



**The Methodist Le Bonheur Center for
Healthcare Economics**

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Methodist Le Bonheur Center for Healthcare Economics

Annual Report for the Period

May 2012 - April 2013

May 15, 2013

As in previous years, this year's annual report of the Methodist Le Bonheur Center of Healthcare Economics begins with a description of the mission, history, and objectives of the Center. This is followed by a brief review of a recently completed major research initiative, a comprehensive examination of the impact of national health care reform on health care delivery in Tennessee and in Shelby County, Tennessee. The rest of the report summarizes the Center's specific goals and objectives for the just completed 2012-2013 academic year and our major accomplishments. Finally, the goals and objectives for 2013-2014 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 for 2012-2013

Goal 1: Explore external opportunities

Objective 1.1 - Promote visibility through outreach and exchange

- The Chinese Ministry of Health
 - Meeting with the Honorable Dr. Chen Zhu, Minister for Health, The People's Republic of China: Dr. Cyril Chang, the Director of the Methodist Le Bonheur Center for Healthcare Economics, was invited to a breakfast meeting with the Honorable Dr. Chen Zhu and his wife, Dr. Chen Sai-Juan, on October 6, 2012 at St. Jude Children's Research Hospital in Memphis, Tennessee. Dr. Zhu was a keynote speaker at a research symposium as part of St. Jude's 50th year anniversary celebration. At the special breakfast meeting held on the St. Jude campus, Dr. Chang extended an invitation to Dr. Chen and his Chinese Ministry of Health colleagues to visit the University of Memphis and exchanged ideas with the Chinese guests on a wide range of health and health reform topics of mutual interest and concern.

Objective 1.2 - Develop collaborative relationships

- Le Bonheur Community Health and Well-Being
 - During the 2012-13 academic year, the Methodist Le Bonheur Center for Healthcare Economics continued the subcontract work for Le Bonheur Community Health and Well-being, a community outreach division of Le Bonheur Children's Hospital, under a multi-site, federally-funded project, the Nurse-Family Partnership Program. The Center's role in this partnership is to track and analyze the costs of this well-known, evidenced-based intervention program designed to improve the health outcomes of at-risk infants and their first-time mothers. Contact persons: Corey Johnson and Sandra Allen, both of Le Bonheur Children's Hospital.
- Department of Pediatrics at UTHSC
 - 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 persons: Jon McCullers, MD, and Keith English, MD.
- Memphis Medical Society
 - Maintained a close, strategic working relationship with the Memphis Medical Society on projects of mutual interest. Contact person: Mike Cates, Executive Director of the Memphis Medical Society

- QSource,[®] Tennessee's Medicare Quality Improvement Organization (QIO)
 - The Center worked closely with QSource[®] research personnel in the development of a wide range of collaborative opportunities for health care research and consulting projects. Contact person: Dawn Fitzgerald, President and CEO.

- Healthy Memphis Common Table
 - Dr. Cyril Chang, the Center's Director, and the Center's research associates worked in concert with Ms. Renee Frazier, the Executive Director of the Healthy Memphis Common Table, and her staff on a variety of community-wide health care initiatives. The focus of 2012-13 was to prepare and publish three special reports on, respectively, potentially avoidable hospitalizations, non-urgent ED visits, and Project Better Care, a community-based quality improvement project to help primary care practices and their patients with chronic conditions to improve the care delivered to diabetes patients.

- The University of Tennessee Health Science Center, Consortium for Health Education, Economic Empowerment and Research (CHEER):
 - The Center for Health Care Economics has formed a collaborative relationship with the newly-established CHEER to explore opportunities to collaborate on projects of mutual interest. Contact person: Dr. Shelley I. White-Means, Director of CHEER, the University of Tennessee Health Science Center.

Objective 1.3 - Plan, prepare, and submit grant proposals

- The Centers for Medicare and Medicaid Services (CMS) Healthcare Innovation Challenge Grants
 - Action: Planned and explored opportunities for submission of at least two proposals with collaborators including Healthy Memphis Common Table, Le Bonheur Children's Hospital, UT Health Science Center, Church Health Center, and Methodist Health Care.

 - Result: Two potential projects under preparation including a pediatric patient-centered medical home project for high-risk infants and an adult patient-centered medical home project.

 - Action: Designed and wrote a subcontract proposal (\$182,335) to conduct cost and ROI analysis under a principal proposal, "Early Success for NICU Grads: A Continuum of Medical and Social Supports," submitted to the Center for Medicare and Medicaid Services (CMS) for an Innovation and Challenge grant by Le Bonheur Community Health and Well-being of the Le Bonheur

Children's Hospital (total budget of the principal proposal, \$6,559,159 for three years).

