
The TennCare Transition in Middle Tennessee

Fact Sheet for Providers

TennCare is beginning an exciting new phase

- Starting April 1, 2007, approximately 95% of the TennCare enrollees in Middle Tennessee will get their healthcare through two health plans, **AmeriChoice** and **Amerigroup Community Care**.
- The April 1st transition also marks TennCare's return to full-risk managed care. This has advantages for all stakeholders:
 - the State will face lower exposure to financial risk;
 - healthcare providers will have two highly sophisticated and solvent health plans with which to work; and
 - enrollees will be able to connect to a medical home to get the right care, in the right place, at the right time.

The Transition Timeline

- **February:** Notices will go out to enrollees in Middle Tennessee about their new plan assignment. Following this mailing, the new plans will send enrollees welcome letters, member handbooks, provider directories and membership ID cards.
- **April 1st:** Enrollees in Middle Tennessee begin receiving services from their new plans.
- **May 16th:** Deadline for enrollees in Middle Tennessee to request to switch plans.

Transition Information for TennCare Enrollees

- AmeriChoice and Amerigroup Community Care will:
 - cover the same array of services that TennCare now covers
 - integrate and manage the physical and mental healthcare for their enrollees.
- The new contract has provisions to assure a smooth transition, particularly for TennCare enrollees currently receiving a course of treatment.
- To facilitate the transition, TennCare will assign each enrollee in Middle Tennessee to one of the new plans.
- If they have questions or want to switch plans, enrollees may call the TennCare Enrollment Center for Middle Tennessee at 1-800-523-2863.

Transition Information for Healthcare Providers

- To serve enrollees in Middle Tennessee on or after April 1, 2007, healthcare providers **must** be a part of the network(s) for AmeriChoice and/or Amerigroup Community Care.
- If a provider does not contract with the new plans, then the provider will not be able to provide routine services for enrollees in Middle Tennessee.
- Interested providers should contact the plans as soon as possible:

AmeriChoice Provider Services
1-800-690-1606 (toll-free)

Amerigroup CC Provider Services
615-231-6065 (local)
1-888-821-1108 (toll-free)

Serving Middle Tennessee: The TennCare Transition

Provider Policy Brief: February 2007

TennCare is beginning an exciting transition in Middle Tennessee. Starting April 1, 2007, approximately 95 percent of TennCare enrollees in Middle Tennessee will get their healthcare through two new health plans, **AmeriChoice** and **Amerigroup Community Care**.¹ The new plans will assume responsibility for paying the claims and for managing the care of about 340,000 TennCare enrollees in Middle Tennessee.

The April 1st transition also reflects TennCare's return to full-risk managed care. The success of this transition will help reinforce TennCare's financial stability.

TennCare and its new partners, AmeriChoice and Amerigroup Community Care, have been working diligently to prepare for the transition. The new health plans are working to execute provider contracts and to finish the provider credentialing process.

Background about TennCare's new partners

Through a competitive bid process, TennCare has contracted with two well-financed, national health plans, AmeriChoice and Amerigroup Community Care, to serve enrollees in Middle Tennessee. Collectively, AmeriChoice and Amerigroup Community Care cover some 2.5 million lives in approximately 20 other Medicaid markets. They have extensive experience in Medicaid managed care, and both are highly successful, publicly traded companies:

- **AmeriChoice** (www.unitedhealthgroup.com, NYSE symbol: UNH) serves some 1.3 million members in 16 states. The company has an exclusive focus on publicly funded health programs. AmeriChoice is a subsidiary of United Healthcare, which has a total market capitalization of more than \$71.2 billion.²
- **Amerigroup Community Care** (www.amerigroupcorp.com; NYSE symbol: AGP) has more than 1.2 million members in nine states. The company also focuses exclusively on publicly funded managed care programs, and it has market capitalization of more than \$1.8 billion.

As part of the April 1st transition, the new health plans will assume responsibility for managing the physical health, mental health, and substance abuse services for

¹ TennCare Select (through BlueCross BlueShield of Tennessee) will continue to serve several comparatively small populations such as foster children, children receiving SSI, and nursing facility or ICF-MR residents under age 21. However, these groups constitute only about five percent of the 360,000 TennCare enrollees in Middle Tennessee.

² United Healthcare/AmeriChoice recently acquired John Deere Healthcare, Inc. (also known as United Healthcare Plan of the River Valley), a firm with substantial history in the Tennessee market. Prior materials may therefore refer to AmeriChoice by the names of the acquired entities.

TennCare enrollees in Middle Tennessee. AmeriChoice and Amerigroup Community Care each have substantial experience providing all of these services, and the plans both have a robust capacity to coordinate services and appropriately manage the care.

