Bureau of TennCare

Fiscal Year 2006-2007 Annual Report

State of Tennessee
Department of Finance and Administration
Bureau of TennCare
310 Great Circle Road
Nashville, TN 37243

Dear Tennesseans:

Once again, I am happy to share with you the accomplishments of the Bureau of TennCare in this annual report for the State Fiscal Year of 2006-2007.

TennCare continues to play a crucial role in the provision of health care to Tennessee's poorest and sickest people. Our improved operational stability is enabling us not only to meet our enrollees' needs but also to help them make better health decisions to stave off more severe conditions.

Another benefit of that stability is that operational fitness enables us to use our resources more effectively for our enrollees.

Implementing two new health plans for Middle Tennessee that integrate medical and behavioral care, seeing far fewer state audit findings and receiving standardized data on our health plans' performance in key areas – these are but a few of the TennCare Bureau's ongoing accomplishments.

The smoothness of our transition to full risk, integrated health plans in Middle Tennessee has set a high standard for similar planned transitions in the state's Eastern and Western Grand Regions. And the operational gains the Bureau made during fiscal year 2006-2007 set the stage for TennCare to be in a position to address ongoing concerns with long-term care and to help the State of Tennessee alleviate its budget pressures.

Put simply: In a very short amount of time, TennCare has come a very long way.

In the pages that follow, we will provide a closer look at our operations within this context of continued stability and excellence. I hope you find this report useful in considering the strides we made in State Fiscal Year 2006-2007, as well as in charting our efforts to continually improve.

Sincerely,

Darin Gordon
Deputy Commissioner

EXECUTIVE STAFF

Darin Gordon
Deputy Commissioner

Wendy Long, M.D.
Chief Medical Officer

Scott Pierce
Assistant Commissioner,
Chief Financial Officer

Gene Grasser
Director of Operations

Patti Killingsworth
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Chief Information Officer

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General Counsel

Mike Cole
Director of Legislative Affairs

Marilyn Wilson
Director of Public Affairs

O P E R A T I O N S
Garnering recognition for building on efficiency

Within a changing Medicaid industry, the Bureau of TennCare began to see the benefits of reforms, as reflected in starkly improved budget proposals and audit findings.

TennCare is Tennessee's managed care Medicaid program. It serves primarily low-income pregnant women, children, and persons with disabilities.

TennCare is one of the largest programs of its kind in the country. It is a "demonstration" program, meaning that the state has been allowed to waive certain Medicaid regulations in order to demonstrate the effectiveness of a managed care approach for delivering health care services to Medicaid eligibles.

One benefit the state gets from the demonstration is the ability to add certain eligibility categories that would not ordinarily be covered by Medicaid. In serving these additional persons, the state must show "budget neutrality," meaning that the cost of serving both Medicaid and non-Medicaid (demonstration) eligibles is no greater than the cost that would have been incurred for serving just Medicaid eligibles.

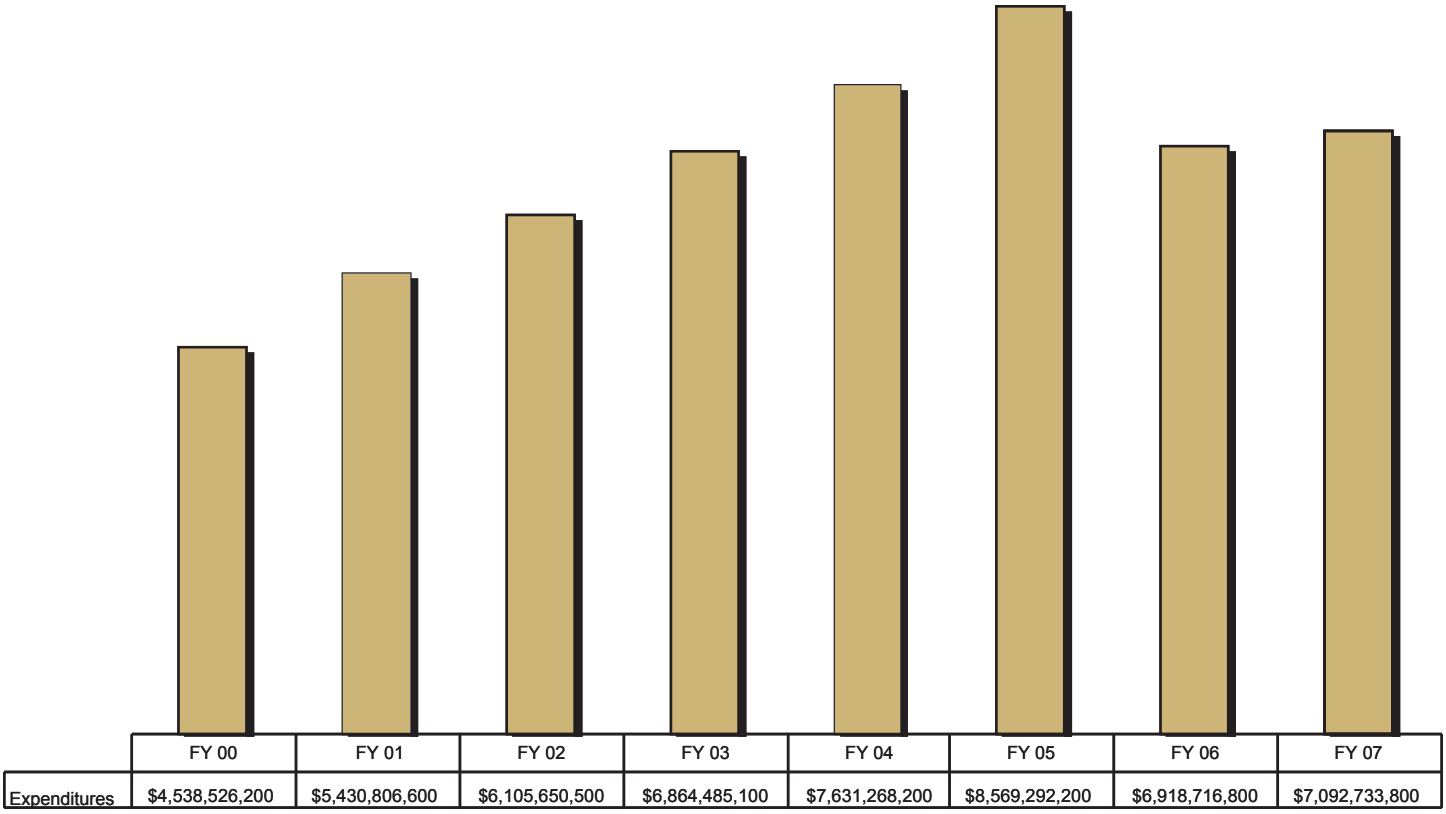
At the end of December 2006, there were approximately 1.172 million enrollees in TennCare, most of whom were Medicaid-eligibles. Approximately 35,000 of these enrollees were demonstration eligibles, the majority of whom were uninsured children.

Some key facts about TennCare:

- Tennessee is the only state in the country to serve 100% of its Medicaid population in managed care.
- Tennessee, when compared with other states, ranked 8th in the number of Medicaid managed care enrollees in 2006.
- Pregnant women and children are a special focus of TennCare. About one in every two babies born in Tennessee is a TennCare baby.
- In 2006, approximately 1 in 5 persons in Tennessee was a TennCare enrollee.
- Tennessee, when compared with other states, ranked 17th in overall population but 11th in the total amount of Medicaid dollars spent in 2006.

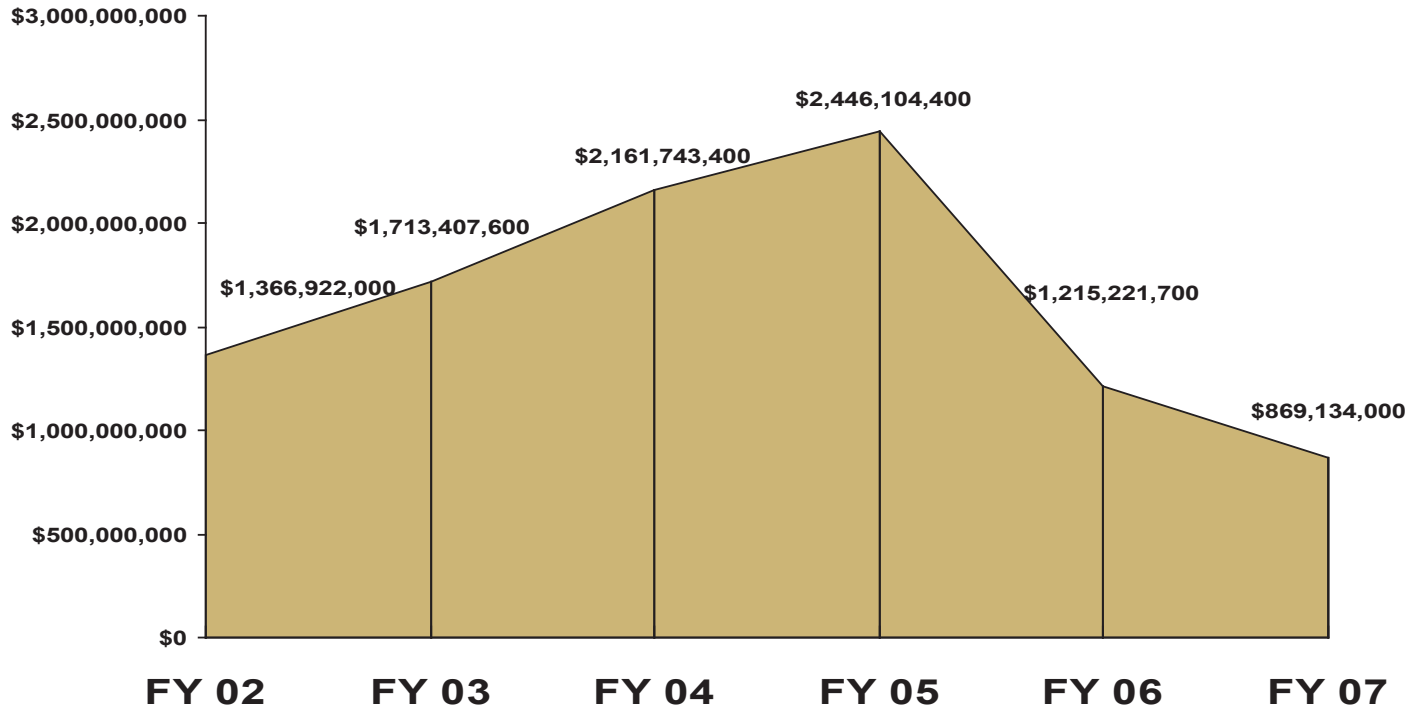
TennCare's budget during the year continued to reflect a stronger financial position.

