

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, 2009) of fiscal year 2010.

<u>Medical and Administrative</u>	
Expenditures	\$ 1,783,202,358
<i>less: Federal Revenue</i>	\$ 1,069,066,781
<i>less: Other Revenue</i>	\$ 104,354,175
State Appropriations Requirement	\$ 609,781,402
<u>Long Term Care</u>	
Expenditures	\$ 306,984,163
<i>less: Federal Revenue</i>	\$ 196,893,503
<i>less: Other Revenue</i>	\$ 16,812,500
State Appropriations Requirement	\$ 93,278,160
Total State Appropriation Requirement	\$ 703,059,562
<u>Reconciliation of State Appropriations</u>	
State Appropriations	\$ 479,449,625
Balance Forward at 6/30/09	\$ 391,539,100
App. Transferred Through Revision	\$ -
Sub-total State Appropriations Available	\$ 870,988,725
State Dollars Required to Fund Qtr 1 FY2010	\$ 703,059,562
Balance Carried Forward to Next Quarter	\$ 167,929,163

*Other Revenue represents one-fourth of fiscal year 2010 budgeted drug rebates, premiums, current services, and certified public expenditures. The report for the fourth quarter of fiscal year 2010 will represent the net actual collections for fiscal year 2010.

First Quarter Fiscal Year 2010 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 2010.

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 FY09-10</u>
Total Allotment Code 318.65	\$ 7,127,100

	<u>First Quarter FY09-10</u>
Governor's Office of Child Care Coordination	
Total Allotment Code 318.80	\$ 276,500

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 FY09-10</u>
I. ICF Long Term Care	
A. General	\$ 130,393,100
B. Skilled	\$ 16,166,800
C. Nursing Home Revenue Offsets	\$ (1,523,900)
II. ICF - MR Long Term Care	
A. State Facilities	\$ 23,896,600
B. Private Facilities	\$ 15,321,300
Total Allotment Code 318.68	\$ 184,253,900

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 FY09-10</u>	
I. Medical		
A. MCO Services	\$	10,632,300
Integrated Managed Care	\$	864,653,900
B. MCO Administration	\$	8,358,100
C. Hospital Payments	\$	23,372,200
Disproportionate Share	\$	-
State Supplemental Pool Payments	\$	(9,700)
D. Pharmacy Services	\$	121,930,800
Clawback	\$	40,654,200
E. Dental - Medical	\$	27,410,800
F. Dental - Administration	\$	836,400
G. Federally Qualified Health Clinics	\$	7,972,400
H. Critical Access Hospitals	\$	-
I. Misc: Reductions in Exp.-	\$	81,800
II. Behavioral Health		
A. TennCare Partners	\$	4,352,400
B. Non-TennCare Partners	\$	-
III. Children's Services	\$	33,164,200
IV. Dental Services - Local Health	\$	(546,500)
V. Graduate Medical Education	\$	(3,534,100)
VI. Meharry Medical College Grant	\$	2,166,700
VII. Local Govt. Emergency Services Grant		
VII. Electronic Health Initiatives	\$	-
Total Allotment Code 318.66	\$	1,141,495,900

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.

	First Quarter FY09-10	
I. Statewide Elderly HCBS Waiver	\$	19,435,800
Waiver Administration	\$	255,300
II. Pace Program	\$	2,984,100
III. MR Waiver		
A. Administration	\$	-
B. Services	\$	85,504,200
C. Arlington Waiver	\$	8,286,900
D. Self Determination Waiver	\$	3,664,500
V. Medicare Crossover Services		
A. Buy-in Premiums	\$	51,863,400
B. Cost-Sharing (Crossover)	\$	8,657,800
Total Allotment Code 318.67	\$	180,652,000

Breakdown of Expenditures Among State, Federal and Other Funds

Administration	State	Federal	Other
Total Allotment Code 318.65	\$ 11,108,406	\$ 11,191,981	\$ 83,575

	State	Federal	Other
Governor's Office of Child Care Coordination			
Total Allotment Code 318.80	\$ (298,992)	\$ (298,992)	\$ -

<u>Long Term Care</u>	<u>State</u>	<u>Federal</u>	<u>Other</u>
I. ICF Long Term Care			
A. General	\$ 59,591,749	\$ 136,646,471	\$ -
B. Skilled	\$ 8,081,908	\$ 14,454,225	\$ -
C. Nursing Home Revenue Offsets	\$ (1,158,582)	\$ (2,072,086)	\$ -
II. ICF - MR Long Term Care			
A. State Facilities	\$ 17,300,332	\$ 30,941,070	\$ -
B. Private Facilities	\$ 9,462,754	\$ 16,923,822	\$ -
Total Allotment Code 318.68	\$ 93,278,161	\$ 196,893,502	\$ -

<u>I. Medical</u>	<u>State</u>	<u>Federal</u>	<u>Other</u>
A. MCO Services	\$ (46,632,206)	\$ 7,892,356	\$ 49,372,150
Integrated Managed Care	\$ 222,821,310	\$ 641,832,590	\$ -
B. MCO Administration	\$ 4,179,050	\$ 4,179,050	\$ -
C. Hospital Payments	\$ 7,997,967	\$ 15,374,233	\$ -
Disproportionate Share	\$ -	\$ -	\$ -
State Supplemental Pool Payments	\$ (9,700)	\$ -	\$ -
D. Pharmacy Services	\$ 16,856,737	\$ 48,555,513	\$ 56,518,550
Clawback	\$ 40,654,200	\$ -	\$ -
E. Dental - Medical	\$ 7,063,763	\$ 20,347,037	\$ -
F. Dental - Administration	\$ 418,200	\$ 418,200	\$ -
G. Federally Qualified Health Clinics	\$ 2,054,487	\$ 5,917,913	\$ -
H. Critical Access Hospitals	\$ -	\$ -	\$ -
I. Misc: Reductions in Exp.-	\$ 21,080	\$ 60,720	\$ -
II. Behavioral Health			
A. TennCare Partners	\$ 1,121,613	\$ 3,230,787	\$ -
B. Non-TennCare Partners	\$ -	\$ -	\$ -
III. Children's Services	\$ 8,546,414	\$ 24,617,786	\$ -
IV. Dental Services - Local Health	\$ (140,833)	\$ (405,667)	\$ -
V. Graduate Medical Education	\$ (1,262,381)	\$ (2,271,719)	\$ -
VI. Meharry Medical College Grant	\$ 773,945	\$ 1,392,755	\$ -
VII. Local Govt. Emergency Services Grant	\$ -	\$ -	\$ -
VII. Electronic Health Initiatives	\$ -	\$ -	\$ -
Total Allotment Code 318.66	\$ 264,463,646	\$ 771,141,554	\$ 105,890,700

Waiver and Crossover Services	State	Federal	Other
I. Statewide Elderly HCBS Waiver	\$ 5,008,606	\$ 14,427,194	\$ -
Waiver Administration	\$ 127,650	\$ 127,650	
II. Pace Program	\$ 769,003	\$ 2,215,097	\$ -
III. MR Waiver			
A. Administration	\$ -	\$ -	\$ -
B. Services	\$ 22,034,432	\$ 63,469,768	\$ -
C. Arlington Waiver	\$ 2,135,534	\$ 6,151,366	\$ -
D. Self Determination Waiver	\$ 944,342	\$ 2,720,158	\$ -
V. Medicare Crossover Services			
A. Buy-in Premiums	\$ 13,365,198	\$ 38,498,202	\$ -
B. Cost-Sharing (Crossover)	\$ 2,231,115	\$ 6,426,685	\$ -
Total Allotment Code 318.67	\$ 46,615,880	\$ 134,036,120	\$ -

Total TennCare Expenditures for FY09-10 as a Percentage of FY09-10 Budget

	First Quarter
Medical/MCO Administration	\$ 883,644,300
Pharmacy (includes Clawback)	\$ 162,585,000
Dental/Dental Administration	\$ 28,247,200
Behavioral Health	\$ 4,352,400
Misc. Medical Services	\$ 29,502,800
Mental Retardation Programs	\$ 136,673,500
Medicare Cost Sharing	\$ 60,521,200
Nursing Home Services	\$ 145,036,000
Long Term Care Waivers	\$ 22,675,200
Children's Services	\$ 33,164,200
Administration & GOCCC	\$ 7,403,600
Total Qtr 1 Expenditures	\$ 1,513,805,400

