



FY2019 BUDGET PRESENTATION

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11/09/2017

TennCare's Managed Care Model

Member Snapshot:



**1.4 million
Tennesseans**

**803,000 children
(57%)**



**203,000
individuals with
disabilities
(15%)**

**68,000 older
adults
(5%)**



**56,000
pregnant
women
(4%)**



Provided case management/ care coordination for 92,000 members

Visited 84,000 CHOICES members at their homes



Hosted 1,300 community events

Delivered quarterly educational outreach to every member



Reviewed more than 754,000 prior authorizations

Maintained network with more than 14,700 providers accepting new patients



Conducted 1.1 million customer service interactions with providers



Processed 25 million claims

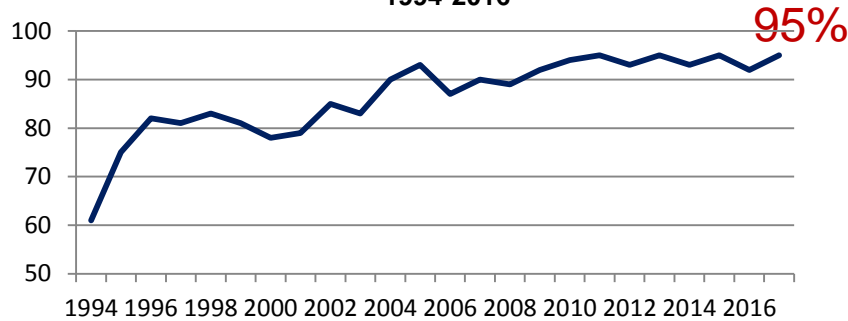


TN

TennCare Update – Quality and Trend

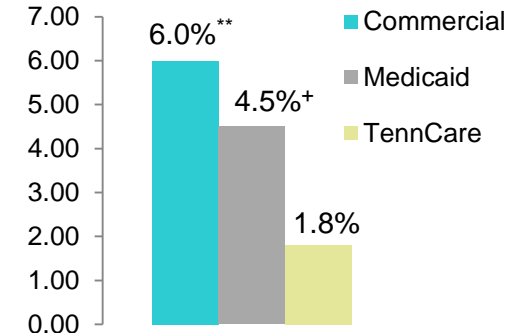
Quality Achievements

TennCare Member Satisfaction
1994-2016



Trend Highlights

TennCare Medical Trend 2017



** PwC Health Research Institute
+ The Henry J. Kaiser Family Foundation

The percentage of long-stay nursing home residents in TN who are receiving an antipsychotic medications **decreased by 43.5%, the 2nd largest reduction in the nation.**

- CMS



J.D. Power Finds Medicaid Enrollees More Satisfied Than Commercial Health Plan Members

“Iowa, **Tennessee**, Arizona and Indiana have the easiest access to doctors and hospitals, compared with the other states included in the study.”

Holding state funding steady – For the 15 years from 2000 to 2015, Tennessee outperformed 44 other states in managing the growth of the portion of state dollars going to Medicaid, according to the Pew Charitable Trusts.

Managing expense – In 2016 Tennessee had the sixth-lowest average per member cost of all states according to an analysis of state and CMS data.

TennCare Priorities- Eligibility System Implementation

Applicant Perspective

- Applicants will be able to establish an **online account** in TEDS allowing them to receive notices and monitor eligibility in **real-time**.
- **Mobile app** for smart phones will allow applicants to log into their account and provide needed information more efficiently.



Member Perspective

- Members will also be able to **establish online accounts** in TEDS.
- TEDS will allow members to complete the annual redetermination process more seamlessly.
- **Less reliance** on postal service for sending and receiving notices or requested information.

TennCare Perspective

- TEDS will make the process **more efficient** and **customer-oriented**.
- Less reliance on manual processes and old systems.
- Online applications will come **directly to the state** – not the federal government.



