Southern Region Meeting of the National Association of Attorneys General
April 10, 2018

Wendy Long, M.D., M.P.H.
TennCare Director
Medicaid Cost Drivers

- **Who we cover – eligibility criteria**
  - Work requirements

- **What we cover – benefits**
  - Opioid response

What we pay – provider reimbursement
  - Payment reform
Current Medicaid Work Requirement Proposals

As of 4/4/2018

Work Requirement Proposed
Work Requirement Approved
Not Proposed at this Time

Current Status of State Medicaid Expansion Decisions

As of 4/4/2018

Adopted (32 States including DC)
Adoption Under Discussion (2 States)
Not Adopting At This Time (17 States)
Medicaid Income Eligibility Limits for Adults in States that Have Not Implemented the Medicaid Expansion, January 2018.

TennCare Priorities – Opioid Strategy

TennCare has been actively engaged in fighting the opioid epidemic

- Pharmacy lock-in program
- Opioid Preferred Drug List (PDL)
- Increased prior authorization and clinical criteria for controlled substances
- Implementation of State of TN/CDC chronic pain guidelines
- 7-day first fill requirement
- Top 100 Prescribers report card
- Statewide collaborative efforts including NAS subcabinet, Governor’s Children’s Cabinet, and buprenorphine treatment guidelines committee

TennCare Members w Diagnosis of Opioid Use Disorder

- *Rate of Opioid Use Disorder per Thousand Members by CY

TennCare Members Using Opioids

- *TennCare Paid Opioid Users Per Thousand Members by SFY

TennCare NAS Live Births

- *Rate of NAS births per Thousand Live Births by CY
TennCare Priorities – Opioid Strategy

**Primary Prevention**
- Limit opioid exposure to prevent progression to chronic opioid use

**Secondary Prevention**
- Early detection and intervention to reduce impact of opioid misuse

**Tertiary Prevention**
- Support active recovery for severe opioid dependence and addiction

**Non-Chronic and First Time Users of Opioids**
- Improve access to non-opioid pain medication therapies
- Establish strict opioid day limits and dosage limits for non-chronic users
- With very limited exceptions, prevent progression from acute to chronic opioid therapy

**Women of Child Bearing Age & Provider Education**
- Increase outreach to women of child bearing age chronically using opioids to provide education and treatment options
- Further remove barriers to access for VRLAC (IUD’s and implants) for women
- Focused provider education on appropriate prescribing habits and tapering of chronic opioid use

**Chronic Dependent and Addicted Users**
- Define program standards to establish high-quality opioid use disorder treatment programs
- Develop opioid use disorder treatment networks to ensure access for all members
- Lower TennCare-allowed maximum MED dosage for chronic opioid use
- Increase outreach to highest risk members to refer for treatment
### Tennessee Health Care Innovation Initiative: Three Value-Based Payment Strategies

<table>
<thead>
<tr>
<th>Strategy elements</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Patient Centered Medical Homes</td>
<td>• Prevention</td>
</tr>
<tr>
<td>• Tennessee Health Link for people with the highest behavioral health needs</td>
<td>• Maintaining health</td>
</tr>
<tr>
<td>• Care coordination tool with hospital and ED admission provider alerts</td>
<td>• Coordinating specialists</td>
</tr>
<tr>
<td>• Episodes of Care for acute and specialist-driven health care delivered during a specific time period to treat a physical or behavioral condition</td>
<td>• Avoiding preventable episodes of care</td>
</tr>
<tr>
<td></td>
<td>• Connecting behavioral and primary care</td>
</tr>
<tr>
<td></td>
<td>• Perinatal</td>
</tr>
<tr>
<td></td>
<td>• Total Joint replacement</td>
</tr>
<tr>
<td></td>
<td>• Acute Asthma Exacerbation</td>
</tr>
<tr>
<td></td>
<td>• Colonoscopy</td>
</tr>
<tr>
<td></td>
<td>• Cholecystectomy</td>
</tr>
<tr>
<td></td>
<td>• ADHD</td>
</tr>
<tr>
<td>• Quality and acuity adjusted payments for LTSS services</td>
<td>• Payment for value and quality in nursing facilities and home and community based services</td>
</tr>
<tr>
<td>• Value-based purchasing for enhanced respiratory care</td>
<td>• Training for providers</td>
</tr>
<tr>
<td>• Workforce development</td>
<td></td>
</tr>
</tbody>
</table>
Episodes of Care Definition

Episodes of Care is a specific type of payment reform that seeks to align provider and patient incentives to produce high-quality, low-cost care for chronic and acute conditions.

Key Principles

- **Coordinated care** for all services related to a specific condition
- Providers are **accountable** for all pre-specified services across the episode
- High quality, cost-efficient care is **rewarded** beyond current reimbursement
Calculating Payment Incentives

Risk-adjusted costs for one type of episode in a year for a single example provider group

Cost per episode
Example provider’s individual episode costs

Average

Risk-adjusted average episode cost for the example provider group

Example provider group’s average episode cost

Annual performance across all providers

Provider quarterbacks, from highest to lowest average cost

High cost

Low cost

Average cost per episode for each provider

If average cost higher than acceptable, share excess costs above acceptable line

If average cost lower than commendable and quality benchmarks met, share cost savings below commendable line

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

If average cost between commendable and acceptable, no change

Acceptable

Commendable

Gain sharing limit

This example provider group would see no change.