



March 11, 2023

SUMMARY OF BILL: Requires the Division of TennCare (Division) to create a pilot program that provides remote maternal health services. Authorizes the Division to seek a federal waiver if necessary to implement the program. Effective July 1, 2023 to June 30, 2026.

FISCAL IMPACT:

Increase State Expenditures –

\$11,911,600/Each Year FY23-24 through FY25-26

Increase Federal Expenditures –

\$22,599,700/Each Year FY23-24 through FY25-26

Assumptions:

- According to information gathered from the Division’s managed care organizations (MCO), the average annual cost per enrollee in the pilot program will be \$2,744, which will cover additional payments to OB/GYN providers and remote patient monitoring device costs.
- On average, TennCare covers 41,923 pregnancies, which is assumed to remain consistent.
- The pilot program would cover a pregnant TennCare recipient who has an increased likelihood of experiencing a higher-risk pregnancy, does not have access to a licensed OB/GYN who participates in TennCare, or who is determined to be unable to access consistent obstetrical care due to factors that include transportation, child care, employment requirements, and socioeconomics.
- Based on the established criteria, this estimate assumes 30 percent of all covered pregnant women will participate in the pilot program, or 12,577 (41,923 x 30.0%).
- The assumed cost of the program would be \$34,511,288 (\$2,744 x 12,577) annually.
- Medicaid expenditures receive matching funds at a rate of 65.485 percent federal funds to 34.515 percent state funds. Of this amount \$11,911,571 (\$34,511,288 x 34.515%) will be in state funds and \$22,599,717 (\$34,511,288 x 65.485%) will be in federal funds.

IMPACT TO COMMERCE:

Increase Business Revenue – \$34,511,300/Each Year FY23-24 through FY25-26

**Increase Business Expenditures –
Less than \$34,511,300/Each Year FY23-24 through FY25-26**

Assumptions:

- The proposed legislation will not increase the number of OB/GYNs contracted with TennCare; it will merely change the means they use to interact with certain patients.
- Businesses would see an increase in revenue related to the program of \$34,511,288 in FY23-24 through FY25-26.
- The increase in business expenditures is estimated to be less than those amounts for companies to retain solvency.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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