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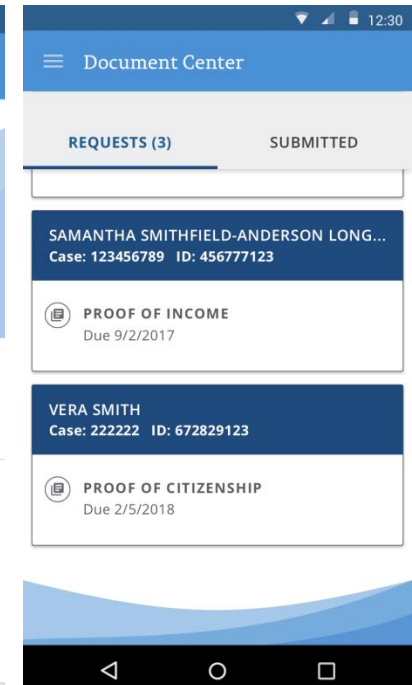
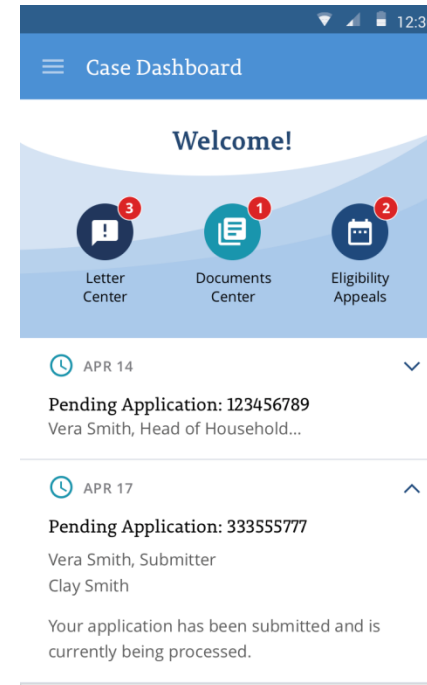
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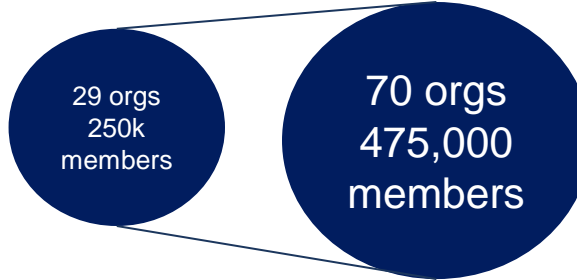
TennCare Priorities – Payment Reform

Patient-Centered Medical Homes

Tennessee Health Link

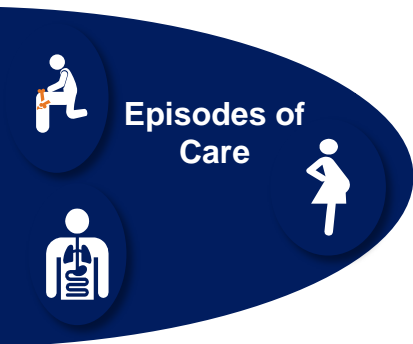


CY 2017 → CY 2018



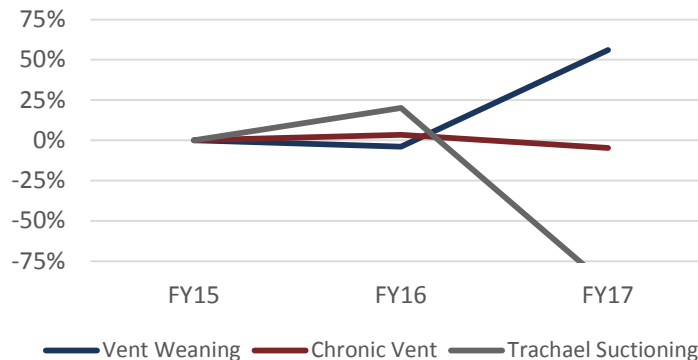
- Serving 64,000 members with significant mental health needs

Admission, Discharge & Transfer (ADT) alerts from 46% of hospitals and 53% of hospital beds.



- 18 episodes will be in a preview period in 2018
- 29 episodes will be in a performance period in 2018
- \$14.5 million estimated savings in most recent results (CY 2016) while quality was maintained or improved