Total Spending by TennCare (FY 00 - FY 07)



	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
Expenditures	$4,538,526,200	$5,430,806,600	$6,105,650,500	$6,864,485,100	$7,631,268,200	$8,569,292,200	$6,918,716,800	$7,092,733,800

Reduction in Pharmacy Spending



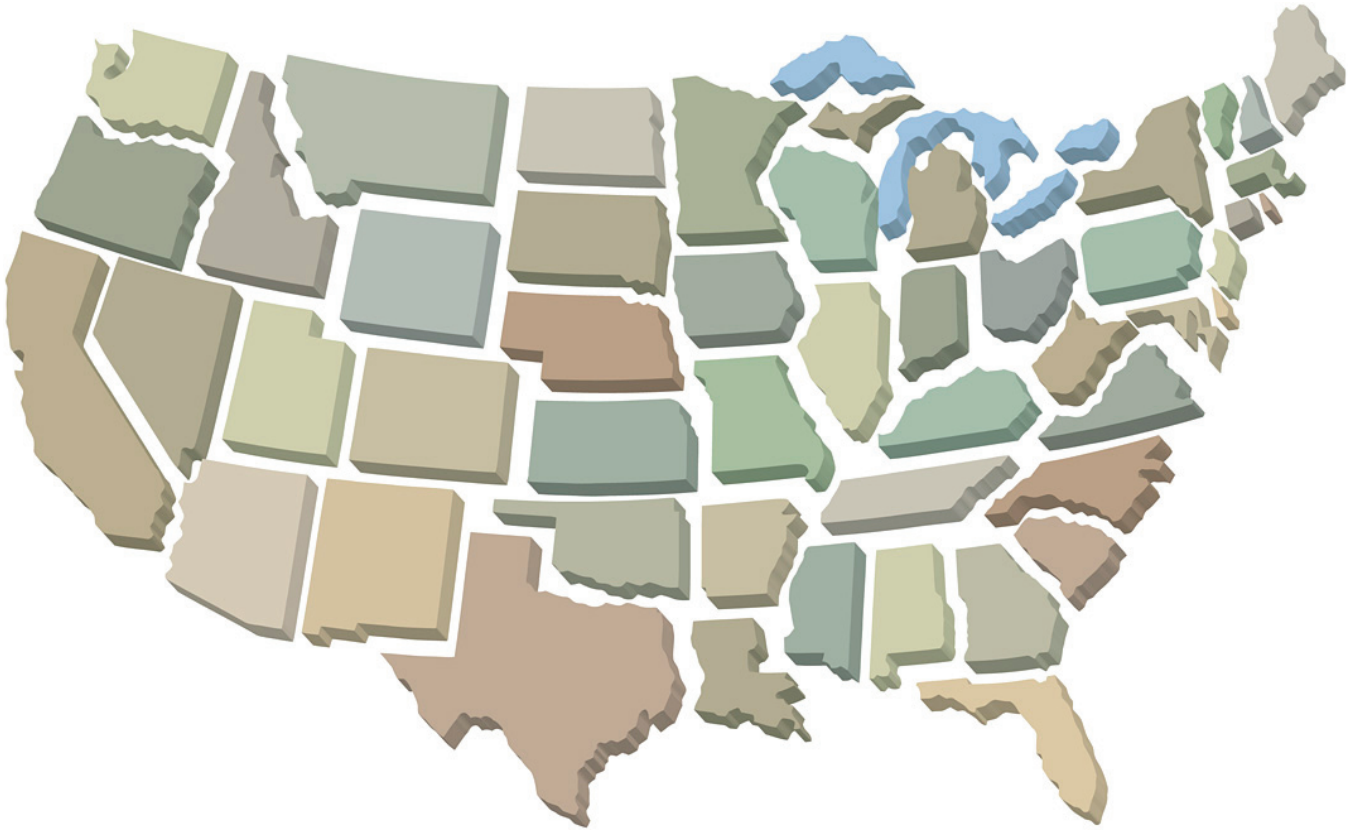
A national context

In 2006, the growth in national Medicaid spending declined for the first time in the history of Medicaid, although by a very small percentage (0.2%). The decline occurred after five years of dramatic growth rates averaging nearly 9% per year. This decline was triggered by the implementation of the Medicare Part D drug benefit and by reduced enrollment.

Implementation of the Medicare Part D drug benefit meant that state Medicaid programs were no longer required to pay directly for prescription drugs for dually eligible enrollees, although states continued to be charged an amount called the "clawback" to offset certain Medicare expenditures.

Decreased Medicaid enrollment also contributed to the decline in spending. The Kaiser Family Foundation attributes the reduced enrollment nationally to relatively low unemployment and an improving economy, but primarily to the implementation of new federal citizenship documentation requirements.

Near the end of the 2006-2007 state fiscal year, several proposals were made on the national level that would have had a dramatic impact on the TennCare program. One was a proposal to limit certified public expenditures – the costs associated with public hospitals – and another sought to eliminate graduate medical education payments. A third proposal would limit the use of provider taxes in funding Medicaid programs. Congress passed a one-year moratorium on implementation of the first two proposals, but concern remained high regarding the future budget impact of these proposals once the moratorium was over.



New director takes helm

In July 2006, Governor Phil Bredesen appointed Darin Gordon as the 11th director of the TennCare program, replacing J. D. Hickey, who left to return to the private sector. Gordon was the Chief Financial Officer of the Bureau at the time of his appointment and had worked closely with TennCare for over 10 years.

Director Gordon's immediate priority was completing the implementation of the TennCare reforms that were begun in 2005. He has also worked on stabilizing TennCare financing, bringing in new management personnel, increasing the emphasis on quality of care, recruiting new contractors to the program, and implementing additional management controls.

Audit findings continue to decrease

Each year the Comptroller of the Treasury performs an audit of the TennCare program. In 2002, this audit yielded 39 findings. In 2007, the audit yielded four findings, a decrease of about 90 percent.

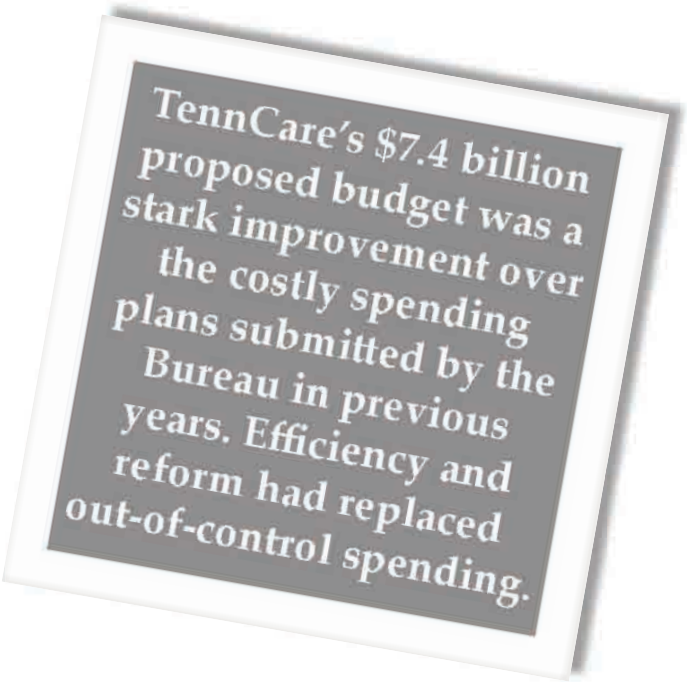
Along with the decrease in the number of findings has been a corresponding decrease in the severity of the findings. The 2007 findings dealt more with technical aspects of the TennCare program rather than with structural flaws in its administration.

The decrease in audit findings has come about as the result of concentrated work by TennCare staff. Teams were developed in the Bureau to address each finding, with persons responsible for each one being identified. Senior management provided oversight of the work done by the teams and monitored the progress made in resolving each finding. Operational improvements are enabling TennCare to address recurring findings, such as the Daniels class, which will be discussed later. The goal of the Bureau is to continue to work closely with the Comptroller's auditing team to quickly resolve any potential future audit findings.

TennCare becomes a better partner for State fiscal needs

In December 2006, the Bureau submitted a $7.4 billion proposed budget, marking a radical change from the first half of the decade, when TennCare costs put the state budget in crisis.

The budget proposal – reflecting the cost savings of enrollment and pharmacy-expenditures reforms, as well as improved operation across the overall program, enabled TennCare to expand its policies to include proposals in preventive care aimed at helping enrollees to make better health decisions and to avert costlier conditions.



Negotiation of federal waiver extension

The five-year Section 1115(a) waiver that TennCare had been operating under since July 2002 was due to expire on June 30, 2007. Waivers such as TennCare are granted by the Centers for Medicare and Medicaid Services (CMS), an agency within the U.S. Department of Health and Human Services.