- Result: Not funded
- Action: Designed and wrote a subcontract proposal (\$150,000) to conduct cost and ROI analysis under a principal proposal, "Project Better Care," submitted to the Center for Medicare and Medicaid Services (CMS) for an Innovation and Challenge grant by the Healthy Memphis Common Table (total budget of the principal proposal, \$4.3 million for three years).

- Result: Not funded

Action: Designed and wrote a subcontract proposal (\$182,335) to conduct cost and ROI analysis under a principal proposal, "Changing High-risk Asthma in Memphis Through Partnerships," submitted to the Center for Medicare and Medicaid Services (CMS) for an Innovation and Challenge grant by Le Bonheur Community Health and Well-being Program of the Le Bonheur Children's Hospital (total budget of the principal proposal, \$7,244,059 for three years).

- Result: Funded to The Le Bonheur Community Health and Well-being Program of the Le Bonheur Children's Hospital.

- State and local foundation grants

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

- Result: Received the following grants and awards:

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.

2011-2013 "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.

2011-2013 "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.

2011-2012 “Impact of Health Reform on Health System in Tennessee,” \$20,000,
The Assisi Foundation of Memphis, Tennessee

2011-2012 “Impact of Health Reform on Health System in Tennessee,” \$50,000,
Blue Cross/Blue Shield of Tennessee.

Objective 1.4 Explore consulting opportunities

Actions and Results:

- United Healthcare
 - Action: Explored and discussed collaboration opportunities with United Healthcare on research projects relating to the utilization of hospital emergency services for TennCare insured patients.
 - Result: A service contract under negotiation.

- UT Health Science Center
 - Action: Made numerous visits to the Office of Executive Vice Chancellor and Chief Operating Officer to discuss opportunities for collaborations and consulting services.
 - Result: Awarded a service contract to study UTHSC’s manpower and economic contributions in Tennessee. Other projects are currently pending.

- Methodist Le Bonheur Healthcare
 - Action: Worked closely with the Corporate Office of Methodist Le Bonheur Healthcare, Le Bonheur Children’s Medical Center, and Methodist College of Nursing in providing expertise and technical assistance on a wide range of research and operational issues and projects.
 - Result: The collaboration resulted in the following tangible outcomes:
 1. An economic impact study of the expanded Cancer Care Center Project.
 2. A study of Le Bonheur Children’s Hospital’s economic impact on the Memphis and Shelby County economy.
 3. An economic impact study of a proposed change in TennCare reimbursement policy that could severely affect TennCare payments to Le Bonheur Children’s Hospital and the Memphis regional economy.

4. Consultation service to Le Bonheur Children's Medical Center in its effort to win a U.S. Department of Health and Human Services grant to provide home visitation services to at-risk mothers;
5. Technical assistance to the Methodist Le Bonheur Corporate Office in connection with its evaluation of a faith-based community outreach program.
6. Participation in the preparation of a corporate strategic retreat to assess the impact of health care reform.

Goal 2: Study and analyze health economic trends and issues

Objective 2.1 Study emerging health care issues

Actions and Results:

- Action: Collected and analyzed hospital utilization and discharge data
- Result: Published health care issue briefs and occasional Center reports (available at the Center's Website: <http://www.memphis.edu/mlche/>):
 - **Chang**, Cyril F. "Status Report on Efforts to Advance Understanding and Awareness of Non-Urgent and Primary-Care-Sensitive Hospital Emergency Department Visits in Memphis and Shelby County, Tennessee," Healthy Memphis Common Table Take Charge Report #7, March 2013
 - **Chang**, Cyril F. "Status Report on Efforts to Understand and Create Awareness of Potentially Avoidable Hospitalizations in Memphis and Shelby County, Tennessee," Healthy Memphis Common Table Take Charge Report #5, September 2012.
 - **Chang**, Cyril F. "Potentially Avoidable Hospitalizations in Shelby County, Tennessee," an Issue Brief released by the Methodist Le Bonheur Center for Healthcare Economics, Fogelman College of Business and Economics, The University of Memphis, May 2012.
 - **Chang**, Cyril F. "Non-urgent ED Use in Shelby County, Tennessee," an Issue Brief released by the Methodist Le Bonheur Center for Healthcare Economics, Fogelman College of Business and Economics, The University of Memphis, August 2012.
 - **Chang, CF**, Mirvis, DM, Gnuschke et al. "The Impact of Health Reform in Tennessee," a report prepared and published by the Methodist Le Bonheur Center for Healthcare Economics, The University of Memphis, Jan. 2012.

- Lubiani, G. G., Pope, R. A., and **Chang**, C. F. “Potentially Avoidable Hospitalizations in Tennessee, 2008,” an issue brief prepared and published by the Methodist Le Bonheur Center for Healthcare Economics, the University of Memphis, May 2011.

Chang, C. F., Mirvis, D. M., et al. “The Impact of Health Reform in Shelby County, Tennessee,” a report prepared and published by the Methodist Le Bonheur Center for Healthcare Economics, the University of Memphis, Jan. 2011.

