



DIVISION OF TENNCARE

Budget Hearing

11/10/2020

COVID 19: Member & Provider Response

Overriding Priority = Access to Care

- Flexibilities extended
 - Telehealth
 - Pharmacy
 - Primary care
 - Hospital administrative requirements
 - Long-Term Services and Supports

- Financial relief provided
 - Accelerated payments to hospitals and other primary care providers
 - Targeted relief to providers who serve a higher proportion of Medicaid members (HCBS, Behavioral Health, Dental, Primary Care)

- COVID Skilled Care Centers/Units established

COVID 19: Utilization & Care Coordination

Health Care Utilization During COVID-19 *

Utilization Category	2019 vs. 2020 (Mar – May)	2019 vs. 2020 (Jun – Jul)	△
Adult Inpatient Services	-30%	-25%	+5%
Pediatric Inpatient Services	-20%	-10%	+10%
Adult Outpatient Services	-17%	-13%	+4%
Pediatric Outpatient Services	-21%	-13%	+8%
Pediatric Well Child Visits	-24%	+2%	+26%
Vaccinations	-23%	-12%	+11%
Dental Services	-60%	-12%	+48%
Pediatric Pharmacy Rx Fills	-17%	-2%	+15%

Key Observations:

Health care utilization for TennCare members decreased significantly early in the pandemic and is beginning to return to pre-COVID utilization in some areas.

Telehealth use increased significantly to bridge the gap on outpatient services and continues to be used as an important tool.

Potential care gaps still exist, such as childhood immunization and preventive care. These remain a heavy focus area for TennCare.

* Based on preliminary TennCare Claims data March to July 2020. Subject to change due to claims lag.

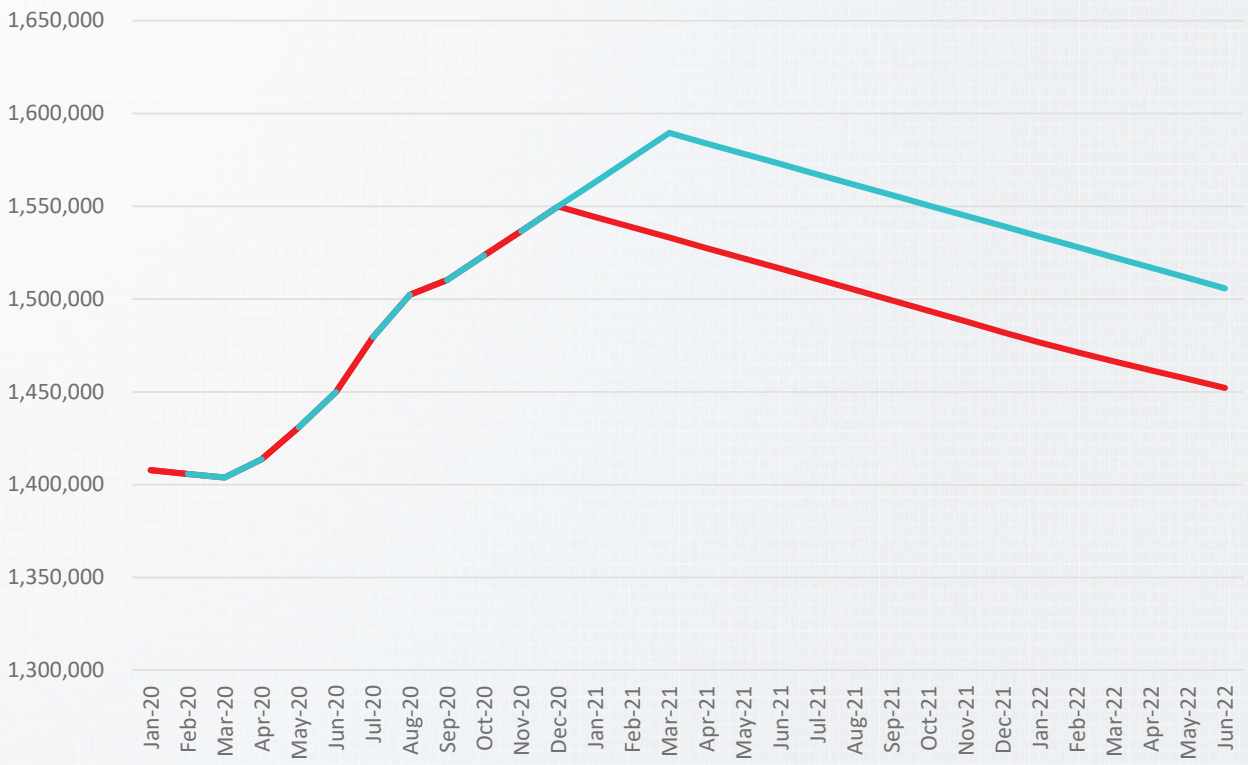
TennCare has significantly increased supports and care coordination to members to help them get care during COVID

