

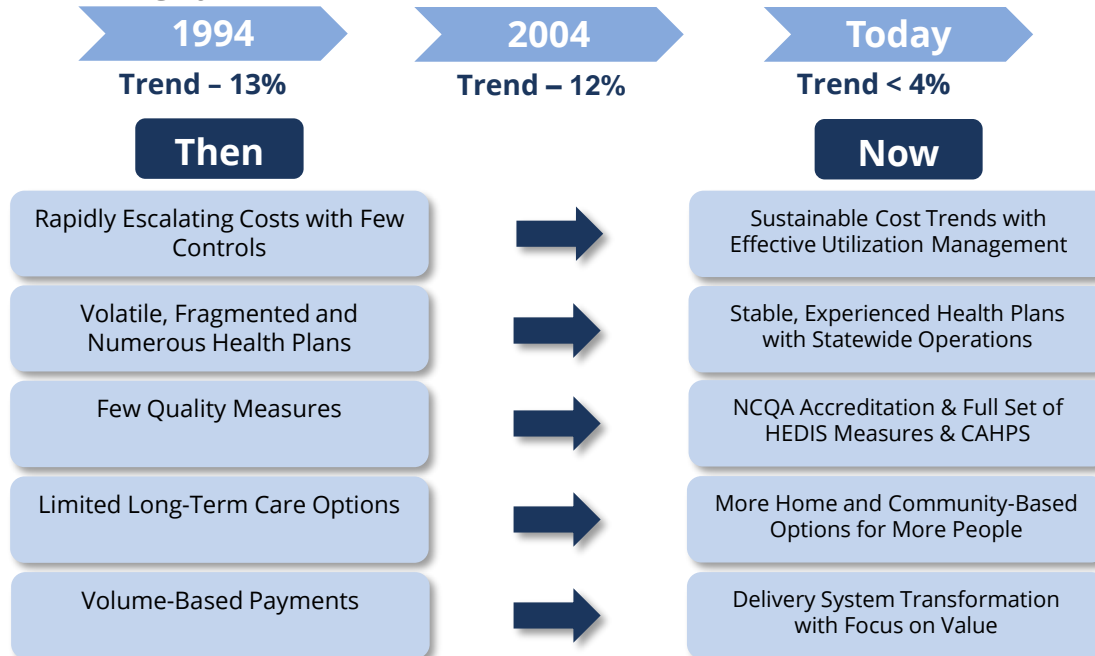


**DIVISION OF TENNCARE**  
**FISCAL YEAR 2023-2024 BUDGET HEARING**

# Division of TennCare

## TennCare Evolution

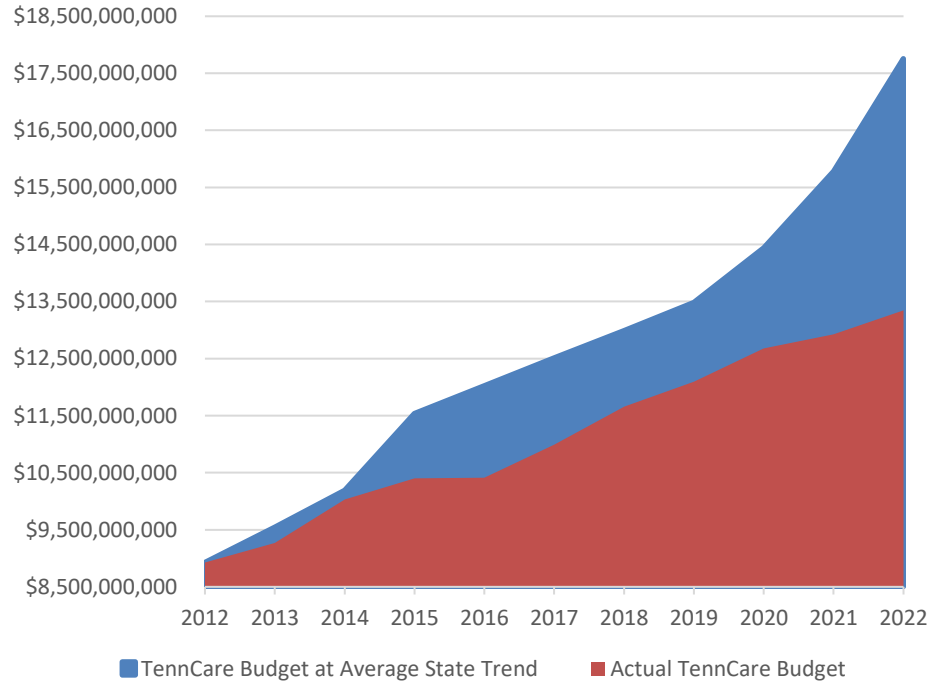
Tennessee's Medicaid program has transformed from a limited service, unpredictable and unsustainable plan to one that is comprehensive, sustainable and highly valued.



