First, Some Stipulations About Our $3.3 Trillion U.S. Health System...

- Our current “competitive system” is not very competitive from a consumer standpoint
- The U.S. lags behind other wealthy countries in life expectancy
- The U.S. has the most expensive health system in the world
- As a result, the current US system does not get value for dollar (life expectancy v. cost)
- Plus, the U.S. health system lags other wealthy countries in performance, equity, and efficiency (Commonwealth Fund study),
- To boot, U.S. health system costs are increasing faster than inflation

Before we imagine what we have is just fine, understand it is not. Yes, it can always get worse, but how do we know the sure path to better unless we are willing to try new ideas.
2015 and 2017: The U.S. 11th /11, Ranks Last Among Peers

Exhibit 2. Health Care System Performance Rankings

<table>
<thead>
<tr>
<th>Feature</th>
<th>AUS</th>
<th>CAN</th>
<th>FRA</th>
<th>GER</th>
<th>NETH</th>
<th>NZ</th>
<th>NOR</th>
<th>SWE</th>
<th>SWIZ</th>
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<tr>
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<td>Care Process</td>
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<td>Administrative Efficiency</td>
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<td>Health Care Outcomes</td>
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<td>7</td>
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<td>2</td>
<td>4</td>
<td>10</td>
<td>11</td>
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</tbody>
</table>
The U.S. Healthcare System Doesn’t Achieve Expected Value (OECD/World Bank)

- The U.S. has continually outpaced other wealthy countries in health spending
- The U.S. has continually lagged behind other wealthy countries in life expectancy
- US Life expectancy: 78.8, 31st in the world
- US Infant Mortality: 5.9/1000, 45th in the world
Health Care Spending is the Leading Driver of our National Debt (CBO)
A Healthy Paradigm

- Economic Freedom
- Governance

- Education
- Relationships
- Meaningful Work
- Place

- Behaviors/Personal Choices
- Social Factors
- Health Care
- Environment

- Health
- Prosperity

- 40% of Health
- 10% of Health

- Inclusive (vs. Extractive) Economies
- Genetic and Developmental Background
- Self Determination
Health care is only a fraction of what determines our health.

Determinants of Health

- Health Behaviors: 40%
- Genetics and Development: 30%
- Social Factors: 15%
- Environment: 5%
- Health Care: 10%

Sources:
- McGinnis JM, Williams-Russo P, & Knickman JR. The case for more active policy attention to health promotion. Health Affairs 2002; 21(2):78-93 (Mar).
The Face of Rural Health Care is Changing
Some differences between the States’ Cooperative Agreement Acts

- **TN’s is statewide**: VA’s addresses only the Southwest Virginia Health Authority.
- **TN amended its Act to require population health improvement** as a benefit to be measured; VA’s SWVHA Act already had this feature.
- **TN is able to charge all costs back to the applicants** and to a COPA recipient; VA is limited to $75K per year. The applicants paid nearly $3M over 3 years for costs incurred by TN.
- **TN’s burden of proof is “clear and convincing”**. VA’s, while not stated outright, is a “preponderance of the evidence” standard.
- **TN’s Rules set out a robust Active Supervision structure**.
Certificate of Public Advantage TIMELINE:
Mountain States Health Alliance (MSHA) & Wellmont Health System (WHS)

Legend:
- Wellmont / MSHA
- TDH

This timeline shows select dates related to the proposed merger between Mountain States Health Alliance (MSHA) and Wellmont Health System (WHS) and their application process for a Certificate of Public Advantage (COPA).

Updated April 9, 2018
Certificate of Public Advantage TIMELINE:
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This timeline shows select dates related to the proposed merger between Mountain States Health Alliance (MSHA) and Wellmont Health System (WHS) and their application process for a Certificate of Public Advantage (COPA).

Legend:
Wellmont / MSHA
TDH

Updated April 9, 2018
The Narrow Path

Future Goal: Measurably Better Population Health (with a viable healthcare system)

• Poor Health
• High Costs

• Good Health
• Bankruptcy

Present State
Statue detailed but did not provide an accountable, transparent and reproducible application and evaluation process

- Amended Bill Passed April 22, 2015
- Emergency Rules filed July 14, 2015
- Permanent Rule filed October 2016, Effective Jan 4, 2016
TN COPA Decision Analysis

Multiple layers:

- Detailed Application Review and Analysis
- Public Comment and 7 Public Hearings
- Analysis of Expert Reports
- Staff Research
- Key Informant Interviews
Comparing Enforcement: VA & TN

