Methodist Le Bonheur Center for Healthcare Economics


June 12, 2016
As in previous years, this year’s annual report of the Methodist Le Bonheur Center of Healthcare Economics (MLCHE) begins with a description of the mission, history, and objectives of the Center. The rest of the Annual Report summarizes the Center’s specific goals, objectives, and major accomplishments for the just completed 2014-2015 academic year. Finally, the goals and objectives for the 2015-2016 academic year are presented.

**Mission and Brief History:** In March 2003, Methodist Le Bonheur Healthcare, Inc., and the Urban Child Institute (formerly the LHS, Inc.) gave the University of Memphis a donation of $1.0 million to establish The Methodist Le Bonheur Center for Healthcare Economics (hereafter the Center) in the Fogelman College of Business and Economics. The mission of the Center is to address complex health care issues of efficiency, effectiveness, and equity with a focus on emerging health care issues that affect Memphis, Shelby County, and the state of Tennessee.

**Objectives:** Through a variety of research, instruction, and public service programs, the Center works closely with entities both internal and external to the University to accomplish its mission and objectives. In the near term, the key policy objectives emphasized by the Center will include, among other topics:

1. Evaluation of health care programs, such as health care reform, TennCare, and consumer-driven health plans, and the development of strategies and solutions for improving the quality and efficiency of health care delivery;
2. Analysis of regional and state health economic trends;
3. Assistance to stakeholders such as hospitals, nursing homes, and health plans in developing market analyses and business plans; and
4. Dissemination of best practice models to assist employers in the development and implementation of cost-effective strategies for improving employee health and saving health care costs.

**Expertise:** The Center is supported by a superb group of faculty associates who have distinguished themselves in the fields of health care economics and health care administration. These faculty associates are experts in conducting research in a wide range of critical health care issues including:

- Access to health care
- Health insurance coverage
- Health and health care disparities
- Cost effectiveness analysis of health care programs and interventions
- Quality improvement in health care
- Employee health benefits
- Hospital cost management
- Methodological issues in data collection, analysis, and management
Specific Goals and Objectives of MLCHE for 2015-2016

Goal 1: Explore external opportunities

Objective 1.1 - Promote visibility through outreach and exchange

- Tennessee Department of Health
  - Representing MLCHE, the Director of MLCHE, Dr. Cyril Chang, participated in the planning and formation of a newly established Tennessee Health Economics Consortium in the spring of 2015 under the auspices of the Tennessee Department of Health (TDH). The purpose was to assist TDH in incorporating basic health economics into public health strategic planning and decision making to improve efficiency and quality of program outcomes.

  - One of the immediate projects the Consortium was a health economics workshop offered to senior staff members and analysts of TDH in March 2015 to acquaint them with basic health economic concepts and applications of them to public health issues and programs. Another high-priority project was to assist the Commissioner of TDH, Dr. John Dreyzehner, in the development a job description and a recruitment plan to hire TDH’s first Senior Health Economist.

  - The Tennessee Health Economics Consortium met again in April 2016 with Commissioner John Dreyzehner and the newly hired Senior Health Economist in Nashville, Tennessee, to map out a work plan for the near term and identify specific long-term and immediate-term projects of mutual interest.

Objective 1.2 - Develop collaborative relationships

- Mississippi State University
  - Met and discussed at length on research projects of mutual interest with Dr. Ronald E. Cossman of the Mississippi Center for Health Workforce at Mississippi State University. Possible projects to pursue jointly by the Mississippi Center for Health Workforce and the Methodist Le Bonheur Center for Healthcare Economics included the development of a need assessment for Advanced Practice Registered Nurses (APRN) as a potential solution to the emerging primary care physician shortage in Tennessee.