# Division of TennCare

## Meeting Other State Priorities and Obligations Depends on Effective Medicaid Management

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.



# Division of TennCare

## High-Quality Care For All Members



### Children & Families

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.



### Adult & Pregnant Members

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.



### LTSS

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.



### Opioid Epidemic

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.**

# Division of TennCare

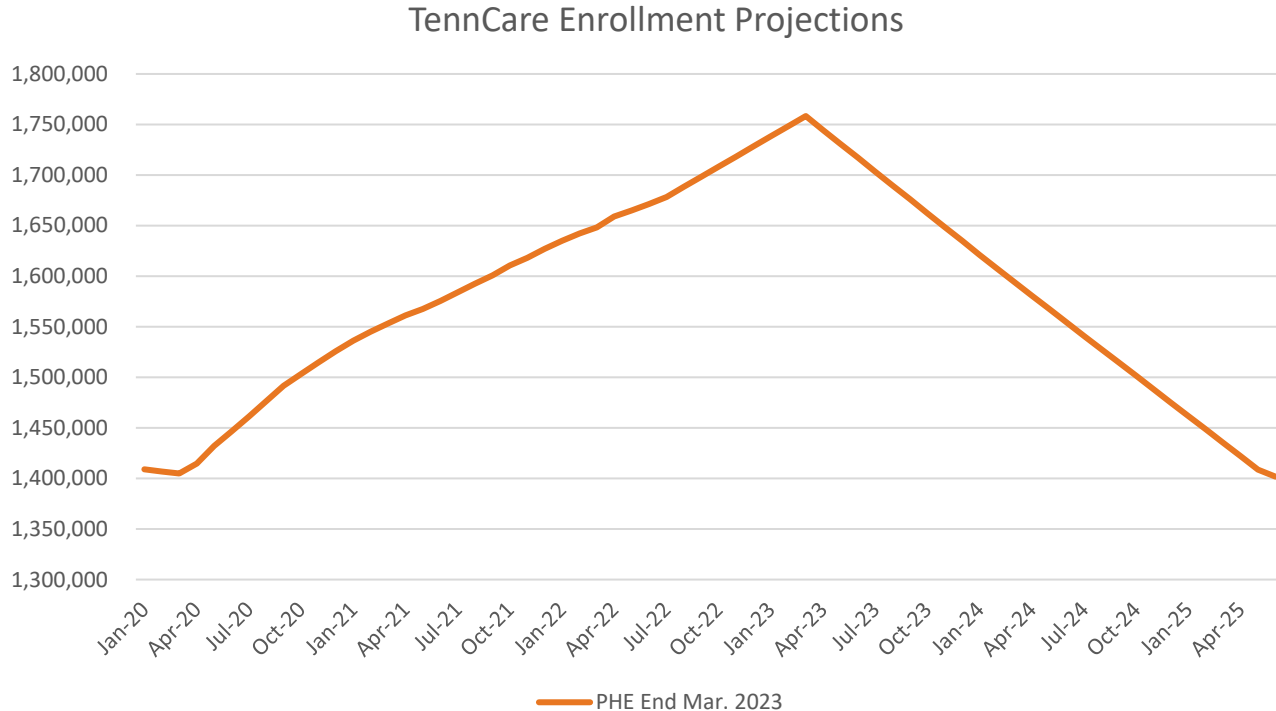
## TennCare III – Continued Improvements and Innovation