The state requested an extension of the waiver in June 2006, but did not receive feedback from CMS until October 2006, at which point CMS said it wanted the state's waiver extension to be put into a format that was much more detailed than that used in the past. The new format was one that CMS was requiring all states submitting waiver proposals to use. The negotiating process with CMS was conducted throughout the winter and spring of 2006-2007. As of June 30, 2007, CMS had still not approved the formal extension and granted the state a series of short-term extensions while remaining details were worked out.

TENNderCare continues to see gains in outreach for child screenings

One major focus of the Early Periodic Screening Diagnosis and Treatment (EPSDT) Program is ensuring that TennCare's young enrollees receive appropriate checkups and shots. Called TENNderCare, the program continues to aggressively reach out to and inform enrollees regarding the availability of services provided by the MCOs that contract with TennCare. Each MCO provides at least six outreach attempts each year for each EPSDT eligible enrollee.

MCOs and staff from the Bureau of TennCare and the Department of Health participate in an Adolescent Well Care Collaborative. Conference calls are held by the group to identify innovative methods of providing outreach to teens. The group has developed a newsletter that is mailed quarterly to enrollees between the ages of 15 to 20 with topics of special interest to this age group. Special attention is being given to adolescent immunizations, in light of new recommendations from the U.S. Centers of Disease Control and Prevention for shots in this age group.

During the fourth quarter of fiscal year 2007, an EPSDT brochure for teens was under development and was mailed during the spring of 2007. The brochure stressed the importance of annual preventive physical exams, immunizations, dental services, and included a resource to quit smoking.

A presentation for teens titled "What to Expect at a TENNderCare Visit" was posted on the TennCare website. The presentation addressed some of the fears that teens may have which prevent them from using the EPSDT benefit. Teens were encouraged to see the benefit of preventive health services in their overall well-being.

TennCare continues to provide marketing materials to state agencies, public schools, and mental health centers. A flyer focused on EPSDT for families with children with special health care needs was finalized, as well. It was mailed to seven statewide agencies who serve children in this category. In addition, the flyers were posted on the TennCare website for downloading, as well as for distribution by community outreach workers.

Bureau implements new statutory medical-necessity definition

During its 2004 session, the Tennessee General Assembly enacted a new statutory definition of medical necessity for use in the TennCare program. However, application of the statutory definition was delayed due to provisions of the Grier consent decree that prevented effective implementation. The State went to federal court in the summer of 2005 seeking relief from these provisions and substantial relief was granted in a series of court orders issued in late 2005 and early 2006. As a result, in December 2006, the Bureau promulgated rules which implemented the statutory definition of medical necessity.

The rules implement a "five-prong" definition of medical necessity, which specifies that to be considered medically necessary an item or service must be:

* Recommended by a treating health care provider,
* Necessary to diagnose or treat the medical condition,
* Safe and effective,
* Not experimental or investigational; and
* The least costly alternative that is adequate for the medical condition

The rules provide extensive guidance concerning evaluation of available medical evidence and create a framework for evidence-based decision making in MCO utilization management programs. The result is a process that assures access to appropriate care for our enrollees – always the program's priority – while striving to assure the delivery of cost effective care.

Chief Medical Officer receives Nashville honor

Dr. Wendy Long, TennCare's Chief Medical Officer, was selected as one of the "10 Women to Watch" by Nashville Medical News in its May 2007 edition. This annual feature celebrates outstanding local medical professionals. The article highlighted Dr. Long's interest in solving large-scale medical problems and her decision to pursue population-based medicine as a career.

Dr. Long has played a leadership role in a number of important public health activities in Tennessee. One of these was the implementation of a Robert Wood Johnson Foundation grant to establish a system of care for HIV patients in our state.

New MCOs in Middle Tennessee

Maintaining MCO participation in Middle Tennessee has been troublesome over the years. Three MCOs that formerly operated in Middle Tennessee have left the program since 2001. For several years, all TennCare enrollees in Middle Tennessee have been assigned to TennCare Select, except for some enrollees who could choose to join a small MCO in Davidson County.

During the 2006-2007 state fiscal year, one of the major TennCare priorities was recruiting well-run, well-capitalized MCOs to Middle Tennessee. In addition to bringing in new MCOs, the Bureau wanted to establish a new service-delivery model – an integrated medical and behavioral health model. Under TennCare, behavioral health services have been "carved out" of the services offered by MCOs and offered by separate Behavioral Health Organizations since 1996. Another crucial factor in the implementation was structuring the MCOs' contracts to ensure that the organizations bear the full financial risk.

To meet these two goals – the return to a full-risk arrangement and the implementation of an integrated service delivery model – the state conducted its first RFP process for TennCare MCOs. One sign of TennCare's improved operations was its ability to attract a number of plans with a national presence. Six, well-qualified plans submitted bids for TennCare's RFP process.

The Bureau secured contracts with two successful bidders, AmeriChoice and Amerigroup Community Care, both nationally established health plans. Amerigroup, at the time of its successful bid for the TennCare contract, served through its subsidiaries approximately 1.2 million people in the District of Columbia and nine states. It reported a 2006 net income of $107.1 million. At the time of its successful bid, AmeriChoice also served 1.2 million members in nine states and Washington, D.C. The company is a subsidiary of UnitedHealth Group, which reported a 2006 net income of $4.2 billion.

The new MCOs agreed to accept full financial risk and to be paid set monthly rates, or capitation rates, to manage and deliver care to approximately 170,000 TennCare enrollees each.

The TennCare staff organized a number of readiness activities to be sure that the new MCOs would be prepared to start delivering services on April 1. These activities included desk audits of required policies, procedures, and related deliverables, as well as on-site audits of claims administration, information systems, financial management, medical management, customer services processes and workflows, provider network development, and provider network adequacy.

TennCare staff also worked to assure that enrollees would be ready for the change. Various materials were created for advocates, and letters were sent to all enrollees. Transition teams were set up within the Bureau to ensure continuity of care. These teams included both the new and exiting MCOs.

The two new MCOs "went live" on schedule on April 1, 2007, and began serving their new members with very little disruption.

OUR VISION FOR OUR ENROLLEES
Employing efficiency to serve them better

At the core of TennCare's operations – from the strategy we employed to roll out the Middle Tennessee transition to our quest to continually improve – is the goal of serving our enrollee population better.

UT Knoxville survey lauds TennCare's service

Each year the Center for Business and Economic Research (CBER) at the University of Tennessee at Knoxville conducts a survey of 5,000 Tennesseans to gather information on their perceptions of their health care. The information collected during the survey is segregated according to enrollees who are TennCare-eligible and people who are not, so that comparisons may be made between all households and TennCare households.

The survey is conducted using a Computer Assisted Telephone Interviewing System and a random-digit dialing based sample. Four calls are made to each residence, at staggered times, to minimize nonrespondent biases. Several of the interviewers speak more than one language.

In 2007, the CBER found that 90 percent of TennCare enrollees were satisfied with their care. This is a 3 percentage point increase over 2006 and a 29-point increase over the satisfaction percentage reported in 1994, the first year of TennCare's operation.

One of TennCare's primary goals is to encourage enrollees to visit their doctors when they are initially seeking health care, rather than simply going to the emergency room. The 2007 survey found that 94 percent of TennCare heads of household and 97 percent of TennCare children report seeking care first in the doctor's office or the clinic rather than the emergency room. These are the highest percentages yet reported on this question and stand in marked contrast to the percentages from 1994 (88 percent for both heads of household and children).

Statewide consolidation of home and community based services

TennCare supports the principle of our enrollees receiving, when appropriate, long-term care services in their homes and communities. Home and Community Based Services (HCBS) waivers are used by the state to offer services to individuals who, but for the services, would require institutional care. TennCare uses such waivers to better coordinate care for our enrollees and to offer them more and better options for receiving care in their homes and communities.

During 2006-2007, the state had three Elderly and Disabled Home and Community Based Services (HCBS) waivers: one statewide waiver administered by the Commission on Aging and Disability; an ADAPT waiver in Knoxville, Nashville, and Chattanooga; and a Shelby County waiver in Memphis. Based on discussions with CMS, the state requested during the fiscal year that these waivers be merged into one, with the addition of new slots and new services.

CMS approved the requested consolidation effective October 1, 2006. The maximum number of approved slots increased from 2,871 to 3,700, and several new services were added, including adult day care, in-home respite, personal care attendant services, and assisted living. The newly consolidated waiver was administered by the Commission on Aging and Disability.

TennCare and the Commission on Aging and Disability worked together to build provider networks and to make computer system modifications to support the delivery of new services. Enrollees participating in the ADAPT waiver and the Shelby County waiver were successfully transitioned to the new statewide HCBS waiver. The waiver functions to support and "wrap around" families who want to care for aging and/or disabled loved ones at home, rather than in a nursing home.

A protocol was developed by the state and approved by the Court to assure the health, safety, and welfare of all enrollees as the transition proceeded. This protocol was useful to the State in ensuring transitions were made as smoothly as possible.

Implementation of pharmacy "soft limits"

On February 1, 2007, TennCare implemented a modification to the pharmacy program. A new process, originally called "soft limits" and now called the "provider attestation process," was put in place to allow enrollees who are subject to a limit on outpatient drugs to obtain additional prescriptions in urgent circumstances.

TennCare Medicaid adults are limited to five prescriptions per month, of which no more than two may be brand-name drugs. However, many drugs used to treat conditions like asthma, diabetes, HIV, cardiovascular disease and cancer are automatically exempted from this limit. The prescription limit applies to all adults aged 21 and older, except for those who are in Nursing Facilities and those who are being served in Home and Community-Based Services waiver program.

The provider attestation process was developed to further "soften" the prescription limit. Under this process, when an enrollee has reached a benefit limit and his prescriber contacts TennCare and attests to the fact that the enrollee has an urgent need for one of these drugs, TennCare will provide coverage for it. More than 600 medications were identified for the provider attestation process.