Total Qtr 1 Expenditures	\$ 1,513,805,400
Percentage of Total Budgeted	19.70%
Total FY09-10 Expenditures	\$ 1,513,805,400
Percentage of Total Budgeted	19.70%
FY09-10 Budget	\$ 7,684,829,000

TennCare Enrollees by County

<u>County</u>	<u>Enrollees</u>	<u>County</u>	<u>Enrollees</u>
Anderson	13,879	Lauderdale	7,065
Bedford	10,318	Lawrence	8,303
Benton	3,503	Lewis	2,837
Bledsoe	2,873	Lincoln	6,531
Blount	18,046	Loudon	6,844
Bradley	17,849	Macon	5,575
Campbell	12,186	Madison	20,690
Cannon	2,793	Marion	6,289
Carroll	6,422	Marshall	5,306
Carter	11,363	Maury	14,960
Cheatham	5,756	McMinn	10,521
Chester	3,380	McNairy	7,016
Claiborne	8,342	Meigs	2,889
Clay	2,012	Monroe	10,201
Cocke	9,999	Montgomery	22,122
Coffee	10,835	Moore	915
Crockett	3,307	Morgan	4,399
Cumberland	10,190	Obion	6,342
Davidson	112,356	Overton	4,656
Decatur	2,606	Perry	1,684
Dekalb	4,114	Pickett	1,049
Dickson	8,925	Polk	3,567
Dyer	9,473	Putnam	13,721
Fayette	5,518	Rhea	7,799
Fentress	5,827	Roane	9,762
Franklin	6,617	Robertson	11,021
Gibson	11,302	Rutherford	34,716
Giles	5,417	Scott	7,232
Grainger	5,050	Sequatchie	3,392
Greene	12,993	Sevier	15,113
Grundy	4,710	Shelby	223,511
Hamblen	12,710	Smith	3,841
Hamilton	54,012	Stewart	2,491
Hancock	2,322	Sullivan	27,079
Hardeman	6,489	Sumner	21,833
Hardin	6,418	Tipton	11,675
Hawkins	12,270	Trousdale	1,597
Haywood	5,228	Unicoi	3,690
Henderson	6,178	Union	4,524
Henry	6,927	Van Buren	1,297
Hickman	5,337	Warren	9,336
Houston	1,862	Washington	18,576
Humphreys	3,646	Wayne	3,010
Jackson	2,608	Weakley	6,243
Jefferson	10,383	White	5,551
Johnson	4,028	Williamson	8,824
Knox	61,201	Wilson	13,594
Lake	2,015	Other	2,660
Total			1,183,444

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, 2009) of fiscal year 2010.

<u>Medical and Administrative</u>	
Expenditures	\$ 1,587,099,600
<i>less:</i> Federal Revenue	\$ 1,083,605,824
<i>less:</i> Other Revenue	<u>\$ 106,024,200</u>
State Appropriations Requirement	\$ 397,469,576
<u>Long Term Care</u>	
Expenditures	\$ 286,507,800
<i>less:</i> Federal Revenue	\$ 212,674,740
<i>less:</i> Other Revenue	<u>\$ -</u>
State Appropriations Requirement	\$ 73,833,060
Total State Appropriation Requirement	\$ 471,302,636
<u>Reconciliation of State Appropriations</u>	
State Appropriations	\$ 479,449,625
Balance Forward at 9/30/09	\$ 167,929,163
App. Transferred Through Revision	<u>\$ -</u>
Sub-total State Appropriations Available	\$ 647,378,788
State Dollars Required to Fund Qtr 2 FY2010	\$ 471,302,636
Balance Carried Forward to Next Quarter	\$ 176,076,152

*Other Revenue represents one-fourth of fiscal year 2010 budgeted drug rebates, premiums, current services, and certified public expenditures. The report for the fourth quarter of fiscal year 2010 will represent the net actual collections for fiscal year 2010.

Second Quarter Fiscal Year 2010 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 2010.

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 FY09-10</u>
Total Allotment Code 318.65	\$	44,773,900

		<u>Second Quarter FY09-10</u>
Governor's Office of Child Care Coordination		
Total Allotment Code 318.80	\$	1,517,600

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 FY09-10</u>
I. ICF Long Term Care		
A. General	\$	210,294,400
B. Skilled	\$	21,111,000
C. Nursing Home Revenue Offsets	\$	(3,531,700)
II. ICF - MR Long Term Care		
A. State Facilities	\$	35,770,100
B. Private Facilities	\$	22,864,000
Total Allotment Code 318.68	\$	286,507,800

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 FY09-10	
I. Medical		
A. MCO Services	\$	106,923,600
Integrated Managed Care	\$	859,931,300
B. MCO Administration	\$	7,210,100
C. Hospital Payments	\$	26,492,000
Disproportionate Share	\$	-
State Supplemental Pool Payments	\$	2,181,300
D. Pharmacy Services	\$	180,399,900
Clawback	\$	44,188,600
E. Dental - Medical	\$	42,507,700
F. Dental - Administration	\$	1,280,100
G. Federally Qualified Health Clinics	\$	3,329,300
H. Critical Access Hospitals	\$	4,070,900
I. Misc: Reductions in Exp.-	\$	(56,679,700)
II. Behavioral Health		
A. TennCare Partners	\$	362,000
B. Non-TennCare Partners	\$	-
III. Children's Services	\$	37,478,400
IV. Dental Services - Local Health	\$	-
V. Graduate Medical Education	\$	11,996,300
VI. Meharry Medical College Grant	\$	3,250,000
VII. Local Govt. Emergency Services Grant	\$	594,500
VII. Electronic Health Initiatives	\$	1,085,900
Total Allotment Code 318.66	\$	1,276,602,200

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.

Second Quarter FY09-10		
I. Statewide Elderly HCBS Waiver	\$	28,446,100
Waiver Administration	\$	1,611,700
II. Pace Program	\$	3,127,400
III. MR Waiver		
A. Administration	\$	-
B. Services	\$	126,943,200
C. Arlington Waiver	\$	12,068,100
D. Self Determination Waiver	\$	4,964,900
V. Medicare Crossover Services		
A. Buy-in Premiums	\$	69,405,800
B. Cost-Sharing (Crossover)	\$	17,638,700
Total Allotment Code 318.67	\$	264,205,900

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	\$ 22,303,450	\$ 22,386,950	\$ 83,500

	<u>State</u>	<u>Federal</u>	<u>Other</u>
Governor's Office of Child Care Coordination			
Total Allotment Code 318.80	\$ 708,800	\$ 758,800	\$ 50,000

<u>Long Term Care</u>	<u>State</u>	<u>Federal</u>	<u>Other</u>
I. ICF Long Term Care			
A. General	\$ 54,192,867	\$ 156,101,533	\$ -
B. Skilled	\$ 5,440,305	\$ 15,670,695	\$ -
C. Nursing Home Revenue Offsets	\$ (910,119)	\$ (2,621,581)	\$ -
II. ICF - MR Long Term Care			
A. State Facilities	\$ 9,217,955	\$ 26,552,145	\$ -
B. Private Facilities	\$ 5,892,053	\$ 16,971,947	\$ -
Total Allotment Code 318.68	\$ 73,833,061	\$ 212,674,739	\$ -

