

SENATE JOINT RESOLUTION 25

By Johnson

A RESOLUTION to authorize the TennCare III Demonstration Waiver pursuant to Tennessee Code Annotated, Section 71-5-163.

WHEREAS, Medicaid is a program jointly funded by the State and federal governments to provide medical assistance to specified populations; and

WHEREAS, Tennessee currently operates its Medicaid program under a Section 1115 demonstration known as TennCare II; and

WHEREAS, through this 1115 demonstration, Tennessee operates one of the most cost-effective and successful Medicaid programs in the nation, routinely underspending the federal government's own projections for what Tennessee's Medicaid program would cost without the State's efforts and saving the federal government and taxpayers billions of dollars; and

WHEREAS, the traditional model of Medicaid financing is an outdated model of fundamentally misaligned incentives, rewarding states with additional federal dollars only when states spend more while reducing federal dollars when states control costs, drive value, and reduce spending; and

WHEREAS, under the traditional Medicaid financing structure, the federal government is the primary beneficiary of the State's efficient and fiscally responsible operation of the TennCare program; and

WHEREAS, Tennessee's long and proven history of prudent fiscal management and stewardship has been coupled with and enhanced by a commitment to high-quality care and access to this care for TennCare members; and

WHEREAS, this commitment to high-quality care and access has been consistently reflected in third-party, objective surveys of TennCare members, with program satisfaction rates exceeding ninety percent for more than ten years in a row; and

WHEREAS, Tennessee is in a better position than the federal government to manage and direct its Medicaid program to most effectively promote the health of TennCare members and Tennessee communities; and

WHEREAS, Public Chapter No. 481 was enacted through legislation adopted by the Tennessee General Assembly and signed into law by Governor Bill Lee on May 24, 2019; and

WHEREAS, Public Chapter No. 481 directed the governor, acting through the commissioner of finance and administration, to submit a Section 1115 demonstration application to the Centers for Medicare & Medicaid Services (CMS), either through amendment to the existing TennCare II waiver or through a new waiver, to provide medical assistance to the TennCare population by means of a block grant; and

WHEREAS, the Division of TennCare, acting in accordance with Public Chapter No. 481, submitted Amendment 42 to the TennCare II demonstration on November 20, 2019; and

WHEREAS, more than one year of negotiations between the State of Tennessee and the Centers for Medicare & Medicaid Services resulted in an agreement on a new waiver model to be known as TennCare III; and

WHEREAS, the TennCare III demonstration has been approved by CMS; and

WHEREAS, the TennCare III demonstration achieves the objectives of Public Chapter No. 481; and

WHEREAS, TennCare III will result in Tennessee having more control and flexibility over its Medicaid program; and

WHEREAS, TennCare III will result in a more equitable sharing between the state and federal governments of the savings achieved by Tennessee in the efficient running of its

Medicaid program and provide an unprecedented opportunity to access additional funding to improve the TennCare program, enhance benefits and services to TennCare members, and improve the health of Tennesseans; and

WHEREAS, TennCare III will continue Tennessee's history of leadership and innovation in Medicaid and serve as a model for the entire country; now, therefore,

BE IT RESOLVED BY THE SENATE OF THE ONE HUNDRED TWELFTH GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, THE HOUSE OF REPRESENTATIVES CONCURRING, that the Governor is authorized to implement the TennCare III demonstration waiver.