



**TN**

Division of  
**TennCare**



FY 2018  
***Annual Report***



# Executive *Leadership*

TennCare is the state of Tennessee's Medicaid program that provides health care for approximately 1.4 million Tennesseans and operates with an annual budget of approximately \$11 billion. TennCare members are primarily low-income pregnant women, children and individuals who are elderly or have a disability. TennCare covers approximately 20 percent of the state's population, 50 percent of the state's births, and 50 percent of the state's children.

TennCare is one of the oldest Medicaid managed care programs in the country, having begun on January 1, 1994. It is the only program in the nation to enroll the entire state's Medicaid population in managed care. The TennCare program operates under a Section 1115 waiver from the Centers for Medicare and Medicaid Services (CMS) in the United States Department of Health and Human Services. Unlike traditional fee-for-service Medicaid, TennCare is an integrated, full-risk, managed care program. TennCare services are offered through managed care entities. Medical, behavioral and Long-Term Services and Supports are covered by "at-risk" Managed Care Organizations (MCOs). All of TennCare's MCOs are ranked among the top 100 Medicaid health plans in the country.

The care provided by TennCare's MCOs is assessed annually by the National Committee for Quality Assurance (NCQA) as part of the state's accreditation process. In addition to the MCOs, there is a Pharmacy Benefits Manager for coverage of prescription drugs and a Dental Benefits Manager for coverage of dental services to children under age 21.

As a leader in managed care Long-Term Services and Supports (LTSS), the state successfully implemented TennCare CHOICES in 2010 bringing LTSS into the managed care model. These services are provided in Nursing Facilities (NFs) and Intermediate Care Facilities for persons with intellectual disabilities (ICF/IID), as well as by Home and Community Based Service providers. In 2016, the Employment and Community First CHOICES program launched providing supports for people with intellectual and developmental disabilities targeted to employment and independent community living.

The Division of TennCare is within the Department of Finance and Administration which is the state agency charged with the responsibility of administering the TennCare program. The Division of TennCare includes the CoverKids and CoverRx programs, Strategic Planning and Innovation – which oversees the Tennessee Health Care Innovation Initiative, and the Office of eHealth Initiatives.

# *Our Mission*

**Improving lives  
through high-  
quality, cost-  
effective care.**

# *Our Vision*

**A healthier  
Tennessee.**

# Executive *Leadership*



**Wendy Long, M.D.**  
Deputy Commissioner



**Will Cromer**  
Deputy Director/Chief of Staff



**Gabe Roberts**  
Deputy Director/Chief Operating Officer



**Hugh Hale**  
Chief Information Officer



**Drew Staniewski**  
General Counsel



**William Aaron**  
Chief Financial Officer



**Kimberly Hagan**  
Director of Member Services



**Aaron Butler**  
Director of Policy

*"I know of no single formula for success. But over the years I have observed that some attributes of leadership are universal and are often about finding ways of encouraging people to combine their efforts, their talents, their insights, their enthusiasm and their inspiration to work together." – Queen Elizabeth II*



**Keith Gaither**

Director of Managed Care Operations

**Victor Wu, M.D.**

Chief Medical Officer



**Brooks Daverman**

Director of Strategic Planning and Innovation



**Kelly Gunderson**

Director of Communications and Employee Relations

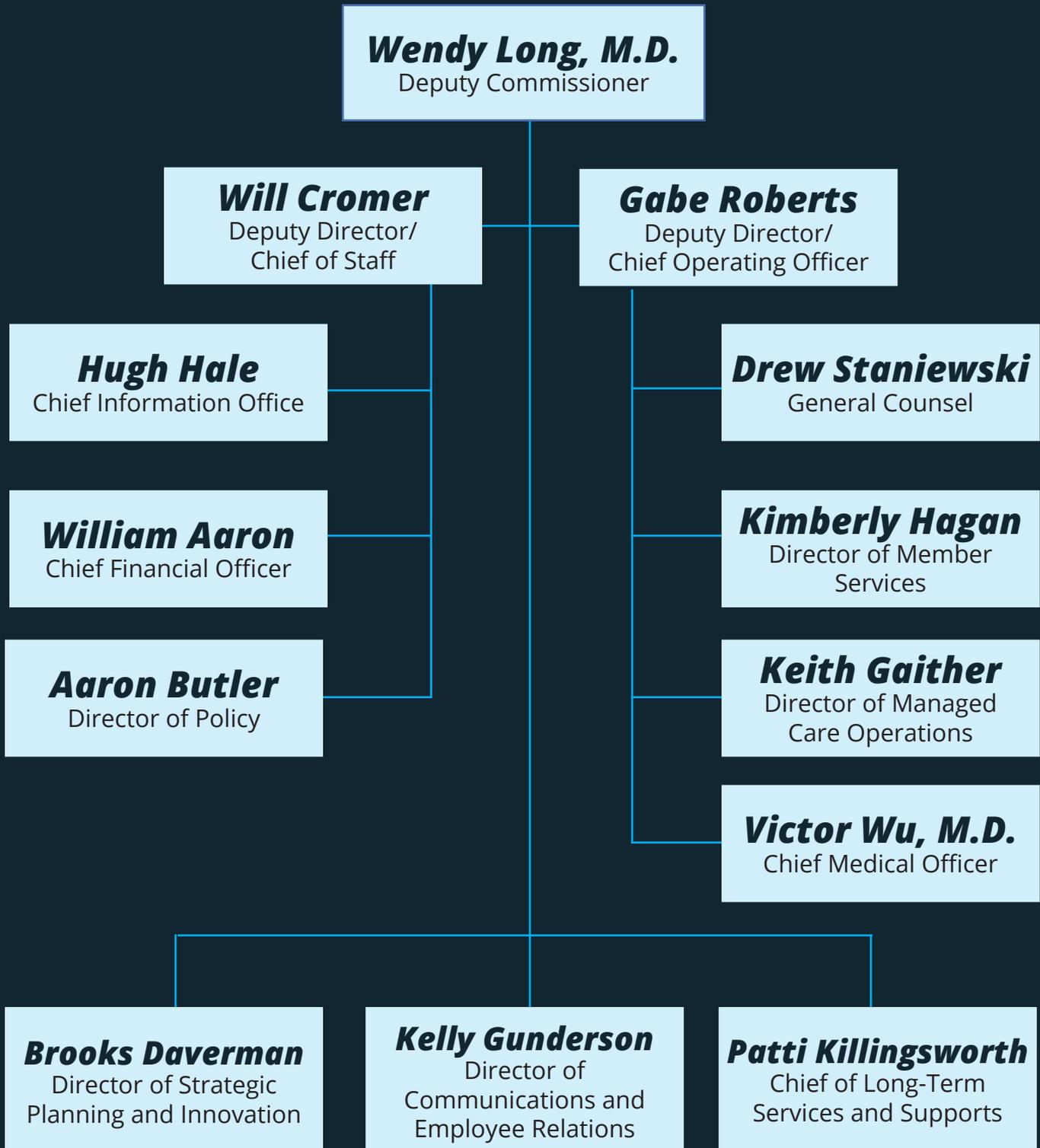


**Patti Killingsworth**

Chief of Long-Term Services and Supports



# Organizational Chart



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# Program *Snapshot*

TennCare covers ***pregnant women, children, parents or caretaker relatives of minor children, older adults, and adults with disabilities.***

More TennCare members who need Long-Term Services & Supports ***choose to be served at home and community rather than in a nursing home.***

