



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