TN Division of TennCare

November 25, 2020

Ms. Lorraine Nawara
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Division of Eligibility and Coverage Demonstrations
State Demonstrations Group
Center for Medicaid and CHIP Services
Centers for Medicare and Medicaid Services
Mail Stop S2-25-26
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RE: TennCare II, Quarterly Progress Report

Dear Ms. Nawara:

Enclosed please find the Quarterly Progress Report for the July – September 2020 quarter. This report is being submitted in accordance with the STCs of the TennCare Demonstration.

Please let us know if you have comments or questions.

Sincerely,

[redacted]

Stephen Smith
Director, Division of TennCare

cc: James G. Scott, Director, Medicaid and CHIP Operations Group
Tandra Hodges, State Monitoring Lead, Medicaid and CHIP Operations Group

TennCare II

Section 1115 Quarterly Report

(For the period July - September 2020)

Demonstration Year: 19 (7/1/20 - 6/30/21)
Federal Fiscal Quarter: 4/2020 (7/20 - 9/20)
Waiver Quarter: 1/2021 (7/20 - 9/20)

I. Introduction

The goal of the TennCare Demonstration is to show that careful use of a managed care approach can enable the State to deliver quality care to all enrollees without spending more than would have been spent had the State continued its Medicaid program.

The Division of TennCare contracts with several Managed Care Contractors (MCCs) to provide services to more than 1.5 million enrollees. During this quarter, these entities included Managed Care Organizations (MCOs) for medical services, behavioral health services, and certain Long-Term Services and Supports (LTSS); a Dental Benefits Manager (DBM) for dental services; and a Pharmacy Benefits Manager (PBM) for pharmacy services.

There are two major components of TennCare. "TennCare Medicaid" serves Medicaid eligibles, and "TennCare Standard" serves persons in the demonstration population.

The key dates of approval/operation in this quarter, together with the corresponding Special Terms and Conditions (STCs)[1], if applicable, are presented in Table 1.

Table 1
Key Dates of Approval/Operation in the Quarter

Date	Action	STC #
7/7/20	CMS issued written approval of Demonstration Amendment 41, which would increase the amount of money that TennCare can distribute to qualifying hospitals for providing uncompensated care. (CMS did not approve the request contained in Amendment 41 to increase the amount of funding for graduate medical education in Tennessee.)	
7/23/20	The Monthly Call for July was held.	48
8/27/20	The Monthly Call for August was held.	48
8/28/20	The State submitted the Quarterly Progress Report for the January-March 2020 quarter to CMS.	49
9/24/20	The Monthly Call for September was cancelled.	48

II. Enrollment and Benefits Information

Information about enrollment by category is presented in Table 2.

[1] All STC numbers included in Table 1 and throughout this Quarterly Progress Report are the ones that were in effect throughout the July-September 2020 quarter.

Table 2
Enrollment Counts for the July – September 2020 Quarter
Compared to the Previous Two Quarters

Demonstration Populations	Total Number of TennCare Enrollees		
	Jan – Mar 2020	Apr – Jun 2020	Jul – Sept 2020
EG1 Disabled, Type 1 State Plan eligibles	131,834	131,084	131,711
EG9 H-Disabled, Type 2 Demonstration Population	629	625	634
EG2 Over 65, Type 1 State Plan eligibles	267	244	264
EG10 H-Over 65, Type 2 Demonstration Population	37	38	38
EG3 Children, Type 1 State Plan eligibles	771,745	767,803	787,834
EG4 Adults, Type 1 State Plan eligibles	406,370	396,465	416,712
EG5 Duals, Type 1 State Plan eligibles and EG11 H-Duals 65, Type 2 Demonstration Population	149,710	150,136	152,448
EG6E Expan Adult, Type 3 Demonstration Population	11	10	10
EG7E Expan Child, Type 3 Demonstration Population	11	13	13
EG8, Med Exp Child, Type 2 Demonstration Population, Optional Targeted Low Income Children funded by Title XIX	0	0	0
Med Exp Child, Title XXI Demonstration Population	15,520	12,177	11,761
EG12E Carryover, Type 3, Demonstration Population	2,067	1,913	1,836
TOTAL*	1,478,201	1,460,508	1,503,261

*** Unique member counts for reporting quarter, with at least one day of eligibility. To avoid duplication, the member counts are based on the last eligibility group (EG) of the quarter.**

The majority of TennCare's enrollment continues to be categorized as Type 1 EG3 children and Type 1 EG4 adults, with 80 percent of TennCare enrollees appearing in one of these categories.

The Managed Care Contractors providing services to TennCare enrollees throughout the quarter are listed in Table 3.

Table 3
TennCare Managed Care Contractors as of September 30, 2020

Managed Care Organizations	Amerigroup BlueCare[2] UnitedHealthcare Community Plan[3] TennCare Select[4]
Pharmacy Benefits Manager	OptumRx
Dental Benefits Manager	DentaQuest

Response to COVID-19 Crisis. On March 12, 2020, Tennessee Governor Bill Lee declared a state of emergency to help facilitate the State's response to the threat to public health and safety posed by coronavirus disease 2019 (or "COVID-19"). As the agency in Tennessee state government responsible for providing health insurance to more than 1.5 million individuals, the Division of TennCare has developed a multilayered response to the COVID-19 emergency. Working in tandem with partners and stakeholders at the federal and state levels, TennCare designed and deployed a strategy consisting of such elements as—

- Coordinating with the provider community and TennCare's health plans to ensure access to care for TennCare members in need of testing or treatment for COVID-19;
- Assisting providers in offering covered services to TennCare members via telehealth when medically appropriate;
- Increasing care coordination services for members impacted by COVID-19 who are self-isolated, so that they can receive additional supports as needed;
- Pausing nearly all terminations of eligibility for TennCare and CoverKids (the State's separate CHIP program) members during the COVID-19 emergency;
- Working with TennCare's health plans to streamline or temporarily lift authorization requirements to ensure services are delivered promptly and claims paid quickly;
- Expediting access to home-based care for former nursing facility patients being discharged from hospitals and electing to transition home;
- Enhancing access to prescription drugs by allowing early refills of prescriptions and by allowing 90-day supplies to be prescribed for most medications;
- Obtaining multiple Section 1135 waivers from CMS that provide flexibilities to help ensure that TennCare members receive necessary services;
- Submitting a Section 1115 waiver application seeking CMS authorization to reimburse hospitals, physicians, and medical labs for providing COVID-19 treatment to uninsured individuals;
- Submitting an emergency amendment to the TennCare Demonstration to make retainer payments to providers of HCBS in the Employment and Community First CHOICES

[2] BlueCare is operated by Volunteer State Health Plan, Inc. (VSHP), which is an independent licensee of the BlueCross BlueShield Association and a licensed HMO affiliate of its parent company, BlueCross BlueShield of Tennessee.
[3] UnitedHealthcare Community Plan is operated by UnitedHealthcare Plan of the River Valley, Inc.
[4] TennCare Select is operated by VSHP.

program, as well as additional flexibilities to support TennCare HCBS providers during the public health emergency;
- Assisting providers of long-term services and supports in reducing the spread of COVID-19 among individuals who are residents of nursing facilities; and
- Working with the federal government and healthcare providers in Tennessee to provide enhanced financial support for providers disproportionately affected by the COVID-19 emergency, including primary care providers, nursing facilities, dentists, and community mental health centers and other providers of behavioral health services.

Additional resources concerning TennCare's response to the COVID-19 pandemic are available on the agency's website at https://www.tn.gov/tenncare/information-statistics/tenncare-information-about-coronavirus.html.