National accreditation for health plans

Tennessee is the first state to mandate that all Medicaid Managed Care Organizations (MCOs) be accredited by the National Committee for Quality Assurance (NCQA).

The National Committee for Quality Assurance is an independent, 501(c)(3) non-profit organization whose mission is to improve health care quality nationally. The organization began accrediting managed care organizations in 1991 to provide standardized, objective information about the quality of care and services delivered by managed care organizations. The NCQA accreditation process includes a comprehensive review of the key aspects of care and service and the overall health care delivery system of individual managed care plans.

MCOs were notified that the contracts of MCOs failing to obtain NCQA accreditation by December 31, 2006, would be subject to termination. During the latter half of 2006, all MCOs completed the NCQA survey and received their ratings.

NCQA awards its highest accreditation status of "Excellent" to organizations with programs for service and clinical quality that meet or exceed rigorous

requirements for consumer protection and quality improvement. Three MCOs received an "Excellent" rating.

NCQA awards an accreditation status of "Commendable" (the second highest rating) to organizations with well-established programs for service and clinical quality that meet rigorous requirements for consumer protection and quality improvement. Three MCOs received a "Commendable" rating.

NCQA awards an accreditation status of "Provisional" to organizations with programs for service and clinical quality that meet basic requirements for consumer protection and quality improvement. Organizations awarded this status must take significant action to achieve a higher accreditation status. Only one MCO received this rating; it was the smallest MCO and was already scheduled to end its contract with TennCare by April 1, 2007.

LOOKING AHEAD
Better health decisions, better lives

As TennCare builds on its improvements, it looks to refine its operations in the areas of accountability, efficiency, fairness and innovation. What follow are some areas in which the Bureau hopes to see further accomplishments in the near future.

Bureau to seek reverification of Daniels class

Part of TennCare's operational efficiency entails ensuring that State resources are used in the most appropriate ways. In the next fiscal year, the Bureau will ask the federal court for permission to reverify the eligibility of a group of enrollees who have remained on the TennCare rolls for many years without having their eligibility checked, due to an injunction resulting from the Daniels case. The Bureau wants to ensure that all enrollees are treated alike in having their eligibility checked at least annually and also to ensure that persons receiving coverage under TennCare are actually eligible for the program.

TennCare to put pharmacy benefits manager up for competitive bid

The Bureau will put up for bid the contract for its pharmacy benefits manager (PBM). The PBM administers the pharmacy claims system, an online system that processes all pharmacy transactions. The PBM also helps administer TennCare's Preferred Drug List, manages the pharmacy network, provides pharmacists with weekly payments for their services, and generates weekly encounter data and reconciliation services for the Bureau. The PBM is currently First Health. The transition to a new PBM, if the competitive bid goes to another company, will take approximately four months. We anticipate the request for proposal to be released in FY '08 with the winning bidder assuming responsibility in FY '09.

In recent years, TennCare's efficient management of its pharmacy benefit has resulted in savings of more than $1 billion of taxpayer funds.

TennCare to put Medicaid Management Information System contract up for rebid

TennCare will put up for rebid its contract for its TennCare Management Information System (TCMIS), as well as to incorporate several enhancements. The Facilities Manager will operate, maintain, and enhance the TCMIS to efficiently meet the business requirements of the Bureau of TennCare, its stakeholders, enrollees, and business partners. EDS is TennCare's current manager of the TCMIS. In the event that a new vendor successfully bids upon the contract, there would be 11 months' overlap to help ensure a smooth transition from the present vendor.

TennCare looks to provide spend-down coverage

In November 2006 TennCare received approval from CMS to open a new demonstration category called the "Standard Spend Down" (SSD) category. SSD would allow enrollment of a capped number of non-pregnant adults who are aged, blind, disabled, or caretaker relatives of Medicaid-eligible children, and who meet criteria patterned after those of the Medicaid Medically Needy Spend Down program.

TennCare could not open this category as planned, since the November approval date was quickly followed by the beginning of the last six months of the approved demonstration project. The TennCare demonstration was set to expire on June 30, 2007. One of the Special Terms and Conditions of the TennCare waiver has been that no demonstration eligibles will be enrolled in the last six months of the demonstration. In the absence of an approved extension, the state could not take the risk of enrolling new demonstration eligibles in the 2006-2007 state fiscal year. Upon approval of the waiver extension, TennCare plans to move forward with enrollment in this new eligibility category.

Dedicating more resources to long-term care solutions

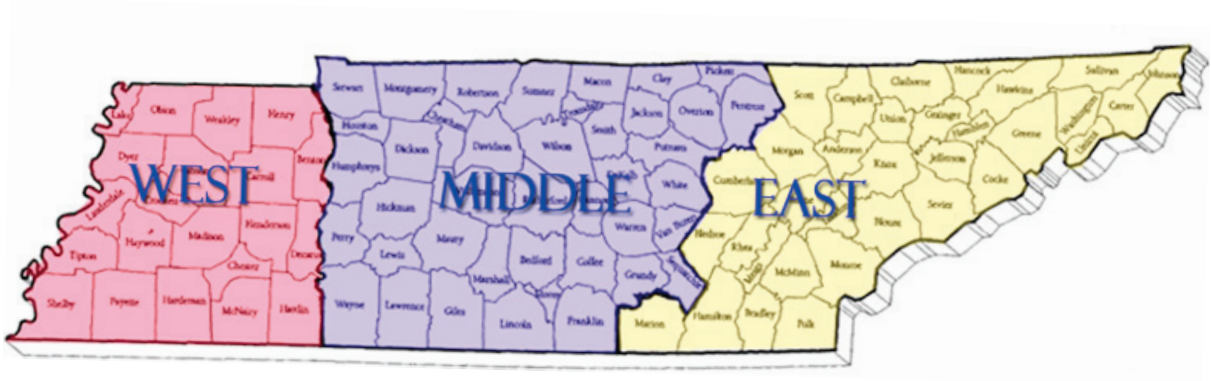
Choice also will continue to play a central role in the policies we look to employ. For example, in long-term care, TennCare is eager to help implement Governor Phil Bredesen's vision of ensuring that more enrollees are able to receive the appropriate level of care in the place where they're most comfortable – their homes.

In the process of doing so, TennCare hopes to expand HCBS availability to enrollees and to work to make sure the nursing home industry in Tennessee is positioned to accommodate the coming wave of aging baby boomers. TennCare agrees with Governor Bredesen's assessment that the time is now to work on this issue, and the Bureau looks forward to working to make his vision for long-term care in the state a reality.

East, West regions to undergo transition

Following up on the successful implementation of two new MCOs serving TennCare enrollees in Middle Tennessee – each operating at full financial risk, which is a cornerstone of true managed care, and each offering an integrated model of medical and behavioral services – TennCare plans to replicate this arrangement in the East and West regions of the state.

Soon after the implementation of the Middle Tennessee arrangement, work began on RFPs for East and West, with the expectation that two full risk MCOs will be selected for East and West in 2008.



Moving forward

It is clear that TennCare has made much progress in recent years. Governor Bredesen's reforms have brought much-needed stability to the program. This stability has provided opportunities to devote new attention to improving quality of care and increasing operational efficiencies. TennCare is finally on the road to achieving its promise of serving as a national model for Medicaid managed care programs.

APPENDIX

You have seen TennCare's accomplishments and vision. This appendix will provide a closer look at our day-to-day operations. Feel free to use it as a reference, to gain a deeper understanding of our program.

Service Delivery Network

TennCare's service delivery network is the framework by which we deliver care to our enrollee population. The network comprises physical health, mental health, pharmacy benefits and dental benefits.

Managed Care Organizations

In the TennCare programs, managed care organizations (MCOs) coordinate health care delivery to our enrollees. This chart depicts enrollment as of December 31, 2006. On April 1, 2007, the vast majority of enrollees in the Middle Tennessee region on TennCare Select and all enrollees in VHP were reassigned to the new MCOs operating there, Amerigroup and AmeriChoice. Both plans were selected via a competitive bid process and provide both physical and behavioral health care.

TennCare Select serves as the State's backup health plan to provide services when there are MCO-capacity issues and also to provide services to certain populations that the State has identified.

MCO/ Region*	East	Middle	Out of State**	West	Total	MCO Distribution
Better Health Plans Inc.	0	0	0	61,200	61,200	5.2%
BlueCare	206,200	0	0	0	206,200	17.4%
AmeriChoice	79,200	0	0	0	79,200	6.7%
UAHC	0	0	0	112,100	112,100	9.5%
PHP	102,600	0	0	0	102,600	8.7%
TennCare Select	36,800	331,100	6,000	36,100	410,000	34.6%
TLC	0	0	0	167,000	167,000	14.1%
VHP	0	45,600	0	0	45,600	3.8%
Total	424,800	376,700	6,000	376,400	1,183,900***	100.0%
Regional Distribution	35.9%	31.8%	0.5%	31.8%	100.0%	

* Individuals in counties bordering Grand Regions might show up differently when segregating between regions by MCO & BHO assignment.

** Enrollees might live out-of-state for several reasons, such as attending an out-of-state college while maintaining Tennessee residency; residents temporarily out of the state; or residing in an out-of-state medical institution for a prolonged period.

*** As of Dec. 31, 2006

Behavioral Health Organizations

As of December 31, 2006, all enrollees were still assigned to one of two behavioral health organizations (BHOs), based on their MCO assignment. Tennessee Behavioral Health (TBH) is partnered with AmeriChoice East (formerly John Deere), TLC, PHP, TennCare Select in East Tennessee and Blue Care. Premier Behavioral Systems of Tennessee, LLC. Premier is partnered with UAHC (formerly OmniCare), Unison (formerly Better Health Plan), VHP and TennCare Select in Middle and West Tennessee. Children in state custody and enrollees temporarily living out of state are assigned to Premier.

