



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

January 24, 2022

The Honorable Randy McNally
Lt. Governor and Speaker of the Senate
425 Rep. John Lewis Way N.
Suite 700 Cordell Hull Bldg.
Nashville, TN 37243

The Honorable Cameron Sexton
Speaker of the House of Representatives
425 Rep. John Lewis Way N.
Suite 600 Cordell Hull Bldg.
Nashville, TN 37243

Dear Lt. Gov. McNally and Speaker Sexton:

Pursuant to TCA 71-5-1402(g), please find below expenditures for nursing facility services and home and community-based services made under the CHOICES program during Fiscal Year 2021, and the updated projected expenditures for Fiscal Year 2022. FY 2021 CHOICES expenditures reflect payments made by MCOs to nursing home and HCBS providers for long-term services and supports. FY 2022 expenditures are projected based on expenditure history to date.

CHOICES Expenditures		
	SFY21 (actual)	SFY22 (projected)
Nursing Home	\$953,863,000	\$996,786,850
HCBS	\$270,362,250	\$278,473,100
Total	\$1,224,225,250	\$1,275,259,950

Projected Fiscal Year 2023 expenditures and the percentage of nursing facility services and home and community-based services relative to total expenditures for the CHOICES long-term services and supports program will be provided by June 30, 2022.

Also, please find below expenditures made under the Employment and Community First CHOICES program during Fiscal Year 2021, and the updated projected expenditures for Fiscal Year 2022. For both years, this represents a partial year of expenditures for individuals enrolled in the program during that budget year. The base budget contemplates the level of funding that will be needed to provide these services on a continuous basis going forward. The significant increase in projected FY 22 expenditures for Employment and Community First CHOICES since the June 2021 report reflects \$37.1 million in partial year expenditures for enrollment of 2,000 individuals from the waiting list funded through the federal ARP Enhanced HCBS FMAP initiative.¹

¹ Authorized under Section 9817 of the American Rescue Plan Act of 2021 (ARPA) (Pub. L. 117-2) and guidance set forth in SMD# 21-003, issued on May 13, 2021, this funding opportunity for enhanced HCBS provides qualifying states with a temporary ten (10) percentage point increase to the FMAP for certain Medicaid HCBS expenditures incurred between April 1, 2021 and March 31, 2022. The non-recurring enhanced HCBS

ECF CHOICES Expenditures

SFY21 (actual)	SFY22 (projected)
\$154,433,300	\$220,925,350

Projected Fiscal Year 2023 expenditures for home and community-based services provided under the program will also be provided by June 30, 2022.

Sincerely,



Stephen M. Smith
Director

CC: Honorable Members of the General Assembly