Division of TennCare

MEMO: 2024 Episode Changes

Introduction

Date: November 2023
Subject: Updates to TennCare's Episodes of Care program

This memorandum describes stakeholder feedback, TennCare responses, and a summary of changes to the Episodes of Care program for the 2024 performance period that begins January 1, 2024.

The state greatly appreciates the feedback we have received from stakeholders over the past year, and especially those stakeholders who attended the Episodes of Care Annual Feedback Session, held on March 23, 2023. The virtual feedback session was the annual opportunity for stakeholders from across Tennessee to comment on what is working well and how to improve upon the clinical design of all 48 episodes of care. Members of the public were able to share their feedback live during this year's event, as well as submit their feedback electronically prior to the event via email and an online form.

This memo shares the feedback received and is organized by episode type in alphabetical order. After reviewing all feedback for 2023 performance period, the state is making six changes to the design of the episodes program for the 2024 performance period. The table "Summary of Program Changes Taking Effect in 2024" is also provided to highlight feedback that resulted in episode design changes for the 2024 performance year.

Episodes of Care's Response to COVID-19 and the Respiratory Infection Episode

As part of our ongoing efforts to monitor Episodes of Care data for impacts from the COVID-19 pandemic, TennCare has identified a significant impact to the 2022 performance of our Respiratory Infection episode. This cost increase is attributable to higher-than anticipated laboratory testing costs during the COVID-19 pandemic.

In order to continue supporting providers during this difficult time, the three TennCare Managed Care Organizations (MCOs) will waive episodes of care risk-sharing payments for the Respiratory Infection episode only in the final reports for the 2022 performance period. What this means is that if a provider owes a risk-sharing payment in the Respiratory Infection episode based on their final 2022 episodes results, then the MCO will adjust the Respiratory Infection risk-sharing amount to $0 and recalculate the provider's net gainsharing total across all episode types in their final report.

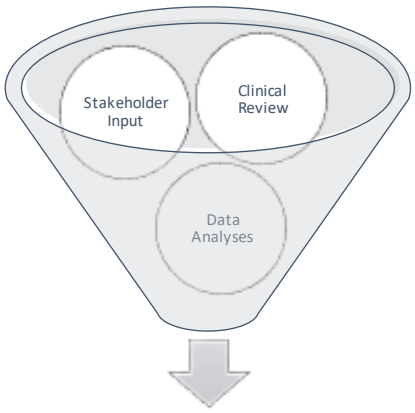
Final 2022 performance reports were released to the MCO portals on August 17, 2023. Providers who do not have risk-sharing for their Respiratory Infection episodes will not be impacted. Providers who do not have any Respiratory Infection episodes will also not be impacted.

With the exception of this one-time risk-sharing waiver for the 2022 performance of the Respiratory Infection episode, Episodes of Care risk-sharing payments will resume for the 2022 performance year in order to continue incentivizing high-quality, cost-effective in the Episodes of Care program.

MEMO: 2024 Episode Changes

What Does the State Do with Your Feedback?

The state highly values stakeholder feedback. TennCare works on your proposed changes throughout the year. After receiving your feedback, the state conducts data analyses and solicits clinical input. All these perspectives are taken into account as the state determines its response to each item of feedback received.



State response to stakeholder feedback

When Will Providers See These Changes Reflected in Their Reports?

Episode design changes in this memo will take effect on January 1, 2024, for the 2024 performance year. Providers will first see their performance data reflecting these changes in the interim performance reports released in August 2024 that cover the first quarter of the 2024 performance period (January through March 2024).

A Primer on the Episodes of Care Program

How are episodes designed?

Every episode is designed with recommendations from Tennessee clinicians, who formed a Technical Advisory Group (TAG). These design recommendations include the episode trigger, the type of accountable provider for the episode, included spend, episode duration, exclusions, risk factors, and quality metrics. For every episode that has been designed for the Episodes of Care program, Tennessee clinicians' recommendations were incorporated into the episode design before implementation.

TAGs were composed of Tennessee clinicians with expertise in relevant specialties who volunteered their time to make recommendations on the clinical aspects of the episode design. Members were selected through a nomination process. TAGs met in person multiple times as part of the episode design process.

How are episodes reviewed?

The Episodes of Care program undergoes review throughout the year by data analysts and medical professionals. Episodes are scrutinized and reviewed to ensure that the structure of each episode reflects the appropriate clinical pathways as the TAGs originally intended. Feedback is received throughout the year and is incorporated into the review process.

How does the Episodes of Care program make fair comparisons across episodes?

Episode design has exclusions in place for episodes that cannot be fairly compared. Some exclusions are business exclusions (e.g., incomplete data, dual eligibility), clinical exclusions (e.g., active cancer management, triplet pregnancy), patient exclusions (e.g., left against medical advice, death), and high-cost outlier exclusions (i.e., the risk-adjusted cost for an episode makes it an outlier relative to other valid episodes). After all exclusions have been applied, a set of valid episodes remain that are used for financial accountability.