***Tennessee is currently the only state that has its entire Medicaid population enrolled into managed care.***

TennCare operates with an ***annual budget of approximately \$11 billion*** and ***current enrollment is approximately 1.4 million Tennesseans.***



TennCare  
covers nearly  
**20%**  
of Tennessee  
residents

TennCare  
pays for  
**50%**  
of births in  
the state

TennCare  
has scored  
**90%**  
in annual  
satisfaction  
since 2009

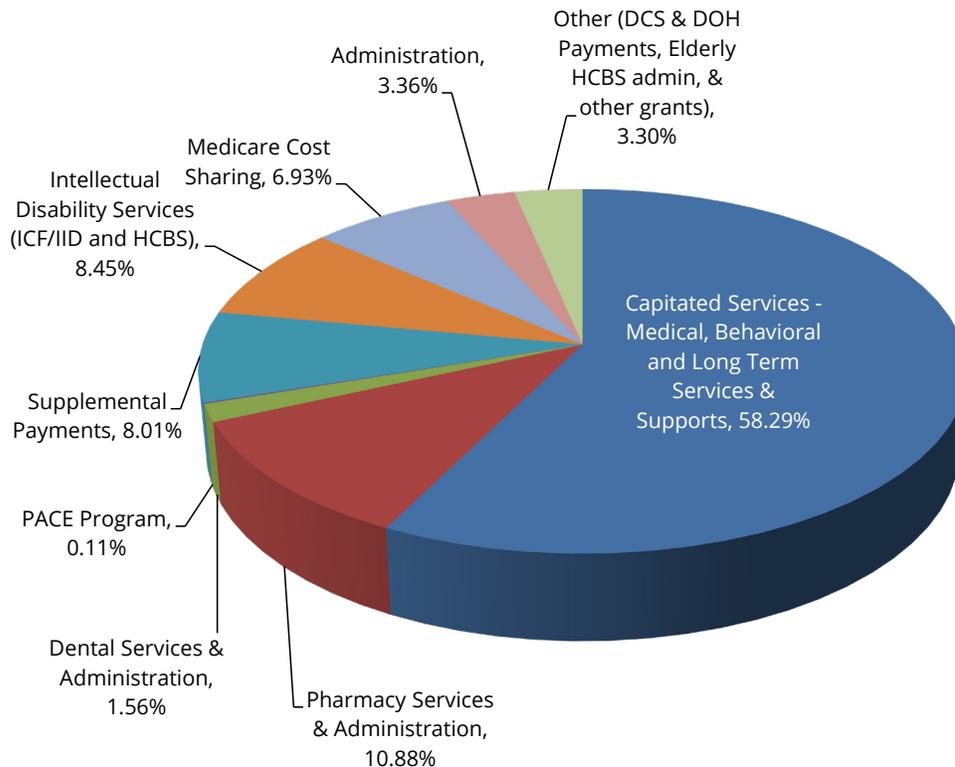
# Program Expenditures

## FY18 Expenditures by Category

Capitated Services - Medical, Behavioral and Long Term Services & Supports <sup>1</sup>	6,990,321,900
Pharmacy Services & Administration	1,166,995,400
Dental Services & Administration	168,015,200
PACE Program	14,030,200
Supplemental Payments	423,372,500
Intellectual Disability Services (ICF/IID and HCBS Waivers)	920,958,000
Medicare Cost Sharing <sup>2</sup>	748,257,700
Administration	419,242,500
Other (DCS & DOH Payments, Elderly HCBS admin, & other grants)	402,062,200
<b>Total</b>	<b>11,253,255,600</b>

<sup>1</sup>This figure is the total of capitation payments which is inclusive of all medical and behavioral health services as well as the long term services and supports for CHOICES and ECF CHOICES members.

<sup>2</sup>Includes Medicare Part D Clawback.



## ***Enrollment Eligibility by Race and Age***

Enrollment on January 1, 2018

<b>Race</b>	<b>0 to 20</b>	<b>21 to 64</b>	<b>65+</b>	<b>Grand Total</b>
Black	120,920	80,637	12,699	214,256
Hispanic	9,449	1,223	485	11,157
Other <sup>1</sup>	469,542	269,385	15,503	754,430
White	234,919	185,172	38,771	458,862
Grand Total	834,830	536,417	67,458	1,438,705

<sup>1</sup> Other includes "unspecified" as the Federal Marketplace (the primary application portal during this reporting year) does not require race to be provided.

## ***Medical Services***

<b>Providers with Paid Claims</b>	<b>FY18 Recipients</b>	<b>Expenditures Per Recipient</b>	<b>FY18 Expenditures<sup>1</sup></b>
13,101	1,247,082	\$3,109.34	\$3,877,607,447

<sup>1</sup>Total expenditure includes the total of administration fees paid to contracted MCO's, based on the allocated proportion of total Medical and Behavioral Health expenditure incurred in SFY18.

## ***Mental Health Clinics and Institutional Services***

<b>Providers with Paid Claims</b>	<b>FY18 Recipients</b>	<b>Expenditures Per Recipient</b>	<b>FY18 Expenditures<sup>1,2</sup></b>
4,437	275,546	\$1,748.86	\$481,891,098

<sup>1</sup>Excludes case management services, transportation and other community services where payment to provider was a capitated arrangement.

<sup>2</sup>Total expenditure includes the total of administration fees paid to contracted MCO's, based on the allocated proportion of total Medical and Behavioral Health expenditure incurred in SFY18.

# *TennCare Expenditures & Recipients by County*

<b>County</b>	<b>Enrollment on 1-Jan-18</b>	<b>Estimated 2018 Population</b>	<b>% of County on TennCare</b>	<b>Total Service Expenditure<sup>1</sup></b>	<b>Expenditure per Member</b>
ANDERSON	16,597	76,616	21.7%	\$104,937,848	\$6,323
BEDFORD	12,908	48,825	26.4%	\$59,047,934	\$4,575
BENTON	4,171	15,952	26.1%	\$27,551,009	\$6,605
BLEDSON	3,066	14,887	20.6%	\$14,001,412	\$4,567
BLOUNT	22,501	131,538	17.1%	\$130,021,960	\$5,778
BRADLEY	22,431	106,322	21.1%	\$131,999,185	\$5,885
CAMPBELL	12,628	39,815	31.7%	\$78,146,470	\$6,188
CANNON	3,239	14,116	22.9%	\$18,180,544	\$5,613
CARROLL	7,682	27,907	27.5%	\$45,519,318	\$5,925
CARTER	13,014	56,229	23.1%	\$77,909,150	\$5,987
CHEATHAM	7,232	40,229	18.0%	\$44,045,788	\$6,090
CHESTER	3,971	17,648	22.5%	\$20,425,423	\$5,144
CLAIBORNE	9,059	31,834	28.5%	\$53,078,530	\$5,859
CLAY	2,119	7,686	27.6%	\$12,083,826	\$5,703
COCKE	11,458	35,286	32.5%	\$64,387,305	\$5,619
COFFEE	13,814	55,526	24.9%	\$76,846,096	\$5,563
CROCKETT	3,838	14,449	26.6%	\$20,933,539	\$5,454
CUMBERLAND	12,708	59,895	21.2%	\$72,484,616	\$5,704
DAVIDSON	136,744	700,384	19.5%	\$761,293,342	\$5,567
DECATUR	2,960	11,763	25.2%	\$20,036,433	\$6,769
DEKALB	5,384	19,544	27.5%	\$28,403,502	\$5,276
DICKSON	11,222	53,397	21.0%	\$67,118,867	\$5,981
DYER	10,481	37,778	27.7%	\$53,015,426	\$5,058
FAYETTE	7,031	40,742	17.3%	\$37,749,451	\$5,369
FENTRESS	5,894	18,172	32.4%	\$35,915,981	\$6,094
FRANKLIN	8,034	41,852	19.2%	\$48,279,069	\$6,009
GIBSON	12,907	49,803	25.9%	\$89,096,248	\$6,903
GILES	6,467	29,228	22.1%	\$36,879,625	\$5,703
GRAINGER	6,047	23,260	26.0%	\$31,185,766	\$5,157
GREENE	15,778	69,145	22.8%	\$151,295,963	\$9,589
GRUNDY	4,582	13,245	34.6%	\$27,887,536	\$6,086
HAMBLEN	16,634	64,537	25.8%	\$96,255,819	\$5,787
HAMILTON	66,426	363,888	18.3%	\$394,059,957	\$5,932
HANCOCK	2,240	6,526	34.3%	\$13,183,176	\$5,885