Demonstration Amendment 35: Substance Use Disorder Services. In May 2018, the State submitted Demonstration Amendment 35 to CMS. Amendment 35 would modify the TennCare benefits package to cover residential substance use disorder (SUD) treatment services in facilities that meet the definition of an institution for mental diseases (IMD). Historically, TennCare's MCOs were permitted to cover residential treatment services in IMDs, if the MCO determined that such care was medically appropriate and cost-effective as compared to other treatment options. However, current CMS regulations limit this option to treatment stays of no more than 15 days per calendar month. The State is seeking authority with Amendment 35 to allow enrollees to receive short-term services in IMDs beyond the 15-day limit in federal regulation, up to 30 days per admission.

As of the end of the July-September 2020 quarter, CMS's review of Amendment 35 was ongoing.

Demonstration Amendment 36: Family Planning Providers. Amendment 36 was submitted to CMS in August 2018. Amendment 36 grew out of legislation passed by the Tennessee General Assembly in 2018 establishing that it is the policy of the state of Tennessee to favor childbirth and family planning services that do not include elective abortions within the continuum of care or services, and to avoid the direct or indirect use of state funds to promote or support elective abortions.

Amendment 36 requests authority for TennCare to establish state-specific criteria for providers of family planning services, and to exclude any providers that do not meet these criteria from participation in the TennCare program. The State is proposing to exclude any entity that performed, or operated or maintained a facility that performed, more than 50 abortions in the previous year, including any affiliate of such an entity.

As of the end of the July-September 2020 quarter, CMS's review of Amendment 36 was ongoing.

Demonstration Amendment 38: Community Engagement. The State submitted Amendment 38 to CMS in December 2018. Like Amendment 36, Demonstration Amendment 38 was the result of legislation passed during Tennessee's 2018 legislative session. The legislation in question

directed the State to submit a demonstration amendment to authorize the creation of reasonable work and community engagement requirements for non-pregnant, non-elderly, non-disabled adults enrolled in the TennCare program who do not have dependent children under the age of six. The legislation also required the State to seek approval from the U.S. Department of Health and Human Services (HHS) to use funds from the state's Temporary Assistance for Needy Families (TANF) program to support implementation of the community engagement program.

As of the end of the July-September 2020 quarter, discussions between the State and CMS on Amendment 38, as well as conversations between the State and federal TANF officials, were ongoing.

Demonstration Amendment 40: "Katie Beckett" Program. On September 20, 2019, the State submitted Amendment 40 to CMS. Amendment 40 implements legislation from Tennessee's 2019 legislative session directing TennCare to seek CMS approval for a new "Katie Beckett" program. The proposal would assist children under age 18 with disabilities and/or complex medical needs who are not eligible for Medicaid because of their parents' income or assets.

The Katie Beckett program proposed in Amendment 40—developed in close collaboration with the Tennessee Department of Intellectual and Developmental Disabilities and other stakeholders—would be composed of two parts:

- **Part A** – Individuals in this group would receive the full TennCare benefits package, as well as essential wraparound home and community based services. These individuals would be subject to monthly premiums to be determined on a sliding scale based on the member's household income.
- **Part B** – Individuals in this group would receive a specified package of essential wraparound services and supports, including premium assistance.

In addition to Parts A and B, Amendment 40 provides for continued TennCare eligibility for children already enrolled in TennCare, who subsequently lose TennCare eligibility, and who would qualify for enrollment in Part A but for whom no Part A program slot is available.

As of the end of the July-September 2020 quarter, the State was working with CMS to secure final approval of Amendment 40.

Demonstration Amendment 42: Block Grant. Like several other amendments described in this report, Amendment 42 is the result of legislation passed by the Tennessee General Assembly. The law in question directs the TennCare agency to submit a demonstration amendment to CMS to convert the bulk of the program's federal funding to a block grant. The block grant proposed in Amendment 42 would be based on TennCare enrollment, using State Fiscal Years 2016, 2017, and 2018 as the base period for calculating the block grant amount. The block grant would be indexed for inflation and for enrollment growth beyond the experience reflected in the base period.

The proposed block grant is intended to cover core medical services delivered to TennCare's core population. Certain expenses would be excluded from the block grant and continue to be financed through the current Medicaid financing model. These excluded expenditures include services carved out of the existing TennCare Demonstration, outpatient prescription drugs, uncompensated care payments to hospitals, services provided to members enrolled in Medicare, and administrative expenses.

Amendment 42 does not rely on reductions to eligibility or benefits in order to achieve savings under the block grant. Instead, it would leverage opportunities to deliver healthcare to TennCare members more effectively and would permit the State to implement new reform strategies that would yield benefits for both the State and the federal government.

The State submitted Amendment 42 to CMS on November 20, 2019. CMS's review of Amendment 42 was ongoing as of the end of the July-September 2020 quarter.

Cost Sharing Compliance Plan. In its April 18, 2012, letter approving TennCare's cost sharing compliance plan for the TennCare Standard population, CMS stipulated that "each Quarterly Report . . . must include a report on whether any families have contacted the State to document having reached their aggregate cap, and how these situations were resolved." During the July-September 2020 quarter, the State received no notifications that a family with members enrolled in TennCare Standard had met its cost sharing limit. It should be noted that this is the thirty-first consecutive quarter since the plan was implemented in which no notifications have been received.

III. Innovative Activities to Assure Access

Early and Periodic Screening, Diagnosis and Treatment (EPSDT). EPSDT—or "TennCare Kids" — outreach is a significant area of interest for TennCare. TennCare maintains a contract with the Tennessee Department of Health (TDH) to conduct a community outreach program for the purpose of educating families on EPSDT benefits and encouraging them to use those benefits, particularly preventive exams.

TDH's outreach program continues to evolve over time. A new multi-discipline team model known as Community Health Access and Navigation in Tennessee (or "CHANT") was recently implemented. The vision of CHANT is to promote the health of vulnerable populations—including TennCare-eligible and TennCare-enrolled pregnant women and children and youth under age 21—through such activities as the following:

- Improving access to care by arranging for or providing screening, assessment, and navigation of preventive services;
- Increasing awareness of the importance of primary prevention, including EPSDT services;

- Screening for social determinants of health and connecting individuals to relevant resources; and
- Coordinating services for children and youth with special healthcare needs.

Identification of individuals eligible for CHANT services occurs through referrals from State agencies (such as the Division of TennCare, TDH's Division of Family Health and Wellness, and the Division of Rehabilitation Services) and from other community partners, like primary care providers and TennCare MCOs. Once individuals within the target populations have been identified, TDH staff members communicate with them in the manner most suitable to the needs of the individual, whether by phone, or in person at such locations as the individual's home, a local health department, or a community event.

Table 4 summarizes community outreach activity conducted by the CHANT program during the July-September 2020 quarter, as compared with the two preceding quarters.

