

April 26, 2022

Stephen Smith
Director of TennCare
Tennessee Department of Finance and Administration
310 Great Circle Road
Nashville, TN 37243

Dear Mr. Smith:

On March 13, 2020, the President of the United States issued a proclamation that the Coronavirus Disease 2019 (COVID-19) outbreak in the United States constitutes a national emergency by the authorities vested in him by the Constitution and the laws of the United States, including sections 201 and 301 of the National Emergencies Act (50 U.S.C. 1601 et seq.), and consistent with section 1135 of the Social Security Act (the Act) as amended (42 U.S.C. 1320b-5). On March 13, 2020, pursuant to section 1135(b) of the Act, the Secretary of Health and Human Services invoked his authority to waive or modify certain requirements of titles XVIII, XIX, and XXI of the Act as a result of the consequences of the COVID-19 pandemic, to the extent necessary, as determined by the Centers for Medicare & Medicaid Services (CMS), to ensure that sufficient health care items and services are available to meet the needs of individuals enrolled in the respective programs and to ensure that health care providers that furnish such items and services in good faith, but are unable to comply with one or more of such requirements as a result of the COVID-19 pandemic, may be reimbursed for such items and services and exempted from sanctions for such noncompliance, absent any determination of fraud or abuse. This authority took effect as of 6:00 PM Eastern Standard Time on March 15, 2020, with a retroactive effective date of March 1, 2020.

In response to the section 1115(a) demonstration opportunity announced to states on March 22, 2020, in State Medicaid Director Letter (SMDL) #20-002,¹ on December 13, 2021, Tennessee submitted a request for an amendment to the “TennCare III” section 1115(a) demonstration (Project Number 11-W-00369/4) to address the COVID-19 PHE. CMS has determined that the state’s application is complete, consistent with the exemptions and flexibilities outlined in 42 CFR 431.416(e)(2) and 431.416(g).² CMS expects that states will

¹ See SMDL #20-002, “COVID-19 Public Health Emergency Section 1115(a) Opportunity for States,” available at <https://www.medicare.gov/sites/default/files/Federal-Policy-Guidance/Downloads/smd20002-1115template.docx>.

² Pursuant to 42 CFR 431.416(g), CMS has determined that the existence of unforeseen circumstances resulting from the COVID-19 PHE warrants an exception to the normal state and federal public notice procedures to expedite a decision on a proposed COVID-19 section 1115 demonstration or amendment. States applying for a COVID-19

offer, in good faith and in a prudent manner, a post-submission public notice process, including tribal consultation as applicable, to the extent circumstances permit. This letter serves as a time-limited approval of the state's requests, which will be approved as an amendment under the TennCare III demonstration and which is hereby authorized retroactively from July 1, 2021, and ending no longer than six months following the expiration of the PHE.

CMS has determined that this amendment – including the expenditure authority detailed below- promotes the objectives of Medicaid because it is necessary to maintain access to services during the PHE, and it assists the state in delivering the most effective care to its beneficiaries in light of the COVID-19 PHE. To that end, the demonstration is expected to help the state furnish medical assistance in a manner intended and providers who may be affected by the COVID-19 PHE. The availability of these additional benefits is expected to support the person's independence, support family caregivers, address the additional stresses from impacts of COVID-19, and ensure the sustainability of these supports going forward.

In addition, in light of the unprecedented emergency circumstances associated with the COVID-19 pandemic and consistent with the President's declaration detailed above – and in consequence of the time-limited nature of this demonstration amendment – CMS did not require the state to submit budget neutrality calculations for this COVID-19 PHE amendment to the TennCare III demonstration. In general, CMS has determined that the costs to the federal government are likely to have been otherwise incurred and allowable. Tennessee will still be required to track demonstration expenditures and will be expected to evaluate the connection between those expenditures and the state's response to the PHE, as well as the cost-effectiveness of those expenditures. Due to the highly limited scope of the changes under the amendment, CMS is incorporating this amendment as Attachment S to the TennCare III STCs.

Request CMS is Approving at this Time

CMS is approving the Medicaid expenditure and modified waiver authority, as described below, starting July 1, 2021 and ending no longer than six months following the expiration of the PHE. This approval allows the state to temporarily modify the special terms and conditions (STCs) of the TennCare III demonstration, specific to long-term services and supports (LTSS) flexibilities, provided pursuant to Section 9817 of the American Rescue Plan Act of 2021 (ARP) (Pub. L. 117-2) and Tennessee's conditionally approved Initial Home and Community-Based Services (HCBS) Spending Plan.

