REPEATING HISTORY?:
TENNESSEE’S POLICY PITFALLS

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TENNCARE

• Started January 1994 ditching FFS Medicaid model
• 1115B “Demonstration” Waiver
  ➢ Invoke managed care principles to control costs
  ➢ Increase Medicaid Enrollment
  ➢ Decrease Uninsured
  ➢ Business REALLY LOVED it
  ➢ Sounds like…..
POLICY PITFALL # 1

• No Brakes on Enrollment.

  Businesses Opted OUT of

  Covering Certain High Cost Employees

• The Golden Ticket.......Pay $25, divulge all,
  get an insurance denial letter

• Pitfall #1A - Overloads TennCare with sicker people who should have been covered by
  employer plans, driving costs up. DOUBLED expected enrollment increase

• Pitfall Note: Does to TennCare what failure to expand Medicaid under ACA does to the exchange. Added sicker, costlier
  enrollees to each system without controls
POLICY PITFALL # 2

• Getting a Case of the Stupids!
• Put it in the contract
• Fix the contract
IMD WAIVER WITHIN THE WAIVER -

• Policy Pitfall # 3 ??? – Allows Use of Federal Medicaid $$ for ALL IMD stays

• Sweetheart deal envied by other states

• Every STATE asked why TN and not us?

• Feds needed to sever that deal
AVOIDING THE COLD TURKEY – THE IMD DEAL FIX

• Feds wanted to cut Tennessee off
• Offered renewed Waiver but cut IMD $ in 6 months
• 4 year deal
• Avoids Going Cold Turkey on the $$
• 25% reduction per year
• Policy Pitfall 3A. – “Hoping” State Budget can bear increased burden
• Sales Tax State
2005 BUDGET MESS + CUTS TO ALL STATE DEPARTMENTS

- Enrollees
- Services
- Reimbursement Rates
- ALL of the Above….200,000 / 35,000 SPMI
PITFALL # 4: CAUSE & EFFECT

• 59% INCREASE in SPMI Corrections Population 2006-2010** (1046 people)
• 29% INCREASE SA Corrections Population 2006-2010** (222 people)
• TDOC daily rate $106.30***
• $40.584M / year for SPMI
• $8.613M / year for SA
• X 12 years = $590M

• **Source: TN Department of Corrections
• ***https://www.tn.gov/correction/article/TDOC-Frequently-Asked-Questions

• Us — “SPMI will be dead, in jail, or homeless”
• TN Policy Makers — “No they won’t”