

Amendment #17
TennCare Demonstration (No. 11-W-00151/4)
July 1, 2013

Amendment #17 is being submitted to the TennCare demonstration in accordance with paragraph #7 of the Special Terms and Conditions.

The amendment outlines specific TennCare benefit changes that were proposed in Amendment #9 in 2010, Amendment #12 in 2011, and Amendment #15 in 2012. The need for these changes in each of these years was postponed, however, by the General Assembly's approval and renewal of a one-year hospital assessment fee and CMS's approval of Amendment #10, which the State filed after the hospital fee was approved.

Tennessee is required by its State Constitution to enact a balanced budget each year. TennCare is also required by the terms of the demonstration to meet certain advance notice obligations whenever an amendment to the demonstration is filed. The benefits and services that are included in this Amendment are being provided in the current fiscal year with funds that are non-recurring after June 30, 2013. Should there be no new funds to replace the non-recurring funds, the changes outlined in this Amendment will be required as of July 1, 2013.

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, certain 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, as well as persons who are receiving services in Home and Community Based Services waivers or the CHOICES program.

The changes we are requesting 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. We are asking to be able to eliminate coverage of physical therapy, speech therapy, and occupational 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. Consistent with our elimination of these benefits when provided by independent practitioners, we will eliminate them as optional services for adults under the home health program.

(2) Benefit limits to be implemented for non-institutionalized adults. Pregnant women will be able to receive pregnancy-related services in excess of these limits. The new limits are as follows:

- **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 (an occasion equals a day).
- **Non-emergency outpatient hospital services**, with an annual limit of eight (8) occasions (an occasion equals a day).
- **Health practitioners' office visits**, with a combined annual limit of eight (8) occasions (an occasion equals a day).

Public notice. These changes have been published for public comment in newspapers of general circulation, in accordance with the public notice requirements of paragraph 15 of the Special Terms and Conditions. Information about the proposals has been posted on the State's website, with a vehicle for comments included.

CHIP Allotment Neutrality Worksheet. There is no need for a CHIP Allotment Neutrality Worksheet, since the proposed changes do not affect children.

Evaluation Design. The State does not anticipate modifying the Evaluation Design at this time.

Data Analysis. See accompanying document.