Table 4
CHANT Community Outreach Activity for EPSDT in the
July – September 2020 Quarter, Compared to the Two Previous Quarters

Activities	Jan – Mar 2020 Quarter	Apr – Jun 2020 Quarter	Jul – Sept 2020 Quarter
Referrals to CHANT program from State agencies and other community partners	4,397	2,964	3,623
Number of individuals successfully contacted as a result of referrals	2,607	1,925	2,252
Number of individuals successfully enrolled in CHANT program as a result of referrals	2,128	1,628	1,911
Number of outreach events (community fairs, local coalition meetings, etc.)	229	18	51
Number of attendees at outreach events	8,619	728	3,191
Articles for newspapers, newsletters, and magazines	206	1	9
Advertisement campaigns (billboards, television, magazines, websites)	3	1	4

Activities	Jan – Mar 2020 Quarter	Apr – Jun 2020 Quarter	Jul – Sept 2020 Quarter
Radio or television advertisements and/or interviews	6	0	1
Collaborations with MCOs and other stakeholders	3	3	5
Number of calls completed on primary care/EPSDT benefits	14,863	8,734	13,203
Number of primary care/EPSDT appointments scheduled	225	35	76
Number of calls completed on CHANT services/outreach to families with newborns	1,926	1,681[5]	1,684
Number of CHANT screenings and assessments completed	1,778	1,474	1,512
Number of calls completed on dental benefits	429	0	258
Number of dental appointments scheduled	5	0	0

IV. Collection and Verification of Encounter and Enrollment Data

Edifecs is the software system being used by the State to review encounter data sent from the MCOs and to identify encounters that are non-compliant so that they can be returned to the MCOs for correction. Edifecs enables the State to reject only the problem encounters, rather than rejecting and requiring resubmission of whole batches of encounter data because of a problem found. Table 5 illustrates the progress that has been made in reducing the number of claims that are returned to the MCOs due to data errors.

[5] This figure was erroneously reported as 9,102 in the Quarterly Progress Report for April-June 2020.

Table 5
Number of Initial Encounters Received by TennCare During the July-September 2020 Quarter, and Percentage that Passed Systems Edits, Compared to the Previous Two Quarters

	Jan – Mar 2020	Apr – Jun 2020	Jul – Sept 2020
No. of encounters received by TennCare (initial submission)	17,933,276	16,016,608	16,623,519
No. of encounters rejected by Edifecs upon initial submission	66,211[6]	15,493	12,665
Percentage of encounters that were compliant with State standards (including HIPAA) upon initial submission	99.63%	99.90%	99.92%

V. Operational/Policy/Systems/Fiscal Developments/Issues

A. CHOICES

As required by STC 32.d., the State offers the following table delineating CHOICES enrollment as of the end of the quarter, as well as information about the number of available reserve slots.

Table 6
CHOICES Enrollment and Reserve Slots
for July-September 2020 Compared to the Previous Two Quarters

	Statewide Enrollment Targets and Reserve Capacity[7]	Enrollment and Reserve Slots Being Held as of the End of Each Quarter		
		Jan – Mar 2020	Apr – Jun 2020	Jul – Sept 2020
CHOICES 1	Not applicable	16,439	16,126	15,729
CHOICES 2	11,000	9,806	9,922	10,094
CHOICES 3 (including Interim CHOICES 3)	To be determined	2,342	2,284	2,256
Total CHOICES	Not applicable	28,587	28,332	28,079

[6] The number of encounters rejected upon initial submission was higher than usual during the January-March 2020 quarter, in part because of issues associated with the transition to a new Pharmacy Benefits Administrator.
[7] Of the three active CHOICES groups, only CHOICES 2 has an enrollment target. Interim CHOICES 3 closed to new enrollment on June 30, 2015; an enrollment target for CHOICES 3 has not been set at this time.

	Statewide Enrollment Targets and Reserve Capacity[7]	Enrollment and Reserve Slots Being Held as of the End of Each Quarter		
		Jan – Mar 2020	Apr – Jun 2020	Jul – Sept 2020
Reserve capacity	300	300	300	300

The CMS letter approving CHOICES implementation in Middle Tennessee dated February 26, 2010, and STC 47 require specific monitoring and reporting activities that include:

Data and trends of the designated CHOICES data elements: STC 47.d. requires the State to submit to CMS periodic statistical reports about the use of LTSS by TennCare enrollees. Seventeen separate reports of data pertaining to the CHOICES program have been submitted between August 2011 and June 2020.

Taken together, the reports depict a program evolving according to the characteristics of LTSS recipients, with institutional care available to individuals with the highest acuity of need, and Home and Community-Based Services (HCBS) available to individuals whose needs can be safely and effectively met at home or in other non-institutional settings. Point-in-time data revealed declining use of Nursing Facility (NF) services over time, with placement in institutional settings decreasing from 21,530 individuals on June 30, 2011, to 16,609 individuals on June 30, 2019. According to annual aggregate data contained in the reports, this downward trend was even more pronounced for new LTSS recipients, 81 percent of whom had been admitted to NFs in the year prior to implementation of the CHOICES program, as compared with 63 percent admitted to NFs in the ninth year of CHOICES. Furthermore, nursing facility expenditures in the year prior to CHOICES implementation accounted for more than 90 percent of total LTSS expenditures, whereas the percentage was approximately 79 percent nine years later.

By contrast, appropriate use of HCBS by TennCare enrollees grew significantly during these years. The aggregate number of members accessing HCBS increased from 6,226 in the twelve-month period preceding CHOICES implementation in Middle Tennessee to 15,281 after CHOICES had been in place for nine full fiscal years. This trend was mirrored in point-in-time data as well: on the day prior to CHOICES implementation, 4,861 individuals were using HCBS, but the number had grown to 12,484 by June 30, 2019. The percentage of LTSS expenditures devoted to HCBS grew as well, rising from 9.75 percent in the year prior to CHOICES, to 21.01 percent after the CHOICES program had been in place for nine years.

Selected elements of the aforementioned CHOICES data are summarized in Table 7.

Table 7
Changes in Use of HCBS by Persons Who Are Elderly or Disabled (E/D) Before and After CHOICES Implementation

Annual Aggregate Data			Point-in-Time Data		
No. of TennCare enrollees accessing HCBS (E/D), 3/1/09 – 2/28/10	No. of TennCare enrollees accessing HCBS (E/D), 7/1/16 – 6/30/19	Percent increase over a nine-year period	No. of TennCare enrollees accessing HCBS (E/D) on the day prior to CHOICES implementa-tion	No. of TennCare enrollees accessing HCBS (E/D) on 6/30/19	Percent increase from the day prior to CHOICES implementa-tion to 6/30/19
6,226	15,281	145%	4,861[8]	12,484	157%

Frequency and use of MCO-distributed transition allowances (CHOICES approval letter dated February 26, 2010): The allocation of CHOICES transition allowance funds is detailed in Table 8.

Table 8
CHOICES Transition Allowances
for July-September 2020 Compared to the Previous Two Quarters

	Frequency and Use of Transition Allowances					
	Jan – Mar 2020		Apr – Jun 2020		Jul – Sept 2020	
Grand Region	# Distributed	Total Amount	# Distributed	Total Amount	# Distributed	Total Amount
East	22	$16,285	25	$13,970	10	$6,078
Middle	24	$16,212	46	$22,713	18	$8,716
West	10	$9,113	23	$13,436	52	$23,466
Statewide Total	56	$41,610	94	$50,119	80	$38,260

B. Employment and Community First CHOICES

Designed and implemented in partnership with people with intellectual and developmental disabilities, their families, advocates, providers, and other stakeholders, Employment and Community First CHOICES is the first managed LTSS program in the nation that is focused on

[8] The total of 4,861 comprises 1,479 individuals receiving HCBS (E/D) in Middle Tennessee on February 28, 2010 (the day prior to CHOICES implementation in that region), and 3,382 individuals receiving HCBS (E/D) in East and West Tennessee on July 31, 2010 (the day prior to CHOICES implementation in those regions).

promoting and supporting integrated, competitive employment and independent community living as the first and preferred option for people with intellectual and other types of developmental disabilities.

