

DIVISION OF HEALTH PLANNING

2009 ANNUAL REPORT



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Commissioner | M.D. Goetz
Director | Jeff Ockerman

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FROM THE DIRECTOR

In the past year, the Division of Health Planning made significant strides in accomplishing its statutory charges. Most importantly, through collaboration among state Departments, state Agencies, and health and health care stakeholders, the first edition of the State Health Plan was approved and adopted by Governor Phil Bredesen on November 18, 2009.¹

This first edition was designed to present a framework for future action and to describe the current health status of our state. Through an extensive public engagement process, the 2010 Edition will identify goals pertaining to the Five Key Principles for Achieving Better Health established by the 2009 Edition and will provide a menu of potential strategies to meet these goals. Through the State Health Plan, the Division of Health Planning will continue its work coordinating and leveraging relevant state programs and services to optimize health outcomes and value for Tennesseans. This collaborative approach will produce a vision by and for Tennesseans to coordinate efforts to improve their health and the effectiveness of their health care system.

This annual report provides a summary of what we accomplished in calendar year 2009 and what we plan to accomplish in 2010. We look forward to completing the next edition of the State Health Plan.

Jeff Ockerman, Director
Division of Health Planning

¹ The State Health Plan can be found at <http://www.tn.gov/finance/healthplanning/>

INTRODUCTION AND OVERVIEW

For success in improving health outcomes and value, the development of a strategic plan – the State Health Plan – is critical. “Health outcomes” for purposes of planning, includes the health of individuals as well as the general population, and embraces the notion of “value,” ensuring that investments in improving health are wisely targeted.

The responsibility for improving Tennessee’s health is housed among multiple state departments and agencies – each with its own statutory responsibilities, plans, and strategies to meet them. To address this division of responsibilities, the Division of Health Planning was created by statute to ensure that relevant programs and services across state government are coordinated and leveraged to optimize health outcomes and value for Tennesseans.

Last year, Tennessee improved its ranking from 47th to 44th in the nation in health status.² The improvement over last year’s ranking was most notable in view of the fact that the country as a whole was improving its health overall. Still, Tennessee’s low ranking means Tennesseans still compare poorly on important indicators of quality of life and life expectancy. Tennessee’s comparatively overall poor health also represents a costly burden on every business, city, county, and taxpayer in Tennessee. Because the economic cost of poor health is so large, improving health outcomes and health value in Tennessee offers the potential for a significant return on investment. We are fortunate in Tennessee to have a number of government programs and non-governmental organizations dedicated to the improvement of health quality and health care cost containment. These groups make important contributions independently and should make an even greater impact by working collaboratively.

The state’s role in promoting the health of Tennesseans is multi-pronged. The state is the public health authority and provider of crucial health services through the Department of Health and the Department of Mental Health and Developmental Disabilities. The state is also the prison health authority, the provider and coordinator of children’s care programs, the facilitator for advancement in health information technology, and the grantor of certificates of need for specific health services and facilities. In addition, the state is a major purchaser of health insurance, the licensor and regulator of health and health insurance services, an employer/health insurance purchaser, a provider, and the promoter of Tennessee’s health care industry. Finally and importantly, the state is a driving force behind improving education, a factor well connected to health status later in life.

A strategic plan is necessary to coordinate these many roles and to bring to the table Tennessee’s many health and health care stakeholders. Through a central, comprehensive State Health Plan, Tennessee can assess gaps and coordinate efforts to reach goals for the five overarching principles that form the framework of the first edition of the State Health Plan.

² United Health Foundation’s America’s Health Rankings, found at <http://www.americashealthrankings.org/>

DIVISION OF HEALTH PLANNING ACCOMPLISHMENTS, 2009

2009 was the year in which the first edition of the State Health Plan was drafted, revised with stakeholder input, and approved and adopted – fulfilling our primary statutory obligation. In addition, the Division updated standards and criteria for two categories of Certificate of Need and began implementing an All Payer Claims Database. We look forward to developing the goals and strategies of the State Health Plan in 2010, as well as meeting our other statutory goals and duties.

