

# Notice of Change to the TennCare III Program Adjustments to Certain HCBS Expenditure Caps

December 20, 2023

The Commissioner of the Tennessee Department of Finance & Administration is providing official notification of a planned change to the TennCare program. This change entails adjustments to certain HCBS expenditure caps in the TennCare program. TennCare is publishing this notice pursuant to 42 CFR § 431.408 and the terms and conditions of the TennCare demonstration in order to solicit public input on this planned change.

## Description of Planned Program Change

Within the TennCare demonstration, CHOICES provides HCBS to seniors and adults with physical disabilities. Employment and Community First CHOICES (ECF CHOICES) provides HCBS to individuals with intellectual or other developmental disabilities.

HCBS benefits in CHOICES Group 3 and in ECF CHOICES are subject to annual expenditure caps as specified in the Special Terms and Conditions (STCs) of the TennCare demonstration. Under the terms of the TennCare III demonstration, TennCare may make modifications to these expenditure caps, subject to public notice and notification to the Centers for Medicare & Medicaid Services (CMS).

TennCare hereby provides notice that expenditure caps for certain groups receiving HCBS will be modified as indicated in the table below. These changes will become effective March 24, 2024.

| Benefit Group   | Expenditure Cap Currently Specified in the STCs | New Expenditure Cap Effective March 2024 |
|---|---|--|
| CHOICES Group 3   | \$18,000  | \$19,764                                 |
| ECF CHOICES Group 4   | \$18,000  | \$18,420                                 |
| ECF CHOICES Group 5   | \$36,000  | \$38,820                                 |
| ECF CHOICES Group 6 – Enrollees with Low Level of Need      | \$54,000  | \$62,268                                 |
| ECF CHOICES Group 6 – Enrollees with Moderate Level of Need | \$82,000  | \$95,620                                 |
| ECF CHOICES Group 6 – Enrollees with High Level of Need     | \$108,000                                       | \$129,048                                |

These expenditure cap adjustments reflect targeted increases in reimbursement rates for certain HCBS.

### **Expected Impact on Enrollment and Expenditures**

Adjusting the HCBS expenditure caps for CHOICES Group 3 and ECF CHOICES as described above will not result in the enrollment of additional persons in the TennCare program. This change is also not expected to result in material changes to aggregate expenditures under the TennCare demonstration. TennCare has implemented targeted increases in reimbursement rates for certain HCBS, including under Tennessee's approved plan to enhance, expand, and strengthen HCBS under Section 9817 of the American Rescue Plan Act. The demonstration's STCs currently stipulate that individuals in CHOICES 3 and ECF CHOICES are not subject to service reductions based on exceeding an expenditure cap if the sole reason the expenditure cap would be exceeded is due to these rate increases. This change will ensure that the expenditure caps for CHOICES 3 and ECF CHOICES more accurately reflect the current cost of providing HCBS for these individuals but will not lead to additional expenditures beyond current levels.

### **Evaluation Impact**

TennCare does not anticipate modifying its evaluation design based on this planned change. This change is expected to contribute to key goals of the TennCare demonstration already reflected in the demonstration's evaluation design (currently under CMS review). These include supporting access to appropriate and cost-effective HCBS.

### **Waiver and Expenditure Authorities Requested**

TennCare is not requesting any new waiver or expenditure authorities under Section 1115 of the Social Security Act to implement this change.

Under the terms of the TennCare III demonstration, Tennessee may adjust the HCBS expenditure caps applicable to persons in CHOICES Group 3 and ECF CHOICES without seeking additional approval of a demonstration amendment from the Centers for Medicare & Medicaid Services (CMS).

### **Public Notice Process**

TennCare has taken a variety of steps to ensure that members of the public are notified of this planned change to the TennCare program. These measures include the development and maintenance of this webpage, as well as notices published in newspapers of general circulation in Tennessee communities with 50,000 or more residents.

In addition, TennCare has disseminated information about this proposed change via its social media accounts (e.g., Facebook, X/Twitter).

## Public Input Process

TennCare is seeking feedback on this planned change. Members of the public are invited to offer comments regarding this change from December 20, 2023, through January 22, 2024.

Members of the public who wish to comment on this planned change may do so through either of the following options:

- Comments may be sent by email to [public.notice.tennCare@tn.gov](mailto:public.notice.tennCare@tn.gov).
- Comments may be mailed to

Aaron Butler, Director of Policy  
Division of TennCare  
310 Great Circle Road  
Nashville, TN 37243.

Individuals who prefer to make their comments verbally may participate in one of the following public hearings to comment on this planned change:

### **In-Person Hearing**

Location: Room 320.3E of the TennCare Building, 310 Great Circle Road, Nashville, TN.

Date: January 3, 2024

Time: 10:00 a.m. CT

### **Virtual Hearing**

Location: <https://tn.webex.com/tn/j.php?MTID=m6c214df9743e62bec89dfb2120957f>

Date: January 4, 2024

Time: 2:00 p.m. CT

TennCare always appreciates input. In order to be considered prior to implementation of this change, feedback must be received no later than January 22, 2024. Individuals wishing to view comments submitted by members of the public may submit their requests to the same physical address and/or email address at which comments are being accepted.

### **TennCare Demonstration**

A copy of the TennCare demonstration is available at

<https://www.tn.gov/content/dam/tn/tenncare/documents/tenncarewaiver.pdf>.

### **TennCare Page on CMS Web Site**

As the federal agency with oversight authority over all Medicaid programs, CMS offers its own online resources regarding the TennCare demonstration. Interested parties may view these materials at

[https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/waivers\\_faceted.html](https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/waivers_faceted.html).