<u>Services</u>	<u>State</u>	<u>Federal</u>	<u>Other</u>
I. Medical			
A. MCO Services	\$ (21,817,938)	\$ 79,369,388	\$ 49,372,150
Integrated Managed Care	\$ 221,604,296	\$ 638,327,004	\$ -
B. MCO Administration	\$ 3,605,050	\$ 3,605,050	\$ -
C. Hospital Payments	\$ 9,065,562	\$ 17,426,438	\$ -
Disproportionate Share	\$ -	\$ -	\$ -
State Supplemental Pool Payments	\$ 2,181,300	\$ -	\$ -
D. Pharmacy Services	\$ 31,924,224	\$ 91,957,126	\$ 56,518,550
Clawback	\$ 44,188,600	\$ -	\$ -
E. Dental - Medical	\$ 10,954,234	\$ 31,553,466	\$ -
F. Dental - Administration	\$ 640,050	\$ 640,050	\$ -
G. Federally Qualified Health Clinics	\$ 857,961	\$ 2,471,339	\$ -
H. Critical Access Hospitals	\$ 1,049,071	\$ 3,021,829	\$ -
I. Misc: Reductions in Exp.-	\$ (14,606,359)	\$ (42,073,341)	\$ -
II. Behavioral Health			
A. TennCare Partners	\$ 93,287	\$ 268,713	\$ -
B. Non-TennCare Partners	\$ -	\$ -	\$ -
III. Children's Services	\$ 9,658,184	\$ 27,820,216	\$ -
IV. Dental Services - Local Health	\$ -	\$ -	\$ -
V. Graduate Medical Education	\$ 4,285,078	\$ 7,711,222	\$ -
VI. Meharry Medical College Grant	\$ 1,160,900	\$ 2,089,100	\$ -
VII. Local Govt. Emergency Services Grant	\$ 594,500	\$ -	\$ -
VII. Electronic Health Initiatives	\$ 542,950	\$ 542,950	\$ -
Total Allotment Code 318.66	\$ 305,980,950	\$ 864,730,550	\$ 105,890,700

<u>Waiver and Crossover Services</u>	<u>State</u>	<u>Federal</u>	<u>Other</u>
I. Statewide Elderly HCBS Waiver	\$ 7,330,560	\$ 21,115,540	\$ -
Waiver Administration	\$ 805,850	\$ 805,850	
II. Pace Program	\$ 805,931	\$ 2,321,469	\$ -
III. MR Waiver			
A. Administration	\$ -	\$ -	\$ -
B. Services	\$ 32,713,263	\$ 94,229,937	\$ -
C. Arlington Waiver	\$ 3,109,949	\$ 8,958,151	\$ -
D. Self Determination Waiver	\$ 1,279,455	\$ 3,685,445	\$ -
V. Medicare Crossover Services			
A. Buy-in Premiums	\$ 17,885,875	\$ 51,519,925	\$ -
B. Cost-Sharing (Crossover)	\$ 4,545,493	\$ 13,093,207	\$ -
Total Allotment Code 318.67	\$ 68,476,376	\$ 195,729,524	\$ -

Total TennCare Expenditures – Second Quarter FY09-10

	<u>Second Quarter</u>
Medical/MCO Administration	\$ 974,065,000
Pharmacy (includes Clawback)	\$ 224,588,500
Dental/Dental Administration	\$ 43,787,800
Behavioral Health	\$ 362,000
Misc. Medical Services	\$ (3,679,500)
Mental Retardation Programs	\$ 202,610,300
Medicare Cost Sharing	\$ 87,044,500
Nursing Home Services	\$ 227,873,700
Long Term Care Waivers	\$ 33,185,200
Children's Services	\$ 37,478,400
Administration & GOCCC	\$ 46,291,500
Total Qtr 2 Expenditures	\$ 1,873,607,400

Total TennCare Expenditures for FY09-10 as a Percentage of FY09-10 Budget

Total Qtr 2 Expenditures	\$ 1,873,607,400
Percentage of Total Budgeted	24.38%
Total Qtr 1 Expenditures	\$ 1,513,805,400
Percentage of Total Budgeted	19.70%
Total FY09-10 Expenditures	\$ 3,387,412,800
Percentage of Total Budgeted	44.08%
FY09-10 Budget	\$ 7,684,829,000

TennCare Enrollees by County

<u>County</u>	<u>Enrollees</u>	<u>County</u>	<u>Enrollees</u>
Anderson	14,070	Lauderdale	7,109
Bedford	10,370	Lawrence	8,359
Benton	3,525	Lewis	2,859
Bledsoe	2,938	Lincoln	6,585
Blount	18,185	Loudon	6,860
Bradley	17,946	Macon	5,580
Campbell	12,286	Madison	20,808
Cannon	2,807	Marion	6,337
Carroll	6,426	Marshall	5,369
Carter	11,420	Maury	15,060
Cheatham	5,794	McMinn	10,578
Chester	3,411	McNairy	7,095
Claiborne	8,357	Meigs	2,894
Clay	2,043	Monroe	10,173
Cocke	10,054	Montgomery	22,405
Coffee	10,883	Moore	913
Crockett	3,347	Morgan	4,429
Cumberland	10,314	Obion	6,389
Davidson	113,502	Overton	4,650
Decatur	2,589	Perry	1,694
Dekalb	4,178	Pickett	1,059
Dickson	8,963	Polk	3,649
Dyer	9,521	Putnam	13,869
Fayette	5,523	Rhea	7,871
Fentress	5,840	Roane	9,808
Franklin	6,665	Robertson	11,100
Gibson	11,368	Rutherford	35,275
Giles	5,478	Scott	7,272
Grainger	5,088	Sequatchie	3,407
Greene	13,173	Sevier	15,224
Grundy	4,734	Shelby	224,895
Hamblen	12,820	Smith	3,876
Hamilton	54,569	Stewart	2,490
Hancock	2,327	Sullivan	27,305
Hardeman	6,519	Sumner	22,009
Hardin	6,454	Tipton	11,713
Hawkins	12,364	Trousdale	1,600
Haywood	5,280	Unicoi	3,731
Henderson	6,248	Union	4,514
Henry	6,980	Van Buren	1,287
Hickman	5,350	Warren	9,384
Houston	1,913	Washington	18,743
Humphreys	3,645	Wayne	3,046
Jackson	2,626	Weakley	6,292
Jefferson	10,489	White	5,584
Johnson	4,066	Williamson	8,890
Knox	61,696	Wilson	13,781
Lake	2,021	Other	2,676
Total			1,192,661



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

January 13, 2010

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 second quarter of Fiscal Year 2009-2010.

- 1. Criteria for Medicaid Reimbursement of Care in Nursing Facilities; Criteria for Medicaid Reimbursement of Care in an Intermediate Care Facility for the Mentally Retarded (ICF/MR); Statewide Home and Community Based Services Waiver for the Elderly and Disabled; Nursing Home Preadmission Screening for Mental Illness and Mental Retardation; Home and Community Based Services Waiver for the Mentally Retarded and Developmentally Disabled; Home and Community Based Services Waiver for Persons with Mental Retardation; Tennessee Self-Determination Waiver Program.**

The Bureau of TennCare promulgated rulemaking hearing rules to ensure compliance with federal Preadmission Screening and Resident Review (PASRR) regulations set forth at 42 CFR Part 483, Subpart C, based on guidance by the Centers for Medicare and Medicaid Services (CMS) and to conform to the FY 2009-2010 Appropriations Bill.

- 2. Definitions; Enrollment, Reassignment, and Disenrollment with Managed Care Contractors (MCCS); Covered Services; Managed Care Organizations – TennCare Medicaid.**

The Bureau of TennCare promulgated rulemaking hearing rules to point out that TennCare no longer has Behavioral Health Organizations (BHOs). Managed Care Organizations now provide both medical and behavioral services.

- 3. Exclusions – TennCare Medicaid.**

The Bureau of TennCare promulgated a rulemaking hearing rule to point out that prophylactic use of stainless steel crowns are excluded from coverage because it does not satisfy the criteria for coverage under TennCare's medical necessity criteria.

4. Covered Services; Appeal of Adverse Actions Affecting TennCare Services or Benefits – TennCare Medicaid.

The Bureau of TennCare promulgated rulemaking hearing rules to bring the Bureau of TennCare rules into compliance with the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 which seeks to end health insurance benefit inequity between mental health/substance use disorders and medical/surgical benefits for group health plans with more than 50 employees.

5. Covered services – TennCare Medicaid.

The Bureau of TennCare promulgated a rulemaking hearing rule to point out that home health nurses and aides may accompany an enrollee outside the home for the purpose of providing prior approved home health services. The rule grants the home health agency the authority to decide whether or not the nurse or aide may accompany the service recipient outside of the home.

6. Definitions; Enrollment, Reassignment, and Disenrollment with Managed Care Contractors (MCCS); Covered Services; Managed Care Organizations – TennCare Standard.

The Bureau of TennCare promulgated rulemaking hearing rules to point out that TennCare no longer has Behavioral Health Organizations (BHOs). Managed Care Organizations (MCOs) now provide both medical and behavioral services.