The First Edition of the State Health Plan

Governor Bredesen approved and adopted the 2009 State Health Plan on November 18, 2009. This first edition of the State Health Plan reports on the health status of Tennesseans, revises two Certificate of Need category standards and criteria, and sets the stage for developing goals and strategies over the next year for improving the health of Tennesseans. The State Health Plan will be updated at least annually; for the 2010 edition, the Division of Health Planning will solicit public input to set goals and strategies for improving health and health care in Tennessee.

Prior to Governor Bredesen’s approval and adoption, the State Health Plan was reviewed and improved by many groups inside and outside state Government. The Division produced its initial draft of the State Health Plan in January, 2009, and worked with the assistance and input of the staffs of the Department of Health and the Department of Mental Health and Developmental Disabilities through a series of drafts to arrive at a document that was submitted on June 1, 2009 to the Health Services and Development Agency (HSDA) for comment, as is required by statute. This draft was also submitted to the State Health Plan Advisory Committee³ at that same time. Comments from the HSDA and the Advisory Committee members were incorporated into the draft, which was then submitted to the public for comment.⁴ After that comment period expired, the Division incorporated certain suggested changes into the draft and submitted the first edition of the State Health Plan to Governor Bredesen for approval and adoption, as is required by statute.

³ There is no statutory requirement for the establishment of an Advisory Committee to the State Health Plan. The Division believed it in the best interests of the public and of the process, however, to seek guidance from state commissioners and agency directors as well as from health care stakeholder representatives, and so developed the State Health Plan Advisory Committee. A list of its members appears at the end of this Annual Report.

⁴ There is no statutory requirement for any comment process other than that of submitting the state health plan to the HSDA; however, believing that greater transparency of process is better than less, the Division has created its own policy of submitting all editions of and proposed changes to the State Health Plan to the public for comment.

The framework for the State Health Plan is based upon the Five Principles for Achieving Better Health identified by the Advisory Committee:

1. The purpose of the State Health Plan is to improve the health of Tennesseans;
2. Every citizen should have reasonable access to health care;
3. The State's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies, and the continued development of the State's health care system;
4. Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers; and
5. The state should support the development, recruitment, and retention of a sufficient and quality health care workforce.

The Division has established with the Governor's Office a process for timely modification of the State Health Plan in response to changes in technology and reimbursement, as well as other developments that affect the delivery of health care. This process anticipates annual preparation of modifications to the State Health Plan for approval and adoption by the Governor and provides for the ability by the Division of Health Planning to prepare modifications on an ad hoc basis.

Updating the State Health Plan with Public Input in 2010:

While the 2009 edition of the State Health Plan describes the health status of Tennesseans and provides a framework for future action, the 2010 edition will reflect input from stakeholder groups and the public to identify goals and strategies to improve the health of Tennesseans and the effectiveness of our health care system. Public involvement is essential to creating a relevant and realistic plan; thus, the Division is planning an extensive public engagement campaign throughout 2010 that will reach every corner of the state. Through this campaign the Division will:

- Conduct meetings with key stakeholder groups (February and March)
- Aggressively promote a survey to help prioritize issues and identify promising resources around the state (March and April)
- Convene workgroups to develop recommended goals and strategies for each of the State Health Plan's Five Principles (April)
- Hold nine regional meetings throughout Tennessee in partnership with the Howard Baker Center for Public Policy to gain citizen input on recommended goals and strategies (May and June)

As a result of this public engagement campaign, the 2010 State Health Plan will offer a well informed narrative of issues that are important to Tennesseans as well as a vision for addressing these issues. The Division plans to draft the 2010 edition in July and August; solicit comments from the public, the HSDA, and the Advisory Committee in August and September; and submit the final 2010 edition to the governor for approval and adoption in September. Revisions to certain Certificate of Need program areas, as discussed below, will be included in the 2010 State Health Plan.

Reviewing and Revising Certificate of Need Standards

In 2009 the Division revised the CON standards and criteria for Positron Emission Tomography services and Cardiac Catheterization services – the first revisions to any CON program area standards and criteria in over ten years. These revised standards and criteria are included in the first edition of the State Health Plan. The Division followed an extensive public process for each revision.⁵ The Division is currently finalizing revised standards and criteria for Open Heart Surgery services and has begun its work on Home Health Services and Lithotripsy. The Division is also in the research stage for preparation for revisions to the Magnetic Resonance Imaging and of Radiation Therapy Services standards and criteria.

