June 20, 2022

The Honorable Randy McNally  
Lt. Governor and Speaker of the Senate  
425 5th Avenue North  
Suite 700 Cordell Hull Bldg.  
Nashville, TN 37243

The Honorable Cameron Sexton  
Speaker of the House of Representatives  
425 5th Avenue North  
Suite 600 Cordell Hull Bldg.  
Nashville, TN 37243

Dear Speaker McNally and Speaker Sexton:

Pursuant to TCA 71-5-1402(g), please find below 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.

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>SFY23 (projected)</th>
<th>SFY23 % of total expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nursing Home</td>
<td>$1,023,190,175</td>
<td>75.6%</td>
</tr>
<tr>
<td>HCBS</td>
<td>$330,508,650</td>
<td>24.4%</td>
</tr>
<tr>
<td>Total</td>
<td>$1,353,698,800</td>
<td></td>
</tr>
</tbody>
</table>

Projected increases in CHOICES HCBS expenditures are primarily attributable to targeted rate increases for CHOICES HCBS that have a direct support component as well as expected increases in Group 3 enrollment based on funding provided in the FY 23 budget passed by the General Assembly.

Additionally, please find Projected Fiscal Year 2023 expenditures for the Employment and Community First CHOICES program. Projected increases in ECF CHOICES HCBS expenditures are primarily attributable to targeted rate increases for ECF CHOICES HCBS that have a direct support component as well as expected increases in enrollment based initially on Enhanced HCBS FMAP funding through the American Rescue Plan, with recurring funding provided in the FY 23 budget passed by the General Assembly. (ECF CHOICES projected expenditures are separate from and not included in the expenditures for the CHOICES program above.)
<table>
<thead>
<tr>
<th><strong>Expenditures</strong></th>
<th><strong>SFY23 (projected)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$290,182,425</td>
</tr>
</tbody>
</table>

Sincerely,

Stephen Smith
Director

CC: Honorable Members of the General Assembly