

STEVE COHEN
9TH DISTRICT, TENNESSEE
2104 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515

TELEPHONE: (202) 225-3265
FAX: (202) 225-5663

167 NORTH MAIN STREET
SUITE 369
MEMPHIS, TN 38103

TELEPHONE: (901) 544-4131
FAX: (901) 544-4329

WWW.COHEN.HOUSE.GOV

Congress of the United States
House of Representatives
Washington, DC 20515-4209

September 20, 2019

The Honorable Seema Verma
Administrator
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Administrator Verma,

I am writing in strong opposition to Tennessee's TennCare block grant proposal. I caution that an approval of this program would violate established federal law, handicap Congress' ability to conduct oversight and inflict serious harm to recipients in Memphis and Shelby County, the largest recipient group covered under TennCare.

In its request, the state has proposed a modified block grant that includes a per capita cap. As you know, TennCare operates under a 1115 demonstration project waiver. Federal law prohibits the Secretary from changing the structure of Medicare to both a block grant and a per capita cap. To waive specific sections of this law requires that the change be "likely to assist in the promotion of the objectives of Medicaid" -- otherwise known as providing medical assistance to eligible individuals.¹ Tennessee's proposal would direct any surplus funding toward "policy priorities."

A shift in policy priorities could mean a restructuring of who and what TennCare covers. The proposal includes provisions that limit oversight despite the billions of dollars in federal investment for the federal program. The state could decide what prescription drugs are covered and cut benefits without consulting CMS. It could also change the scope and duration of the program without federal approval. The entire program could change based on the "policy priorities" of the state's administration rather than prioritizing Tennesseans who need the most support. All of these components defy the fundamental purpose of Medicaid.

¹ Senate Committee on Finance, Statement of the American Hospital Association, *Hearing to Consider the Graham-Cassidy-Heller-Johnson Proposal*, 115th Cong. (September 25, 2017). Social Security Act, Pub. L. No. 74-271: § 115.

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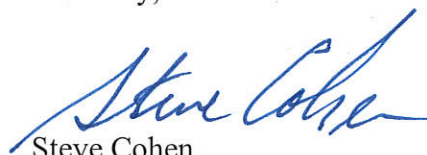
According to the state's proposal, Tennessee will prioritize a "rural health care transformation." This works in contradiction of cited federal law that any waiver must assist in the promotion of the Medicaid program overall. There is no question that rural areas are struggling, but the data cannot hide the fact that the greatest population of Medicaid recipients resides in Memphis and Shelby County.² This is not a rural district nor is it less worthy of receiving high-quality health care.

The state government boasts that the TennCare program is already one of the most well-run programs in the country. However, it fails to account for the thousands of Tennesseans who continue to struggle and the persistent health problems residents face as one of the most unhealthy states in the nation. Fiscal health should not be put before human health, and the approval of Tennessee's proposal would do just that.

Even the state's proposed public hearings omit the demonstrated need in Shelby County. The only public hearing in west Tennessee will be held in Madison County, a two hour drive from Memphis. As of August 2019, Madison County had 24,528 TennCare beneficiaries. In the same month, Shelby County had 250,292. I remain gravely concerned that approval of the state's application would be a detriment to the TennCare program and devastate the state's most in-need population.

As a majority-minority district, Shelby County residents face disproportionate barriers to care while being the primary TennCare recipients. Capping the TennCare program mitigates the state's ability to genuinely invest in the health of its residents. True investment need not skirt federal law nor seek to silence its largest beneficiary population. This proposal does both, and I urge you to reject it.

Sincerely,



Steve Cohen
Member of Congress

² Division of TennCare, Enrollment Data, *2019 Enrollment Data* (August 2019).