

State Appropriations

The following amounts were provided by the Bureau of TennCare as the reconciliation of state appropriations for the first quarter (July 1 – September 30, 2007) of fiscal year 2008.

<u>Medical and Administrative</u>	
Expenditures	\$ 1,371,730,568
<i>less: Federal Revenue</i>	\$ 807,057,827
<i>less: Other Revenue</i>	\$ 106,464,975
State Appropriations Requirement	\$ 458,207,766
<u>Long Term Care</u>	
Expenditures	\$ 292,343,520
<i>less: Federal Revenue</i>	\$ 186,208,205
<i>less: Other Revenue</i>	\$ 16,812,500
State Appropriations Requirement	\$ 89,322,815
Total State Appropriation Requirement	\$ 547,530,581
<u>Reconciliation of State Appropriations</u>	
State Appropriations	\$ 674,047,075
Balance Forward at 6/30/07	\$ 598,709,600
App. Transferred Through Revision	\$ -
Sub-total State Appropriations Available	\$ 674,047,075
State Dollars Required to Fund Qtr 1 FY2008	\$ 547,530,581
Balance Carried Forward to Next Quarter	\$ 126,516,494

*Other Revenue represents one-fourth of fiscal year 2008 budgeted drug rebates, premiums, current services, and certified public expenditures. The report for the fourth quarter of fiscal year 2008 will represent the net actual collections for fiscal year 2008.

First Quarter Fiscal Year 2008 Expenditures of Allotment Code 318.00

The following amounts were provided by the Bureau of TennCare as the actual expenditures to the Bureau for the first quarter of fiscal year 2008.

Administration

TennCare Administration establishes policy, provides oversight, and directs the TennCare Program and contracts with other agencies that provide administrative service components for the TennCare Program. Administration is divided into four areas:

- Program Administration
- Policy and Planning
- Quality Assurance
- Long Term Care

<u>First Quarter FY07-08</u>	
Total Allotment Code 318.65	\$ 16,904,384

<u>First Quarter FY07-08</u>	
Governor's Office of Child Care Coordination	
Total Allotment Code 318.80	\$ 352,630

Long Term Care

Long Term Care provides funding for individuals that are in need of long term institutional care. This program provides funding for:

- General intermediate care facilities
- Skilled nursing facilities
- State mentally retarded intermediate care facilities
- Private mentally retarded intermediate care facilities.

<u>First Quarter FY07-08</u>	
I. ICF Long Term Care	
A. General	\$ 213,869,099
B. Skilled	\$ 24,663,634
C. Nursing Home Revenue Offsets	\$ (2,212,494)
D. Client Assessment Tool Grant	\$ -
II. ICF - MR Long Term Care	
A. State Facilities	\$ 35,129,078
B. Private Facilities	\$ 20,894,202
Total Allotment Code 318.68	\$ 292,343,519

Services

TennCare Services provides funding for traditional basic health care and mental health services that were previously paid for by Medicaid. The program provides funding to:

- Managed Care Organizations that provide basic medical services
- Behavioral health organizations that provide mental health services
- Agencies that provide medical services.

	<u>First Quarter FY07-08</u>	
I. Medical		
A. MCO Services	\$	448,350,293
Integrated Managed Care	\$	256,113,894
B. MCO Administration	\$	45,348,270
C. Hospital Payments	\$	56,971,716
D. Pharmacy Services	\$	107,441,032
Clawback	\$	38,222,413
E. Dental - Medical	\$	36,309,949
F. Dental - Administration	\$	1,157,054
G. Federally Qualified Health Clinics	\$	4,015,110
H. Critical Access Hospitals	\$	2,437,273
I. Misc: Reductions in Exp.-	\$	(264,878)
II. Behavioral Health		
A. TennCare Partners	\$	73,564,355
B. Non-TennCare Partners	\$	204
III. Children's Services	\$	20,636,395
IV. Dental Services - Local Health	\$	(639,240)
V. Graduate Medical Education	\$	-
VI. Meharry Medical College Grant	\$	3,249,999
VII. Electronic Health Initiatives	\$	4,249,494
Total Allotment Code 318.66	\$	1,097,163,333

Waiver and Crossover Services

Waiver and Crossover Services provide funding for Home and Community Based Services waivers, as well as co-payments and premiums for individuals eligible for TennCare and Medicare. The waivers serve the developmentally delayed population and people who require nursing services.

Funding for Medicare premiums and co-payments allows TennCare recipients, who are eligible for Medicare, the ability to receive medical services that would otherwise be unavailable to recipients due to financial constraints.

	<u>First Quarter FY07-08</u>	
I. Statewide Elderly HCBS Waiver	\$	4,476,310
II. Pace Program	\$	2,684,390
III. MR Waiver		
A. Administration	\$	-
B. Services	\$	135,222,482
C. Arlington Waiver	\$	9,456,264
D. Self Determination Waiver	\$	3,619,538
IV. Senior/Adapt Waiver		
A. Senior Waiver	\$	945,938
B. ADAPT Waiver	\$	185,919
V. Medicare Crossover Services		
A. Buy-in Premiums	\$	74,376,556
B. Cost-Sharing (Crossover)	\$	26,342,820
Total Allotment Code 318.67	\$	257,310,217

Breakdown of Expenditures Among State, Federal and Other Funds

<u>Administration</u>		<u>State</u>		<u>Federal</u>		<u>Other</u>
Total Allotment Code 318.65	\$	8,418,692	\$	8,452,192	\$	33,500

		<u>State</u>		<u>Federal</u>		<u>Other</u>
Governor's Office of Child Care Coordination						
Total Allotment Code 318.80	\$	176,315	\$	176,315	\$	-

Long Term Care	State	Federal	Other
I. ICF Long Term Care			
A. General	\$ 60,832,676	\$ 136,223,923	\$ 16,812,500
B. Skilled	\$ 8,954,132	\$ 15,709,502	\$ -
C. Nursing Home Revenue Offsets	\$ (803,246)	\$ (1,409,248)	\$ -
D. Client Assessment Tool Grant	\$ -	\$ -	\$ -
II. ICF - MR Long Term Care			
A. State Facilities	\$ 12,753,612	\$ 22,375,466	\$ -
B. Private Facilities	\$ 7,585,640	\$ 13,308,562	\$ -
Total Allotment Code 318.68	\$ 89,322,814	\$ 186,208,205	\$ 16,812,500

Medical Services	State	Federal	Other
I. Medical			
A. MCO Services	\$ 112,306,799	\$ 285,576,719	\$ 50,466,775
Integrated Managed Care	\$ 92,982,149	\$ 163,131,745	\$ -
B. MCO Administration	\$ 22,674,135	\$ 22,674,135	\$ -
C. Hospital Payments	\$ 20,683,581	\$ 36,288,135	\$ -
D. Pharmacy Services	\$ 20,193,733	\$ 35,428,724	\$ 51,818,575
Clawback	\$ 38,222,413	\$ -	\$ -
E. Dental - Medical	\$ 13,182,327	\$ 23,127,622	\$ -
F. Dental - Administration	\$ 578,527	\$ 578,527	\$ -
G. Federally Qualified Health Clinics	\$ 1,457,686	\$ 2,557,424	\$ -
H. Critical Access Hospitals	\$ 884,852	\$ 1,552,421	\$ -
I. Misc: Reductions in Exp.-	\$ (96,164)	\$ (168,714)	\$ -
II. Behavioral Health			
A. TennCare Partners	\$ 24,052,164	\$ 46,856,816	\$ 2,655,375
B. Non-TennCare Partners	\$ (1,490,546)	\$ -	\$ 1,490,750
III. Children's Services	\$ 7,492,043	\$ 13,144,352	\$ -
IV. Dental Services - Local Health	\$ (232,076)	\$ (407,164)	\$ -
V. Graduate Medical Education	\$ -	\$ -	\$ -
VI. Meharry Medical College Grant	\$ 1,179,912	\$ 2,070,087	\$ -
VII. Electronic Health Initiatives	\$ 2,124,747	\$ 2,124,747	\$ -
Total Allotment Code 318.66	\$ 356,196,282	\$ 634,535,576	\$ 106,431,475

Waiver and Crossover Services		State	Federal	Other
I. Statewide Elderly HCBS Waiver	\$	1,625,124	\$ 2,851,186	\$ -
II. Pace Program	\$	974,568	\$ 1,709,822	\$ -
III. MR Waiver				
A. Administration	\$	-	\$ -	\$ -
B. Services	\$	49,092,522	\$ 86,129,960	\$ -
C. Arlington Waiver	\$	3,433,097	\$ 6,023,167	\$ -
D. Self Determination Waiver	\$	1,314,073	\$ 2,305,465	\$ -
IV. Senior/Adapt Waiver				
A. Senior Waiver	\$	343,423	\$ 602,515	\$ -
B. ADAPT Waiver	\$	67,498	\$ 118,421	\$ -
V. Medicare Crossover Services				
A. Buy-in Premiums	\$	27,002,409	\$ 47,374,147	\$ -
B. Cost-Sharing (Crossover)	\$	9,563,761	\$ 16,779,059	\$ -
Total Allotment Code 318.67	\$	93,416,475	\$ 163,893,742	\$ -

Total TennCare Expenditures for FY07-08 as a Percentage of FY07-08 Budget

Total Qtr 1 Expenditures	\$	1,664,074,088
Percentage of Total Budgeted		21.97%
Total FY07-08 Expenditures	\$	1,664,074,088
Percentage of Total Budgeted		21.97%
FY07-08 Budget	\$	7,572,804,700

