In December 2014 Tennessee was awarded a two-year, $65 million State Innovation Model (SIM) testing grant to transform the state’s health care system. The grant builds on existing patient-centered medical home (PCMH) initiatives to encourage alignment across payers. Additionally, the SIM grant is working to leverage state purchasing power through a joint effort between public programs (TennCare, CoverKids, and Benefits Administration) and a coalition of commercial insurance carriers.

One goal of the SIM project is to engage over 65% of primary care providers in a multi-payer PCMH program by 2020. Through TennCare contracts, Tennessee will require the state’s three Medicaid managed care organizations to participate in the SIM-funded statewide PCMH program.

Two key strategies of the Tennessee SIM testing grant include providing additional support for the PCMH model and the continued implementation of retrospective episodes of care.

**PROGRAM COMPONENTS: PEDIATRIC PATIENT-CENTERED MEDICAL HOMES**

In 2012, the Tennessee Chapter of the American Academy of Pediatrics (TNAAP) partnered with the state to launch the Tennessee Medical Home Project, a three-year education and training initiative designed to increase the following:

- Provision of care within the medical home model
- Provider capacity to coordinate care for children and youth with special health care needs

Throughout the partnership, TNAAP achieved the following items:

- Identified barriers to PCMH implementation for pediatricians
- Evaluated successful pilot projects
- Provided education and technical assistance to practices working to transform into a PCMH

As part of the SIM work, the Tennessee Division of Health Care Finance & Administration is building on the Tennessee Medical Home Project by partnering with TNAAP to address identified barriers to PCMH implementation and meet the distinct needs of infants, children, and adolescents. The TNAAP will provide quality improvement training and PCMH implementation support to participating pediatricians.

To further support implementation of the PCMH model, Tennessee is developing a shared care coordination tool to alert participating providers when a patient has been admitted, discharged or transferred from a hospital or emergency room. The tool will also show patient risk scores, thereby helping care coordinators identify and connect with higher risk patients. The care coordination tool will be piloted in 2016, and, pending evaluation and feedback, will be made widely available to providers participating in SIM quality improvement efforts.
PAYMENT MODEL: EPISODES OF CARE

The Tennessee SIM project plans to use the retrospective episodes of care payment model, thereby providing incentives to those clinicians who achieve a patient’s desired outcome during a specific episode of care. Payers calculate incentive payments based on outcomes after a pre-defined period. The state will continue to build on a number of episode-based initiatives such as the episode-based care payment reform initiative.

Under the SIM initiative and with input from key stakeholders, Tennessee will launch episodes of care in 11 waves with the intent of launching a total of 75 episodes of care within five years. Tennessee will monitor both costs and key quality measures. To date, the first three waves have launched and include two pediatric-specific episodes:

• Acute asthma exacerbation
• Perinatal care for women with low to medium risk pregnancies

Four of the projected 11 waves have been designed and include the following episodes focused on the pediatric population:

• Attention deficit and hyperactivity disorder
• Tonsillectomy

OUTCOMES

Tennessee’s SIM project program is still in the initial stages. A final report on year one of Tennessee’s SIM project is not expected until 2017.

FAST FACTS:

888,306: The number of children enrolled in Medicaid and CHIP in Tennessee in FY2014

90.9%: The participation rate for children eligible for the Tennessee Medicaid/CHIP in 2013

88.3%: The national participation rate for those eligible for the CHIP program in 2013

For more information on state public health initiatives related to pediatric medical home, visit www.medicalhomeinfo.org