

VOLUNTARY BUYOUT PROGRAM
BUSINESS JUSTIFICATION
Health Care Finance and Administration
Bureau of TennCare

I. Executive Summary

HCFA has designated six (6) program areas for participation in the VBP. Summaries concerning the business reasons for selecting each group for participation, estimated operational impact and mitigating strategies are all reflected in this document. In most groups (based on Dept. id's), all employees were offered the VBP. Where certain otherwise eligible employees within a classification in a group were excluded, the exclusion has been denoted and associated justification provided. **NOTE:** HCFA has no present intention to select any of the groups for a reduction in force if VBP-eligible employees do not elect the VBP.

CHIEF MEDICAL OFFICE

The Provider Services Division within the CMO has seen a significant decrease in the number of paper applications received from providers seeking to create or update their profile for participation in the TennCare program, and the Electronic Health Records (EHR) Incentive Payment division has seen a significant decrease in the number of providers attesting for payments under the EHR Incentive Payment Program.

The Pharmacy Customer Service call center within the CMO has observed a decline in the number of phone calls received from enrollees seeking to have questions answered regarding the lock-in program and pharmaceutical coverage. The needs of the pharmacy division call center are largely supported by the separate vendor call center within the normal hours of the Bureau of TennCare's operation and are entirely supported by the same call center outside of business hours.

ACCOUNTING

As a result of automation in State Financial Systems, financial business processes have become more efficient over the past five years. Although the complexity of our financial business processes continues to increase, the redundancy and need for manual data entry and computation has greatly declined.

INFORMATION SYSTEMS

Based on restructuring and changes in daily operations, we have identified one unit within our Information Systems Division as VBP eligible as reflected in Section II.

LONG TERM SERVICES AND SUPPORT SECTION

LTSSS has been evolving from a paper based application process to a fully electronic system since late 2009. The identified positions, which existed prior to that time, have been individually reclassified accordingly, after natural attrition. The remaining positions have served to perform longer lasting remnants of the manual system, but with additional electronic efficiencies, are no longer necessary within LTSS. Along with technological displacement, LTSS has recently contracted with a vendor to ensure verification of court

ordered compliance and cost savings with mailing more than 1500 applicant letters each week; ending mailing processes previously performed by LTSS staff. Further, LTSS has implemented a training curriculum that has reduced user error in electronic submissions requiring correction and specific areas of call center volume. Finally, electronic records management has ended the need for physical records keeping. These initiatives have alleviated much of the administrative burden of the unit, greatly reducing the need for positions responsible for completing clerical or general administrative tasks. The same technological advancements which have displaced some classifications of staff have resulted in an increase in the need for professional level staff with broader judgment capabilities, advanced decision making skills and the ability to independently perform complex duties.

MANAGED CARE OPERATIONS

Both the Behavioral Health Operations Unit and Program Integrity Unit within the Division of Managed Care Operations have been identified as VBP eligible based upon program restructuring and current needs as reflected in Section II.

OFFICE OF GENERAL COUNSEL

The Office of General Counsel has been identified as VBP eligible based upon current needs of the office as reflected in Section II.

II. Business Justification and Assessment

CHIEF MEDICAL OFFICE

Chief Medical Office: The Chief Medical Officer is currently supported by one (1) Executive Admin Assistant 1 position. The current duties of this position will be absorbed by other administrative staff within the Chief Medical Office and the position will be repurposed/reclassified to an Executive Admin Assistant 2 (EAA2) position assigned duties of a more complex nature in support of the Chief Medical Officer and Associate Medical Director (existing position currently in the process of being filled), including but not limited to project management and programmatic analysis. Savings can potentially be achieved here by filling the EAA2 position at or near the entry level.

***NOTE:** Due to Enhanced Federal funding utilized for our medical positions in the CMO, this EAA1 position assigned to the Chief Medical Office does not appear in that same dept id (3186504015). Rather, this position is based in 3186504008.

Provider Services: The Provider Registration division within Provider Services processes approximately 1,000 applications for new or updated provider profiles required for participation in the TennCare program each month. Over the last 4 years, paper based provider applications have been replaced with an electronic provider registration system developed and deployed in three major phases. The most recent production release was deployed February 27, 2015, allowing all provider types the ability to submit application data electronically. Exception processing duties currently distributed among four (4) Managed Care Specialist 1 (MCS1) positions can now be completed by three (3) MCS1 positions. [Note: (1) Managed Care Specialist 1 position included in this count of eligibles is currently mismatched with a Managed Care Technician pending reclassification to a Managed Care Specialist 1.] Savings can

potentially be achieved here by the agency not refilling the remaining positions at present if accepted for participation in the VBP. Data entry and research previously requiring two (2) Managed Care Technician (MCT) positions will now be limited to exception processing that requires higher level staff. Savings can potentially be achieved here by replacing the two (2) MCT positions with one (1) MCS2 position to provide direct oversight to remaining MCS 1 positions performing exception processing

The Data division within Provider Services is responsible for data storage including paper applications. With implementation of electronic provider registration, paper applications for new or updated provider profiles required for participation in the TennCare program will no longer be accepted and the need for retrieval of paper documents will diminish. Filing, cataloging and retrieval of paper documents currently performed by one (1) Clerk 2 position and one (1) MCT position will no longer be needed. Savings can potentially be achieved here by the agency not refilling these positions at present if accepted for participation in the VBP.

