

## 3-Star Health Task Force

### *Overview*

The Task Force's charge is to increase access to care for the groups in what is called the "coverage gap" through a phased approach. This group includes childless adults who have incomes up to 138% of the federal poverty level (FPL). The Task Force also wants to create links to programs to promote job placement, training, and education and a "bridge" to the exchange or employer coverage for those whose incomes rise.

The Task Force envisions a two-phase approach that would begin as soon as a waiver or state plan amendment could be approved by CMS and voted on by the legislature – hopefully in early 2017. Phase 2 would begin in early 2018 if triggers (to be specified) are met.

### *Phase 1*

Create 3-Star Health Insurance Pilot for Behavioral Health and Uninsured Veterans with enhanced accountability provisions.

- Pilot would target those with a qualifying diagnosis of a mental illness or substance abuse disorder (collectively referred to as behavioral health or BH), OR proof of honorable discharge (Form DD214 or NGB22), and an income of up to 138%FPL.
- Those with a BH disorder would have to be certified as having been assessed and given a qualifying diagnosis to be eligible.
- Pilot would provide access to the full TennCare benefit package through existing TennCare MCOs.
- Pilot would test the most innovative approaches used in other states to improve health and to encourage enrollees to access care wisely.
  - Pilot would include a Health Savings Account (HSA) to provide healthy incentives for the patients and disincentives for improper use of healthcare.
    - Patients would pay premiums and varying co-payment levels based on FPL
    - Patients would receive credits in their account for healthy behaviors and disincentives that debit their account for misuse of healthcare.
    - In order to determine the most effective incentive structures, credits and debits would vary by are/region of the state (e.g. insurance rating area): they would, however, have equal actuarial value across the state.
  - Pilot would incorporate TennCare's planned Health Home or similar model to improve access to and coordination of behavioral health and primary care.
  - Pilot would implement Medication-Therapy-Management (MTM) fees for community pharmacists for select high-risk patient groups and/or medications.
  - Pilot would provide extended access to tele-health/tele-psych/other telephonic services as an alternative to ER care

- Enrollees would be locked out of the pilot for non-payment of premiums
  - First and second month – written warning of failure to pay
  - After 90 days termination of benefits for 3 months. Reinstated only when back premiums paid.
- Enrollees would have State assistance in finding employment, securing job training, and/or obtaining a degree (e.g. through Tennessee Reconnect): TN Department of Labor and TennCare would coordinate with the enrollees in the pilot program to find employment while in the pilot.
  - Enrollee participation results in credits to HSA account
  - Enrollee lack of participation or follow-through results in debits to HSA account
- Pilot Transparency:
  - TN Department of Human Services, TN Department of Health and TennCare would coordinate with the pilot population to determine the amount of public assistance each enrollee is receiving.
  - Enrollees would be reclassified for the purpose of determining premiums and cost-sharing (but not for the purpose of determining eligibility) based on total income from all sources including public assistance such as SNAP benefits and housing credits.
- Pilot would have measureable results with triggers and circuit breakers to make sure pilot is financially sound and controlled.
- Funding levels:
  - Phase 1 funding would be negotiated with CMS
  - Phase 2 funding would be negotiated with CMS
- “Bridge” to Coverage
  - Provides seamless transition for individuals moving past 138% FPL to private insurance coverage as income increases.
  - TennCare would also assist the patient to move from the Pilot program to the private insurance market.
  - If “churn” on and off of TennCare is found to be problem, services designed to “wrap” private coverage such as provider continuity, medications, and transportation could be provided to ensure a smooth transition.

## ***Phase 2***

Make the 3-Star Health Pilot available to all qualifying Tennesseans with income up to 138% of

- Prior to initiating Phase 2 certain goals and measurements would have to be met – timeline could be 12 to 18 months, and metrics could include:
  - Costs per member
  - Number of enrollees in Phase 1
  - ER and Primary Care utilization
  - Improved patient health outcomes [long term and/or self-report]
- Enrollment would be contingent on meeting income criteria, but diagnostic eligibility criteria would not be used. All other provisions would be same as above.