Effective January 1, 2006, both BHOs executed risk-based contracts with the State of Tennessee:

- TBH East – a full-risk contract serving enrollees in the East Tennessee Grand Region.
- TBH Middle/West – a shared-risk agreement for the Middle and West Grand Regions.
- Premier – a shared-risk contract serving enrollees statewide.

A single management company, Advocare of Tennessee, provides management to both TBH and Premier.

Region / BHO*	Premier	TBH	Total	Percentage
West	209,400	167,000	376,400	31.8%
Middle	376,500	200	376,700	31.8%
East	4,900	419,900	424,800	35.9%
Out-of-State	5,800	200	6,000	0.5%
Total	596,600	587,300	1,183,900	100%
Percentage	50.4%	49.6%	100%	

* Individuals in counties bordering Grand Regions might show up differently when segregating between regions by MCO & BHO assignment.

Pharmacy Benefits Manager

First Health Services Corp. is the Pharmacy Benefits Manager (PBM) for TennCare. As TennCare's PBM, First Health processes drug claims for TennCare enrollees, manages the preferred drug list and point-of-sale edits, and conducts the retrospective drug utilization (retro DUR) program for the Bureau of TennCare.

Dental Benefits Manager

In TennCare, Doral Dental of Tennessee, LLC, is the dental benefits manager. As such, Doral administers the dental program and contracts with providers.

All TennCare-covered services must be medically necessary. As of June 30, 2007, TennCare covered the following services:

- Community health services
- Dental services for enrollees under 21; for enrollees 21 and older, services are limited to the completion of certain orthodontic treatments initiated before enrollees turn 21
- Durable medical equipment
- Emergency ambulance transportation – air and ground
- EPSDT services for Medicaid enrollees under 21; preventive, diagnostic and treatment services for TennCare Standard enrollees under 21
- Home- and Community-Based Services (HCBS) for certain persons with mental retardation or persons determined to be elderly or disabled*
- Home health care
- Hospice care
- Inpatient and outpatient substance abuse benefits (lifetime limit of $30,000 for adults 21 and older)
- Inpatient hospital services
- Lab and X-ray services
- Medical supplies
- Mental health case management services
- Mental health crisis services
- Non-emergency transportation
- Nursing facility services (including Level 1, Level 2 and ICF/MR services)*
- Occupational therapy
- Organ- and tissue-transplant services and donor organ/tissue-procurement services
- Outpatient hospital services
- Outpatient mental health services
- Pharmacy services
- Physical therapy
- Physician services
- Private duty nursing
- Psychiatric inpatient services
- Psychiatric rehabilitation services
- Psychiatric residential treatment services
- Reconstructive breast surgery
- Rehabilitation services
- Renal dialysis clinic services
- Speech therapy
- Vision services for enrollees under 21

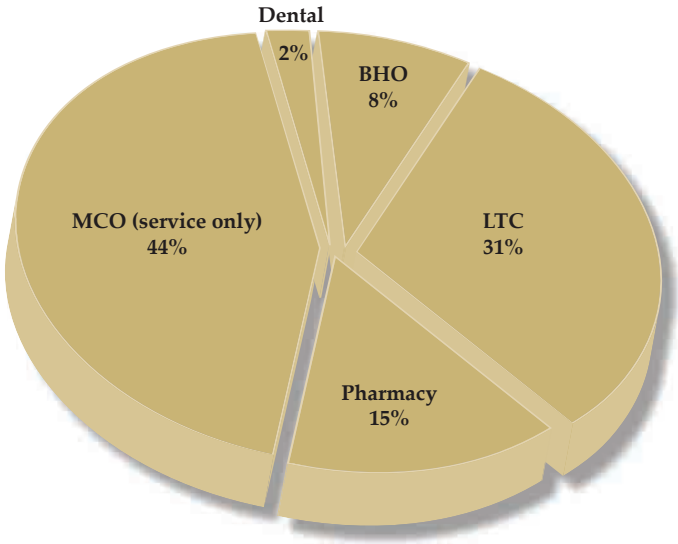
* HCBS and nursing facility services are provided outside the managed-care setting.

Service Listing

06/07 Budget by Service Category

Program	$ Amount
MCO (service only)	$2,562,020,000
Pharmacy	$869,134,000
Long-Term Care*	$1,759,164,800
BHO	$432,545,200
Dental	$127,322,100
Total – Selected Programs	$5,750,186,100

* Long-term care includes services like nursing home care, adult day care, assisted care living facilities, assistive technology, case management, home-delivered meals, homemaker services, in-home respite and pest control.



Medical Services

Top Five Diagnoses by Cost

Inpatient Hospital

1. Single Liveborn	13.61%
2. Short Gestation/Unspec Low Birth Weight	2.96%
3. Other Diseases of Lung	2.88%
4. Abnormality of Organs/Soft Tissues Pelvis	2.14%
5. Septicemia	1.80%
Percentage of all Inpatient Expenditures	23.39%

Outpatient

1. Respiratory Systems/Other Chest Symptoms	4.28%
2. Other Symptoms Involving Abdominal Pain	3.85%
3. General Symptoms	3.20%
4. Encounter for Other/Unspec Procedure & Aftercare	2.70%
5. Chronic Renal Failure	2.56%
Percentage of All Outpatient Expenditures	16.58%

Physician

1. Health Supervision of Child	6.25%
2. Normal Delivery	3.14%
3. Respiratory Systems/Other Chest Symptoms	2.88%
4. Other and Unspecified Disorders of Back	2.40%
5. General Symptoms	2.30%
Percentage of All Physician Expenditures	16.97%

- Inpatient hospitalization rate was 128 admissions per 1,000 enrollees
- Average inpatient length of stay was 4.51 days per admission
- Emergency room utilization was 751 visits per 1,000 enrollees
- 79% of all TennCare enrollees visited a physician at least once during the year

MCO Medical Expenditure by Category of Service

Category of Service	Providers With Paid Claims	FY 07 Recipients	Expenditures Per Recipient	FY 06-07 Actual Closing Nos.
Hospital Facilities (Including care provided through hospitals (both Inpatient and Outpatient), Federally Qualified Health Centers (FQHC), Ambulatory Surgical Centers, etc.)	4,362	591,658	$1,972	$1,166,705,945
Physician	22,321	947,792	$820	$777,339,903
Durable Medical Equipment	2,962	75,895	$928	$70,450,867
Home Health	344	10,803	$22,879	$247,166,918
Other Services (Transportation, Lab, Hospice)	6,425	416,188	$381	$158,655,008

Pharmacy Services

Services Delivered through PBM

TennCare utilizes a preferred drug list to manage the pharmacy benefit. Some drugs require prior approval. During fiscal year 2006-2007, 73% of TennCare-reimbursed prescriptions were generic and 27% were brand name.

Brand name drugs accounted for 71% of pharmacy expenditures, with an average cost per prescription of $143 for a brand name prescription, compared with $21 for a generic prescription.

TennCare enrollees who utilized pharmacy services averaged 14.83 prescriptions per year in FY 06-07.

Providers with Paid Claims	FY 07 Recipients	Expenditures Per Recipient	FY 06-07 Expenditures
6,760	839,919	$771.40	$647,916,800

Note: Figures represent enrollees who utilize pharmacy services.

Top Five Drugs by Cost

Brand Name	Generic Name	Drug Type	Cost of Drug
Seroquel®	Quetiapine Fumarate	Antipsychotic	$23,193,577.00
Singulair®	Montelukast Sodium	Asthma medication	$20,832,589.00
Synagis®	Palivizumab	Prevent Respiratory Syncytial Virus (RSV)	$20,109,199.55
Risperdal®	Risperidone	Antipsychotic	$17,289,823.00
Adderall®	Amphet ASP/ Amphet/D-Amphet	Treatment for ADHD	$14,148,677.00

Top Five Drugs By Number of Claims

Brand Name	Generic Name	Drug Type	Number of Prescriptions
Lortab®, Vicodin®, various other Brands	Hydrocodone Bitartrate/ Acetaminophen	Narcotic	627,668
Amoxil®, A-Cillin®, various other Brands	Amoxicillin Trihydrate	Anti-infectives	324,520
Azithromycin®, Zmax® various other Brands	Azithromycin	Anti-infectives	239,793
Singulair®, various other Brands	Montelukast Sodium	Asthma medication	249,616
Rantidine HCL®, Zantac®	Rantidine HCL	Gastric acid reducer	189,028

Dental Services

Services Delivered through the DBM

During FY 07, medically necessary services were covered for enrollees under 21. For TennCare-eligible children age 3 and over, our dental screening rate was 67%.

Dental Services

Providers with Paid Claims	FY 07 Recipients	Expenditures Per Recipient	* FY 06-07 Expenditures
825	290,438	$421.57	$122,441,000

* Does not include Health Department Dental Program or administrative costs.

Behavioral Health Services

- 73% of enrollees receiving mental health care are either adults designated as SPMI (Seriously and Persistently Mentally Ill) or children designated as SED (Seriously Emotionally Disturbed)
- Approximately 10% of the entire TennCare population are SPMI/SED enrollees
- 84.6% of dollars spent on mental health care is for SPMI/SED enrollees

Top Five Mental Health Diagnoses by Cost

Inpatient Hospital

1. Affective Psychoses	34.9%
2. Schizophrenic Disorder	26.7%
3. Nonorganic Psychoses	4.9%
4. Depressive Disorder	4.9%
5. Disturbance of Conduct	4.7%
% of all Inpatient Expenditures	76.1%

Outpatient

1. Schizophrenic Disorder	33.1%
2. Affective Psychoses	16.4%
3. Drug Dependence	15.4%
4. Disturbance of Conduct	6.1%
5. Depressive Disorder	4.7%
% of All Outpatient Expenditures	75.7%

Physician

1. Affective Psychoses	33.4%
2. Adjustment Reaction	12.8%
3. Hyperkinetic Syndrome of Childhood	12.5%
4. Schizophrenic Disorder	12.5%
5. Neurotic Disorders	7.9%
% of All Physician Expenditures	79.1%

Long Term Care Services

Category of Services	Number of Providers	Number of Recipients	Average Expenditure Per Recipient	Total Expenditure
HCBS - MR	* 1	6,563	$85,195	$559,135,700
HCBS - Elderly	112	1,320	$23,867	$31,504,000
Intermediate Care - MR	78	1,267	$214,770	$272,113,700
Intermediate Care - Nursing Facility	294	25,721	$30,936	$795,699,400
Skilled Nursing Facility	235	2,476	$40,675	$100,712,000

User count reflects the level on Dec 31, 2006
* Number of providers does not total because some entities provide more than one kind of service. Also, this table reflects only the one billing provider for MR.