The EHR Incentive Payment division is responsible for processing attestations from providers requesting incentive payments for adopting, implementing or upgrading to Certified Electronic Health Records systems to determine eligibility for receipt of payments under the program. The number of attestations received has consistently decreased each year since the program began in 2011. This unit of three has been managed by a Managed Care Program Manager 1 (MCPM1). Primary responsibilities for this manager have been to administer the federally funded EHR Incentive Program intake process by processing attestations for payment received from providers. Based on the aforementioned, we will repurpose duties of this position to provide oversight to what providers must experience beyond the intake process. This position will interpret a variety of rules, regulations, policies, procedures and documentation to facilitate communication with providers regarding the overall Provider Registration process utilizing the new electronic Provider Data Management System as well as the EHR Incentive Payment Program meaningful use guidelines. Responsibilities will include organization and prioritization of workloads spanning the Provider Registration Unit and the Quality Oversight Division, in addition to the development of provider type specific presentations based on database queries and logs to assist with provider education efforts. Savings can potentially be achieved here by filling the repurposed MCPM1 position nearer to the entry level.

Pharmacy: The Managed Care Operator (MCO) responsibilities include receiving calls from and placing calls to eligible enrollees to inform and educate them of services available with their pharmacy coverage. Data entry of each encounter is documented and includes history, concern, and final resolution. A procedural change in 4th QTR 2014 shifted calls to the pharmacy vendor call center. This process can be adopted across the board to allow queue based follow-up and resolution during state business hours. Duties associated with the two (2) current MCO positions could be absorbed by one (1) remaining MCO and one (1) existing Administrative Services Assistant 2 without interrupting service levels for enrollees and would include: Pharmacy Division policy maintenance, documenting and recording pharmacy initiatives, ad hoc and maintenance reports, and maintaining records of applicable edits, contracts, and contract deliverables from the vendor. Savings can potentially be

achieved here by the agency not refilling the (1) MCO position at present if accepted into the VBP.

ACCOUNTING (Including Drug Rebate Unit)

The Accounting Section experienced the implementation of Edison in September 2009, which converted the central accounting system to a state of the art Enterprise Resource Planning System. A number of administrative processes such as the liquidated damage tracking system, financial change request system, and EFT Enrollment request process for providers underwent automation. In addition, a number of other business processes have been partially or fully automated. As a result of our emphasis on automation, HCFA accounting spends more time performing financial analysis and working with complex databases and financial queries as well as with financial statements that previously were never handled at the agency level. This work requires a different and more advanced skill set than can be obtained utilizing some of our existing position classifications in this Section.

We have identified (2) Accounting Technician 2, (2) Accountant 2, and (2) Accountant 3 classifications in the Accounting Section for VBP consideration. [Note: (1) of the Accountant 2 positions eligible to apply for the VBP is occupied/mismatched with an Accountant 1 flex incumbent.] The Accounting Section is planning to restructure the current organization to create greater efficiencies and to better match the skill sets needed to meet current HCFA financial requirements. Should enough occupants in the designated classifications apply and be accepted to participate in the VBP, our plan would include reclassifying three (3) of the positions to (1) Fiscal Director 2, (1) Accounting Manager, and (1) ASA4. The remaining (3) positions would be repurposed within the agency or held vacant for non-recurring savings for a determined amount of time. If fewer than (6) eligibles apply for and are accepted to participate in the VBP, the agency will reclassify the positions of those accepting based upon the greatest need within the Accounting Division.

INFORMATION SYSTEMS

We have identified (1) Managed Care Program Manager 2 (MCPM2) position in dept id 3186503001 as VBP eligible for the following reasons:

Many duties associated with this Managed Care classification have been transferred to other program divisions within HCFA. Given current needs, our plan would be to repurpose/re-classify/downgrade this position to an Administrative Services Assistant 4 (ASA4) to better serve in a true administrative support role within the Information Systems division.

Assignments currently associated with this MCPM2 have been identified as job functions that can be distributed either to other employees within the division or to other divisions that are handling the majority of work in connection with the day to day functions of Managed Care.

