

Significant Cuts to the TennCare Pharmacy Program
in
Tennessee's Proposed Budget for Fiscal Year 2016

Proposed TennCare Pharmacy Cuts	State Funding Reduction	Federal Funding Reduction	Total Funding Reduction (State & Federal)	Description	
Increased Buprenorphine Limits	\$1,586,600	\$2,955,000	\$4,541,600	Coverage for Suboxone treatment through TennCare will have a two (2) year lifetime limit. For individuals who have already received Suboxone treatment for 2 years or greater, there will be a 6 month grandfathering period.	
Compounding Cuts	\$908,300	\$1,691,700	\$2,600,000	Three Primary Cuts:	1) Recognize level of efforts for the preparation of compounded drugs by pharmacists through tiered pricing 2) Eliminate TennCare coverage for medications that have commercially available alternatives 3) Eliminate TennCare Coverage for compounded drugs that use ingredients not indicated for topical use
Pharmacy Reimbursement Cuts	\$6,079,500	\$11,322,900	\$17,402,400	Specialty Pharmacy Medications	Current Reimbursement: AWP - 19%
					Proposed Reimbursement: AWP - 23%
				Brand Name Medications	Current Reimbursement: AWP - 15%
					Proposed Reimbursement: AWP - 16%
				Generic Medications	Current Reimbursement: AWP - 13%
					Proposed Reimbursement: AWP - 16%
Total Proposed Cuts	\$8,574,400	\$15,969,600	\$24,544,000		