## *TennCare Expenditures & Recipients by County*

<b>County</b>	<b>Enrollment on 1-Jan-18</b>	<b>Estimated 2018 Population</b>	<b>% of County on TennCare</b>	<b>Total Service Expenditure<sup>1</sup></b>	<b>Expenditure per Member</b>
HARDEMAN	6,945	25,206	27.6%	\$41,719,792	\$6,007
HARDIN	7,239	25,656	28.2%	\$45,891,303	\$6,339
HAWKINS	13,638	56,620	24.1%	\$72,546,472	\$5,319
HAYWOOD	5,514	17,594	31.3%	\$29,190,401	\$5,294
HENDERSON	7,234	28,086	25.8%	\$38,759,376	\$5,358
HENRY	7,871	32,445	24.3%	\$43,384,302	\$5,512
HICKMAN	6,172	24,439	25.3%	\$32,822,616	\$5,318
HOUSTON	2,045	8,139	25.1%	\$14,740,446	\$7,208
HUMPHREYS	4,468	18,364	24.3%	\$27,076,943	\$6,060
JACKSON	2,851	11,678	24.4%	\$16,233,482	\$5,694
JEFFERSON	12,523	54,390	23.0%	\$76,586,351	\$6,116
JOHNSON	4,435	17,760	25.0%	\$23,733,577	\$5,351
KNOX	77,926	464,587	16.8%	\$493,714,103	\$6,336
LAKE	2,098	7,601	27.6%	\$14,679,714	\$6,997
LAUDERDALE	7,788	26,789	29.1%	\$40,154,422	\$5,156
LAWRENCE	10,923	43,367	25.2%	\$61,788,429	\$5,657
LEWIS	3,032	11,894	25.5%	\$20,027,893	\$6,606
LINCOLN	7,728	33,818	22.9%	\$40,451,345	\$5,234
LOUDON	9,287	52,786	17.6%	\$50,249,683	\$5,411
MACON	6,819	23,968	28.4%	\$32,325,805	\$4,741
MADISON	24,599	98,244	25.0%	\$168,340,678	\$6,843
MARION	7,037	28,729	24.5%	\$42,394,641	\$6,025
MARSHALL	7,080	32,536	21.8%	\$39,059,503	\$5,517
MAURY	18,688	92,312	20.2%	\$111,420,574	\$5,962
MCMINN	12,902	53,235	24.2%	\$76,314,514	\$5,915
MCNAIRY	7,201	26,014	27.7%	\$40,441,679	\$5,616
MEIGS	3,270	12,125	27.0%	\$15,765,628	\$4,821
MONROE	11,638	46,560	25.0%	\$62,078,282	\$5,334
MONTGOMERY	37,694	204,236	18.5%	\$177,362,937	\$4,705
MOORE	855	6,364	13.4%	\$4,360,046	\$5,099
MORGAN	4,684	21,741	21.5%	\$27,964,903	\$5,970
OBION	7,973	30,355	26.3%	\$42,577,410	\$5,340
OVERTON	5,140	22,246	23.1%	\$29,829,765	\$5,803
PERRY	2,042	7,993	25.5%	\$11,529,715	\$5,646

County	Enrollment on 1-Jan-18	Estimated 2018 Population	% of County on TennCare	Total Service Expenditure <sup>1</sup>	Expenditure per Member
PICKETT	1,111	5,126	21.7%	\$7,163,461	\$6,448
POLK	4,178	16,877	24.8%	\$18,111,387	\$4,335
PUTNAM	17,782	77,417	23.0%	\$108,589,347	\$6,107
RHEA	9,109	32,820	27.8%	\$53,402,339	\$5,863
ROANE	11,674	52,870	22.1%	\$79,401,910	\$6,802
ROBERTSON	13,580	70,887	19.2%	\$73,879,273	\$5,440
RUTHERFORD	53,615	323,336	16.6%	\$250,414,095	\$4,671
SCOTT	7,759	22,001	35.3%	\$46,944,369	\$6,050
SEQUATCHIE	3,903	15,271	25.6%	\$19,288,304	\$4,942
SEVIER	20,618	99,529	20.7%	\$97,377,440	\$4,723
SHELBY	252,975	942,648	26.8%	\$1,225,779,270	\$4,845
SMITH	4,403	19,718	22.3%	\$23,823,982	\$5,411
STEWART	3,075	13,230	23.2%	\$16,723,384	\$5,438
SULLIVAN	33,609	156,677	21.5%	\$186,591,619	\$5,552
SUMNER	29,851	185,950	16.1%	\$146,642,472	\$4,912
TIPTON	13,218	62,516	21.1%	\$64,292,106	\$4,864
TROUSDALE	2,075	8,465	24.5%	\$11,352,865	\$5,471
UNICOI	4,268	17,773	24.0%	\$30,641,653	\$7,179
UNION	5,312	19,270	27.6%	\$28,702,344	\$5,403
VAN BUREN	1,430			\$9,462,959	\$6,617
WARREN	11,364	40,656	28.0%	\$62,824,011	\$5,528
WASHINGTON	24,456	129,937	18.8%	\$154,016,192	\$6,298
WAYNE	3,318	16,669	19.9%	\$20,038,206	\$6,039
WEAKLEY	7,260	33,241	21.8%	\$43,424,159	\$5,981
WHITE	7,296	26,973	27.0%	\$38,078,865	\$5,219
WILLIAMSON	12,967	229,992	5.6%	\$63,688,302	\$4,912
WILSON	19,893	137,945	14.4%	\$112,258,877	\$5,643
Other	39,725			\$83,270,685	\$2,096
Total	1,478,430	6,763,698	22%	\$8,084,956,720	\$5,469

1. Service Expenditures include Medical, Pharmacy, Long-Term Services and Supports, Dental, Behavioral Health Services, MCO administrative costs and Part D payments on behalf of dual eligible members. Payments on behalf of dual eligible members for Part D drug coverage totaled \$225,807,500. ASO administration and Part D payments were allocated across counties relative to the county's proportion of total expenditure.

2. Greene County expenditures include costs associated with the Greene Valley Developmental Center, causing the per-member cost to appear higher when comparing it with those of the other counties.

3. This category reflects recipients who are Tennessee residents for which their domicile is temporarily located outside of the state.

