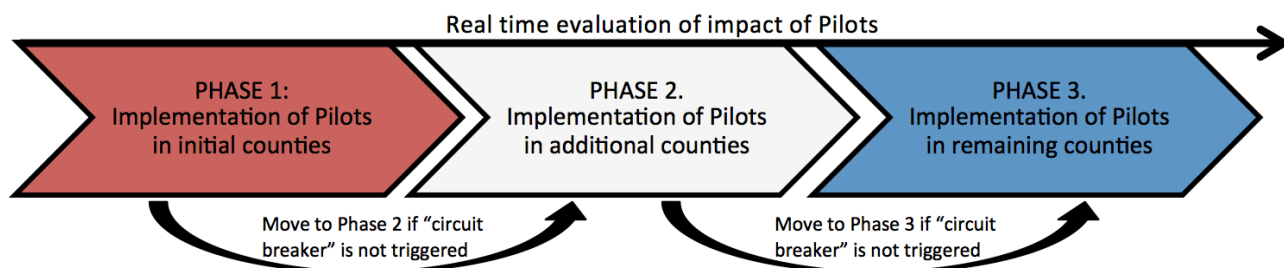


Announcement of the Task Force to Create the “3-Star Healthy Project”

Tennessee is known for innovation in its Medicaid program. It was one of the first states to move all enrollees to Managed Care Organizations and is on the leading edge of implementing payment reform and rewarding value in healthcare delivery. The 3-Star Healthy Project will build on this reputation for innovation with Tennessee principles and Tennessee solutions.

The 3-Star Healthy Project’s Task Force, announced today, will be charged with developing a list of options for making TennCare more efficient and increasing access to care for Tennesseans. These options will be tested through a set of pilots. One concept under consideration is that the pilots would be launched in different areas of the state and successful pilots would be phased in over time. Staggered implementation would ensure that the rollout of the 3-Star Healthy Project proceeds only after key benchmarks are met. Phased implementation timelines are widely used in quality improvement initiatives in the health care sector: they would allow Tennessee to monitor the success of the pilots to determine which work best for Tennesseans and control costs the most.

Potential Phase-In of 3-Star Pilots



Initial discussions among members yielded the following examples of conservative ideas for the pilots:

1. Encouraging enrollees to take more responsibility for their health and use of healthcare services.
2. Creating Health Savings Accounts funded by enrollees’ premiums
3. Providing support for enrollees who want to re-enter the workforce.

Another unique feature of the Project the Task Force will consider is the concept of thresholds and “circuit breakers.” In order for these pilots to be implemented beyond an initial area, costs from the previous phase of implementation could not exceed a predetermined benchmark. The Task Force is charged with identifying such benchmarks, as well as an overall “circuit breaker”, which would immediately end a pilot should the state’s share of costs increase.

The Task Force will evaluate these ideas and others brought to the attention of its’ members over the next two months. The Speaker has asked the Task Force to return a report to her in June.