TennCare Enrollees by County

<u>County</u>	<u>Enrollees</u>	<u>County</u>	<u>Enrollees</u>
Anderson	14,377	Lauderdale	7,446
Bedford	9,383	Lawrence	8,806
Benton	4,077	Lewis	3,092
Bledsoe	2,939	Lincoln	6,424
Blount	17,549	Loudon	6,736
Bradley	17,632	Macon	5,308
Campbell	13,235	Madison	21,311
Cannon	2,714	Marion	6,577
Carroll	6,941	Marshall	5,171
Carter	11,977	Maury	14,224
Cheatham	5,050	McMinn	10,422
Chester	3,351	McNairy	7,480
Claiborne	9,492	Meigs	3,105
Clay	2,038	Monroe	9,920
Cocke	10,684	Montgomery	21,890
Coffee	10,712	Moore	870
Crockett	3,603	Morgan	4,847
Cumberland	10,014	Obion	6,837
Davidson	110,315	Overton	5,129
Decatur	2,855	Perry	1,537
Dekalb	4,237	Pickett	1,157
Dickson	8,499	Polk	3,597
Dyer	9,786	Putnam	13,670
Fayette	5,842	Rhea	7,776
Fentress	6,332	Roane	10,144
Franklin	6,631	Robertson	10,096
Gibson	11,949	Rutherford	29,968
Giles	5,687	Scott	8,128
Grainger	4,964	Sequatchie	3,212
Greene	13,136	Sevier	14,282
Grundy	5,141	Shelby	232,940
Hamblen	12,189	Smith	3,652
Hamilton	54,322	Stewart	2,434
Hancock	2,425	Sullivan	27,913
Hardeman	7,272	Sumner	20,856
Hardin	6,969	Tipton	11,401
Hawkins	12,609	Trousdale	1,658
Haywood	5,752	Unicoi	3,990
Henderson	6,242	Union	4,608
Henry	7,428	Van Buren	1,272
Hickman	5,261	Warren	9,460
Houston	2,029	Washington	18,689
Humphreys	3,829	Wayne	3,325
Jackson	2,720	Weakley	6,404
Jefferson	10,231	White	5,680
Johnson	4,498	Williamson	7,503
Knox	61,667	Wilson	12,220
Lake	2,100	Other	7,770
Total			1,199,622

**Schedule Showing New Employees
July 1, 2007 through September 30, 2007**

<u>Name</u>	<u>Position</u>
Tammy Pye	Accountant Tech 2
Sharon Whitehurst	Data Entry Operator
Talley Olsen	Attorney 2
Diyonne Williams	Administrative Services Assistant 4
Sherrie Reltherford	Accountant 2
Nicole Woods	Pharmacist
Shannon Barnhill	Attorney 2
Timothy Stalnaker	Managed Care Manager1
Teresa A. Hibbs	Accountant Tech 1
Susan Miller	Epidemiologist
Debora A. Ward	Administrative Services Assistant 2
Tammy Mihm	Managed Care Specialist 3
Risa Capps	Public Health Nurse Consultant 2
Victor L. Patuzzi	EDP Auditor
Dinah Smith	Administrative Services Assistant 4
Vandella Hancock	Managed Care Specialist 3
Wanda Arnold	Managed Care Tech
Ralph Stebbins	Information Resource Specialist 3
Amanda Martin	Accountant/Auditor 1
Chad Blair	Attorney 3
Daniel Knauss	Public Health Nurse Consultant 1
Barbara Griffith	Clerk 3



STATE OF TENNESSEE
BUREAU OF TENNCARE
DEPARTMENT OF FINANCE AND ADMINISTRATION
310 Great Circle Road
NASHVILLE, TENNESSEE 37243

RECEIVED
OCT 17 2007
FISCAL REVIEW

October 18, 2007

Mr. Jim White
Executive Director
Fiscal Review Committee
Rachel Jackson Building, 8th floor
320 6th Avenue North
Nashville, TN 37219

Dear Mr. White:

This letter is to inform the Fiscal Review Committee of the policy changes that have occurred in the Medicaid/TennCare program during the first quarter of Fiscal Year 2007-2008.

1. Provider Reimbursement.

The Bureau of TennCare promulgated rules to point out the cost reimbursement methodology to be used in implementing supplemental payments, subject to the availability of funds, to Nursing Facilities deemed by Tennessee as eligible to certify public expenditures.

2. Home and Community Based Services Waiver for the Elderly and Disabled in Davidson, Hamilton, and Knox Counties.

The Bureau of TennCare promulgated a public necessity rule to delete the rules relating to the Home and Community Based Services (HCBS) Waiver for the Elderly and Disabled in Davidson, Hamilton, and Knox Counties. This program has been phased out, and enrollees have been transitioned to the Statewide HCBS Waiver for the Elderly and Disabled. This change was made to respond to concerns by CMS that freedom of choice of providers was not being offered in the local waiver programs.

3. Home and Community Based Services Waiver for the Mentally Retarded and Developmentally Disabled.

The Bureau of TennCare promulgated a rule to update existing rules for the Statewide Home and Community Based Services (HCBS) Waiver for the Mentally Retarded and Developmentally Disabled.

4. Home and Community Based Services Waiver for Persons with Mental Retardation.

The Bureau of TennCare promulgated a rule to update existing rules for the Home and Community Based Services (HCBS) Waiver for the Mentally Retarded and Developmentally Disabled. This waiver serves persons in the *Arlington* class.

5. Tennessee Self-Determination Waiver Program.

The Bureau of TennCare promulgated a rule to outline the requirements of the Tennessee Self-Determination Waiver Program.

6. Definitions—TennCare Medicaid.

The Bureau of TennCare promulgated a rule to delete language in the cost-sharing definition that required certain TennCare Medicaid enrollees to pay copayments for prescription drugs effective January 1, 2003. This requirement was not implemented.

7. Definitions; Covered Services—TennCare Medicaid.

The Bureau of TennCare promulgated rules to assure that the TennCare Medicaid rules conform to the TennCare Medical Necessity rules.

8. Covered Services—TennCare Medicaid.

The Bureau of TennCare promulgated a rule to implement a “Prescriber Attestation Process,” also called “soft limits,” in the coverage of prescription drugs for adults.

9. Covered Services; Exclusions—TennCare Medicaid.

The Bureau of TennCare promulgated rules to discontinue coverage of convalescent care and sitter services for persons under 21, effective February 1, 2007.

10. Exclusions—TennCare Medicaid.

The Bureau of TennCare promulgated a rule to point out that out-of-state transportation must be prior authorized by the MCC independently of out-of-state care.

11. Definitions; Enrollee Cost Sharing—TennCare Standard.

The Bureau of TennCare promulgated rules to update the information associated with enrollee cost-sharing.

12. Definitions; Covered Services—TennCare Standard.

The Bureau of TennCare promulgated rules to assure that the TennCare Standard rules conform to the TennCare Medical Necessity rules.

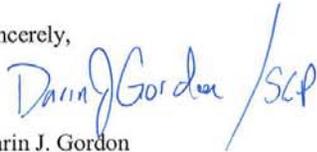
13. Exclusions—TennCare Standard.

The Bureau of TennCare promulgated a rule to point out that out-of-state transportation must be prior authorized by the MCC independently of out-of-state care.

14. Eligibility Conditions and Requirements—Transfer of Assets—Disqualification for Long Term Care Assistance for Individuals with Substantial Home Equity.

The Bureau of TennCare received approval of a State Plan Amendment from CMS with an effective date of June 4, 2007. The plan amendment brings the State plan into compliance with the provisions of the Deficit Reduction Act of 2005 as it relates to Transfer of Assets and Substantial Home Equity.

Sincerely,

Handwritten signature of Darin J. Gordon in blue ink, including the initials 'SCP' at the end of the signature.

Darin J. Gordon
Deputy Commissioner

State Appropriations

The following amounts were provided by the Bureau of TennCare as the reconciliation of state appropriations for the second quarter (October 1 – December 31, 2006) of fiscal year 2007.

<u>Medical and Administrative</u>	
Expenditures	\$ 1,289,669,760
<i>less: Federal Revenue</i>	\$ 761,864,855
<i>less: Other Revenue</i>	\$ 124,663,450
State Appropriations Requirement	\$ 403,141,455
<u>Long Term Care</u>	
Expenditures	\$ 291,824,288
<i>less: Federal Revenue</i>	\$ 185,994,210
<i>less: Other Revenue</i>	\$ 16,812,500
State Appropriations Requirement	\$ 89,017,578
Total State Appropriation Requirement	\$ 492,159,033
<u>Reconciliation of State Appropriations</u>	
State Appropriations	\$ 662,580,725
Balance Forward at 9/30/06	\$ 131,958,339
App. Transferred Through Revision	\$ -
Sub-total State Appropriations Available	\$ 794,539,064
State Dollars Required to Fund Qtr 2 FY2007	\$ 492,159,033
Balance Carried Forward to Next Quarter	\$ 302,380,031

*Other Revenue represents one-fourth of fiscal year 2007 budgeted drug rebates, premiums, current services, and certified public expenditures. The report for the fourth quarter of fiscal year 2007 will represent the net actual collections for fiscal year 2007.

Second Quarter Fiscal Year 2007 Expenditures of Allotment Code 318.00

The following amounts were provided by the Bureau of TennCare as the actual expenditures to the Bureau for the second quarter of fiscal year 2007.

Administration

TennCare Administration establishes policy, provides oversight, and directs the TennCare Program and contracts with other agencies that provide administrative service components for the TennCare Program. Administration is divided into four areas:

- Program Administration
- Policy and Planning
- Quality Assurance
- Long Term Care

<u>Second Quarter FY06-07</u>	
Total Allotment Code 318.65	\$ 27,085,764

<u>Second Quarter FY06-07</u>	
Governor's Office of Child Care Coordination	
Total Allotment Code 318.80	\$ 2,180

Long Term Care

Long Term Care provides funding for individuals that are in need of long term institutional care. This program provides funding for:

- General intermediate care facilities
- Skilled nursing facilities
- State mentally retarded intermediate care facilities
- Private mentally retarded intermediate care facilities.

<u>Second Quarter FY06-07</u>	
I. ICF Long Term Care	
A. General	\$ 192,962,726
B. Skilled	\$ 25,317,347
C. Nursing Home Revenue Offsets	\$ (2,509,947)
II. ICF - MR Long Term Care	
A. State Facilities	\$ 38,967,655
B. Private Facilities	\$ 20,274,008
Total Allotment Code 318.68	\$ 275,011,789

Services

TennCare Services provides funding for traditional basic health care and mental health services that were previously paid for by Medicaid. The program provides funding to:

- Managed Care Organizations that provide basic medical services
- Behavioral health organizations that provide mental health services
- Agencies that provide medical services.