Expenditure Authority

Expenditure authority for all additional funding provided pursuant to Section 9817 of the American Rescue Plan Act of 2021 (ARP) (Pub. L. 117-2), including services delivered to

section 1115 demonstration or amendment are not required to conduct a public notice and input process. CMS is also exercising its discretionary authority to expedite its normal review and approval processes to render timely decisions on state applications for COVID-19 section 1115 demonstrations or amendments. CMS will post all section 1115 demonstrations approved under this COVID-19 demonstration opportunity on the Medicaid.gov website.

affected beneficiaries in excess of current cost limits, outside the scope of current services, and/or in excess of service limitations.

This expenditure authority will allow for one-time increase in expenditure caps for specified benefit groups in the CHOICES and Employment and Community First (ECF) CHOICES programs, which provide LTSS (including HCBS) to older adults and people with physical or intellectual disabilities. These increases are not intended to provide for additional benefits, but rather to accommodate targeted rate increases in CHOICES and ECF CHOICES that have a direct care component as provided in Tennessee’s conditionally approved Initial HCBS Spending Plan. These Expenditure Cap adjustments will ensure that individuals in each of these benefit groups continue to have access to their currently approved HCBS.

The state will also add enabling technology as a new benefit for specified benefit groups in the CHOICES and Employment and Community First (ECF) CHOICES programs. Enabling technology is equipment and/or methodologies that, alone or in combination with associated technologies, provides the means to support the individual’s increased independence in their homes, communities, and workplaces. The service covers purchases, leasing, shipping costs, and as necessary, repair of equipment required by the person to increase, maintain or improve his/her functional capacity to perform daily tasks that would not be possible otherwise.

The availability of these additional benefits is expected to support the person’s independence, support family caregivers, address the additional stresses from impacts of COVID-19, and ensure the sustainability of these supports going forward.

Modified Waiver Authority

Section 1902(a)(8), (a)(10)(B), and/or (a)(17)-To permit the state to vary the amount, duration, and scope of services based on population needs; to provide different services to different beneficiaries in the same eligibility group, or different services to beneficiaries in the categorically needy and medically needy groups; and **to allow states to triage access to long-term services and supports based on highest need.**

Monitoring and Evaluation Requirements

Consistent with CMS requirements for monitoring and evaluation of section 1115 demonstrations, the state is required to develop an Evaluation Design and a Final Report, which will consolidate the monitoring and evaluation requirements associated with this amendment. The draft Evaluation Design will be due to CMS no later than 60 calendar days after approval of the demonstration amendment. The draft Final Report will be due to CMS no later than one year after the end of the COVID-19 PHE demonstration authority.

CMS will provide guidance to help the state fulfill the monitoring and evaluation requirements, including assistance in developing the Evaluation Design. Given the unique circumstances and time-limited nature of the demonstration, CMS expects Tennessee to undertake data collection or analyses that are meaningful, but not unduly burdensome for the state. Specifically, the state should focus on qualitative methods and descriptive statistics to address evaluation questions that

will support understanding the successes, challenges, and lessons learned in implementing the demonstration. To the extent that demonstration reporting has not otherwise covered activities associated with this amendment, the state is also expected to review 42 CFR 431.428 to ensure that the Final Report captures all applicable requirements stipulated for an annual report.

Once approved, in accordance with 42 CFR 431.424(e), the state is required to post the Evaluation Design to its Medicaid agency website within 30 calendar days of CMS approval. Likewise, per the demonstration STCs, specifically, STC #98 on Public Access pertaining to demonstration deliverables, the state shall post the CMS-approved Final Report to its website within 30 calendar days of CMS approval.

Other Information

Approval of this demonstration amendment is subject to the limitations specified in the approved expenditure and waiver authorities and the enclosed Attachment S to the STCs. The state may deviate from its Medicaid state plan requirements only to the extent specific in the approved expenditure authority, waiver authority, and the enclosed STCs for the demonstration. This approval is conditioned upon continued compliance with the previously approved STCs, which set forth in detail the nature, character, and extent of anticipated federal involvement in the project.

