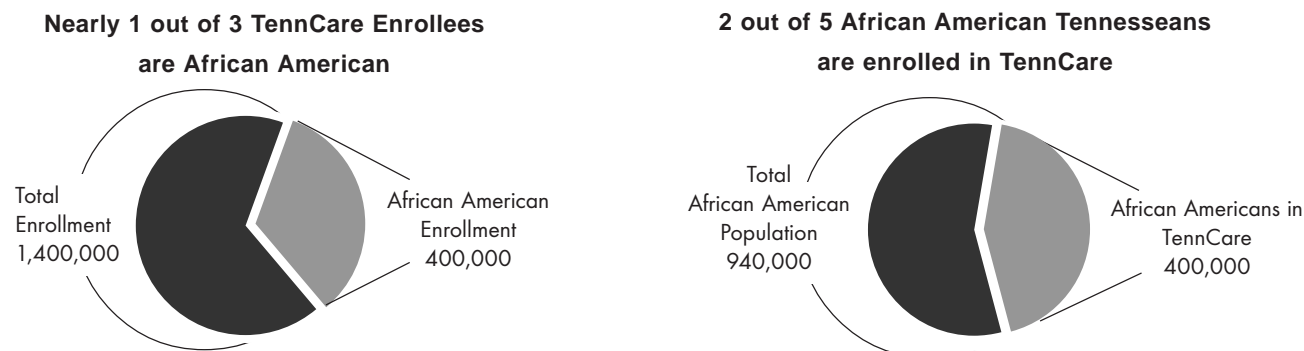


The TennCare Waiver and African Americans: *The Truth Behind the Rhetoric*

Introduction

TennCare is a crucial source of health care for *all* Tennesseans. One in every five white Tennesseans, for example, receives his or her health care services through the TennCare program. And while African Americans represent 16 percent of the entire state population, they represent nearly one in three TennCare enrollees and *half* of all children enrolled in TennCare. In fact, TennCare provides coverage to *two in every five* African American Tennesseans. But the new waiver, released on August 19th, is a radical departure from the existing program, replacing its structure of minimum federal standards and legal protections with nearly unfettered state discretion. Because so many African Americans rely on TennCare for health insurance coverage, the waiver gravely threatens access to quality, affordable health care for African Americans in Tennessee.



The TennCare Waiver: *Creating Insurmountable Barriers*

The proposed changes create significant new barriers to care for everyone who relies on TennCare.

- ◆ **New premiums and copayments make health care unaffordable.**

The new waiver imposes costly monthly premiums that will make TennCare unaffordable for many African American families, meaning that several thousand African Americans are likely to lose TennCare coverage—despite rhetoric to the contrary. Moreover, the waiver also calls for increases in copayments that will prevent many low-income people from getting health care services even when they are enrolled. And, for the first time, doctors, hospitals, and pharmacists will be able to turn people away if they cannot afford their copayments, no matter how poor they are.

- ◆ **Strict new limits on benefits put health care out of reach.**

The waiver puts new absolute limits on the amount of health care services that TennCare will cover. For example, adults who rely on TennCare will be limited to 12 visits to a doctor per year and possibly as few as four prescription drugs per month—no matter what amount of care is actually needed to control or treat their conditions. These limits are particularly likely to affect African Americans, who are significantly more likely to be in poor health and to have conditions that require intensive health care interventions and sustained periods of follow-up care.

- ◆ **Redefining “medical necessity” could result in arbitrary treatment denials.**

By changing the definition of “medical necessity” to one that is the most stringent in the nation, TennCare bureaucrats will be able to override doctors’ decisions and even deny health care services that are purportedly covered. The new definition would only require coverage for the “least costly” service that is “adequate,” rather than the most cost-effective service that meets that standard of care. And because there is no information in the waiver about how this standard will be applied, this change could set up a system of arbitrary decisions that will put African Americans at particular risk of having health coverage denied.

- ◆ **Elimination of important consumer protections puts TennCare enrollees at risk.**

Additionally, the new waiver would strip nearly 120,000 children of important health care benefit guarantees. It would do this by eliminating a benefit called “EPSDT” (Early and Periodic Screening, Diagnosis, and Treatment) that guarantees a comprehensive health care package for children from TennCare. And, to make matters worse, the waiver also takes away important rights of many beneficiaries to appeal denials of coverage.

- ◆ **Pre-approval for unspecified future program cuts puts even more coverage at risk.**

The waiver proposal seeks “pre-approval” from the federal government for a wide range of unspecified coverage reductions, including further premium and copayment increases and additional benefit limits. The state would have the authority to make these changes when, in its discretion, it is necessary to hold TennCare expenditures (for all enrollees) at their current percentage of state revenues. This amounts to a self-imposed block grant, leaving African Americans vulnerable to major new cutbacks or to a steady erosion of coverage whenever medical inflation, higher enrollment, or weak state revenues change the ratio between costs and revenues.

The TennCare Waiver: A Powerful Factor Exacerbating Health Disparities

In January 2000, the U.S. Department of Health and Human Services identified the reduction of racial and ethnic disparities in health care as one of two overarching goals that the nation should work toward over the next decade. Despite this goal, African Americans, more so than non-Hispanic whites, continue to be more likely to rate their health as fair or poor, to have worse health outcomes, to have higher rates of morbidity (illness and injury), to have shorter life expectancies, and to have higher death rates from the nation’s top killers.

For example, in Tennessee:

- ◆ African Americans die from heart disease at a rate that is 1.4 times higher than it is for whites.
- ◆ The African American infant mortality rate is 2.6 times higher than that of whites.
- ◆ African Americans are 1.6 times more likely to die from diabetes than whites.
- ◆ The cancer death rate for African Americans is 1.3 times greater than that of whites.
- ◆ The rates of AIDS infection among African American adolescents and adults are nearly nine times greater than the rates among white adolescents and adults and four times the rates among Latinos.

Today, TennCare is an integral component in the statewide and national effort to reduce racial and ethnic health disparities because it helps expand access to affordable, high-quality health care treatments and services. The new TennCare waiver proposal undermines progress in reducing racial and ethnic health disparities by erecting barriers to health care for African Americans in Tennessee.