



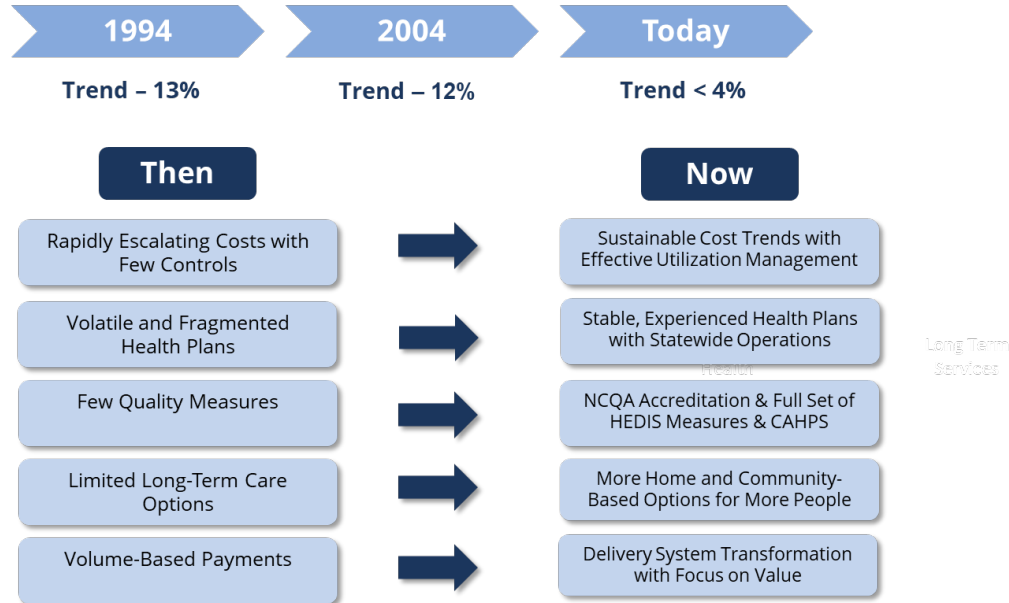
# DIVISION OF TENNCARE

## FISCAL YEAR 2022-2023 BUDGET HEARING

# Division of TennCare

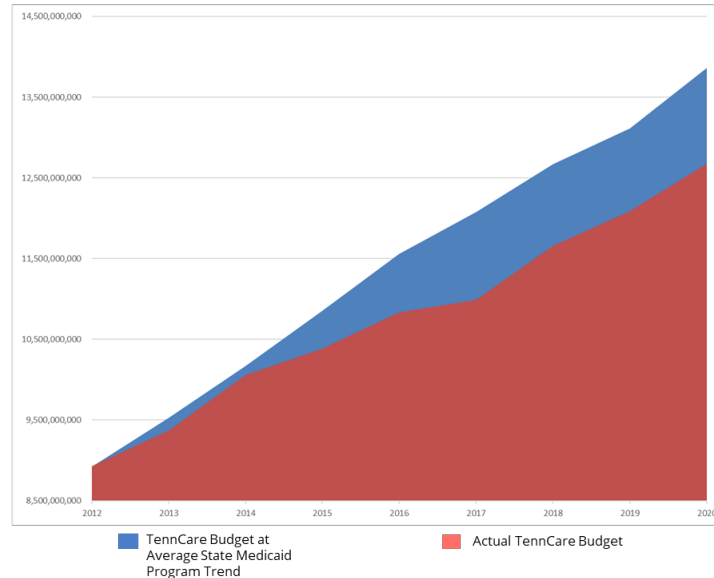
## TennCare Evolution

Tennessee's Medicaid program has transformed from a limited service, unpredictable and unsustainable plan to one that is comprehensive, sustainable and highly valued



# Division of TennCare

Effectively managing Medicaid cost growth is about much more than TennCare



If TennCare's trend rate had tracked equal to the national Medicaid state average rate, from 2012 to 2020 Tennessee would have spent a cumulative total of **\$2.0 billion more state dollars** to run the current program.

# Division of TennCare

## High-Quality Care for All Members



### Children & Families

The Patient-Centered Medical Home initiative led to a 20% increase in key childhood immunizations in 2019.

The EPSDT Screening rate in 2020 was above 80% for children under the age of five.



### Adult & Pregnant Members

Diabetes, asthma, high cholesterol, and blood pressure treatment and access quality measures all improved for adults in 2020.

Postpartum visits in the first 3 months after delivery increased for a third year in a row in 2020.



### LTSS

More than 500 people transitioned out of nursing facilities to live safely in home and community-based settings in FY20. The annual average has been more than 500 for a decade.

Average annual cost for members served in nursing facilities is \$80K+ compared to \$22k served in HCBS settings.