The award is subject to CMS receiving written acceptance of this award within 15 days of the date of this approval letter. Your project officer is April Wiley. Ms. Wiley is available to answer any questions concerning implementation of the state's section 1115(a) demonstration amendment and her contact information is as follows:

Centers for Medicare & Medicaid Services
Center for Medicaid and CHIP Services
Mail Stop S2-25-26
7500 Security Boulevard
Baltimore, Maryland 21244-1850
Email: april.wiley@cms.hhs.gov

We appreciate your state's commitment to addressing the significant challenges posed by the COVID-19 pandemic, and we look forward to our continued partnership on the TennCare III section 1115(a) demonstration. If you have any questions regarding this approval, please contact Ms. Judith Cash, Director, State Demonstrations Group, Center for Medicaid and CHIP Services, at (410) 786-9686.

Sincerely,



Daniel Tsai
Deputy Administrator and Director

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Enclosure

cc: Tandra Hodges, State Monitoring Lead, Medicaid and CHIP Operations Group

Attachment S
COVID-19 Emergency HCBS Flexibilities 2

COVID-19 Section 1115(a) Demonstration Application Template

The State of Tennessee, Department of Finance and Administration, proposes emergency relief as an affected state, through the use of section 1115(a) demonstration authority as outlined in the Social Security Act (the Act), to address the multi-faceted effects of the novel coronavirus (COVID-19) on the state’s Medicaid program.

Tennessee’s Medicaid program currently operates as 1115 Medicaid demonstration entitled, “TennCare III” (Project No. 11-W-00369/4). This emergency amendment seeks to make certain temporary modifications to the terms and conditions of that approved demonstration, specific to long-term services and supports (LTSS).

These changes pertain to two of the LTSS programs under the authority of the TennCare 1115 demonstration.

- The CHOICES program provides LTSS (including Nursing Facility services and HCBS) to elderly adults and individuals with physical disabilities.
- The Employment and Community First (ECF) CHOICES program provides HCBS to individuals with intellectual or other developmental disabilities.

I. DEMONSTRATION GOAL AND OBJECTIVES

Effective retroactively to July 1, 2021 through no longer than six (6) months following the expiration of the federal emergency declaration, the State of Tennessee seeks section 1115(a) demonstration authority to operate its Medicaid program without regard to the specific statutory or regulatory provisions (or related policy guidance) described below, in order to furnish medical assistance in a manner intended to protect, to the greatest extent possible, the health, safety, and welfare of individuals and providers who may be affected by COVID-19.

For the most part, these temporary flexibilities are provided pursuant to Section 9817 of the American Rescue Plan Act of 2021 (ARP) (Pub. L. 117-2) and Tennessee’s conditionally approved Initial HCBS Spending Plan. Amendment #1 to the TennCare III demonstration already includes Enabling Technology as a benefit in the ECF CHOICES program. Upon approval of Amendment 1, authority for continuation of this benefit in the ECF CHOICES program will be in place. Within 90 days following the end of the federal emergency declaration, TennCare will file an amendment to the TennCare III demonstration to provide for the continuation of remaining assistance through March 31, 2024.

II. DEMONSTRATION PROJECT FEATURES

- A. Eligible Individuals:** The following populations will be eligible under this demonstration. To the extent coverage of a particular service is available for a particular beneficiary under the State plan, such coverage will be provided under the State plan and not under demonstration authority.

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This amendment does not seek to modify the populations eligible for CHOICES or ECF CHOICES under the TennCare III demonstration.

This amendment will apply to approximately 12,000 older adults and adults with physical disabilities receiving HCBS in CHOICES Groups 2 and 3, and approximately 3,700 individuals with intellectual and developmental disabilities receiving HCBS in Employment and Community First CHOICES. Individuals in need of the assistance provided through this amendment will be identified through ongoing person-centered Care/Support Coordination processes which are the responsibility of TennCare-contracted Managed Care Organizations (MCOs).

