Division of TennCare Fiscal Year 2023-2024 Budget Hearing

Tennessee. Division of TennCare.

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Tennessee’s Medicaid program has transformed from a limited service, unpredictable and unsustainable plan to one that is comprehensive, sustainable and highly valued.

**TennCare Evolution**

**Then**
- Rapidly Escalating Costs with Few Controls
- Volatile, Fragmented and Numerous Health Plans
- Few Quality Measures
- Limited Long-Term Care Options
- Volume-Based Payments

**Now**
- Sustainable Cost Trends with Effective Utilization Management
- Stable, Experienced Health Plans with Statewide Operations
- NCQA Accreditation & Full Set of HEDIS Measures & CAHPS
- More Home and Community-Based Options for More People
- Delivery System Transformation with Focus on Value

**1994**
- Trend – 13%

**2004**
- Trend – 12%

**Today**
- Trend < 4%
If TennCare’s trend rate had tracked the national Medicaid state average, Tennessee would have spent an additional $5.2 billion more in cumulative state dollars to run the current Medicaid program and TennCare’s current budget would require $1.2 billion more in state dollars.
The Patient-Centered Medical Home initiative led to a 20% increase in key childhood immunizations. The EPSDT screening rate in 2020 was above 80% for children under the age of five.

Diabetes, asthma, high cholesterol, blood pressure treatment, and access quality measures all improved for adults in 2020.

Postpartum visits in the first 3 months after delivery increased for a third year in a row in 2020.

Over 500 individuals transitioned out of nursing facilities to live safely in home and community-based settings during FY20 (over 5,500 since 2010).

Average annual cost for members served in nursing facilities is $86k compared to $29k in HCBS settings.

NAS births decreased by 31% from 2016 to 2020. TN is the only state reporting a continued decline among Medicaid members.

Over 9,200 TennCare members received Medication Assisted Treatment (MAT) and Recovery services from high-quality providers in SFY21.

Our quality initiatives and success are reflected in annual external surveys of TennCare members, with member satisfaction now at 95%, continuing a trend of being above 90% for more than a decade.

Governor’s Budget Hearings, FY 2023-2024
Historic investments have been made in TennCare over the last two years:

- New comprehensive adult dental benefit
- Postpartum coverage extension
- Health Starts initiative to address non-medical risk factors
- Targeted provider investments
- Waiting list for individuals with intellectual and developmental disabilities seeking services in ECF CHOICES eliminated

Future shared savings will result in further investments.
Division of TennCare

Federal Public Health Emergency: Continued Impact on Enrollment

TennCare Enrollment Projections

Governor's Budget Hearings, FY 2023-2024
# Division of TennCare

## Cost Increase Request

<table>
<thead>
<tr>
<th></th>
<th>State Recurring</th>
<th>State NR</th>
<th>Federal Recurring</th>
<th>Federal NR</th>
<th>Total</th>
<th>Positions</th>
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</thead>
<tbody>
<tr>
<td>1 Inflation and Utilization</td>
<td>$66,311,700</td>
<td>-</td>
<td>$125,812,700</td>
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<td>$192,124,400</td>
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<td>2 Pharmacy</td>
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<td>3 Medicare Services</td>
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<td>4 FQHCs and RHCs</td>
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<td>9,822,800</td>
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<td>15,000,000</td>
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<td>5 Medicaid Management Information System</td>
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<td>125,326,800</td>
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<td>6 Tennessee Eligibility Determination System</td>
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<td>6,334,300</td>
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<td>57,008,800</td>
<td>63,343,100</td>
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<td>7 Health Starts</td>
<td>-</td>
<td>12,300,000</td>
<td>-</td>
<td>11,400,000</td>
<td>23,700,000</td>
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<tr>
<td>8 Adult Dental Positions</td>
<td>200,800</td>
<td>-</td>
<td>201,000</td>
<td>-</td>
<td>401,800</td>
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<tr>
<td>9 Long Term Services and Supports Positions</td>
<td>207,400</td>
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<td>207,400</td>
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<td>414,800</td>
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<tr>
<td>10 Contract and Procurement Positions</td>
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<td>177,700</td>
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<td>355,400</td>
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</table>

Total Cost Increases: $253,817,800

$32,649,400

$209,266,700

$193,735,600

$689,469,500

19

Governor's Budget Hearings, FY 2023-2024
## Cost Increase Request

<table>
<thead>
<tr>
<th></th>
<th>State</th>
<th>Federal</th>
<th></th>
<th>Total Cost Increases</th>
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<tbody>
<tr>
<td></td>
<td>Recurring</td>
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<td>Recurring</td>
<td>NR</td>
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<td><strong>11</strong> Data Quality Manager</td>
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<td><strong>12</strong> Partner Support Unit Positions</td>
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<td><strong>13</strong> IT Security Positions</td>
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<td><strong>14</strong> Notice Reviews Team Positions</td>
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<td><strong>15</strong> Third Party Liability Position</td>
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<td><strong>16</strong> DSP Rate Increase</td>
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<td><strong>17</strong> Mobile Crisis Rate Increase</td>
<td>800,000</td>
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<td><strong>18</strong> Hospital Uncompensated Care</td>
<td>9,547,600</td>
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<td>(9,547,600)</td>
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<td><strong>19</strong> School-Based Dental Prevention</td>
<td>258,900</td>
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<td><strong>20</strong> FMAP Change Cost</td>
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<td><strong>Total</strong></td>
<td>$253,817,800</td>
<td>$32,649,400</td>
<td>$209,266,700</td>
<td>$193,735,600</td>
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</table>
# Division of TennCare

## 1% Efficiency Plan

<table>
<thead>
<tr>
<th>State</th>
<th>Federal</th>
<th>Recurring</th>
<th>NR</th>
<th>Recurring</th>
<th>NR</th>
<th>Total</th>
<th>Positions</th>
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<tbody>
<tr>
<td>1</td>
<td>Hospital Grants - Jellico</td>
<td>$ (150,000)</td>
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<td>- $</td>
<td>- $</td>
<td>$ (150,000)</td>
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<tr>
<td>2</td>
<td>Aduhelm - Alzheimer's Drug</td>
<td>(16,939,400)</td>
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<td>(32,139,100)</td>
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<td>(49,078,500)</td>
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<td>3</td>
<td>Predictive Analytics for Fraud, Waste, and Abuse</td>
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<td>(1,054,500)</td>
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<td>(1,659,700)</td>
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<tr>
<td>4</td>
<td>ECF CHOICES Funding Swap</td>
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<td>Workforce Development Funding Swap</td>
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<td><strong>Total Efficiency Plan</strong></td>
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<td>$ (17,694,600)</td>
<td>$ (37,106,000)</td>
<td>$ (33,193,600)</td>
<td>$ 37,106,000</td>
<td>$ (50,888,200)</td>
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</tbody>
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Governor's Budget Hearings, FY 2023-2024
THANK YOU