As required by STC 33.d., the State offers the following table delineating ECF CHOICES enrollment as of the end of the quarter, as well as information about enrollment targets and the number of available reserve slots.

Table 9
ECF CHOICES Enrollment, Enrollment Targets, and Reserve Slots for July – September 2020 Compared to the Previous Two Quarters

	Statewide Enrollment Targets and Reserve Capacity[9]	Enrollment and Reserve Slots Filled as of the End of Each Quarter[10]		
		Jan – Mar 2020	Apr – Jun 2020	Jul – Sept 2020
ECF CHOICES 4	928	867	876	882
ECF CHOICES 5	1,698	1,478	1,518	1,536
ECF CHOICES 6	947	797	840	890
ECF CHOICES 7	31	11	23	31
ECF CHOICES 8	37	11	20	37
Total ECF CHOICES	3,641[11]	3,164	3,277	3,376
Reserve capacity	1,291	824	905	1,015

[9] Statewide enrollment targets and reserve capacity for Demonstration Year 19 (State Fiscal Year 2021) were adjusted to reflect new appropriation authority, effective July 1, 2020. A total of 300 slots were added to ECF CHOICES Groups 4, 5, and 6. The distribution of these slots reflects 25 additional slots in Group 4, 100 additional slots in Group 5, and 175 additional slots in Group 6. As reflected in the revised enrollment targets submitted to CMS in July 2020, COVID-19-related budget impacts resulted in the loss of previously approved funding to cover 50 slots each in Groups 7 and 8. As a result of this loss, funding for the 175 new slots in Group 6 may be reallocated to cover additional slots in Groups 7 and 8 as needed to serve program applicants with severe co-occurring behavior support needs. However, because the expected cost of benefits in Groups 7 and 8 is higher, one and a half Group 6 slots will be needed to cover one slot in either Group 7 or 8. As a result, fewer than 300 new slots may be available for Demonstration Year 19. During the July-September 2020 quarter, a total of 27 slots were reallocated from Group 6 to Groups 7 and 8. Based on the 1:1.5 allocation ratio, this transfer of slots resulted in six new slots in Group 7 and 12 new slots in Group 8, as well as a reduction of nine reserve capacity slots and nine total ECF CHOICES slots.

[10] Note that enrollment and reserve slots filled do not include slots in "held" status that have been assigned to a person but for whom actual enrollment is pending determination of eligibility.

[11] As provided in the revised enrollment targets submitted to CMS in July 2020, while the combined total of all upper limits is actually 3,700, there would never be a scenario in which all benefit groups would be set at the upper limit, since program funding would be insufficient to cover. These upper limits provide flexibility to move slots as required to meet the needs of program applicants.

	Statewide Enrollment Targets and Reserve Capacity[9]	Enrollment and Reserve Slots Filled as of the End of Each Quarter[10]		
		Jan – Mar 2020	Apr – Jun 2020	Jul – Sept 2020
Waiver Transitions[12]	Not applicable	44	44	53

Data and trends of the designated ECF CHOICES data elements: STC 47.d. requires the State to provide CMS periodic statistical reports about the ECF CHOICES program. To date, the State has submitted baseline data for the year-long period preceding implementation of ECF CHOICES, as well as three years' worth of post-implementation data. In comparing the baseline data with the post-implementation data, several notable trends emerged:

- The number of individuals with intellectual disabilities receiving HCBS through the TennCare program grew from 8,295 in the year preceding implementation of ECF CHOICES to 8,637 after ECF CHOICES had been in place for three years.
- The number of individuals with developmental disabilities other than intellectual disabilities who received HCBS through the TennCare program grew from 0 to 1,492.
- Average LTSS expenditures for individuals with intellectual or developmental disabilities fell from $94,327 per person to $85,790 per person.
- The percentage of working age adults with intellectual or developmental disabilities who are enrolled in HCBS programs, employed in an integrated setting, and earning at or above the minimum wage grew from 14.32 percent to 21.07 percent.

As ECF CHOICES gains enrollment capacity, these trends toward individuals with intellectual and developmental disabilities living independently in the community are expected to accelerate.

C. Medication Therapy Management

Medication Therapy Management (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.

TennCare's MTM benefit was implemented in July 2018 for TennCare members affected by the State's patient-centered medical home program and health home program (known as "Health Link") who met specified clinical risk criteria. The State originally proposed to operate the MTM

[12] Waiver transitions are instances in which an individual enrolled in a 1915(c) HCBS waiver program is transferred into the ECF CHOICES program. Since these individuals have an independent funding source (i.e., the money that would have been spent on their care in the 1915(c) program), their enrollment in ECF CHOICES does not count against the enrollment target. Waiver transition numbers are cumulative since the program began. Group 6 enrollment includes some of these transitions that do not count against the enrollment target.

benefit on a two-year pilot basis in order to evaluate the impact of MTM services on health outcomes, as well as the cost and quality of care for affected members. The pilot project was then extended an additional year to allow additional information to be gathered on the effectiveness of the MTM program and to inform future decision-making about the benefit.

Special Term and Condition 49.d. of the TennCare Demonstration requires the State to include data about the MTM pilot program in each Quarterly Progress Report. Table 10 presents data from the July-September 2020 quarter, as well as data from the preceding two quarters for purposes of comparison.

Table 10
Selected Data Elements Related to the MTM Program
for July – September 2020 Compared to the Previous Two Quarters

Data Element	Jan – Mar 2020	Apr – Jun 2020	Jul – Sept 2020
Number of paid claims[13]	872	1,794	2,389
Number of date-of-service claims[14]	1,103	1,506	1,952
Amount disbursed of paid claims	$54,090	$111,898	$138,775
Number of claims-ready providers	42	50	47

Since the beginning of the calendar year, the number of MTM-related claims has grown steadily and significantly. These advances are the result of a number of factors, including the following:

- Higher reimbursement rates that went into effect on January 1, 2020;
- Streamlining of documentation requirements for providers;
- The opportunity for enrollees to access MTM via telehealth services; and
- The addition of a new risk category that enables more enrollees to obtain MTM.

Additional information about the State's MTM program is available on the TennCare website at https://www.tn.gov/tenncare/providers/pharmacy/medication-therapy-management-pilot-program.html.

D. Financial Monitoring by the Tennessee Department of Commerce and Insurance

Claims Payment Analysis. The prompt pay requirements of T.C.A. § 56-32-126(b) mandate that each Managed Care Organization (MCO) ensure that 90 percent of clean claims for payment for

[13] The term "paid claim" refers to any claim paid at a particular time, regardless of when the service was performed. For instance, the claim may have been paid in June after the service had been rendered in April. Paid claims numbers are final and may not be retrospectively modified.

[14] The term "date-of-service claim" (or "DOS claim") refers to any claim that is performed at a particular time but that has yet to be paid by a TennCare MCO. DOS claims in June, for example, comprise all claims for services rendered solely in June. DOS claims numbers are not finalized and may be retrospectively modified.

services delivered to a TennCare enrollee are paid within 30 calendar days of the receipt of such claims and that 99.5 percent of all provider claims are processed within 60 calendar days of receipt. TennCare's contract with its Dental Benefits Manager (DBM) requires the DBM to process claims in accordance with this statutory standard as well. TennCare's contract with its Pharmacy Benefits Manager (PBM) requires the PBM to pay 100 percent of all clean claims submitted by pharmacy providers within 15 calendar days of receipt.

