TennCare Quarterly Report

April – June 2021

Submitted to the Members of the General Assembly

Status of TennCare Reforms and Improvements

Katie Beckett Program. On November 23, 2020, TennCare launched a new "Katie Beckett" program. The Katie Beckett program provides services and supports for children under age 18 with disabilities and/or complex medical needs who are not eligible for traditional Medicaid because of their parents' income or assets. The Katie Beckett program is an outgrowth of legislation (Public Chapter No. 494) passed by the Tennessee General Assembly in the 2019 legislative session. Following enactment of Public Chapter No. 494, TennCare submitted a waiver amendment ("Amendment 40") to the Centers for Medicare and Medicaid Services (CMS) to establish the new program. CMS ultimately approved Amendment 40 on November 2, 2020.

TennCare's Katie Beckett program contains two parts:

- **Part A** – Individuals in this group receive the full TennCare benefits package, as well as essential wraparound home and community based services. These individuals are subject to monthly premiums, which are determined on a sliding scale based on the member's household income.
- **Part B** – Individuals in this group receive a specified package of essential wraparound services and supports, including premium assistance.

In addition to Parts A and B, the Katie Beckett program provides continued TennCare eligibility for children already enrolled in TennCare, who subsequently lose TennCare eligibility, and who would qualify for enrollment in Part A but for whom no Part A program slot is available.

The Katie Beckett program began accepting self-referral forms from interested families on November 23, 2020. As of the last day of the April-June 2021 quarter, a total of 819 children were enrolled in the program, with 49 enrolled in Part A and 770 enrolled in Part B.

BESMART Program. The buprenorphine-enhanced supportive medication-assisted recovery and treatment (or "BESMART") program is a core component of TennCare's strategy to address the opioid epidemic in Tennessee. The BESMART program is a network of high-quality buprenorphine clinicians who

provide a coordinated set of services to help TennCare members in their recovery journeys. Buprenorphine therapy is an evidence-based, FDA-approved treatment for opioid use disorder that combines medication and behavioral health supports. The BESMART program includes services such as a psychosocial assessment and development of a treatment plan, individual and group counseling, peer recovery services, care coordination, and opioid-agonist therapy.

The BESMART Program officially launched on January 1, 2019, and has continued to grow and serve more Tennesseans. As of March 2019, there were approximately 100 high-quality BESMART providers contracted with TennCare managed care organizations to treat 2,000 members. By June 2021, the number of BESMART providers had nearly tripled, and the number of unique members served per month had grown to approximately 7,500. Additionally, buprenorphine covered by TennCare is now in the top 5 controlled substances by claims, meaning that TennCare pays for more buprenorphine to treat opioid use disorder than for short-acting opioids to treat pain.

The focus that TennCare has placed on combatting the opioid epidemic through treatment and other major prevention efforts has also shown tremendous success in reducing the number of newborns with neonatal abstinence syndrome (NAS), or signs and symptoms of opioid withdrawal as an infant due to opioid exposure during the pregnancy. In 2019, the NAS rate in the TennCare population was 20 NAS births per 1,000 live births, as compared with the 2016 rate, which was 28 NAS births per 1,000 live births. This decline in the NAS rate has continued, apparently making Tennessee the only state in the country to report a decrease in NAS.

As noted, the BESMART program is one element of TennCare's comprehensive strategy to address Tennessee's opioid crisis. Additional information about this comprehensive strategy (including further details about the BESMART program) is available on TennCare's website at https://www.tn.gov/tenncare/tenncare-s-opioid-strategy.html.

Proposed Amendment to the TennCare III Demonstration. In January 2021, CMS approved the latest iteration of the TennCare demonstration, referred to as "TennCare III." On February 22, 2021, TennCare provided public notice of its first proposed amendment to the TennCare III demonstration. The amendment (known as "Amendment 1") would introduce the following modifications to the demonstration:

- Integration of services for members with intellectual disabilities into the TennCare managed care program[1];
- Transitioning the care of children receiving Supplemental Security Income (SSI) benefits from the TennCare Select health plan to one of the other health plans that serves TennCare members; and
- Assigning to the TennCare Select health plan certain inmates of public institutions who receive inpatient services in a setting located outside the public institution.