Check to Apply	Population
X	Current title XIX State plan beneficiaries—specifically SSI and enrolled in CHOICES Groups 2 and 3, or ECF CHOICES
X	Current section 1115(a)(2) expenditure population(s) eligible for/enrolled in the following existing section 1115 demonstrations: [<i>state to identify here</i>] <ul style="list-style-type: none"> • Individuals in CHOICES 2 in the CHOICES 1 and 2 Carryover Group • CHOICES 217-Like HCBS Group • CHOICES At-Risk Demonstration Group • ECF CHOICES 217-Like HCBS Group • Interim ECF CHOICES At-Risk Demonstration Group • ECF CHOICES At-Risk Demonstration Group • ECF CHOICES Working Disabled Group

B. Benefits: The state will provide the following benefits and services to individuals eligible under this demonstration. To the extent coverage of a particular service is available for a particular beneficiary under the State plan, such coverage will be provided under the State plan and not under demonstration authority.

The requested changes will:

- Improve access to existing benefits that will support family caregivers in order to address the additional stresses from impacts of COVID-19 and ensure the sustainability of these supports going forward in order to assure participants’ health, safety and welfare;
- Provide access to Enabling Technologies that will ensure equity across HCBS programs and populations, and support individualized goals pertaining to independence competitive integrated employment, and community integration for all the individuals receiving Medicaid-reimbursed HCBS across Medicaid authorities. These benefits are of particular importance following the social isolation and other impacts of COVID-19 on older adults and people with disabilities living in the community.

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Check to Apply	Services																					
	Current title XIX State plan benefits																					
X	<p>Others as described here: <i>[state to describe here]</i></p> <p>(1) Tennessee seeks to increase the Expenditure Cap in each of the following benefit groups (where an individual cost neutrality test is not applicable):</p> <table border="1" data-bbox="480 611 1297 951"> <thead> <tr> <th data-bbox="480 611 735 688">Benefit Group</th> <th data-bbox="735 611 1019 688">Current expenditure cap</th> <th data-bbox="1019 611 1297 688">Adjusted expenditure cap</th> </tr> </thead> <tbody> <tr> <td data-bbox="480 688 735 724">Group 3</td> <td data-bbox="735 688 1019 724">\$15,000</td> <td data-bbox="1019 688 1297 724">\$18,000</td> </tr> <tr> <td data-bbox="480 724 735 760">Group 4</td> <td data-bbox="735 724 1019 760">\$15,000</td> <td data-bbox="1019 724 1297 760">\$18,000</td> </tr> <tr> <td data-bbox="480 760 735 795">Group 5</td> <td data-bbox="735 760 1019 795">\$30,000</td> <td data-bbox="1019 760 1297 795">\$36,000</td> </tr> <tr> <td data-bbox="480 795 735 831">Group 6 Low</td> <td data-bbox="735 795 1019 831">\$45,000</td> <td data-bbox="1019 795 1297 831">\$54,000</td> </tr> <tr> <td data-bbox="480 831 735 909">Group 6 Moderate</td> <td data-bbox="735 831 1019 909">\$67,500</td> <td data-bbox="1019 831 1297 909">\$82,000</td> </tr> <tr> <td data-bbox="480 909 735 951">Group 6 High</td> <td data-bbox="735 909 1019 951">\$88,250</td> <td data-bbox="1019 909 1297 951">\$108,000</td> </tr> </tbody> </table> <p>These increases are not intended to provide for additional benefits, but rather to accommodate targeted rate increases in CHOICES and ECF CHOICES that have a direct care component as provided in Tennessee’s conditionally approved Initial HCBS Spending Plan. These Expenditure Cap adjustments will ensure that individuals in each of these benefit groups continue to have access to their currently approved HCBS.</p> <p>During the period this Emergency Amendment is effective, TennCare will monitor the impact of these Expenditure Cap adjustments to ensure they are sufficient to permit continuation of services at the new reimbursement rates. Any additional adjustments needed to these Expenditure Caps will be included as part of the 1115 amendment submitted within 90 days after the federal declaration has concluded. A person enrolled in CHOICES or ECF CHOICES shall not be disenrolled, nor shall currently authorized CHOICES or ECF CHOICES be reduced, if the sole reason the person’s expenditure cap would be exceeded is the targeted rate increases in CHOICES and ECF CHOICES HCBS provided via Tennessee’s Initial HCBS Spending Plan.</p>	Benefit Group	Current expenditure cap	Adjusted expenditure cap	Group 3	\$15,000	\$18,000	Group 4	\$15,000	\$18,000	Group 5	\$30,000	\$36,000	Group 6 Low	\$45,000	\$54,000	Group 6 Moderate	\$67,500	\$82,000	Group 6 High	\$88,250	\$108,000
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Check to Apply	Services
	<p>In addition to these adjustments in Expenditure Caps, and in addition to current exceptions to Expenditure Caps provided in the currently approved 1115 demonstration, effective November 2, 2021 through March 31, 2024:</p> <p>CHOICES Groups 2 and 3 members enrolled as of July 12, 2021 will be eligible to exceed their revised Expenditure Cap or their Individual Cost Neutrality test, as applicable, in order to be receive a one-time increase of up to \$3,000 across the following services:</p> <ul style="list-style-type: none"> • Respite • Adult Day Services • Assistive Technology • Enabling Technology • Minor Home Modifications <p>ECF CHOICES Groups 4, 5, 6 and 7 members enrolled as of July 12, 2021 will be eligible to exceed their revised Expenditure Cap in order to be receive a one-time increase of up to \$3,000 across the following waiver services:</p> <ul style="list-style-type: none"> • Respite • Assistive Technology, Adaptive Equipment and Supplies • Enabling Technology • Minor Home Modifications <p>For each program, the \$3,000 is a one-time increase that may be utilized anytime between November 2, 2021 and March 31, 2024. A member may elect to receive additional units of one service or multiple services; however, the overall limitation on additional services is \$3,000 per person. This assistance is provided in addition to existing service limitations and without regard for expenditure caps or individual cost neutrality tests specified in the approved waiver.</p> <p>To qualify for this additional assistance the individual must be enrolled in the MLTSS program as of July 12, 2021, living with family members who routinely provide unpaid support and assistance; or if the individual does not live with family members, must have unpaid family caregivers who routinely provide unpaid support and assistance. The person may not be receiving residential supports.</p>

