

BLOCK GRANT 101

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TIMELINE

May 2019

- The state legislature passed a bill directing Governor Lee to submit a proposal to the federal government asking to convert the state's current Medicaid program (called TennCare) into a "block grant." The bill specified that the governor needed to submit this proposal within 180 days.

TIMELINE

Fall 2019

- In September 2019, the legislature unveiled the block grant proposal, which had been crafted by TennCare behind closed doors. The release of the draft proposal started a mandatory 30-day public comment period.
- Tennessee state officials submitted a revised version of the proposal to the federal government. From the day before Thanksgiving to the day after Christmas, the federal comment period for the new proposal occurred. The federal government is required to consider all public comments before approving the proposal.

December 2019

- 6,124 comments were submitted to the federal government for consideration during the federal comment period. An overwhelming majority of those comments opposed the block grant.

TIMELINE

January 2021

- Just days before a new administration will take office, CMS officials have approved a modified version of Tennessee's Medicaid block grant waiver. In a quick turnaround, Tennessee's General Assembly voted to authorize the block grant plan on Jan 15.

WHAT'S IN THE FINAL APPROVED WAIVER?

- Aggregate funding cap based on 2019 per capita costs
- Funding cap would adjust if enrollment moves 1% up or down
- Flexibility to make changes without federal approval
- More restrictive prescription drug formulary
- Shared savings provision – The state can get 45-55% of money spent below the new funding cap
- Budget cap rebased in 5 years

WHAT CHANGED FROM THE PROPOSAL WE COMMENTED ON LAST YEAR?

- Most of their proposed exclusions were rejected
- Tied to 10-year TennCare waiver renewal
 - Retroactive eligibility
- Additional bureaucracy meant to tie the hands of the incoming Biden administration

WHAT DO WE STILL NOT KNOW?

- Quality metrics not yet defined or approved
- Lack of precision in the technical information regarding funding
- If expansion is possible

RESOURCES

www.tnjustice.org/blockgrant

- Approved waiver
- Updated talking points
- Backgrounders
- Letter from patient advocacy groups

WHAT'S NEXT?





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QUESTIONS?



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