4. The total service expenditure reflects total amount payment in Edison, 'Cty Rpt Adj' tab D11, the total expenditure based on incurred claims cross counties are proportional in terms of total amount in Edison.



# Program Overview

# *Quality Improvement*



## ***TennCare Kids***

TennCare Kids is a full program of checkups and health care services for children from birth through age 20 who have TennCare. These services make sure that babies, children, teens, and young adults receive the health care they need.

***Statewide Early and Periodic Screening, Diagnostic and Treatment (EPSDT) Screening Rates increased from 2017 to 2018 by 3% from 74% to 77%.***

## ***Patient Centered Medical Home (PCMH)***

The TennCare PCMH program is a comprehensive care delivery model designed to improve the quality of primary care services, the capabilities and practice standards of primary care providers. Under this model, primary care providers provide a holistic approach to manage member's health needs.

- The PCMH program launched in January of 2017 with 29 organizations. Growth in the second year of the program brought the total number of organizations to 68.

<b>2019</b>	<b>Wave 1</b>	<b>Wave 2</b>	<b>Total</b>
Number of PCMHs	28	37	65
Number of Sites	174	240	414
Total number of members	247,877	233,767	481,644

### ***Outcome Payments for Wave 1***

- Wave 1 providers who began the program in 2017, received outcome payments for their first year's performance.
- 19 out of 28 organizations received an outcome payment from at least 1 MCO. The outcome payments reflect the primary care organizations' dedication to improving quality, as well as decreasing total cost of care and utilization. Approximately \$1.4 million dollars was paid out to these organizations.

# Program Overview

# *Medical Appeals*



TennCare members have the right to file a medical appeal. Members have the right to a medical appeal if services have been denied, delayed, reduced, suspended, or terminated. The TennCare Solutions Unit (TSU) assists members with their medical appeals working closely with providers and TennCare managed care organizations.

## ***Medical Appeals Resolution Report: January to December 2018***

	<b>2018 Total</b>	<b>Avg/Month</b>
Total Appeals Resolved	6,663	555
<b>Managed Care Contractor</b>		
Initial Requests Approved	8	1
Reconsideration	902	75
Total Resolved by MCC	910	76
% Resolved by MCC	25%	
<b>TennCare Solutions Unit</b>		
Withdrawn	61	5
Untimely/Ineligible	32	3
Informal Resolution	79	7
Provider Withdraw	4	0
Overtured	441	37
Total Resolved by TSU	617	51
% Resolved by TSU	9%	
<b>Legal Solutions Unit</b>		
Withdrawn	1,326	111
Withdrawn Service Approved	123	10
Default Dismissal	1,037	86
Petitioner Prevails	117	10
State Prevails	1,577	131
Evacuation or Other Service Ordered	15	1
Total Resolved by LSU	4,195	350
% Resolved by TSU	63%	

# Program Overview

## *Dental*



The TennCare Dental Program is responsible for assuring that members have access to high-quality, cost-effective oral health care including preventative, as well as restorative care. Such services are administered through a contracted Dental Benefits Manager (DBM). Major projects include:

- 1) leveraging the Patient Centered Dental Home (PDCH) to continually improve the quality of care rendered to members,
- 2) increase provider utilization of minimally invasive services that prevent or arrest oral diseases such as topical fluorides , dental sealants and Silver Diamine fluoride (SDF),
- 3) reduce the number of opioid prescriptions written by participating dentists through provider education.

## **Dental Services**

Services delivered through Dental Benefits Manager (DBM)

Providers with Paid Claims	FY18 Recipients	Expenditures Per Recipient	FY18 Expenditures <sup>1</sup>
1,372	470,930	\$356.77	\$168,015,200

<sup>1</sup>Amount includes administrative costs but does not include Health Department Dental Program cost of \$6,842,900 which is included on page 1 in the Other (DCS & DOH Payments, Elderly HCBS admin, & other grants) category.

## **Patient-Centered Dental Home (PCDH)**

DentaQuest, TennCare’s contracted Dental Benefits Manager (DBM), has established a patient-centered dental home (PCDH) for all TennCare members. A PCDH is defined as a place where a child’s oral health care is delivered in a comprehensive, continuously accessible, coordinated and family-centered way by a dentist participating in the TennCare program. TennCare members can either choose their dental home dentist or be assigned a dentist. Individual primary care dentists can access their roster of dental home assignments through their provider web portal established by the DBM. One of the primary reasons for establishing a PCDH is to ensure that all enrollees truly have access to a participating primary care dentist who is identified through member assignment. Provider acceptance and engagement of member assignments is essential to the success of the program for TennCare beneficiaries.

Key to evaluating success is the development of reports that track patient engagement, quality of care and provider performance. The Provider Performance Report (PPR) is an individual confidential report card sent to participating primary care dentists on a quarterly basis. The PPR is a provider educational tool to afford providers in the network the opportunity to see how their practice compares with their peers and the overall network average in cost, access, and preventive care. It is anticipated that sharing confidential feedback with providers through the PPR will result in a shift by those performing under the network benchmark to modify their practice pattern to meet or exceed network benchmarks.

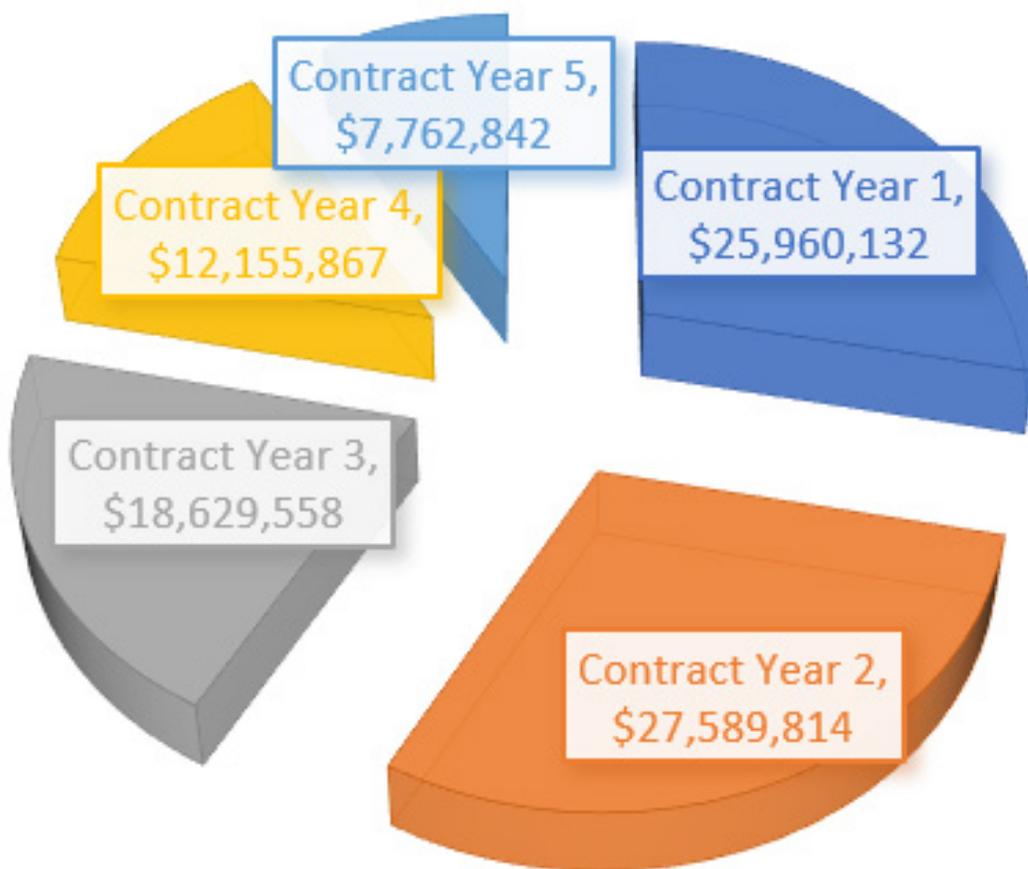
New member assignments to a dental home will be based upon the PPR as well as other provider utilization reports. This will ensure that TennCare members have access to dental home providers demonstrating a commitment to providing the highest quality care. The dental home model is key component of TennCare's overall vision to transform the TennCare dental program from a surgical/dental restorative program to a more balanced program that emphasizes prevention and control of oral diseases.