Table 1: Schedule of priorities for revising CON category standards and criteria and status of each

With the advice of the State Health Plan Advisory Committee, the following schedule lists priorities for revising CON category standards and criteria and the status of each.

Category	Status
1. Open Heart Surgery Services	Under revision
2. Home Health Services	Under revision
3. Lithotripsy	Researching
4. Magnetic Resonance Imaging	Researching
5. Radiation Therapy Services	Researching
6. Others to be determined with Advisory Committee	

⁵ Please see page 52 of the State Health Plan for more details.

Data-Driven Policy

The Health Planning Decision Support System

To aid in developing programs and policies, the Division is developing a health planning decision support system (HPDSS). Currently, HPDSS brings data from disparate state government sources for specific applications. In the future, the Division envisions the HPDSS as a central repository for key parts of the State Government's health-related data.

The first Data Mart (for CON Positron Emission Tomography units) was completed in August, 2008. The second Data Mart (for Magnetic Resonance Imaging units) is due to be completed in March, 2010. Additional data marts are planned for development in 2010, utilizing the All Payer Claims Database. Budget reductions have caused delays in the completion of this work. We hope to continue work on additional Data Marts for other CON services and facilities analysis purposes during 2010.

All Payer Claims Data

The Division is implementing the all payer claims database bill passed by the General Assembly and signed into law by Governor Bredesen on July 9, 2009. All payer claims data will allow a new level of planning and policy analysis because the data cover the full range of health care settings, from doctor's offices to pharmacies to hospitals (previously, only hospital claims data has been available). In addition, these data include the dollar amount that is paid for health care services. The data are collected from insurance companies' billing information; to protect identities and individuals' privacy, the statute requires that personally identifying information be removed before data are submitted to the state.

Tennessee is the ninth state to begin to collect all payer claims data. Other states have used all payer claims data to show the severity and costs to state residents of chronic diseases, to generate maps showing where patients from a geographic area go for treatment, and to help people know the average amount paid for common procedures.

The statute⁶ allows the use of all payer claims data for:

- Improving the accessibility, adequacy, and affordability of patient health care and health care coverage;
- Identifying health and health care needs and informing health and health care policy;
- Determining the capacity and distribution of existing health care resources;
- Evaluating the effectiveness of intervention programs on improving patient outcomes;
- Reviewing costs among various treatment settings, providers, and approaches; and

⁶ Tennessee Code Annotated Section 56-2-125.

- Providing publicly available information on health care providers' quality of care.

In 2009 the Division hired a contractor to collect data from insurers and work with the Tennessee Health Information Committee (created by the statute) to develop data submission rules. All Payer Claims data will be collected under the authority of the Department of Commerce and Insurance and housed in the HPDSS. Data collection from insurance companies will begin in 2010.

Tennessee State-Level Hospitalization Statistics is now Publicly Available

Detailed state-level statistics on hospitalizations are now public as a result of collaboration between the Department of Public Health, the Tennessee Hospital Association, and the Division of Health Planning. At the website www.hcupnet.ahrq.gov, one can find statistics on Tennessee hospitalization conditions and procedures. Statistics on frequency, length of stay, charges, patient mortality, and source of admission can be viewed by age, gender, type of insurance coverage, and hospital size, among other categories. This information can also be compared with that of other participating states. Statistics are available at the state level only, not for individual hospitals. No information on individual patients is available.

The statistics are now available as a result of conversations during a conference on data tools held in Maryland in December 2008. The Division of Health Planning led a delegation of Tennessee experts from inside and outside state government, including representatives of The Department of Health and the Tennessee Hospital Association. The Division successfully applied for the conference and federal funding to cover all expenses (only nine states were accepted).

HITECH Act

In the spring of 2009, through a series of weekly meetings, the Division coordinated the work of multiple state departments in preparation for HITECH Act grant announcements. The meeting participants developed all information necessary for the state's "shovel ready" health information technology projects to apply for HITECH Act grants. The following entities participated in the meetings: the state Departments of Finance and Administration (including its Office of Information Resources (OIR), Office of e-Health Initiatives, Division of Health Planning, Office of Consulting Services, and Division of Benefits Administration), Health, Mental Health and Developmental Disabilities, and Corrections; the Bureau of TennCare; The University of Tennessee – Memphis; East Tennessee State University; the Vanderbilt Center for Better Health; and QSource, the Centers for Medicare and Medicaid Services's quality information organization for Tennessee. The meetings were held from December 28, 2008 to March 24, 2009. Over this period, the Division developed a format for each health IT project, assisted each department in working through this format, collated the results, facilitated the process for developing priorities, and developed a historical narrative in compliance with the Act's requirements. Federal regulations were promulgated in August, 2009, and the Department of Finance and Administration's Office of e-Health Initiatives, working

with OIR, has taken over the task of ranking the priorities of the projects and applying for grants.