The MCOs, the DBM, and the PBM are required to submit monthly claims data files of all TennCare claims processed to the Tennessee Department of Commerce and Insurance (TDCI) for verification of statutory and contractual prompt pay compliance. The plans are required to separate their claims data by claims processor (e.g., MCO, vision benefits manager, etc.). Furthermore, the MCOs are required to identify separately non-emergency transportation (NEMT) claims in the data files. Finally, the MCOs are required to submit separate claims data files representing a subset of electronically submitted NF and applicable HCBS claims for CHOICES and ECF CHOICES enrollees. TDCI then performs an analysis and reports the results of the prompt pay analyses by NEMT and CHOICES and ECF CHOICES claim types, by claims processor, and by total claims processed for the month.

If an MCO does not comply with the prompt pay requirements based on the total claims processed in a month, TDCI has the statutory authority to levy an administrative penalty of $10,000 for each month of non-compliance after the first instance of non-compliance was reported to the plan. TennCare may also assess liquidated damages pursuant to the terms of the TennCare Contract. If the DBM and PBM do not meet their contractual prompt pay requirements, only TennCare may assess applicable liquidated damages against these entities.

Net Worth and Company Action Level Requirements. According to Tennessee's "Health Maintenance Organization Act of 1986" statute (T.C.A. § 56-32-101 *et seq.*), the minimum net worth requirement for each TennCare MCO is calculated based on premium revenue reported on the National Association of Insurance Commissioners (NAIC) Annual Financial Statement for the most recent calendar year, as well as any TennCare payments made to the MCO that are not reported as premium revenue.

During the July-September 2020 quarter, the MCOs submitted their NAIC Second Quarter 2020 Financial Statements. As of June 30, 2020, TennCare MCOs reported net worth as indicated in the table below.[15]

Table 11
Net Worth Reported by MCOs as of June 30, 2020

[15] The "Net Worth Requirement" and "Reported Net Worth" figures in the table are based on the MCOs' company-wide operations, not merely their TennCare operations.

	Net Worth Requirement	Reported Net Worth	Excess/ (Deficiency)
Amerigroup Tennessee	$33,562,799	$265,691,719	$232,128,920
UnitedHealthcare Plan of the River Valley (UnitedHealthcare Community Plan)	$77,500,193	$652,877,948	$575,377,755
Volunteer State Health Plan (BlueCare & TennCare Select)	$56,256,150	$536,908,904	$480,652,754

During the July-September 2020 quarter, the MCOs were also required to comply with Tennessee's "Risk-Based Capital for Health Organizations" statute (T.C.A. § 56-46-201 *et seq.*). Risk-based capital (RBC) involves a method of calculating the minimum amount of capital necessary for a health entity to support its overall business operations depending on its size and risk profile. A health entity with a higher amount of risk is required to hold a higher amount of capital. The RBC statute gives TDCI the authority and mandate to use preventive and corrective measures that vary depending on the amount of capital deficiency indicated by the RBC calculations. A "Company Action Level" deficiency (defined at T.C.A. § 56-46-203(a)) would require the submission of a plan to correct the entity's capital deficiency.

All TennCare MCOs exceeded their minimum net worth requirements and Company Action Level requirements as of June 30, 2020.

E. Update on Episodes of Care

The State's episodes of care program aims to transform the way specialty and acute healthcare services are delivered by incentivizing high-quality, cost-effective care, promoting evidence-based clinical pathways, encouraging care coordination, and reducing ineffective or inappropriate treatments. Episodes of care is part of the State's delivery system transformation initiative, which is changing healthcare delivery in Tennessee by moving from paying for volume to paying for value.

Final results were recently released for the program's 2019 performance period. Providers and hospitals continued to improve cost-efficiency while maintaining or improving quality across the majority of episodes. The 2019 results show that costs were $45.2 million less than expected across 45 episodes. Furthermore, of a total of 61 quality metrics tied to gain-sharing, improvements were seen in 15 metrics, with 32 metrics remaining the same and 14 metrics showing negative movement, as defined by at least one percentage point or one point change. Across the state, gain-sharing payments to providers who met quality metrics and efficiency standards totaled $1.9 million. Because of the COVID-19 emergency, all risk-sharing payments have been waived for the 2019 performance period.

During the July-September 2020 quarter, the episodes program also released a memo outlining changes that would take effect in the 2021 performance period (beginning on January 1, 2021). Using feedback offered by stakeholders over the past year (especially at the Episodes of Care

Annual Feedback Session held in May 2020), the State is in the process of making 13 changes to episode design. Beginning in January 2021, there are five episode types that will shift to informational-only reporting. The episode types in question are—

- Coronary Artery Bypass Graft;
- Femur/Pelvic Fracture;
- Human Immunodeficiency Virus Infection;
- Non-acute Percutaneous Coronary Intervention; and
- Valve Repair and Replacement.

Although there will be no financial accountability for performance within these episode types, providers will continue to receive quarterly reports on cost and quality. Other notable changes to the program include updating the perinatal and hysterectomy episodes' quality metrics and updating the method of identifying Federally Qualified Health Centers and Rural Health Centers from an episode-level exclusion to a quarterback-level exclusion.

F. Electronic Health Record Incentive Program

The Electronic Health Records (EHR) Incentive Program is a partnership between federal and state governments that grew out of the Health Information Technology for Economic and Clinical Health (HITECH) Act of 2009. The purpose of the program is to provide financial incentives to Medicaid providers[16] to replace outdated, often paper-based approaches to medical record-keeping with Certified Electronic Health Record Technology (as defined by CMS) that meets rigorous criteria and that can improve health care delivery and quality. The federal government provides 100 percent of the funding for the incentive payments and 90 percent of the funding for administrative costs. Tennessee's EHR program[17] has issued payments for six years to eligible professionals and for three years to eligible hospitals.

EHR payments made by the State during the July-September 2020 quarter as compared with payments made throughout the life of the program appear in the table below.

[16] CMS allows two types of providers to participate in the Medicaid EHR Incentive Program: eligible professionals (medical and osteopathic physicians, nurse practitioners, certified nurse midwives, dentists, and physician assistants who meet certain criteria) and eligible hospitals (acute care hospitals, critical access hospitals, and children's hospitals).

[17] In April 2018, CMS announced that its EHR programs would be renamed "Promoting Interoperability (PI) Programs." While Tennessee's EHR initiative falls within the scope of CMS's PI Programs, the State continues to refer to its initiative as "EHR Incentive Program" for purposes of clarity and consistency in communications with providers.

Table 12
EHR Payments
Quarterly and Cumulative

Payment Type	No. of Providers Paid During the Quarter	Quarterly Amount Paid (Jul-Sept 2020)	Cumulative Amount Paid To Date[18]
First-year payments	0	$0	$180,176,644
Second-year payments	0	$0	$59,964,655
Third-year payments	0	$0	$37,940,019
Fourth-year payments	0	$0	$8,956,182
Fifth-year payments	0	$0	$6,077,505
Sixth-year payments	1	$8,500	$3,682,748

Technical assistance activities, outreach efforts, and other EHR-related projects conducted by TennCare staff during the quarter included the following:

- Processing all remaining corrections to providers' attestations for Program Year 2019;
- Working with the programming contractor to update TennCare's proprietary attestation software for Program Year 2020;
- Increasing communications with providers on attestation timelines for Program Years 2020 and 2021;
- Providing daily technical assistance to providers via email and telephone calls;
- Participation in CMS-led calls regarding the EHR Incentive Program; and
- Newsletters and alerts distributed by the State's EHR ListServ.