  - Contract person: Ronald E. Cossman, Ph.D., Research Professor, Mississippi Center for Health Workforce, Mississippi State University.
Methodist Le Bonheur Healthcare
- Collaborated with the Corporate Office of Methodist Le Bonheur Healthcare by providing expertise and technical assistance on a wide range of issues and projects. Specific projects included:
  - Analyzed health and financial implications of Governor Haslam’s Insure Tennessee Program and evaluate the arguments for and against this market-driven alternative to the Medicaid expansion program made possible under the Affordable Care Act (aka, ObamaCare).
  - Participated in ongoing transformation of Methodist primary care network and practices into NCQA recognized Patient Centered Medical Homes by providing advice and technical expertise.
  - Worked closely with physician and non-physician researchers on innovation projects for potential submissions of research proposals.
  - Provided consultation service and offered expertise to upper management of Methodist Le Bonheur Healthcare on a wide range of business and economic issues.

University of Tennessee Health Science Center (UTHSC)
- Worked closely with UTHSC researchers and administrators on a variety of academic and engaged research projects including:
  - Provided advice and expertise to the Chancellor’s Office of UT Health Science Center on a wide range of strategic and operation issues and challenges.
  - Conducted an economic impact study to document the economic contributions of UT Health Science Center and its major capital projects that were the major building blocks of the medical school’s new five-year master plan.
  - Explored funding opportunities for timely and innovative fundable research projects.

Church Health Center
- Worked closely with the staff and senior administrators of the Church Health Center to assist in the ongoing strategic planning process to position this charitable health care organization for growth in a rapidly changing health care environment.

QSource® Tennessee, a multi-state Medicare Quality Improvement Organization (QIO) that serves Tennessee and four other states
- Worked closely with QSource® in developing collaborative opportunities for health care research and consulting projects.

The Memphis Business Group on Health
Partnered with this Memphis area business coalition that facilitates the effective and efficient purchases of health services in a series of joint efforts for promoting workplace health promotion and cost-effective disease management programs

- UTHSC Department of Pediatrics
  - Met and interacted with faculty members and researchers to explore opportunities to collaborate on research projects of mutual interest. Made substantial progress in the discussion of potential projects and preparation of research proposals for submission to the Centers for Medicare and Medicaid Services. Contact: Jon McCullers, MD, Department Chair

**Objective 1.3 - Plan, prepare and submit research grant and service contract proposals for external funding**

- The Urban Child Institute of Memphis, Tennessee
  - **Action:** Serving as a University of Memphis representative to the Board of Directors of the Urban Child Institute (TUCI), Dr. Cyril Chang, the Director of MLCHE, submitted a research proposal on behalf of the University of Memphis a proposal to the TUCI Board of Directors for funding support. The overall aim of this research initiative was to support the ACE (Adverse Childhood Experiences) prevention research. TUCI is a charitable nonprofit organization dedicated to the advancement of health and well-being of children in Shelby County, Tennessee, and has been a strong supporter of the mission of the University of Memphis since its inception. The UoM Office of Development served as the lead agency of this effort. Effort is underway for continued support next year.
  - **Result:** The University of Memphis was awarded a grant of 2 million by TUCI in April 2016.

- Tennessee Action Coalition
  - **Action:** A proposal was submitted to the Tennessee Action Coalition ($50,000) to conduct a 3-phase study of the economic impact of expanded practice role of nurse practitioners in Tennessee.
  - **Result – Funded:** $14,352 for Phase I analysis in September 2015

- Le Bonheur Children’s Hospital Le Bonheur Community Health and Well-Being
  - **Action:** A proposal ($91,650) was submitted to conduct a cost analysis of the Le Bonheur Asthma Project and an economic feasibility study of setting up a
dedicated asthma unit in the Le Bonheur Children’s Hospital as an alternative to the more expansive ER care.

- **Result**: Funded for 2014-2015 Academic Year

- **Recent state and local grants**

  - **Action**: Submitted research proposals to a variety of state and local foundations and funding agencies.

  - **Results**: Received the following grants and awards:

    2014 An engaged research project funded ($42,000) by the University of Tennessee Health Science Center to conduct an economic impact study of the major capital projects projected in the new UTHSC Campus Master Plan.

    2013 An engaged research project funded ($40,000) by United HealthCare to conduct a utilization analysis of ED services under the UnitedHealthcare Community Plan of Tennessee.

    2013 “Return on Investments in Public Health in Shelby County, Tennessee,” $10,350 awarded by the Healthy Shelby Project of the Memphis Fast Forward Initiative.