		Second Quarter FY06-07
I. Medical		
A. MCO Services	\$	633,094,758
B. MCO Administration	\$	58,675,428
C. Hospital Payments	\$	25,000,000
D. Pharmacy Services	\$	118,389,953
Clawback	\$	17,830,476
E. Dental - Medical	\$	36,942,525
F. Dental - Administration	\$	1,260,587
G. Federally Qualified Health Clinics	\$	3,801,370
H. Critical Access Hospitals	\$	2,142,216
I. Misc: Reductions in Exp.-	\$	2,168,407
II. Behavioral Health		
A. TennCare Partners	\$	109,944,952
B. Non-TennCare Partners	\$	482
III. Children's Services	\$	47,592,469
IV. Dental Services - Local Health	\$	-
V. Graduate Medical Education	\$	701,840
VI. Meharry Medical College Grant	\$	3,249,999
VII. School-Based Direct Medical Care		
Total Allotment Code 318.66	\$	1,061,371,329

Waiver and Crossover Services

Waiver and Crossover Services provide funding for Home and Community Based Services waivers, as well as co-payments and premiums for individuals eligible for TennCare and Medicare. The waivers serve the developmentally delayed population and people who require nursing services.

Funding for Medicare premiums and co-payments allows TennCare recipients, who are eligible for Medicare, the ability to receive medical services that would otherwise be unavailable to recipients due to financial constraints.

<u>Second Quarter FY06-07</u>		
I. Statewide Elderly HCBS Waiver	\$	1,547,583
II. Pace Program	\$	3,019,570
III. MR Waiver		
A. Administration	\$	-
B. Services	\$	87,158,403
C. Arlington Waiver	\$	6,369,694
D. Self Determination Waiver	\$	2,236,038
IV. Senior/Adapt Waiver		
A. Senior Waiver	\$	477,505
B. ADAPT Waiver	\$	124,942
V. Medicare Crossover Services		
A. Buy-in Premiums	\$	70,207,638
B. Cost-Sharing (Crossover)	\$	30,069,113
Total Allotment Code 318.67	\$	201,210,486

Breakdown of Expenditures Among State, Federal and Other Funds

<u>Administration</u>	<u>State</u>	<u>Federal</u>	<u>Other</u>
Total Allotment Code 318.65	\$ 13,509,382	\$ 13,542,882	\$ 33,500

	<u>State</u>	<u>Federal</u>	<u>Other</u>
Governor's Office of Child Care Coordination			
Total Allotment Code 318.80	\$ 1,090	\$ 1,090	-

<u>Long Term Care</u>	<u>State</u>	<u>Federal</u>	<u>Other</u>
I. ICF Long Term Care			
A. General	\$ 59,262,486	\$ 133,700,240	\$ -
B. Skilled	\$ 9,181,336	\$ 16,136,011	\$ -
C. Nursing Home Revenue Offsets	\$ (910,232)	\$ (1,599,715)	\$ -
II. ICF - MR Long Term Care			
A. State Facilities	\$ 14,131,620	\$ 24,836,035	\$ -
B. Private Facilities	\$ 7,352,369	\$ 12,921,639	\$ -
Total Allotment Code 318.68	\$ 89,017,579	\$ 185,994,210	\$ -

<u>Medical Services</u>	<u>State</u>	<u>Federal</u>	<u>Other</u>
I. Medical			
A. MCO Services	\$ 179,170,039	\$ 403,502,944	\$ 50,421,775
B. MCO Administration	\$ 21,278,644	\$ 37,396,784	\$ -
C. Hospital Payments	\$ 9,066,250	\$ 15,933,750	\$ -
D. Pharmacy Services	\$ 17,526,114	\$ 30,801,789	\$ 70,062,050
Clawback	\$ 17,830,476	\$ -	\$ -
E. Dental - Medical	\$ 13,397,207	\$ 23,545,318	\$ -
F. Dental - Administration	\$ 457,152	\$ 803,435	\$ -
G. Federally Qualified Health Clinics	\$ 1,378,567	\$ 2,422,803	\$ -
H. Critical Access Hospitals	\$ 776,875	\$ 1,365,341	\$ -
I. Misc: Reductions in Exp.-	\$ 786,373	\$ 1,382,034	\$ -
II. Behavioral Health			
A. TennCare Partners	\$ 37,216,162	\$ 70,073,415	\$ 2,655,375
B. Non-TennCare Partners	\$ (1,490,268)	\$ -	\$ 1,490,750
III. Children's Services	\$ 17,259,409	\$ 30,333,060	\$ -
IV. Dental Services - Local Health	\$ -	\$ -	\$ -
V. Graduate Medical Education	\$ 254,522	\$ 447,318	\$ -
VI. Meharry Medical College Grant	\$ 1,178,612	\$ 2,071,387	\$ -
VII. School-Based Direct Medical Care	\$ 575,867	\$ -	\$ -
Total Allotment Code 318.66	\$ 316,662,001	\$ 620,079,378	\$ 124,629,950

<u>Waiver and Crossover Services</u>	<u>State</u>	<u>Federal</u>	<u>Other</u>
I. Statewide Elderly HCBS Waiver	\$ 561,231	\$ 986,352	\$ -
II. Pace Program	\$ 1,095,047	\$ 1,924,523	\$ -
III. MR Waiver			
A. Administration	\$ -	\$ -	\$ -
B. Services	\$ 31,607,995	\$ 55,550,408	\$ -
C. Arlington Waiver	\$ 2,309,970	\$ 4,059,724	\$ -
D. Self Determination Waiver	\$ 810,899	\$ 1,425,139	\$ -
IV. Senior/Adapt Waiver			
A. Senior Waiver	\$ 173,167	\$ 304,338	\$ -
B. ADAPT Waiver	\$ 45,310	\$ 79,632	\$ -
V. Medicare Crossover Services			
A. Buy-in Premiums	\$ 25,460,800	\$ 44,746,838	\$ -
B. Cost-Sharing (Crossover)	\$ 10,904,564	\$ 19,164,549	\$ -
Total Allotment Code 318.67	\$ 72,968,983	\$ 128,241,503	\$ -

Total TennCare Expenditures for FY06-07 as a Percentage of FY06-07 Budget

Total Qtr 2 Expenditures	\$	1,581,494,048
Percentage of Total Budgeted		21.16%
Total Qtr 1 Expenditures	\$	1,552,079,467
Percentage of Total Budgeted		20.76%
Total FY06-07 Expenditures	\$	3,133,573,515
Percentage of Total Budgeted		41.92%
FY06-07 Budget	\$	7,475,181,300

TennCare Enrollees by County

<u>County</u>	<u>Enrollees</u>	<u>County</u>	<u>Enrollees</u>
Anderson	14,080	Lauderdale	7,589
Bedford	8,821	Lawrence	8,565
Benton	4,059	Lewis	2,974
Bledsoe	2,925	Lincoln	6,175
Blount	17,057	Loudon	6,474
Bradley	16,881	Macon	5,114
Campbell	13,125	Madison	21,135
Cannon	2,684	Marion	6,411
Carroll	6,930	Marshall	4,905
Carter	11,803	Maury	13,531
Cheatham	4,980	McMinn	10,095
Chester	3,222	McNairy	7,241
Claiborne	9,407	Meigs	2,977
Clay	2,145	Monroe	9,600
Cocke	10,501	Montgomery	21,651
Coffee	10,550	Moore	798
Crockett	3,394	Morgan	4,817
Cumberland	9,794	Obion	6,631
Davidson	109,127	Overton	4,673
Decatur	2,753	Perry	1,457
Dekalb	4,057	Pickett	1,193
Dickson	8,336	Polk	3,490
Dyer	9,771	Putnam	13,547
Fayette	5,810	Rhea	7,459
Fentress	6,141	Roane	10,125
Franklin	6,439	Robertson	9,340
Gibson	11,773	Rutherford	28,510
Giles	5,620	Scott	7,989
Grainger	4,886	Sequatchie	2,985
Greene	12,918	Sevier	13,896
Grundy	4,964	Shelby	231,149
Hamblen	12,146	Smith	3,504
Hamilton	53,720	Stewart	2,276
Hancock	2,406	Sullivan	27,448
Hardeman	7,124	Sumner	20,411
Hardin	6,956	Tipton	11,138
Hawkins	12,260	Trousdale	1,651
Haywood	5,722	Unicoi	3,911
Henderson	6,113	Union	4,676
Henry	7,202	Van Buren	1,231
Hickman	5,172	Warren	9,216
Houston	2,015	Washington	18,019
Humphreys	3,640	Wayne	3,318
Jackson	2,738	Weakley	6,101
Jefferson	9,995	White	5,532
Johnson	4,497	Williamson	7,116
Knox	60,456	Wilson	11,737
Lake	2,084	Other	6,891
Total			1,175,871

**Schedule Showing New Employees
October 1, 2006 through December 31, 2006**

<u>Name</u>	<u>Position</u>	<u>Salary</u>
Sharon Younger	Public Health Nurse Consultant 2	\$ 48,912
Sandra Curtis	Public Health Nurse Consultant 2	\$ 54,936
Verginia Laws	Administrative Services Assistant 2	\$ 33,576
Clayton Clark	Statistical Research Specialist	\$ 36,000
Ashley Reed	Executive Administrative Assitant 1	\$ 35,004
Tonya Marsh	Managed Care Specialist 1	\$ 23,580
Susanne Roy	Managed Care Specialist 3	\$ 47,664
Jamison Woods	Managed Care Program Manager 2	\$ 45,000
Douglas Garrett	Information Officer	\$ 57,996
Debra Matlock	Managed Care Specialist 3	\$ 32,904
Melinda Glasgow	Accountant/ Auditor 1	\$ 32,952
Janis Cali	Administrative Secretary	\$ 30,000
Jackie Holcomb	Mental Retardation Program Specialist 3	\$ 34,164
Marquita West	Clerk 2	\$ 16,752
Heidi Chilton	Administrative Services Assistant 4	\$ 33,996
Lori Ann Thrower	Managed Care Operator	\$ 21,708
Jack Li	Accountant Auditor 1	\$ 32,952
Ruby D. Baker	Account Tech 1	\$ 23,640
Pam Hughes	Accountant 3	\$ 49,812
Jason Wingar	Public Health Nurse Consultant 1	\$ 36,444
Judy Collins	Administrative Services Assistant 4	\$ 43,992
Lori A. Hoenig	TennCare Project Manager	\$ 65,004
Barbara Renee Hill	Public Health Nurse Consultant 1	\$ 38,088
Kimberly Williams	Managed Care Specialist 3	\$ 36,180

State Appropriations

The following amounts were provided by the Bureau of TennCare as the reconciliation of state appropriations for the third quarter (January 1 – March 31, 2008) of fiscal year 2008.

