



September 6, 2017

Judith Cash, Acting Director
State Demonstrations Group
Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
Mail Stop: S2-01-16
7500 Security Boulevard
Baltimore, Maryland 21244-1850

RE: TennCare II demonstration (No. 11-W-00151/4), Amendment #32

Dear Ms. Cash,

The purpose of this letter is to request a change to the TennCare Demonstration. This change will be Demonstration Amendment #32.

In Amendment #32, Tennessee proposes to establish a two-year pilot project, whereby certain TennCare enrollees will receive a medication therapy management benefit in addition to the regular TennCare benefits package. The details of the state's proposal are described in the attached amendment request.

We are requesting a January 1, 2018, effective date for this amendment.

We will be glad to work with you and your team as you review Amendment #32. If you have questions about this amendment, you may contact Aaron Butler at 615.507.6448, or aaron.c.butler@tn.gov.

Thank you for your attention to this important matter.

Sincerely,



Wendy Long, M.D., M.P.H.
Director

cc: Jessica Woodard, Project Officer, CMS Baltimore
Trina Roberts, Acting Associate Regional Administrator, CMS Atlanta
Kenni Howard, Tennessee Coordinator, CMS Atlanta

Amendment 32 to the TennCare II Demonstration

Description of Amendment and Affected Populations

In Amendment 32, Tennessee proposes to establish a two-year pilot project, whereby certain TennCare enrollees will receive a medication therapy management (MTM) benefit in addition to the traditional TennCare benefits package. MTM is a clinical service provided by licensed pharmacists, the aim of which is to optimize drug therapy and improve therapeutic outcomes for patients. MTM services include medication therapy reviews, pharmacotherapy consults, monitoring efficacy and safety of medication therapy, and other clinical services. Amendment 32 proposes to make MTM available to TennCare enrollees affected by the State's patient-centered medical home (PCMH) and health home programs.

In January 2017, TennCare launched a PCMH program. PCMH is a comprehensive care delivery model designed to improve the quality of primary care services for TennCare members, the capabilities and practice standards of primary care providers, and the overall value of health care delivered to TennCare enrollees. Concurrently, TennCare also implemented a health home program targeted specifically at TennCare enrollees with serious and persistent mental health conditions. Health home providers work with TennCare enrollees with significant behavioral health needs to better coordinate the delivery of behavioral health care, physical health care, and other types of social supports. Together, Tennessee's PCMH and health home programs affect approximately 300,000 enrollees, and represent a significant commitment to improving the quality of primary care provided to TennCare members.

Amendment 32 proposes to make MTM services available to TennCare members enrolled in the State's health home program, and to members whose primary care providers are participants in the state's PCMH program. Under the proposed program design, health home and PCMH providers may enter into collaborative practice agreements with qualified pharmacists to provide MTM services to TennCare members with high levels of clinical risk who may benefit from these services. MTM will engage pharmacists as part of the extended care team for these enrollees and increase collaboration between pharmacists and primary care providers. The State believes that pharmacist-led MTM services will enhance the effectiveness of the PCMH and health home programs, improve health outcomes and quality of care, and could potentially drive cost savings over time.

The MTM service would be available for a two-year pilot period, from January 1, 2018, through December 31, 2019. At the end of this pilot period, the State will evaluate the effectiveness of the initiative to inform future decision-making about its continuation, discontinuation, and/or expansion to additional populations.

Expected Impact on Enrollment and Expenditures

Amendment 32 will not result in any increase or decrease in enrollment in the TennCare demonstration.

Implementation of Amendment 32 is expected to result in an increase in annual aggregate expenditures of approximately \$5.1 million, which will not materially alter the State's budget neutrality demonstration.

Hypothesis and Evaluation Parameters

Amendment 32 proposes to implement a two-year pilot program that will make medication therapy management (MTM) services available to certain TennCare enrollees. The hypothesis underlying the pilot program is that MTM services will improve health outcomes for affected members and drive cost savings through better management of chronic diseases and avoidance of high-cost medical utilization. The State will identify appropriate clinical and financial measures to evaluate the effectiveness of the MTM pilot based on this hypothesis.

Waiver and Expenditure Authorities Requested

All waiver and expenditure authorities currently approved for the TennCare demonstration will continue to be in effect. To implement Amendment 32, the State requests to add the following waiver of Title XIX requirements to the TennCare demonstration pursuant to Section 1115(a)(1) of the Social Security Act

- #) Amount, Duration, and Scope of Services Section 1902(a)(10)(B)
42 CFR 440 Subpart B

To enable the State to provide medication therapy management services only to enrollees affected by the State's patient-centered medical home and health home programs.

In addition, the State asks CMS to add the following expenditure authority to the TennCare demonstration pursuant to Section 1115(a)(2) of the Social Security Act.

- #) Medication Therapy Management. For expenditures for medication therapy management to individuals enrolled in the State's patient-centered medical home and health home programs. This authority will expire December 31, 2019, unless amended based on the requirements of paragraph 7 (*Amendment Process*).

Public Notice and Input

The development of Amendment 32 has been informed by a variety of stakeholder engagement and public input processes. Amendment 32 results in part from Public Chapter No. 363 directing TennCare to implement an MTM pilot program. This public chapter was passed by the Tennessee General Assembly on May 4, 2017, and signed by Governor Bill Haslam on May 11, 2017.

The operational design of the state’s proposed MTM program has been informed by a Technical Advisory Group (TAG) consisting of clinical experts and other stakeholders. This TAG was organized by the State to provide input into the design of the MTM program, and to date has held meetings on November 7, 2016; February 22, 2017; and June 14, 2017.

The State has used multiple mechanisms for notifying interested parties about Amendment 32 and for soliciting public input on the proposal. These public notice and input procedures are informed by—and comply with—the requirements specified at 42 CFR § 431.408.

The State’s public notice and comment period began on July 28, 2017, and lasted through September 1, 2017. During this time, a comprehensive description of the amendment to be submitted to CMS was made available for public review and comment on an amendment-specific webpage on the TennCare website. An abbreviated public notice that included a summary description of Amendment 32; the locations, dates, and times of two public hearings; and a link to the full public notice on the State’s amendment-specific webpage was published in the newspapers of widest circulation in Tennessee cities with a population of 50,000 or more. TennCare disseminated information about the proposed amendment—including a link to the relevant webpage—via Facebook and Twitter. TennCare also notified the members of the Tennessee General Assembly of Amendment 32 via an electronically transmitted letter.

The State held two public hearings to seek public comment on the amendment. The first hearing took place on August 11, 2017, at 9:00 a.m. Central Time at the TennCare Building, 310 Great Circle Road in Nashville. The second public hearing took place on August 14, 2017, at 2:00 p.m. Central Time at the Phillips Education and Resource Learning Center of the Tennessee Department of Labor and Workforce Development, 220 French Landing Drive in Nashville. Telephonic access to the August 11 hearing was offered to individuals who were unable to attend in person and who notified the State of their desire to participate by telephone.

The State received no comments on the proposed amendment during the public notice period.

Budget Neutrality Data Analysis

An updated budget neutrality data analysis reflecting the provisions of Amendment 32 is attached.

Amendment 32 does not necessitate any updates to the CHIP allotment neutrality worksheet.