Healthcare Report Card on Diabetes and Hypertension⁷

The Division released the State Healthcare Report Card Version 1.1 – Diabetes and Hypertension in March 2009. This report, for the first time, provides information on diabetes and hypertension at county and regional levels within Tennessee. The report was produced in collaboration with QSource, Tennessee’s Medicaid and Medicare Quality Improvement Organization. The Division is now working on the second edition of this report card as well as gathering similar data on asthma in Tennessee, building on the lessons learned in creating this first report card to provide increased analyses of the quality of health care at the local level. The State Health Care Report Card was the result of a set of meetings by the Health Quality Initiative, a study group of state government health, health care, and health planning experts, and private sector volunteers.⁸

Other Health Planning Division Activities

The Division works collaboratively with many health and health care related entities inside and outside state government. For example, in 2009:

- Division staff members participated on Tennessee’s Emergency Adult Oral Health Task Force, headed by the DOH Chief Medical Officer, Veronica Gunn, M.D.
- The Division’s Director served as a board member for the Tennessee Institute of Public Health.
- The Division presented information to the Board for Licensing Health Care Facilities at its May, 2009 meeting on the possibility of increasing accountability to CON standards and criteria after a CON is granted.

⁷ The report card may be found at:

<http://www.state.tn.us/finance/HealthPlan/Documents/HealthcareReportCard.pdf>

⁸ Participants in this informal study group included: David Sensibaugh (Director of Integrated Health, Eastman Chemical); Cristie Travis, (Executive Director, Memphis Business Group on Health); Mark Frisee (Executive Director, Vanderbilt Center for Better Health); Jerry Burgess (Pres/CEO Health Care 21 Business Coalition) (Knoxville) and Gaye Fortner, COO; Nancy Blair (Manager, Employee Benefits, Federal Express); Executive Director Dawn Fitzgerald and other QSource representatives including John Couzins; Commissioner Dave Goetz and other F&A representatives including CIO Mark Bengel, Executive Director of Benefits Administration Laurie Lee, Asst. Director Brian Haile, Keith Athow, David Glenn, Bradley Myers; Health Planning Director Jeff Ockerman, Health Planning and Research Coordinator Eric Harkness, Health Quality Analyst Brooks Daverman; Director of e-Health Initiatives Melissa Hargiss; and Management Consultant Dr. Emily M. Passino; Commissioner Deborah Story; Commissioner Susan Cooper and other DOH representatives including Deputy Commissioner Jim Shulman, Assist. Commissioner Dr. Cathy Taylor, Director of Quality Improvement Bridget McCabe, M.D., Manager George Wade, Director of Policy, Planning, and Assessment Lori Ferranti, and Director of Health Statistics Terry Hendrix; Deputy Commissioner of TennCare Darin Gordon and other TennCare representatives including Medical Director Wendy Long, M.D., Asst. Medical Director Jeanne James, M.D., CIO Brent Antony, and CFO Scott Pierce; Commissioner Leslie Newman and C&I representatives Deputy Commissioner John Morris and Asst. General Counsel LaCosta Wix; MHDD IT Director Heather Gundersen; and Deputy Commissioner of Corrections Gayle Ray.

Future Work

While we now have the first edition of the State Health Plan, there is still much work to be done. During 2010, the Division will identify policy priorities, goals, and strategies to meet these goals through an extensive public engagement process (please see the outline of this process on page 5). Further, the Division will continue its work revising Certificate of Need program area standards and criteria, developing the Health Planning Decision Support System and the All Payer Claims Database, and identifying and assessing opportunities for cooperation between and among state departments and agencies. Additionally, the Division looks forward to working with the Departments of Health and of Mental Health and Developmental Disabilities to develop the processes for reviewing the health status of Tennesseans as presented to it annually by these departments, and to developing a mechanism through the health planning process for proposing legislation to the General Assembly.

