

Summary of Proposed Initiatives Impacting Pediatric Populations and Providers in Tennessee's State Innovation Model Test Application

CMS SIM Round 2 Testing Awards Background

- In December 2014, 11 states were announced as recipients of round two of the Centers for Medicare and Medicaid Services (CMS) State Innovation Model (SIM) Test Awards, utilized to test State Health Care Innovation Plans.
- With the combined support of \$622 million, states awarded these Model Test funds are putting in place strategies to transform health care delivery systems primarily through multi-payer payment reform and additional initiatives.
- The Round Two SIM Model Test Awards have a more explicit emphasis on improving population health in specific areas such as prevention, health equity, and healthy behaviors.
- Participating states have 48 months to implement and test their models.

Summary of SIM Testing Award in Tennessee

Tennessee will receive up to \$75 million to implement and test its State Health Care Innovation Plan. Through its SIM award, Tennessee hopes to include over 80% of its population in value-based payment and delivery models with the participation of most public insurers, commercial insurers, and Medicaid managed care organizations. In addition to developing a statewide population health plan, Tennessee will focus on reforming its health care payment and delivery system through three methods:

1. Transform primary care by establishing a multi-payer patient-centered medical home program, enhancing the existing pediatric medical home program, and launching a health home program for individuals with severe and persistent mental illness.
2. Following the initial implementation of retrospective episodes of care (a clinical situation with predictable start and end points), the state will add additional episodes of care with the goal of including 75 episodes within five years. These episodes will align actionable information and rewards for acute care providers to successfully achieve a patient's desired outcome during an episode of care.
3. Reform long term services and supports by implementing quality and acuity-based payments.

Implications for Pediatrics

Impact on Children:

- The SIM model will build on a number of state initiatives including the [episode-based care payment reform initiative](#). To date, Tennessee has implemented one wave of episodes that include asthma exacerbation for children and adults. Examples of future episodes affecting children include ADHD and tonsillectomy.
- As part of its population health plan, Tennessee will develop regional goals and objectives to address population health priority topics including child health.
- Child immunization status and youth and adult obesity are two of the initial population health measures Tennessee will track to evaluate its population health work.

Impact on Participating Providers:

- Tennessee plans to continue to work with the [Tennessee Chapter of the American Academy of Pediatrics](#) (TNAAP) to build off its existing pediatric medical home project. Under SIM, participating pediatricians will receive quality improvement training from TNAAP to enhance care for infants, children, and adolescents and receive support to implement pediatric patient-centered medical homes.
- Providers will receive payment based on episodes of care and will share in the savings or excess costs based on their performance on the episodes.
- Principal Accountable Providers, the providers responsible for managing an entire episode of care, will receive quarterly reports on costs and quality for the episodes of care.
- Tennessee will work to start building a state health information exchange that will allow providers to access real-time patient data from multiple payers in a single system. The state will also work to provide additional data to hospitals and other providers involved in an episode through a web-based tool.

For more information on the CMS SIM Model Test Award in Tennessee, contact Brooks Daverman, SIM Project Lead, at brooks.daverman@tn.gov.



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