



TENNCARE OVERVIEW AND FY2020 BUDGET

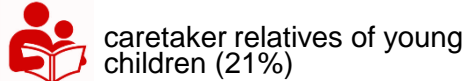
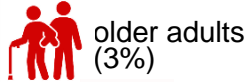
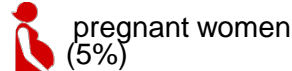
Gabe Roberts, Director
Dr. Victor Wu, Chief Medical Officer

TennCare Today

TennCare Mission:
Improving lives through high
quality cost effective care

TennCare Vision:
A healthier Tennessee

TennCare is Tennessee's Medicaid program which covers approximately 1.34 million low-income Tennesseans.



As of October 2018



Our experience has shown that managed care allows for better coordinated, more efficient, and higher quality care. It also reduces avoidable emergency room visits and hospital stays.



TennCare Providers

Tennessee has a high provider participation rate with more than 17,000 providers enrolled with at least one MCO.

Provider Participation Rate

89%
2015

98.7%
2018

Quality

- All TennCare health plans are accredited by the National Council on Quality Assurance. TennCare was the first state to require this of its Medicaid health plans.
- Maintained a member satisfaction rating above 90% for 10 years. Currently at 95%.

2019 Priorities

✓ Launch and implementation of eligibility determination system

✓ Multi-payer health care delivery system reform

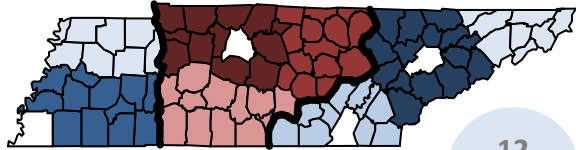
✓ Work and community engagement requirements

✓ Opioid epidemic response

TennCare Evolution

1994

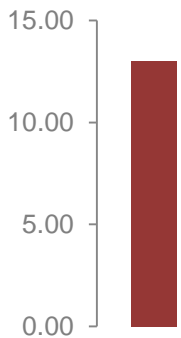
Service Areas



12
MCOs

Trend – 13%

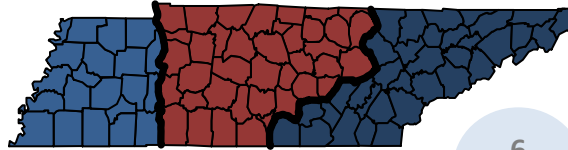
Quality



- Encounter data quality - poor
- Quality initiatives focused on development of MCO QI and UM policies and procedures
- Satisfaction rating – 61%
- Behavioral health and LTSS carved out

2004

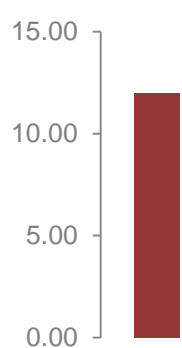
Service Areas



6
MCOs

Trend – 12%

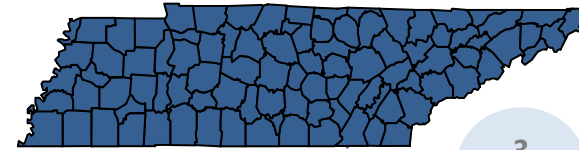
Quality



- Encounter data quality - good
- Quality initiatives focused on assessing compliance with MCO QI and UM policies and procedures
- Satisfaction rating – 90%
- Behavioral health and LTSS carved out

Today

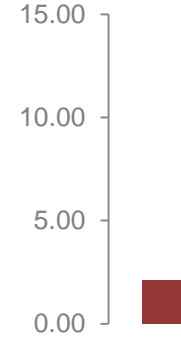
Service Areas



3
MCOs

Trend – 2.1%

Quality



- High quality data used to manage program
- All MCOs accredited by National Committee for Quality Assurance
- Standardized quality metrics reported and used to track progress and compare to national benchmarks
- Satisfaction rating – 95%
- Behavioral health and LTSS integrated with physical health

TennCare Today: Managed Care Model

Snapshot of Services



Provided case management/ care coordination for 92,000 members

84,000 home visits to CHOICES members



Hosted 1,300 community events

Delivered quarterly educational outreach to every member



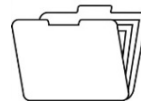
Reviewed more than 754,000 prior authorizations

