



STATE OF TENNESSEE

PROCLAMATION

BY THE GOVERNOR

WHEREAS, the impact of Tennessee's uninsured on the health delivery system and on the state's economy has become a significant issue following the passage of the Patient Protection and Affordable Care Act ("ACA"); and

WHEREAS, recent provider payment reductions instituted by the ACA have created financial stress for Tennessee's hospitals and are threatening their capacity to serve the uninsured; and

WHEREAS, providers have shifted the cost of treating the uninsured in emergency rooms to the privately insured, which contributes to premium growth frequently borne by businesses; and

WHEREAS, the Governor believes the ACA was the wrong approach to addressing the healthcare challenges facing our country, and expanding the traditional Medicaid program in Tennessee without introducing more personal responsibility or doing anything to control the cost of health care would be the wrong approach for the State of Tennessee; and

WHEREAS, in March 2013, the Governor announced he would not expand Tennessee's traditional Medicaid program but that he would pursue a third way to leverage the enhanced federal funding and would return to the General Assembly with a proposal; and

WHEREAS, over twenty-one months of negotiations with the federal government culminated in the Governor's announcement of Insure Tennessee on December 15, 2014; and

WHEREAS, Insure Tennessee is a two-year pilot program that introduces market principles to Medicaid and leverages a payment reform initiative that is working to control healthcare costs and improve the quality of care; and

WHEREAS, Insure Tennessee is designed to address the needs of a defined target population of people between ages 19 and 64 who are not eligible for Medicaid; and

WHEREAS, Insure Tennessee will provide health coverage to more than 200,000 uninsured Tennesseans who earn less than 138 percent of the federal poverty level, or just over \$16,000 per year for an individual; and

WHEREAS, Insure Tennessee will not create any new taxes for Tennesseans or add any state cost to the budget; and

WHEREAS, Tennessee taxpayers are currently paying taxes through the ACA, which are helping to cover this population in other states, and Insure Tennessee will bring those Tennessee taxpayer dollars to this State to benefit Tennessee citizens; and

WHEREAS, Insure Tennessee will be financed entirely by the federal government and Tennessee's hospitals through the hospital assessment and will automatically terminate in the event that the level of support from the federal government decreases from 100% and the hospital assessment fails to finance any remaining state share of the cost; and

WHEREAS, Tennessee has launched an initiative to improve health care quality and control healthcare costs by shifting from a volume driven to a value driven provider payment structure; and

WHEREAS, payment reform focuses on aligning incentives at the provider level to achieve improved health system outcomes; and

WHEREAS, Insure Tennessee is designed, therefore, to align incentives at the consumer level by promoting personal responsibility; and

WHEREAS, the Centers for Medicare and Medicaid Services ("CMS") has been advised that the Governor would seek the authorization of the General Assembly to implement Insure Tennessee.

NOW THEREFORE, I, Bill Haslam, Governor of the State of Tennessee, by virtue of the power and authority vested in me by Article III, Section 9 of the Tennessee Constitution, do hereby call the One Hundred Ninth General Assembly of the State of Tennessee to meet and convene in extraordinary session at the Capitol in Nashville at 4:00 p.m., Central Standard Time, on Monday, February 2, 2015, for the following purposes:

- (1) To consider and act upon a joint resolution of the General Assembly to authorize the Governor to:
 - (a) Do all that is necessary and appropriate to implement Insure Tennessee substantially as described in TennCare Demonstration Amendment #25; and
 - (b) Continue the implementation, administration and operation of Insure Tennessee under this authorization only if the program is financed by the federal government or financed by both federal funds and hospital assessment funds to cover any remaining state share as a result of a reduction in federal funding;
- (2) To make appropriation for the payment of all expenses of the extraordinary session; and
- (3) To consider and act upon a resolution to invite the Governor to address the Senate and House of Representatives, meeting in joint convention, on the reasons why an extraordinary session of the General Assembly has been called.



IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Tennessee to be affixed at Nashville on this 8th day of January, 2015.

Bill Haslam

ATTEST:

Secretary of State