Although enrollment of new providers concluded on April 30, 2017, the State's EHR Incentive Program will continue through the 2021 program year as required by CMS rules. Tennessee's program team continues to work with a variety of provider organizations to maintain the momentum of the program. The focus of post-enrollment outreach efforts for the 2020 program year is to encourage provider participants who remain eligible to continue attesting and complete the program.

G. *EMCF v. TennCare* Lawsuit

In September 2018, Emergency Medical Care Facilities, P.C., filed a complaint for declaratory judgment and injunctive relief against the Division of TennCare in Davidson County Chancery Court. The suit relates to a $50 cap imposed by the agency on payment for emergency room physician services determined to be non-emergent. EMCF alleges that the State implemented this cap through its contractual relationship with its MCOs and not through the rulemaking process. The parties filed cross-motions for summary judgment, and, on September 1, 2020, the

[18] In certain cases, cumulative totals reflect adjustments of payments from previous quarters. The need for these recoupments was identified through standard auditing processes.

Chancellor granted summary judgment to EMCF on their claim that the $50 cap was void. EMCF then voluntarily dismissed their remaining claims pertaining to the determination of payment for the services in question. The State filed a timely appeal of the Chancery Court's ruling on September 29, 2020.

VI. Action Plans for Addressing Any Issues Identified

During the July-September 2020 quarter, there were no identified issues requiring action plans.

VII. Financial/Budget Neutrality Development Issues

TennCare continued to demonstrate budget neutrality during the July-September 2020 quarter. For more information about budget neutrality performance, see the spreadsheet submitted separately via the PMDA application.

From a state fiscal perspective, the public health emergency did not dampen revenue collections, which rebounded dramatically during the July-September 2020 quarter. Total state and local collections during July, August, and September 2020 were higher than during the corresponding months of 2019. There was more than a 50 percent year-to-year improvement in July, nearly a 3 percent improvement in August, and almost a two percent improvement in September.[19]

The direction of the unemployment rate provided further basis for cautious optimism during the quarter. The rate fell from 9.7 percent in July to 8.6 percent in August and then further still to 6.5 percent in September. These rates were still a far cry from the historically low levels of unemployment recorded during the corresponding months of 2019 (3.4 percent, 3.4 percent, and 3.3 percent respectively). In addition, the Tennessee unemployment rate was lower than the national rate for two of the three months of the quarter (with the national rate at 10.2 percent in July, 8.4 percent in August, and 7.9 percent in September).[20]

VIII. Member Month Reporting

Tables 13 and 14 below present the member month reporting by eligibility group for each month in the quarter.

[19] The Tennessee Department of Revenue's collection summaries are available online at https://www.tn.gov/revenue/tax-resources/statistics-and-collections/collections-summaries.html.

[20] Information about Tennessee's unemployment rate is available on the Tennessee Department of Labor and Workforce Development's website at https://www.tn.gov/workforce/general-resources/news.html.

Table 13
Member Month Reporting for Use in Budget Neutrality Calculations
July – September 2020

Eligibility Group	July 2020	August 2020	September 2020	Sum for Quarter Ending 9/30/20
Medicaid eligibles (Type 1)				
EG1 Disabled, Type 1 State Plan eligibles	132,258	131,951	131,269	395,478
EG2 Over 65, Type 1 State Plan eligibles	236	246	260	742
EG3 Children, Type 1 State Plan eligibles	773,853	780,421	785,454	2,339,728
EG4 Adults, Type 1 State Plan eligibles	402,235	408,960	415,105	1,226,300
EG5 Duals, Type 1 State Plan eligibles	143,532	143,658	143,663	430,853
Demonstration eligibles (Type 2)				
EG8 Med Exp Child, Type 2 Demonstration Population, Optional Targeted Low Income Children funded by Title XIX	0	0	0	0
EG9 H-Disabled, Type 2 Demonstration Population	593	615	625	1,833
EG10 H-Over 65, Type 2 Demonstration Population	36	36	37	109
EG11 H-Duals, Type 2 Demonstration Population	6,014	6,120	6,209	18,343
TOTAL	1,458,757	1,472,007	1,482,622	4,413,386

Table 14
Member Month Reporting Not Used in Budget Neutrality Calculations
July – September 2020

Eligibility Group	July 2020	August 2020	September 2020	Sum for Quarter Ending 9/30/20
EG6E Expan Adult, Type 3, Demonstration Population	10	10	10	30

Eligibility Group	July 2020	August 2020	September 2020	Sum for Quarter Ending 9/30/20
EG7E Expan Child, Type 3, Demonstration Population	13	13	13	39
Med Exp Child, Title XXI Demonstration Population	11,953	11,854	11,776	35,583
EG12E Carryover, Type 3, Demonstration Population	1,839	1,812	1,778	5,429
TOTAL	13,815	13,689	13,577	41,081

IX. Consumer Issues

Eligibility Appeals. Table 15 presents a summary of eligibility appeal activity during the quarter, compared to the previous two quarters. It should be noted that appeals (whether related to eligibility, medical services, or LTSS) may be resolved or taken to hearing in a quarter other than the one in which they are initially received by TennCare.

Table 15
Eligibility Appeals for July – September 2020
Compared to the Previous Two Quarters

	Jan – Mar 2020	Apr – Jun 2020	Jul – Sept 2020
No. of appeals received	33,938	7,803[21]	5,061
No. of appeals resolved or withdrawn	41,052	36,728	8,882
No. of appeals taken to hearing	3,891	2,826	3,915
No. of hearings resolved in favor of appellant	620	219	140

Medical Service Appeals. Table 16 below presents a summary of the medical service appeals handled during the quarter, compared to the previous two quarters.

[21] The number of eligibility appeals was substantially lower than usual during the April-June 2020 quarter because the State has paused nearly all terminations of eligibility for TennCare members during the COVID-19 emergency.

Table 16
Medical Service Appeals for July – September 2020
Compared to the Previous Two Quarters

	Jan – Mar 2020	Apr – Jun 2020	Jul – Sept 2020
No. of appeals received	1,127	1,982	2,674
No. of appeals resolved	1,264	1,129	1,128
• Resolved at the MCC level	346	424	336
• Resolved at the TSU level	122	102	121
• Resolved at the LSU level	796	603	671
No. of appeals that did not involve a valid factual dispute	124	926	1,078
No. of directives issued	188	174	273
No. of appeals taken to hearing	796	603	671
No. of appeals that were withdrawn by the enrollee at or prior to the hearing	266	239	245
Appeals that went to hearing and were decided in the State's favor	498	330	394
Appeals that went to hearing and were decided in the appellant's favor	32	34	32

By way of explanation:

- The "MCC" level is the level of the Managed Care Contractors. MCCs sometimes reverse their decisions or develop new recommendations for addressing an issue after reviewing an appeal.

- The "TSU" level is the TennCare Solutions Unit. The TSU is a unit within TennCare that reviews requests for hearings. The TSU might overturn the decision of the MCC and issue a directive requiring the MCC to approve provision of the service under appeal. Alternatively, if, following review, TennCare agrees with the MCC's decision, the appeal typically proceeds to TennCare's Legal Solutions Unit (LSU), where it is scheduled for administrative hearing before an Administrative Law Judge.

- The "LSU" level is the Legal Solutions Unit. This unit within TennCare ensures that enrollees receive those procedural rights to which they are entitled under the law. LSU represents TennCare and its MCCs at administrative hearings and takes those steps necessary to ensure that such appeals come to a timely resolution.

LTSS Appeals. The following table provides information regarding certain appeals administered by TennCare's Long-Term Services and Supports Division for the quarter (e.g., appeals of PreAdmission Evaluation denials, appeals of PreAdmission Screening and Resident Review determinations, etc.), compared to the previous two quarters.

