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Practicum Site: TennCare

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TennCare LAN Framework Calculation Project



Introduction: TennCare's mission is to improve the lives of its members by providing high-quality, cost-effective care. Achieving this mission includes efforts promoting value-based payment (VBP) programs. This practicum aimed to evaluate by categorizing and quantifying the arrangement of TennCare's VBP payments according to the HCP-LAN Advanced Payment Model Framework. Categorization provides valuable insight into TennCare's progress towards the broader payer industry's goal of having 50% of Medicaid members in a care relationship with accountability for quality and total cost of care by 2030. Achieving this goal underpins the transition away from fee-for-service towards value-based payments.

Methods: To address the practicum goal, cost data were collected from TennCare's four value-based care programs: Episodes of Care, Patient-Centered Medical Homes, Quality Improvement in Long-Term Services and Supports (QuILTSS), and Tennessee Health Link. Data was collected from 2016 onward, allowing for a considerable look-back period demonstrating TennCare's VBP evolution. Each program's key payment and risk-sharing features were evaluated to distinguish the correct HCP-LAN Category. TennCare's cost data was then fit to mimic the HCP-LAN Framework's measurement methodology.

Results: The project's results include an analysis consistent with the HCP-LAN methodology for each TennCare program and visual aids that describe TennCare's position on the HCP-LAN Framework. These results will inform VBP discussions and strategy at TennCare.

Conclusions: Given the project's scope and the limited practicum timeframe, TennCare's HCP-LAN calculation was not fully achieved, pending data validation. Furthermore, this demonstration will be updated as yearly data is reported. Efforts to align TennCare's value-based payment programs with the HCP-LAN Framework will continue and remain a vital tool in meeting the HCP-LAN's accountable care goal.