



# TENNCARE POLICY MANUAL

<b>Policy No:</b> BEN 08-001 (Rev 8)	
<b>Subject:</b> Cost-Effective Alternatives	
<b>Approved by:</b> <i>[Signature]</i>	<b>Date:</b> 12/12/14
<b>Approved by:</b> <i>[Signature]</i>	<b>Date:</b> 12/15/14

**PURPOSE OF THE POLICY:** This policy outlines the accepted use of cost-effective alternative services by TennCare managed care organizations (MCOs).

**POLICY:** TennCare MCOs may provide services not listed in the Medicaid State Plan or in the covered benefits section of the contractor risk agreements (CRAs) when the use of such alternative services is medically appropriate and cost-effective. Such services shall be referred to as **cost-effective alternative services**.

A cost-effective alternative service is a service that is not covered but that is approved by TennCare and provided solely at the MCO's discretion. TennCare enrollees are not entitled to receive these services. Cost-effective alternative services may be provided because they are either (1) alternatives to covered Medicaid services that, in the MCO's judgment, are cost-effective or (2) preventive in nature and offered to avoid the development of conditions that, in the MCO's judgment, would require more costly treatment in the future. Cost-effective alternative services need not be determined medically necessary except to the extent that they are provided as an alternative to covered Medicaid services. Even if medically necessary, cost-effective alternative services are not covered services and are provided only at an MCO's discretion.<sup>1</sup>

There are certain services on the list below that may be available under one of TennCare's 1915(c) waivers for persons with intellectual disabilities (called "IID Waivers") or under the CHOICES program. However, for TennCare enrollees who are not participating in an IID Waiver or CHOICES, these services would be available only as cost-effective alternatives. It should be noted that one of the services on the list ("Transition Allowance") is available as a cost-effective alternative only for certain CHOICES enrollees.

<sup>1</sup> The information contained in this paragraph also appears in the definition of "cost-effective alternative service" located in the TennCare Rules at 1200-13-01-.02, 1200-13-13-.01, and 1200-13-14-.01. The MCO's discretion to use such services is addressed in the Rules at 1200-13-13-.04(2), 1200-13-13-.10(2), 1200-13-14-.04(2), and 1200-13-14-.10(2).

The cost-effective alternative services listed below may be provided without obtaining prior approval from TennCare.<sup>2</sup> An MCO seeking to provide cost-effective alternative services not listed in this policy must obtain prior approval in writing from TennCare.

**Cost-Effective Alternative Services that TennCare MCOs May Provide Without Prior Approval<sup>3</sup>**

SERVICE	GROUP FOR WHOM THE SERVICE MAY BE PROVIDED AS A COST-EFFECTIVE ALTERNATIVE
Adult day care	Non-CHOICES adults aged 21 and older. (Not covered in the State Plan.)
Adult day health services <sup>4</sup>	Adults aged 21 and older. (Not covered in the State Plan.)
Bed bug treatment <sup>5</sup> to prevent hospitalization or placement in a nursing facility	Members of CHOICES Group 2 or CHOICES Group 3. (Not covered in the State Plan.)
Buprenorphine <sup>6</sup> in excess of 8 mg per day (or dose equivalent to 8 mg of Suboxone <sup>®</sup> for products with different bioavailability) for individuals who— <ul style="list-style-type: none"> <li>• Require treatment for opiate addiction;</li> <li>• Would otherwise require hospitalization; and</li> <li>• Have already</li> </ul>	Adults aged 21 and older. (Not covered in the State Plan.)

<sup>2</sup> While all TennCare MCOs may provide the services in the table without obtaining prior approval, TennCare Select—as a partial risk plan—must maintain documentation on the cost-effectiveness of any non-covered services that are provided to TennCare enrollees and for which TennCare Select seeks reimbursement from the State. Furthermore, on an annual basis, TennCare must demonstrate to CMS that the use of such services is indeed cost-effective. See Special Term and Condition (STC) 29 of the TennCare Demonstration.

<sup>3</sup> The items in this table may be provided as cost-effective alternatives only by TennCare MCOs, even when the service in question would normally be associated with TennCare’s Pharmacy Benefits Manager (e.g., buprenorphine) or Dental Benefits Manager (e.g., dental care). The reason for this is that STC 29 of the TennCare Demonstration only allows cost-effective alternative services when provided by MCOs.

<sup>4</sup> This is a service which combines adult day care with preventive and/or rehabilitative services (in a manner similar to the PACE program).

<sup>5</sup> Treatment for bed bug infestations is not covered under the pest control benefit for members of CHOICES Group 2 and CHOICES Group 3. See TennCare Rule 1200-13-01-.02(106)(e).

<sup>6</sup> “Buprenorphine” as used in this policy includes all buprenorphine-containing products used for opiate detoxification and is not limited to any specific brand-name or generic products.