# DentaQuest<sup>®</sup>



- o Through our TennCare contract with DentaQuest, the number of children members who receive dental treatment annually measured by the Partial Enrollment Adjusted Ratio (PEAR) increased while simultaneously showing significant savings relative to dental claim expenditures; Last year, 57.7% of members received care based on TennCare's dental utilization measure;
- o The latest member satisfaction survey reveals that among those members who visited the dentist during the year, the vast majority are satisfied with their dental care, dental plan, dental benefits, and dentist. Satisfaction scores for these four measures remain above 95%.
- o The latest provider satisfaction survey reveals that 89% of providers were "very satisfied" or "somewhat satisfied" with DentaQuest. 98% indicated that they "definitely" or "probably" will continue to be a provider for DentaQuest.
- o The DBM's partnering on TennCare's opioid strategy has resulted in a significant decline in provider opioid prescribing.

**Annual Service Savings to TennCare  
Total Savings \$92.1M**



***The vast majority of TennCare members are satisfied with their dental care, dental plan, dental benefits and dentist!***

# Program Overview

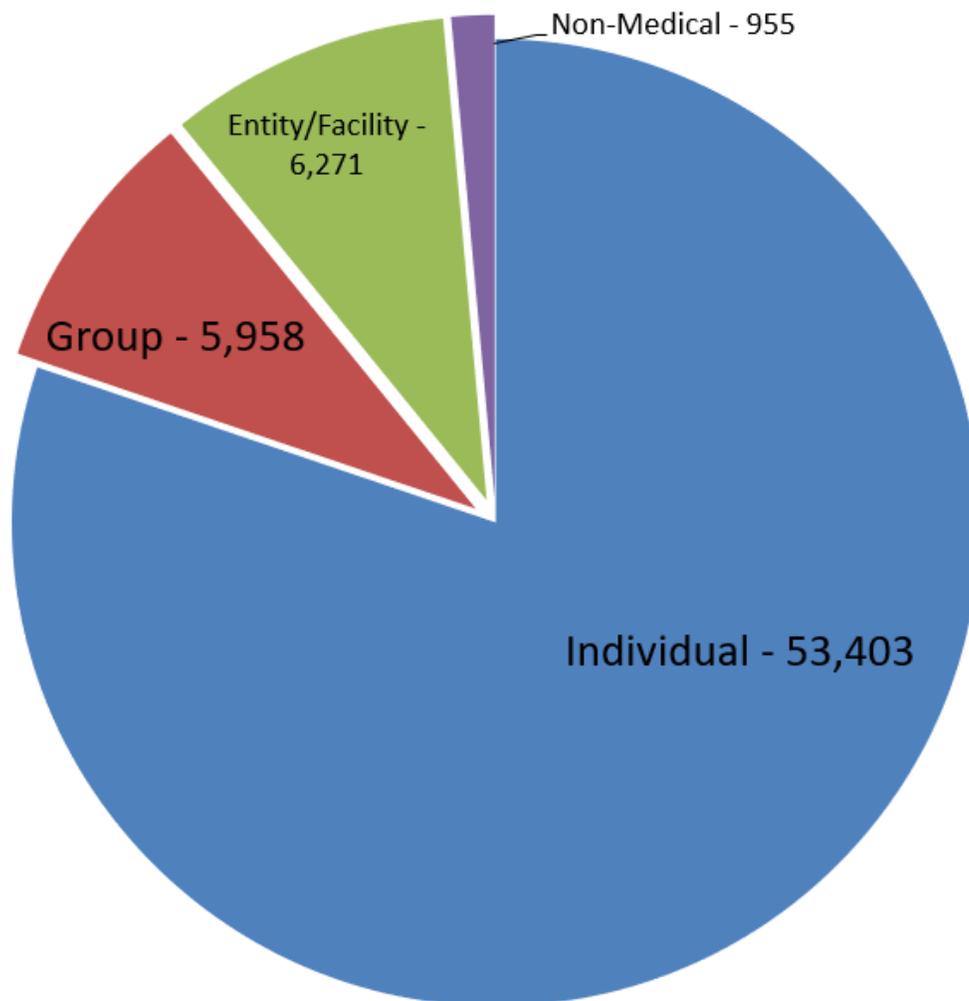
## *Provider Services*



TennCare Provider Services coordinates provider activities including provider registration with the TennCare program. The TennCare Provider Services division is responsible for three primary functions. First, all providers seeking participation in the Medicaid/TennCare program are required to enroll with TennCare. This process is managed by the Provider Registration Team to ensure compliance with federal regulations at 42 CFR 455.410 and 455.450 requiring that all participating providers are screened according to their categorical risk level, upon initial enrollment and upon re-enrollment or revalidation of enrollment. Once providers are enrolled with TennCare, they are eligible to contract with any of our Managed Care Contractors. The Provider Networks Team oversees and monitors network access requirements for our Managed Care Contractors.

The Electronic Health Records (EHR) Provider Incentive Payment Program processes attestations from providers seeking an incentive payment authorized as part of the HITECH Act (part of the American Re-Investment and Recovery Act (ARRA) of 2009). Data flow between all Provider Services teams as well as other TennCare divisions and our Managed Care Contractors is also managed within Provider Services.

**66,587 TennCare Registered Providers – September 11, 2019:**



# Program Overview

## Pharmacy



TennCare's pharmacy benefit is administered by a Pharmacy Benefits Manager - Magellan. TennCare covers drug benefits for individuals enrolled in the program. As of August 1, 2005, a five (5) prescription limit per month on prescription drugs and refills went into effect for many TennCare members. There are some exceptions to that rules including:

- Children under age 21
- Enrollees who are receiving nursing home care or other long term care that TennCare pays for (as long as they are TennCare eligible).

The prescription limit program allows adult enrollees to exceed the monthly 5 prescription or 2 brand limit for certain medications in high risk situations. This is in addition to over 600 hundred medications on the Automatic Exemption List that do not count towards limits.

### **Pharmacy Services**

Services delivered through Pharmacy Benefits Manager (PBM)

Providers with Paid Claims	FY18 Recipients	Expenditures Per Recipient	FY18 Expenditures <sup>1</sup>
12,039	1,086,714	\$1,073.88	1,166,995,400

<sup>1</sup>Amount includes administrative costs paid to the PBM.

