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Division of TennCare Recommended FY2021 Budget

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DIVISION OF TENNCARE

Recommended FY2021 Budget

TennCare: Focused on Quality



In 2018 there were 205 fewer NAS births in TN – **the largest reduction in the nation.**

“Overall, TennCare continues to receive positive feedback from its recipients, with **94 percent** reporting satisfaction with the program. This **positive feedback** is a strong indication that TennCare is providing satisfactory medical care and meeting the expectations of those it serves.”

THE IMPACT OF TENNCARE

A Survey of Recipients, 2019

Prepared by

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Research Associate, BCBER

September 2019



RODOLPH CENTER FOR BUSINESS & ECONOMIC RESEARCH

In an article published by The Commonwealth Fund titled “Creating Better Systems of Care for Adults with Disabilities: Lessons for Policy and Practice” the authors say TennCare’s Employment and Community First CHOICES is **“a model for other states considering a transition from fee-for-service to managed Medicaid for beneficiaries with disabilities.”**



TennCare Connect won a 2019 State Experience Award. This award recognizes the **achievements and best practices of states**, cities and counties that have gone to the web and beyond to radically **improve the experience of government** and push the boundaries of how citizen services are delivered.



TennCare’s LTSS value-based enhanced respiratory care program is **achieving ventilator liberation rates near 60%**. This work is done by 10 independently owned Skilled Nursing Facilities achieving ventilator weaning rates comparable to (and in some cases higher than) the Mayo Clinic.

In 2019, **175 high-quality MAT providers** are treating over 6,000 TennCare members for opioid use disorder in a dedicated treatment network.



Improvements in TennCare’s well child visit, immunizations, and preventative health screens for kids under age 21:

- EPSDT screening rates **increased from 74% to 77%** from 2017 to 2018
- For children under age 5, the screening rate is **above 90%**
- **80 counties increased** their EPSDT screening rate from 2017 to 2018, with 6 counties achieving a screening rate above 90%

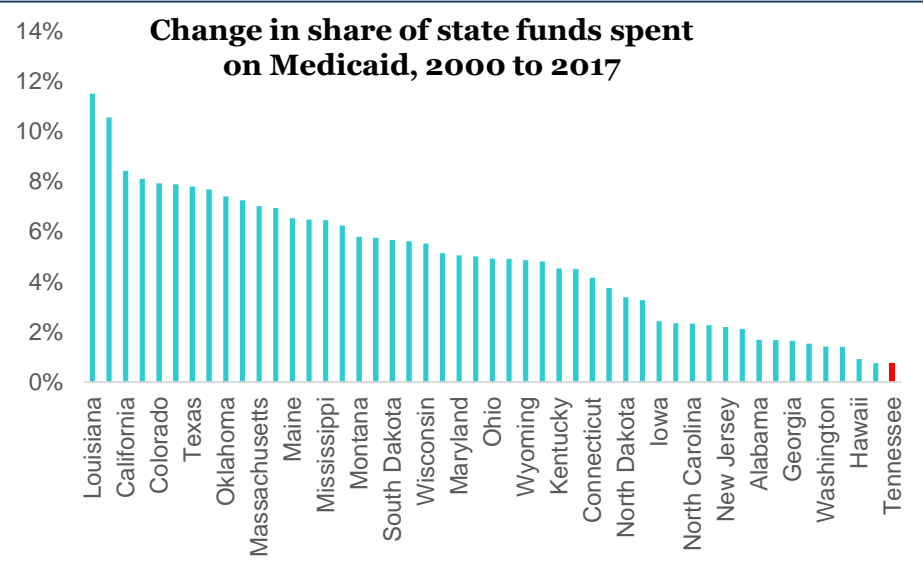


Tennessee is the **first state** where all three health plans have received this distinction award for coordinating long-term services and supports that deliver **efficient, effective person-centered care.**