SERVICE	GROUP FOR WHOM THE SERVICE MAY BE PROVIDED AS A COST-EFFECTIVE ALTERNATIVE
received up to 16 mg of the drug per day for 6 months.	
Chiropractic services	Adults aged 21 and older. (Not covered in the State Plan.)
Dental care	Adults aged 21 and older. (Not covered in the State Plan.)
High tech prosthetic devices for active lifestyles rather than standard prosthetic devices	Persons of any age. (Not covered in the State Plan.)
Home and Community Based Services (HCBS) in excess of \$15,000 expenditure cap	CHOICES Group 3 members who would otherwise require home health services to ensure that their needs are safely met in the community. (Not covered in the State Plan.)
Hotel accommodations for persons receiving frequent treatment at a distant location, to avoid the rigors of excessive transportation.	Persons of any age. (Not covered in the State Plan.)
Inpatient rehabilitation facility services	Adults aged 21 and older. (Not covered in the State Plan.)
Mileage reimbursement in lieu of non-emergency transportation	Persons of any age who have used TennCare-sponsored non-emergency transportation within the previous six months. <sup>7</sup> (Not covered in the State Plan.)
Non-medical adaptive devices such as reactors, buttonhole adaptive devices, etc.	Persons of any age. (Not covered in the State Plan.)
Nutritional programs and supplements	Adults aged 21 and older. (Not covered in the State Plan.)
Over-the-counter medical supplies	Adults aged 21 and older. (Not covered in the State Plan.)
Scooters	Persons of any age. (Not covered in the State Plan.)
Short-term continuous care, to include Level 2	Adults aged 21 and older. (Nursing Facility care is covered in the State Plan; however, it is considered a long-term service

<sup>7</sup> Exceptions to the six-month requirement may be made only if there is a compelling medical justification.

SERVICE	GROUP FOR WHOM THE SERVICE MAY BE PROVIDED AS A COST-EFFECTIVE ALTERNATIVE
Nursing Facility care, for episodic conditions to stabilize a condition rather than admit to hospital or to facilitate hospital discharge	and support (LTSS) rather than short-term, episodic care and requires a level of care evaluation (referred to as a "PreAdmission Evaluation" or "PAE").)
Supported community living (excluding room and board)	Persons 18 years of age and older for whom psychiatric rehabilitation services have proven unsuccessful or the potential for psychiatric rehabilitation is very low but services are required to prevent inpatient psychiatric hospitalization. (Not covered in the State Plan.)
Transition allowance <sup>8</sup>	CHOICES members transitioning from CHOICES Group 1 to CHOICES Group 2. (Not covered in the State Plan)
Vision services and eyeglasses or contact lenses for adults	Adults aged 21 and older. (Not covered in the State Plan.)
Weight reduction programs for the treatment of obesity	Persons of any age. (Not covered in the State Plan.)

There is one other cost-effective alternative service that MCOs may provide without prior approval from TennCare, but it would be available only under very limited circumstances. According to the TennCare rules,<sup>9</sup> HCBS furnished under the Bureau's CHOICES program may be provided as a cost-effective alternative to Nursing Facility (NF) care for individuals who meet NF level of care criteria when the enrollment cap for CHOICES 2 has been reached. Provision of HCBS under these circumstances must comply with all TennCare rules and contractual requirements governing the provision of HCBS to CHOICES Group 2 members.

### **PROCEDURES FOR OBTAINING PRIOR APPROVAL:**

1. A request for prior approval may be submitted only by an MCO, since a cost-effective alternative service is furnished at the sole discretion of an MCO. Requests should not be submitted by providers, enrollees, advocates, TennCare staff members,<sup>10</sup> or other non-MCO personnel.

<sup>8</sup> A per-member allotment not to exceed two thousand dollars (\$2,000) per lifetime. See Rule 1200-13-01-.02(145), Rule 1200-13-01-.05(8)(o), and STC 29 and Attachment D of the TennCare Demonstration.

<sup>9</sup> See Rules 1200-13-01-.02(35)(d) and 1200-13-01-.05(4)(d)1.(ii)(II).

<sup>10</sup> There may be occasions when TennCare staff members are aware of a cost-effective alternative service that would be appropriate for an enrollee under certain circumstances. While nothing prohibits the Bureau from sharing this information with an MCO, the MCO retains sole discretion of whether to provide the service in question.

2. Requests for prior approval must be made in writing and must be submitted to the Office of the Chief Medical Officer within the TennCare Bureau.
  - a. The MCO should complete the “Request for Cost-Effective Alternative (CEA)” form, which is available on TennCare’s website at <http://www.tn.gov/assets/entities/tenncare/attachments/PriorAuthorizationForm.pdf>, and a copy of which is attached to this policy.
  - b. The signed and dated form and any accompanying documentation should be transmitted to TennCare’s Office of the Chief Medical Officer with adequate safeguards for any confidential material contained therein. (See the “Request for CEA” form for additional details.) Appropriate methods of submission include—
    - secure email (addressed to: [David.Collier@tn.gov](mailto:David.Collier@tn.gov));
    - mail (addressed to Bureau of TennCare, Office of the Chief Medical Officer, 310 Great Circle Road, 4 West, Nashville, TN 37243);
    - fax (to 615-734-5075).
3. To ensure that TennCare has the opportunity to adequately consider all requests for prior approval of cost-effective alternative services, MCOs should submit their requests at least two weeks prior to the desired date of service delivery.
4. TennCare’s Office of the Chief Medical Officer will notify the requesting MCO of the Bureau’s decision in writing (typically by email).