Benefiting all participants

The return to full risk managed care and the integration of physical and behavioral health have advantages for all of TennCare's stakeholders: enrollees, healthcare providers, and the State. Specifically:

- **The State** will face reduced exposure to risk, thereby enabling the program to better stabilize costs and accurately predict its expenditures.
- **Healthcare providers** in Middle Tennessee will have two highly competent, sophisticated and solvent health plans with which to work.
- **Enrollees** in Middle Tennessee will be able to connect to a medical home to get the right care, in the right place, at the right time.

The developments are good for the State...

The new contractual approach shifts the financial risk from the State to the health plans. Under the current system, a portion of the MCO's administrative fee is "at risk" based on various performance indicators; however, TennCare is ultimately responsible for the costs of all medical services (e.g., doctor or clinic visits, physical therapy sessions, etc.). TennCare is "at risk" for all the services that TennCare enrollees need and use. Under the new contracts, TennCare will pay the health plans a monthly "capitation" payment for each enrollee. The capitation payment is considered payment in full for all the services that an enrollee may use. The health plan will pay the healthcare providers for any care that the enrollees need, even if the total cost is more than the capitation payment. In this way, the health plans will assume the risk of the (uncertain) utilization among TennCare enrollees in Middle Tennessee.

Without the uncertainty of risk, the State will be able to predict its TennCare expenditures with much more reliability. This is particularly helpful in managing the annual budget – and in ensuring that the State does not face an unanticipated shortfall because of a spike in healthcare utilization. In this way, TennCare is continuing to improve its stewardship of State resources.

Good for providers...

AmeriChoice and Amerigroup Community Care are well-respected, highly successful companies that operate in a number of markets similar to Tennessee. Both health plans are intimately familiar with Medicaid and the covered population, and they know how to work with providers to deliver medically necessary care. Additionally, the fiscal solvency of the health plans ensures that provider claims will be promptly paid. For

these and other reasons, this transition will have a number of positive effects on providers in Middle Tennessee.

To serve TennCare enrollees in Middle Tennessee on or after April 1, 2007, healthcare providers **must** be a part of the network(s) for AmeriChoice and/or Amerigroup Community Care. If a provider does not contract with AmeriChoice and/or Amerigroup Community Care, then the provider will not be able to provide routine services for 95 percent of the 360,000 TennCare enrollees in Middle Tennessee.

Providers in Middle Tennessee interested in partnering with AmeriChoice and Amerigroup Community Care should contact the new health plans as soon as possible:

AmeriChoice Provider Services
1-800-690-1606 (toll-free)

Amerigroup CC Provider Services
615-231-6065 (local)
1-888-821-1108 (toll-free)

And good for enrollees...

The return to full risk properly aligns incentives for the health plans to keep enrollees healthy. To this end, the health plans will help members connect to and rely upon a consistent medical home. In addition, the plans have a clear motivation to treat members with diabetes and other conditions early before these members need acute (and expensive) emergency services. The health plans also have an incentive to help their members lose weight, quit smoking, and get flu vaccinations.

Tennessee's morbidity statistics illustrate the need for these active health and disease management interventions. Presently, Tennessee has the fourth-highest rate of adult diabetes and the fifth-highest death rate from cardiovascular disease in the nation. The State will work to readdress these health indicators by contracting with managed care organizations whose plans will seek to improve the health status and health outcomes of their members.

The new health plans also will be responsible for physical health, mental health and substance abuse services. Instead of having a health plan for physical health and a different one for mental health and substance abuse services (which is the current approach), enrollees in Middle Tennessee will have one plan. In this way, the new, integrated health plans will help enrollees get both medical and behavioral healthcare in a timely manner. AmeriChoice and Amerigroup Community Care also will be better able to coordinate an enrollee's care between his/her primary care doctor and mental health provider. Also, particularly with regard to mental health and substance abuse services, TennCare has included a number of protections in the contracts with the new health plans in order to ensure that enrollees in Middle Tennessee receive the care that they need. For help, enrollees may call the TennCare Enrollment Center for Middle Tennessee at 1-800-523-2863.

Delivering on the promise

The new TennCare contracts require the plans to provide members with convenient access to high-quality healthcare services. The contract details a number of stringent and specific access requirements. To monitor network capacity, quality of care and efficiency, TennCare requires the plans to report their performance on a variety of measures. Because the contract provisions link payment with performance,³ the new contracts will help to ensure that TennCare enrollees in Middle Tennessee will get high-quality care at the place and time that they need it.

For example, the new contracts require each health plan to have a sufficient network of providers to ensure that enrollees can get care conveniently. The health plans also must regularly report to TennCare any changes in their networks. Any health plan's sustained failure to meet the access requirements could result in liquidated damages of \$500 per day.