**Tennessee**

Failure to pay Monetary Obligations on time
- must spend as set out in Plan; or
- pay into a Population Health Initiatives Fund; or
- modify the COPA as proposed by TDH

Non-fulfillment of a Non-Monetary Obligation
- to fully perform such Non-Monetary Obligation; or
- modify the COPA as proposed by TDH

For any noncompliance, TDH can
- prohibit payment of bonuses to any executive officer or require repayment of such compensation;
- require COPA Parties to make a remedial contribution;
- modify the COPA; or
- terminate the COPA

**Virginia**

Terminate COPA or Amend Order

TN’s Terms of Certification function as a contract
Comparison of TN and VA Indices

**Tennessee**
- Adult smoking
- Smoking during pregnancy
- Youth tobacco use
- Adult Physical Activity
- Adolescent Physical Activity
- Overweight Education
- Overweight/Obesity among adolescents
- Average mPINC score
- Breastfeeding initiation
- Breastfeeding at 6 months
- NAS Births
- Drug Deaths
- Non-medical use of pain relievers
- Children - on-time vaccinations
- HPV Females
- HPV Males
- Flu Vaccine (adults aged 65+)
- Teen Pregnancy Rate
- 3rd Grade Reading Level
- Children receiving dental sealants
- Frequent Mental Distress
- Infant Mortality
- Low Birthweight
- Pre-diabetes adverse events
- Ratio of premature deaths (urban/rural)

**Virginia**
- Smoking during pregnancy
- Youth tobacco use
- Overweight Education
- Breastfeeding at 6 months
- NAS Births
- Children - on-time vaccinations
- HPV Females
- HPV Males
- Teen Pregnancy Rate
- 3rd Grade Reading Level
- Children receiving dental sealants
- Frequent Mental Distress
- Infant Mortality
Ballad: *Just Married*
The marriage license granted, the ceremony performed, the real work of a successful long term relationship of all parties is just beginning.
Today: Rural Health Care

- Health Department
- Primary Care
- Post Office
- Nursing Home
- General Surgeon
- FQHC
- Pharmacy
- Specialist?
  - Ortho
  - Cardiac
  - Endocrine
- Hospital:
  - ED
  - Lab
  - Diagnostic
  - ICU
  - Med-Surg
  - OB
  - OB
Tomorrow: Rural Health Care

Free Standing ED:
- Emergency
- Urgent Care
- Lab
- Diagnostic
- ICU

IOP/Day program
- Assisted Living
- Home nursing

Community Paramedicine

Post Office

Health Department

Primary Care

FQHC

Pharmacy

Telemedicine from Here to Anywhere
High Inequity in U.S. Healthcare Spending (NIHCM)

Cumulative distribution of personal healthcare spending in the U.S. in 2009

- Top 1% account for >20% of total spending
- Top 5% account for ~50% of total spending
- Bottom 50% account for 2.9% of total spending

Chronic Diseases are Driving Most of U.S. Healthcare Spending

Total expenditures in $ billions by disease category, 2012

<table>
<thead>
<tr>
<th>Disease Category</th>
<th>Expenditures in $ billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ill-defined conditions</td>
<td>$247</td>
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<tr>
<td>Circulatory</td>
<td>$241</td>
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<tr>
<td>Musculoskeletal</td>
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<tr>
<td>Respiratory</td>
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<tr>
<td>Endocrine</td>
<td>$138</td>
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<tr>
<td>Nervous system</td>
<td>$133</td>
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<tr>
<td>Cancers and tumors</td>
<td>$124</td>
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<tr>
<td>Injury and poisoning</td>
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<tr>
<td>Genitourinary</td>
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<tr>
<td>Digestive</td>
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<tr>
<td>Other</td>
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<td>Mental illness</td>
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<tr>
<td>Infectious diseases</td>
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<tr>
<td>Dermatological</td>
<td>$44</td>
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<tr>
<td>Pregnancy and childbirth</td>
<td>$39</td>
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</tbody>
</table>


Note: Expenditures on nursing home and dental care are not included in health services spending by disease. Ill-defined conditions includes check-ups, follow-up appointments, preventive care, and treatment of minor conditions such as colds, flus, and allergies.
While keeping their decisions independent, TN and VA have closely cooperated

- The two states began formally cooperating on October 31, 2016, informal cooperation began very early.
- They held – and still hold – weekly conference calls
- Memorandum of Understanding between the two states sets out their cooperation framework.