The Episodes of Care program also includes other components to make fair comparisons among providers. Risk adjustment is a method used to scale the episode spend up or down to account for higher patient costs based on comorbidities or other factors shown in the data to be significantly higher cost. This adjustment is done on the basis of the comorbidities coded in the claims. Quarterbacks are held accountable for their risk-adjusted episode spend.

Who determines the risk factors for each episode?

TAG members recommended a clinically appropriate list of risk factors for each episode. After the conclusion of the TAG, the list of risk factors was sent to the MCOs. The MCOs test each risk factor, in addition to other diagnoses that are identified in their models, for statistical significance based on their data. The risk factors that are statistically significant in terms of episode spend for each MCO are used as risk factors for that episode type.

For more information about the TennCare Episodes of Care program, including all the episode detailed business requirements (DBRs) and configuration files, go to https://www.tn.gov/tenncare/health-care-innovation/episodes-of-care.html.

How to stay up to date on Episodes of Care information throughout the year?

The Episodes of Care program website is the best place to stay up to date on the events and updates, it can be accessed at https://www.tn.gov/tenncare/health-care-innovation/episodes-of-care.html. The Episodes of Care homepage has an Episode Spotlight feature that showcases a particular aspect of the Episodes of Care program and consolidates available information on that topic. The News and Announcements section highlights program developments throughout the year, while the Introduction to Episodes page is a launching point for providers new to the program. In order to stay up to date on the latest developments, please subscribe to the Episodes of Care Newsletter by visiting https://stateoftennessee.formstack.com/forms/episodes_newsletter_subscribe.

General Episodes Feedback

Comment: Are the configuration file codes reviewed and updated for each episode?

Response: Yes. The state reviews and will make necessary changes to the configuration file of each episode type annually. TennCare reviews the configuration files on a regular basis to update codes, including removal of invalidated codes and the addition of new or revised codes related to configuration file maintenance.

Comment: The episodes change from year to year; please explain what goes into the change process.

Response: The state strives to continually refine episode design. The state conducts data analyses and solicits clinical input to inform the change review process. This memo, published annually, summarizes the feedback received and any changes to the Episodes of Care program for the upcoming performance year. Episode design changes in this memo will take effect on January 1, 2024, for the 2024 performance year.

Comment: There have been some shortages of amoxicillin and ADHD medications; how will these shortages impact the Episodes of Care program?

Response: The state will continue to monitor for any medication shortages that impact the Episodes of Care program. The state is in close contact with providers, MCOs, and other stakeholders to monitor if any specific medication shortages are impacting provider performance in the Episodes of Care program. Program adjustments will be made on an episode-by-episode basis as needed.

Episode-Specific Feedback

Asthma Acute Exacerbation

Comment: Extend the lookback period from one year to two years for follow-up care for newly diagnosed asthma cases.

Response: The state will extend the lookback period to two years for the information-only quality metric follow-up care for newly diagnosed asthma cases.

Attention Deficit and Hyperactivity Disorder (ADHD)

Comment: Providers are penalized when patients go to a different provider requesting ADHD medications after we determine the patient does not have an ADHD diagnosis.

Response: A provider will not be held accountable for an ADHD episode if the provider does not file a claim with a diagnosis code for ADHD. Even if the patient seeks medication for ADHD from a different provider, there will be no ADHD episode triggered without an ADHD diagnosis on the claim.

Comment: The Drug Enforcement Agency (DEA) is proposing telehealth utilization on initial visits. Will there be a payment adjustment for this service?

Response: Currently, audio-visual telehealth services are reimbursed at the same rate as in-office services by each MCO. Specific rates are contractually negotiated between the provider and the MCO; the Episodes of Care program does not set reimbursement rates.

Comment: Behavioral Health provider rate increases were approved for specific outpatient codes. How will the ADHD and ODD episodes be adjusted to reflect the increase?

Response: The Episodes of Care team carefully reviewed recent rate increases for behavioral health providers. The increases will have a minimal impact to the Episodes of Care program. However, these rate adjustments were taken into account during the process to set cost thresholds for the upcoming performance year.

Acute Gastroenteritis

Comment: Replace the quality metric for abdominal or pelvic CT or MRI with a different metric that is more appropriate for capturing bacterial infections (such as laboratory testing).

Response: The acute gastroenteritis TAG noted overutilization of MRI/CT scans within the treatment of acute gastroenteritis. The use of MRI and CT for adults and children will remain a quality metric tied to gain-sharing because it is a source of value for the episode. The state will continue to evaluate additional sources of value beyond pelvic CT or MRI for potential future quality metrics.

Esophagogastroduodenoscopy (EGD)

Comment: Exclude EGD episodes or episode costs related to additional procedures performed at the same time as EGD procedure (for example the Bravo procedure performed at the same time as a test for acid reflux).