[1] Specific services to be integrated are intermediate care facility services for individuals with intellectual disabilities (ICF/IID services) and 1915(c) waiver home- and community-based services (HCBS).

TennCare submitted Amendment 1 to CMS on March 31, 2021. As of the end of the April-June 2021 quarter, CMS's review of Amendment 1 was ongoing.

Other Amendments to the TennCare Demonstration. Three other proposed amendments to the TennCare Demonstration were in various stages of development during the April-June 2021 quarter. These amendments were submitted to CMS during the TennCare II demonstration and were numbered accordingly.

Demonstration Amendment 35: Substance Use Disorder Services. In May 2018, TennCare submitted Demonstration Amendment 35 to CMS. Amendment 35 would modify the TennCare benefits package to cover residential substance use disorder (SUD) treatment services in facilities with more than 16 beds. The federal government classifies such facilities as "institutions for mental diseases" (IMDs), and federal law prohibits the expenditure of federal Medicaid dollars for services delivered to adults in these facilities. Historically, TennCare's MCOs were permitted to cover residential treatment services in IMDs, if the MCO determined that such care was medically appropriate and cost-effective as compared to other treatment options. However, CMS recently issued regulations restricting the ability of MCOs to pay for services in these facilities. Specifically, the new federal regulation limits this option to treatment stays of no more than 15 days per calendar month.[2] TennCare is seeking authority with Amendment 35 to allow enrollees to receive short-term services in IMDs beyond the 15-day limit in federal regulation, up to 30 days per admission.

On June 1, 2021, CMS approved a separate request submitted by TennCare for State Plan authority to cover SUD treatment services for adult enrollees for up to 30 days per year. As of the end of the April-June 2021 quarter, TennCare was determining whether this new authority eliminated the need to pursue approval of Amendment 35 any further.

Demonstration Amendment 36: Providers of Family Planning Services. Amendment 36 was submitted to CMS in August 2018. Amendment 36 grew out of Tennessee's 2018 legislative session and, in particular, Public Chapter No. 682, which established that it is the policy of the state of Tennessee to favor childbirth and family planning services that do not include elective abortions within the continuum of care or services, and to avoid the direct or indirect use of state funds to promote or support elective abortions.

Amendment 36 requests authority for TennCare to establish state-specific criteria for providers of family planning services, and to exclude any providers that do not meet these criteria from participation in the TennCare program. As specified in Public Chapter No. 682, TennCare is proposing to exclude any entity that performed, or operated or maintained a facility that performed, more than 50 abortions in the previous year, including any affiliate of such an entity.

[2] See 42 CFR § 438.6(e).

CMS held a 30-day federal public comment period on Amendment 36 during the third quarter of Calendar Year 2018. Close to 3,500 comments were received, and CMS subsequently began to review that feedback as well as the amendment itself. As of the end of the April-June 2021 quarter, CMS's review of Amendment 36 was ongoing.

Demonstration Amendment 38: Community Engagement. TennCare submitted Amendment 38 to CMS on December 28, 2018. Demonstration Amendment 38 implements a state law (Public Chapter No. 869) enacted by the Tennessee General Assembly in 2018. This law directed TennCare to seek federal authorization to establish reasonable work and community engagement requirements for non-pregnant, non-elderly, non-disabled adults enrolled in the TennCare program who do not have dependent children under the age of six. The legislation also required TennCare to seek approval from the U.S. Department of Health and Human Services (HHS) to use funds from the state's Temporary Assistance for Needy Families (TANF) program to support implementation of the community engagement program.

As of the end of the April-June 2021 quarter, CMS's review of Amendment 38 was ongoing.

Update on Episodes of Care. TennCare's episodes of care program aims to transform the way specialty and acute healthcare services are delivered by incentivizing high-quality, cost-effective care, promoting evidence-based clinical pathways, encouraging care coordination, and reducing ineffective or inappropriate treatments. Episodes of care is part of TennCare's delivery system transformation initiative, which is changing healthcare delivery in Tennessee by moving from paying for volume to paying for value.

TennCare hosted the 2021 Episodes of Care Annual Feedback Session on May 21, 2021. In light of the ongoing coronavirus pandemic, the event was hosted virtually. Over 100 attendees logged in to the live event, and stakeholders had the option to share their feedback live during the event (either verbally or in writing). A memo detailing the State's response to each item of feedback is planned for release this fall.