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Check to Apply	Services
	<p>The availability of these additional benefits is expected to support the person’s independence, support family caregivers, address the additional stresses from impacts of COVID-19, and ensure the sustainability of these supports going forward.</p> <p>Except as provided in this section, all other policies applying to expenditure caps in CHOICES and ECF CHOICES continue to apply.</p> <p align="center">(2) <u>Temporarily modify service scope or coverage</u></p> <p>Tennessee seeks to add Enabling Technology as a new benefit for CHOICES Group 2 and 3 members, limited to \$5,000 per person per calendar year through March 31, 2024.</p> <p>Tennessee also seeks to add Enabling Technology as a new benefit for ECF CHOICES Groups 4, 5, 6, 7, and 8 members. For ECF CHOICES members, Enabling Technology and Assistive Technology, Adaptive Equipment and Supplies combined shall be limited to \$5,000 per person per calendar year.</p> <p>An MCO may authorize services in excess of the benefit limit as a cost-effective alternative to institutional placement or other medically necessary covered benefits.</p> <p>Service Definition: Enabling Technology is equipment and/or methodologies that, alone or in combination with associated technologies, provides the means to support the individual’s increased independence in their homes, communities, and workplaces. The service covers purchases, leasing, shipping costs, and as necessary, repair of equipment required by the person to increase, maintain or improve his/her functional capacity to perform daily tasks that would not be possible otherwise. All items must meet applicable standards of manufacture, design and installation.</p> <p>Enabling Technology includes remote support technology systems in which remote support staff and/or coaches and/or natural supports can interact, coordinate supports, or actively respond to needs in person when needed. Remote support systems are real time support systems which often include two-way communication.</p>

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Check to Apply	Services
	<p>Enabling technology is an available support option for all aspects and places of participants’ lives.</p> <ul style="list-style-type: none"> • These systems use wireless technology, and/or phone lines, to link an individual’s home to a person off-site to provide up to 24/7 support. • These systems include the use of remote sensor technology to send “real time” data remote staff or family who are immediately available to assess the situation and provide assistance according to a Person-Centered Support Plan (PCSP). <p>Examples of enabling technologies typically used in peoples’ homes include:</p> <ul style="list-style-type: none"> • Motion sensors • Smoke and carbon monoxide alarms • Bed and/or chair sensors • Live or on demand audio and/or video technologies • Pressure sensors • Stove guards • Live web-based remote supports • Automated medication dispenser systems • Mobile software applications using digital pictures, audio and video to guide, teach, or remind • GPS guidance devices • Wearable and virtual technologies • Software to operate devices for environmental control or to communicate with other smart devices, paid or natural supports at home, at work, or any other place of personal import. <p>This service excludes coverage of connectivity for internet or telephone service for use of this equipment, which is prohibited by CMS.</p> <p>EMPLOYMENT & DAY SUPPORTS</p> <p>Mobile Technologies to teach safe travel skills and guide people during community travel to work or other places important in their lives, by walking or using public transportation.</p> <p>Enabling technology options include:</p> <ul style="list-style-type: none"> • Mobile software applications using digital pictures, audio and video to guide, teach, or remind • GPS guidance devices