7. Covered services – TennCare Standard.

The Bureau of TennCare promulgated a rulemaking hearing rule to point out that home health nurses and aides may accompany an enrollee outside the home for the purpose of providing prior approved home health services. The rule grants the home health agency the authority to decide whether or not the nurse or aide may accompany the service recipient outside of the home.

8. Exclusions – TennCare Standard.

The Bureau of TennCare promulgated a rulemaking hearing rule to point out that prophylactic use of stainless steel crowns are excluded from coverage because it does not satisfy the criteria for coverage under TennCare's medical necessity criteria.

9. Covered Services; Appeal of Adverse Actions Affecting TennCare Services or Benefits – TennCare Standard.

The Bureau of TennCare promulgated rulemaking hearing rules to bring the Bureau of TennCare rules into compliance with the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 which seeks to end health insurance benefit inequity between mental health/substance use disorders and medical/surgical benefits for group health plans with more than 50 employees.

10. Definitions – Medical Necessity.

The Bureau of TennCare promulgated rulemaking hearing rules to point out that TennCare no longer has Behavioral Health Organizations (BHOs). Managed Care Organizations (MCOs) now provide both medical and behavioral services.

11. Definitions; Medicare Crossover Payment Methodology.

The Bureau of TennCare promulgated rulemaking hearing rules to point out that TennCare is revising its methodology for reimbursing full benefit dual eligibles.

12. Limitation on Amount Duration and Scope of Medical Care and Services Provided; Methods and Standards for Establishing Payment Rates – Other Types of Care – H1N1 Vaccine Administration.

The Bureau of TennCare received approval of a State Plan Amendment from CMS with an effective date of October 8, 2009. This plan amendment establishes a payment rate for administering the H1N1 vaccine during the 2009-2010 influenza seasons by pharmacists employed by a pharmacy participating in the PBM National Network or the TennCare Network.

Sincerely,



Darin J. Gordon
Director, Bureau of TennCare

GW10110006

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, 2010) of fiscal year 2010.

<u>Medical and Administrative</u>	
Expenditures	\$ 2,182,511,000
<i>less:</i> Federal Revenue	\$ 1,544,050,167
<i>less:</i> Other Revenue	\$ 106,024,200
	<hr/>
State Appropriations Requirement	\$ 532,436,633
<u>Long Term Care</u>	
Expenditures	\$ 374,377,200
<i>less:</i> Federal Revenue	\$ 277,900,196
<i>less:</i> Other Revenue	\$ -
	<hr/>
State Appropriations Requirement	\$ 96,477,004
Total State Appropriation Requirement	\$ 628,913,637
<u>Reconciliation of State Appropriations</u>	
State Appropriations	\$ 479,449,625
Balance Forward at 12/31/09	\$ 176,076,152
App. Transferred Through Revision	\$ -
	<hr/>
Sub-total State Appropriations Available	\$ 655,525,777
State Dollars Required to Fund Qtr 3 FY2010	\$ 628,913,637
Balance Carried Forward to Next Quarter	\$ 26,612,140

*Other Revenue represents one-fourth of fiscal year 2010 budgeted drug rebates, premiums, current services, and certified public expenditures. The report for the fourth quarter of fiscal year 2010 will represent the net actual collections for fiscal year 2010.

Third Quarter Fiscal Year 2010 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 2010.

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 FY09-10</u>
Total Allotment Code 318.65	\$ 44,484,400

	<u>Third Quarter FY09-10</u>
Governor's Office of Child Care Coordination	
Total Allotment Code 318.80	\$ 2,510,900

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 FY09-10</u>
I. ICF Long Term Care	
A. General	\$ 277,120,900
B. Skilled	\$ 25,688,300
C. Nursing Home Revenue Offsets	\$ (4,815,001)
II. ICF - MR Long Term Care	
A. State Facilities	\$ 46,313,700
B. Private Facilities	\$ 30,069,300
Total Allotment Code 318.68	\$ 374,377,199

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 FY09-10</u>	
I. Medical		
A. MCO Services	\$	236,513,700
Integrated Managed Care	\$	1,226,976,500
B. MCO Administration	\$	(65,216,400)
C. Hospital Payments	\$	25,869,200
Disproportionate Share	\$	-
State Supplemental Pool Payments	\$	-
D. Pharmacy Services	\$	244,643,900
Clawback	\$	45,755,900
E. Dental - Medical	\$	52,385,800
F. Dental - Administration	\$	1,709,100
G. Federally Qualified Health Clinics	\$	8,075,200
H. Critical Access Hospitals	\$	6,895,800
I. Misc: Reductions in Exp.-	\$	23,939,000
II. Behavioral Health		
A. TennCare Partners	\$	381,500
B. Non-TennCare Partners	\$	-
III. Children's Services	\$	58,645,300
IV. Dental Services - Local Health	\$	2,446,200
V. Graduate Medical Education	\$	8,938,100
VI. Meharry Medical College Grant	\$	3,833,300
VII. Local Govt. Emergency Services Grant	\$	-
VII. Electronic Health Initiatives	\$	1,373,800
Total Allotment Code 318.66	\$	1,883,165,900

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 FY09-10</u>		
I. Statewide Elderly HCBS Waiver	\$	31,698,100
Waiver Administration	\$	1,323,600
II. Pace Program	\$	4,111,500
III. MR Waiver		
A. Administration	\$	-
B. Services	\$	125,478,600
C. Arlington Waiver	\$	12,179,100
D. Self Determination Waiver	\$	4,895,500
V. Medicare Crossover Services		
A. Buy-in Premiums	\$	54,255,900
B. Cost-Sharing (Crossover)	\$	18,407,500
Total Allotment Code 318.67	\$	252,349,800

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	\$ 22,158,700	\$ 22,242,200	\$ 83,500

	<u>State</u>	<u>Federal</u>	<u>Other</u>
Governor's Office of Child Care Coordination			
Total Allotment Code 318.80	\$ 1,205,450	\$ 1,255,450	\$ 50,000

<u>Long Term Care</u>	<u>State</u>	<u>Federal</u>	<u>Other</u>
I. ICF Long Term Care			
A. General	\$ 71,414,056	\$ 205,706,844	\$ -
B. Skilled	\$ 6,619,875	\$ 19,068,425	\$ -
C. Nursing Home Revenue Offsets	\$ (1,240,826)	\$ (3,574,175)	\$ -
II. ICF - MR Long Term Care			
A. State Facilities	\$ 11,935,040	\$ 34,378,660	\$ -
B. Private Facilities	\$ 7,748,859	\$ 22,320,441	\$ -
Total Allotment Code 318.68	\$ 96,477,004	\$ 277,900,195	\$ -

	<u>State</u>	<u>Federal</u>	<u>Other</u>
I. Medical			
A. MCO Services	\$ 11,577,430	\$ 175,564,120	\$ 49,372,150
Integrated Managed Care	\$ 316,191,844	\$ 910,784,656	\$ -
B. MCO Administration	\$ (32,608,200)	\$ (32,608,200)	\$ -
C. Hospital Payments	\$ 8,852,440	\$ 17,016,760	\$ -
Disproportionate Share	\$ -	\$ -	\$ -
State Supplemental Pool Payments	\$ -	\$ -	\$ -
D. Pharmacy Services	\$ 48,479,903	\$ 139,645,447	\$ 56,518,550
Clawback	\$ 45,755,900	\$ -	\$ -
E. Dental - Medical	\$ 13,499,821	\$ 38,885,979	\$ -
F. Dental - Administration	\$ 854,550	\$ 854,550	\$ -
G. Federally Qualified Health Clinics	\$ 2,080,979	\$ 5,994,221	\$ -
H. Critical Access Hospitals	\$ 1,777,048	\$ 5,118,752	\$ -
I. Misc: Reductions in Exp.-	\$ 6,169,080	\$ 17,769,920	\$ -
II. Behavioral Health			
A. TennCare Partners	\$ 98,313	\$ 283,187	\$ -
B. Non-TennCare Partners	\$ -	\$ -	\$ -
III. Children's Services	\$ 15,112,894	\$ 43,532,406	\$ -
IV. Dental Services - Local Health	\$ 630,386	\$ 1,815,814	\$ -
V. Graduate Medical Education	\$ 3,192,689	\$ 5,745,411	\$ -
VI. Meharry Medical College Grant	\$ 1,369,255	\$ 2,464,045	\$ -
VII. Local Govt. Emergency Services Grant	\$ -	\$ -	\$ -
VII. Electronic Health Initiatives	\$ 686,900	\$ 686,900	\$ -
Total Allotment Code 318.66	\$ 443,721,232	\$ 1,333,553,968	\$ 105,890,700

