

Notice of Change in TennCare II Demonstration: Amendment 41

The Commissioner of the Tennessee Department of Finance and Administration is providing official notification of intent to file an amendment to the TennCare II Demonstration. This amendment, which will be known as “Amendment 41,” is being filed with the Centers for Medicare & Medicaid Services (CMS) with the request that it become effective upon approval.

Description of Amendment and Affected Populations

The TennCare Demonstration provides for supplemental payments to be made to qualifying Tennessee hospitals through multiple funds. Payments to hospitals for unreimbursed costs realized as a result of Medicaid shortfall and charity care may be made by TennCare through the Virtual Disproportionate Share Hospital (DSH) Fund and the Uncompensated Care Fund for Charity Care (or “Charity Care Fund”). Separate from its compensated care payments to hospitals, TennCare also makes payments to medical schools to support graduate medical education (GME) in Tennessee from a separate GME Fund. In Amendment 41, TennCare is proposing to modify these three funds by—

- Adjusting the funding amount in TennCare’s GME Fund by applying the relevant year’s Federal Medical Assistance Percentage (FMAP) to an annual increase of \$3,750,000 in state funding;
- Increasing the annual limit for payments from the Virtual DSH Fund and the Charity Care Fund by \$381,979,584; and
- Revising the distribution methodology for the Virtual DSH Fund and the Charity Care Fund to account for the distribution of additional monies, and creating a new sub-pool within the Charity Care Fund to address costs that are not met within the current system.

Expected Impact on Enrollment and Expenditures

Amendment 41 will not result in any increase or decrease in enrollment in the TennCare Demonstration.

Implementation of Amendment 41 will increase the amount that the state may pay qualifying hospitals for costs incurred in providing uncompensated care by \$381,979,584 per year. It is projected that actual demonstration expenditures will increase by approximately \$11 million per year in additional GME expenditures, and approximately \$144 million per year in additional uncompensated care payments.

Hypothesis and Evaluation Parameters

The State does not anticipate modifying the demonstration evaluation design based on these changes.

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Waiver and Expenditure Authorities Requested

The State is not requesting any new waiver or expenditure authorities to effectuate these changes.

Public Notice Process

TennCare has taken a variety of steps to ensure that members of the public are aware of Amendment 41. These measures include the development and maintenance of this webpage, as well as notices to be published in the newspapers of widest circulation in Tennessee cities with 50,000 or more residents. TennCare has also addressed Amendment 41 in communications with stakeholders, including the Tennessee General Assembly. TennCare notified its Facebook friends and Twitter followers of Amendment 41 on September 9, 2019.

Public Input Process

TennCare is seeking feedback on Amendment 41 prior to its submission to CMS. Members of the public are invited to offer comments regarding Amendment 41 from September 9, 2019, through October 11, 2019.

Members of the public who wish to comment on the proposed demonstration amendment may do so through either of the following options:

- Comments may be mailed to Mr. Gabe Roberts, Director, Division of TennCare, 310 Great Circle Road, Nashville, TN 37243.
- Comments may be sent by email to public.notice.tennCare@tn.gov.

Individuals who wish to share their thoughts in person may attend either of the following events:

- A public hearing on September 25, 2019, at 11:30 a.m. CT in the Large Meeting Room of the Bellevue branch of the Nashville Public Library, 720 Baugh Road in Nashville.
- A public hearing on September 26, 2019, at 2:00 p.m. CT in Conference Room 1 East A of the TennCare Building, 310 Great Circle Road in Nashville.

Telephonic access to the September 26 hearing (in the TennCare Building) is available for those unable to attend in person. Individuals interested in this option must register by contacting Jonathan Reeve no later than September 24 by telephone at (615) 507-6449 or by email at Jonathan.Reeve@tn.gov. Individuals with disabilities or individuals with limited English proficiency who wish to participate in one or both hearings and who may require language or communication assistance to do so should contact Talley Olson

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of TennCare's Office of Civil Rights Compliance by phone at (855) 857-1673 or by email at HCFA.fairtreatment@tn.gov prior to the date of the hearing.

TennCare always appreciates input. In order to be considered for the final draft of Amendment 41, feedback must be received no later than Friday, October 11, 2019. Individuals wishing to view comments submitted by members of the public may submit their requests to the same physical address and/or email address at which comments are being accepted.

Draft of Amendment 41

A draft of TennCare's proposed demonstration amendment is located at <https://www.tn.gov/content/dam/tn/tenncare/documents2/Amendment41.pdf>. An accompanying report concerning uncompensated care in Tennessee is located at <https://www.tn.gov/content/dam/tn/tenncare/documents2/UncompensatedCareReport.pdf>. Copies of these documents are also available in each county office of the Tennessee Department of Health. Once comments received during the public input period have been reviewed and considered, a final draft of the amendment will be prepared. The final draft will be submitted to CMS and will then be made available through the webpage located at <https://www.tn.gov/tenncare/policy-guidelines/waiver-and-state-plan-public-notices.html>.

TennCare Page on CMS Web Site

As the federal agency with oversight authority over all Medicaid programs, CMS offers its own online resources regarding the TennCare demonstration. Interested parties may view these materials at https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/waivers_faceted.html.