Enrollment

The core TennCare population includes people eligible for Medicaid. To be eligible for Medicaid, people must meet the criteria for a Medicaid category. Medicaid categories are established by federal law. Some of them are mandatory categories that states must cover in their Medicaid programs, and some are optional categories that states may elect to cover in their Medicaid programs. States do not have the latitude to design their own Medicaid categories apart from those named in federal regulations.

TennCare covers all mandatory Medicaid categories and most optional Medicaid categories. Income levels vary among categories, but low income is a prerequisite for most categories.

Major categories include the following:

- Children
- Pregnant women
- Families receiving public assistance (Families First)
- People with disabilities or chronic illnesses who qualify for Supplemental Security Income (SSI)
- People who require care in nursing facilities and
- Women needing treatment for breast and/or cervical cancer

Some people with Medicare also qualify for assistance from TennCare. They may be eligible in a Medicaid category, in which case they are eligible for full TennCare benefits. Or they may have incomes below certain levels, in which case TennCare assists them with their Medicare cost-sharing. Medicare beneficiaries who are not eligible in a Medicaid category do not get any other services from TennCare.

In addition to the Medicaid categories, TennCare covers categories under the demonstration, or expansion, program. As of July 1, 2007, there were two demonstration categories. Persons in both categories either had to be enrolled in those categories prior to Dec. 31, 2001, or they had to have lost eligibility for Medicaid since July 1, 2002. The categories are as follows:

- Uninsured children under age 19 with family incomes below 200% poverty
- Uninsurable (“Medically Eligible”) children under age 19 with family incomes at any level

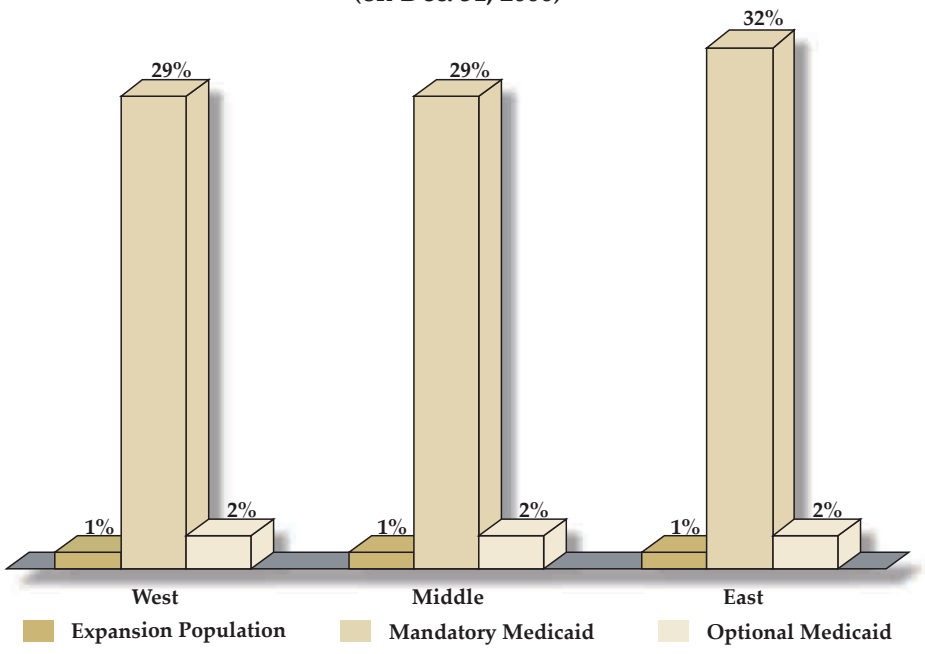
Enrollment by Eligibility Category and Race

Category	White	Black	Other	Hispanic	Grand Total
Expansion Population	2.2%	0.5%	0.1%	0.2%	3.0%
Mandatory Medicaid	52.1%	29.6%	5.6%	3.4%	90.7%
Optional Medicaid	4.5%	1.6%	0.1%	0.1%	6.3%
Grand Total	58.8%	31.7%	5.8%	3.7%	100%

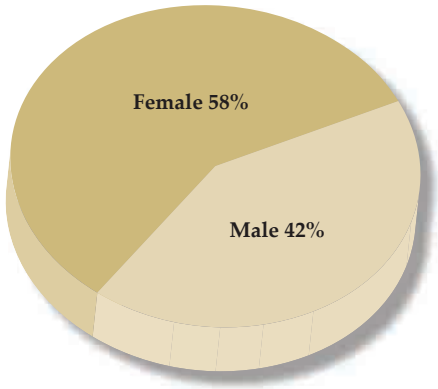
Enrollment by Eligibility Category and Age

Category	0 to 20	21 to 64	65+	Grand Total
Expansion Population	33,500	1,400	200	35,100
Mandatory Medicaid	597,800	393,400	82,600	1,073,800
Optional Medicaid	28,000	44,800	2,200	75,000
Grand Total	659,300	439,600	85,000	1,183,900

Enrollment by Major Eligibility Category & Grand Region (on Dec. 31, 2006)



TennCare Beneficiaries by Gender (on Dec. 31, 2006)



TennCare Eligibility and Poverty Guidelines

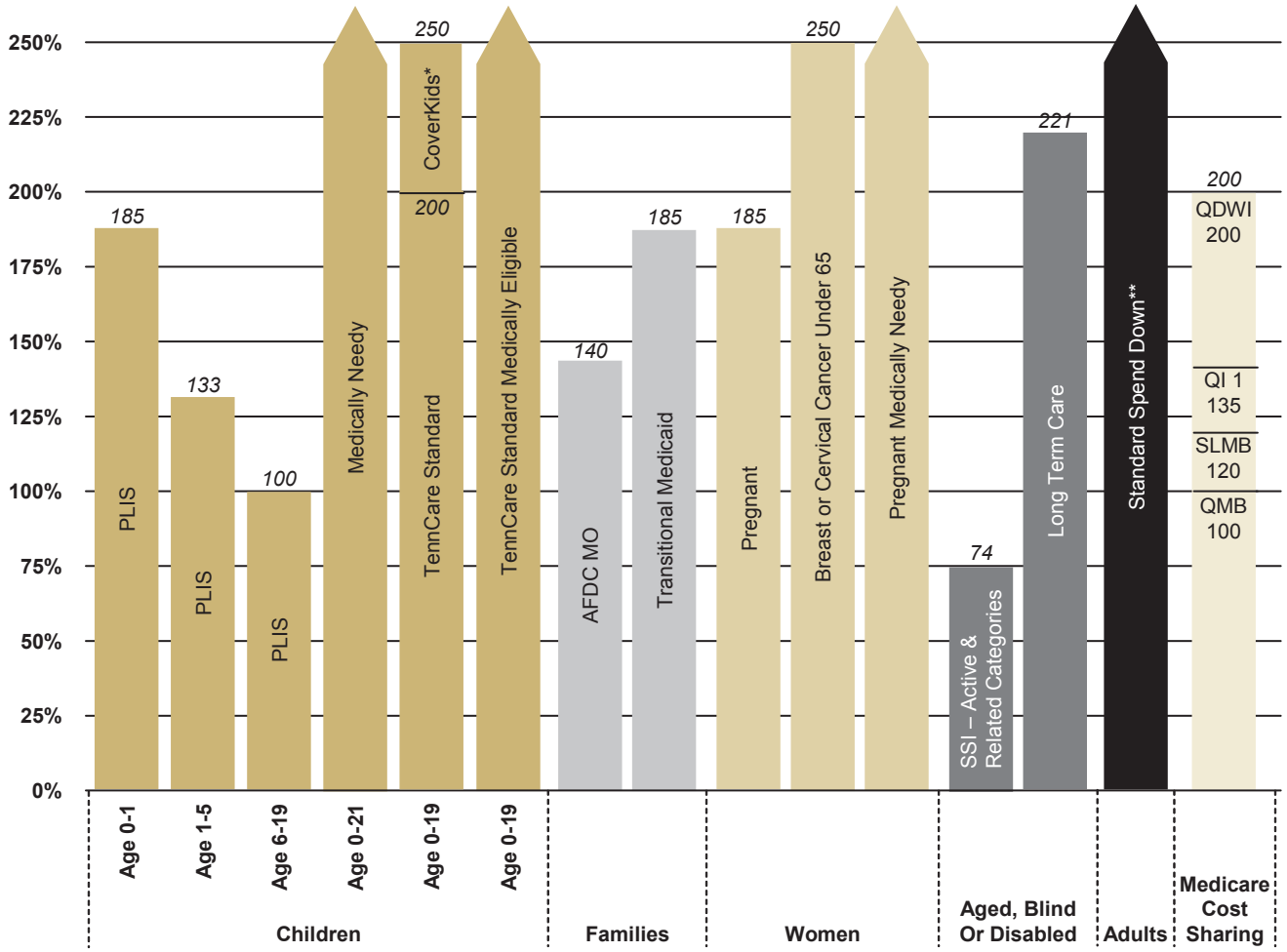
These two charts set forth the income and resource levels that applicants must meet before they can be determined eligible for TennCare.

