

Updated July 2017 | Fact Sheet

Medicaid's Role in Tennessee

Medicaid in Tennessee

- Nearly **1.6 million** people in Tennessee **are covered by Medicaid** (19% of the total population). While seven in ten (72%) enrollees are children and adults, more than half (54%) of the state's Medicaid spending is for the elderly and people with disabilities.
- **279,100** (26%) of Tennessee's **Medicare enrollees are also covered by Medicaid**, accounting for nearly one-third (31%) of Medicaid spending.
- **43% of all children** in Tennessee are **covered by Medicaid**, including **51% of children with special health care needs**.
- **60% of nursing home residents** in Tennessee **are covered by Medicaid** and **42% of Medicaid long-term care spending** in Tennessee **is for nursing home care**. Medicare beneficiaries rely on Medicaid for assistance with services not covered by Medicare, particularly long-term care.
- Nearly **one-third (30%) of people** in Tennessee **live in rural areas**, which is higher than the national average of 19%. **People who live in rural areas are more likely to be dependent on Medicaid**.
- **100% of Medicaid enrollees** in Tennessee **are in managed care**. Since Tennessee has already transitioned to managed care, it would not be able to recoup the one-time savings that some states experience during that transition.
- Tennessee has a **low per capita income** and therefore a **relatively high federal Medicaid matching assistance percentage (FMAP) at 66%**. For every \$1 spent by the state, the Federal government matches \$1.85. **Over half (51%) of all federal funds Tennessee receives are for Medicaid**.

What is at Risk under a Per Capita Cap?

- **Capping Medicaid funding would reduce the federal assistance for Tennessee to maintain its current Medicaid program.**
 - Under the Better Care Reconciliation Act of 2017 (BCRA), to maintain its current Medicaid program, **Tennessee would have to make up \$5.5 billion in loss of federal funds** between 2020-2029 for the per enrollee cap on all groups.
- **Due to limited availability of revenue resources in the state, Tennessee would be at high risk under BCRA legislation.** Tennessee has low state and local spending per capita from all sources and the lowest tax collections as a share of personal income.
- **Capping federal Medicaid funding could put Medicaid programs designed to improve quality of life and access to new therapies and long-term care for people with disabilities at risk.** 16% of Tennessee's non-institutionalized population reported a disability, the 7th highest reported percentage compared to a U.S. average of 13%.

- **Reducing federal funds through a per capita cap or block grant would limit Tennessee’s ability to respond to public health crises such as the opioid epidemic, HIV, or Zika.**
 - Tennessee ranks 11th for the highest rate of opioid deaths at 16 deaths per 100,000 population in 2015. In the last two years, Tennessee’s opioid death rate has grown by more than one-third (34%).
 - There are more than 16,000 people living with HIV in Tennessee and Medicaid is the single largest source of coverage for people with HIV in the U.S.