Maintained network with more than 14,700 providers accepting new patients



Conducted 1.1 million customer service interactions with providers

Processed 25 million claims



Benefits of Managed Care

- Incentives are aligned to improve quality and control costs
- Care coordination to assist patients with complex medical needs and member engagement to promote wellness and prevention
- Savings to taxpayers from negotiated rates and increased budget predictability as a result of capitated payments
- Utilization review and management
- MCOs commit significant resources and have sophisticated algorithms to prevent fraud
- Physical health, behavioral health and LTSS all integrated

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* CY2016 data reported by TennCare MCOs



Proven Strategies to Improve Quality & Control Unsustainable Cost Increases

Managed Care

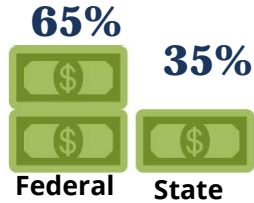
- Tennessee is a leader in Medicaid managed care.
- Nationally, states have moved from 56% of Medicaid beneficiaries in managed care in 2000 to 79.8% managed care in 2017.
- Strategies include negotiated rates, network optimization, insurer care coordination, and prior authorization.

Delivery System Reform

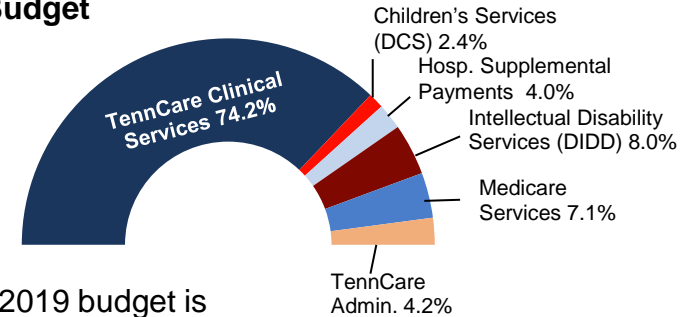
- In recent years, TennCare, Benefits Administration, and Tennessee commercial insurers have increased their efforts to pay for value.
- Nationally, 21% of commercial payments put providers at some financial risk as of 2014.
- Quality of care has been maintained or improved.

TennCare Finances

TennCare Funding



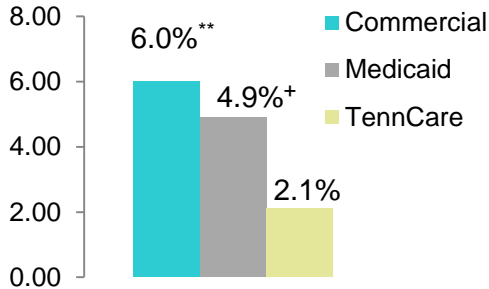
TennCare Budget



The TennCare 2019 budget is approximately \$12 billion

Managing Trend

TennCare Medical Trend



A study from Pew Charitable Trusts showed Tennessee has outperformed 46 other states in managing the growth of the portion of state dollars going to Medicaid[^].

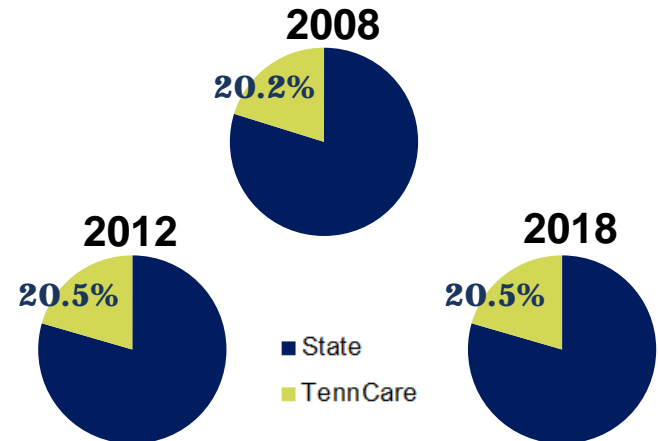
\$24.1 million

What a 1% trend increase would cost the state in SFY2020



TennCare has remained approximately 20% of the state portion of the state's budget.