The new contract also has provisions to assure a smooth transition, particularly for members currently receiving a course of treatment. For example, a pregnant woman in her second or third trimester will be able to keep her current healthcare provider through her delivery and follow-up care – even if her provider does not participate in either AmeriChoice or Amerigroup Community Care. Other protections apply (but are not limited) to enrollees who have mental illnesses, addictive disorders, developmental disabilities, or chronic or acute medical or mental health conditions. In addition, the new health plans have a duty to coordinate the care of such enrollees during and after the transition.

With respect to quality improvement, the new contract requires the health plans to be accredited by the National Committee for Quality Assurance (NCQA).⁴ Additionally, TennCare will continue its vigorous monitoring of all of the plans' quality-of-service and performance levels. As appropriate, TennCare will exercise the liquidated damages provisions of the new contract to enforce the terms of the agreement.

TennCare is here to help

TennCare is working hard to educate enrollees in Middle Tennessee about the transition. We particularly appreciate your help as you reassure your constituents about this transition. Please let them know that they can easily get answers and assistance by calling the TennCare Enrollment Center for Middle Tennessee at 1-800-523-2863.

The Bureau of TennCare is certainly excited about these developments. We look forward to working closely with you as we further enhance the TennCare program.

³ Specifically, the new MCO contract itemizes liquidated damages for performance deficiencies in a number of different areas.

⁴ NCQA is an independent, nonprofit organization that works to improve healthcare quality through measurement, transparency and accountability. NCQA is often characterized as a watchdog for the managed care industry, and it is the premier source for information about the quality of the nation's managed care plans. For more information, please see <http://www.ncqa.org/>.

The TennCare Transition in Middle Tennessee: FAQ's for Providers

TennCare is beginning an exciting transition in Middle Tennessee. Starting April 1, 2007, approximately 95 percent of TennCare enrollees in Middle Tennessee will get their healthcare through two new health plans, **AmeriChoice** and **Amerigroup Community Care**. The new plans will assume responsibility for paying the claims and for managing the care of about 340,000 TennCare enrollees in Middle Tennessee.

TennCare and its new partners, AmeriChoice and Amerigroup Community Care, have been working diligently to prepare for the April 1st transition. The new health plans are working to execute provider contracts and to finish the provider credentialing process.

Who are the new partners?

TennCare has contracted with two well-financed, national health plans, AmeriChoice and Amerigroup Community Care, to serve enrollees in Middle Tennessee. Collectively, AmeriChoice and Amerigroup Community Care cover some 2.5 million lives in approximately 20 other Medicaid markets. They have extensive experience in Medicaid managed care, and both are highly successful, publicly traded companies:

- **AmeriChoice** (www.unitedhealthgroup.com, NYSE symbol: UNH) serves some 1.3 million members in 16 states. The company has an exclusive focus on publicly funded health programs. AmeriChoice is a subsidiary of United Healthcare, which has a total market capitalization of more than \$71.2 billion.⁵
- **Amerigroup Community Care** (www.amerigroupcorp.com; NYSE symbol: AGP) has more than 1.2 million members in nine states. The company also focuses exclusively on publicly funded managed care programs, and it has market capitalization of more than \$1.8 billion.

As part of the April 1st transition, the new health plans will assume responsibility for managing the physical health, mental health, and substance abuse services for TennCare enrollees in Middle Tennessee. AmeriChoice and Amerigroup Community Care each have substantial experience providing all of these services, and the plans both have a robust capacity to coordinate services and appropriately manage care.

⁵ United Healthcare/AmeriChoice recently acquired John Deere Healthcare, Inc. (also known as United Healthcare Plan of the River Valley), a firm with substantial history in the Tennessee market. Prior materials may therefore refer to AmeriChoice by the names of the acquired entities.

Will the current MCOs serve all TennCare enrollees in Middle Tennessee after March 31st?

During and after the transition, TennCare Select (which is operated by BlueCross BlueShield of Tennessee) will continue to serve several comparatively small populations in Middle Tennessee such as foster children, children receiving SSI, and nursing facility or ICF-MR residents under age 21. However, these groups constitute approximately five percent of the 360,000 TennCare enrollees in Middle Tennessee. All of the remaining TennCare enrollees in Middle Tennessee will be enrolled in either Amerigroup Community Care or AmeriChoice.

What does all this mean for doctors, hospitals, and other healthcare providers?

To serve enrollees in Middle Tennessee on or after April 1, 2007, healthcare providers **must** be a part of the network(s) for AmeriChoice and/or Amerigroup Community Care. If a provider does not contract with AmeriChoice and/or Amerigroup Community Care, then the provider will not be able to provide routine services for the majority of the 360,000 TennCare enrollees in Middle Tennessee.