Waiver and Crossover Services	State	Federal	Other
I. Statewide Elderly HCBS Waiver	\$ 8,168,600	\$ 23,529,500	\$ -
Waiver Administration	\$ 661,800	\$ 661,800	\$ -
II. Pace Program	\$ 1,059,534	\$ 3,051,966	\$ -
III. MR Waiver			
A. Administration	\$ -	\$ -	\$ -
B. Services	\$ 32,335,835	\$ 93,142,765	\$ -
C. Arlington Waiver	\$ 3,138,554	\$ 9,040,546	\$ -
D. Self Determination Waiver	\$ 1,261,570	\$ 3,633,930	\$ -
V. Medicare Crossover Services			
A. Buy-in Premiums	\$ 13,981,745	\$ 40,274,155	\$ -
B. Cost-Sharing (Crossover)	\$ 4,743,613	\$ 13,663,887	\$ -
Total Allotment Code 318.67	\$ 65,351,251	\$ 186,998,549	\$ -

Total TennCare Expenditures – Third Quarter FY09-10

	<u>Third Quarter</u>
Medical/MCO Administration	\$ 1,398,273,800
Pharmacy (includes Clawback)	\$ 290,399,800
Dental/Dental Administration	\$ 54,094,900
Behavioral Health	\$ 381,500
Misc. Medical Services	\$ 81,370,600
Mental Retardation Programs	\$ 218,936,200
Medicare Cost Sharing	\$ 72,663,400
Nursing Home Services	\$ 297,994,200
Long Term Care Waivers	\$ 37,133,200
Children's Services	\$ 58,645,300
Administration & GOCCC	\$ 46,995,300
Total Qtr 3 Expenditures	\$ 2,556,888,200

Total TennCare Expenditures for FY09-10 as a Percentage of FY09-10 Budget

Total Qtr 3 Expenditures	\$ 2,556,888,200
Percentage of Total Budgeted	33.27%
Total Qtr 2 Expenditures	\$ 1,873,607,400
Percentage of Total Budgeted	24.38%
Total Qtr 1 Expenditures	\$ 1,513,805,400
Percentage of Total Budgeted	19.70%
Total FY09-10 Expenditures	\$ 5,944,301,000
Percentage of Total Budgeted	77.35%
FY09-10 Budget	\$ 7,684,829,000

TennCare Enrollees by County

<u>County</u>	<u>Enrollees</u>	<u>County</u>	<u>Enrollees</u>
Anderson	14,083	Lauderdale	7,110
Bedford	10,420	Lawrence	8,436
Benton	3,510	Lewis	2,833
Bledsoe	2,911	Lincoln	6,562
Blount	18,262	Loudon	6,909
Bradley	18,039	Macon	5,616
Campbell	12,261	Madison	20,822
Cannon	2,840	Marion	6,371
Carroll	6,420	Marshall	5,346
Carter	11,444	Maury	15,094
Cheatham	5,805	McMinn	10,546
Chester	3,391	McNairy	7,115
Claiborne	8,361	Meigs	2,871
Clay	2,025	Monroe	10,173
Cocke	10,130	Montgomery	22,542
Coffee	10,886	Moore	896
Crockett	3,374	Morgan	4,411
Cumberland	10,369	Obion	6,437
Davidson	114,183	Overton	4,642
Decatur	2,562	Perry	1,693
Dekalb	4,176	Pickett	1,062
Dickson	9,030	Polk	3,675
Dyer	9,499	Putnam	13,941
Fayette	5,502	Rhea	7,897
Fentress	5,819	Roane	9,832
Franklin	6,688	Robertson	11,174
Gibson	11,446	Rutherford	35,326
Giles	5,495	Scott	7,272
Grainger	5,107	Sequatchie	3,423
Greene	13,229	Sevier	15,209
Grundy	4,742	Shelby	225,795
Hamblen	12,885	Smith	3,905
Hamilton	54,642	Stewart	2,521
Hancock	2,330	Sullivan	27,366
Hardeman	6,518	Sumner	22,167
Hardin	6,420	Tipton	11,679
Hawkins	12,407	Trousdale	1,616
Haywood	5,295	Unicoi	3,720
Henderson	6,254	Union	4,525
Henry	7,025	Van Buren	1,297
Hickman	5,330	Warren	9,454
Houston	1,924	Washington	18,832
Humphreys	3,662	Wayne	3,030
Jackson	2,591	Weakley	6,277
Jefferson	10,473	White	5,633
Johnson	4,058	Williamson	8,904
Knox	61,959	Wilson	13,915
Lake	2,023	Other	2,605
Total		Total	1,196,282

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, 2010) of fiscal year 2010.

<u>Medical and Administrative</u>	
Expenditures	\$ 2,065,017,700
<i>less:</i> Federal Revenue	\$ 1,507,447,276
<i>less:</i> Other Revenue	<u>\$ 110,885,800</u>
State Appropriations Requirement	\$ 446,684,624
<u>Long Term Care</u>	
Expenditures	\$ 172,284,800
<i>less:</i> Federal Revenue	\$ 127,887,007
<i>less:</i> Other Revenue	<u>\$ -</u>
State Appropriations Requirement	\$ 44,397,793
Total State Appropriation Requirement	\$ 491,082,417
<u>Reconciliation of State Appropriations</u>	
State Appropriations	\$ 479,449,625
Balance Forward at 3/31/10	\$ 26,612,140
App. Transferred Through Revision	<u>\$ -</u>
Sub-total State Appropriations Available	\$ 479,449,625
State Dollars Required to Fund Qtr 4 FY2010	\$ 491,082,417
Balance Carried Forward to Next Quarter	\$ (11,632,792)

*Other Revenue represents the net actual collections of drug rebates, premiums, current services, and certified public expenditures for fiscal year 2010.

Fourth Quarter Fiscal Year 2010 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 2010.

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 FY09-10</u>
Total Allotment Code 318.65	\$ 153,822,200

	<u>Fourth Quarter FY09-10</u>
Governor's Office of Child Care Coordination	
Total Allotment Code 318.80	\$ 3,497,800

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 FY09-10</u>
I. ICF Long Term Care	
A. General	\$ 123,614,400
B. Skilled	\$ 3,819,300
C. Nursing Home Revenue Offsets	\$ (4,500,600)
II. ICF - MR Long Term Care	
A. State Facilities	\$ 43,808,100
B. Private Facilities	\$ 5,543,600
Total Allotment Code 318.68	\$ 172,284,800

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 FY09-10</u>
I. Medical		
A. MCO Services	\$	(354,069,500)
Integrated Managed Care	\$	1,540,015,500
B. MCO Administration	\$	5,452,800
C. Hospital Payments	\$	35,570,600
Disproportionate Share	\$	39,751,300
State Supplemental Pool Payments	\$	9,700
D. Pharmacy Services	\$	178,769,200
Clawback	\$	(48,689,400)
E. Dental - Medical	\$	40,596,300
F. Dental - Administration	\$	1,299,600
G. Federally Qualified Health Clinics	\$	8,214,800
H. Critical Access Hospitals	\$	4,033,300
I. Misc: Reductions in Exp.-	\$	(16,334,100)
II. Behavioral Health		
A. TennCare Partners	\$	(9,516,100)
B. Non-TennCare Partners	\$	(62,655,200)
III. Children's Services	\$	97,925,300
IV. Dental Services - Local Health	\$	3,483,500
V. Graduate Medical Education	\$	32,599,700
VI. Meharry Medical College Grant	\$	3,750,000
VII. Local Govt. Emergency Services Grant	\$	73,400
VII. Electronic Health Initiatives	\$	(914,400)
Total Allotment Code 318.66	\$	1,499,366,300

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 FY09-10</u>		
I. Statewide Elderly HCBS Waiver	\$	19,628,000
Waiver Administration	\$	2,714,000
II. Pace Program	\$	556,200
III. MR Waiver		
A. Administration	\$	53,423,700
B. Services	\$	180,210,600
C. Arlington Waiver	\$	10,287,700
D. Self Determination Waiver	\$	3,094,000
V. Medicare Crossover Services		
A. Buy-in Premiums	\$	132,472,600
B. Cost-Sharing (Crossover)	\$	5,944,600
Total Allotment Code 318.67	\$	408,331,400