# TennCare Manages Pharmacy Benefits with a Single Pharmacy Benefit Manager (PBM)

Division of TennCare

3 MCOs manage all Medical Services

1 PBM manages all Pharmacy Benefits

For all 1.3 million members

### TennCare has a carved-out Pharmacy Benefit

- ❑ TennCare contracts with a separate Pharmacy Benefits Manager (PBM) to provide pharmacy benefits to Medicaid enrollees.
- ❑ TennCare Pharmacy Department provides direct oversight of the PBM.
  - Contract terms allow savings for the state and pricing transparency.

About **\$1.1 billion** in total pharmacy spend for TennCare (FY 2018)

**1,447 retail pharmacies** in Tennessee fill prescriptions for TennCare members

In 2018, over **13 million prescriptions** were filled.

TennCare's pharmacy reimbursement rate per Rx is about **1.5 lower** than all other Medicaid states served by the PBM (CY17), saving state dollars.

## Pharmacy Benefits Operations

<p><b>Processes all pharmacy claims for all Medicaid members</b></p> <ul style="list-style-type: none"> <li>• Over 13.4 million Rx</li> <li>• ~1M use benefits each year</li> </ul>	<p><b>Manages the pharmacy website</b></p>	<p><b>Processes all prior authorizations &amp; first level appeals</b></p> <ul style="list-style-type: none"> <li>• 97% of PAs completed in 24 hours</li> </ul>	<p><b>Manages the Call Center for members</b></p> <ul style="list-style-type: none"> <li>• 98% of calls answered in 23 seconds</li> <li>• 33,000 calls answered &amp; resolved monthly on avg.</li> </ul>
<p><b>Maintains the single preferred drug list (PDL)</b></p>	<p><b>Writes &amp; publishes the Drug Clinical Criteria and Prior Authorization forms</b></p>	<p><b>Implements all pharmacy edits</b></p>	<p><b>Assists with analytics and data inquiries</b></p>

# Pharmacy Program *Opioid Strategy*



As the state's Medicaid system, Division of TennCare is an essential component of the states' overall opioid strategy. In addition to partnering with multiple state agencies and with the Governor's office, TennCare also has its own opioid strategy and initiatives to combat the crisis focused on primary, secondary and tertiary prevention of opioid addiction. Primary prevention aims to limit opioid exposure for non-chronic opioid users to prevent the progression to chronic opioid use, secondary prevention is the early detection and intervention to reduce impact of opioid misuse in those already using opioids, and lastly tertiary prevention is addiction and recovery support for individuals with opioid dependence and misuse.

## ***PRIMARY PREVENTION***

TennCare contracts with a Pharmacy Benefit Manager (PBM) to administer the TennCare pharmacy benefit. As part of the contract agreement with the PBM and at the direction of TennCare, the PBM implements and operationalizes point-of-sale (POS) edits at the time a prescription is processed at the pharmacy. The process of implementing new POS edits has been iterative over the years to ensure the best outcomes for our members and has focused on opioid prescriptions for many years. TennCare now has a coverage benefit limit in place for opioids.



# Pharmacy Program *Opioid Strategy*

## ***A brief overview of key TennCare POS edits are as follows:***

- 2018: The most recent POS edits were for first time or non-chronic opioid users. TennCare will cover opioid prescriptions for up to 15 days in a 180-day period at a maximum dosage of 60 morphine milligram equivalents per day (MME per day).
- 2017: Chronic opioid users are restricted to 200 MME per day.
- 2016: For all children with acute pain and for the first fill for adults with acute pain, TennCare no longer covers more than a 7-day supply of short-acting narcotics.
- 2016: Prior Authorization duration for opioids reduced from 6 months to 3 months.
- Key edits prior to 2016:
  - Hard therapeutic duplication edit in place at POS for multiple short-acting or long-acting narcotics.
  - Quantity limits in place for all short-acting and long-acting narcotics.
  - Pro-DUR edit in place for refill too soon at 95% for all controlled substances.

Effective January 16, 2018, TennCare and its PBM implemented a point-of-sale (POS) edit on agents in the Short-Acting and Long-Acting Narcotics classes of the Preferred Drug List (PDL). For first time or non-chronic opioid users, TennCare will cover opioid prescriptions for up to 15 days in a 180-day period at a maximum dosage of 60 morphine milligram equivalents per day (MME per day). After the first-fill prescription (less than or equal to 5 days), a member can receive up to an additional 10 days of opioid treatment with prior authorization (PA). Some clinical exceptions (e.g. patients with sickle cell, new diagnosis of cancer, hospice) exist to these POS edits through prior authorization. The goal of this policy change is to reduce overexposure to opioids both in dosage and duration for first-time and acute opioid users. The medical evidence strongly shows that increased duration both in dosage and in length of exposure greatly increases the risk of long-term chronic opioid use and other potential negative health outcomes associated with chronic opioid use and misuse. By reducing the coverage of opioids for first-time and non-chronic users, TennCare's goal is to reduce the number of members who progress to becoming chronic opioid users over time.

As of 2017, TennCare no longer covers a prescription for a patient receiving a short-acting or long-acting opioid with a cumulative daily MME greater than 200 MME. This recommendation was a part of the CDC chronic pain guidelines. The goal of this policy is to slowly reduce the dosage among chronic users to reduce the potential for overdose or diversion.

Prior Authorization (PA) requirements and POS edits also help to mitigate the risks of improper usage of opioids. The following requirements are in place to mitigate the risks of improper use of opioids/ controlled substances:

- All long-acting narcotics require prior authorization.
- After the first-fill prescription (less than or equal to 5 days), a member can receive up to an additional 10 days of opioid treatment at a maximum dose of 60 MME per day in each 180 day period with prior authorization.
- All controlled substances have associated measures that mitigate risk of improper use including POS edits, quantity limits, prospective DUR edits and prior authorization requirements that discourage unsuitable use, PMP checks, and appropriate monitoring.

The length of time the PA remained active before needing to be renewed for short-acting narcotics was also reduced from 6 months to 3 months in 2016. The goal of this policy change was to prevent abuse and overutilization of the narcotic prescription.

TennCare has also changed the Preferred Drug List (PDL) over time to prevent abuse of opioids and other controlled substances. The changes to the PDL include shifting agents with high-risk of abuse potential to non-preferred status as well as applying monthly quantity limits first to individual agents and later on a cumulative basis. For example, in 2014 TennCare started only approving non-preferred short-acting narcotics if a patient could not use any preferred agents due to a contraindication, drug to drug interaction, or history of toxic side effects that cause immediate or long-term damage with all preferred agents. More recently, TennCare is attempting to prevent exposure to high dosages of opioids by limiting benefit covered days of supply and daily morphine milligram equivalents (MME) for non-chronic or new users of opioids.

# Pharmacy Program *Opioid Strategy*



## **SECONDARY PREVENTION**

TennCare has partnered with the Managed Care Organizations (MCOs) and the Pharmacy Benefits Manager (PBM) to use data analytics to identify potential clinical risk for women of child bearing age using opioids. This model risk stratifies women into different severity categories which include risk groupings such as:

- High risk for developing opioid addiction or opioid use disorder
- Oral Contraceptive non-compliance on opioid therapy
- Potential pregnancy with concurrent opioid use
- Previous delivery with diagnosis of Neonatal Abstinence Syndrome (NAS)

This risk stratification then allows the MCOs to provide appropriate forms of member engagement, outreach and possible intervention. Based on the clinical risk, women are connected with prenatal care, early prevention and screening services, access to voluntary reversible long acting contraception, or primary and mental health care among other outreach activities.