To ensure that healthcare providers in Middle Tennessee can provide services and continue to get paid on and after April 1, 2007, the providers need to contact the new plans **as soon as possible**. Interested providers may contact the new health plans:

AmeriChoice Provider Services
1-800-690-1606 (toll-free)

Amerigroup CC Provider Services
615-231-6065 (local)
1-888-821-1108 (toll-free)

Will the new health plans cover the same services?

Yes. Both plans will cover the identical array of physical health, mental health, and substance abuse services that TennCare currently covers. Similar to the existing plans, AmeriChoice and Amerigroup Community Care also will provide extensive case management/disease management services for their members.

Will my patients have to choose between the new plans?

TennCare will randomly assign each enrollee in Middle Tennessee to a plan. In February, TennCare will mail a letter to enrollees to notify them about their plan assignment and how they can switch plans if they wish to do so. Each enrollee will have 45 days from the effective date of their assignment during which they may change plans. If enrollees have questions or want to switch plans, they may call the TennCare Enrollment Center of Middle Tennessee at 1-800-523-2863.

Will this affect my patients with Medicare?

Yes. The Medicare beneficiaries in TennCare who are living in Middle Tennessee will be assigned to one of the new health plans.

What will happen with my patients' prior authorizations?

To ensure continuity of ongoing treatment and services, the current health plans are transferring this information to AmeriChoice and Amerigroup Community Care. Patients can call their new health plan if they have any questions or need help. If you have obtained an authorization or a referral prior to April 1, 2007, for your patient to obtain care that has not yet started, you need to contact your patient's new health plan to obtain any necessary authorizations for the service. Of course, the new health plans will be responsible for making all new prior authorizations after April 1, 2007.

Will the transition disrupt my patients' existing course of treatment?

No. The new contract has provisions to assure a smooth transition, particularly for TennCare enrollees in Middle Tennessee currently receiving a course of treatment. For example, a pregnant woman in her second or third trimester will be able to keep her current healthcare provider through her delivery and follow-up care – even if her provider does not participate in either AmeriChoice or Amerigroup Community Care. In addition, the new health plans have a duty to coordinate the care of such enrollees during and after the transition.

Will TennCare protect enrollees who are getting behavioral health services?

Yes. The new contract has special protections for enrollees in Middle Tennessee who have mental illnesses, addictive disorders, developmental disabilities, chronic/acute medical or mental health conditions. For example, persons who are dually diagnosed (i.e., have both a behavioral health condition and a developmental disorder) can keep their current inpatient psychiatric provider up to six months after April 1, 2007. Similarly, dually diagnosed enrollees in Middle Tennessee can keep their current outpatient psychiatrist up to 90 days after April 1, 2007. Dually diagnosed enrollees can keep their providers during these periods even if the providers do not contract with either AmeriChoice or Amerigroup Community Care. The new health plans will continue to pay the current providers for medically necessary services while new care arrangements are finalized with and for the enrollees. The minimum timeframes can be shortened only (a) when the provider is no longer available to serve an enrollee; or (b) when an enrollee agrees in writing to a change in providers.⁶

⁶ These and other special protections for enrollees are detailed in §§ 2.9.2, 2.9.3, 2.9.13, and 2.9.14 of the new contract with the health plans.

What will happen with my patients' prescription refills?

The TennCare pharmacy benefit will not change. TennCare itself, not the new health plans, will pay for prescriptions. (For persons with TennCare and Medicare, Medicare Part D is responsible for their prescriptions.) Throughout the transition and afterward, enrollees in Middle Tennessee will be able to access pharmacy services without any difficulty.

How will TennCare tell my patients about these changes?

In February, TennCare will send information about the new plans to enrollees in Middle Tennessee. This letter from TennCare will notify enrollees of their plan assignment. Following this mailing, the new health plans will send their members a welcome letter, member handbook, provider directory and a membership ID card.

What should I do if I have questions?

TennCare is working hard to educate enrollees about the transition. We particularly appreciate your help as you reassure your patients about this transition. Please let them know that they can easily get answers and assistance by calling the TennCare Enrollment Center of Middle Tennessee at 1-800-523-2863.

We also encourage you to contact AmeriChoice and Amerigroup Community Care about collaborating with them. You can contact their Provider Services departments:

AmeriChoice Provider Services
1-800-690-1606 (toll-free)

Amerigroup CC Provider Services
615-231-6065 (local)
1-800-454-3730 (toll-free)

To ensure that you can provide services and continue to get paid on and after April 1, 2007, please contact the new plans **as soon as possible**.

Please let us know how we may help you. We are excited about these developments in Middle Tennessee, and we look forward to working closely with all stakeholders as we continually enhance the TennCare program.