Additionally, the State announced that all risk-sharing payments will be waived for the 2020 performance period in response to the coronavirus pandemic. The results for the 2020 performance period will be released in August 2021.

Incentives for Providers to Use Electronic Health Records. The Electronic Health Records (EHR) Incentive Program is a partnership between federal and state governments that grew out of the Health Information Technology for Economic and Clinical Health (HITECH) Act of 2009. The purpose of the program is to provide financial incentives to Medicaid providers[3] to replace outdated, often paper-based approaches to medical record-keeping with Certified Electronic Health Record Technology (as defined by CMS) that meets rigorous criteria and that can improve health care delivery and quality. The federal government

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[3] CMS allows two types of providers to participate in the Medicaid EHR Incentive Program: eligible professionals (medical and osteopathic physicians, nurse practitioners, certified nurse midwives, dentists, and physician assistants who meet certain criteria) and eligible hospitals (acute care hospitals, critical access hospitals, and children's hospitals). All hospitals participating in the program have received all payments available to them.

provides 100 percent of the funding for the incentive payments and 90 percent of the funding for administrative costs. Tennessee's EHR program[4] has issued payments for six years to eligible professionals and for three years to eligible hospitals.

EHR payments made by TennCare during the April-June 2021 quarter as compared with payments made throughout the life of the program appear in the table below:

Payment Type	Number of Providers Paid During the Quarter	Quarterly Amount Paid (Apr-Jun 2021)	Cumulative Amount Paid to Date[5]
First-year payments	N/A	N/A	$180,176,644
Second-year payments	2	$136,000	$60,143,155
Third-year payments	22	$187,000	$38,144,019
Fourth-year payments	35	$297,500	$9,406,682
Fifth-year payments	37	$314,500	$6,729,172
Sixth-year payments	42	$357,000	$4,478,915

Technical assistance activities, outreach efforts, and other EHR-related projects conducted by TennCare staff during the quarter included the following:

- Coordinating with certain eligible professionals to correct and resubmit attestations for Program Year 2020;
- Collaborating with Tennessee's software vendor to plan, develop, and test updates to the attestation system to ensure functionality by July 1, 2021 (the opening of the attestation period for Program Year 2021);
- Ongoing communications with providers on attestation timelines for Program Years 2020 and 2021;
- Providing daily technical assistance to providers via email and telephone calls;
- Participation in CMS-led calls regarding the EHR Incentive Program; and
- Monthly newsletters and reminders distributed to all registered members of TennCare's EHR ListServ.

Although enrollment of new providers concluded on April 30, 2017, TennCare's EHR Incentive Program will continue through the 2021 program year as required by CMS rules, with all remaining payments to be made by the program's conclusion on December 31, 2021. Tennessee's program team continues to work with a variety of provider organizations to complete the program successfully. The focus of post-enrollment outreach efforts for the remainder of the program is to encourage all providers who remain eligible to attest one final time and, where applicable, receive all six payments available.

[4] In April 2018, CMS announced that its EHR programs would be renamed "Promoting Interoperability (PI) Programs." While Tennessee's EHR initiative falls within the scope of CMS's PI Programs, TennCare continues to refer to its initiative as "EHR Incentive Program" for purposes of clarity and consistency in communications with providers.

[5] In certain cases, cumulative totals reflect adjustments of payments from previous quarters. The need for these recoupments was identified through standard auditing processes.

***McCutchen et al. v. Becerra* Lawsuit.** On May 20, 2021, the State of Tennessee filed a motion to intervene in the federal lawsuit challenging CMS' approval of Demonstration Amendment 42, proposing to convert the federal portion of TennCare's funding to a block grant. This lawsuit was filed by the Tennessee Justice Center (TJC), acting on behalf of 14 individual plaintiffs, against CMS in the District Court for the District of Columbia. Both TJC and CMS have indicated that they will not oppose the State's motion to intervene, but the court has not yet ruled on the motion.

Supplemental Payments to Tennessee Hospitals. The Division of TennCare makes supplemental payments to qualifying Tennessee hospitals each quarter to help offset the costs these facilities incur in providing uncompensated care. The supplemental payments made during the fourth quarter of State Fiscal Year 2021 are shown in the table below.