<u>Medical and Administrative</u>	
Expenditures	\$ 1,592,821,943
<i>less: Federal Revenue</i>	\$ 947,134,777
<i>less: Other Revenue</i>	\$ 106,464,975
State Appropriations Requirement	\$ 539,222,191
<u>Long Term Care</u>	
Expenditures	\$ 280,128,402
<i>less: Federal Revenue</i>	\$ 178,427,786
<i>less: Other Revenue</i>	\$ 16,812,500
State Appropriations Requirement	\$ 84,888,116
Total State Appropriation Requirement	\$ 624,110,307
<u>Reconciliation of State Appropriations</u>	
State Appropriations	\$ 662,580,725
Balance Forward at 12/31/07	\$ 174,276,479
App. Transferred Through Revision	\$ -
Sub-total State Appropriations Available	\$ 836,857,204
State Dollars Required to Fund Qtr 3 FY2008	\$ 624,110,307
Balance Carried Forward to Next Quarter	\$ 212,746,897

*Other Revenue represents one-fourth of fiscal year 2008 budgeted drug rebates, premiums, current services, and certified public expenditures. The report for the fourth quarter of fiscal year 2008 will represent the net actual collections for fiscal year 2008.

Third Quarter Fiscal Year 2008 Expenditures of Allotment Code 318.00

The following amounts were provided by the Bureau of TennCare as the actual expenditures to the Bureau for the third quarter of fiscal year 2008.

Administration

TennCare Administration establishes policy, provides oversight, and directs the TennCare Program and contracts with other agencies that provide administrative service components for the TennCare Program. Administration is divided into four areas:

- Program Administration
- Policy and Planning
- Quality Assurance
- Long Term Care

<u>Third Quarter FY07-08</u>		
Total Allotment Code 318.65	\$	66,267,346

<u>Third Quarter FY07-08</u>		
Governor's Office of Child Care Coordination		
Total Allotment Code 318.80	\$	1,645,926

Long Term Care

Long Term Care provides funding for individuals that are in need of long term institutional care. This program provides funding for:

- General intermediate care facilities
- Skilled nursing facilities
- State mentally retarded intermediate care facilities
- Private mentally retarded intermediate care facilities.

<u>Third Quarter FY07-08</u>		
I. ICF Long Term Care		
A. General	\$	213,570,864
B. Skilled	\$	23,270,062
C. Nursing Home Revenue Offsets	\$	(3,284,496)
II. ICF - MR Long Term Care		
A. State Facilities	\$	36,794,039
B. Private Facilities	\$	20,583,463
Total Allotment Code 318.68	\$	290,933,932

Services

TennCare Services provides funding for traditional basic health care and mental health services that were previously paid for by Medicaid. The program provides funding to:

- Managed Care Organizations that provide basic medical services
- Behavioral health organizations that provide mental health services
- Agencies that provide medical services.

		<u>Third Quarter FY07-08</u>
I. Medical		
A. MCO Services	\$	449,208,820
Integrated Managed Care	\$	257,362,066
B. MCO Administration	\$	42,536,846
C. Hospital Payments	\$	25,112,403
D. Pharmacy Services	\$	170,721,391
Clawback	\$	57,723,851
E. Dental - Medical	\$	32,688,363
F. Dental - Administration	\$	1,187,240
G. Federally Qualified Health Clinics	\$	6,387,530
H. Critical Access Hospitals	\$	4,741,920
I. Misc: Reductions in Exp.-	\$	(308,852)
II. Behavioral Health		
A. TennCare Partners	\$	74,688,967
B. Non-TennCare Partners	\$	-
III. Children's Services	\$	53,108,021
IV. Dental Services - Local Health	\$	1,522,486
V. Graduate Medical Education	\$	15,082,275
VI. Meharry Medical College Grant	\$	3,249,999
VII. Electronic Health Initiatives	\$	2,857,957
Total Allotment Code 318.66	\$	1,197,871,283

Waiver and Crossover Services

Waiver and Crossover Services provide funding for Home and Community Based Services waivers, as well as co-payments and premiums for individuals eligible for TennCare and Medicare. The waivers serve the developmentally delayed population and people who require nursing services.

Funding for Medicare premiums and co-payments allows TennCare recipients, who are eligible for Medicare, the ability to receive medical services that would otherwise be unavailable to recipients due to financial constraints.

<u>Third Quarter FY07-08</u>		
I. Statewide Elderly HCBS Waiver	\$	6,155,359
II. Pace Program	\$	2,925,719
III. MR Waiver		
A. Administration	\$	-
B. Services	\$	128,431,055
C. Arlington Waiver	\$	9,256,024
D. Self Determination Waiver	\$	3,293,583
IV. Senior/Adapt Waiver		
A. Senior Waiver	\$	183,598
B. ADAPT Waiver	\$	1,493,802
V. Medicare Crossover Services		
A. Buy-in Premiums	\$	74,840,168
B. Cost-Sharing (Crossover)	\$	28,125,415
Total Allotment Code 318.67	\$	254,704,723

Breakdown of Expenditures Among State, Federal and Other Funds

<u>Administration</u>	<u>State</u>	<u>Federal</u>	<u>Other</u>
Total Allotment Code 318.65	\$ 33,100,173	\$ 33,133,673	\$ 33,500

	<u>State</u>	<u>Federal</u>	<u>Other</u>
Governor's Office of Child Care Coordination			
Total Allotment Code 318.80	\$ 822,963	\$ 822,963	\$ -

<u>Long Term Care</u>	<u>State</u>	<u>Federal</u>	<u>Other</u>
I. ICF Long Term Care			
A. General	\$ 60,724,402	\$ 136,033,962	\$ 16,812,500
B. Skilled	\$ 8,448,196	\$ 14,821,866	\$ -
C. Nursing Home Revenue Offsets	\$ (1,192,436)	\$ (2,092,060)	\$ -
II. ICF - MR Long Term Care			
A. State Facilities	\$ 13,358,076	\$ 23,435,963	\$ -
B. Private Facilities	\$ 7,472,826	\$ 13,110,637	\$ -
Total Allotment Code 318.68	\$ 88,811,064	\$ 185,310,368	\$ 16,812,500

<u>Medical Services</u>	<u>State</u>	<u>Federal</u>	<u>Other</u>
I. Medical			
A. MCO Services	\$ 112,438,804	\$ 286,303,241	\$ 50,466,775
Integrated Managed Care	\$ 93,435,298	\$ 163,926,768	\$ -
B. MCO Administration	\$ 15,425,987	\$ 27,110,859	\$ -
C. Hospital Payments	\$ 9,107,013	\$ 16,005,390	\$ -
D. Pharmacy Services	\$ 43,120,106	\$ 75,782,710	\$ 51,818,575
Clawback	\$ 57,723,851	\$ -	\$ -
E. Dental - Medical	\$ 11,854,435	\$ 20,833,928	\$ -
F. Dental - Administration	\$ 430,553	\$ 756,687	\$ -
G. Federally Qualified Health Clinics	\$ 2,316,438	\$ 4,071,092	\$ -
H. Critical Access Hospitals	\$ 1,719,657	\$ 3,022,263	\$ -
I. Misc: Reductions in Exp.-	\$ (112,005)	\$ (196,847)	\$ -
II. Behavioral Health			
A. TennCare Partners	\$ 24,430,579	\$ 47,603,013	\$ 2,655,375
B. Non-TennCare Partners	\$ (1,490,750)	\$ -	\$ 1,490,750
III. Children's Services	\$ 19,259,624	\$ 33,848,397	\$ -
IV. Dental Services - Local Health	\$ 552,130	\$ 970,356	\$ -
V. Graduate Medical Education	\$ 5,469,587	\$ 9,612,688	\$ -
VI. Meharry Medical College Grant	\$ 1,178,612	\$ 2,071,387	\$ -
VII. Electronic Health Initiatives	\$ 2,857,957	\$ -	\$ -
Total Allotment Code 318.66	\$ 399,717,876	\$ 691,721,932	\$ 106,431,475

Waiver and Crossover Services	State	Federal	Other
I. Statewide Elderly HCBS Waiver	\$ 2,232,241	\$ 3,923,118	\$ -
II. Pace Program	\$ 1,061,012	\$ 1,864,707	\$ -
III. MR Waiver			
A. Administration	\$ -	\$ -	\$ -
B. Services	\$ 46,575,522	\$ 81,855,533	\$ -
C. Arlington Waiver	\$ 3,356,697	\$ 5,899,327	\$ -
D. Self Determination Waiver	\$ 1,194,418	\$ 2,099,165	\$ -
IV. Senior/Adapt Waiver			
A. Senior Waiver	\$ 66,582	\$ 117,016	\$ -
B. ADAPT Waiver	\$ 541,727	\$ 952,075	\$ -
V. Medicare Crossover Services			
A. Buy-in Premiums	\$ 27,140,787	\$ 47,699,381	\$ -
B. Cost-Sharing (Crossover)	\$ 10,199,682	\$ 17,925,733	\$ -
Total Allotment Code 318.67	\$ 92,368,668	\$ 162,336,055	\$ -

Total TennCare Expenditures for FY07-08 as a Percentage of FY07-08 Budget

Total Qtr 3 Expenditures	\$ 1,872,950,346
Percentage of Total Budgeted	24.73%
Total Qtr 2 Expenditures	\$ 1,811,423,207
Percentage of Total Budgeted	23.92%
Total Qtr 1 Expenditures	\$ 1,664,074,088
Percentage of Total Budgeted	21.97%
Total FY07-08 Expenditures	\$ 5,348,447,641
Percentage of Total Budgeted	70.63%
FY07-08 Budget	\$ 7,572,804,700

