



April 29, 2019

The Honorable Bill Lee
Governor
State Capitol, 1st Floor
600 Dr. Martin L. King, Jr. Blvd.
Nashville, TN 37243

Re: Medicaid Block Grants

Dear Governor Lee:

The undersigned organizations represent millions of individuals facing serious, acute and chronic health conditions across the country. Our organizations have a unique perspective on what individuals need to prevent disease, cure illness and manage chronic health conditions. The diversity of our groups and the patients and consumers we represent enables us to draw upon a wealth of knowledge and expertise and serve as an invaluable resource regarding any decisions affecting the TennCare program and the people that it serves.

Our organizations are committed to ensuring that TennCare provides adequate, affordable and accessible health care coverage. TennCare provides health coverage to approximately 1.3 million low-income Tennesseans, including three in seven children in the state.¹ HB 1280/SB 1428 would require Tennessee to seek an 1115 Medicaid waiver to restructure the financing of the Medicaid program into a block grant from the federal government. Changing the funding structure will jeopardize Medicaid enrollees' access to care, and our organizations strongly urge you to oppose the proposal.

A block grant could drastically increase the costs to Tennessee to implement its Medicaid program. Block granting TennCare would not take into account any changes in the demographics of the state (such as the rising numbers of older adults or of individuals with disabilities) or periodic economic downturns in state finances. This could require the state to fund a higher portion of the state's Medicaid expenditures. Absent these additional state funds, the state would be forced to drastically reduce eligibility or benefits covered by the program, jeopardizing access to coverage for patients with serious and chronic illnesses and their ability to receive the treatments and services they need to manage their conditions and stay healthy.

Currently, no state has a block grant similar to what Tennessee is proposing; only the 4 U.S. Territories and Puerto Rico's federal Medicaid funding are structured as block grants. In the case of Puerto Rico, the block grant has jeopardized patients' access to care, creating longer wait times for medical care and longer travel times.² For the patients we represent, with heart and lung disease, cancer and numerous other diseases, these delays can interrupt care and are unacceptable.

Our patients in Tennessee and around the country need to have continuous access to quality and affordable health care. Changing the Medicaid funding structure to a block grant jeopardizes their access to treatment and, in turn, their health. Our organizations ask you to protect patients and reject HB 1280/SB1428 and any other efforts to change the funding structure of the Medicaid program that could jeopardize patients' access to care.

Sincerely,

American Cancer Society Cancer Action Network
American Heart Association
American Lung Association
Cystic Fibrosis Foundation
Epilepsy Foundation
Hemophilia Federation of American
Leukemia & Lymphoma Society
March of Dimes
National Multiple Sclerosis Foundation
National Organization for Rare Disorders
National Psoriasis Foundation
Susan G. Komen

¹ Kaiser Family Foundation. Medicaid in Tennessee. November 2018. Accessed at: <http://files.kff.org/attachment/fact-sheet-medicaid-state-TN>

² Wachino, V and T Gronniger. The Insufficiency Of Medicaid Block Grants: The Example Of Puerto Rico. Oct 12, 2017. Accessed at: <https://www.healthaffairs.org/doi/10.1377/hblog20171022.984682/full/>