Enhanced Respiratory Care



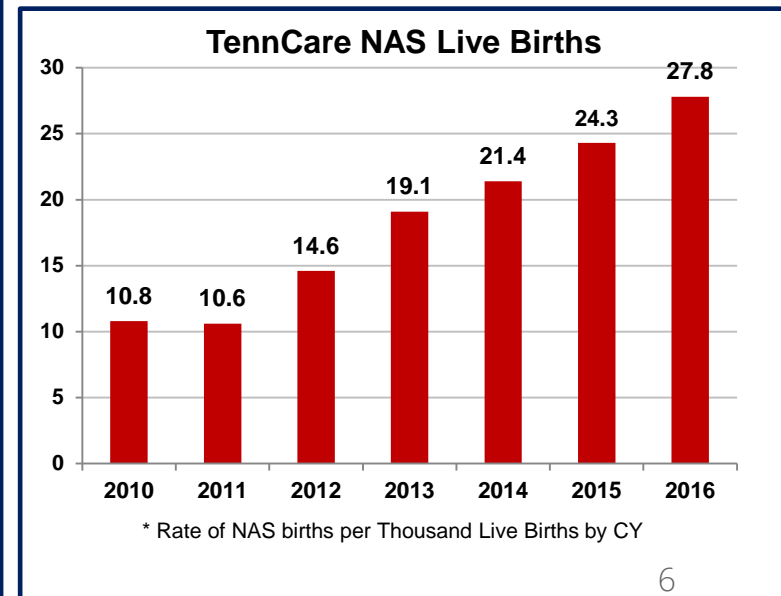
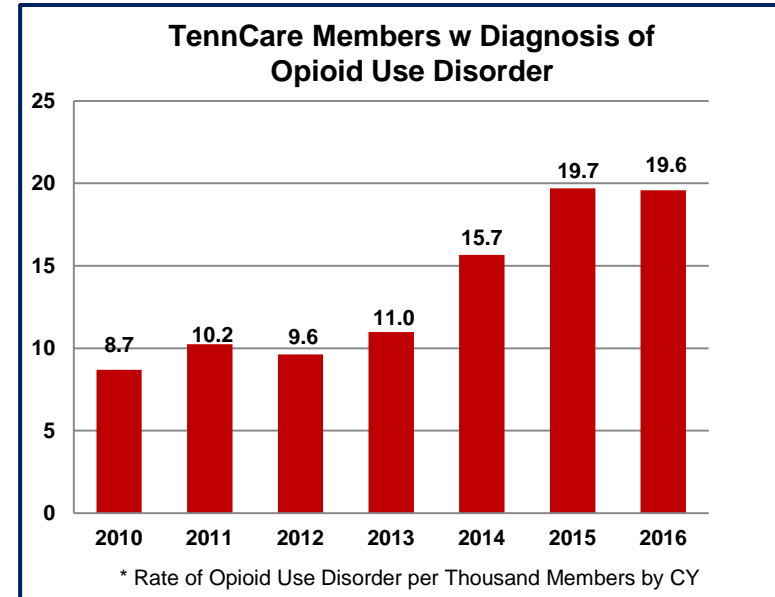
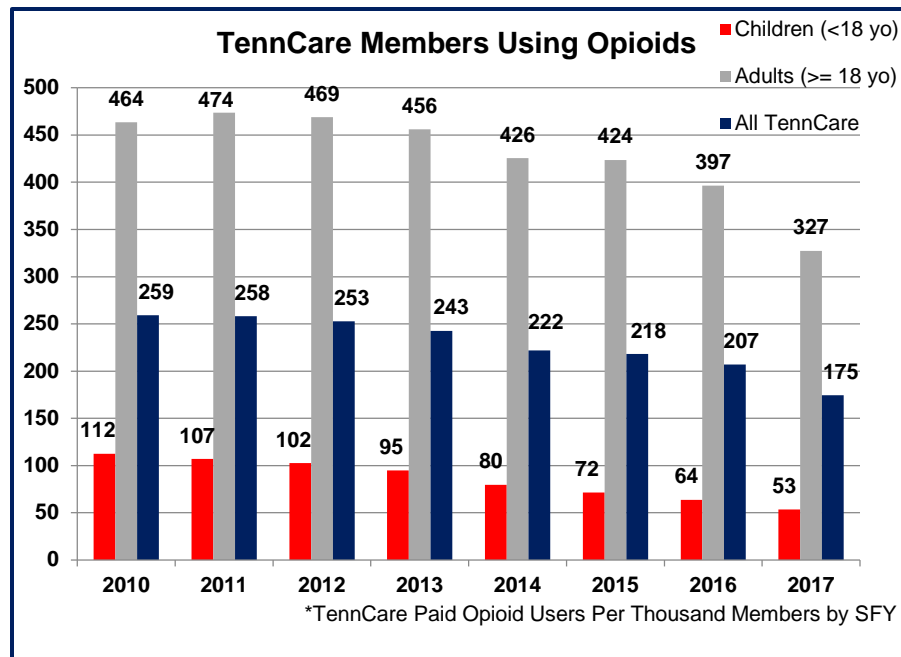
Number of Ventilator Weans:
 2015 – 2016 : 132
 2016 – 2017 : 150



TennCare Priorities – Opioid Strategy

TennCare has been actively engaged in fighting the opioid epidemic

- Pharmacy lock-in program
- Opioid Preferred Drug List (PDL)
- Increased prior authorization and clinical criteria for controlled substances
- Implementation of State of TN/CDC chronic pain guidelines
- 7-day first fill requirement
- Top 100 Prescribers report card
- Statewide collaborative efforts including NAS subcabinet, Governor's Children's Cabinet, and buprenorphine treatment guidelines committee



