



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION
BUREAU OF TENNCARE
310 Great Circle Road
NASHVILLE, TENNESSEE 37243

IMPORTANT MEMORANDUM

DATE: March 13, 2015
TO: CHOICES Nursing Facility Providers, TennCare MCOs
FROM: Patti Killingsworth, Assistant Commissioner, Chief of LTSS
SUBJECT: Nursing Facility (NF) Liability Insurance

On October 23, 2014, you received a memo advising you of minimum liability insurance requirements for participating Medicaid NFs. Those requirements were to become effective beginning July 1, 2015.

While these requirements were developed in consultation with THCA, after issuing the memo, concerns and questions were brought to the attention of the Association and the Bureau. As a result, TennCare elected to forego including these requirement in MCO contracts until such time that we could further review the issue. While we continue to believe that liability insurance (or at a minimum, self-insurance) is an important protection for CHOICES members as well as facilities, we also want to ensure that providers have access to coverage in order to maintain the stability of the network and continuity of services for residents served in your facilities.

Accordingly, this memo advises you that **we are delaying the implementation of minimum insurance requirements pending further review and discussion with the industry and with other stakeholders.** If you currently have this coverage, we *strongly* advise you to maintain the coverage—both for your own interests and the interests of your residents.

We expect that MCOs will continue to review insurance coverage as part of the credentialing process, but an MCO shall not exclude a facility from participation if it does not have such coverage.

Once these discussions have concluded, we anticipate filing a notice of rulemaking hearing in order to set forth the minimum insurance requirements that will apply, allowing for public input both before and during the development of any final rule.

We appreciate the opportunity to work together on behalf of those we serve.

C: Keith Gaither, Director, Managed Care Operations
Michelle Morse Jernigan, Deputy, LTSS Quality & Administration
Jay Taylor, Deputy, LTSS Audit & Compliance