Percent of State Dollars



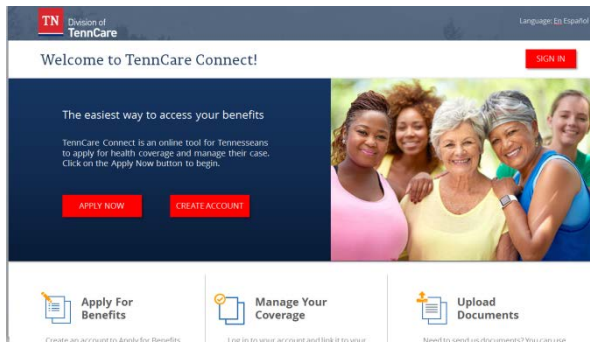
** PwC Health Research Institute
+ The Henry J. Kaiser Family Foundation
^ Pew Charitable Trusts

TennCare Today: Agency Priority Update

TennCare Connect

TennCare Connect

Launch and implementation of eligibility determination system



TennCare Connect App

- Change info like addresses
- Upload documents like pay stubs
- Receive notifications from TennCare



TennCare Connect Call Center

- Talk to a TennCare Connect Call Center rep
- Check status of application
- Apply for benefits
- Change info like addresses



TennCare Connect Web Portal

- Apply for benefits
- In most cases get real time approval or denial
- Change info like addresses
- Find resources to help
- Start an appeal



TennCare Today: Agency Priority Update

Delivery System Reform

Changing the way we pay for health care, from paying for volume to paying for value.

Primary Care Transformation



- Patient-Centered Medical Homes cover approximately 500,000 members
- Tennessee Health Link serves approximately 70,000 people with the highest behavioral health needs
- Hospital and ED admission, discharge and transfer (ADT) real time alerts from almost 90% of hospitals in Tennessee sent to accountable providers

Episodes of Care



- 48 retrospective Episodes of Care
- Episode examples: perinatal, total joint replacement, acute asthma exacerbation, appendectomy, and attention deficit hyperactivity disorder
- \$42.7 million in recurring budget reductions through FY 2019
- Results show savings while quality has been maintained
- Total bonus payments have exceeded total cost sharing payments

Long Term Services & Supports



- New nursing home payment structure takes into account the acuity of residents and the quality of care provided
- Payments to nursing homes for complex respiratory care reduced by 25% with more people weaned from the ventilator and improved use of technology to reduce infections, hospitalizations, deaths

TennCare Today: Agency Priority Update

TennCare and MCOs Combating the Opioid Epidemic

TennCare's Opioid Strategy

Primary Prevention

limit opioid exposure to prevent progression to chronic opioid use

- Implemented rule in January 2018 placing dosage and day coverage allowances on opioid prescriptions for naïve and acute users.
- Increased prior authorization requirements for all opioid refills.
- Continued support of nonpharmacological pain management and clinical services, such as physical therapy.

Secondary Prevention

early detection and intervention to reduce impact of opioid misuse

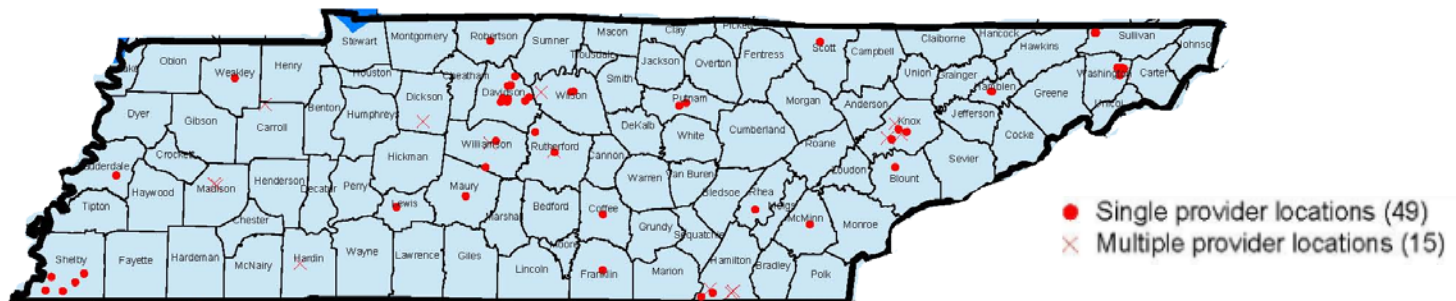
- Partnering with Tennessee Department of Health to better integrate the Controlled Substance Monitoring Database (CSMD).
- Developed MCO strategy to proactively engage women of childbearing age using opioids based on data and clinical risk.
 - The MCOs have performed over 20,000 outreaches to women of childbearing age in second quarter of 2018. This is an ongoing effort by all MCOs.

Tertiary Prevention

support active recovery for severe opioid dependence and addiction

- Increased outreach to chronic opioid users to refer to treatment and prevent overdoses.
- The MCOs are actively building their networks of medication assisted treatment (MAT) provider to broaden access to high quality treatment for opioid and substance use disorder.
- Aligned chronic opioid user MME dosage allowances with CDC chronic pain guidelines.