TennCare Priorities – Opioid Strategy

Primary Prevention

limit opioid exposure to prevent progression to chronic opioid use

Secondary Prevention

early detection and intervention to reduce impact of opioid misuse

Tertiary Prevention

support active recovery for severe opioid dependence and addiction

Non-Chronic and First Time Users of Opioids

- Improve access to non-opioid pain medication therapies
- Establish strict opioid day limits and dosage limits for non-chronic users
- Increased prior authorization requirements for all opioid refills

Women of Child Bearing Age & Provider Education

- Increase outreach to women of child bearing age chronically using opioids to provide education and treatment options
- Further remove barriers to access for VRLAC (IUD's and implants) for women
- Focused provider education on appropriate prescribing habits and tapering of chronic opioid use

Chronic Dependent and Addicted Users

- Define program standards to establish high-quality opioid use disorder treatment programs that includes both medication and behavioral health treatment
- Develop opioid use disorder treatment networks to ensure access for all members
- Lower TennCare-allowed maximum MED dosage for chronic opioid use
- Increase outreach to highest risk members to refer for treatment

FY 2019 Recommended Cost Increases

Cost Increases	State	Total
Medical Inflation and Utilization	\$51,384,100	\$150,501,100
Health Insurer Fee Increase	\$11,130,100	\$32,599,400
Pharmacy	\$17,071,000	\$50,000,000
Employment and Community First CHOICES	\$3,414,200	\$10,000,000
Eligibility Systems & Processes (Recurring)	\$14,998,000	\$44,441,000
MMIS Contract	\$10,934,700	\$56,025,600
Increased Comptroller Audits	\$240,500	\$481,000
Dental Program Enhancements	\$1,819,800	\$5,330,000
TOTAL	\$110,992,400	\$349,378,100

Non-recurring Increases	State	Total
Eligibility Systems & Processes	\$21,709,200	\$121,550,100
TOTAL	\$21,709,200	\$121,550,100

FY 2019 Recommended Reductions

Recurring Reductions	State	Total
Third Party Liability Recovery Process Changes	\$571,700	\$1,143,500
Waste Reduction in Growth Hormone Prescriptions	\$258,000	\$750,000
Enhanced Match for PBM IT Activities	\$4,450,000	\$0
Reduction of Medically Unnecessary Services at Pain Clinics	\$3,439,500	\$10,000,000
Payment and Delivery System Reform	\$2,407,600	\$7,000,000
Medicare Rates for Durable Medical Equipment	\$1,203,800	\$3,500,000
Medicare Part D Savings	\$10,000,000	\$10,000,000
Estate Recovery Recoupments	\$1,375,800	\$4,000,000
Elimination of Required Paper Handbooks for Enrollees	\$343,900	\$1,000,000

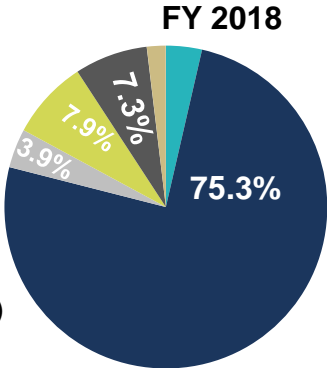
Recurring Reductions	State	Total
Opiate Limits	\$343,900	\$1,000,000
Eliminate Grants to Targeted Hospitals	\$6,089,500	\$12,650,000
TOTAL	\$30,483,700	\$51,043,500

Non-recurring reductions	State	Total
CoverKids Federal Match	\$40,000,000	\$0
Enhanced Match for PBM IT Activities	\$20,700,000	\$0
FMAP Rate Change	\$21,463,600	\$0
TOTAL	\$82,163,600	\$0

TennCare Budgets:

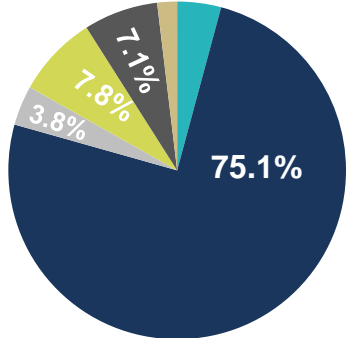


\$11.8 Billion
(federal and state)



- TennCare Administration
- TennCare Medical Services
- Supplemental Payments
- Intellectual Disabilities Services
- Medicare Services
- CoverKids/RX

Recommended FY 2019*



\$12 Billion
(federal and state)

*Figures include hospital enhanced coverage fee and nursing home assessment which total \$1.6 billion (\$546 million state) and proposed reductions and cost increases. Figures do not include cost increases or reductions from other state agencies funded by TennCare.



THANK YOU