

# TennCare's Managed Care Model

TennCare's managed care model means we contract with health insurance plans - also known as managed care organizations or MCOs. These health plans coordinate care for TennCare members and maintain a network of providers like doctors, hospitals, specialists, pediatricians, and nursing homes.

**TennCare's health plans -**



- Tennessee is a leading managed care state.
- Nationally, states have moved from 56% of Medicaid beneficiaries in managed care in 2000 to 69% managed care in 2018.
- Strategies include negotiated rates, network optimization, insurer care coordination, and prior authorization for certain medications and services.
- Integrated care increases efficiencies, reduces cost shifting, and promotes more appropriate utilization of services.
- Effective January 1, 2021, CoverKids members will be integrated into TennCare MCOs' Risk Plans (MCOs' Managed Care Model) in order to provide continuity for families that have households that span Medicaid and CHIP eligibility.

## Medical

- Visits to a primary care physician
- In-patient and out-patient surgeries
- Visits to the Emergency Dept.

## Behavioral

- Mental & behavioral health services
- Visits to a psychiatrist
- Treatment for addictions like drugs and alcohol

## Long-Term Services and Supports

- Nursing facility care
- Home and community based services
- I/DD services including employment services

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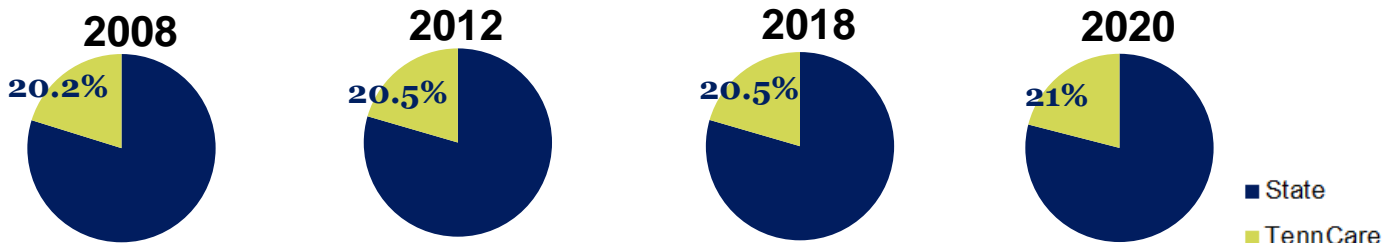
- TennCare pays the health plans a **Per Member Per Month (PMPM) rate** which is similar to a health insurance premium. The health plans pay the providers for services delivered to TennCare members.
- Tennessee was the first state to require all health plan to become accredited by the National Committee for Quality Assurance (NCQA). NCQA annually assesses and measures care and service performance.
- TennCare health plans are selected through a competitive bidding process. All interested health plans respond to a "request for proposals" (RFP). Those proposals are evaluated and the health plans with the highest scores enter into contracts with the state.
- At the start of calendar year 2015, three health plans began operating statewide. **AmeriGroup, BlueCare, and UnitedHealthcare** provide managed care services for TennCare members. *TennCareSelect*, which is part of BCBS, also operates statewide serving children in state custody.



## Managed Care Has Helped Control State Spend

TennCare has remained approximately 20% of the state dollars.

Percent of State Dollars



Pharmacy and dental are "carved out" meaning the care is not provided by a member's health plan. They are instead provided by another entity that contracts with the state known as a **Pharmacy Benefits Administrator (PBA)** and **Dental Benefits Manager (DBM)**. Dental is only a benefit for members under the age of 21 on TennCare.