    2011-13 “Aligning Forces for Quality,” a $60,000 subcontract grant received from the Healthy Memphis Common Table for cost analysis under a $1.3 million grant awarded by the Robert Wood Johnson Foundation for the Aligning Forces for Quality Project.

    2011-13 “Cost Analysis of the Nurse-Family Partnership Program,” $41,625, a subcontract grant awarded by the Le Bonheur Children’s Hospital under a principal grant funded by the Health Resource and Services Administration, the U.S. Department of Health and Human Services.

**Objective 1.4** Explore consulting opportunities

- **The Green and Healthy Home Initiative**

  - **Action**: Explored consulting opportunities with Le Bonheur Community Health and Well-Being to provide economic analysis and assessment of their Green and Healthy Home Initiative (GHHI) to reduce the prevalence of childhood asthma.
o **Result:** Discussion and negotiation ongoing.

- **e4Enterprise of Littleton, Colorado**

  o **Action:** Discussed consulting opportunities with this Littleton, Colorado based health care consulting company to assist several health services Quality Improvement Organization (QIOs) in their efforts to bid for service contracts with the federal Center for Medicare and Medicaid Services (CMS).

  o **Result:** Discussion and negotiation ongoing

- **Tennessee Rural Health Partnership**

  o **Action:** Explored and discussed collaboration opportunities with Tennessee Rural Health Partnership and Tennessee Hospital Association with a focus on (a) rural health workforce shortages, (b) economic and health care implications of workforce shortages, and (c) the different pathways to a better solution for rural health care challenges.

  o **Result:** A service contract under negotiation.

- **Methodist Le Bonheur Healthcare**

  o **Action:** Worked closely with the Corporate Office of Methodist Le Bonheur Healthcare, Le Bonheur Children’s Hospital, and Methodist College of Nursing in providing expertise and technical assistance on a wide range of research and operational issues and projects.

  o **Results:** The collaboration resulted in the following tangible outcomes:
    - An economic impact study of the economic contributions of Le Bonheur Children Hospital in May 2016
    - An economic impact study of the expanded Cancer Care Center Project.
    - Consultation service to Methodist Le Bonheur Healthcare to assist in the implementation of patient-centered medical homes in 2015 and 2016.
    - Technical assistance to the Methodist Le Bonheur Corporate Office in connection with its evaluation of a faith-based community outreach program.
    - Participation in the design of a study of the recently expanded ED facility at the Methodist University Hospital to focus on the effects of expansion on payer mix and patient volume.

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**Goal 2:** Study and analyze health economic trends and issues
Objective 2.1 Study emerging health care issues in Tennessee and the Mid-South Region

Actions and Results:

- **Action:** Working collaboratively with a group of nursing policy researchers led by Dr. Lin Zhan, Dean of the UoM Loewenberg School of Nursing, MLCHE embarked on an in-depth analysis of the current supply and demand for Advanced Practice Registered Nurses (APRNs) in Tennessee and how they could contribute as a workforce solution to the emerging shortage of primary care providers by practicing to the full extent of their education and training.

  - **Result:** Completed a White Paper with funding support from the Tennessee Organizations of Deans and Directors of Nursing Programs:


- **Action:** Gathered and analyzed relevant data on the potential impacts of Affordable Care Act (ACA) on health and healthcare delivery in Tennessee for purpose of state-wide dissemination.

  - **Results:** A series of Health Care Issue Briefs prepared and released by MLCHE (http://www.memphis.edu/mlche/academics/publications.php):


- **Action:** Purchased jointly with the School of Public Health a large, multi-year hospital dataset, the National Sample of Hospital Emergency Department Dataset, from the HCUP Project of the federal Agency for Health Research and Quality (AHRQ). The data were acquired for use by health care researchers and graduate students interested in the research of hospital emergency department utilization and cost patterns.

- **Results:** The data sets have been installed, cleaned and tested.

  - A special workshop was held in the Fogelman College of Business and Economics on 5/13/2015 to exchange research ideas and plan research agenda with about 20 participants in attendance.
  - Between January and May 2016, three research manuscripts were prepared by members of MLCHE, Cyril Chang, PhD, Paige Powell, PhD, and Xinghua Yu, MD PhD, for conference presentation and journal submission.