Table 17
Long-Term Services and Supports Appeals for July – September 2020
Compared to the Previous Two Quarters

	Jan – Mar 2020	Apr – Jun 2020	Jul – Sept 2020
No. of appeals received	111	98	79
No. of appeals resolved or withdrawn	52	61	62
No. of appeals set for hearing	51	47	14
No. of hearings resolved in favor of appellant	1	2	1

X. Quality Assurance/Monitoring Activity

Population Health. Population Health (PH) is a healthcare management approach that targets the entire TennCare population. The Population Health program improves members' health across the entire care continuum by providing proactive program interventions that are cost-effective and that are tailored to each member's specific healthcare needs. The program, which emphasizes preventative care, identifies risky behaviors that are likely to lead to disease in the future (such as poor eating habits, physical inactivity, and drug use) and assists members in discontinuing such activities. Furthermore, PH provides interventions to assist members who already have a chronic or complex health condition. These interventions include making sure that members have access to necessary healthcare services, as well as addressing the social determinants of their health.

The State has traditionally included in each Quarterly Progress Report data on enrollment levels in each of the following seven PH programs:

- Wellness Program
- Low Risk Maternity
- Health Risk Management
- Care Coordination
- Chronic Care Management
- High Risk Pregnancy Management
- Complex Case Management

Recently, however, the State restructured the PH reporting requirements for each of its MCOs, so that data must be furnished semiannually instead of quarterly. As a result, new data about the PH program will be available for the next Quarterly Progress Report.

Provider Data Validation Report. In July 2020, TennCare's External Quality Review Organization (EQRO), Qsource, published the results of its provider data validation survey for the April-June

2020 quarter. Qsource took a sample of provider data files from TennCare's MCCs[22] and reviewed each for accuracy in the following categories:

- Active contract status
- Provider address
- Provider specialty / behavioral health service code
- Provider panel status
- Services to patients under age 21
- Services to patients age 21 or older (MCO only)
- Primary care services (MCO only)
- Prenatal care services (MCO only)
- Availability of routine care services
- Availability of urgent care services

The validity of such information is one measure of providers' availability and accessibility to TennCare enrollees. Qsource's report demonstrated generally strong performance by the MCCs, especially in the categories of "active contract status" (96.7 percent accuracy), "primary care services" (96.0 percent accuracy), and "prenatal care services" (97.2 percent accuracy).

Because the MCOs' transition to a statewide service delivery model occurred relatively recently, progress in accuracy rates is currently being measured on a quarter-to-quarter basis. Compared with the period of January-March 2020, the MCCs—according to the report—"maintained high accuracy rates" for the second quarter of 2020. Nonetheless, to ensure ongoing improvement in all ten categories of the survey, TennCare required each of its MCCs to submit a Corrective Action Plan no later than September 5, 2020. TennCare, in turn, had received, reviewed, and accepted all of the plans by September 11, 2020. Results for the July-September 2020 quarter will be discussed in the next Quarterly Progress Report.

XI. Demonstration Evaluation

CMS approval of the State's evaluation design for the TennCare Demonstration was received on April 2, 2019. As previously reported, the State is leveraging its contract with its independent External Quality Review Organization, Qsource, to conduct the evaluation.

The five objectives related to the CHOICES program as described in the State's approved evaluation design are as follows:

1. Expand access to HCBS for older adults and adults with physical disabilities.
2. Rebalance TennCare spending on long-term services and supports to increase the proportion that goes to HCBS.

[22] TennCare's Pharmacy Benefits Manager (PBM) was not included in the survey.

3. Provide cost-effective care in the community for persons who would otherwise require nursing facility care.
4. Provide HCBS that will enable persons who would otherwise be required to enter nursing facilities to be diverted to the community.
5. Provide HCBS that will enable persons receiving services in nursing facilities to be able to transition back to the community.

Data collection processes for the CHOICES program have been ongoing since the program's inception. CHOICES data was provided to Qsource on July 7, 2019. Qsource submitted a preliminary draft report sample on certain elements of this data to the State in October 2019, followed by an updated draft in April 2020. Interpretations, policy implications, opportunities, and lessons learned are being finalized.

The five objectives related to the Employment and Community First CHOICES program as described in the State's draft evaluation design are as follows:

1. Expand access to HCBS for individuals with intellectual and developmental disabilities.
2. Provide more cost-effective services and supports in the community for persons with intellectual and developmental disabilities.
3. Continue balancing TennCare spending on long-term services and supports for individuals with intellectual and developmental disabilities to increase the proportion spent on HCBS.
4. Increase the number and percentage of persons with intellectual and developmental disabilities enrolled in HCBS programs who are employed in an integrated setting earning at or above the minimum wage.
5. Improve the quality of life of individuals with intellectual and developmental disabilities enrolled in HCBS programs.

Data collection processes for the Employment and Community First CHOICES program also commenced at program launch, subject to methodological limitations described in the evaluation design document.

There have been concerns with the data collection methodology for Objective 4.1: Increase the number and percentage of working age adults with I/DD enrolled in HCBS programs who are employed in an integrated setting earning at or above the minimum wage during each demonstration year compared to the baseline year. To date, the State has submitted data collected from the Individual Employment Data Survey, which is conducted annually for each person receiving HCBS as part of the annual person-centered plan review process. However, because person-centered planning processes occur over the course of the year, nearly a full year can elapse before the annual ECF CHOICES Data reporting period. This means that the data sometimes fails to account for persons who have secured competitive integrated employment since that time. Significant discrepancies in results for this objective had been identified based on the reporting lag.

Efforts were made to validate 2018 and 2019 data from the Individual Employment Data Survey against alternative data sources, including longstanding ECF CHOICES employment reports collected from MCOs, and, for persons enrolled in Section 1915(c) HCBS waivers, employment data collected by the Department of Intellectual and Developmental Disabilities (the contracted Operating Agency), as well as 1915(c) and ECF CHOICES enrollment data. These efforts led to an in-depth reconciliation and validation of Objective 4.1 metrics (including those that had been previously reported). This process was completed during this reporting period.

The State has now sent the complete (including validated revisions of previously reported) ECF CHOICES baseline data for 2016, 2017, 2018, and 2019 to Qsource for the first four data elements. Qsource will provide a preliminary draft report sample on certain elements of this data in October 2020. Interpretations, policy implications, opportunities, and lessons learned will be finalized upon completion of the finalization of the draft report.

Changes to the 2020 Individual Employment Data Survey were implemented to ensure its completion annually and within a specified period whenever changes to integrated employment status occur. Additional steps have also been taken to ensure the most accurate reflection of employment is available through this data. Beginning in 2021, the Individual Employment Data Survey will also be completed when employment termination occurs. Collected data will be reconciled quarterly to ensure that a high level of accountability and accuracy are reflected.

Processes have been established for collection of the quality of life measurement data for ECF CHOICES using the National Core Indicators™ (NCI), the same tool used for some time to gather annual quality of life measurement data for persons enrolled in the State's Section 1915(c) HCBS waivers. The State has successfully collaborated with the Department of Intellectual and Developmental Disabilities (DIDD) to leverage their existing agreement with the National Association of State Directors of Developmental Disabilities Services (NASDDDS) and the Human Services Research Institute (HSRI). In addition, the State successfully finalized a contract with The Arc of Tennessee in December 2019. This contract engaged self-advocates, direct support professionals, and disability field professionals in conducting the face-to-face NCI assessments. The 2019-2020 NCI in-person survey was completed in March 2020 with the ECF CHOICES member population, just before HSRI suspended all in-person surveys as a result of the COVID-19 public health emergency. This year's survey cycle will establish the baseline and set the stage for measurement of improvement going forward. NCI data and reports are not typically available until half a year or more after the end of a survey cycle. Due to the delay in a final report (including findings from surveys administered between December 2019 and March 2020), TennCare engaged KPMG in completing a thorough analysis of the 2019-2020 NCI data. This effort resulted in recommendations for the development of a metrics-based quality-of-life baseline and quality improvement framework that will elevate quality of life for Tennesseans with intellectual and developmental disabilities through data-driven quality improvement and decision-making.

