



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 26, 2015

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 2016.

<u>Expenditures</u>	<u>FY16 (projected)</u>	<u>2016 % of total expenditures</u>
Nursing Home	\$961,102,700	82%
HCBS	\$213,664,300	18%
Total	\$1,174,767,000	

Like projected expenditures for FY 2015, NF expenditures for FY 2016 reflects \$114 million in additional revenues generated by the Nursing Home Assessment Fee for acuity- and quality- based rate adjustments, pending full implementation of a new acuity- and quality- based reimbursement structure. The number of people receiving Nursing Facility services continues a moderate decline (roughly 1,200 fewer people from 7/1/14 to 6/1/15). The number of people choosing to receive HCBS has increased during FY 2015 and is expected to continue a slight increase for FY 2016, but at a slightly lower projected per person cost. HCBS expenditures are now projected to decline for FY 2015, and then remain fairly stable for FY 2016.

Sincerely,

Darin J. Gordon, TennCare Director

c: The Honorable Members of the General Assembly