- **Action:** Analyzed hospital utilization and emergency department visits

  - **Result:** Published Health Care Issue Briefs and occasional Center reports (available at the Center’s Website: [http://www.memphis.edu/mlche/](http://www.memphis.edu/mlche/)).


- **Action:** Prepared and submitted manuscripts to peer-reviewed academic journals.

  - **Result:** Submitted and published the following peer-reviewed articles in 2015-16 Academic Year:
• Powell, M. P., Yu, Xinhua, and Chang, C. F. “National Trends in Hospital ED Visits among Those with and without Multiple Chronic Conditions,” under review at *Emergency Medicine*.


Goal 3: Increase visibility of the Center within the University of Memphis and in the external Memphis health care community

Objective 3.1 Engage in collaborative research and service activities with health-related units/departments across the University of Memphis campus to promote engaged research

Actions and Results:

- **Action:** Building on the success and momentum from previous academic years, The Methodist Le Bonheur Center of Healthcare Economics continued to organize and hold monthly interdisciplinary research seminars under the funding support of Health Care Research Journal Club.

  - **Result:** A total 6 well attended seminars were held in 2015-2016. Topics ranged from preterm births, to the economics of cancer treatments and to eHealth and mHealth. In addition to their education value, the seminars also provided a forum for health care practitioners and university researchers to network and exchange research ideas.

Objective 3.2 Provide research opportunities and assist in the development of a richer research environment

- **Actions:** Serving as a campus resource, MLCHE provided leadership and resources to promote health care research among faculty researchers and graduate students.

  - **Results:**
    - Acquired the National Sample of Hospital Emergency Department Dataset from the HCUP Project of the federal Agency for Health Research and Quality (AHRQ) for use by faculty researchers and graduate students.
    - Provided 3 competitive faculty summer research grants totaling $19,000 to encourage health care research in the Fogelman College of Business and Economics.
    - Offered travel funds for faculty members and graduate students to attend health care conferences.
• Sponsored healthcare speakers for research seminars

• Provided graduate and undergraduate internships to work on healthcare projects

Objective 3.3 Serve the external health care community in the greater Memphis area

Actions and Results:

- In 2014-15, Dr. Cyril Chang continued his service to the Board of Directors of the Urban Child Institute. He served as a Board Director and chaired the Institute’s Investment Committee that oversaw the management of the Institute’s investment portfolio of $140 million.

- Dr. Cyril Chang served on the Board of Directors of QSourceAR™, a fully owned, non-profit subsidiary of QSource™ Tennessee. QSource AR™ and QSource™ Tennessee are both organized as nonprofit centers for health care quality improvement. QSource™ Tennessee is also officially recognized as a Medicare Quality Improvement Organization (QIO) for Tennessee.

- Public Speeches by Dr. Cyril F. Chang in 2014-2016:
  
  January 7, 2016  “The Economic Implications of Insure Tennessee,” an invited presentation given at a Non-Partisan Community Forum Regarding Governor Haslam’s Insure Tennessee Plan held at Baptist Memorial Hospital Education Center.

  March 20, 2015  “Cost Structure for Physician Practices,” an invited lecture given at the Economics of Population Health Workshop organized by the Tennessee Department of Health under a State Innovation Models (SIM) Initiative grant received by the Tennessee Department of Finance and Administration.

  March 20, 2014  “Mechanism Linking Self-Regulation in Early Life to Adult Health and Well-Being: What Do We Know and What Do We Need to Find Out?” Norfleet Forum for the Advancement of Health: Early Brain Development and Function – Impact on Social and Health Outcomes, A lecture conference sponsored jointly by the University of Tennessee Health Science Center and the Urban Child Institute.

Feb. 20, 2014  “ACA and End-of-Life Care,” an invited lecture given at the Methodist University Hospital in Memphis, Tennessee.

