



Children and Adults Health Programs Group

August 30, 2022

Stephen Smith
Director
Division of TennCare
310 Great Circle Road
Nashville, TN 37243

Dear Mr. Smith:

This letter is in response to Tennessee's request, dated April 29, 2022, for a waiver under section 1902(e)(14)(A) of the Social Security Act (the Act), that will protect beneficiaries in addressing the challenges the state faces as part of a transition to routine operations when the COVID-19 Public Health Emergency (PHE) ends. Section 1902(e)(14)(A) allows for waivers "as are necessary to ensure that states establish income and eligibility determination systems that protect beneficiaries." Such waivers are time-limited and are meant to promote enrollment and retention of eligible individuals by easing the administrative burden states may experience in light of systems limitations and challenges.

The ongoing COVID-19 pandemic and implementation of federal policies to address the PHE have disrupted routine Medicaid and Children's Health Insurance Program (CHIP) eligibility and enrollment operations. Medicaid and CHIP enrollment has grown to historic levels due in large part to the continuous enrollment requirements that states implemented as a condition of receiving a temporary 6.2 percentage point federal medical assistance percentage increase under section 6008 of the Families First Coronavirus Response Act (P.L. 116-127).

Consistent with the March 3, 2022 Centers for Medicare & Medicaid Services (CMS) State Health Official (SHO) letter #22-001, "*Promoting Continuity of Coverage and Distributing Eligibility and Enrollment Workload in Medicaid, the Children's Health Insurance Program (CHIP), and Basic Health Program (BHP) Upon Conclusion of the COVID-19 Public Health Emergency*," Tennessee has requested that CMS provide authority under section 1902(e)(14)(A) of the Act to temporarily permit the state to renew Medicaid eligibility for individuals who are receiving benefits under the Supplemental Nutritional Assistance Program (SNAP), despite the differences in household composition and income-counting rules. The state has expressed the need for this authority in order to address systems and operational issues related to managing staff workload during the unwinding period. Specifically, the state cited concerns that the extraordinarily high volume of renewals and other eligibility and enrollment actions that need to be conducted during the unwinding period would delay renewal processing, create unmanageable workload given limited staff capacity, and lead to an increase in procedural closures.

Under Section 1902(e)(14)(A) of the Act, your request to renew Medicaid eligibility for individuals who are receiving benefits under SNAP, despite the differences in household composition and income-counting rules, is approved, as described and subject to the conditions below.

Renewal for Individuals Based on SNAP Eligibility (MAGI)

The authority provided in accordance with this letter will enable the state, during the period of time specified below, to renew Medicaid eligibility for individuals who are receiving SNAP benefits, despite the differences in household composition and income-counting rules. Under this authority, the state will renew Medicaid eligibility for SNAP participants whose gross income as determined by SNAP is under the applicable MAGI-based income standard for Medicaid eligibility without conducting a separate MAGI-based income determination.

Renewal for Individuals Based on SNAP Eligibility (non-MAGI)

The authority provided in accordance with this letter will enable the state, during the period of time specified below, to renew Medicaid eligibility for individuals who are receiving SNAP benefits, despite the differences in household composition and income-counting rules. This authority will apply for individuals enrolled in coverage under the eligibility groups described at 42 CFR 435.135 (the “Pickle” group), 42 CFR 435.137 and 42 CFR 435.138 (relating to certain widows and widowers who have disabilities), section 1634(c) of the Act (relating to adults who developed disabilities before age 22), and section 1902(a)(10)(E) of the Act (the “Medicare Savings Program” groups). Under this authority, the state may renew Medicaid eligibility for SNAP participants in these eligibility groups whose gross income as determined by SNAP is under the applicable non-MAGI-based income standard for Medicaid eligibility without conducting a separate non-MAGI-based income determination.

The state will continue to conduct resource determinations, consistent with the state’s existing policies. This includes attempting an *ex parte* renewal by checking the Asset Verification System (AVS) for resources. Consistent with the Section 1902(e)(14)(A) approval letter dated May 12, 2022 that authorizes the state to temporarily facilitate renewals for individuals with no AVS data returned within a reasonable timeframe, if the state is unable to complete the resource components of the *ex parte* renewal after checking AVS (i.e., no information is returned through the AVS or the AVS call is not returned within a reasonable timeframe), then the state can assume that there has been no change in resources without any further verification of assets.

The authority provided in this letter is effective on the first day of the month following the end of the public health emergency for COVID-19, as declared by the Secretary of Health and Human Services under section 319 of the Public Health Service Act (42 U.S.C. § 247d) and will remain effective for renewals initiated through the end of our 12-month unwinding period, as defined in SHO #22-001.

The authority provided in this letter is subject to CMS receiving your written acknowledgement of this approval and acceptance of this new authority and the terms described herein within 30 days of the date of this letter.

Stephen Smith – Page 3

We look forward to our continuing work together as part of a transition to routine operations. If you have questions regarding this award, please contact Joe Weissfeld in the Division of Enrollment Policy and Operations, at josef.weissfeld@CMS.hhs.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sarah deLone". The signature is fluid and cursive, with a large initial "S" and a long, sweeping underline.

Sarah deLone, Director,
Children and Adults Health Programs Group