



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION
DIVISION OF TENNCARE
310 Great Circle Road
NASHVILLE, TENNESSEE 37243

Bills Haslam
Governor

Larry Martin
Commissioner

Date: January 3, 2019
To: TennCare Managed Care Organizations
Department of Intellectual and Developmental Disabilities
From: Nathan J. Stremming, Assistant Deputy of LTSS Business Operations
Re: Revised Expenditure Caps and Institutional Cost Limit

The purpose of this memo is to establish the 2019 Expenditure Caps *only* for persons with an intellectual disability enrolled in Employment and Community First CHOICES Group 6 determined by TennCare to have exceptional medical or behavioral needs, as well as the individually applied Institutional Cost Limit in the Section 1915(c) Statewide HCBS Waiver.

This cost neutrality cap/individual cost limit is effective **beginning January 1, 2019**.

Average Cost of Services in a Private Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID):

The average cost of services in a private ICF/IID is used to determine the Expenditure Cap for persons with an intellectual disability enrolled in Employment and Community First CHOICES Group 6 determined by TennCare to have exceptional medical or behavioral needs, as well as the individually applied Institutional Cost Limit in the Section 1915(c) Statewide HCBS Waiver. These are people who would qualify to receive services in a private ICF/IID, but who have instead elected to receive HCBS.

For calendar year 2019, the **new** average cost of services in a private ICF/IID is as follows: \$470.21 per day and \$169,275.60 per year. This will be rounded to **\$169,300 per year**. This is an increase of \$2,100 from calendar year 2018.

As a reminder, MCOs and DIDD are not required to notify members of the higher cost neutrality cap. However, MCO Support Coordinators should be mindful of ECF CHOICES Group 6 members with ID and Independent Support Coordinators in the Statewide Waiver should be

mindful of waiver participants who may need covered benefits that would not have been available based on the previous cost cap, and should prioritize contacts with those individuals to assess whether changes to the person-centered support plan are needed.

The average cost of services in a private ICF/IID is based on a weighted average (by distribution of bed days) of the per diem rates for each ICF/IID facility as determined by the Office of the Comptroller.

Average Cost of Medicaid Nursing Facility Reimbursement:

The average cost of Medicaid Nursing Facility reimbursement is used to determine the Expenditure Cap for persons with a developmental disability (but not an intellectual disability) who are enrolled in Employment and Community First CHOICES Group 6 and determined by TennCare to have exceptional medical or behavioral needs. These are people who would **not** qualify for services in an ICF/IID, but who would qualify to receive services in a Nursing Facility (subject to the provision of specialized services to address needs related to the developmental disability), but who have instead elected to receive HCBS.

The average cost of Medicaid Nursing Facility reimbursement is supplemented by an amount determined by TennCare to account for the average annualized cost of specialized services that would be provided to a person with DD receiving services in a Nursing Facility. This amount remains **unchanged** for calendar year 2019, as follows:

“Basic” Nursing Facility plus specialized services \$113,725 per year

January 1 rate adjustments to reflect changes in the case mix of facility residents are designed to be budget neutral and will not change the average per diem cost. Going forward, the average annual cost of Medicaid Nursing Facility reimbursement from each July 1 rate setting period will be used to set the Expenditure Cap for the following calendar year.

Likewise, the amounts for Tracheal Suctioning and Chronic Ventilator Care reimbursement (inclusive of the supplement for specialized service needs) remain **unchanged** for calendar year 2019, as follows:

Tracheal Suctioning plus specialized services \$181,850 per year
Chronic Ventilator Care plus specialized services \$253,850 per year

CC: William Aaron, Chief Financial Officer
Dr. Victor Wu