Additionally, TennCare has worked diligently to decrease barriers to Voluntary Reversible Long Acting Contraception (VRLACs) for women with the goal of reducing infants born with Neonatal Abstinence Syndrome (NAS). In 2016, the MCOs worked effectively with TennCare to make VRLACs more readily available at the time of delivery to increase utilization. All three MCOs agreed to unbundle the reimbursement for VRLACs from the global obstetric billing to facilitate rapid access to all forms of contraception rather than waiting until a follow-up visit to place the VRLAC.



## ***TERITIARY PREVENTION***

TennCare and its MCOs are continuing to work diligently to expand access to high quality medication assisted treatment (MAT) through the MAT Provider Network. TennCare's MCOs and Pharmacy Benefits Manager are committed to providing increased supports and resources to broaden access for TennCare members with opioid use disorder seeking addiction and recovery services. The MCOs have been actively recruiting and contracting with high-quality MAT providers to increase provider capacity in the MAT specialty network. The MAT network is designed to provide high-quality comprehensive MAT services to TennCare members, including care coordination, behavioral health counseling, and evidence-based medication assisted treatment services. The network officially launched on January 1, 2019 and there are currently 104 newly contracted, high-quality MAT providers that have partnered with at least one of TennCare's three MCOs. Overall, the MCOs have received a positive response from the provider community thus far and are successfully contracting with providers from across the state to provide addiction treatment and recovery services. TennCare will continue to grow this network and support providers in providing high-quality care.

# Program Overview *Long-Term Services & Supports*



## ***CHOICES Program***

TennCare CHOICES in Long-Term Services and Supports (“CHOICES”) is a long-term services and supports (LTSS) program implemented in 2010 as part of our managed care program. In addition to providing Medicaid-reimbursed nursing facility services, it offers home and community-based services (HCBS) for adults (age 21 and older) with a physical disability and seniors (age 65 and older). These services can be provided in the home, on the job, or in the community to assist with daily living activities and allow people to work and be actively involved in their local community.

# Program Overview *Long-Term Services & Supports*

## **CHOICES Enrollment**

Category of Service	Number of Recipients (6/30/17)	Number of Recipients (6/30/18)	% Change
Employment & Community First CHOICES	1,382	2,530	83.1%
Home and Community Based Services	12,246	12,209	-0.3%
Nursing Facility Services	16,824	16,747	-0.5%

### ***Employment and Community First CHOICES Program***

Employment and Community First CHOICES is a home and community-based services (HCBS) program implemented as part of our managed care program in July 2016 that provides essential services and supports (HCBS, physical and behavioral health, pharmacy and dental services) in a coordinated and cost-effective manner for people with intellectual and other developmental disabilities (I/DD). It is considered a national model in part because it is specifically designed to align incentives around helping people with I/DD achieve employment and live as independently as possible in their communities. The program offers a more cost-effective way of serving people with I/DD while also demonstrating improved employment, health and quality of life outcomes.

### ***Money Follows the Person***

Money Follows the Person (MFP) is a federal demonstration launched in Tennessee in 2011 to identify individuals who have been institutionalized for at least 90 days that want to transition to the community, and to support them in achieving a successful transition and sustained community living. As part of these MFP demonstrations, states are expected to shift Medicaid LTSS expenditures to spend a larger portion of Medicaid funds on HCBS (versus institutional care). Individuals enrolled in MFP are simultaneously enrolled in an HCBS program to provide home services they need to live safely in the community.



## ***Money Follows the Person Demonstration***

During the FY 2017-2018 year, TennCare not only reached, but exceeded our benchmark for transitioning people out of institutions and into the community under the MFP Demonstration. By June 30, 2018, 2381 individuals had successfully transitioned into community settings of their choice since the program's launch in 2011, including more than 1,200 older adults, more than 1,000 adults with physical disabilities, and 110 individuals with intellectual disabilities. This exceeded the state's original target of 2,225 set back when the program was funded in 2011. Importantly, MFP transitions include only people who have been institutionalized for at least 90 days before moving into the community. The total number of transitions since the CHOICES program launched in March 2010 (including those with shorter institutional stays) exceeded 4,500 by June 30, 2018, an average of 568 people per year, compared to just 129 people in the year before CHOICES began.

# Program Overview *Long-Term Services & Supports*



## ***System Transformation***

In 2016, TennCare launched a System Transformation Initiative that seeks to transform the entire LTSS system to one that is person-centered, and that aligns policies, practices, and payments with system values and outcomes, including employment and full community citizenship and participation. To guide the initiative, TennCare convened a Systems Transformation Leadership Group (STLG) comprised of self-advocates taking part in LTSS programs, advocacy organizations, HCBS providers, MCO staff, and State leadership from the Department of Intellectual and Developmental Disabilities and TennCare. During the 2016-2017 year, with input from the STLG, TennCare developed a System Transformation strategic plan. The plan, which will drive TennCare's LTSS work for the foreseeable future, outlines specific policy and program changes that will help to promote person-centered practices across LTSS programs, ensure an array of high quality LTSS, address system barriers and challenges such as workforce development and retention, align payment for services with quality and outcomes, and better use data to focus and drive system transformation efforts.

## ***Quality Improvement in Long-Term Services and Supports***

Effective July 1, 2018, as part of the Quality Improvement in Long-Term Services and Supports (or QuILTSS) Initiative, TennCare launched a new value-based approach to nursing home payments. The approach was developed over a period of several years in partnership with the Tennessee Health Care Association (the nursing home association), and with significant input from people who receive services, their families, and advocacy organizations who represent them. In part, the new reimbursement system acknowledges the higher level of acuity of nursing home residents since the CHOICES program launched—as more people are choosing to receive services in their own homes in the community. Importantly, the new payment approach also rewards facilities financially for providing higher quality, more person-centered care, using a quality framework that measures satisfaction, culture change and quality of life; adequacy, training, and consistency of staffing; and certain clinical outcomes. A substantial part of each nursing home's payment for Medicaid nursing facility services is based on their quality performance on these measures. This reflects TennCare's continued commitment to high quality care and to ensuring the best value for those we serve and their families, as well as taxpayers.