Response: The state has reviewed the EGD episode components and has concluded that a Bravo procedure is a source of value and will remain included in the EGD episode. Any condition that is leading to the requirement of the additional procedure should be captured in the coding for that episode; this will lead to appropriate risk adjustment of cost.

Comment: Our practice is being affected by high facility costs at the hospitals due to having pediatric patients as our primary target population. We recommend excluding pediatric patients from the EGD episode.

Response: The state analyzed the data for EGD episodes as part of the design process with the TAG and found no significant correlation between average episode cost and age. We have recently confirmed this data after a thorough review this past year. Each MCO determines risk factors, including age, which impacts episode costs.

Otitis Media

Comment: Update the quality metric for non-OME episodes with amoxicillin filled.

Response: The state has reviewed this quality metric and found that the use of amoxicillin is still an appropriate source of value for treating non-OME episodes and will not be updated at this time.

Comment: Update the quality metrics for the otitis media episode.

Response: The state reviews episode quality metrics annually for clinical appropriateness and to ensure that quality metrics remain valuable for the program. The state reviewed the otitis media quality metrics for 2024 and determined that they remain appropriate sources of value and should not be updated at this time.

Comment: Exclude the costs of speech and occupational therapy from the episode.

Response: The utilization of speech and occupational therapy is a source of value for the otitis media episode and will remain in the episode.

Perinatal

Comment: Consider moving TDAP vaccination rate from an informational metric to be tied to gain-sharing.

Response: The state has evaluated the perinatal gain-sharing quality metrics and has determined that the TDAP vaccination rate is most appropriate as an informational quality metric. After reviewing the data and clinical guidance, the state determined there is continued value for this quality metric as informational only. The state will continue to evaluate these metrics annually and adjust based on changes in performance.

Comment: Consider moving Hep C screening from an informational metric to tied to gain-sharing.

Response: The state will promote Hepatitis C from an informational quality metric to tied to gain-sharing in 2024.

Comment: Consider removing the Group B Strep quality metric.

Response: The state will remove the Group B streptococcus quality metric from the perinatal episode in 2024.

Comment: Remove Z36 (encounter for antenatal screening of mother) & J153 (pneumonia due to Group B strep in baby) from the Group B Strep gain-sharing QM.

Response: The state is removing the Group B streptococcus quality metric in 2024.

Comment: Consider removing Screening for HIV from gain-share quality metric to informational only.

Response: The state has analyzed data related to the HIV screen metric and it remains a source of value and important indicator of perinatal quality and will remain a gain-sharing quality metric in 2024.

Comment: Add a cost exclusion for the pharmacy costs related to methadone.

Response: The state will add H0020 and G2068 codes with modifier HG to the Medication-Assisted Treatment (MAT) - Excluded Surgical and Medical Procedures subdimension to exclude the costs of methadone medications. The state already excludes the costs of buprenorphine medication. This change will further align the perinatal episode with TennCare's broader approach to medication-assisted treatment (such as TennCare's BESMART program).

Comment: Exclude episodes when all prenatal care was delivered by a different provider from the delivering provider.

Response: Maintaining accountability for care coordination in episodes where prenatal care was rendered by a different provider than the delivering provider remains a source of value for the program. This level of accountability was discussed with the TAGs during the episode design process. As of 2019, the state has created an episode exclusion for perinatal episodes where no prenatal care was provided.

Comment: Have the MCOs reimburse at the same rate for 0500F and the 0503F billed with 59430.

Response: The state appreciates this feedback and will work closely with the MCOs to investigate opportunities for alignment.

Respiratory Infection

Comment: Exclude COVID-19 (antigen and PCR) and RSV testing from episode costs.

Response: The state is taking many steps to address the increase in testing costs in the respiratory infection episode. The state is monitoring the impact of the COVID-19, RSV, and flu testing costs on the respiratory infection episode. The state has waived risk-sharing for the 2022 performance year and has adjusted the episode cost thresholds for the 2023 and 2024 performance years. The state will continue to monitor these costs and make adjustments as appropriate.

Summary of Program Changes Taking Effect in 2024

Providers will first see these changes reflected in their interim performance reports released in August 2024 that cover the first quarter of the 2024 performance period (January through March 2024).

Episode Type(s) Impacted	Change to Episode Design
All Episodes	Removal of invalidated codes and the addition of new or revised codes related to configuration file maintenance.
Asthma Acute Exacerbation	The state will extend the lookback period to two years for the information-only quality metric Follow-up care for newly diagnosed asthma cases.
Perinatal	The state will expand the current spend exclusion on Methadone treatment.
Perinatal	The state will expand the current spend exclusion on Buprenorphine pharmacy spend.
Perinatal	The state will remove the Screening for Group B Streptococcus quality metric.
Perinatal	The state will promote Hepatitis C from an informational quality metric to tied to gain-sharing in 2024.