The high-quality, specialized MAT Provider Network launched January 1, 2019

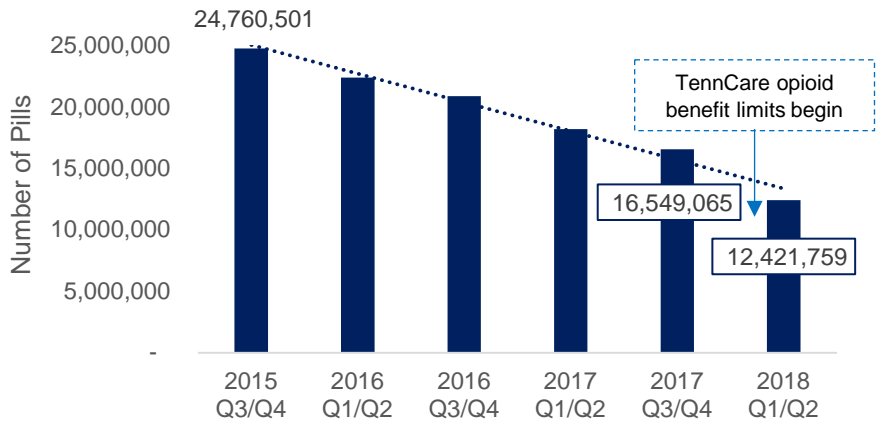


There are currently 87 newly contracted MAT providers and the number is continuing to increase.

TennCare Today: Agency Priority Update

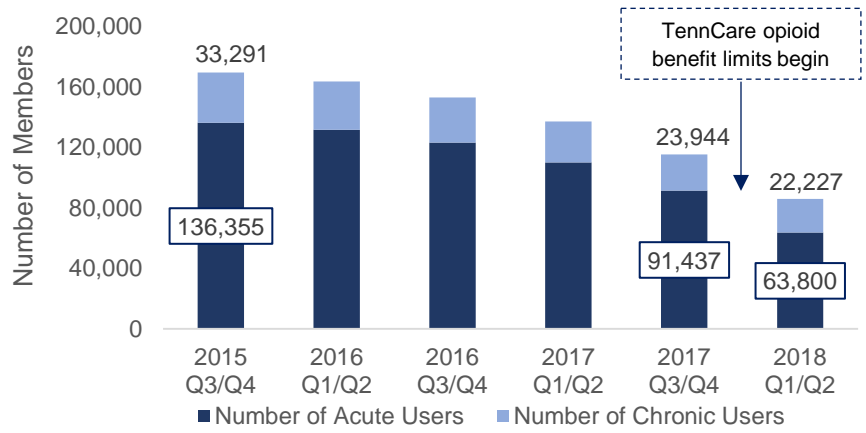
TennCare and MCOs Combating the Opioid Epidemic

Number of TennCare Opioid Pills Dispensed



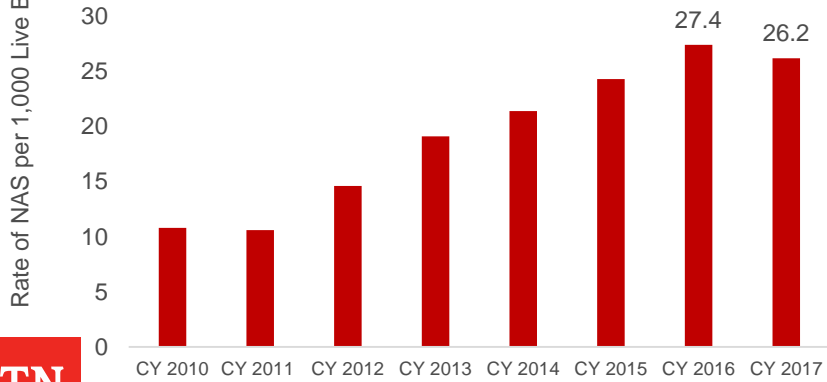
TennCare has **cut the number of opioid pills dispensed by about half** in the last three years.