TennCare Enrollees by County

<u>County</u>	<u>Enrollees</u>	<u>County</u>	<u>Enrollees</u>
Anderson	13,868	Lauderdale	7,259
Bedford	9,228	Lawrence	8,402
Benton	3,879	Lewis	2,941
Bledsoe	2,893	Lincoln	6,212
Blount	17,073	Loudon	6,475
Bradley	16,940	Macon	5,085
Campbell	12,937	Madison	20,433
Cannon	2,642	Marion	6,466
Carroll	6,629	Marshall	5,030
Carter	11,654	Maury	13,871
Cheatham	4,974	McMinn	10,473
Chester	3,314	McNairy	7,321
Claiborne	9,051	Meigs	3,034
Clay	1,979	Monroe	9,622
Cocke	10,409	Montgomery	21,224
Coffee	10,501	Moore	842
Crockett	3,461	Morgan	4,620
Cumberland	9,760	Obion	6,594
Davidson	106,665	Overton	4,773
Decatur	2,756	Perry	1,463
Dekalb	4,202	Pickett	1,167
Dickson	8,185	Polk	3,488
Dyer	9,309	Putnam	13,535
Fayette	5,743	Rhea	7,383
Fentress	6,083	Roane	9,886
Franklin	6,472	Robertson	9,954
Gibson	11,636	Rutherford	29,369
Giles	5,510	Scott	7,850
Grainger	4,793	Sequatchie	3,058
Greene	12,912	Sevier	13,881
Grundy	5,072	Shelby	226,394
Hamblen	11,907	Smith	3,513
Hamilton	52,958	Stewart	2,387
Hancock	2,345	Sullivan	26,958
Hardeman	7,021	Sumner	19,981
Hardin	6,679	Tipton	11,046
Hawkins	12,374	Trousdale	1,609
Haywood	5,532	Unicoi	3,822
Henderson	6,151	Union	4,432
Henry	7,124	Van Buren	1,263
Hickman	5,194	Warren	9,241
Houston	1,965	Washington	18,374
Humphreys	3,736	Wayne	3,121
Jackson	2,647	Weakley	6,114
Jefferson	9,977	White	5,465
Johnson	4,306	Williamson	7,301
Knox	60,302	Wilson	11,993
Lake	2,011	Other	8,360
Total			1,165,844

**Schedule Showing New Employees
January 1, 2008 through March 31, 2008**

<u>Name</u>	<u>Position</u>
Nekeela Hall	Clerk 2
Kim Rayford	Managed Care Operator
Tony A. Bentley	Administrative Services Assistant 3
Buford Richardson	Clerk 2
Brandon D. Felts	Administrative Services Assistant 5
Michael S. Risen	Executive Administrative Assistant 1
Latonya Ransom	Clerk 2
Shelley Hankins	Public Health Nurse Consultant 2
Gerald Gouveja	Accountant 3
Carolyn Fulghum	TennCare Project Director
Arceleo Arroyo	Accountant 3
Michelle Ryan	Administrative Services Assistant 1
John Lewis	Executive Administrative Assistant 3
Kimberly Mallory	Executive Administrative Assistant 2
James H. Stack, Jr.	Accountant/Auditor 1



STATE OF TENNESSEE
BUREAU OF TENNCARE
DEPARTMENT OF FINANCE & ADMINISTRATION
310 Great Circle Road
NASHVILLE, TENNESSEE 37243

RECEIVED
JUN 02 2008
FISCAL REVIEW

May 29, 2008

Mr. Jim White
Executive Director
Fiscal Review Committee
Rachel Jackson Building, 8th Floor
320 6th Avenue North
Nashville, TN 37219

Dear Mr. White:

This letter is to inform the Fiscal Review Committee of the policy changes that have occurred in the Medicaid/TennCare program during the third quarter of Fiscal Year 2007-2008.

1. Home and Community Based Services Waiver for the Elderly and Disabled in Davidson, Hamilton, and Knox Counties.

The Bureau of TennCare promulgated a rule to delete the rule describing this project from the Bureau of TennCare General rules. Per discussion and at the direction of CMS, the state has terminated the HCBS waiver in Davidson, Hamilton, and Knox Counties as part of its consolidation of HCBS waivers for the Elderly and Disabled. Enrollees in the HCBS waiver in Davidson, Knox, and Hamilton Counties have been moved into the Statewide Elderly and Disabled Waiver Program.

2. Definitions; Covered Services – TennCare Medicaid.

The Bureau of TennCare promulgated rules to clarify the circumstances in which a TennCare Medicaid enrollee receiving non-emergency transportation may be accompanied by a third person or "escort."

3. Definitions; Eligibility; Enrollment, Reassignment, and Disenrollment with Managed Care Contractors (MCCs) – TennCare Medicaid.

The Bureau of TennCare promulgated public necessity rules to conform the TennCare Medicaid rules to the newly established eligibility group approved by the Centers for Medicare and Medicaid Services known as TennCare Standard Spend Down (SSD).

4. Definitions; Covered Services – TennCare Standard.

The Bureau of TennCare promulgated rules to clarify the circumstances in which a TennCare Standard enrollee receiving non-emergency transportation may be accompanied by a third person or “escort.”

5. Definitions; Eligibility; Enrollment, Reassignment, and Disenrollment with Managed Care Contractors (MCCs); Covered Services – TennCare Standard.

The Bureau of TennCare promulgated public necessity rules to conform the TennCare Standard rules to the newly established eligibility group approved by the Centers for Medicare and Medicaid Services known as TennCare Standard Spend Down (SSD).

6. Limitation on Amount, Duration and Scope of Medical Care and Services Provided - Prescribed Drugs.

The Bureau of TennCare received approval of a State Plan Amendment from CMS with an effective date of January 1, 2008. This plan amendment updates the State’s pharmacy National Medicaid Pooling Initiative Supplemental Rebate Agreement.

Sincerely,



Darin J. Gordon
Director, Bureau of TennCare

GW103150

State Appropriations

The following amounts were provided by the Bureau of TennCare as the reconciliation of state appropriations for the fourth quarter (April 1 – June 30, 2008) of fiscal year 2008.

<u>Medical and Administrative</u>	
Expenditures	\$ 1,763,263,536
<i>less:</i> Federal Revenue	\$ 1,000,884,068
<i>less:</i> Other Revenue	<u>\$ 106,464,975</u>
State Appropriations Requirement	\$ 655,914,493
<u>Long Term Care</u>	
Expenditures	\$ 337,208,375
<i>less:</i> Federal Revenue	\$ 214,784,874
<i>less:</i> Other Revenue	<u>\$ 16,812,500</u>
State Appropriations Requirement	\$ 105,611,001
Total State Appropriation Requirement	\$ 761,525,494
<u>Reconciliation of State Appropriations</u>	
State Appropriations	\$ 662,580,725
Balance Forward at 3/31/08	\$ 212,746,897
App. Transferred Through Revision	<u>\$ -</u>
Sub-total State Appropriations Available	\$ 875,327,622
State Dollars Required to Fund Qtr 4 FY2008	\$ 761,525,494
Balance Carried Forward to Next Quarter	\$ 113,802,128

*Other Revenue represents the net actual collections of drug rebates, premiums, current services, and certified public expenditures for fiscal year 2008.

Fourth Quarter Fiscal Year 2008 Expenditures of Allotment Code 318.00

The following amounts were provided by the Bureau of TennCare as the actual expenditures to the Bureau for the fourth quarter of fiscal year 2008.

Administration

TennCare Administration establishes policy, provides oversight, and directs the TennCare Program and contracts with other agencies that provide administrative service components for the TennCare Program. Administration is divided into four areas:

- Program Administration
- Policy and Planning
- Quality Assurance
- Long Term Care

	<u>Fourth Quarter FY07-08</u>
Total Allotment Code 318.65	\$ 107,604,414

	<u>Fourth Quarter FY07-08</u>
Governor's Office of Child Care Coordination	
Total Allotment Code 318.80	\$ 3,751,280

Long Term Care

Long Term Care provides funding for individuals that are in need of long term institutional care. This program provides funding for:

- General intermediate care facilities
- Skilled nursing facilities
- State mentally retarded intermediate care facilities
- Private mentally retarded intermediate care facilities.

	<u>Fourth Quarter FY07-08</u>
I. ICF Long Term Care	
A. General	\$ 237,476,086
B. Skilled	\$ 27,339,285
C. Nursing Home Revenue Offsets	\$ (8,295,659)
II. ICF - MR Long Term Care	
A. State Facilities	\$ 60,168,649
B. Private Facilities	\$ 20,520,013
Total Allotment Code 318.68	\$ 337,208,374

Services

TennCare Services provides funding for traditional basic health care and mental health services that were previously paid for by Medicaid. The program provides funding to:

- Managed Care Organizations that provide basic medical services
- Behavioral health organizations that provide mental health services
- Agencies that provide medical services.

	<u>Fourth Quarter FY07-08</u>	
I. Medical		
A. MCO Services	\$	539,747,478
Integrated Managed Care	\$	363,836,224
B. MCO Administration	\$	43,299,586
C. Hospital Payments	\$	47,798,125
D. Pharmacy Services	\$	175,605,520
Clawback	\$	76,623,329
E. Dental - Medical	\$	35,468,666
F. Dental - Administration	\$	1,174,038
G. Federally Qualified Health Clinics	\$	6,793,325
H. Critical Access Hospitals	\$	5,161,168
I. Misc: Reductions in Exp.- TPL, Estate Reconciliation, etc.	\$	(371,711)
II. Behavioral Health		
A. TennCare Partners	\$	52,030,421
B. Non-TennCare Partners	\$	34,924,196
III. Children's Services	\$	83,028,870
IV. Dental Services - Local Health	\$	4,748,236
V. Graduate Medical Education	\$	27,437,733
VI. Meharry Medical College Grant	\$	3,250,001
VII. Electronic Health Initiatives	\$	5,288,026
Total Allotment Code 318.66	\$	1,505,843,231

Waiver and Crossover Services

Waiver and Crossover Services provide funding for Home and Community Based Services waivers, as well as co-payments and premiums for individuals eligible for TennCare and Medicare. The waivers serve the developmentally delayed population and people who require nursing services.

Funding for Medicare premiums and co-payments allows TennCare recipients, who are eligible for Medicare, the ability to receive medical services that would otherwise be unavailable to recipients due to financial constraints.

