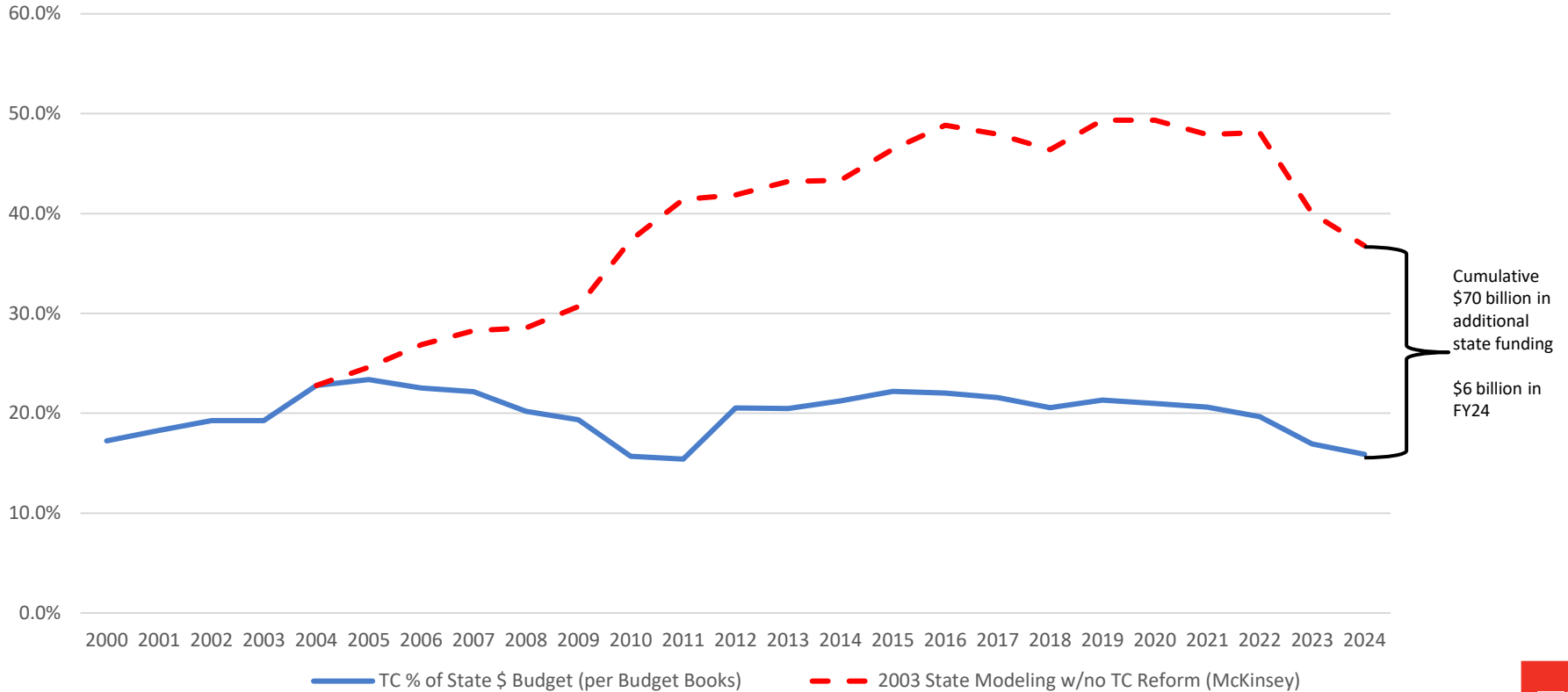




Department of
**Finance &
Administration**

TENNCARE
FISCAL YEAR 2024-2025 BUDGET HEARING

TennCare - % of State \$\$ Budget (Actual vs. Projected)



TennCare III

- Establishes a new era for TennCare, creating a tremendous opportunity for Tennessee to be rewarded for its effective management of its Medicaid program through shared savings
- Commits to utilizing shared savings to enhance benefits and services and serve more people in need
- 10-year agreement provides stability for the program and leverages TennCare's previous success
- Reinforces TennCare's commitment to quality and access and allows us to double down on our efforts and mission of improving lives through high-quality, cost-effective care

