



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

June 28, 2016

The Honorable Ron Ramsey
Lt. Governor and Speaker of the Senate
Suite 1 Legislative Plaza
Nashville, TN 37243-0219

The Honorable Beth Harwell
Speaker of the House of Representatives
Suite 19 Legislative Plaza
Nashville, TN 37243-0219

Dear Speaker Ramsey and Speaker Harwell:

Pursuant to TCA 71-5-1402(g), please find below projected long-term care expenditures for nursing facility services and home and community-based services (HCBS) and the percentage of projected nursing facility services and HCBS relative to total expenditures under the CHOICES program for Fiscal Year 2017.

<u>Expenditures</u>	<u>FY17 (projected)</u>	<u>2017 % of total expenditures</u>
Nursing Home	\$997,393,100	80.9%
HCBS	\$235,355,500	19.1%
Total	\$1,232,748,600	

NF expenditures for FY 2017 reflect a roughly 2% anticipated inflation factor, plus additional revenues generated by the Nursing Home Assessment Fee for acuity- and quality- based rate adjustments and to support implementation of a new acuity- and quality- based reimbursement structure. The number of people receiving Nursing Facility services has remained remarkably stable (from 17,069 people on 7/1/14 to 17,057 as of 6/1/15), while projected NF expenditures increased by 6.5% over projected SFY16 expenditures reported on January 29, 2016. The number of people receiving HCBS has decreased by just under 600 people during FY 2015, with total expenditures expected to increase slightly (less than one half of one percent).

Sincerely,


Darin J. Gordon, TennCare Director

c: The Honorable Members of the General Assembly