## **OFFICES OF PRIMARY RESPONSIBILITY:**

Office of the Chief Medical Officer  
Managed Care Operations

## **REFERENCES:**

<http://www.tn.gov/assets/entities/tenncare/attachments/MCOStatewideContract.pdf>

MCO Statewide Contract

<http://www.tn.gov/tenncare/forms/middletnmco.pdf>

Contractor Risk Agreement (Middle Tennessee) Section 2.6.5

<http://www.tn.gov/tenncare/forms/tenncarewaiver.pdf>

TennCare II Demonstration, Special Term and Condition 29 and Attachment D

<http://tn.gov/sos/rules/1200/1200-13/1200-13.htm>

TennCare Rules 1200-13-01-.02 and -.05

TennCare Rules 1200-13-13-.01, -.04, and -.10

TennCare Rules 1200-13-14-.01, -.04, and -.10

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Revision 5: 04/05/12: JTR  
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**BUREAU OF TENNCARE  
HEALTH CARE FINANCE & ADMINISTRATION**

**REQUEST FOR COST-EFFECTIVE ALTERNATIVE (CEA)**

*This form is for use by a TennCare Managed Care Organization (MCO) seeking to provide a cost-effective alternative service to a TennCare enrollee. Note that prior approval from TennCare is required only if the cost-effective alternative service in question is not on the list of pre-approved services in Policy BEN 08-001. (See <http://www.tn.gov/assets/entities/tenncare/attachments/ben08001.pdf>.)*

MCO INFORMATION		
MCO requesting the CEA:		
MCO contact person regarding this request:		
Telephone:	Email:	
ENROLLEE INFORMATION		
Name of Enrollee for whom the CEA is being requested:		
Date of birth:	SSN (last 4 digits):	
CEA INFORMATION		
1a. What service is being requested as a cost effective alternative? <i>Please be specific. The brand name of a particular program (e.g. "New Horizons in Care") alone would not be a sufficient response to this question.</i>		
1b. On what date are you requesting that provision of the CEA begin? Is there a projected end date?		
2a. Is the service being requested as an alternative to a TennCare-covered service? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, then please proceed to Question 3a.		
2b. If 2a is yes, what is the covered service to which the CEA is an alternative?		
2c. If 2a is yes, why is the proposed CEA preferable to the covered service for this enrollee?		
2d. If 2a is yes, please attach documentation that the proposed CEA is cost-effective in comparison to the TennCare-covered service it would replace.		
If 2a is yes and you have responded to 2b, 2c, and 2d, please sign, date, and submit the form according to the instructions below. If 2a is no, proceed to 3a.		
3a. Is the requested service a preventive service that would avoid the development of conditions likely to require more costly treatment in the future? <input type="checkbox"/> Yes <input type="checkbox"/> No		
3b. If 3a is yes, what are the conditions that would require more costly treatment in the future?		
3c. If 3a is yes, how will the proposed CEA be effective in avoiding these conditions for this enrollee?		

By signing this document, I hereby certify that the proposed CEA is medically appropriate for this enrollee and is, to the best of my knowledge, cost-effective in comparison to the TennCare-covered service(s) it would replace.

Signature\_\_\_\_\_

Date\_\_\_\_\_

# BUREAU OF TENNCARE HEALTH CARE FINANCE & ADMINISTRATION

## NOTES

TennCare approves the use of CEAs that are cost-effective compared to covered services OR that help avoid the development of conditions likely to require more costly treatment in the future. Therefore, if the responses to questions 2a and 3a are both no, then the service does not qualify as a CEA.

In addition to the information provided on this form, another consideration in TennCare's decision is whether the CEA includes components that are TennCare-covered services.

## SUBMISSION INSTRUCTIONS

Once complete, this form and any associated documentation should be submitted to the Office of the Chief Medical Officer at the Bureau of TennCare via one of the following:

- Secure email, which consists of—
  - Creating a pdf version of the completed form (including attachments) and password-protecting it.
  - Attaching the pdf to an email addressed to [David.Collier@tn.gov](mailto:David.Collier@tn.gov). No protected health information (such as an enrollee's name, Social Security Number, and/or date of birth) should appear in the subject line of the email. The subject line should, however, include the phrase "secure email" in brackets as follows: [\[secure email\]](#).
  - Sending a second email—also addressed to [David.Collier@tn.gov](mailto:David.Collier@tn.gov)—that contains the password of the completed form and that follows the subject line protocol outlined above.
  - Sending these items only from an official MCO email address—not a personal account—since MCO-to-TennCare email messages enjoy Transport Layer Security.
- Mail (addressed to Bureau of TennCare, Office of the Chief Medical Officer, 310 Great Circle Road, 4 West, Nashville, TN 37243)
- Fax (to 615-734-5075)

In order to ensure that TennCare has the opportunity to adequately consider all CEA requests, MCOs should submit their requests at least two weeks prior to the desired date of service delivery.

Questions about the CEA request process may be directed to David L. Collier, Associate Medical Director for the Bureau of TennCare.