August 19, 2022

Aaron Butler
Director of Policy
Division of TennCare
310 Great Circle Road
Nashville, TN 37243

Dear Director Butler:

Re: Amendment 4 to the TennCare III Demonstration

Thank you for the opportunity to provide feedback on Tennessee's TennCare program.

The undersigned organizations represent millions of individuals facing serious, acute and chronic health conditions in Tennessee. We have a unique perspective on what individuals and families need to prevent disease, cure illness and manage chronic health conditions. The diversity of our organizations and the populations we serve enable us to draw upon a wealth of knowledge and expertise that is an invaluable resource regarding any decisions affecting the Medicaid program and the people that it serves. We urge TennCare to make the best use of the recommendations, knowledge and experience our organizations offer here.

The purpose of the Medicaid program is to provide healthcare coverage for low-income individuals and families, and our organizations are committed to ensuring that TennCare provides quality and affordable healthcare coverage. Many of our organizations submitted detailed comments to the Centers for Medicare and Medicaid Services (CMS) during the September 2021 comment period on the current TennCare demonstration.[1] We thank TennCare for making multiple changes responsive to these comments in Amendment 4, including the removal of the closed formulary and the removal of the aggregate cap.

Our organizations offer the following comments on these areas of Amendment 4 to the TennCare III Demonstration, as well as additional changes we urge you to make before submitting the amendment to CMS:

Closed Formulary
Our organizations support the removal of the closed formulary from the demonstration. Diseases present differently in different patients, and prescription drugs have different indications, different mechanisms of action and different side effects, depending on the person's diagnosis and comorbidities. A closed formulary limits the ability of providers to make the best medical decisions for their patients and jeopardizes patients' access to evidence-based care.

TennCare patients include very low-income pregnant women, the elderly, children and the blind and disabled. The Medicaid population does not have the luxury of shopping around for health plans, unlike participants in the commercial insurance market, and so these individuals likely would have lost access to needed medications under the closed formulary proposal. Our organizations appreciate that the closed formulary policy has been removed and believe that Medicaid enrollees in Tennessee will benefit from this change.

Funding Structure
Our organizations support the proposed changes to the funding structure, including the removal of the aggregate cap. Aggregate caps that limit the amount of federal funding provided to a state could force the state to either make up the difference with state funds or make cuts to the Medicaid program that would reduce access to care for the patients we represent. Program cuts would likely have resulted in enrollment limits, benefit reductions, reductions in provider payments or increased out-of-pocket cost-sharing for Medicaid enrollees.

Our organizations also appreciate the strengthened language in the standard terms and conditions which make it explicit that TennCare will not have the ability to reduce patient benefits and coverage without prior approval. It is important that these protections be in place to ensure access to care for Tennesseans.

Demonstration Expenditure Authority
Our organizations support the goals of many of the designated state investment programs (DSIPs) that Tennessee discusses in Amendment 4, such as community-based clinics, behavioral safety net services, and prescription medication support. However, as negotiations with CMS over expenditure authority move forward, we urge the state and CMS to put guardrails in place to ensure that spending meets the needs of beneficiaries. For example, Tennessee should have a fixed demonstration budget for the DSIPs rather than an opened ended limit to ensure that there are not incentives in place that would reduce spending on important services for patients with Medicaid coverage. Additionally, the state should report how the DSIP funds are spent to ensure that they are actually spent and used for approved, Medicaid-related programs.

Retroactive Coverage
Our organizations remain concerned by the continued waiver of retroactive coverage for non-pregnant adults in Amendment 4. Retroactive coverage in Medicaid prevents gaps in coverage by covering individuals for up to 90 days prior to the month of application, assuming the individual is eligible for Medicaid coverage during that time frame. It is common that individuals are unaware they are eligible for Medicaid until a medical event or diagnosis occurs. Retroactive coverage allows patients who have

been diagnosed with a serious illness to begin treatment without being burdened by medical debt prior to their official eligibility determination, providing crucial financial protections to newly enrolled beneficiaries.

Medicaid paperwork can be burdensome and often confusing. A Medicaid enrollee may not have understood or received a notice of Medicaid renewal and only discovered the coverage lapse when picking up a prescription or going to see their doctor. In Indiana, Medicaid recipients were responsible for an average of $1,561 in medical costs with the elimination of retroactive eligibility.[2] Without retroactive eligibility, Medicaid enrollees could then face substantial costs at their doctor's office or pharmacy. This can lead to patients that are newly diagnosed with health conditions delaying their treatment.

Our organizations strongly urge TennCare to reinstate retroactive coverage for all Medicaid eligibility groups in the state. This is in line with the objectives of Medicaid and would improve the affordability of care for patients in Tennessee.

Conclusion
Our organizations are pleased by the changes that have been proposed for TennCare in Amendment 4. We urge you to move forward with these policies, and make the additional changes we recommend above, when you submit Amendment 4 to CMS. Thank you for the opportunity to provide comments.

Sincerely,

American Cancer Society Cancer Action Network
American Heart Association
American Lung Association
Arthritis Foundation
Cancer*Care*
Cancer Support Community
Epilepsy Foundation
Hemophilia Federation of America
Lupus Foundation of America
March of Dimes
Mended Little Hearts
National Organization for Rare Disorders
National Patient Advocate Foundation
Susan G. Komen
The AIDS Institute
The Leukemia & Lymphoma Society

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[1] Health Partners Letter to Secretary Becerra re: TennCare 1115 Waiver. September 9, 2011. Available at: https://www.lung.org/getmedia/4a6256df-73e6-43ef-9fb6-4aefc979375a/health-partner-letter-re-tenncare-1115-waiver-(final).pdf

[2] Healthy Indiana Plan 2.0 CMS Redetermination Letter. July 29, 2016. Available at: https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/in/Healthy-Indiana-Plan-2/in-healthy-indiana-plan-support-20-lockouts-redetermination-07292016.pdf