Chang, C. F., Mirvis, D. M., Gnushke, J., et al. “The Economic Impact of the University of Tennessee Health Science Center,” a report commissioned by the University of Tennessee Health Science Center and prepared by the Methodist Le Bonheur Center for Healthcare Economics, the University of Memphis, May 2011.

- Action: Prepared and submitted manuscripts to reputable refereed journals.
- Result: Published the following reports and peer-reviewed articles:
 - Mirvis DM and **Chang** CF, “Tennessee’s Option to Expand Medicaid Coverage: What are the Issues?” Tennessee Medicine (The Official Journal of the Tennessee Medical Association), November/December 2012:27-31.
 - Waters, T. M., **Chang**, C. F., Mirvis, D. M., et al. “The Impacts of High-Deductible Consumer-Directed Health Plans,” a manuscript currently under second review at Health Services Research, 2011; 46(1Pt1):155-172.
 - Warren C. L., White-Means S. I., Wicks, M. N., **Chang**, C. F., Gourley, D., and Rice, M. "Cost Burden of the Presenteeism Health Outcome: Diverse Workforce of Nurses and Pharmacists," *Journal of Occupational and Environmental Medicine*, 2011, 53(1):90-99.
 - **Chang** C. F., and Troyer, J. L. “Trends in Potentially Avoidable Hospitalizations among Adults in Tennessee, 1998-2006,” *Tennessee Medicine* (The Official Journal of the Tennessee Medical Association), November/December 2011:35-45.

Goal 3: Increase visibility of the Healthcare Economics Center within the University of Memphis campus 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: Built on the momentum from previous years, The Healthcare Economics Center continued to organized and held monthly interdisciplinary research seminars under the funding support of Health Care Research Journal Club.

Result: A total 6 well attended seminars were held in 2012-2013. Topics ranged from the future of medical practices, to the impacts of health reform in Tennessee and Shelby County, Tennessee, and to health information systems. The seminars also provided a forum for health care practitioners and university researchers to network and exchange ideas.

- Action: Provided planning and design support for the proposed School of Public Health at the University of Memphis. Worked closely with the faculty and administrators of the School of Public Health in assisting its growth and development.

Results: Participated in the design and development of the Ph.D. program in Health Services and System Research and the recruitment of 3 new faculty members. Co-sponsored external speakers to visit the University of Memphis and address faculty and graduate students.

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

Actions and Results:

- Applied for and received Hospital Inpatient and Outpatient Discharge Datasets for 2009 and 2010 and the Joint Annual Report of Hospitals for the same two years for use by faculty and students
- Offered travel funds for graduate students and faculty members to attend health care conferences

- Sponsored healthcare speakers for research seminars
- Provided graduate and undergraduate internships to work on health care projects

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

Actions and Results:

- In 2012-13, Dr. Cyril Chang continued his service on the Board of Directors of the Urban Child Institute serving as both a Board member and the Chairman of the Board. He also chaired the Institute's Investment Committee that oversees the management of the Institute's investment portfolio.
- Dr. Cyril Chang serves 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:
 - May 10, 2013 "Health Reform in Tennessee and Pediatric Practice," an invited lecture given at the 2013 Etteldorf Symposium at Le Bonheur Children's Hospital in Memphis, Tennessee.
 - May 8, 2013 "National Health Care Reform – An Update," an invited lecture given at the St. Jude Children's Research Hospital.
 - March 5, 2013 "Should Tennessee Expand Medicaid/TennCare: What Are the Options," given to the Mid-South Chapter of the American Association of Health Insurance Underwriters in Memphis, Tennessee.
 - July 13, 2012 "Health Reform and the News Media," given at the 2012-13 Regional Health Journalism Fellows Conference held in Memphis, Tennessee.
 - April 12, 2012 "The Individual Mandate Controversy and the Supreme Court," a Grand Rounds speech given at the St. Jude Children's Research Hospital

