



# *State of Tennessee*

## **SENATE JOINT RESOLUTION NO. 88**

**By Senators Green, Bailey, Haile, Stevens**

**and**

**Representatives Johnson, Powers**

A RESOLUTION to request the Governor to seek a waiver from the federal government for Tennessee to administer a limited TennCare Opt Out pilot program.

WHEREAS, the administration of Medicaid programs across the country has brought about the proposal of many innovative changes to Medicaid programs in order to improve the operation of the federal-state partnership program in the delivery of health care; and

WHEREAS, the State of Tennessee has played a prominent role in bringing about such changes to the Medicaid program through the establishment of the TennCare waiver program; and

WHEREAS, the current healthcare environment demands even more innovative change in the Medicaid program, and the State of Tennessee can contribute a new model of change with a pilot program to be established by the State to further enhance the use of the free market in the delivery of health care through the Medicaid program; and

WHEREAS, the creation of such a pilot program could immensely improve the Medicaid system through the use of a small demonstration population of Medicaid enrollees in which:

(1) The demonstration participants who currently qualify for the TennCare program would opt out of the current system and be placed in a catastrophic benefits health insurance program;

(2) The premium for the demonstration participants would be paid, from funds appropriated to the TennCare program, an amount to be set by the bureau of TennCare;

(3) The demonstration participant would receive an amount to be determined by the bureau of TennCare as funds on an electronic benefits transfer (EBT) card for the purchase of primary care services and medications;

(4) The demonstration participant would be actively purchasing health care, seeking the best price and value for needed healthcare services, while healthcare providers would be paid immediately for their primary care services, thus alleviating the need for a claims process and decreasing their overall costs in the process;

(5) The physician, incentivized by the immediate payment and the alleviation of claims processing, could offer a price less than but not greater than the current reimbursement structure of the TennCare program; and

(6) The demonstration participant would receive, to the extent permitted by law, the unused balance of funds on the EBT card back at the end of a year as a cash disbursement after an appropriate application process is developed by the bureau of TennCare; and

WHEREAS, this pilot program would be known as the "TennCare Opt Out" program, since participants would opt out of the current TennCare program and participate instead in this innovative program; and

WHEREAS, the infusion of free-market practice into this public program will likely be of substantial benefit to program participants and the administration of the TennCare program; now, therefore,

BE IT RESOLVED BY THE SENATE OF THE ONE HUNDRED NINTH GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, THE HOUSE OF REPRESENTATIVES CONCURRING, that the Governor be requested to send a letter to the federal government regarding a waiver for the implementation of the TennCare Opt Out program as a pilot program.

BE IT FURTHER RESOLVED, that an appropriate copy of this resolution be prepared for transmission to the Governor.

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ADOPTED: April 19, 2016

  
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RON RAMSEY  
SPEAKER OF THE SENATE

  
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BETH HARWELL, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 12<sup>th</sup> day of May 2016

  
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BILL HASLAM, GOVERNOR