<u>Fourth Quarter FY07-08</u>		
I. Statewide Elderly HCBS Waiver	\$	13,450,026
II. Pace Program	\$	3,555,541
III. MR Waiver		
A. Administration	\$	(58,200,185)
B. Services	\$	65,093,487
C. Arlington Waiver	\$	8,549,983
D. Self Determination Waiver	\$	3,597,533
IV. Senior/Adapt Waiver		
A. Senior Waiver	\$	19
B. ADAPT Waiver	\$	(1,679,722)
V. Medicare Crossover Services		
A. Buy-in Premiums	\$	77,537,394
B. Cost-Sharing (Crossover)	\$	34,160,537
Total Allotment Code 318.67	\$	146,064,613

Breakdown of Expenditures Among State, Federal and Other Funds

<u>Administration</u>	<u>State</u>	<u>Federal</u>	<u>Other</u>
Total Allotment Code 318.65	\$ 53,768,707	\$ 53,802,207	\$ 33,500

	<u>State</u>	<u>Federal</u>	<u>Other</u>
Governor's Office of Child Care Coordination			
Total Allotment Code 318.80	\$ 1,875,640	\$ 1,875,640	\$ -

<u>Long Term Care</u>	<u>State</u>	<u>Federal</u>	<u>Other</u>
I. ICF Long Term Care			
A. General	\$ 69,403,193	\$ 151,260,393	\$ 16,812,500
B. Skilled	\$ 9,925,527	\$ 17,413,758	\$ -
C. Nursing Home Revenue Offsets	\$ (3,011,739)	\$ (5,283,920)	\$ -
II. ICF - MR Long Term Care			
A. State Facilities	\$ 21,844,228	\$ 38,324,421	\$ -
B. Private Facilities	\$ 7,449,791	\$ 13,070,222	\$ -
Total Allotment Code 318.68	\$ 105,611,000	\$ 214,784,874	\$ 16,812,500

<u>Medical Services</u>	<u>State</u>	<u>Federal</u>	<u>Other</u>
I. Medical			
A. MCO Services	\$ 145,272,648	\$ 344,008,055	\$ 50,466,775
Integrated Managed Care	\$ 132,090,741	\$ 231,745,483	\$ -
B. MCO Administration	\$ 15,702,595	\$ 27,596,991	\$ -
C. Hospital Payments	\$ 17,333,990	\$ 30,464,135	\$ -
D. Pharmacy Services	\$ 44,891,336	\$ 78,895,609	\$ 51,818,575
Clawback	\$ 76,623,329	\$ -	\$ -
E. Dental - Medical	\$ 12,862,712	\$ 22,605,954	\$ -
F. Dental - Administration	\$ 425,765	\$ 748,273	\$ -
G. Federally Qualified Health Clinics	\$ 2,463,599	\$ 4,329,726	\$ -
H. Critical Access Hospitals	\$ 1,871,698	\$ 3,289,470	\$ -
I. Misc: Reductions in Exp.-	\$ (134,801)	\$ (236,910)	\$ -
II. Behavioral Health			
A. TennCare Partners	\$ 16,213,457	\$ 33,161,589	\$ 2,655,375
B. Non-TennCare Partners	\$ 33,433,446	\$ -	\$ 1,490,750
III. Children's Services	\$ 30,110,420	\$ 52,918,450	\$ -
IV. Dental Services - Local Health	\$ 1,721,948	\$ 3,026,288	\$ -
V. Graduate Medical Education	\$ 9,950,294	\$ 17,487,439	\$ -
VI. Meharry Medical College Grant	\$ 1,178,613	\$ 2,071,388	\$ -
VII. Electronic Health Initiatives	\$ 5,288,026	\$ -	\$ -
Total Allotment Code 318.66	\$ 547,299,816	\$ 852,111,940	\$ 106,431,475

Waiver and Crossover Services	State	Federal	Other
I. Statewide Elderly HCBS Waiver	\$ 4,877,652	\$ 8,572,374	\$ -
II. Pace Program	\$ 1,289,417	\$ 2,266,124	\$ -
III. MR Waiver			
A. Administration	\$ (21,106,297)	\$ (37,093,888)	\$ -
B. Services	\$ 23,606,153	\$ 41,487,334	\$ -
C. Arlington Waiver	\$ 3,100,651	\$ 5,449,332	\$ -
D. Self Determination Waiver	\$ 1,304,645	\$ 2,292,888	\$ -
IV. Senior/Adapt Waiver			
A. Senior Waiver	\$ 7	\$ 12	\$ -
B. ADAPT Waiver	\$ (609,151)	\$ (1,070,571)	\$ -
V. Medicare Crossover Services			
A. Buy-in Premiums	\$ 28,118,936	\$ 49,418,458	\$ -
B. Cost-Sharing (Crossover)	\$ 12,388,319	\$ 21,772,218	\$ -
Total Allotment Code 318.67	\$ 52,970,332	\$ 93,094,281	\$ -

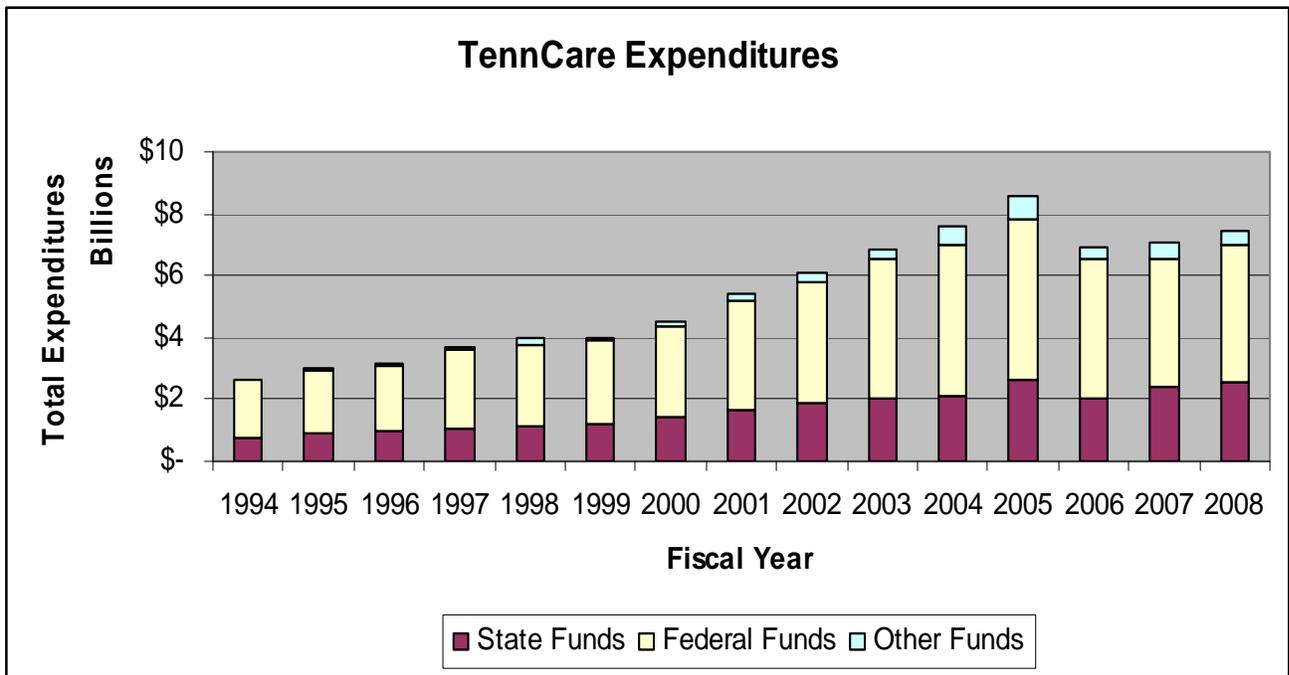
Total TennCare Expenditures for FY07-08 as a Percentage of FY07-08 Budget

Total Qtr 4 Expenditures	\$ 2,100,471,911
Percentage of Total Budgeted	27.74%
Total Qtr 3 Expenditures	\$ 1,872,950,346
Percentage of Total Budgeted	24.73%
Total Qtr 2 Expenditures	\$ 1,811,423,207
Percentage of Total Budgeted	23.92%
Total Qtr 1 Expenditures	\$ 1,664,074,088
Percentage of Total Budgeted	21.97%
Total FY07-08 Expenditures	\$ 7,448,919,552
Percentage of Total Budgeted	98.36%
FY07-08 Budget	\$ 7,572,804,700

Expenditure Trends

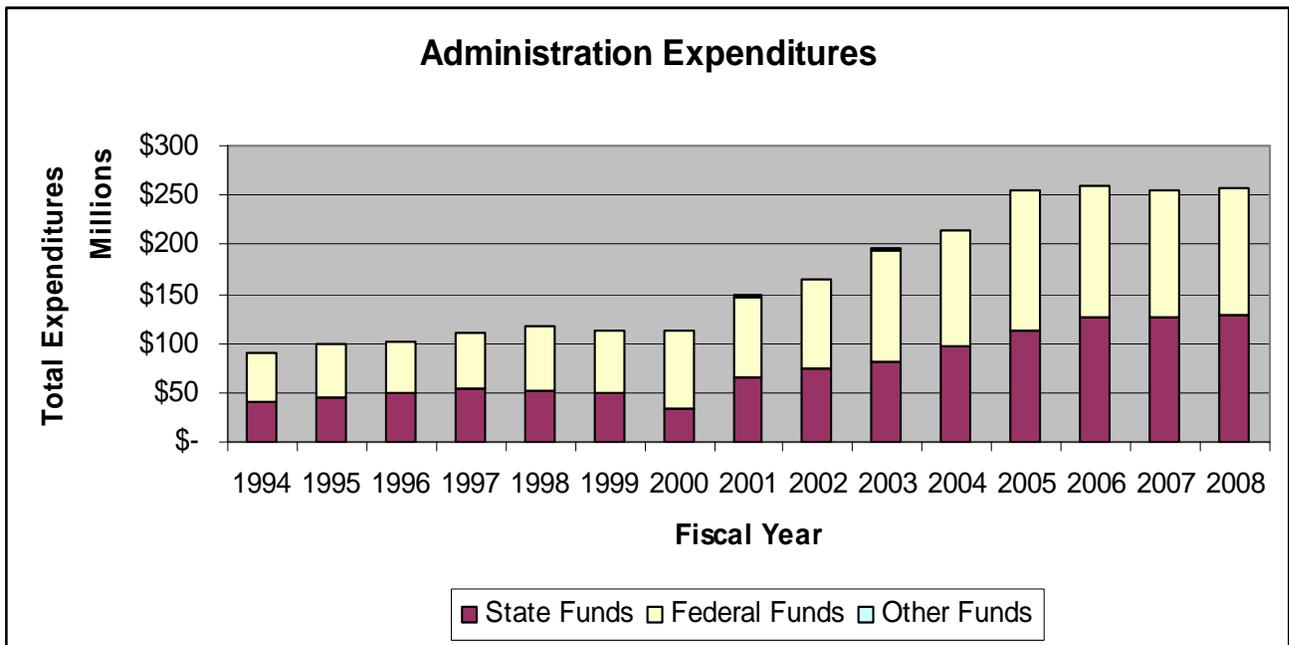
Total Expenditures – Allotment Code 318.00

