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October 18, 2019

Lisa Piercey, M.D., MBA, FAAP  
Commissioner  
Tennessee Dept. of Health  
710 James Robertson Parkway  
Nashville, TN 37243

Dear Dr. Piercey:

On behalf of the American Thoracic Society (ATS), thank you for the opportunity to comment on TN's TennCare II demonstration proposal. The ATS is an international educational and scientific multi-disciplinary society of 16,000 members focused on respiratory, critical care and sleep medicine. The ATS supports the intent of the draft TennCare proposal to promote innovation, incentivize better health outcomes and reduce health system costs. We are pleased by the draft plan's emphasis on promoting member health in addition to health care, including rural health transformation efforts in underserved areas of the state. We have the following comments:

### **Financing**

While the ATS supports the intent of the TennCare proposal to reinvest savings the program may generate in member health, we have a number of substantial concerns about the risks posed by conversion of the program structure to a block grant and fiscal constraints such a structure will impose on the program. In addition, we are very concerned about the plan's lack of specificity about individual policies aimed at reducing health costs and absence of a clear accountability structure to preserve member access to medically necessary care. Without more detail on specific cost reduction strategies that the state will use to reduce costs, it is difficult for us to evaluate the potential impact on member access to services and health outcomes and be confident that further negative impact on members will not occur.

The challenging implementation of TN's current 1115 waiver, which resulted in significant reductions in Medicaid coverage between 2016 and 2019, including an elimination of coverage for over 120,000 children, serves as a stark reminder of the potential impact of strategies that prioritize cost savings over coverage.<sup>1</sup> The ATS is deeply concerned that the current structure of the TennCare block grant proposal may result in further losses of health coverage for more Tennessean's, which will cause costly illness exacerbations.



We urge the state to maintain the TennCare program as a traditional Medicaid program while utilizing the 1115 waiver process to promote program innovation, flexibility and health system savings without compromising member health.

### **Prescription Drugs**

While we understand the state's desire to implement prescription drug formulary management tools to guide coverage of costly new medications and devices, the ATS is concerned that by limiting coverage to potentially only a few prescription drugs per therapeutic class, perhaps even as few as only one drug per class, the plan may limit patient access to therapeutics rather than ensuring access to the range of drugs that best fit patient's needs. Limits per drug class and category can present a problem for patients with respiratory diseases such as asthma, tuberculosis (TB) and for patients undergoing lung transplant. A common problem for patients with respiratory diseases including pneumonia and asthma is intolerance to some drugs, or a shortage of a drug, which requires an expeditious prescription change to another drug, often within the same class. The ATS urges the Department to ensure a transparent, streamlined and expeditious prior authorization process to permit approvals within 24 hours for alternate drugs not on the formulary's list to ensure that patients and the public are not placed at risk for illness exacerbation and communicable disease transmission.

### **Combination Therapies**

Patients with respiratory diseases such as cystic fibrosis, bronchiectasis, asthma, pulmonary arterial hypertension and TB may require various medications as part of combination therapy, which the draft plan does not address. We urge the Department to clarify that patients prescribed combination therapies will have full access to the medications they need.

### **New Drugs**

We know that states must be judicious about the high costs of some new drugs, but we again urge the state to establish an expeditious and transparent system for ensuring access to medically necessary new therapeutics that have empiric evidence of clinical benefit to patients. These include new drugs for rare but life-limiting diseases such as cystic fibrosis and lung cancer, and biologics and nebulizers that can substantially improve disease management and prevent costly asthma and other respiratory exacerbations that can lead to critical illness and costly hospitalizations in addition to lost work productivity and school absences. The Department of Veteran's Affairs Pharmacy and Therapeutics system provides a model system where new expensive drugs are quickly evaluated by price and efficacy with an expeditious approval process.

### **Tobacco Cessation and Other Preventive Services**

The state of TN has a high prevalence of both smokers and individuals with lung cancer. Despite these disease burdens, the state currently has a comparatively low number of lung cancer screening programs relative to other states with similar burdens.<sup>ii</sup>



Open access to preventive tobacco cessation services will reduce the incidence and severity of chronic diseases associated with smoking, such as COPD and lung cancer and significantly reduces future health system costs.

People trying to quit smoking may need to try several medications rather than just one. The ATS urges the Department to base tobacco cessation services on model benefit coverage provided by the Federal Employees Health Benefits Program (FEHB) and to clearly define all tobacco cessation benefits, including duration of therapy, in accordance with the 2008 U.S. Public Health Service guideline, *Treating Tobacco Use and Dependence*.<sup>iii</sup> The definition should include all tobacco cessation medications approved by the FDA, and individual, group and telephone counseling. To ensure full access for low-income TennCare members, tobacco cessation benefits must be provided without copays, deductibles or limits. The ATS urges the Department to ensure coverage of important preventive healthcare services recommended by the U.S. Preventive Services Task Force, such as lung cancer screening and tobacco cessation services, including over-the-counter (OTC) medications.

### **Member Health Initiatives**

Although the ATS generally supports initiatives aimed at improving population health, such investments must be directed to both rural and urban areas with demonstrated need, including those with documented health disparities, to ensure health equity. We are concerned that a focus on population health, while a laudable goal, may come at the expense of reductions in coverage and medically necessary services for individuals.

### **Fraud**

We are encouraged by the draft plan's emphasis on the nature of underlying member Medicaid fraud offenses and consideration of alternatives to suspension or termination of health benefits, which indicate a willingness on the part of the state to work with individuals in this position, rather than simply penalize them and suspend or eliminate benefits in the long-term, which could cause adverse health outcomes, job loss and other serious life impacts.

### **Graduate Medical Education**

State Medicaid program support is an important source of funding for graduate medical education (GME), which helps ensure the next generation of physicians to care for Tennesseans. The ATS is concerned that the draft proposal does not address whether and how TennCare will continue to fund graduate medical education. We urge clarification on this important issue.



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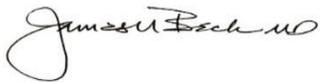
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### Provider Impacts

The ATS urges the Department to ensure that the TennCare program does not create negative implications for Medicaid providers, including increased administrative requirements for frequent prior authorizations for medications and services and reduced provider reimbursement. It is critical that the state adopt measures to promote continued provider participation in the program to ensure access to care for Tennesseans.

Thank you for the opportunity to comment.

Sincerely,



James Beck, M.D., ATSF  
President  
American Thoracic Society

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<sup>i</sup> Kelman, Brett. Tennessee Erased Insurance for at Least 128,000 Kids. *Nashville Tennessean*. 1 Apr 2019.

<https://www.tennessean.com/story/news/health/2019/04/02/tennessee-tenncare-coverkids-medicaid-erased-health-care-coverage-for-children/3245116002/>

<sup>ii</sup> Kale MS, Wisnivesky J, Taioli E, Liu B. The Landscape of US Lung Cancer Screening Services. *Chest* 2019; 155: 900-907.

<sup>iii</sup> Fiore MC, Jaen CR, Baker TB, et al. Treating Tobacco Use and Dependence: 2008 Update. Rickville, MD: U.S. Department of Health and Human Services, U.S. Public Health Service; 2008.



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