Annual and Monthly Income in Dollars

Family Size		65%	75%	100%	120%	133%	135%	185%	200%	250%
1	Mo	$563	$650	$867	$1,040	$1,153	$1,170	$1,603	$1,733	$2,167
	Yr	6,760	7,800	10,400	12,480	13,832	14,040	19,240	20,800	26,000
2	Mo	758	875	1,167	1,400	1,552	1,575	2,158	2,333	2,917
	Yr	9,100	10,500	14,000	16,800	18,620	18,900	25,900	28,000	35,000
3	Mo	953	1,100	1,467	1,760	1,951	1,980	2,713	2,933	3,667
	Yr	11,440	13,200	17,600	21,120	23,408	23,760	32,560	35,200	44,000
4	Mo	1,148	1,325	1,767	2,120	2,350	2,385	3,268	3,533	4,417
	Yr	13,780	15,900	21,200	25,440	28,196	28,620	39,220	42,400	53,000
5	Mo	1,343	1,550	2,067	2,480	2,749	2,790	3,823	4,133	5,167
	Yr	16,120	18,600	24,800	29,760	32,984	33,480	45,880	49,600	62,000
6	Mo	1,538	1,775	2,367	2,840	3,148	3,195	4,378	4,733	5,917
	Yr	18,460	21,300	28,400	34,080	37,772	38,340	52,540	56,800	71,000
7	Mo	1,733	2,000	2,667	3,200	3,547	3,600	4,933	5,333	6,667
	Yr	20,800	24,000	32,000	38,400	42,560	43,200	59,200	64,000	80,000
8	Mo	1,928	2,225	2,967	3,560	3,946	4,005	5,488	5,933	7,417
	Yr	23,140	26,700	35,600	42,720	47,348	48,060	65,860	71,200	89,000

Note: For each additional person add $3,600 annually or $300 monthly

Tennessee Medicaid Coverage Groups and Eligibility Requirements



Category	Program	Description	Income Limit
Children	PLIS (Poverty Level Income Standard)	Low income children age 0 up to 1st birthday	185% of poverty - No resource test
		Low income children age 1 to 6th birthday	133% of poverty - No resource test
		Low income children age 6 to 19th birthday	100% of poverty - No resource test
	Medically Needy	Children up to age 21. Must either have low income or have sufficient unreimbursed medical bills to spend down to requisite income limits.	Monthly spend-down levels of $241 (1), $258 (2), $317 (3), $325 (4), $392 (5), $408 (6), or $467 (7), depending upon family size - Resource: $2,000 (1), $3,000 (2), add $100 per additional individual
	Standard Rollover	Children under age 19 who do not have access to insurance. Category is only open to children who lose Medicaid eligibility and rollover into Standard.	Below 200% of poverty - No resource test
	Standard Medically Eligible	Children under age 19 who do not have access to insurance and who have health conditions that make the child uninsurable. Category is only open to children who lose Medicaid eligibility and rollover into Standard.	No income or resource test
	AFDC MO	Individuals who meet basic Families First criteria for Title XIX, but do not qualify for certain technical components of Families First.	Monthly income levels of $1217 (1), $1574 (2), $1837 (3), $2011 (4), $2257 (5), $2379 (6), or $2518 (7) depending upon family size, subject to disregards - Resource: $2,000 (1)
	Transitional Medicaid	Individuals who lose Families First due to earned income or increased work hours may receive 12 months of Medicaid.	185% of poverty during months 7 - 12
Women	Pregnant	Low income pregnant women. NOTE: Newborns born to Medicaid–eligible women are deemed eligible for one year.	185% of poverty - No resource test
	Breast or Cervical Cancer	Women under 65 who are not eligible for any other category of Medicaid and have been diagnosed as the result of a screening at a Centers for Disease Control and Prevention (CDC) site with breast or cervical cancer, including pre-cancerous conditions and who are in need of treatment for the cancer.	250% of poverty - No resource test
	Pregnant Medically Needy	Pregnant women. Must have sufficient unreimbursed medical bills to spend down to requisite income limits.	Monthly spend-down levels of $241 (1), $258 (2), $317 (3), $325 (4), $392 (5), $408 (6), or $467 (7), depending upon family size - Resource: $2,000 (1), $3,000 (2), add $100 per additional individual
Aged, Blind & Disabled	SSI (Supplemental Security Income)	Active: Low income aged, blind, or disabled recipients of federal SSI cash payments as determined by SSA	74% of poverty - Resource: $2,000 (1), $3,000 (2)
		Former recipients of SSI cash payments who meet certain guidelines	74% of poverty plus disregards - Resource: $2,000 (1), $3,000 (2)
	Long Term Care	Low income individuals who require care in a nursing facility or intermediate care facility for the mentally retarded or who receive Home and Community-Based Services in their home	$1911/month (300% of the SSI benefit rate) - Resource: $2,000
Adults	Standard Spend Down	Non-pregnant adults who are aged, blind, disabled or caretaker relatives and who have too much income and have sufficient unreimbursed medical bills to spend down to requisite income limits. This category is not currently open to new enrollees.	Monthly spend-down levels of $241 (1), $258 (2), $317 (3), $325 (4), $392 (5), $408 (6), or $467 (7), depending upon family size - Resource: $2,000 (1), $3,000 (2), add $100 per additional individual
Medicare Cost Sharing	QMB	**Qualified Medicare Beneficiary** - TennCare pays Medicare premiums, deductibles and co-insurance for those eligible for Medicare Part A	100% of poverty - Resource: $4,000 (1), $6,000 (2)
	SLMB	**Specified Low Income Medicare Beneficiaries** - Tenncare pays Medicare Part B premiums only	Between 100% and 120% of poverty - Resource: $4,000 (1), $6,000 (2)
	QI 1	**Qualified Individuals** - TennCare pays Medicare Part B premiums only	Between 120% and 135% of poverty - Resource: $4,000 (1), $6,000 (2)
	QDWI	**Qualified Disabled Working Individual** - TennCare pays Medicare Part A buy-in for non-aged individuals who lost SSI disability benefits and premium free Part A	200% of poverty - Resource: $2,000 (1), $3,000 (2)

* CoverKids is a state of Tennessee SCHIP program managed by Cover Tennessee and is not part of the Medicaid TennCare program.

** (aged, blind, disabled & caretaker relatives) not currently open to new enrollees

*** Numbers in parentheses refer to the number of members within a family.

TennCare Expenditures and Recipients by County

County	Enrollment on 31-Dec-06	Estimated 2006 Population	% of County on Tenncare	Total Service Expenditures	Expenditure Per Member	% County Expenditure	% County Enrollment	% County Population
ANDERSON	14,200	74,070	19.2%	$63,037,319	$4,035	1.2%	1.2%	1.22%
BEDFORD	8,880	43,700	20.3%	$35,721,431	$3,657	0.7%	0.8%	0.72%
BENTON	4,090	16,490	24.8%	$20,154,044	$4,479	0.4%	0.3%	0.27%
BLEDSOE	2,940	13,120	22.4%	$11,450,178	$3,540	0.2%	0.2%	0.22%
BLOUNT	17,290	118,980	14.5%	$73,936,157	$3,887	1.4%	1.5%	1.96%
BRADLEY	17,040	94,165	18.1%	$69,638,824	$3,715	1.3%	1.4%	1.55%
CAMPBELL	13,190	41,120	32.1%	$53,486,044	$3,686	1.0%	1.1%	0.68%
CANNON	2,710	13,540	20.0%	$12,268,172	$4,115	0.2%	0.2%	0.22%
CARROLL	6,970	29,290	23.8%	$34,887,974	$4,550	0.7%	0.6%	0.48%
CARTER	11,930	59,550	20.0%	$50,832,985	$3,873	1.0%	1.0%	0.98%
CHEATHAM	5,030	39,280	12.8%	$20,555,641	$3,715	0.4%	0.4%	0.65%
CHESTER	3,230	16,150	20.0%	$16,170,501	$4,551	0.3%	0.3%	0.27%
CLAIBORNE	9,490	31,560	30.1%	$41,491,389	$3,974	0.8%	0.8%	0.52%
CLAY	2,140	8,110	26.4%	$10,400,687	$4,418	0.2%	0.2%	0.13%
COCKE	10,580	35,460	29.8%	$41,105,360	$3,532	0.8%	0.9%	0.58%
COFFEE	10,610	51,970	20.4%	$49,366,460	$4,229	0.9%	0.9%	0.85%
CROCKETT	3,400	14,490	23.5%	$18,058,434	$4,828	0.3%	0.3%	0.24%
CUMBERLAND	9,820	52,695	18.6%	$51,852,923	$4,800	1.0%	0.8%	0.87%
DAVIDSON	109,760	582,580	18.8%	$535,869,645	$4,438	10.1%	9.3%	9.58%
DECATUR	2,770	11,500	24.1%	$14,263,559	$4,681	0.3%	0.2%	0.19%
DEKALB	4,080	18,480	22.1%	$21,160,770	$4,715	0.4%	0.3%	0.30%
DICKSON	8,400	46,895	17.9%	$45,096,152	$4,880	0.8%	0.7%	0.77%
DYER	9,790	38,140	25.7%	$39,372,241	$3,656	0.7%	0.8%	0.63%
FAYETTE	5,860	36,340	16.1%	$23,951,167	$3,715	0.5%	0.5%	0.60%
FENTRESS	6,150	17,600	34.9%	$36,100,793	$5,336	0.7%	0.5%	0.29%
FRANKLIN	6,510	41,600	15.6%	$29,509,714	$4,121	0.5%	0.6%	0.68%
GIBSON	11,845	48,790	24.3%	$67,340,542	$5,168	1.3%	1.0%	0.80%
GILES	5,670	29,465	19.2%	$26,528,253	$4,253	0.5%	0.5%	0.48%
GRAINGER	4,920	22,600	21.8%	$18,170,307	$3,357	0.3%	0.4%	0.37%
GREENE**	13,050	66,390	19.7%	$156,382,278	$10,893	2.9%	1.1%	1.09%
GRUNDY	4,990	14,600	34.2%	$21,926,845	$3,994	0.4%	0.4%	0.24%
HAMBLEN	12,280	61,435	20.0%	$56,690,813	$4,196	1.1%	1.0%	1.01%
HAMILTON	54,320	315,000	17.2%	$256,751,485	$4,297	4.8%	4.6%	5.18%
HANCOCK	2,420	6,760	35.8%	$13,488,351	$5,067	0.3%	0.2%	0.11%
HARDEMAN	7,155	28,365	25.2%	$33,264,768	$4,226	0.6%	0.6%	0.47%
HARDIN	6,990	26,260	26.6%	$33,780,606	$4,393	0.6%	0.6%	0.43%
HAWKINS	12,320	57,230	21.5%	$45,622,365	$3,366	0.9%	1.0%	0.94%
HAYWOOD	5,740	19,535	29.4%	$20,398,782	$3,230	0.4%	0.5%	0.32%
HENDERSON	6,150	26,930	22.8%	$25,722,690	$3,802	0.5%	0.5%	0.44%
HENRY	7,270	32,050	22.7%	$30,385,356	$3,799	0.6%	0.6%	0.53%
HICKMAN	5,170	23,970	21.6%	$23,396,035	$4,114	0.4%	0.4%	0.39%
HOUSTON	2,020	8,130	24.8%	$10,375,068	$4,669	0.2%	0.2%	0.13%
HUMPHREYS	3,670	18,520	19.8%	$19,353,321	$4,794	0.4%	0.3%	0.30%
JACKSON	2,750	10,990	25.0%	$12,249,538	$4,049	0.2%	0.2%	0.18%
JEFFERSON	10,090	49,700	20.3%	$44,587,307	$4,017	0.8%	0.9%	0.82%
JOHNSON	4,540	18,160	25.0%	$15,495,597	$3,103	0.3%	0.4%	0.30%
KNOX	61,110	414,730	14.7%	$273,415,150	$4,067	5.1%	5.2%	6.82%
LAKE	2,090	7,455	28.0%	$11,889,257	$5,171	0.2%	0.2%	0.12%
LAUDERDALE	7,640	26,910	28.4%	$22,504,347	$2,678	0.4%	0.6%	0.44%