Supplemental Hospital Payments for the Quarter

Hospital Name	County	Fourth Quarter Payments – FY 2021
Methodist Medical Center of Oak Ridge	Anderson County	$1,418,643
Ridgeview Psychiatric Hospital and Center	Anderson County	$736,249
Tennova Healthcare – Shelbyville	Bedford County	$37,024
West Tennessee Healthcare – Camden Hospital	Benton County	$196,398
Erlanger Bledsoe Hospital	Bledsoe County	$162,614
Blount Memorial Hospital	Blount County	$1,417,469
Tennova Healthcare – Cleveland	Bradley County	$375,205
Jellico Medical Center	Campbell County	$73,526
Tennova Healthcare – LaFollette Medical Center	Campbell County	$176,287
Saint Thomas Stones River Hospital	Cannon County	$173,980
Baptist Memorial Hospital – Carroll County	Carroll County	$162,156
Sycamore Shoals Hospital	Carter County	$359,643
TriStar Ashland City Medical Center	Cheatham County	$528,107
Claiborne Medical Center	Claiborne County	$186,934
Tennova Healthcare – Newport Medical Center	Cocke County	$191,077
Tennova Healthcare – Harton	Coffee County	$191,325
Unity Medical Center	Coffee County	$85,985
Cumberland Medical Center	Cumberland County	$537,904
Ascension Saint Thomas Hospital	Davidson County	$6,162,352
TriStar Skyline Medical Center	Davidson County	$5,271,220
Nashville General Hospital	Davidson County	$876,771
Select Specialty Hospital – Nashville	Davidson County	$4,141
TriStar Centennial Medical Center	Davidson County	$8,261,560
TriStar Southern Hills Medical Center	Davidson County	$2,081,892
TriStar Summit Medical Center	Davidson County	$2,756,286
Vanderbilt Stallworth Rehabilitation Hospital	Davidson County	$2,157
Vanderbilt University Medical Center	Davidson County	$22,397,330

Hospital Name	County	Fourth Quarter Payments – FY 2021
Saint Thomas DeKalb Hospital	DeKalb County	$204,725
TriStar Horizon Medical Center	Dickson County	$2,194,479
West Tennessee Healthcare Dyersburg Hospital	Dyer County	$285,989
Southern Tennessee Regional Health System – Winchester	Franklin County	$450,691
West Tennessee Healthcare Milan Hospital	Gibson County	$87,101
Southern Tennessee Regional Health System – Pulaski	Giles County	$221,487
Greeneville Community Hospital	Greene County	$270,141
Morristown – Hamblen Healthcare System	Hamblen County	$1,233,081
CHI Memorial Hospital Chattanooga	Hamilton County	$2,072,312
Erlanger Behavioral Health Hospital	Hamilton County	$148,807
Erlanger Health System	Hamilton County	$8,813,175
Parkridge Medical Center	Hamilton County	$7,327,347
Encompass Health Rehabilitation Hospital of Chattanooga	Hamilton County	$6,549
Siskin Hospital for Physical Rehabilitation	Hamilton County	$13,372
Hancock County Hospital	Hancock County	$76,111
West Tennessee Healthcare Bolivar General Hospital	Hardeman County	$295,975
Hardin Medical Center	Hardin County	$472,062
Hawkins County Memorial Hospital	Hawkins County	$204,929
Henderson County Community Hospital	Henderson County	$129,795
Henry County Medical Center	Henry County	$714,774
Ascension Saint Thomas Hickman Hospital	Hickman County	$160,286
Houston County Community Hospital	Houston County	$65,757
Three Rivers Hospital	Humphreys County	$78,115
Tennova Healthcare – Jefferson Memorial Hospital	Jefferson County	$108,730
Johnson County Community Hospital	Johnson County	$100,613
Parkwest Medical Center	Knox County	$2,538,781
Select Specialty Hospital – North Knoxville	Knox County	$11,050
Tennova Healthcare – North Knoxville Medical Center	Knox County	$371,066
East Tennessee Children's Hospital	Knox County	$3,415,944
Fort Sanders Regional Medical Center	Knox County	$3,326,331
University of Tennessee Medical Center	Knox County	$8,457,598
Lauderdale Community Hospital	Lauderdale County	$267,287
Southern Tennessee Regional Health System – Lawrenceburg	Lawrence County	$403,167
Lincoln Medical Center	Lincoln County	$1,579,133
Fort Loudoun Medical Center	Loudon County	$311,398
Macon Community Hospital	Macon County	$352,808
Jackson – Madison County General Hospital	Madison County	$5,101,855