---

- 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



# Division of TennCare

## Cost Increase Request

|  | State         |            | Federal        |             | Total          | Positions |
|--|---------------|------------|----------------|-------------|----------------|-----------|
|  | Recurring     | NR         | Recurring      | NR          |                |           |
| 1 Inflation and Utilization                  | \$ 66,311,700 | \$ -       | \$ 125,812,700 | \$ -        | \$ 192,124,400 | -         |
| 2 Pharmacy                                   | 47,760,100    | -          | 90,614,900     | -           | 138,375,000    | -         |
| 3 Medicare Services                          | 54,408,200    | -          | 50,766,900     | -           | 105,175,100    | -         |
| 4 FQHCs and RHCs                             | 5,177,200     | -          | 9,822,800      | -           | 15,000,000     | -         |
| 5 Medicaid Management Information System     | -             | 14,015,100 | -              | 125,326,800 | 139,341,900    | -         |
| 6 Tennessee Eligibility Determination System | -             | 6,334,300  | -              | 57,008,800  | 63,343,100     | -         |
| 7 Health Starts                              | -             | 12,300,000 | -              | 11,400,000  | 23,700,000     | -         |
| 8 Adult Dental Positions                     | 200,800       | -          | 201,000        | -           | 401,800        | 4         |
| 9 Long Term Services and Supports Positions  | 207,400       | -          | 207,400        | -           | 414,800        | 4         |
| 10 Contract and Procurement Positions        | 177,700       | -          | 177,700        | -           | 355,400        | 3         |

# Division of TennCare

## Cost Increase Request

|                                   | State                 |                      | Federal               |                       | Total                 | Positions |
|-----------------------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------|
|                                   | Recurring             | NR                   | Recurring             | NR                    |                       |           |
| 11 Data Quality Manager           | 73,900                | -                    | 73,900                | -                     | 147,800               | 1         |
| 12 Partner Support Unit Positions | 39,000                | -                    | 116,900               | -                     | 155,900               | 2         |
| 13 IT Security Positions          | 68,900                | -                    | 206,600               | -                     | 275,500               | 2         |
| 14 Notice Reviews Team Positions  | 83,800                | -                    | 83,900                | -                     | 167,700               | 2         |
| 15 Third Party Liability Position | 39,700                | -                    | 39,700                | -                     | 79,400                | 1         |
| 16 DSP Rate Increase              | 2,534,700             | -                    | 4,809,200             | -                     | 7,343,900             | -         |
| 17 Mobile Crisis Rate Increase    | 800,000               | -                    | 1,517,800             | -                     | 2,317,800             | -         |
| 18 Hospital Uncompensated Care    | 9,547,600             | -                    | (9,547,600)           | -                     | -                     | -         |
| 19 School-Based Dental Prevention | 258,900               | -                    | 491,100               | -                     | 750,000               | -         |
| 20 FMAP Change Cost               | 66,128,200            | -                    | (66,128,200)          | -                     | -                     | -         |
| <b>Total Cost Increases</b>       | <b>\$ 253,817,800</b> | <b>\$ 32,649,400</b> | <b>\$ 209,266,700</b> | <b>\$ 193,735,600</b> | <b>\$ 689,469,500</b> | <b>19</b> |



# Division of TennCare

## 1% Efficiency Plan

|  | State                  |                        | Federal                |                      | Total                  | Positions |
|--|------------------------|------------------------|------------------------|----------------------|------------------------|-----------|
|  | Recurring              | NR                     | Recurring              | NR                   |                        |           |
| 1 Hospital Grants - Jellico                        | \$ (150,000)           | \$ -                   | \$ -                   | \$ -                 | \$ (150,000)           | -         |
| 2 Aduhelm - Alzheimer's Drug                       | (16,939,400)           | -                      | (32,139,100)           | -                    | (49,078,500)           | -         |
| 3 Predictive Analytics for Fraud, Waste, and Abuse | (605,200)              | -                      | (1,054,500)            | -                    | (1,659,700)            | 2         |
| 4 ECF CHOICES Funding Swap                         | -                      | (24,417,900)           | -                      | 24,417,900           | -                      | -         |
| 5 Workforce Development Funding Swap               | -                      | (12,688,100)           | -                      | 12,688,100           | -                      | -         |
| <b>Total Efficiency Plan</b>                       | <b>\$ (17,694,600)</b> | <b>\$ (37,106,000)</b> | <b>\$ (33,193,600)</b> | <b>\$ 37,106,000</b> | <b>\$ (50,888,200)</b> | <b>2</b>  |

THANK YOU