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Provider update

Episodes of Care — model design

Summary: The retrospective episode model is designed to reward providers for high-quality, cost-effective care for TennCare members. The retrospective model is a step toward moving our system from paying for volume to paying for value. Because it is retrospective, current fee-for-service payment agreements will not be affected. All TennCare payers are participating in Episodes of Care (EOC). Participation is not optional for providers. There are a total of 48 specific episodes that have been developed since the program began in 2014.

Frequently asked questions

Q: What are the specific EOCs for Tennessee?

A: The 48 EOCs have been identified by the state. These episodes have been thoughtfully discussed, defined and designed by a technical advisory group (TAG) that includes peer provider experts. Every effort has been made to ensure that what is included and excluded for each EOC is appropriate and significant. You can read more about the episodes at https://www.tn.gov/tenncare/health-care-innovation/episodes-of-care.html.

Q: Who is responsible for an EOC?

A: Principal accountable providers, also known as quarterbacks, are providers who have been deemed to have the greatest influence over the cost of the entire journey of an episode. During each calendar year, a performance period, costs related to an EOC will be summed, risk-adjusted according to specific related risk factors and compared to all quarterbacks in the state of Tennessee. Costs for the EOC across all TennCare payers will be averaged, and thresholds for gain sharing and risk sharing will be established. The thresholds will not change during the course of the performance period. On a quarterly basis, quarterbacks will receive a notification that the detailed reports are accessible through the Availity Portal at https://www.availity.com. Specific directions on to how to access these reports will be included in this notification. These reports will allow quarterbacks to drill down on the quality and cost of the care they provided compared to other providers in the state.

Each EOC has an accountable quarterback who has been designated as the provider in the best position to influence a patient's journey during an episode. The quarterback may be an individual provider, practice or institution that is most responsible for ensuring that a patient is treated in a high-quality, cost-efficient manner. High-quality, cost-efficient care is rewarded beyond current reimbursement based on the quarterback's average compared to peers.

Q: What types of costs are included in an EOC?

A: Claims for specific types of visits, facilities, imaging, laboratories, procedures and pharmacies have been included or excluded for each episode. Every effort has been made to include quality and cost metrics that are under the influence of a quarterback and related to the specific episode. Detailed descriptions of what is included and excluded from each EOC are available at https://www.tn.gov/tenncare/health-care-innovation/episodes-of-care.html.

Q: What is the length of time associated with an EOC?

A: Each EOC has a defined trigger, pre-trigger and post-trigger window. The pre-trigger and post-trigger windows are the specified time periods before and after the trigger event, respectively, in which specified claims are included in the episode. For example, the birth of a baby will have a 40-week

pre-trigger window and a 60-day post-trigger window. Asthma will have no pre-trigger window and a 30-day post-trigger window.

Q: How is an episode started or triggered?
A: An episode is triggered by a specific set of codes in care settings that are unique to the patient journey that define the start of an episode. For example, in the perinatal episode, the trigger is the delivery of the baby.

Q: Why are quarterbacks considered responsible for costs outside of their domain (e.g., claims for patients who visit emergency rooms or the claims from a laboratory)?
A: The quarterback would be the most likely provider to follow the patient through his or her treatment journey and has had the greatest decision-making responsibility as determined by TAG recommendations. Because the quarterback and his or her team have face-to-face time with the patient, there are opportunities to provide education, coordination and direction. Quarterbacks may also have the opportunity to choose places of service, which may be more cost-effective for ancillary services. This may be the first time that some providers will have the opportunity to see costs for care by category.

Q: How are gain sharing and risk sharing determined?
A: The EOC will be risk-adjusted for members whose conditions may influence the cost of care. Episode risk defines that part of a variation in cost that can be explained by the clinical characteristics of an episode. In particular, this risk describes an expected cost of episode delivery based on clinical factors such as disease progression, comorbidities and other patient attributes that correlate with clinical need, including age and gender. The commendable and acceptable thresholds are set at points where our projections show that the total amount of rewards paid to all providers for the episode are expected to be about the same as the total risk share amount paid to the managed care organizations (MCOs) by providers. The majority of providers are expected to remain in the acceptable zone without any payout to or from the MCO.

Quarterbacks whose costs are commendable and who meet quality thresholds will receive a share of the savings. Risk sharing occurs when quarterbacks whose costs are above the acceptable threshold must share in the excess costs above that line. More information on thresholds is available at https://www.tn.gov/tenncare/health-care-innovation/episodes-of-care.html.

Q: How and why are quality metrics included in the episodes?
A: Including quality metrics in the reporting helps to ensure that reducing the costs of episodes never encourages reducing the quality of care. The reports will demonstrate a quarterback's performance on quality measures compared to other TennCare providers across the state.

Q: How do payers adjust for increased cost risks?
A: Specific diagnoses are identified, which are associated with high-cost episodes in our data. We receive clinical advice from the TAG on which conditions to consider as potential risk factors, but in the end, risk adjustment is designed based on existing risk factors.

Payers will also apply risk adjustments according to how additional diagnoses may impact the cost of specific patients as related to the EOC. Only risk-adjusted costs are used to determine whether or not cost falls into the acceptable range.

Q: What about patients with significant comorbidities, which would cause their journeys to look very different from the average patient?
A: The model seeks to include as many episodes as can be fairly included. Some members, however, may be completely excluded from an episode due to specific comorbidities (e.g., active cancer treatment). These excluded episodes will be reported for information only and will not be included in determining a quarterback's average cost.

Q: Why are some episodes excluded from the calculations?
A: Each episode has exclusion criteria, which may include clinical reasons (e.g., specific diagnoses that would influence the course of care for an episode), business reasons (e.g., third-party liability, dual eligibility, federally qualified health center/rural health clinic) or patient exclusions (e.g., age, death, left against medical advice). Members who have costs that add up to more than three standard deviations from the mean are also excluded. These excluded episodes will be reported for information only and will not be included in determining a quarterback's average cost. The exclusion parameters are outlined in the *Detailed Business Requirement* documents for each EOC. This information can be found at https://www.tn.gov/tenncare/health-care-innovation/episodes-of-care.html.

Q: Whom do I contact if I have questions about episode-based payments?
A: Your Amerigroup Community Care EOC provider representative is available to assist you if you have more questions. Please refer to the contact information below:

- Deborah Bien, clinical program development manager for EOC: 615-636-8130
- Shannon Marcum, provider clinical liaison: 615-499-0509
- Email: agpepisode.reporting@amerigroup.com