Current job duties for the MCPM2 include: assigning and monitoring staff work to ensure assigned administrative tasks for the IS division are completed within specified time frames and prioritizes tasks in a manner consistent with the Bureau's over-arching priorities. This position also communicates, monitors, and assists staff in administrative processes involving

hiring, time and attendance and other related Edison activities such as Performance Management. In addition, the position is assigned to work with division staff in hiring new employees through liaison with TennCare HR staff to ensure appropriate procedures are followed in accordance with State and Bureau policies and procedures. Each of these functions will be assigned to the repurposed position that will be classified as an ASA4.

Other functions assigned to the MCPM 2 include attending a bi-monthly Operations meeting with or for the Director and the Facilities Manager contractor staff, reviewing operational activities and reports involving Interchange, file maintenance, claims data entry and provider escalated inquiries. These functions will be absorbed by other staff within the IS division. The Division's plan to re-classify this position to an ASA 4 is based on current need and knowledge that an ASA 4's job duties better align with the above job description. Savings can potentially be achieved here by repurposing/reclassifying/downgrading the MCPM2 position to an ASA4.

***NOTE:** There is a 2nd MCPM2 position in dept id (3186503001); however, this position is based and functions in a different unit within the Division of Information Systems. The assigned duties and responsibilities of these MCPM2 positions do not overlap or are they similar in function. The 2nd MCPM2 position is in the Claims and Encounter Section, assigned oversight responsibility for Crossover Claims and Fee For Service Claims in DIDD and Long Term Care. For these reasons, the person holding this classification is not eligible to participate.

LONG TERM SERVICES AND SUPPORT SECTION

LTSSS has successfully launched state wide software to automate clerical and administrative functions related to medical eligibility applications. This has eliminated the need for clerical positions including (1) Clerk 2; (2) Clerk 3's; (1) Data Entry Operator and decreased the need for (2) Managed Care Technician positions. Should all occupants of the (6) positions apply for and be accepted to participate in the VBP, our plan would include repurposing/reclassifying four (4) of the six (6) positions to Managed Care Spec 3's. The remaining (2) positions would be repurposed within the agency or held vacant for non-recurring savings for a determined amount of time.

MANAGED CARE OPERATIONS

Behavioral Health Operations: We have identified the Executive Administrative Assistant 3 classification as VBP eligible based upon program restructuring and the need for a program director type position to support the functions of the director in addition to directing daily document and data management responsibilities associated with Behavioral Health Operations including receiving and reviewing CRA required deliverables, maintaining behavioral health related data reports, reviewing and approving member materials, responding to providers concerning Managed Care Operations related issues, and submitting Requests for Information to the Managed Care Organizations. The EAA3 position will be repurposed/downgraded to a Managed Care Division Director position, which not only more clearly defines the role of the proposed position, but also achieves a cost savings.

Program Integrity Unit: The Director of Program Integrity is currently supported by one (1) Executive Administrative Assistant 2 position providing general administrative support; completing risk assessments, quarterly and on-request reports; deliverables; and, requests for information. These duties will be distributed among other personnel in the Unit, allowing the position to be repurposed and better utilized to fulfill needs of a more complex nature including but not limited to: coordination of all Healthcare Informatics projects; tracking management dashboards; analyzing management performance reports; and, managing the Program Integrity Database that coordinates case status between TennCare, Tennessee Bureau of Investigations, and the Office of the Attorney General. Savings will be achieved by filling the EAA2 position nearer to the entry level.

OFFICE OF GENERAL COUNSEL

OGC has a relative abundance of Legal Assistants in two of its three divisions but does not currently have any legal assistants in its third division where there is a great need for legal support. If a VBP-eligible Legal Assistant in either of the two currently staffed divisions applies for and is accepted to participate, that position would be repurposed to the third division to provide much-needed support to the third division's attorneys. While the position would continue to be classified as a Legal Assistant, there will be a complete overhaul of duties and virtually no overlap of any current duties associated with existing OGC Legal Assistants.

While there may be limited cost savings in such a scenario in terms of salary reduction between a current and newly hired Legal Assistant, the organizational efficiency will increase dramatically due to the demands that would be met in the third division and the cascading impact of such a reorganization positively impacting OGC and the agency as a whole.

To be clear, OGC would repurpose and fill this vacated Legal Assistant position with a new Legal Assistant employee performing different duties in a different unit.

III. Estimated Net Cost Savings

Please find attached Spreadsheet providing this information.

IV. Justification for Eligibility Appendix

The Appointing Authority does not wish to use eligibility factors different from those in the Program Document.

Approval:



Darin Gordon, Deputy Commissioner, Health Care Finance and Administration

05/12/2015

Date