TN’s Medicaid Block Grant Proposal

Keila Franks  
*Director of Medicaid Policy Advocacy*

Gordon Bonnyman  
*Staff Attorney*
AGENDA

TN’s Medicaid Block Grant Proposal: What You Need to Know and How to Take Action

Background and Context
Explaining TN’s Medicaid Block Grant Proposal
How you can oppose this proposal!
Q&A
Background and Context
Current System

• Medicaid: Federal-state partnership
• TennCare is TN’s Medicaid program
• Federal government covers 2/3 of TennCare costs currently
• Federal standards and patient safeguards
Medicaid in TN

- TennCare covers 1.4 million people
- Half of TN children
- 60% of people in nursing homes
- Vital in rural areas
- Federal Medicaid funds are 1/5 of TN state budget
2019 Legislative Session

• TN legislature passed bill requiring Lee administration to submit waiver request for Medicaid block grant
  • Very few details in bill itself
• Deadline to submit waiver: Nov. 20
Where we are now in the process

• Sept. 17 – state released details of proposal, starting 30-day state comment period
• Upcoming – federal comment period (probably later this year or early next year)
• TN is first state in Medicaid’s 50-year history to seek such a radical change
Explaining TN’s Medicaid Block Grant Proposal
6 Main Takeaways

1. The Medicaid block grant is a $2 billion TennCare cut.
2. The Medicaid block grant targets TN’s sickest patients.
3. The block grant weakens accountability of government and is an invitation to fraud and abuse by managed care contractors.
6 Main Takeaways

4. TennCare is the last state agency that should be given a blank check.
5. The block grant does nothing to address the real health concerns of Tennesseans.
6. The block grant is a political gimmick, not health reform.
Main takeaway #1: The Medicaid block grant is a $2 billion TennCare cut.
State’s principal goal is for the state to obtain “upwards of $1 billion” in savings, according to Gov. Lee.

- TN will only keep half of the money saved, with rest going to the federal government.

- Saving will come from taking $2 billion out of Tennessee’s health care system.
  - It’s a transfer from patients and providers to the state and federal governments.
$2 Billion TennCare Cut

• State points out (p. iii), “TN [already] operates one of the most cost-effective Medicaid programs in the nation.”

• Only way to get any savings is to cut vitally necessary services to the state’s most vulnerable patients.
Main takeaway #2: The Medicaid block grant targets TN’s sickest patients.
Targeting Sickest Patients

• The proposal says...
  • Won’t cut people off who are now eligible for TennCare
  • Won’t eliminate services that TennCare now covers
• BUT seeks to reduce the amount of care a patient could receive. For example:
  • TennCare might only cover one drug in a class
  • Could go back to former policy of only covering 14 days a year of in-patient hospital care
Targeting Sickest Patients

• Important takeaway: People with chronic illness and the greatest need will have targets on their backs.
Main takeaway #3: The block grant weakens accountability of government and is an invitation to fraud and abuse by managed care contractors.
Weakens Accountability

• Proposal talks about eliminating federal oversight and enforcement.

• The even bigger threat is that the waiver would eliminate vital federal health standards and patient safeguards.
Weakens Accountability

• Not only would the state get a pass, but so would its managed care organizations (MCOs)
• Twenty years ago, TN experienced firsthand the abuse and cronyism that this proposal now invites.
  • Shoddy contractors failed to provide care to patients, taxpayers were ripped off, and providers were left unpaid.
Main takeaway #4: TennCare is the last state agency that should be given a blank check.
TennCare’s Troubling History

• New TennCare Eligibility Determination System (TEDS) had $400 million in cost overruns and still has problems.
• Over the past two years, TennCare cut off 200,000 children, the great majority of whom were still eligible.
• People on Social Security pensions continue to suddenly find money taken out of their checks because TennCare has mistakenly stopped making the payments.
Main takeaway #5: The block grant does nothing to address the real health concerns of Tennesseans.
Failure to Address Real Concerns

- TN has serious healthcare challenges
  - Declining insurance coverage among children
  - Nation’s highest rate of rural hospital closures
  - Overdose epidemic
  - Medical debt
  - Threats to people with pre-existing conditions
Failure to Address Real Concerns

• The block grant proposal does NOT address these serious concerns.
  • For example – The proposal talks about redistributing the savings to assist rural communities. BUT it’s unclear how, with $2 billion fewer dollars in the system, rural communities will be helped.
Main takeaway #6: The block grant is a political gimmick, not health reform.
Political Gimmick, Not Health Reform

- Proposal takes $2 billion OUT of healthcare system!!
- No other state has been so reckless.
  - By contrast - 37 other states, led by governors and legislatures from both parties, have tapped federal funds to expand Medicaid to working families.
Political Gimmick, Not Health Reform

• Gov. Haslam’s Insure Tennessee plan would have brought in $1.4 billion each year of new federal dollars to cover working families, rather than extracting $2 billion out of the system.

• Block grant is a distraction from TN lawmakers’ failure to come up with real answers to our real and urgent problems.
Who else is against a Medicaid block grant?
Who else is against this?
Tennessee moves to sabotage its own health-care system
Submit comments opposing this harmful proposal!
Why submit comments?

• Comments are the best way to defeat this harmful policy.
• The federal government is required to consider all comments; if it doesn’t, then the proposal can be overturned.
• Comments are the reason a harmful Medicaid proposal in Kentucky was stopped in its tracks.
What To Say In Comments

• Unequivocally oppose - don’t suggest changes!
• Cite research and studies when possible
• Emphasize two points:
  • Negative impact on most vulnerable whom Medicaid was created to serve, and how they will bear the brunt of this proposal
  • Regulation of managed care organizations are vital to both patients and program integrity
What To Say In Comments

• If you represent organization: Talk about impact on the people you serve/represent

• If you rely on TennCare:
  • Talk about current difficulties dealing with TennCare, and need for accountability
  • Emphasize if you need a lot of services, and how devastating it would be for your family if those were cut

• If you are an individual not on TennCare – still submit a comment!!
State Comment period

• Deadline for state comment period: **October 18, 2019**
• Later this year or early next year – will be a federal comment period. Please resubmit comments!!!
• We will send easy template you can use to submit comments, and guidance for writing longer comments!
  • Or, you can email comments to: [public.notice.tenncare@tn.gov](mailto:public.notice.tenncare@tn.gov)
Public Hearings

**Nashville:** Oct. 1, 2 p.m., in Training Room B of The Honey Alexander Center at 2400 Clifton Avenue

**Knoxville:** Oct. 2, 2:30 p.m., in the community meeting room of the Knox County Library Burlington Branch at 4614 Asheville Highway

**Jackson:** Oct. 3, 2:30 pm, in the Jackson-Madison County Library at 433 East Lafayette Street
Other ways to oppose the proposal!

- Share TJC’s social media content
- Submit Letters to the Editor
- Get your church or people in your networks to submit comments
- Volunteer!
- Fill out this survey with how you want to get involved: https://bit.ly/2nqgQxk
Questions?
THANK YOU!