Hospital Name	County	Fourth Quarter Payments – FY 2021
Pathways of Tennessee	Madison County	$602,448
Perimeter Behavioral Hospital of Jackson	Madison County	$33,985
West Tennessee Healthcare Rehabilitation Hospital Jackson	Madison County	$8,101
Marshall Medical Center	Marshall County	$540,988
Maury Regional Medical Center	Maury County	$1,712,711
Sweetwater Hospital Association	Monroe County	$661,374
Tennova Healthcare – Clarksville	Montgomery County	$386,316
Unity Psychiatric Care – Clarksville	Montgomery County	$2,784
Baptist Memorial Hospital – Union City	Obion County	$563,774
Livingston Regional Hospital	Overton County	$267,520
Cookeville Regional Medical Center	Putnam County	$1,328,833
Rhea Medical Center	Rhea County	$730,700
Roane Medical Center	Roane County	$536,975
NorthCrest Medical Center	Robertson County	$642,095
Saint Thomas Rutherford Hospital	Rutherford County	$3,673,074
TriStar StoneCrest Medical Center	Rutherford County	$2,057,465
TrustPoint Hospital	Rutherford County	$10,469
LeConte Medical Center	Sevier County	$1,562,646
Baptist Memorial Restorative Care Hospital	Shelby County	$52,118
Baptist Memorial Hospital – Memphis	Shelby County	$5,573,085
Methodist University Hospital	Shelby County	$12,467,497
Crestwyn Behavioral Health	Shelby County	$105,460
Delta Specialty Hospital	Shelby County	$849,354
Encompass Health Rehabilitation Hospital of North Memphis	Shelby County	$12,063
Encompass Health Rehabilitation Hospital of Memphis	Shelby County	$9,879
Le Bonheur Children’s Hospital	Shelby County	$8,169,932
Regional One Health	Shelby County	$8,420,221
Regional One Health Extended Care Hospital	Shelby County	$9,626
Saint Francis Hospital	Shelby County	$2,698,257
Saint Francis Hospital – Bartlett	Shelby County	$1,101,221
Saint Jude Children's Research Hospital	Shelby County	$1,464,692
Riverview Regional Medical Center	Smith County	$371,723
Bristol Regional Medical Center	Sullivan County	$2,076,182
Creekside Behavioral Health	Sullivan County	$107,329
Encompass Health Rehabilitation Hospital of Kingsport	Sullivan County	$13,960
Holston Valley Medical Center	Sullivan County	$2,509,978
Indian Path Community Hospital	Sullivan County	$717,853
TriStar Hendersonville Medical Center	Sumner County	$1,865,792
Sumner Regional Medical Center	Sumner County	$872,323

Hospital Name	County	Fourth Quarter Payments – FY 2021
Baptist Memorial Hospital – Tipton	Tipton County	$975,044
Trousdale Medical Center	Trousdale County	$151,136
Unicoi County Hospital	Unicoi County	$40,523
Saint Thomas River Park Hospital	Warren County	$705,658
Johnson City Medical Center	Washington County	$6,796,129
Franklin Woods Community Hospital	Washington County	$600,722
Quillen Rehabilitation Hospital	Washington County	$6,657
Wayne Medical Center	Wayne County	$82,182
Unity Psychiatric Care – Martin	Weakley County	$1,733
West Tennessee Healthcare Rehabilitation Hospital Cane Creek	Weakley County	$1,386
West Tennessee Healthcare Volunteer Hospital	Weakley County	$94,578
Saint Thomas Highlands Hospital	White County	$143,673
Encompass Health Rehabilitation Hospital of Franklin	Williamson County	$328
Williamson Medical Center	Williamson County	$213,916
Vanderbilt Wilson County Hospital	Wilson County	$730,489
TOTAL		**$182,032,013**

Number of Recipients on TennCare and Costs to the State

During the month of June 2021, there were 1,571,116 Medicaid eligibles and 20,401 Demonstration eligibles enrolled in TennCare, for a total of 1,591,517 persons.