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	\$ 76,827,600	\$ 76,911,100	\$ 83,500

	<u>State</u>	<u>Federal</u>	<u>Other</u>
Governor's Office of Child Care Coordination			
Total Allotment Code 318.80	\$ 1,698,900	\$ 1,748,900	\$ 50,000

<u>Long Term Care</u>	<u>State</u>	<u>Federal</u>	<u>Other</u>
I. ICF Long Term Care			
A. General	\$ 31,855,431	\$ 91,758,969	\$ -
B. Skilled	\$ 984,234	\$ 2,835,066	\$ -
C. Nursing Home Revenue Offsets	\$ (1,159,805)	\$ (3,340,795)	\$ -
II. ICF - MR Long Term Care			
A. State Facilities	\$ 11,289,347	\$ 32,518,753	\$ -
B. Private Facilities	\$ 1,428,586	\$ 4,115,014	\$ -
Total Allotment Code 318.68	\$ 44,397,793	\$ 127,887,007	\$ -

<u>Services</u>	<u>State</u>	<u>Federal</u>	<u>Other</u>
I. Medical			
A. MCO Services	\$ (143,046,660)	\$ (262,825,790)	\$ 51,802,950
Integrated Managed Care	\$ 396,861,994	\$ 1,143,153,506	\$ -
B. MCO Administration	\$ 2,726,400	\$ 2,726,400	\$ -
C. Hospital Payments	\$ 12,705,818	\$ 22,864,782	\$ -
Disproportionate Share	\$ 14,199,164	\$ 25,552,136	\$ -
State Supplemental Pool Payments	\$ 9,700	\$ -	\$ -
D. Pharmacy Services	\$ 30,877,575	\$ 88,942,275	\$ 58,949,350
Clawback	\$ (48,689,400)	\$ -	\$ -
E. Dental - Medical	\$ 10,461,667	\$ 30,134,633	\$ -
F. Dental - Administration	\$ 649,800	\$ 649,800	\$ -
G. Federally Qualified Health Clinics	\$ 2,116,954	\$ 6,097,846	\$ -
H. Critical Access Hospitals	\$ 1,039,381	\$ 2,993,919	\$ -
I. Misc: Reductions in Exp.-	\$ (4,209,298)	\$ (12,124,802)	\$ -
II. Behavioral Health			
A. TennCare Partners	\$ (2,452,299)	\$ (7,063,801)	\$ -
B. Non-TennCare Partners	\$ (62,655,200)	\$ -	\$ -
III. Children's Services	\$ 25,235,350	\$ 72,689,950	\$ -
IV. Dental Services - Local Health	\$ 897,698	\$ 2,585,802	\$ -
V. Graduate Medical Education	\$ 11,644,613	\$ 20,955,087	\$ -
VI. Meharry Medical College Grant	\$ 1,339,500	\$ 2,410,500	\$ -
VII. Local Govt. Emergency Services Grant	\$ 73,400	\$ -	\$ -
VII. Electronic Health Initiatives	\$ (457,200)	\$ (457,200)	\$ -
Total Allotment Code 318.66	\$ 249,328,957	\$ 1,139,285,043	\$ 110,752,300

<u>Waiver and Crossover Services</u>	<u>State</u>	<u>Federal</u>	<u>Other</u>
I. Statewide Elderly HCBS Waiver	\$ 5,058,136	\$ 14,569,864	\$ -
Waiver Administration	\$ 1,357,000	\$ 1,357,000	\$ -
II. Pace Program	\$ 143,333	\$ 412,867	\$ -
III. MR Waiver			
A. Administration	\$ 26,711,850	\$ 26,711,850	\$ -
B. Services	\$ 46,440,272	\$ 133,770,328	\$ -
C. Arlington Waiver	\$ 2,651,140	\$ 7,636,560	\$ -
D. Self Determination Waiver	\$ 797,324	\$ 2,296,676	\$ -
V. Medicare Crossover Services			
A. Buy-in Premiums	\$ 34,138,189	\$ 98,334,411	\$ -
B. Cost-Sharing (Crossover)	\$ 1,531,923	\$ 4,412,677	\$ -
Total Allotment Code 318.67	\$ 118,829,167	\$ 289,502,233	\$ -

Total TennCare Expenditures – Fourth Quarter FY09-10

	Fourth Quarter
Medical/MCO Administration	\$ 1,191,398,800
Pharmacy (includes Clawback)	\$ 130,079,800
Dental/Dental Administration	\$ 41,895,900
Behavioral Health	\$ (72,171,300)
Misc. Medical Services	\$ 110,237,800
Mental Retardation Programs	\$ 296,367,700
Medicare Cost Sharing	\$ 138,417,200
Nursing Home Services	\$ 122,933,100
Long Term Care Waivers	\$ 22,898,200
Children's Services	\$ 97,925,300
Administration & GOCCC	\$ 157,320,000
Total Qtr 4 Expenditures	\$ 2,237,302,500

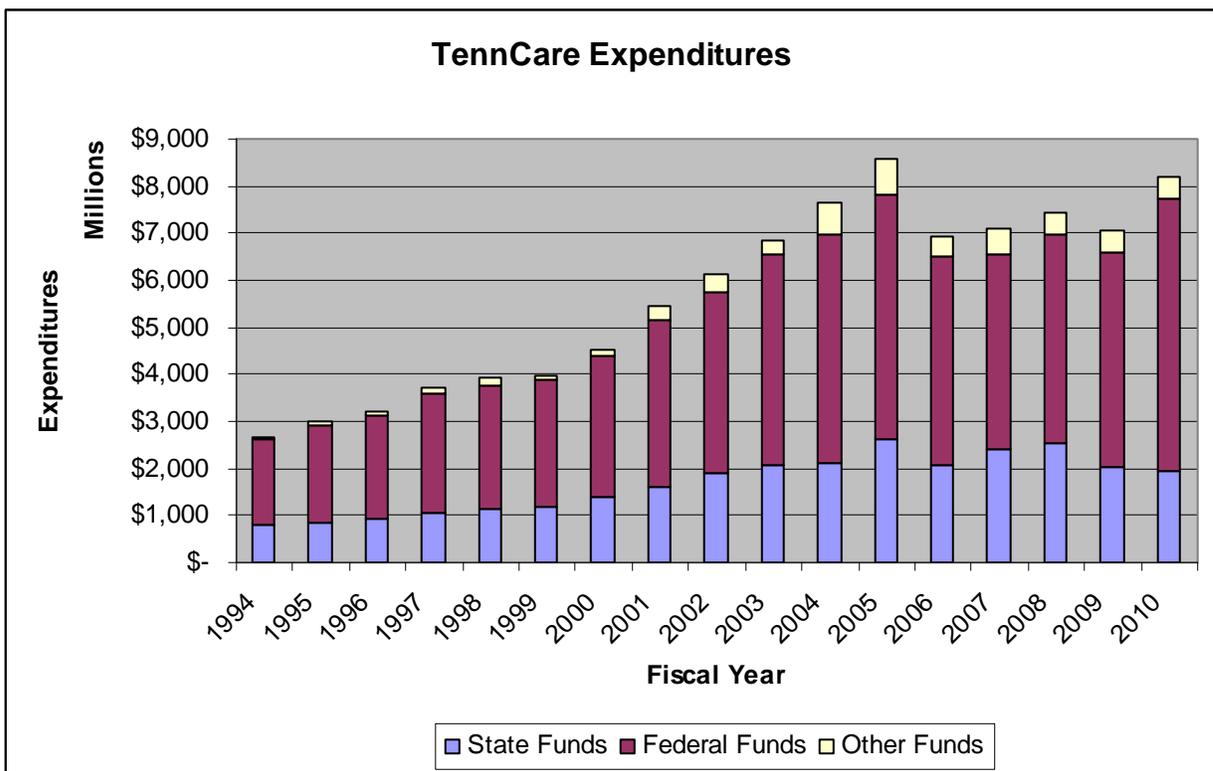
Total TennCare Expenditures for FY09-10 as a Percentage of FY09-10 Budget