TennCare Expenditures and Recipients by County

County	Enrollment on 31-Dec-06	Estimated 2006 Population	% of County on Tenncare	Total Service Expenditures	Expenditure Per Member	% County Expenditure	% County Enrollment	% County Population
LAWRENCE	8,620	41,210	20.9%	$41,915,142	$4,420	0.8%	0.7%	0.68%
LEWIS	2,980	11,665	25.5%	$15,464,242	$4,717	0.3%	0.3%	0.19%
LINCOLN	6,210	32,950	18.8%	$27,049,363	$3,959	0.5%	0.5%	0.54%
LOUDON	6,550	44,865	14.6%	$33,687,546	$4,675	0.6%	0.6%	0.74%
MACON	5,135	21,870	23.5%	$24,788,588	$4,388	0.5%	0.4%	0.36%
MADISON	21,260	96,540	22.0%	$96,934,502	$4,145	1.8%	1.8%	1.59%
MARION	6,450	28,130	22.9%	$28,514,193	$4,019	0.5%	0.5%	0.46%
MARSHALL	4,950	29,080	17.0%	$20,866,990	$3,832	0.4%	0.4%	0.48%
MAURY	13,610	78,830	17.3%	$75,870,632	$5,067	1.4%	1.1%	1.30%
MCMINN	10,190	52,370	19.5%	$47,086,935	$4,200	0.9%	0.9%	0.86%
MCNAIRY	7,300	25,890	28.2%	$30,590,178	$3,809	0.6%	0.6%	0.43%
MEIGS	3,000	11,780	25.5%	$10,029,446	$3,039	0.2%	0.3%	0.19%
MONROE	9,670	44,460	21.7%	$38,468,483	$3,616	0.7%	0.8%	0.73%
MONTGOMERY	21,870	148,100	14.8%	$83,763,773	$3,482	1.6%	1.8%	2.44%
MOORE	800	6,110	13.1%	$3,378,098	$3,838	0.1%	0.1%	0.10%
MORGAN	4,830	20,240	23.9%	$20,753,512	$3,906	0.4%	0.4%	0.33%
OBION	6,675	32,400	20.6%	$26,645,209	$3,629	0.5%	0.6%	0.53%
OVERTON	4,670	20,880	22.4%	$22,034,954	$4,289	0.4%	0.4%	0.34%
PERRY	1,470	7,700	19.1%	$7,773,817	$4,807	0.1%	0.1%	0.13%
PICKETT	1,190	4,890	24.3%	$6,346,544	$4,848	0.1%	0.1%	0.08%
POLK	3,520	16,045	21.9%	$13,128,485	$3,390	0.2%	0.3%	0.26%
PUTNAM	13,580	68,740	19.8%	$68,572,260	$4,590	1.3%	1.1%	1.13%
RHEA	7,500	30,550	24.5%	$35,929,270	$4,355	0.7%	0.6%	0.50%
ROANE	10,180	53,650	19.0%	$55,924,562	$4,994	1.1%	0.9%	0.88%
ROBERTSON	9,420	62,600	15.0%	$44,578,867	$4,302	0.8%	0.8%	1.03%
RUTHERFORD	28,865	230,360	12.5%	$132,487,662	$4,172	2.5%	2.4%	3.79%
SCOTT	8,010	22,070	36.3%	$34,980,526	$3,970	0.7%	0.7%	0.36%
SEQUATCHIE	3,020	13,090	23.1%	$15,446,339	$4,649	0.3%	0.3%	0.22%
SEVIER	14,090	81,930	17.2%	$50,120,822	$3,234	0.9%	1.2%	1.35%
SHELBY	232,875	917,550	25.4%	$863,456,727	$3,370	16.2%	19.7%	15.09%
SMITH	3,530	18,880	18.7%	$17,473,981	$4,500	0.3%	0.3%	0.31%
STEWART	2,265	13,085	17.3%	$10,417,615	$4,181	0.2%	0.2%	0.22%
SULLIVAN	27,720	154,270	18.0%	$112,345,800	$3,684	2.1%	2.3%	2.54%
SUMNER	20,580	150,420	13.7%	$89,648,322	$3,960	1.7%	1.7%	2.47%
TIPTON	11,190	57,765	19.4%	$44,209,724	$3,591	0.8%	0.9%	0.95%
TROUSDALE	1,650	7,860	21.0%	$8,223,259	$4,530	0.2%	0.1%	0.13%
UNICOI	3,950	17,780	22.2%	$21,545,376	$4,958	0.4%	0.3%	0.29%
UNION	4,690	19,210	24.4%	$17,900,708	$3,469	0.3%	0.4%	0.32%
VAN BUREN	1,240	5,480	22.6%	$6,914,908	$5,577	0.1%	0.1%	0.09%
WARREN	9,300	40,280	23.1%	$47,090,819	$4,603	0.9	0.8%	0.66%
WASHINGTON	18,220	115,080	15.8%	$95,079,671	$4,744	1.8%	1.5%	1.89%
WAYNE	3,330	16,940	19.7%	$19,360,530	$5,285	0.4%	0.3%	0.28%
WEAKLEY	6,110	33,580	18.2%	$29,749,109	$4,426	0.6%	0.5%	0.55%
WHITE	5,565	24,650	22.6%	$27,494,990	$4,491	0.5%	0.5%	0.41%
WILLIAMSON	7,190	161,860	4.4%	$37,608,579	$4,755	0.7%	0.6%	2.66%
WILSON	11,820	104,730	11.3%	$62,864,505	$4,835	1.2%	1.0%	1.72%
Other	6,000			$33,667,711	$5,101	0.6%	0.5%	0.00%
Totals	1,183,900	6,079,265	19.5%	$5,317,640,900	$4,083	100%	100%	100%

* Expenditures include MCO, Pharmacy, LTC and Dental; **they do not include BHO Services or MCO Administrative costs**.
** Greene County expenditures include costs associated with the Greene Valley Developmental Center, causing the per-member cost to appear higher when comparing it with those of the other counties.

Phone Numbers

Family Assistance Service Center: 1-866-311-4287

Call this number for general information regarding TennCare, including:

- Applying for TennCare
- Disenrollment & Benefit Changes
- Reporting a change (such as a new address, or change in jobs)
- Establishing or changing an appointment with your DHS case worker

TennCare Solutions: 1-800-878-3192

- Call this number to file an appeal about medical or prescription problems.

Tennessee Health Options: 1-888-486-9355

- Call this number if you do not have health insurance or are losing TennCare.

TennCare Partners Advocacy: 1-800-758-1638

- Call this number if you require help with mental health care or alcohol treatment.

TennCare Advocacy Program: 1-800-722-7474

- Call this number if you need help with any other health-related care?

TTY or TDD Phone Calls: 1-800-772-7647

- If you use a TTY or TDD machine, use this number. Call ONLY if you require this service.

Foreign Language Phone Lines

- Para información sobre de TennCare en español, llame al 1-866-311-4290
- Arabic/Kurdish Line: 1-877-652-3046
- Bosnian Line: 1-877-652-3069
- Somali Line: 1-877-652-3054

Phone Numbers for Providers

- TennCare Provider Services: 1-800-852-2683
- TennCare Pharmacy Program: 1-888-816-1680
- TennCare Bldg. Front Desk: 1-800-342-3145
- TennCare Bldg. Fax: 1-615-741-0882

For more information on TennCare, please visit our web site at:

- http://www.tennessee.gov/tenncare/

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