



MEDIA RELEASE

STATE OF TENNESSEE
BUREAU OF TENNCARE

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CONTACT: MARILYN ELAM
615. 507.6450 (OFFICE)
615.969.2619 (MOBILE)

STATE MOVES TO “SOFT LIMIT” IN TENNCARE WITH DISENROLLMENT AT AN END PHARMACY AND NON-PHARMACY LIMITS BOTH AFFECTED

NASHVILLE, TENN— The TennCare Bureau, today, announced plans to seek federal approval to move to pharmacy “soft limits.” In addition, the non-pharmacy limits scheduled for a July 1 start date will be implemented as soft limits.

The Governor announced yesterday in a speech to the Tennessee Chamber of Commerce and Industry that with TennCare disenrollment at an end, the program will not institute “hard” non-pharmacy service limits scheduled to take effect July 1. Instead, when TennCare enrollees hit the limits on services such as doctor visits, hospital stays and lab and x-ray occurrences, they will move into a mandatory case management program with their Managed Care Organization.

“TennCare is proposing a common sense method of softening these non-pharmacy limits while controlling over utilization and misuse of services,” said Governor Phil Bredesen. “Our hope is that this will continue to move us toward true managed care.”

“These soft limit triggers for mandatory case management target high utilizers in the system,” said Dr. J.D. Hickey, TennCare Director. “This system, we hope, will build upon the case management and disease management already being provided through the MCOs to all TennCare enrollees.”

In addition, TennCare will also release a proposal March 3 to move the pharmacy benefit package to a soft limit system.

Last year the State went to court to seek relief from consent decree provisions that prevented implementation of the type of prior authorization (PA) processes used in other states to control inappropriate utilization of prescription drugs. During the court proceedings, the State committed to move to a soft limit system if such relief was granted.

“Despite the fact that the court did not grant the full relief the State sought, we intend to take additional steps to soften the existing prescription limits,” said Dr. J.D. Hickey, TennCare Director. “We have designed a process that we believe can work despite the remaining court-imposed PA restrictions.”

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STATE CAPITOL, 1ST FLOOR
NASHVILLE, TN 37243
615.741.2401

All TennCare children and TennCare adults in institutions or the home and community-based waiver program have unlimited prescription drug coverage. But, beginning on August 1, 2005, other adult TennCare enrollees were limited to a five-prescription per-month pharmacy benefit. Instead of being subject to a “hard limit” of five drugs per-month; however, the State maintains a list of drugs, commonly referred to as “the short list” that do not count toward the five-prescription limit.

The short list, has been in place since the inception of the prescription limits, but was significantly expanded last November to include many drugs used to treat heart disease, asthma and diabetes. Drugs to treat such conditions as cancer, hemophilia, tuberculosis, HIV/AIDS, and renal disease are also on the list.

“While we believe the majority of our adult enrollees’ pharmacy needs can be met with TennCare’s current prescription drug benefit package,” said Dr. Wendy Long, TennCare’s Chief Medical Officer, “we hope to implement a special exemption process that will supplement the current benefit, further softening the limit for those enrollees with unique and complicated needs.”

The TennCare Bureau’s pharmacy soft limit plan will require federal government approval from the Centers for Medicare and Medicaid (CMS). The plan will be submitted March 3 for a mandatory 30-day review by the General Assembly’s TennCare Oversight Committee and the Tennessee Justice Center before delivery to CMS. There is no required timeframe for CMS to respond to the state’s request.

“We expect the soft limit plan to be well-received by CMS, however, we do not envision the soft limit system to return TennCare to the prescription free-for-all that heavily contributed to the program’s earlier financial crisis,” said Hickey. “If the progress we have made in our pharmacy prior authorization program is unraveled by the TJC, our soft limit options will be in serious jeopardy.”

TennCare is Tennessee’s expanded Medicaid program serving 1.2 million Tennesseans including 640,000 children. For more information about TennCare, visit <http://www.tn.gov/tenncare/>

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