About the Division of Health Planning:

Primary Roles

The Division of Health Planning was created by action of the Tennessee General Assembly and signed into law by Governor Phil Bredesen (TCA § 68-11-1625). It is charged with three primary roles:

- Creating a State Health Plan that:
 - guides state health care programs and policies and
 - guides the allocation of state health care resources
- Providing policy guidance to:
 - Respond to requests for comment and recommendations for health care policies and programs and
 - Review and comment on federal laws and regulations
- Assessing health resources and outcomes to:
 - Conduct an ongoing evaluation of Tennessee's resources for accessibility (financial, geographic, cultural, and quality) and
 - Review the health status of Tennesseans

Additional Duties:

The Division has the following additional specific duties set out by statute:

- Regarding the State Health Plan:
 1. To submit the State Health Plan to the Health Services and Development Agency for comment;

2. To submit the State Health Plan to the Governor for approval and adoption;
 3. To hold public hearings as needed;
 4. To review and evaluate the State Health Plan at least annually;
 5. To establish a process for timely modification of the State Health Plan in response to changes in technology, reimbursement and other developments that affect the delivery of health care.
- Other statutory duties are:
 6. To respond to requests for comment and recommendations for health care policies and programs;
 7. To conduct an ongoing evaluation of Tennessee's resources for accessibility, including, but not limited to, financial, geographic, cultural, and quality of care;
 8. To review the health status of Tennesseans as presented annually to the Division by the Department of Health and the Department of Mental Health and Developmental Disabilities;
 9. To review and comment on federal laws and regulations that influence the health care industry and the health care needs of Tennesseans;
 10. To involve and coordinate functions with such state entities as necessary to ensure the coordination of state health policies and programs; and
 11. To prepare an annual report for the General Assembly and recommend legislation for its consideration and study.

APPENDIX

The State Health Plan Advisory Committee

The Advisory Committee for the State Health Plan is comprised of Tennessee state elected officials, state government department and agency stakeholders, representatives from specific healthcare and business groups, and the public. The Division anticipates that private sector membership may change over time. The Committee is purposefully kept to a limited number at this time in order to encourage the discussion of broad topics of interest and an analysis of the framework of the State Health Plan from a statewide policy level, rather than focusing on detailed issues of particular interest to individual healthcare stakeholders.

The Advisory Committee meets in October of each year. At the first meeting on October 23, 2008, the Advisory Committee gave new direction for the initial framework of the State Health Plan. At the second meeting, on October 29, 2009, The Advisory Committee provided guidance on how to make the 2010 SHP useful and effective as a guide for the state's investment and resources. Members of the Advisory Committee are consulted on particular issues as they arise.

The members of the Advisory Committee are:

State Government Members:

- Chair of the Senate General Welfare, Health, and Human Resources Committee – Senator Rusty Crowe
- Chair of the House Health and Human Resources Committee – Representative Joe Armstrong
- Comptroller of the Treasury – Justin P. Wilson
- Commissioner of Finance and Administration – Dave Goetz
- Commissioner of Health – Susan R. Cooper
- Commissioner of Mental Health and Disabilities – Virginia Trotter Betts
- Deputy Commissioner of Finance and Administration and Director of the Bureau of TennCare – Darin J. Gordon
- Executive Director, Health Services and Development Agency – Melanie Hill
- Director, Office of e-Health Initiatives – (unfilled at the time of publication)

Non-state Government Members:

- American Health Planning Association – Arthur Maples, president; Baptist Memorial Hospital (Memphis)
- Long term care – Bruce Duncan, Assistant Vice President, National HealthCare Corp. (Murfreesboro)
- Health Insurance – David Locke, BlueCross BlueShield of Tennessee (Chattanooga)
- Tennessee Hospital Association – Mary Layne Van Cleve, COO (Nashville)
- Tennessee Medical Association – Albert J. Grobmyer, III, MD (Memphis)
- Public Policy – Rita Geier, Senior Fellow for Public Health, the Howard H. Baker Center for Public Policy, UT-Knoxville (Knoxville)
- Business – Cristie Travis, Memphis Business Coalition on Health (Memphis)



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