TN

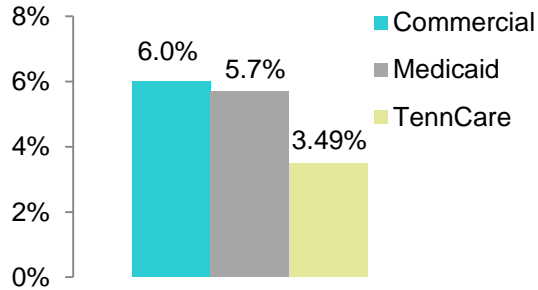
TennCare: Focused on Fiscal Sustainability



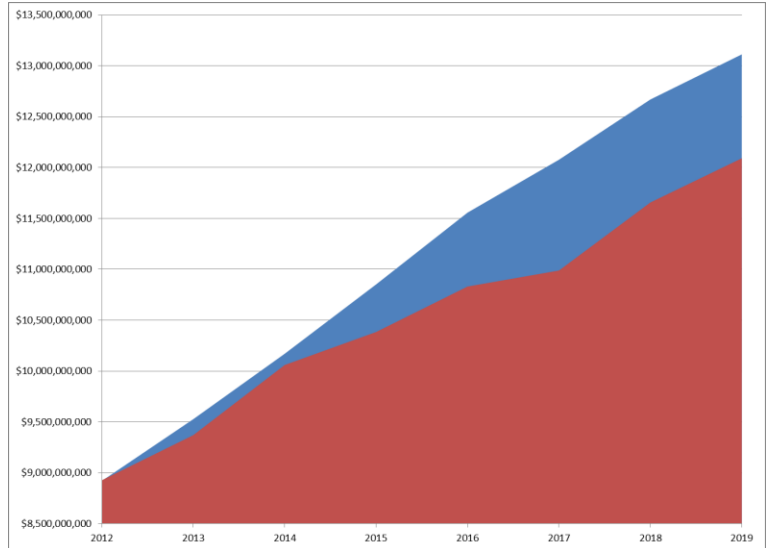
According to a Pew Trust study, from 2000 to 2017 TennCare **outperformed all other states** in limiting the growth of the share of the state budget going to support Medicaid

TennCare Budget, SFY2012 – SFY2019
Average State Trend v. Actual TennCare Budget

TennCare Medical Trend Rate: 3.49%



If TennCare's trend rate had tracked equal to the national Medicaid state average rate since 2012 TN would have spent a cumulative total of **\$1.6 billion more state dollars** to run the current program



■ TennCare Budget at Average State Trend
■ Actual TennCare Budget



TennCare: On The Horizon – Pending Waiver Amendments

Katie Beckett Waiver Amendment Update

- ✓ Extensive stakeholder engagement including a Technical Advisory Group of family, clinical, and advocacy experts.
- ✓ Submitted Amendment 40 to CMS on September 20, 2019.
- ✓ TennCare has been working collaboratively with DIDD, contractors and external stakeholders to prepare for program implementation pending CMS approval.



Block Grant Waiver Amendment Update

- ✓ Per legislation, the block grant amendment was submitted to CMS on November 20.
- ✓ Prior to submission, TennCare provided a 30-day public comment period which included public comments hearings.
- ✓ Upon receiving Amendment 42, CMS held its own 30-day public comment period which ended on December 27, 2019.
- ✓ If an agreement on the block grant waiver amendment is reached between CMS and the administration, the General Assembly must approve the agreement prior to implementation.



TennCare: On The Horizon - Waiver Renewal

- ✓ TennCare receives authority to run its program through the 1115 Waiver.
- ✓ The TennCare waiver must be re-approved by CMS every three to five years.
- ✓ TennCare's current approval runs through June 30, 2021. TennCare will submit its renewal application to CMS by June 30, 2020.
- ✓ In general, we anticipate that TennCare will be asking for no changes as part of the renewal.
- ✓ There could be changes to certain parts of the waiver as a result of these negotiations. TennCare will keep this body informed of those changes.



