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HASLAM UNVEILS ‘TENNESSEE PLAN’ FOR HEALTH CARE REFORM

Leverages federal dollars to purchase private health insurance for Tennesseans without access

NASHVILLE – Tennessee Gov. Bill Haslam today unveiled his plan to pursue real health care reform in the state.

Haslam announced that he will not expand TennCare rolls under the Affordable Care Act but instead is working to leverage the available federal dollars to purchase private health insurance for Tennesseans who would not otherwise have access to coverage.

“Tennessee has shown the nation how to produce true reform in education, based on students’ results and educational outcome. We’re beginning to do the same thing with reforming government service – again by measuring outcome and results rather than just years of service as a state employee,” Haslam said. “I believe Tennessee can also be a model for what true health care reform looks like; reform that will take significant steps to save the state and the nation from the unsustainable path we are on now.”

Haslam’s plan would take on the critical issue of aligning incentives among users, payers and providers of health care. The plan would:

- Leverage available federal dollars to purchase private health insurance for Tennesseans up to 138 percent of the federal poverty level who don’t have access to health insurance, which would translate to 175,000 more insured Tennesseans;
- Allow co-pays for those who can afford to pay something;
- Include a definitive circuit-breaker or sunset of the plan that could only be renewed with the General Assembly’s approval;
- And reform the payment structure for providers so they are compensated for health outcomes, not just based on services performed.

“Hospitals and medical providers have put a lot of sincere effort into working with us toward payment reform,” Haslam said. “I cannot emphasize enough how much I’ve been impressed with our hospitals’ willingness to work with us. To succeed, we also need cooperation from the Department of Health and Human Service (HHS), and we can’t get the same assurances from them at this point. Until we get those assurances, I cannot recommend that we move forward on this plan.

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“All we’re asking from Washington is to allow us to use the federal funds to provide coverage on the health care exchange in the same way many other Tennesseans will access coverage regardless of whether or not we expand. It’s a reasonable ask,” Haslam continued.

But as a result of the lack of clarity from HHS, the governor will not ask the General Assembly for approval to accept the Medicaid expansion federal funds as he continues to work for the flexibility needed to implement his plan.

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