

E-mail From Patti Killingsworth to TSG 8-19-17

From: "Patti Killingsworth"  
Date: Aug 18, 2015 11:17 AM  
Subject: RE: Arkansas Legislative Task Force  
To: "richard kellogg"

Hi Richard.

Here is some info regarding our discussion.

The CHOICES program was not established primarily as a savings initiative, but rather as a rebalancing initiative. The intent was to invest avoided institutional costs into HCBS, spending existing (as well as future) LTSS funding more cost-effectively in order to serve more people, and creating a more sustainable LTSS system that better positions the State to meet the growing demand for LTSS as the population ages.

Significant numbers of persons have been and continue to be diverted and smaller, but still significant numbers of persons have been and continued to be transitioned to more integrated community-based settings. Thus, NF occupancy rates have continued to decline (moderately, but not precipitously), the number and percent of persons receiving Medicaid-reimbursed NF services has continued to decline, and significant expenditures have been avoided for institutional benefits.

Since the inception of the program, the State has been able to leverage "avoided" expenditures from NF diversion/transition to expand access to HCBS for seniors and adults with physical disabilities nearly threefold (from enrollment of 4,861 individuals transitioning from the previous 1915(c) HCBS waiver at the program's inception to more than 13,000 members). This yields a recurring cost avoidance of roughly \$250 million per year in institutional expenditures if the program had remained as is, and the new population had received NF services.

I have attached a couple of slides we frequently share in that regard.

While states should be careful not to expect too much too soon (the initial focus has to be on continuity of care), the changes can begin to occur fairly quickly when done well, so there can be savings/avoidance even in the first year, more in subsequent years.

With respect to savings in managed care generally, I always point to our trend rates and average costs of care...

Our average cost of care typically runs roughly have the U.S. average based on OECD Health Data, as does our medical trend. You can find some of that in our budget presentation, see slide 2 at this link. <http://www.tn.gov/assets/entities/tenncare/attachments/HCFAbudgetFY16.pdf>

Hope this is helpful.

Patti

### About Patti Killingsworth

PATTI KILLINGSWORTH is Tennessee's chief of long-term services and supports and is an assistant commissioner for the Bureau of TennCare. She has led the implementation of an integrated managed long-term services and supports system for the elderly and adults with physical disabilities, expanding access to home and community based services and rapidly moving toward a rebalanced long-term care system in Tennessee. Ms. Killingsworth came to the state in 2001 as a special assistant to the deputy to the governor for health policy, coordinating disability policy and issues across state agencies. She became director of policy for TennCare in 2003. She was appointed assistant commissioner and chief administrative officer for TennCare in 2004, with responsibilities for the Division of Member Eligibility and Medical Appeals Services. Prior to coming to Tennessee, Ms. Killingsworth was a deputy director with the Missouri Department of Mental Health's Division of Mental Retardation and Developmental Disabilities. Ms. Killingsworth holds a degree in sociopolitical communications from Missouri State University