XII. Uncompensated Care Fund for Charity Care

On July 1, 2018, the structure for uncompensated care payments made by TennCare to Tennessee hospitals changed. Among the changes to the structure that went into effect on that date was the elimination of the Essential Access Hospital Pool and the Critical Access Hospital Pool. Now, as detailed in STC 60 of the TennCare Demonstration, uncompensated care payments to Tennessee hospitals are made from the Virtual DSH Fund and the Uncompensated Care Fund for Charity Care. As detailed in Attachment H of the TennCare Demonstration, these two funds are further divided into several sub-pools. The hospitals that received payments from the Virtual DSH Fund and the Uncompensated Care Fund for Charity Care during the July-September 2020 quarter, as well as the sub-pool(s) to which they are assigned, are provided below.

<u>Children's Safety Net Sub-Pool</u>
East Tennessee Children's Hospital
LeBonheur Children's Hospital

<u>Other Essential Acute Sub-Pool</u>
Jellico Community Hospital
Saint Thomas Stones River Hospital
Baptist Memorial Hospital – Carroll County
Claiborne Medical Center
Unity Medical Center
Cumberland Medical Center
Decatur County General Hospital
Saint Thomas DeKalb Hospital
Milan General Hospital
Henderson County Community Hospital
Lincoln Medical Center
Fort Loudoun Medical Center
Livingston Regional Hospital
Perry Community Hospital
TrustPoint Hospital
Big South Fork Medical Center
Unicoi County Hospital
Wayne Medical Center
Tennova Healthcare – Shelbyville
Tennova Healthcare – LaFollette Medical Center
Sycamore Shoals Hospital
Tennova Healthcare – Newport Medical Center
Tennova Healthcare – Harton
TriStar Horizon Medical Center
West Tennessee Healthcare Dyersburg Hospital
Southern Tennessee Regional Health System – Winchester
Southern Tennessee Regional Health System – Pulaski

Morristown – Hamblen Healthcare System
Hardin Medical Center
Hawkins County Memorial Hospital
Henry County Medical Center
Tennova Healthcare – Jefferson Memorial Hospital
Southern Tennessee Regional Health System – Lawrenceburg
Starr Regional Medical Center – Athens
Sweetwater Hospital Association
Baptist Memorial Hospital – Union City
Roane Medical Center
NorthCrest Medical Center
LeConte Medical Center
Delta Medical Center
Indian Path Community Hospital
Baptist Memorial Hospital – Tipton
Saint Thomas River Park Hospital
Franklin Woods Community Hospital
West Tennessee Healthcare Volunteer Hospital
Methodist Medical Center of Oak Ridge
Blount Memorial Hospital
Tennova Healthcare – Cleveland
TriStar Southern Hills Medical Center
Ascension Saint Thomas Hospital
Ascension Saint Thomas Midtown Hospital
TriStar Centennial Medical Center
TriStar Skyline Medical Center
TriStar Summit Medical Center
Greeneville Community Hospital
CHI Memorial Hospital – Chattanooga
Parkridge Medical Center
Fort Sanders Regional Medical Center
Parkwest Medical Center
Tennova Healthcare – North Knoxville Medical Center
Jackson – Madison County General Hospital
Maury Regional Medical Center
Tennova Healthcare – Clarksville
Cookeville Regional Medical Center
Saint Thomas Rutherford Hospital
TriStar StoneCrest Medical Center
Baptist Memorial Hospital – Memphis
Methodist University Hospital
Saint Francis Hospital
Saint Francis Hospital – Bartlett
Bristol Regional Medical Center

Holston Valley Medical Center
Sumner Regional Medical Center
TriStar Hendersonville Medical Center
Saint Thomas Highlands Hospital
Williamson Medical Center
Vanderbilt Wilson County Hospital

Safety Net Sub-Pool
Nashville General Hospital
Erlanger Health System
Regional One Health
Vanderbilt University Medical Center
University of Tennessee Medical Center
Johnson City Medical Center

Psychiatric Facilities Sub-Pool
Ridgeview Psychiatric Hospital and Center
Pathways of Tennessee
Unity Psychiatric Care – Columbia
Unity Psychiatric Care – Clarksville
Ten Broeck Tennessee
Crestwyn Behavioral Health
Unity Psychiatric Care – Memphis
Creekside Behavioral Health
Unity Psychiatric Care – Martin

Other Safety Net Sub-Pool
Vanderbilt University Medical Center
University of Tennessee Medical Center
Johnson City Medical Center

Research and Rehabilitation Facilities Sub-Pool
Vanderbilt Stallworth Rehabilitation Hospital
Select Specialty Hospital – Nashville
Siskin Hospital for Physical Rehabilitation
Encompass Health Rehabilitation Hospital of Chattanooga
Saint Jude Children's Research Hospital
Encompass Health Rehabilitation Hospital of Memphis
Baptist Memorial Restorative Care Hospital
Select Specialty Hospital – Memphis
Encompass Health Rehabilitation Hospital of North Memphis
Regional One Health Extended Care Hospital
Encompass Health Rehabilitation Hospital of Kingsport
Select Specialty Hospital – TriCities

Quillen Rehabilitation Hospital
West Tennessee Healthcare Rehabilitation Hospital Cane Creek
Encompass Health Rehabilitation Hospital of Franklin

XIII. Graduate Medical Education (GME) Hospitals

Note: Attachment A to the STCs directs the State to list its GME hospitals and their affiliated teaching universities in each quarterly report. As CMS is aware, Tennessee does not make GME payments to hospitals. These payments are made, rather, to medical schools. The medical schools disburse many of these dollars to their affiliated teaching hospitals, but they also use them to support primary care clinics and other arrangements.

The GME hospitals and their affiliated teaching universities are listed below:

Universities	Hospitals
East Tennessee State University	Ballad Health ETSU Quillen Johnson City Medical Center Johnson City Community Health Center Woodridge Hospital Holston Valley Medical Center Bristol Regional Medical Center
Meharry Medical College	Metro Nashville General Hospital Meharry Medical Group
University of Tennessee at Memphis	Regional One Health Methodist Le Bonheur Erlanger Jackson – Madison Co. General Hospital Saint Francis Hospital – Memphis Saint Thomas
Vanderbilt University	Vanderbilt University Hospital

XIV. Critical Access Hospitals

The hospitals currently designated as active Critical Access Hospitals by the Tennessee Department of Health and TennCare are as follows:

Ascension Saint Thomas Hickman
Cumberland River Hospital
Erlanger Bledsoe Hospital

Hancock County Hospital
Houston County Community Hospital
Johnson County Community Hospital
Lauderdale Community Hospital
Macon Community Hospital
Marshall Medical Center
Rhea Medical Center
Riverview Regional Medical Center
Three Rivers Hospital
TriStar Ashland City Medical Center
Trousdale Medical Center
West Tennessee Healthcare Bolivar General Hospital
West Tennessee Healthcare Camden General Hospital

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