Understanding TennCare Payment Reform
Episodes of Care
## Tennessee Health Care Innovation Initiative

### Three Strategies

<table>
<thead>
<tr>
<th>Source of value</th>
<th>Strategy elements</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Maintaining a person’s health overtime</td>
<td>▪ Patient Centered Medical Homes</td>
<td>▪ Encouraging primary prevention for healthy consumers and coordinated care for the chronically ill</td>
</tr>
<tr>
<td>▪ Coordinating care by specialists</td>
<td>▪ Health homes for people with serious and persistent mental illness</td>
<td>▪ Coordinating primary and behavioral health for people with SPMI</td>
</tr>
<tr>
<td>▪ Avoiding episode events when appropriate</td>
<td>▪ Care coordination tool with Hospital and ED admission provider alerts</td>
<td>▪ Wave 1: Perinatal, joint replacement, asthma exacerbation</td>
</tr>
<tr>
<td></td>
<td>▪ Achieving a specific patient objective, including associated upstream and downstream cost and quality</td>
<td>▪ Wave 2: COPD, colonoscopy, cholecystectomy, PCI</td>
</tr>
<tr>
<td></td>
<td>▪ Retrospective Episodes of Care</td>
<td>▪ 75 episodes by 2019</td>
</tr>
<tr>
<td></td>
<td>▪ Provide long-term services and supports (LTSS) that are high quality in the areas that matter most to recipients</td>
<td>▪ Aligning payment with value and quality for nursing facilities (NFs) and home and community based care (HCBS)</td>
</tr>
<tr>
<td></td>
<td>▪ Quality and acuity adjusted payments for LTSS services</td>
<td>▪ Training for providers</td>
</tr>
<tr>
<td></td>
<td>▪ Value-based purchasing for enhanced respiratory care</td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ Workforce development</td>
<td></td>
</tr>
</tbody>
</table>

**Primary Care Transformation**

**Episodes of Care**

**Long Term Services and Supports**
Over 70 episodes of care will be designed and implemented over 5 years.

### Design Year 2013

**Episode**
- Perinatal
- Asthma acute exacerbation
- Total joint replacement

### Design Year 2014

**Episode**
- COPD acute exacerbation
- Colonoscopy
- Cholecystectomy
- PCI
- PCI – acute
- PCI – non acute

### Design Year 2015

**Episode**
- GI hemorrhage
- EGD
- Respiratory Infection
- Pneumonia
- UTI - outpatient
- UTI – inpatient
- ADHD
- CHF acute exacerbation
- ODD
- CABG
- Valve repair and replacement
- Bariatric surgery

### Design Year 2016

**Episode**
- Skin and soft tissue infections
- Neonatal (Age 31 weeks or less)
- Neonatal (Age 32 to 36 weeks)
- Neonatal (Age 37 weeks or greater)
- HIV
- Pancreatitis
- Diabetes acute exacerbation

### Design Year 2017

**Episode**
- Spinal fusion
- Spinal decompression (without spinal fusion)
- Femur/pelvic fracture
- Knee arthroscopy
- Ankle sprains, strains, and fractures
- Wrist sprains, strains, and fractures
- Shoulder sprains, strains, and fractures
- Knee sprains, strains, and fractures
- Low back pain

### Design Year 2018

**Episode**
- Hemophilia & other coag. dis.
- Anal procedures
- Colon cancer
- CAD & angina
- Hernia procedures
- Cardiac arrhythmia
- Sickle cell
- Pacemaker / Defibrillator
- Schizophrenia (multiple)

### Design Year 2019

**Episode**
- Bipolar - chronic
- Bipolar – acute exacerbation
- Conduct disorder
- Epileptic seizure
- Hypotension/Syncope
- Kidney & urinary tract stones
- Other respiratory infection
- Dermatitis/Urticaria

*Updated January 12, 2017*
Episode of Care: Definition

- **Pre-Trigger Services**
  - Related medications
  - Related imaging
  - Related pathology
  - Related outpatient services and procedures

- **Episode Trigger**
  - Claim filed by a facility or physician or physician group

- **Post-Trigger Services**
  - Related medications
  - Related imaging
  - Related pathology
  - Related outpatient services and procedures

**Episode Duration**

Each episode is different according to its own design.

