

[LOGOS]

July 25, 2019

Mr. Stuart McWhorter
Commissioner
Department of Finance and Administration
312 Rosa L. Parks Avenue
Nashville, TN 37243

Mr. Gabe Roberts
Deputy Commissioner and Director of TennCare
Division of TennCare
310 Great Circle Rd.
Nashville, TN 37243

Re: Medicaid Block Grants

Dear Commissioner McWhorter and Deputy Commissioner Roberts:

The undersigned organizations represent millions of individuals facing serious, acute and chronic health conditions across the country. Our organizations have a unique perspective on what individuals need to prevent disease, cure illness and manage chronic health conditions. The diversity of our groups and the patients and consumers we represent enable us to draw upon a wealth of knowledge and expertise and serve as an invaluable resource regarding any decisions affecting the TennCare program and the people that it serves.

Our organizations are committed to ensuring that TennCare provides adequate, affordable and accessible health care coverage. TennCare provides health coverage to approximately 1.3 million low-income Tennesseans, including three in seven children in the state.¹ Changing the funding structure of TennCare will jeopardize Medicaid enrollees' access to care.

A block grant could drastically increase the costs to Tennessee to implement its Medicaid program. Block granting TennCare would not take into account any changes in the demographics of the state (such as the rising numbers of older adults or of individuals with disabilities) or periodic economic downturns in state finances. This could require the state to drastically reduce eligibility or benefits covered by the program, jeopardizing access to coverage for patients with serious and chronic illnesses and their ability to receive the treatments and services they need to manage their conditions and stay healthy.

Currently, no state has a block grant or a funding structure similar to what Tennessee is proposing; only the 5 U.S. Territories' federal Medicaid funding are structured as block grants. The Medicaid and CHIP Access Commission (MACPAC) recently released information regarding Medicaid funding problems in the five territories. MACPAC estimates the United States Virgin Islands could run out of Medicaid funding as soon as January of 2020 and Guam and the Commonwealth of the Northern Mariana Islands could run out of funding by April 2020.² At a hearing before the U.S. House Committee on Energy and Commerce on June 20, 2019, Guam's Chief Human Services Program Administrator testified that the territory would be forced to decrease the income eligibility for Medicaid enrollment, absent

supplemental funding.³ The block grant funding structure does not provide the funding needed to furnish medical care to the entire low income population that otherwise qualify for the program.

If Tennessee moves forward with the block grant proposal, TennCare will be forced to make the same choices that Guam is facing. For the patients we represent, with heart and lung disease, cancer and numerous other diseases, the decision to limit Medicaid enrollment or limit treatments covered can delay or end care, resulting in poor health outcomes or in some cases, death for our patients. This is unacceptable.

Our patients in Tennessee need to have continuous access to quality and affordable health care. Changing the Medicaid funding structure to a block grant jeopardizes their access to treatment and, in turn, their health. Our organizations oppose block grants and any other efforts to change the funding structure of the Medicaid program that could jeopardize patients' access to care. We would appreciate the opportunity to meet with you to discuss our concerns and how we can work together to improve coverage for TennCare enrollees. Shannon Baker with the American Lung Association in Tennessee will follow up with you shortly regarding scheduling.

Sincerely,

NAMES OF ORGS

¹ Kaiser Family Foundation. Medicaid in Tennessee. November 2018. Accessed at:

<http://files.kff.org/attachment/fact-sheet-medicaid-state-TN>

² Medicaid and CHIP Payment Access Commission. When Will the U.S. Territories Exhaust Federal Medicaid Funding. July 2019. Accessed at: <https://www.macpac.gov/wp-content/uploads/2019/05/When-will-the-territories-exhaust-federal-Medicaid-funding.pdf>

³ United States House Energy and Commerce Committee. Testimony of Maria Theresa Arcangel, Chief Human Services Administrator. June 20, 2019. Accessed at: <https://energycommerce.house.gov/sites/democrats.energycommerce.house.gov/files/documents/Arcangle.pdf>