Estimates of TennCare spending for the fourth quarter of State Fiscal Year 2021 are summarized in the table below.

Spending Category	Fourth Quarter FY 2021*
MCO services**	$1,454,294,600
Dental services	$36,238,700
Pharmacy services	$366,748,600
Medicare "clawback"***	$54,519,200

**These figures are cash basis as of June 30 and are unaudited.*
***This figure includes Integrated Managed Care MCO expenditures.*
****The Medicare Part D clawback is money that states are required to pay to the federal government to help offset costs the federal government incurs by covering the prescription benefit for enrollees who have both Medicare and Medicaid.*

Viability of Managed Care Contractors (MCCs) in the TennCare Program

Claims payment analysis. TennCare's prompt pay requirements may be summarized as shown below.

Entity	Standard	Authority
MCOs (services other than CHOICES and ECF CHOICES)	90% of clean claims for payment for services delivered to TennCare enrollees are processed and, if appropriate, paid within 30 calendar days of the receipt of such claims. 99.5% of all provider claims are processed, and, if appropriate, paid within 60 calendar days of receipt.	TennCare contract and in accordance with T.C.A. § 56-32-126(b)
MCOs (CHOICES and ECF CHOICES services)	90% of clean electronically submitted Nursing Facility and applicable Home and Community Based Services claims[6] are processed and paid within 14 calendar days of receipt. 99.5% of clean electronically submitted Nursing Facility and applicable Home and Community Based Services claims[7] are processed and paid within 21 calendar days of receipt.	TennCare contract

[6] Excludes Personal Emergency Response Systems (PERS), assistive technology, minor home modifications, and pest control claims. Claims for delivery of these services are handled like general MCO claims.
[7] Ibid.

Entity	Standard	Authority
Dental Benefits Manager (DBM)	90% of clean claims for payment for services delivered to TennCare enrollees are processed, and, if appropriate, paid within 30 calendar days of the receipt of such claims. 99.5% of all provider claims are processed, and, if appropriate, paid within 60 calendar days of receipt.	TennCare contract and in accordance with T.C.A. § 56-32-126(b)
Pharmacy Benefits Manager (PBM)	100% of all clean claims submitted by pharmacy providers are paid within 15 calendar days of receipt.	TennCare contract

The MCOs, the DBM, and the PBM are required to submit monthly claims data files of all TennCare claims processed to the Tennessee Department of Commerce and Insurance (TDCI) for verification of statutory and contractual prompt pay compliance. The plans are required to separate their claims data by claims processor (e.g., MCO, vision benefits manager, etc.). Furthermore, the MCOs are required to identify separately non-emergency transportation (NEMT) claims in the data files. Finally, the MCOs are required to submit separate claims data files representing a subset of electronically submitted Nursing Facility and applicable Home and Community Based Services claims for CHOICES and ECF CHOICES enrollees. TDCI then performs an analysis and reports the results of the prompt pay analyses by NEMT and CHOICES and ECF CHOICES claim types, by claims processor, and by total claims processed for the month.

If an MCO does not comply with the prompt pay requirements based on the total claims processed in a month, TDCI has the statutory authority to levy an administrative penalty of $10,000 for each month of non-compliance after the first instance of non-compliance was reported to the plan. The Division of TennCare may also assess liquidated damages pursuant to the terms of the TennCare Contract. If the DBM and PBM do not meet their contractual prompt pay requirements, only TennCare may assess applicable liquidated damages against these entities.

Net worth and company action level requirements. According to Tennessee's "Health Maintenance Organization Act of 1986" statute (T.C.A. § 56-32-101 *et seq.*), the minimum net worth requirement for each TennCare MCO is calculated based on premium revenue reported on the National Association of Insurance Commissioners (NAIC) Annual Financial Statement for the most recent calendar year, as well as any TennCare payments made to the MCO that are not reported as premium revenue.

During the April-June 2021 quarter, the MCOs submitted their NAIC First Quarter 2021 Financial Statements. As of March 31, 2021, TennCare MCOs reported net worth as indicated in the table below.[8]

MCO	Net Worth Requirement	Reported Net Worth	Excess/ (Deficiency)
Amerigroup Tennessee	$38,720,932	$340,029,403	$301,308,471

[8] The "Net Worth Requirement" and "Reported Net Worth" figures in the table are based on the MCOs' company-wide operations, not merely their TennCare operations.