# Program Overview

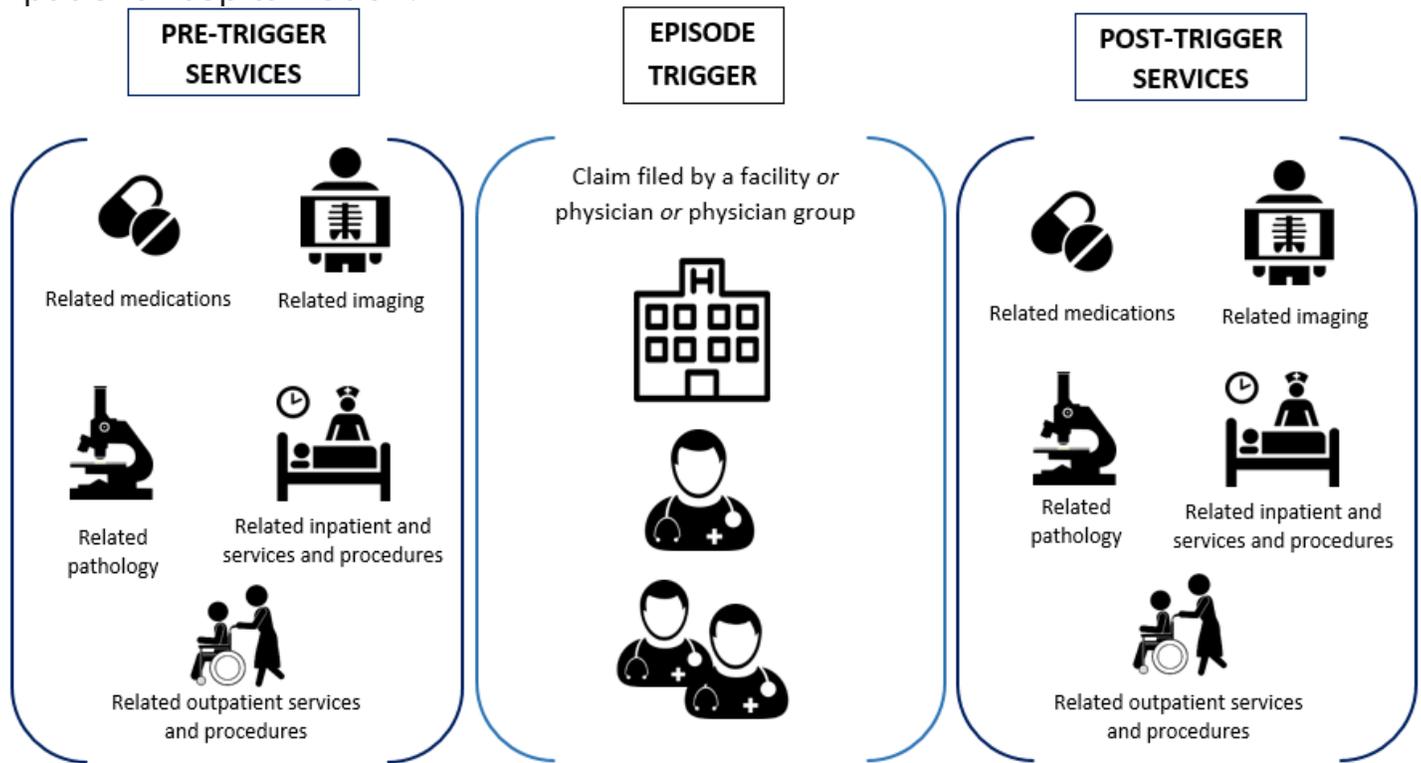
## *Strategic Planning & Innovation*



The Strategic Planning & Innovation (“SPI”) division leads new, innovative initiatives to improve health and healthcare across Tennessee through partnership with providers, payers, and other key stakeholders. SPI has overseen the Tennessee Health Care Innovation Initiative, which is changing the way that health care is paid for in Tennessee. The state wants to move from paying for volume to paying for value. The mission of this initiative is to reward health care providers for better outcomes including, high quality and efficient treatment of medical conditions, and help maintaining people’s health over time. The Initiative includes three strategies:

1) Primary care transformation focuses on the role of the primary care and behavioral health providers in promoting the delivery of preventive services and managing chronic illnesses over time. This includes two programs: Patient Centered Medical Homes (PCMH) and Tennessee Health Link.

2) Episodes of care focuses on the health care delivered in association with acute or specialty-driven health care events such as a surgical procedure or an inpatient hospitalization.



3) Long Term Services and Supports focuses on improving quality and shifting payment to outcomes-based measures for the Quality-and-Acuity-Based Payment for Nursing Facilities and Home and Community Based Services (“QuILTSS”) program and for enhanced respiratory care.

Using these strategies we are bringing together health care providers and clinicians, employers, major insurance companies, and patients and family members to reform the health care payment and delivery system in our state.

# TennCare *in Action*

## **Joseph** **Direct Support Worker** **for Employment & Community First CHOICES Recipients**



“We had a saying when I was a peer buddy: see the ability not the disability.” This mantra has been with Joseph Hendrick since fifth grade, when he first started working with individuals with intellectual and developmental disabilities. Today, he is a Direct Support Worker (DSP) for three TennCare members enrolled in the Employment and Community First CHOICES (ECF CHOICES) program.

Joseph originally became interested in supporting this

population when he met another student who had special needs through an after school program. Faculty at the program saw how well Joseph interacted with this student and encouraged him to join a peer buddy program. His success in supporting individuals with disabilities continued, and in the eighth grade Joseph was even allowed to use his activity period to help out in the special needs

classroom at his school. His passion for empowering people with disabilities continued throughout high school and he formed great relationships with many of the students with disabilities.

Joseph graduated from Alcoa High School in May of 2019 and around this time his partner through Best Buddies, Cami, was in need of a new DSP. Her mother introduced Joseph to the idea of working through consumer-direction for her daughter. She was also able to connect him with two other individuals and their families who also had a need for a DSP so that he could have a full work schedule. This was helpful to the members and their families as well as a great opportunity for Joseph to continue doing the work he loved while also earning income before attending college in the fall.

Joseph sees values in sharing the community with the members he serves through his work as a DSP. He says, "I am trying to help them find like their good talents ... and stuff they can do for themselves that will help them further themselves." Joseph tailors activities to the specific needs and goals of the individuals he supports.

He goes to Planet Fitness to walk on the treadmill with one member who wants to get better at walking long distances after having hip surgery. Joseph also goes to Special Growers with Cami; this is where she works growing herbs that are delivered to local restaurants. He drives another member to work as well as swim class. Joseph not only assists the individuals he serves with getting to and from activities, but he also helps them with everyday tasks like going to a local restaurants for lunch so they can practice ordering for themselves or helping them with their writing skills.

Through their engagement in the community, Joseph has witnessed tremendous progress in the individuals he serves. He has seen them become more outgoing and has seen their vocabulary improve. He has also observed them become more excited about getting out in the community. He views working as a DSP as a great opportunity. Joseph says, "It has changed my thought process, like with special needs kids I usually only work with them in set atmospheres like school or [when] I

am volunteering ..., but just being with the kids one-on-one, just you and them has really impacted me and shown me different ways I can...open up and teach them.” Joseph’s favorite aspects of the job are the little things. Like the joy on the member’s face when they get a strike while bowling, watching a member’s excitement after successfully using the free weights at the gym for the first time, or singing along with a member in the car on their way to the next activity. Joseph truly enjoys the unique opportunity to be a consumer-directed worker for the ECF CHOICES program.

When asked what he wants everyone to know about individuals with intellectual disabilities, Joseph says they should not be defined by what they cannot do; but rather, “They need to be defined by what they can do.” Joseph was also happy to share with us that he will be attending East Tennessee State University in the fall and will be majoring in Special Education Teaching and minoring in American Sign Language as he continues his pursuit and passion of supporting people with disabilities.



**Jacob**  
***Employment & Community First CHOICES Recipient***

“[Employment and Community First CHOICES] really gave me a great sense of pride and honor... I’m still in my young twenties so, being able to do [what I have done in this program] this young, I know I will live a successful life.”



## ***Kezia***

### ***Employment & Community First CHOICES Recipient***

“[Employment & Community First Choices] showed me that I had the ability to actually be myself and to know that I could do something that anyone else could do. Just because maybe I have a disability, it doesn’t make me any different or any less human than anybody else.”



## ***William***

### ***Employment & Community First CHOICES Recipient***

“When I look back to where I was to where I am now it’s like night and day. I’m like, ‘wow is that seriously me? Have I really come this far?’ What I would recommend to anybody in my situation is if they believe that they can make their own decisions, their own choices, to go for it. If they believe they can do it then they need to try.”