Year	State Funds	Federal Funds	Other Funds	Total	Rate of Growth
1994	\$ 784,681,700	\$ 1,826,958,300	\$ 32,402,500	\$ 2,644,042,500	
1995	\$ 865,126,500	\$ 2,043,905,400	\$ 81,742,000	\$ 2,990,773,900	13.11%
1996	\$ 943,486,700	\$ 2,175,983,200	\$ 71,746,200	\$ 3,191,216,100	6.70%
1997	\$ 1,063,578,200	\$ 2,536,128,900	\$ 107,617,600	\$ 3,707,324,700	16.17%
1998	\$ 1,133,653,700	\$ 2,643,128,200	\$ 171,753,300	\$ 3,948,535,200	6.51%
1999	\$ 1,189,086,000	\$ 2,717,460,900	\$ 70,850,100	\$ 3,977,397,000	0.73%
2000	\$ 1,413,307,900	\$ 2,982,229,700	\$ 140,871,600	\$ 4,536,409,200	14.05%
2001	\$ 1,624,129,300	\$ 3,529,575,000	\$ 277,102,300	\$ 5,430,806,600	19.72%
2002	\$ 1,902,098,600	\$ 3,864,678,200	\$ 338,873,700	\$ 6,105,650,500	12.43%
2003	\$ 2,057,203,600	\$ 4,483,557,600	\$ 323,723,900	\$ 6,864,485,100	12.43%
2004	\$ 2,107,760,800	\$ 4,857,137,900	\$ 666,367,400	\$ 7,631,266,100	11.17%
2005	\$ 2,627,055,200	\$ 5,195,853,100	\$ 746,383,900	\$ 8,569,292,200	12.29%
2006	\$ 2,059,241,900	\$ 4,459,687,000	\$ 399,787,900	\$ 6,918,716,800	-19.26%
2007	\$ 2,407,755,536	\$ 4,137,385,872	\$ 547,645,550	\$ 7,092,786,958	2.52%
2008	\$ 2,547,987,122	\$ 4,407,822,529	\$ 493,109,900	\$ 7,448,919,551	5.02%



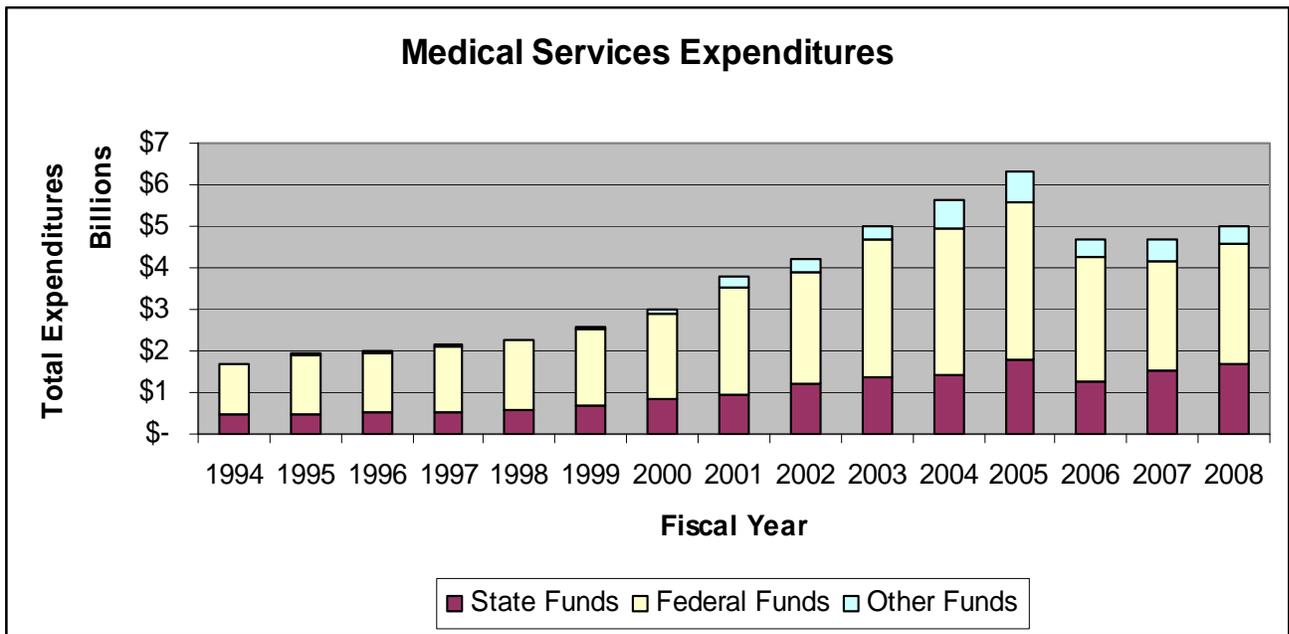
Administration – Allotment Code 318.65

Year	State Funds	Federal Funds	Other Funds	Total	Rate of Growth
1994	\$ 39,886,100	\$ 49,316,000	\$ 154,300	\$ 89,356,400	
1995	\$ 44,390,000	\$ 55,463,700	\$ 18,300	\$ 99,872,000	11.77%
1996	\$ 50,368,900	\$ 51,463,200	\$ -	\$ 101,832,100	1.96%
1997	\$ 55,065,500	\$ 55,845,800	\$ 150,800	\$ 111,062,100	9.06%
1998	\$ 52,230,900	\$ 63,948,700	\$ 99,800	\$ 116,279,400	4.70%
1999	\$ 48,879,200	\$ 63,607,500	\$ 363,400	\$ 112,850,100	-2.95%
2000	\$ 33,674,500	\$ 79,306,300	\$ 150,600	\$ 113,131,400	0.25%
2001	\$ 64,955,600	\$ 82,054,300	\$ 765,500	\$ 147,775,400	30.62%
2002	\$ 74,382,100	\$ 90,056,800	\$ 1,324,300	\$ 165,763,200	12.17%
2003	\$ 81,205,800	\$ 113,513,500	\$ 422,600	\$ 195,141,900	17.72%
2004	\$ 95,929,000	\$ 118,436,200	\$ 478,700	\$ 214,843,900	10.10%
2005	\$ 112,730,900	\$ 142,808,700	\$ 49,700	\$ 255,589,300	18.97%
2006	\$ 126,846,700	\$ 131,827,100	\$ 271,600	\$ 258,945,400	1.31%
2007	\$ 127,103,606	\$ 127,237,606	\$ 134,000	\$ 254,475,212	-1.73%
2008	\$ 128,387,745	\$ 128,521,745	\$ 134,000	\$ 257,043,490	1.01%



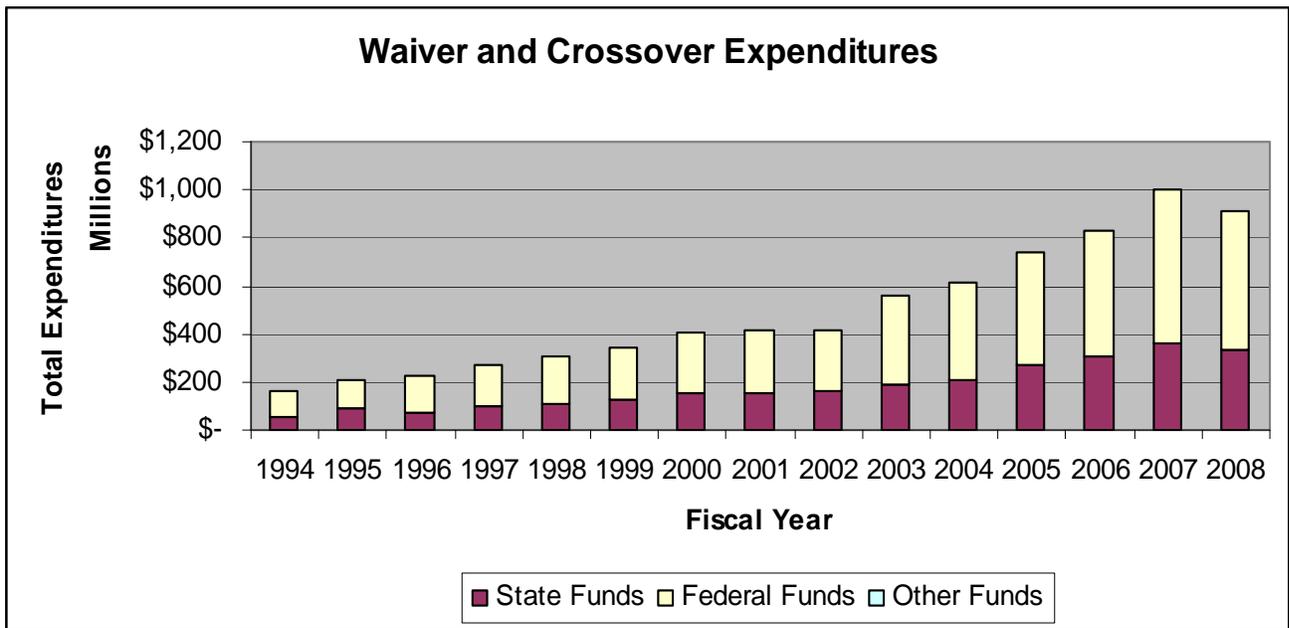
Medical Services – Allotment Code 318.66