TennCare: On The Horizon – MFAR

- Proposed Medicaid Fiscal Accountability Rule (MFAR) released November 2019
- Proposes massive changes to long-standing state Medicaid financing structures across the nation
- Primary Tennessee impacts if enacted as written:
 - Certified Public Expenditures (CPE) - \$100 million issue
 - Provider Assessments - \$1+ billion issue
 - Administrative Burden
- Filed our comments on January 31
 - Helped draft and supported comments with National Association of Medicaid Directors and an 11-state consortium
 - Communicated concerns with stakeholders

TennCare: Transforming the Health Care Delivery System

Bring in 2,400 individuals to the Employment and Community First CHOICES program

Waiting List Reduction

Funds bringing in 2,000 individuals from the approximately 4,200 on the waiting list ready for services

Crisis Population

Cover 300 additional slots for people with aging caregivers or in crisis that must be served.

Group 7 & 8

Covers 100 slots for children and adults with intellectual or developmental disabilities and severe behavioral health and/or psychiatric conditions.

Value Based Wage Incentives for LTSS Workforce

Implement wage increases for direct service workers in nursing homes and HCBS who complete post-secondary workforce development training as part of an evidence-based workforce strategy designed to improve workforce competency, recruitment, retention and quality in CHOICES, Employment and Community First CHOICES and 1915(c) waivers

TennCare: Improving Access to Care

Extended Postpartum Coverage for Pregnant Women

- Proposing a three-year pilot
- Extends coverage after delivery for TennCare women to 12 months
- Will require waiver approval from federal government

Preventative Dental Coverage for Pregnant Women

- Provides a preventative dental and oral health benefit to all pregnant women
- Supports improved health outcomes for mom and reduces early childhood caries in young children
- Will require waiver approval from federal government

Cost Increases

| Request | Total | State | Federal |
|---|---------------|--------------|---------------|
| Medical Inflation and Utilization | \$266,244,100 | \$90,847,800 | \$175,396,300 |
| Rural Health Clinic Increase | 12,000,000 | 4,094,600 | 7,905,400 |
| Project IRIS (Computer systems upgrades) | 70,765,300 | 11,303,700 | 59,461,600 |
| Eligibility Systems (TennCare Connect) | 55,000,000 | 8,050,000 | 46,950,000 |
| Employment and Community First CHOICES - Crisis Population | 26,844,500 | 9,159,900 | 17,684,600 |
| Employment and Community First CHOICES – Group 7 & 8 Population | 18,694,600 | 6,379,000 | 12,315,600 |
| Employment and Community First CHOICES Waiting List Reduction | 88,081,600 | 30,055,200 | 58,026,400 |

| Request | Total | State | Federal |
|--|----------------------|----------------------|----------------------|
| Family and Child Crisis Services | 3,131,400 | 1,068,500 | 2,062,900 |
| Pilot to Extend Postpartum Coverage | \$19,473,500 | \$6,644,700 | \$12,828,800 |
| Dental Pregnancy Coverage | 5,930,200 | 2,023,500 | 3,906,700 |
| Medication Therapy Management Pilot | 5,094,000 | 1,723,500 | 3,370,500 |
| Data Informatics Positions | 301,600 | 109,200 | 192,400 |
| Value-Based Wage Incentives for LTSS Workforce | 2,185,900 | 745,900 | 1,440,000 |
| Total Cost Increases | \$573,746,700 | \$172,205,500 | \$401,541,200 |

TennCare remains 20.5% of the state share of the overall budget.



Efficiency Plan

| | Total | State | Federal |
|--------------------------------|-----------------------|-----------------------|-----------------------|
| Medicare Cost Sharing | (\$31,000,000) | (\$10,577,800) | (\$20,422,200) |
| Medicare Part D | (5,800,000) | (5,800,000) | 0 |
| Fraud, Waste, and Abuse | (3,000,000) | (1,023,700) | (1,976,300) |
| Delivery System Transformation | (2,000,000) | (682,400) | (1,317,600) |
| Estate Recovery Collections | (2,593,100) | (820,300) | (1,772,800) |
| CoverKids Recurring | (20,000,000) | (4,742,600) | (15,257,400) |
| CoverKids Non-recurring | 0 | (5,325,500) | 5,325,500 |
| Total Efficiency Plan | (\$64,393,100) | (\$28,972,300) | (\$35,420,800) |



THANK YOU