To learn more about each episode, please refer to the episode descriptions.
Episodes of Care: Process

1. Patients seek care and select providers as they do today
2. Providers submit claims as they do today
3. Payers reimburse for services as they do today

Unchanged Billing Process

New Information

‘Quarterbacks’ are provided detailed information for each episode which includes actionable data
Wave 3: Episode Window for UTI

EXHIBIT 4 – EXAMPLE OF DETERMINING THE EPISODE DURATION

- Episode window: 15 days
- Trigger window: 1 day
- Post-trigger window: 14 days

Episode start date: Outpatient UTI on 01-Jan-2013
Episode end date: 15-Jan-2013
**Episode of Care: Cholecystectomy**

**EXHIBIT 4 – EXAMPLE OF DETERMINING THE EPISODE DURATION**

<table>
<thead>
<tr>
<th>Window</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Episode window</td>
<td></td>
<td></td>
<td></td>
<td>61 days</td>
</tr>
<tr>
<td>Possible pre-trigger window</td>
<td></td>
<td></td>
<td></td>
<td>90 days</td>
</tr>
<tr>
<td>Pre-trigger window</td>
<td></td>
<td></td>
<td>30 days</td>
<td></td>
</tr>
<tr>
<td>Trigger window</td>
<td></td>
<td></td>
<td></td>
<td>1 day</td>
</tr>
<tr>
<td>Post-trigger window</td>
<td></td>
<td></td>
<td>30 days</td>
<td></td>
</tr>
</tbody>
</table>

01-Jan-2013 Earliest possible start date of pre-trigger window
02-Mar-2013 First visit to the PAP and thus episode start date
01-Apr-2013 Outpatient non-acute cholecystectomy
01-May-2013 Episode end date
Episode Window for ADHD

EXHIBIT 4 - EXAMPLE OF DETERMINING THE EPISODE DURATION

<table>
<thead>
<tr>
<th>Window</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
</tr>
</thead>
<tbody>
<tr>
<td>Episode window</td>
<td></td>
<td></td>
<td></td>
<td>180</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-trigger window</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trigger window</td>
<td></td>
<td></td>
<td></td>
<td>180</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post-trigger window</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

01-Jan-2013
Episode start date

29-Jun-2013
Episode end date
Guidelines for Setting Episode of Care Thresholds

Illustrative annual episode performance

Provider quarterbacks, from highest to lowest average cost

- **High cost**
- **Low cost**

Average cost per episode for each provider

- **Acceptable**
- **Commendable**
- **Gain sharing limit**

If average cost higher than acceptable, provider shares excess costs above acceptable line

If average cost between commendable and acceptable, no change

If average cost lower than commendable and quality metrics linked to gain sharing are met, share cost savings below commendable line

If average cost lower than gain sharing limit, share cost savings but only above gain sharing limit

The acceptable threshold is set by TennCare

The commendable threshold is set by each MCO

The gain sharing limit methodology is defined by TennCare, and set by the MCO
Episodes of Care: Quality metrics

- Some quality metrics will be linked to gain sharing, while others will be reported for information only
  - Quality metrics linked to gain sharing incentivize cost improvements without compromising on quality
  - Quality metrics for information only emphasize and highlight some known challenges to the State
- Each provider report will include provider performance on key quality metrics specific to that episode

Example of quality metrics from episodes in prior waves

### ASTHMA EXACERBATION
- **Linked to gain-sharing:**
  - Follow-up visit rate (42%)
  - Percent of patients on an medication (82%)
- **Informational only:**
  - Repeat asthma exacerbation
  - Inpatient asthma exacerbation
  - Percent of episodes with chest
  - Rate of patient self-
  - Percent of episodes with counseling offered

### PERINATAL
- **Linked to gain-sharing:**
  - HIV screening rate (85%)
  - Group B streptococcus screening rate (85%)
  - Overall C-section rate (41%)
- **Informational only:**
  - Gestational diabetes screening rate
  - Asymptomatic bacteriuria screening rate
  - Hepatitis B screening rate
  - Tdap vaccination rate

### SCREENING AND SURVEILLANCE COLONOSCOPY
- **Linked to gain-sharing:**
  - Participating in a Qualified Clinical Data Registry (e.g., GIQuIC)
- **Informational only:**
  - Perforation of colon rate
  - Post-polypectomy/biopsy bleed rate
  - Prior colonoscopy rate
  - Repeat colonoscopy rate

The quality metric ‘Participating in a Qualified Clinical Data Registry’ is a first attempt at using quality metrics based on other information sources than medical claims.
Episodes of Care: Reporting

