

## CASE STUDY

# The Tennessee Academic Affiliate Physician Directed Payment Program a Value-Based Medicaid Managed Care Initiative



Faced with growing financial constraints and critical population health issues among their Medicaid patients, two major academic medical centers—East Tennessee State University (ETSU) and University Clinical Health (UCH), affiliate of University of Tennessee (UT) Health Science Center—partnered with TennCare, Tennessee’s Medicaid agency, on a value-based Medicaid managed care supplemental payment initiative.

This program—designed and implemented by Sellers Dorsey—has resulted in a measured increase in care coordination and enhanced access to health services for Medicaid enrollees in Tennessee.

### CASE STUDY DETAILS

- **Expertise** Medicaid Finance, Medicaid Managed Care, Value-Based Care
- **Market** Academic Medical Centers, Hospital and Healthcare Providers, Medicaid Managed Care Plans, Physician Groups
- **Client** TennCare
- **Location** Memphis, TN

### EMERGING IMPACTS

Among several of its notable outcomes, the Tennessee Academic Affiliate Physician Directed Payment Program has achieved:



**20% Decrease in Patients** with Unmanaged Diabetes a result of expanded care coordination



**15% Increase in Well Child Visits** a result of increased access to pediatric care



**70% Increase in Follow-Up Visits** for Patients with Substance Use Disorder a result of expansion of opioid use disorder treatment infrastructure

### PROGRAM FOCUS

Sellers Dorsey worked with ETSU, UCH and TennCare to create a new funding stream, focused on three main priorities:

- **Care coordination.**
- **Prevention and treatment** of opioid abuse.
- **Early and focused engagement** for maternity and pediatrics.

### PROGRAM CREATION

Sellers Dorsey worked with TennCare and the physician practice plans at ETSU and UCH on the following:

- **Program Preparation and Design**, including identifying quality improvement metrics and data sources, establishing the supplemental payment calculation methodology, and identifying eligible providers.
- **Program Approval Process**, including establishing policy rationale, facilitating review with the State and supporting the CMS approval process.
- **Program Implementation, Operations, and Management**, including facilitating ongoing coalition input and coordination. This program involves one of the most robust quality-based scoring methods in the country, featuring 21 quality metrics including 12 patient-centered medical home (PCMH) measures.