MCO	Net Worth Requirement	Reported Net Worth	Excess/ (Deficiency)
UnitedHealthcare Plan of the River Valley (UnitedHealthcare Community Plan)	$58,718,194	$736,752,382	$678,034,188
Volunteer State Health Plan (BlueCare & TennCare Select)	$59,296,934	$578,612,889	$519,315,955

During the April-June 2021 quarter, the MCOs were also required to comply with Tennessee's "Risk-Based Capital for Health Organizations" statute (T.C.A. § 56-46-201 *et seq.*). Risk-based capital (RBC) involves a method of calculating the minimum amount of capital necessary for a health entity to support its overall business operations depending on its size and risk profile. A health entity with a higher amount of risk is required to hold a higher amount of capital. The RBC statute gives TDCI the authority and mandate to use preventive and corrective measures that vary depending on the amount of capital deficiency indicated by the RBC calculations. A "Company Action Level" deficiency (defined at T.C.A. § 56-46-203(a)) would require the submission of a plan to correct the entity's capital deficiency.

All TennCare MCOs met their minimum net worth requirements and Company Action Level requirements as of March 31, 2021.

Success of Fraud Detection and Prevention

The mission of the Tennessee Office of Inspector General (OIG) is to identify, investigate, prosecute, and arrest persons who commit fraud or abuse against the TennCare program and to recoup money owed to the State of Tennessee. The OIG receives case information from a variety of sources, including local law enforcement, the Division of TennCare, Health Related Boards, the Department of Human Services (DHS), other State agencies, health care providers, MCCs, and the general public via the OIG website, fax, written correspondence, and phone calls to the OIG hotline. Cases adjudicated during a particular fiscal year may have no relationship to dates of arrest during the same year. Selected statistics for the fourth quarter of Fiscal Year 2021 furnished for this report by the OIG are as follows:

Fraud and Abuse Allegations	Fourth Quarter FY 2021
Fraud Allegations	346
Abuse Allegations*	903
Arrest/Conviction/Judicial Diversion Totals	**Fourth Quarter FY 2021**
Arrests	14
Convictions	13
Judicial Diversions	2

** Abuse cases may be referred to the appropriate Managed Care Contractor (MCC), the Division of TennCare, or DHS for further review/action.*

Criminal Court Fines and Costs Imposed	Fourth Quarter FY 2021
Criminal Restitution Ordered	$121,468
Criminal Restitution Received[9]	$48,043
Civil Restitution/Civil Court Judgments	**Fourth Quarter FY 2021**
Civil Restitution Ordered[10]	$37,576
Civil Restitution Received[11]	$4,743

Recommendations for Review	Fourth Quarter FY 2021
Recommended TennCare Terminations[12]	903
Potential Savings[13]	$4,025,357

Program Totals

The following table identifies monies ordered by the courts as a direct result of TennCare fraud investigations conducted by the OIG since its inception in 2004. Although food stamps are not part of the TennCare program, OIG occasionally discovers evidence of fraud in this area during the course of a TennCare fraud investigation.

Type of Court-Ordered Payment	Grand Total for Period of 2004-2021
Restitution to Division of TennCare	$5,950,435
Restitution to TennCare MCOs	$90,768
Food Stamps	$81,337
Civil Restitution	$3,167,301

[9] Restitution may have been ordered in a fiscal year other than the one in which payment was actually received.
[10] This total reflects dollars identified for recoupment by the OIG in such non-criminal contexts as civil cases, administrative hearings, and voluntary reimbursements to TennCare.
[11] Restitution may have been agreed to in a fiscal year other than the one in which payment was actually received.
[12] Recommendations that enrollees' TennCare coverage should be terminated are sent to the Division of TennCare for review and determination of appropriate action. These recommendations are based on information received and reviewed by the OIG. TennCare determines whether these referrals meet the criteria for termination. Reviews of these recommendations must factor in some limitations, such as the inability to disenroll individuals in certain federally protected categories.
[13] Potential savings are determined by multiplying the number of enrollees whose coverage would be terminated, assuming all of the State's criteria for termination are met, by the average annual cost per enrollee for MCO, pharmacy, and dental services (currently estimated by TennCare to be $4,457.76).