

Date: December 3, 2019
To: TennCare Managed Care Organizations
Department of Intellectual and Developmental Disabilities
From: Patti Killingsworth, Assistant Commissioner, Chief of LTSS
Re: Revised Expenditure Caps and Institutional Cost Limit

The purpose of this memo is to establish the **Calendar Year 2020 Expenditure Caps** for persons enrolled in **Employment and Community First CHOICES Group 6** determined by TennCare to have exceptional medical or behavioral needs, children enrolled in **Employment and Community First CHOICES Group 7**, and adults enrolled in **Employment and Community First CHOICES Group 8**, as well as the individually applied Institutional Cost Limit in the **Section 1915(c) Statewide HCBS Waiver**.

These cost neutrality caps/individual cost limits are effective **beginning January 1, 2020**.

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, children enrolled in Employment and Community First CHOICES Group 7, and adults enrolled in Group 8 *beginning with their second year of enrollment* in Employment and Community First CHOICES, 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 2020, the **new** average cost of services in a private ICF/IID is as follows: \$488.10 per day and \$175,716 per year. This will be rounded to **\$175,725 per year**. This is an increase of \$6,425 from calendar year 2019.

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 Services in the Harold Jordan Center, a short-term, treatment-focused Public Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID):

Only for the first year of enrollment in Employment and Community First CHOICES, the Expenditure Cap for adults in Group 8 is based on the average cost of services in the Harold Jordan Center (HJC), a short-term, treatment-focused public ICF/IID. These are people whose co-occurring behavioral challenges would qualify to receive short-term, treatment-focused services in HJC, but who have instead elected to transition out of an institutional (or highly structured) setting into HCBS in Employment and Community First CHOICES.

Effective January 1, 2020, the average cost of Medicaid reimbursement for the HJC is \$1,149.18 per day or \$413,704.80 per year. This will be rounded to **\$413,725 per year**.

Beginning with the second year of enrollment in Employment and Community First CHOICES, the Expenditure Cap for individuals enrolled in Group 8 shall be based on the average annual cost of services in a private ICF/IID as described above, **\$175,725 per year**.

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 (DD, 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.

Effective January 1, 2020, the **new** average cost of Nursing Facility reimbursement is as follows: \$217.56 per day, \$6,526.80 per month, and \$78,321.60 per year. This will be rounded to **\$78,325 per year**.

The average cost of Nursing Facility reimbursement is based on a weighted average (by distribution of bed days) of the blended per diem rates for Nursing Facility care as determined by the Office of the Comptroller. The rates are not discounted for patient liability which would result in a lower average cost. These amounts will be adjusted annually once the rate setting process is completed, and effective beginning January 1 of the following calendar year.

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.

For individuals with a DD enrolled in Employment and Community First CHOICES Group 6 who are determined by TennCare to have exceptional medical or behavioral needs, the average annual 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 (as determined necessary, based on an individualized review of the person's specialized services needs). The amount used to account for these specialized services is \$37,813.73. When combined with the average annual cost of Nursing Facility reimbursement, the Calendar Year 2020 cost neutrality cap for individuals with DD enrolled in Group 6 determined by TennCare to have exceptional medical or behavioral needs is

“Basic” Nursing Facility plus specialized services **\$116,150 per year**

The amounts for Tracheal Suctioning and Chronic Ventilator Care reimbursement (inclusive of the supplement for specialized service needs) remain **unchanged** for calendar year 2020, as follows:

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

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, 7 and 8 members, and Independent Support Coordinators should be mindful of Statewide 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.

CC: William Aaron, Chief Financial Officer
Dr. Victor Wu, Chief Medical Officer
Kristeena Wilson, Assistant Deputy Chief, LTSS Operations
Nathan Stremming, Assistant Deputy, LTSS Business Operations
Jamie O’Neal, Assistant Deputy Chief, LTSS Policy, Programs, Contracts & Compliance
Shannon Nehus, Director of I/DD Programs and Services