Total Qtr 4 Expenditures	\$ 2,237,302,500
Percentage of Total Budgeted	29.11%
Total Qtr 3 Expenditures	\$ 2,556,888,200
Percentage of Total Budgeted	33.27%
Total Qtr 2 Expenditures	\$ 1,873,607,400
Percentage of Total Budgeted	24.38%
Total Qtr 1 Expenditures	\$ 1,513,805,400
Percentage of Total Budgeted	19.70%
Total FY09-10 Expenditures	\$ 8,181,603,500
Percentage of Total Budgeted	106.46%
FY09-10 Budget	\$ 7,684,829,000

Expenditure Trends

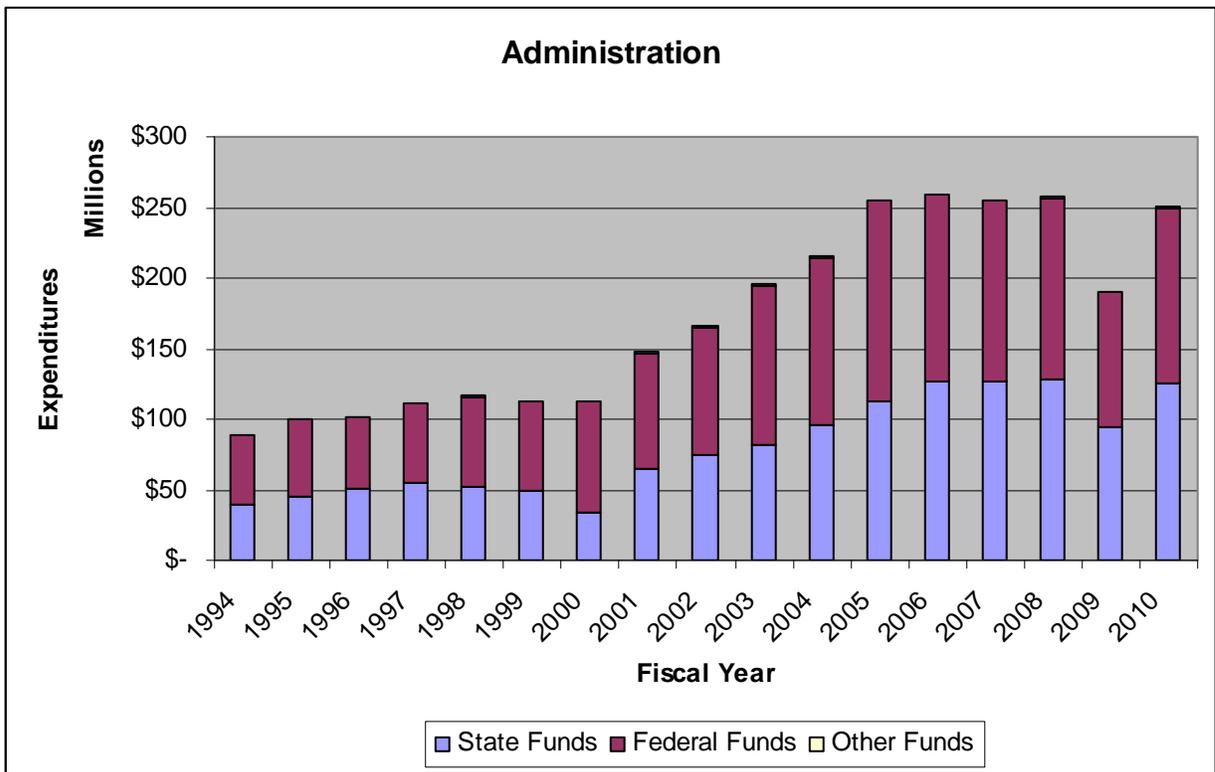
Total Expenditures – Allotment Code 318.00

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%
2009	\$ 2,018,973,592	\$ 4,557,726,848	\$ 484,666,700	\$ 7,061,367,140	-5.20%
2010	\$ 1,953,428,748	\$ 5,799,216,352	\$ 428,958,400	\$ 8,181,603,500	15.86%



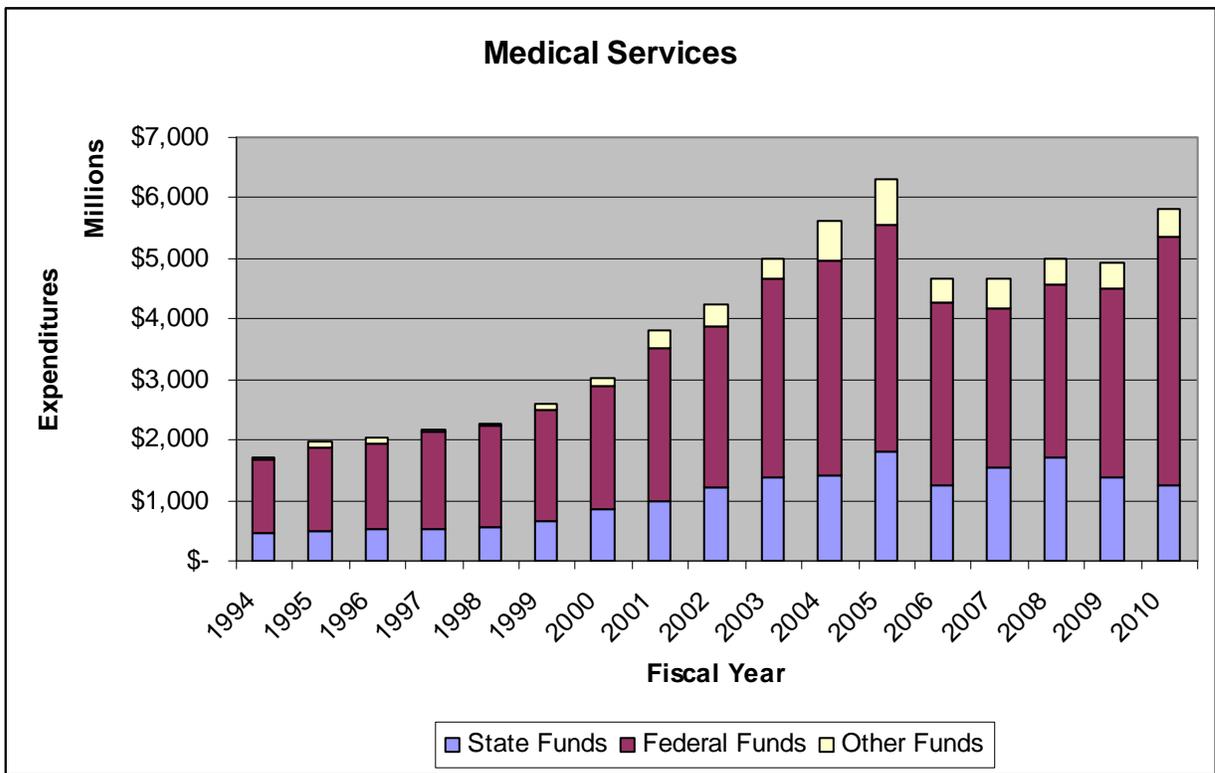
Administration – Allotment Code 318.65

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%
2009	\$ 94,955,362	\$ 95,289,662	\$ 334,300	\$ 190,579,324	-25.86%
2010	\$ 124,769,800	\$ 125,103,800	\$ 334,000	\$ 250,207,600	31.29%



