit...

• http://www.healthesharetn.com/
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.
• Patients are forced to access multiple provider portals
Basic concept of HIE

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

CDC

Social Security Administration
Eight Boarder States and beyond?

Who will they connect with?
Single state connection to the national spine?
Public Health/State Sources?

- Immunization Registry
- State Lab
- PDMP
- CSDB
- Cancer Registry
- Electronic Reportable labs
- State EMR systems
Single State HIE Spine for state systems?

Tennessee State HIE Spine (Bus)
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

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