### Opioid Epidemic

NAS births decreased by 30% from 2016 to 2019. TN is the only state in the country reporting a continued decline.

Over 9,200 TennCare members received Medication Assisted Treatment (MAT) and Recovery services from high-quality providers in 2020.

Our quality initiatives and their success are reflected in annual surveys of TennCare members, with **member satisfaction at 94%, continuing a trend of being above 90% for more than a decade.** And **90% of licensed physicians** practicing in TN **participate** with at least one of our MCOs.

# Division of TennCare

## Continued Improvements & Innovation

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- Extension of coverage for postpartum women, including dental benefits
- Investment in closed loop referral system
- Katie Beckett coverage for children with disabilities/complex medical Needs
- Unprecedented investments in home and community-based services (HCBS), including serving an additional 2,000 individuals and large improvements to address direct service provider wages
- Proposed investments for behavioral health

# Division of TennCare

## TennCare III

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- Establishes a new era and structure for TennCare, creating a tremendous opportunity for Tennessee to be rewarded through shared savings for its successful management of its Medicaid program
- Commits to utilizing shared savings to make enhancements to the TennCare program and benefit the health of TennCare members and Tennessee communities
- Reinforces TennCare's commitment to quality and allows us to double down on our efforts

# Division of TennCare

## COVID 19: Continued Impact on Enrollment

Enrollment Projections – Federal PHE Impacts



# Division of TennCare – Cost Increase Request

	State		Federal		Other	Total	Positions
	Recurring	NR	Recurring	NR			
1 Medical Inflation and Utilization	\$ 40,203,800	\$ -	\$ 51,394,900	\$ -	\$ -	\$ 91,598,700	-
2 Alzheimer's Drug - Aduhelm	16,605,700	-	32,472,800	-	-	49,078,500	-
3 ECF CHOICES Mandatory Population	11,371,900	-	22,238,100	-	-	33,610,000	-
4 MMIS	4,529,900	11,800,000	14,609,800	100,500,000	-	131,439,700	2
5 TEDS	2,211,000	9,587,000	7,599,000	58,983,400	-	78,380,400	-
6 Post-Partum Extension Pilot - Year 2	-	6,588,900	-	12,884,600	-	19,473,500	-
7 Closed Loop Referral System Pilot-Year 2	-	775,000	-	6,525,000	-	7,300,000	2
8 ECF CHOICES Waitlist	32,557,200	-	63,666,300	-	-	96,223,500	-





# Division of TennCare – Cost Increase Request

	State		Federal		Other	Total	Positions
	Recurring	NR	Recurring	NR			
9 Workforce Development Initiative	16,917,500	-	33,082,500	-	-	50,000,000	-
10 Mental Health Delivery System	3,734,600	-	7,303,000	-	-	11,037,600	-
11 DSP Rate Increase for HCBS (4%)	6,124,100	-	11,975,900	-	-	18,100,000	-
12 Dental Fee Schedule Increase	2,706,800	-	5,293,200	-	-	8,000,000	-
13 Appeals Staffing for Redetermination Post PHE	-	2,997,500	-	2,997,600	-	5,995,100	19
14 Pharmacy Program Staff	30,900	-	92,600	-	-	123,500	1
15 User Acceptance Testing Group	48,100	-	144,300	-	-	192,400	2
16 Vendor Management Office	126,000	-	126,100	-	-	252,100	2
<b>Total Cost Increases</b>	<b>\$ 137,167,500</b>	<b>\$ 31,748,400</b>	<b>\$ 249,998,500</b>	<b>\$ 181,890,600</b>	<b>\$ -</b>	<b>\$ 600,805,000</b>	<b>28</b>



# Division of TennCare – 1% Efficiency Plan

	State		Federal	Other	Total	Positions
	Recurring	NR				
1 HMO Premium Tax Payments - DCS	\$ 7,959,500	\$ -	\$ 15,565,000	\$ -	23,524,500	-
2 General Fraud, Waste, and Abuse Activities	(1,015,000)	-	(1,985,000)	-	(3,000,000)	-
3 Predictive Analytics for Fraud, Waste, and Abuse	(591,600)	-	(1,068,100)	-	(1,659,700)	2
4 Mental Health Duplicative Services/Reinvesting of Funds	(1,691,700)	-	(3,308,300)	-	(5,000,000)	-
5 Hospital Grants - Jellico	(150,000)	-	-	-	(150,000)	-
<b>Total Efficiency Plan</b>	<b>\$ 4,511,200</b>	<b>\$ -</b>	<b>\$ 9,203,600</b>	<b>\$ -</b>	<b>\$ 13,714,800</b>	<b>2</b>



THANK YOU