

MEDICAID BLOCK GRANT PROPOSAL: FACTS YOU SHOULD KNOW

Tennessee is the first state to [ask the federal government to convert its current Medicaid program \(called “TennCare”\) into a “block grant.”](#) The block grant will hurt patients and be bad for our state. The federal government is accepting public comments until Dec. 27th. Please [CLICK HERE](#) and submit a comment unequivocally opposing this dangerous plan. Here’s why:

1. The block grant invites discrimination against patients with costly medical conditions. Numerous provisions of the waiver strike hardest at care for patients with the greatest needs by:
 - Making unprecedented cuts to prescription drug coverage, enabling the state to deny access to the most effective drugs for serious and costly illnesses like cancer and hepatitis;
 - Eliminating federal Medicaid rules that prohibit discrimination on the basis of a patient’s diagnosis or medical conditions, enabling TennCare to “target benefits to certain populations.”
 - Eliminating rules that protect patients who have mental illnesses or are suffering from addiction by requiring “parity” between treatment for medical and mental health conditions.
2. The block grant puts ALL TennCare patients and services at risk. All patients must obtain their care from networks of doctors, hospitals and other providers that contract with managed care organizations (also known as MCOs). By eliminating federal managed care rules, the waiver would:
 - Let the state pay MCOs rates that are too low to cover the cost of patients’ care;
 - Let MCOs operate “hollow” provider networks that lack enough doctors, hospitals and other providers, and the full array of specialty care to meet patients’ needs; and
 - Leave patients unable to get vitally necessary care.
 - Reopen the door to program abuses and financial scandals that led to adoption of the rules.
3. The block grant is a blank check to modify the program at any time, with no federal checks and balances. Under this proposal, the state could, “Modify enrollment processes, service delivery system, and comparable program elements” without justifying the changes and getting federal approval. The state would be free to make it even more difficult than it already is to apply or maintain coverage, or to get medical services. TennCare has already demonstrated that it can save money just by erecting paperwork barriers, and this will give the state a free hand to double down on red tape. And who even knows what “comparable program elements” are that might be manipulated to make health care harder to get?!
4. The block grant creates incentives to cut TennCare and use the resulting “savings” for other parts of the state budget, such as law enforcement or charter school subsidies. The feds get half of the savings. TN could take the other half and divert it into anything vaguely related to “health.”
5. The block grant is a political gimmick, not a serious answer to Tennesseans’ real health concerns. TN’s urgent healthcare needs deserve serious attention and real action from political leaders:
 - [TN is losing rural hospitals](#) at a faster rate than any other state;
 - TN’s [loss of health coverage for kids](#) is among the worst in the nation;
 - [Hundreds with addiction die](#) because they are uninsured and cannot afford treatment;
 - [One third of TN adults have pre-existing conditions](#) and face the loss of affordable coverage if the TN Attorney General succeeds in his effort to strike down the Affordable Care Act.

The block grant will only worsen these crises by encouraging the state to take TennCare funds out of the health care system. There is a better way to really address Tennessee’s urgent healthcare priorities without seeking a risky and damaging block grant that no other state is foolish enough to want. 37 other states (including DC), led by governors and legislatures from both parties, have tapped federal funds to expand Medicaid to working families. Former Gov. Bill Haslam proposed his Insure Tennessee plan but was blocked by the legislature. Such a [plan would bring in \\$1.4 billion/year](#) of new federal funds to address health priorities and give 300,000 Tennesseans the health coverage they need.

Public comments make a difference. Please [comment today](#) and get others to do the same!