Year	State Funds	Federal Funds	Other Funds	Total	Rate of Growth
1994	\$ 466,699,800	\$ 1,208,897,700	\$ 31,754,800	\$ 1,707,352,300	
1995	\$ 484,929,000	\$ 1,392,252,700	\$ 81,723,700	\$ 1,958,905,400	14.73%
1996	\$ 529,749,700	\$ 1,421,112,400	\$ 71,746,200	\$ 2,022,608,300	3.25%
1997	\$ 519,069,300	\$ 1,605,938,000	\$ 29,013,300	\$ 2,154,020,600	6.50%
1998	\$ 567,710,600	\$ 1,669,623,200	\$ 36,376,600	\$ 2,273,710,400	5.56%
1999	\$ 667,119,500	\$ 1,844,474,200	\$ 70,486,700	\$ 2,582,080,400	13.56%
2000	\$ 862,894,500	\$ 2,019,597,800	\$ 140,721,000	\$ 3,023,213,300	17.08%
2001	\$ 969,509,600	\$ 2,551,920,400	\$ 276,336,800	\$ 3,797,766,800	25.62%
2002	\$ 1,222,248,700	\$ 2,663,225,200	\$ 337,549,400	\$ 4,223,023,300	11.20%
2003	\$ 1,376,527,600	\$ 3,287,075,600	\$ 323,301,300	\$ 4,986,904,500	18.09%
2004	\$ 1,421,708,200	\$ 3,537,810,300	\$ 665,888,000	\$ 5,625,406,500	12.80%
2005	\$ 1,795,948,600	\$ 3,766,176,400	\$ 746,334,200	\$ 6,308,459,200	12.14%
2006	\$ 1,242,391,100	\$ 3,021,453,200	\$ 399,516,300	\$ 4,663,360,600	-26.08%
2007	\$ 1,542,559,376	\$ 2,626,036,374	\$ 497,074,050	\$ 4,665,669,800	0.05%
2008	\$ 1,702,931,849	\$ 2,870,091,388	\$ 425,725,900	\$ 4,998,749,137	7.14%



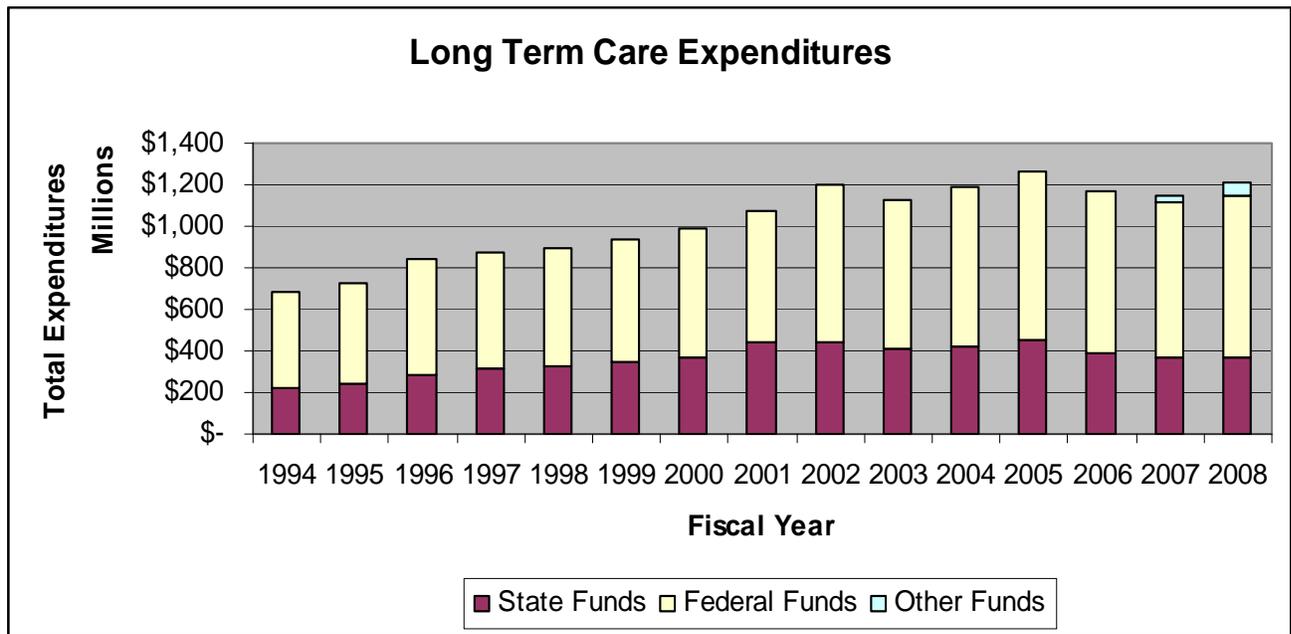
Waiver and Crossover – Allotment Code 318.67

Year	State Funds	Federal Funds	Other Funds	Total	Rate of Growth
1994	\$ 54,250,800	\$ 111,169,500	\$ -	\$ 165,420,300	
1995	\$ 90,209,400	\$ 113,449,800	\$ -	\$ 203,659,200	23.12%
1996	\$ 75,666,900	\$ 146,810,900	\$ -	\$ 222,477,800	9.24%
1997	\$ 100,456,200	\$ 167,395,300	\$ -	\$ 267,851,500	20.39%
1998	\$ 110,310,800	\$ 192,093,200	\$ 300	\$ 302,404,300	12.90%
1999	\$ 125,768,900	\$ 215,197,100	\$ -	\$ 340,966,000	12.75%
2000	\$ 150,400,000	\$ 257,200,600	\$ -	\$ 407,600,600	19.54%
2001	\$ 149,515,400	\$ 261,438,600	\$ -	\$ 410,954,000	0.82%
2002	\$ 161,489,200	\$ 252,800,500	\$ -	\$ 414,289,700	0.81%
2003	\$ 193,780,100	\$ 363,857,900	\$ -	\$ 557,638,000	34.60%
2004	\$ 205,802,300	\$ 407,547,800	\$ -	\$ 613,350,100	9.99%
2005	\$ 270,730,300	\$ 468,203,600	\$ -	\$ 738,933,900	20.48%
2006	\$ 304,492,200	\$ 525,183,800	\$ -	\$ 829,676,000	12.28%
2007	\$ 362,482,800	\$ 637,056,150	\$ -	\$ 999,538,950	20.47%
2008	\$ 331,124,140	\$ 581,660,131	\$ -	\$ 912,784,271	-8.68%



Long Term Care – Allotment Code 318.68

Year	State Funds	Federal Funds	Other Funds	Total	Rate of Growth
1994	\$ 223,845,000	\$ 457,575,100	\$ 493,400	\$ 681,913,500	
1995	\$ 245,598,100	\$ 482,739,200	\$ -	\$ 728,337,300	6.81%
1996	\$ 287,701,200	\$ 556,596,700	\$ -	\$ 844,297,900	15.92%
1997	\$ 311,210,100	\$ 561,245,000	\$ -	\$ 872,455,100	3.33%
1998	\$ 327,203,100	\$ 571,338,200	\$ 941,100	\$ 899,482,400	3.10%
1999	\$ 347,318,400	\$ 594,182,100	\$ -	\$ 941,500,500	4.67%
2000	\$ 366,338,900	\$ 626,125,000	\$ -	\$ 992,463,900	5.41%
2001	\$ 440,148,700	\$ 634,161,700	\$ -	\$ 1,074,310,400	8.25%
2002	\$ 443,978,600	\$ 758,593,700	\$ -	\$ 1,202,572,300	11.94%
2003	\$ 405,690,100	\$ 719,110,600	\$ -	\$ 1,124,800,700	-6.47%
2004	\$ 425,043,900	\$ 765,036,717	\$ -	\$ 1,190,080,617	5.80%
2005	\$ 447,645,400	\$ 818,664,400	\$ -	\$ 1,266,309,800	6.41%
2006	\$ 385,511,900	\$ 781,222,900	\$ -	\$ 1,166,734,800	-7.86%
2007	\$ 373,347,420	\$ 744,793,409	\$ 33,625,000	\$ 1,151,765,829	-1.28%
2008	\$ 372,555,941	\$ 771,613,813	\$ 67,250,000	\$ 1,211,419,754	5.18%



TennCare Enrollees by County

<u>County</u>	<u>Enrollees</u>	<u>County</u>	<u>Enrollees</u>
Anderson	13,868	Lauderdale	7,259
Bedford	9,228	Lawrence	8,402
Benton	3,879	Lewis	2,941
Bledsoe	2,893	Lincoln	6,212
Blount	17,073	Loudon	6,475
Bradley	16,940	Macon	5,085
Campbell	12,937	Madison	20,433
Cannon	2,642	Marion	6,466
Carroll	6,629	Marshall	5,030
Carter	11,654	Maury	13,871
Cheatham	4,974	McMinn	10,473
Chester	3,314	McNairy	7,321
Claiborne	9,051	Meigs	3,034
Clay	1,979	Monroe	9,622
Cocke	10,409	Montgomery	21,224
Coffee	10,501	Moore	842
Crockett	3,461	Morgan	4,620
Cumberland	9,760	Obion	6,594
Davidson	106,665	Overton	4,773
Decatur	2,756	Perry	1,463
Dekalb	4,202	Pickett	1,167
Dickson	8,185	Polk	3,488
Dyer	9,309	Putnam	13,535
Fayette	5,743	Rhea	7,383
Fentress	6,083	Roane	9,886
Franklin	6,472	Robertson	9,954
Gibson	11,636	Rutherford	29,369
Giles	5,510	Scott	7,850
Grainger	4,793	Sequatchie	3,058
Greene	12,912	Sevier	13,881
Grundy	5,072	Shelby	226,394
Hamblen	11,907	Smith	3,513
Hamilton	52,958	Stewart	2,387
Hancock	2,345	Sullivan	26,958
Hardeman	7,021	Sumner	19,981
Hardin	6,679	Tipton	11,046
Hawkins	12,374	Trousdale	1,609
Haywood	5,532	Unicoi	3,822
Henderson	6,151	Union	4,432
Henry	7,124	Van Buren	1,263
Hickman	5,194	Warren	9,241
Houston	1,965	Washington	18,374
Humphreys	3,736	Wayne	3,121
Jackson	2,647	Weakley	6,114
Jefferson	9,977	White	5,465
Johnson	4,306	Williamson	7,301
Knox	60,302	Wilson	11,993
Lake	2,011	Other	8,360
Total			1,165,844