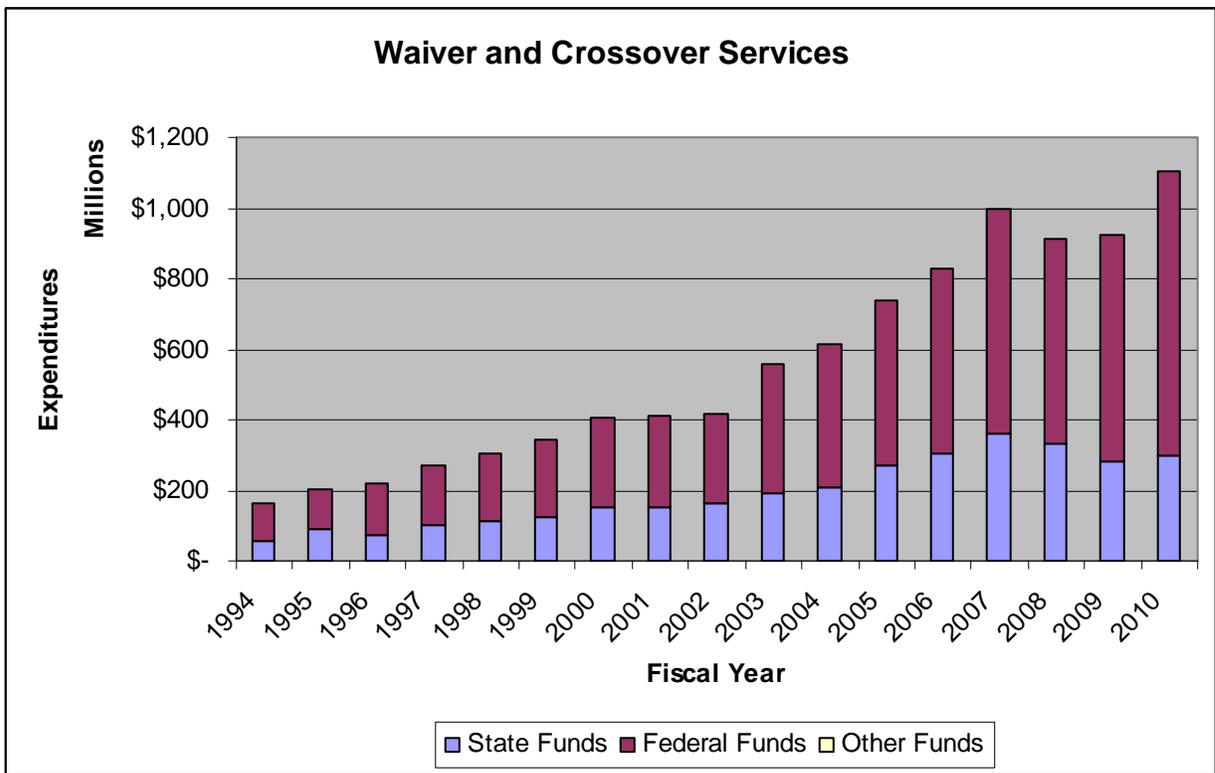
Medical Services – Allotment Code 318.66

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%
2009	\$ 1,388,196,837	\$ 3,110,019,972	\$ 417,082,400	\$ 4,915,299,209	-1.67%
2010	\$ 1,263,494,787	\$ 4,108,711,113	\$ 428,424,400	\$ 5,800,630,300	18.01%



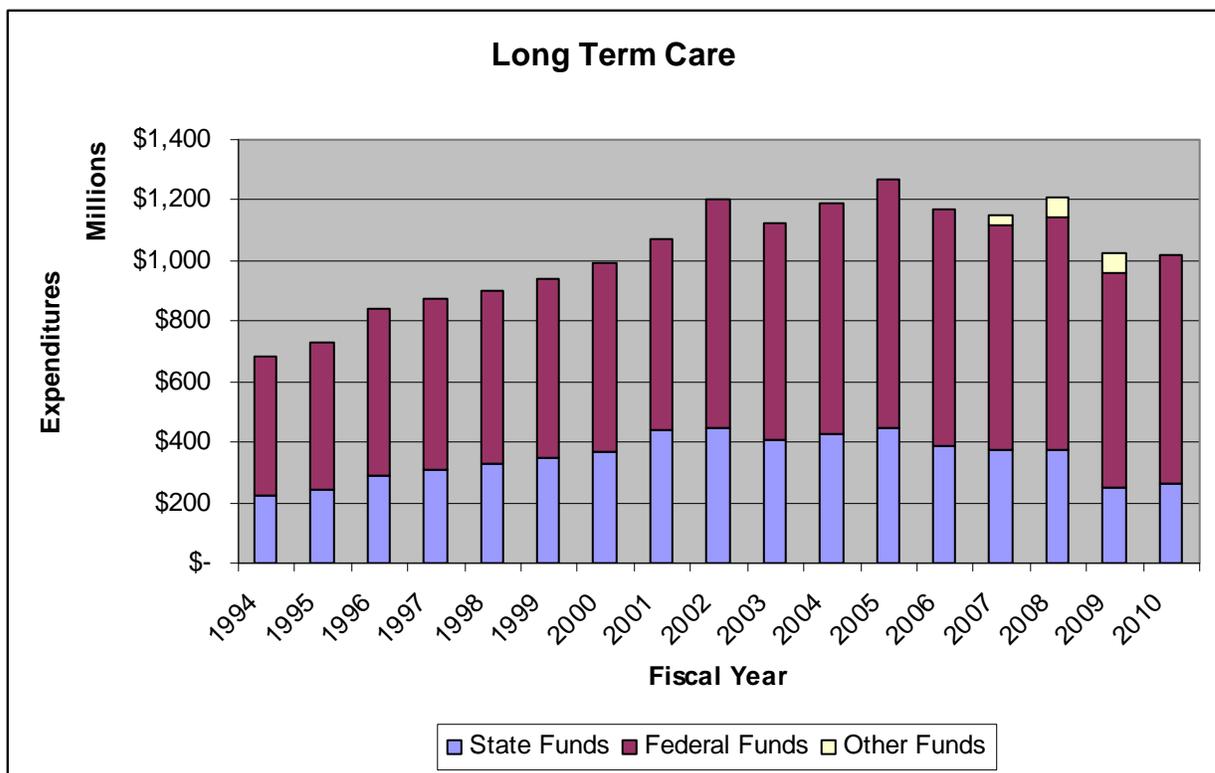
Waiver and Crossover – Allotment Code 318.67

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%
2009	\$ 282,815,247	\$ 642,206,714	\$ -	\$ 925,021,961	1.34%
2010	\$ 299,272,673	\$ 806,266,427	\$ -	\$ 1,105,539,100	19.51%



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%
2009	\$ 250,279,014	\$ 707,483,373	\$ 67,250,000	\$ 1,025,012,387	-15.39%
2010	\$ 262,190,087	\$ 755,233,613	\$ -	\$ 1,017,423,700	-0.74%



TennCare Enrollees by County

<u>County</u>	<u>Enrollees</u>	<u>County</u>	<u>Enrollees</u>
Anderson	14,009	Lauderdale	7,066
Bedford	10,430	Lawrence	8,500
Benton	3,486	Lewis	2,834
Bledsoe	2,946	Lincoln	6,558
Blount	18,286	Loudon	6,897
Bradley	18,021	Macon	5,640
Campbell	12,272	Madison	20,743
Cannon	2,884	Marion	6,356
Carroll	6,440	Marshall	5,373
Carter	11,466	Maury	15,062
Cheatham	5,806	McMinn	10,570
Chester	3,396	McNairy	7,102
Claiborne	8,332	Meigs	2,839
Clay	1,994	Monroe	10,122
Cocke	10,065	Montgomery	22,529
Coffee	10,862	Moore	881
Crockett	3,379	Morgan	4,393
Cumberland	10,369	Obion	6,384
Davidson	114,743	Overton	4,644
Decatur	2,530	Perry	1,716
Dekalb	4,169	Pickett	1,051
Dickson	9,033	Polk	3,674
Dyer	9,566	Putnam	13,991
Fayette	5,504	Rhea	7,942
Fentress	5,821	Roane	9,807
Franklin	6,648	Robertson	11,194
Gibson	11,440	Rutherford	35,434
Giles	5,493	Scott	7,284
Grainger	5,099	Sequatchie	3,439
Greene	13,233	Sevier	15,208
Grundy	4,722	Shelby	226,188
Hamblen	12,799	Smith	3,882
Hamilton	54,601	Stewart	2,540
Hancock	2,312	Sullivan	27,487
Hardeman	6,533	Sumner	22,163
Hardin	6,398	Tipton	11,768
Hawkins	12,328	Trousdale	1,627
Haywood	5,294	Unicoi	3,731
Henderson	6,257	Union	4,481
Henry	6,993	Van Buren	1,296
Hickman	5,316	Warren	9,414
Houston	1,922	Washington	18,801
Humphreys	3,635	Wayne	3,013
Jackson	2,590	Weakley	6,263
Jefferson	10,464	White	5,629
Johnson	4,080	Williamson	8,810
Knox	61,975	Wilson	13,942
Lake	2,037	Other	2,554
Total			1,196,800