- MCOs partnered with TennCare, TDH, and local community groups to support public messaging around COVID safety and testing opportunities
- TennCare and MCOs outreached to members through text messages to educate on benefit flexibilities and services during COVID
- MCOs proactively contacted members with chronic conditions or complex needs to ensure needs were met
- Heavily invested in well child visits efforts to narrow the gap of missed screenings and immunizations
- Identified opportunities to support comprehensive needs such as transportation and food for members needing support due to COVID



COVID 19: Impact on Enrollment

Enrollment Projections – Federal E-FMAP Impacts



■ Assumes E-FMAP ends December 2020

■ Assumes E-FMAP ends March 2021



COVID 19: Impact on Revenue

Projected Enhanced Federal Matching Assistance Percentage Impact

CY2020 Q1 & Q2 E-FMAP	\$243 million
CY2020 Q3 E-FMAP	\$171 million
CY2020 Q4 E-FMAP	\$140 million
TOTAL	\$554 million

Reductions to CY2020 MCO capitation rates

- Assure appropriate revenues
- Reduction of 5.3%



FY21 Vacancy Reductions

33

- TennCare Administration

1

- Health-Care Planning and Innovation

34

- **Total Positions**

\$1,587,000

- **Total State Savings**

Reduction Plans

\$3,134,600

- Risk Margin in Capitation Rates

\$505,600

- Estate Recovery

\$4,049,900

- Retroactive Capitation Payments

\$808,900

- Long-Term Care Facility Longer Term Fill Prescriptions

\$24,694,500

- Reduce Pharmacy Trend

\$381,300

- Crisis Services

Reduction Plans (continued)

\$736,800

- Workforce Development

\$1,634,700

- Administrative Efficiencies

\$5,832,800

- IT Administration Reductions

\$471,900

- CoverKids Pharmacy Savings

\$2,200,000

- CoverRX Administration

\$44,451,000

- **Total State Savings**

FY22 Proposed 2% Savings Plan

\$1,685,200

- Fraud, Waste and Abuse

\$2,000,000

- Health Contracts Funding Swap

\$1,255,600

- Estate Recovery

\$37,789,400

- FMAP Rate Change (TennCare and CoverKids)

\$37,761,800

- Provider Rate Reduction

\$80,492,000

- **Total State Savings**

Summary of Cost Increases

	Increase	Total	State	Federal	Other	Pos
1.	Medical Inflation and Utilization	\$112,632,400	\$37,962,800	\$74,669,600	\$0	0
2.	COVID-Related Enrollment	173,975,900	58,638,600	115,337,300	0	0
3.	COVID-Related Testing and Treatment	25,000,000	8,426,200	16,573,800	0	0
4.	Project IRIS	108,375,700	14,048,500	94,327,200	0	0
5.	Eligibility Determination System	152,890,700	28,992,900	123,897,800	0	0
6.	ECF CHOICES – Mandatory Population	33,610,000	11,328,300	22,281,700	0	0
7.	Dental Pregnancy Program	5,930,200	1,998,800	3,931,400	0	0
8.	Postpartum Coverage Extension	19,473,500	6,563,500	12,910,000	0	0
9.	Workforce Development Initiative	1,829,800	616,700	1,213,100	0	0
	Total Cost Increases	\$633,718,200	\$168,576,300	\$465,141,900	\$0	0



THANK YOU