Quarterbacks will receive quarterly report

- **Performance summary**
  - Cost comparison to other and gain and risk sharing thresholds
  - Gain sharing and risk sharing eligibility and calculated
  - Key utilization statistics

- **Quality detail**: Scores for each quality metric with comparison to standard or provider base average

- **Cost detail**:
  - Breakdown of episode cost by category
  - Benchmarks against provider average

- **Episode detail**:
  - Cost detail by care category for each individual episode a treats
  - Reason for any episode

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**1. Overview**

- Total episodes: 262
- Total episodes included: 233
- Total episodes excluded: 29

**2. Cost of care (avg. adj. episode cost) comparison**

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Commendable</th>
<th>Acceptable</th>
<th>Not acceptable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cost across episodes</td>
<td>$235,796.00</td>
<td>$317,301.09</td>
<td></td>
</tr>
<tr>
<td>Total # of included episodes</td>
<td>233</td>
<td>235</td>
<td></td>
</tr>
<tr>
<td>Avg. episode cost (non adj.)</td>
<td>$1,012.00</td>
<td>$1,350.22</td>
<td></td>
</tr>
<tr>
<td>Risk adjustment factor (avg.)</td>
<td>0.90</td>
<td>0.92</td>
<td></td>
</tr>
<tr>
<td>Avg. episode cost (risk adj.)</td>
<td>$910.80</td>
<td>$1,242.20</td>
<td></td>
</tr>
</tbody>
</table>

- Your avg. cost: $911.80
- Providers’ base avg. cost: $1,242.20

- Your gain: $10,391.80

**3. Episode cost summary**

- Your average episode cost is commendable

**4. Episode quality and utilization summary**

- You achieved selected quality metrics

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Preliminary draft of the provider report template for State of TN (for discussion only) | All content/ numbers included in this report are purely illustrative
Illustrative Provider Report Timeline

**Reporting timeline assumptions:**
- Quarterly reporting frequency
- 12 month performance period
- 3 month claims lag
- 4-8 weeks to produce, QA and distribute reports
- All performance reports (in blue) will include expected penalty and reward calculations
Access Reports

- **Amerigroup Website**: [https://providers.amerigroup.com/Pages/Home.aspx](https://providers.amerigroup.com/Pages/Home.aspx)
  - Documentation Guide: [https://providers.amerigroup.com/ProviderDocuments/TNTN_OnlineReportingRegAccessGuide.pdf](https://providers.amerigroup.com/ProviderDocuments/TNTN_OnlineReportingRegAccessGuide.pdf)
  - Availity - Provider Online Reporting Portal: [www.availity.com](http://www.availity.com)
- Deborah Bien, LPN, LHCRCM, CPHQ
  - Clinical Program Development Manager-EOC
  - Email: Deborah.Bien@amerigroup.com

- **UnitedHealthcare Community Plan**
  - Access Reports: [https://www.hospitalbenchmarks.com/uhc/Login.aspx](https://www.hospitalbenchmarks.com/uhc/Login.aspx)
  - Questions related to reports: 615-372-3509
  - Advocate Team (Episodes)
    - Episode Practice Performance Manager- Provider Relations
      - Cathy Dean (West TN)
        - Email: cathy_e_dean@uhc.com
    - Provider Questions for BH Episodes of Care
      - Email bh_payment_reform@uhc.com

- **BlueCare**
  - Log in at [www.bcbst.com](http://www.bcbst.com) by clicking on the Log In/Register to BlueAccess link found in the top right hand corner of the page
  - Questions related to the provider reports
    - BCBST: 800-924-7141
  - Additional Information (FAQ, Portal, Payment Reform, etc.)
    - [http://bluecare.bcbst.com/Providers/Provider-Education-and-Resources/THCII.html](http://bluecare.bcbst.com/Providers/Provider-Education-and-Resources/THCII.html)
More Information

• Tennessee State Health Care Reform
  • [www.tn.gov/HCFA的战略.shtml](http://www.tn.gov/HCFA/strategic.shtml)
    • Initiative background and leadership
    • Episodes of Care details, methodology, and links to resources
    • Where to direct your questions and how to share feedback

• Questions about your reports
  • Amerigroup: 615-232-2160
  • BCBST: 800-924-7141 (option 4)
  • United: 615372-3509

• For general questions about initiative, email [payment.reform@tn.gov](mailto:payment.reform@tn.gov)
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