**Objective 3.4:** Engage print and other media outlets to promote the Center’s visibility and outreach

- Engaged print media and contributed op-ed articles on TennCare and health-related topics:
  - Published newspaper op-ed page articles:
  - Newspaper Interviews:
    - Interviewed and quoted at length by reporter Kevin McKenzie of the Memphis Commercial Appeal in his article, dated January 28, 2015, “Memphis Hospitals Prepare for Medicare Reform.” Dr. Chang offered his views on Medicare’s linking payments to quality as part of President Obama’s health reform under the Affordable Care Act of 2010.
    - Quoted by reporter Kevin McKenzie of the Memphis Commercial Appeal in his front-page article, “From Memphis, the view of slower health care spending varies,” dated January 8, 2014.
    - Quoted at length in an April 9, 2014, Memphis Commercial Appeal article by reporter Kevin McKenzie about the release of Medicare doctor reimbursement data by the Center of Medicare and Medicaid.
Goal 4: Promote wellness and health promotion programs for a healthier community

Objective 4.1 Develop a close working relationship with external partners and stakeholders to explore collaborative opportunities

Actions and Results:

- Contacted, met, and discussed projects of mutual interest with representatives from a wide range of community partners including:
  - Tennessee Department of Health
  - Shelby County Mayor’s Office
  - Memphis Fast Forward
  - Merck, Inc.
  - Congressman Steve Cohen’s Office
  - The Memphis Bioworks
  - The Memphis Medical Society
  - Healthy Memphis Common Table Health Alliance
  - The Urban Child Institute
  - The Methodist Le Bonheur Healthcare, Inc.
  - The Regional Medical Center at Memphis
  - The Memphis Business Group on Health
  - College of Medicine, the University of Tennessee Health Science Center
  - Colleges of Nursing and Pharmacy of the University of Tennessee Health Science Center
  - Christ Community Health Care

Objective 4.2 Participate in community wellness and health promotion activities

Actions and Results:

- Worked with QSource™ Tennessee, the Center for Healthcare Quality in Tennessee, in providing expertise in economic evaluation of health promotion and intervention programs
Worked with the Memphis Common Table Health Alliance in promoting health and wellness of residents and employees of the greater Memphis area

**Goal 5:** Provide analytical expertise to external stakeholders

**Objective 5.1** Provide technical assistance as a community resource on health care economics matters

**Actions and Results:**

- Offered expertise and *pro bono* consultation service to the Tennessee Department of Health

- Provided health insurance coverage and other data to a variety of external stakeholders including the Memphis newspaper The Commercial, Shelby County Government, the Memphis Common Table Health Alliance, Methodist Le Bonheur Healthcare, and numerous other business and civic entities and individuals.

- Worked with and provide business expertise to senior administrators of University of Tennessee Health Science Center on a wide range of strategic planning issues of mutual interest.
Primary Goals for 2016 - 2017 and Evaluation Metrics

**Goal 1**: Explore external opportunities
- Continue to promote visibility through outreach and exchange activities
- Plan, prepare, and submit grant proposals
- Explore consulting opportunities

**Goal 2**: Study and analyze health economic trends including the impact of Affordable Care Act in Tennessee and related state health reform issues
- Measure the economic contributions of RNs and APRNs
- Continue the collection and analysis of data for Tennessee Hospital Data series and the publication of periodic Health Care Issue Briefs on issues relating to potentially avoidable hospitalizations and non-urgent emergency room visits
- Collect and compile reliable TennCare data and documentation
- Analyze TennCare’s financial status and disseminate information to inform the public of TennCare’s past, present and future

**Goal 3**: Increase visibility of the Center within the University of Memphis campus and in the external Memphis Health Care community
- Manage the University of Memphis Health Care Research Journal Club as a forum for health policy discussion and exchange of ideas for practitioners in the health care community and academic researchers.
- Engage in collaborative research and service activities with health-related units/departments across the University to promote engaged research
- Serve the external health care community in the greater Memphis area
- Engage printed and other media outlets to promote the Center’s visibility

**Goal 4**: Promote wellness and health promotion programs for a healthier community
- Develop a close working relationship with external partners and stakeholders to explore collaborative opportunities
- Participate in community wellness and health promotion activities

**Goal 5**: Provide analytical expertise to external stakeholders
- Provide technical assistance to external stakeholders such as Methodist Le Bonheur Healthcare, Common Table Health Alliance, The Urban Child Institute, and major local employers