TennCare III – Enhanced Benefits, More People Served

- Comprehensive adult dental benefit
- Postpartum coverage extension
- 2,300 additional individuals with intellectual and developmental disabilities served in ECF CHOICES program
- 1,750 additional slots for seniors and adults with physical disabilities served in the CHOICES program
- Health Starts initiative to address non-medical risk factors



TennCare III – Provider Investments

TennCare has made remarkable investments into the provider network with more than \$2 Billion in improvements above and beyond negotiated rate increases

- ✓ Hospitals - \$1.44 B
- ✓ Nursing Facilities - \$606 M
- ✓ Behavioral Health - \$85 M
- ✓ HCBS - \$129 M
- ✓ Dental - \$16 M



TennCare III – Shared Savings and Strong Families

TennCare earned more than \$300 Million in shared savings in Year 1 of the TennCare III waiver

- ✓ Post partum coverage extension made permanent
- ✓ Expands eligibility for pregnant women and provides lactation services
- ✓ Expands eligibility of parents and caretakers of children
- ✓ Provides one year of continuous enrollment for children
- ✓ Provides diapers for babies up to 2 years old through a pilot project

Nearly 25,000 additional children, mothers and parents served at no additional expense to the Tennessee taxpayer through 2030



TennCare– Cost Increase Request

Cost Increases	State				Federal	Other	Total	Positions
	Recurring	NR						
1 Medical Inflation and Utilization	\$ 69,578,000	\$ -	\$ 132,009,600	\$ -	\$ -	\$ 201,587,600	-	
2 Medicare Services	85,092,500	-	-	-	-	85,092,500	-	
3 Medicaid Management Information System (MMIS)	-	24,742,000	212,254,400	-	-	236,996,400	-	
4 Eligibility System	-	6,662,900	52,480,300	-	-	59,143,200	-	
5 Health Starts Initiative	-	12,300,000	11,400,000	-	-	23,700,000	-	
6 Closed Loop Referral System Positions	111,800	-	195,100	-	-	306,900	2	
7 Children's Hospital Infrastructure Grant - Year 2	-	10,000,000	-	-	-	10,000,000	-	
8 Diapers for Kids Program	-	10,875,500	20,634,000	-	-	31,509,500	-	
9 ECF CHOICES Crisis Population	9,358,500	-	16,375,200	-	-	25,733,700	-	
10 ECF CHOICES Waiting List	7,612,800	-	14,443,800	-	-	22,056,600	-	
11 Directed Payments Position	79,000	-	79,100	-	-	158,100	1	
12 Rural Health Clinic Support	78,900	-	78,900	-	-	157,800	1	
13 DCS Contract Support Position	70,200	-	70,200	-	-	140,400	1	



TennCare– Cost Increase Request

Cost Increases	State			Federal	Other	Total	Positions
	Recurring	NR					
14 IS Compliance and Strategic Funding Position	41,600	-		124,900	-	166,500	1
15 Dental Provider Rate Increase	5,453,400	-		10,346,600	-	15,800,000	-
16 Rate Increases for Certain Long-Term Services and Supports	1,578,400	-		2,994,600	-	4,573,000	-
17 Durable Medical Equipment Rate Cap Removal	1,208,000	-		2,292,000	-	3,500,000	-
18 Primary Care Provider Patient-Centered Medical Home Rate Increase	2,319,400	-		4,400,600	-	6,720,000	-
19 Rate Increase for Direct Support Professionals - Home and Community Based Services	2,424,100	-		4,599,200	-	7,023,300	-
20 Member Notice Quality Control Staffing	105,600	-		105,600	-	211,200	2
21 Partner Support Unit Staff	97,100	-		97,200	-	194,300	2
22 Project Management Office Position	78,900	-		78,900	-	157,800	1
23 Data Quality Manager	100,200	-		100,200	-	200,400	1
24 Privacy Office Position	100,200	-		100,200	-	200,400	1
Total Cost Increases	\$ 185,488,600	\$ 64,580,400		\$ 485,260,600	\$ -	\$ 735,329,600	13



THANK YOU