

Amendment 34 to the TennCare II Demonstration

Description of Amendment and Affected Populations

The TennCare program is funded in part by State revenue generated from a non-recurring hospital assessment. This assessment is currently scheduled to expire on June 30, 2018. This demonstration amendment—Amendment 34—outlines specific benefit changes that would be required effective July 1, 2018, in the absence of this funding. TennCare has proposed similar demonstration amendments seven times since 2010. Because the State’s hospital assessment was renewed in each of these prior years, the need to implement these changes was postponed.

Proposed changes. The proposed changes involve adjustments to the TennCare benefit package for adults. There are no proposed changes to the benefit package for children. As noted below, some of the changes will not apply to institutionalized adults or to pregnant women receiving pregnancy-related services. “Institutionalized adults” are defined as persons receiving TennCare-reimbursed services in Nursing Facilities or Intermediate Care Facilities for Individuals with Intellectual Disabilities, as well as certain persons who are receiving services in Home and Community Based Services waivers, the CHOICES program, or the Employment and Community First CHOICES program.

The changes being requested fall into two categories: (1) benefits that will be eliminated for all TennCare adults, and (2) benefit limits that will be implemented for non-institutionalized adults, with provisions being made for pregnant women to receive pregnancy-related services in excess of these benefit limits.

1. **Benefits to be eliminated for all adults.** Amendment 34 proposes to eliminate coverage of three types of therapy for adults:
 - **Physical therapy, speech therapy, and occupational therapy.** These services have been non-covered in the Tennessee Medicaid State Plan for many years; they are offered to adults as demonstration benefits only. They will continue to be offered under certain HCBS waivers for persons with intellectual disabilities.
2. **Benefit limits to be implemented for non-institutionalized adults.** In addition, the State requests to implement the benefit limits outlined below. Pregnant women will be able to receive pregnancy-related services in excess of these limits. The new limits apply to the following services as indicated below:
 - Inpatient hospital and psychiatric hospital services, with a combined annual limit of eight (8) days per enrollee per year. Services in an Institution for Mental Diseases (IMD) for persons age 65 and older are not included in this limit.

- Lab and X-ray services, with an annual limit of eight (8) occasions per person (an “occasion” is a day).
- Non-emergency outpatient hospital services, with an annual limit of eight (8) occasions per person (an “occasion” is a day).
- Health practitioners’ office visits, with a combined annual limit of eight (8) occasions per person (an “occasion” is a day).

Expected Impact on Enrollment and Expenditures

Amendment 34 will not result in any increase or decrease in enrollment in the TennCare Demonstration.

Implementation of Amendment 34 would result in a decrease in aggregate annual expenditures of \$345,964,589 in State Fiscal Year 2019.

Hypothesis and Evaluation Parameters

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

Waiver and Expenditure Authorities Requested

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

Public Notice and Input

[Documentation of the State’s compliance with the required public notice activities and a summary of public comments received will be added upon the conclusion of the public notice process.]