- April 4, 2012 “The Mandate and the Supreme Court,” a lecture given at the Business Managers’ Conference of the University of Tennessee Medical Group, Memphis, Tennessee
- Feb. 15, 2012 “U.S. Health Care and Health Care Delivery in the Post-Reform Environment,” given at the Systems-Based Practice Lecture Series for Clinical Fellows at St. Jude Children’s Research Hospital, Memphis, Tennessee
- August 18, 2011 “American Health and Social Welfare Systems: A Cross-Cultural Perspective,” given to a delegation of visiting municipal officials from the City of Chongqing, China
- March 11, 2011 “Impacts of Health Care Reform in Shelby County, Tennessee,” given at Methodist Le Bonheur Health Care 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:
 - Op-Ed article, “Health Care Sure to Polarize Elections,” *The Memphis Commercial Appeal*, July 6, 2012.
 - Quoted in a *Memphis Commercial Appeal* article dated, December 19, 2012, on the ongoing health care construction boom that sustained the Memphis economy.
 - Featured and quoted extensively in a *American Medical News* article, dated September 24, 2012, and titled, “Will Health Coverage Cost Trends Blunt the Rebound in Physician Office Visits?”
 - Quoted extensively in a *Memphis Commercial* article dated, June 29, 2012, on the Supreme Court ruling on constitutionality of Medicaid expansion.
 - Op-Ed article, “Four Provisions Underpin Health Reform,” *The Memphis Commercial Appeal*, April 6, 2012.
 - Op-Ed article, “Health Reform Taking Shape” (with David Mirvis), *The Tennessean*, January 26, 2012.
 - Op-Ed article, “Stars Aligning for Health Care in Memphis,” *The Memphis Commercial Appeal*, December 8, 2011.

- Op-Ed article, “Health Care Act Has Benefits, with Caveats,” *The Memphis Commercial Appeal*, February 3, 2011.
- Appeared in a 4-part TV documentary, “Southern Remedy: Mississippi’s Big Problem,” that focused on the state’s obesity epidemic to discuss the economics of obesity and effective strategies. The series were aired throughout Mississippi and other parts of the county in the summer and fall of 2011.
- Interviewed by reporter Aisling Maki and was quoted extensively in an article on Smith & Nephew and the medical device industry in the Dec. 22, 2011, edition of *The Memphis Daily News*.
- Interviewed and quoted extensively by reporter Toby Sells in an article on the merger of Memphis area hospitals and medical clinics in the Nov. 26, 2011, edition of *The Memphis Commercial Appeal*.
- Interviewed by reporter Toby Sells and quoted extensively in an article on health care and recession in the Nov. 14, 2011, edition of *The Memphis Commercial Appeal*.
- Quoted extensively in the Oct. 10, 2011, edition of *American Medical News* (The official newspaper of the American Medical Association) by staff writer Victoria Stagg Elliott in a story on the slowing down in health care utilization by both the insured and uninsured Americans.
- Guest appearance on an AM990 Talk Show Program “AM Memphis” to discuss health care reform with program host Chris Wade and answered call-in questions from the listeners on July 29, 2011.
- Interviewed by reporter Toby Sells and quoted extensively in an article on health care reform’s impacts on job growth and the economy in the Feb. 24, 2011, edition of *The Memphis Commercial Appeal*.
- Interviewed by reporter Christopher Sheffield and quoted extensively in an article ‘Compensation divide: Gulf is growing between numbers for primary care, specialist practices,’ in *Memphis Business Journal*, Feb. 11-17, 2011.

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:
 - Shelby County Mayor's Office
 - Memphis Fast Forward
 - Congressman Steve Cohen's Office
 - Memphis Mayor's Innovation Delivery Team
 - The Memphis Medical Society
 - Healthy Memphis Common Table
 - The Urban Child Institute
 - The Methodist Le Bonheur Healthcare, Inc.
 - The Regional Medical Center at Memphis
 - The Memphis Business Group on Health
 - Colleges of Medicine, the University of Tennessee Health Science Center
 - Colleges of Nursing and Pharmacy of the University of Tennessee Health Science Center
 - Medical Educational Research Institute
 - The Methodist University Hospital
 - Accredo Specialty Pharmacy
 - Memphis Mental Health Summit

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 Healthy Memphis Common Table 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

Actions and Results:

- Worked with and provided technical assistance to County Mayor Mark Luttrell and his special health care policy advisor, Dr. Kenneth Robinson, in

the launch a major county-wide health initiative, the Memphis Triple Aim Project.

- Worked with and advised Dr. Ken Brown, Executive Senior Vice Chancellor of UTHSC on a wide range of strategic planning issues of mutual interest, and with Dr. David Stern on the economic impact of the College of Medicine and branding issues facing UTHSC.
- Participated in strategic planning sessions initiated by the senior management of Methodist University Hospital in Memphis

Primary Goals for 2013 - 2014 and Evaluation Metrics

Goal 1: Explore external opportunities

- Promote visibility through outreach and exchange activities
- Plan, prepare, and submit grant proposals with a focus on payment reform and financial incentives in health care
- Explore consulting and internship opportunities

Goal 2: Study and analyze health economic trends including TennCare and related state health reform issues

- Track and analyze economic impact of health care reform in Tennessee and Shelby County, Tennessee
- Measure the economic contributions of the Memphis medical community
- Continue the collection and analysis of data for Tennessee Hospital Data series and the publication of Issue Briefs on issues relating to potentially avoidable hospitalizations and non-urgent emergency room visits
- Collect and compile reliable TennCare data and documentation

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, Baptist Memorial Health Care, the Urban Child Institute, Healthy Memphis Common Table, and major local employers