Total Acute and Chronic TennCare Opioid Users



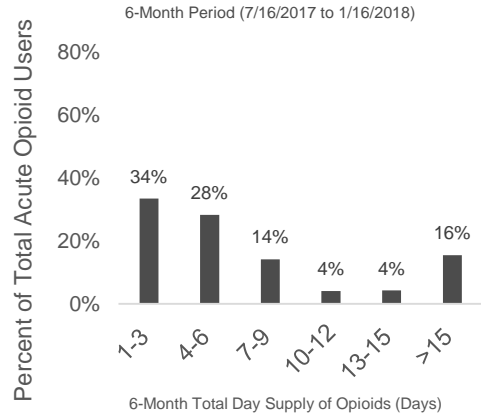
Overall, the number of TennCare **new, acute opioid users has declined by about 53%** since 2015.

TennCare Neonatal Abstinence Syndrome (NAS) Live Births

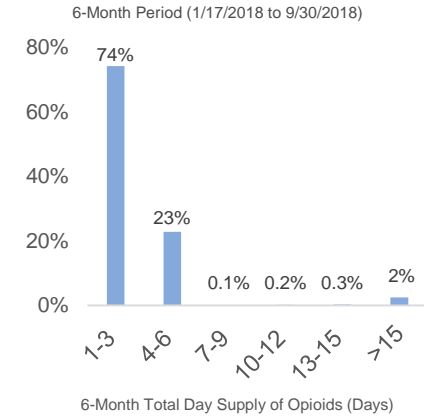


Both statewide & within TennCare, there was a **decrease in NAS cases** for the first time from CY 2016 to CY 2017.

Days Supply Before TennCare Benefit Limit



Days Supply After TennCare Benefit Limit



About 97% of all first time and acute opioid users are **now receiving 6 days or less of opioids** after new limits implemented.

*Values are rounded and may not add to 100%



TennCare CHOICES in Long-Term Services and Supports

Since TennCare CHOICES in Long-Term Services and Support launched in 2010 the program has been able to offer services to help more person live at home or in the community longer, while also providing nursing home care, when needed.

- **Objective #1: Expand access to HCBS**

- The number of people receiving HCBS in CHOICES increased by nearly 170% in the first five years of the program, while overall numbers enrolled in the program remained relatively stable. The additional cost of nursing facility services if HCBS were not available is estimated at \$225 million (recurring).

- **Objective #2: Rebalance LTSS spending and enrollment**

- 17% of individuals receiving LTSS benefits were enrolled in HCBS before CHOICES was launched in 2010 compared to 43% as of November 2018.

- **Objective #3: Provide cost-effective HCBS as an alternative to institutional care**

- Average cost of HCBS has consistently remained less than half of the average cost of nursing home care.

- **Objective #4: Delay or prevent institutional placement**

- The percentage of people coming into LTSS in a nursing facility declined from more than 80% in the year preceding CHOICES implementation to less than 50% during FYs 2013, 2014, and 2015.
- The number of people receiving nursing facility services in CHOICES declined by nearly 6,500 people (from 23,076 to 16,597) as of 6/30/17.

- **Objective #5: Facilitate transition from Nursing Facility to HCBS**

- As of June 2016, more than 3,500 individuals transitioned from a nursing facility to HCBS, an average of nearly 600 per year, compared to 129 people in the year immediately preceding implementation..

Employment and Community First CHOICES

Employment and Community First CHOICES

offers a better coordinated and more cost-effective approach to serving individuals with an intellectual or developmental disability (I/DD), while seeking to demonstrate improved employment, health and quality of life outcomes. The program offers family support; promotes employment, independence, and community involvement; and serves people of all ages, including those with the most significant disabilities.

In the 2 years since the program began:

- More people with intellectual disabilities have been enrolled into home and community based services than in the past 6 years.
- For the first time in Tennessee's history, people with developmental disabilities have access to these services.
- Home and community based services cost less than half as much as previous programs for individuals with I/DD.
- Almost 85% of people are enrolled in a category focused on employment.
- 100s of employers are partnering to offer employment opportunities.
- Employment outcomes are more than 50% above the national average for working age adults with I/DD.
- Average wages earned by members in the program exceed minimum wage by more than \$1/hour.



Meet Andrea

Prior to enrolling in **Employment and Community First CHOICES**, Andrea lived a secluded and lonely life with her mother and only dreamed of a job, friends and a place of her own.

Since enrolling in **Employment and Community First CHOICES**:

- Andrea has 2 jobs that align with her strengths and interests, including Predators' hockey!
- She moved into an apartment, and is learning independent living skills.
- She is using Uber to get to work and meet up with friends.
- Her life has changed significantly for the better.

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To see more success stories like Andrea's please visit <https://www.tn.gov/tenncare/long-term-services-supports/employment-and-community-first-choices.html>