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Check to Apply	Services
	<ul style="list-style-type: none"> • Wearable and virtual technologies • Software to support communication with people along participants' routes or destinations. <p>Rideshare/ Community Transportation Pre-authorization of (up to) a \$500 coupon code or pass per month based on person's travel plans or needs, (work, school, shopping, movies, etc.). This waiver benefit can also be used to pay a car pooler back for gas, for bus fare, a taxi service, etc.</p> <p>PRE-EMPLOYMENT: EXPLORATION Digital Career Exploration Self-directed or guided exploration of jobs and job tasks via a computer environment or a smart device's software application using digital pictures, audio and video to enable participants and job developers to identify jobs that match the individual's job interests.</p> <p>Digital tools for interest/skill exploration, member background information, scenario activities to identify skill set, learning styles, support needs.</p> <p>Virtual Reality Jobseekers can experience first-hand the pros and cons of various occupations by seeing, hearing and feeling what they are actually like.</p> <p>PRE-EMPLOYMENT: DISCOVERY/JOB DEVELOPMENT Online tools for job hunting such as job boards; job interview tasks & tips, conditions for success, job/skill evaluations, scenario activities.</p> <p>REMOTE COACHING Job Coaching includes supports provided to the person and their supervisor or co-workers, either remotely (via technology) or face-to-face.</p>

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Check to Apply	Services
	<p>A device that otherwise meets the requirement for two-way communication. Individual interaction with the staff person may be scheduled, on-demand, or in response to an alert from a device in the remote support equipment system.</p> <p>Mobile technologies, video modeling, task prompting software applications, GPS-based applications; wearable technologies; virtual, augmented, mixed reality systems.</p> <p>FADING</p> <p>A mobile technology that offers long-term support on the job, in lieu of paid support, that may encompass job tasks, social behavior, or communication.</p> <p>The use of enabling and/ or mobile technologies to support fading may cover a wide array of person-centered needs that include attendance, punctuality, self-managing breaks, interpersonal skills, appearance, communication, sequencing job tasks, etc.</p> <p style="text-align: center;">(3) <u>Temporarily exceed service limitations.</u></p> <p>Effective November 2, 2021 through March 31, 2024:</p> <p>CHOICES Groups 2 and 3 members will be eligible to exceed applicable benefit limits in order to be receive a one-time increase of up to \$3,000 across the following services:</p> <ul style="list-style-type: none"> • Respite • Adult Day Services • Assistive Technology • Enabling Technology • Minor Home Modifications <p>ECF CHOICES Groups 4, 5, 6 and 7 members will be eligible to exceed applicable benefit limits in order to be receive a one-time increase of up to \$3,000 across the following services:</p> <ul style="list-style-type: none"> • Respite • Assistive Technology, Adaptive Equipment and Supplies • Enabling Technology • Minor Home Modifications <p>For each program, the \$3,000 is a one-time increase that may be utilized anytime between November 2, 2021 and March 31,</p>

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Check to Apply	Services
	<p>2024. A member may elect to receive additional units of one service or multiple services; however, the overall limitation on additional services is \$3,000 per person. This assistance is provided in addition to existing service limitations and without regard for expenditure caps or individual cost neutrality tests specified in the approved waiver.</p> <p>To qualify for this additional assistance the individual must be enrolled in the MLTSS program as of July 12, 2021, living with family members who routinely provide unpaid support and assistance; or if the individual does not live with family members, must have unpaid family caregivers who routinely provide unpaid support and assistance. The person may not be receiving residential supports.</p> <p>The availability of these additional benefits is expected to support the person’s independence, support family caregivers, address the additional stresses from impacts of COVID-19, and ensure the sustainability of these supports going forward.</p> <p>Except as provided in this section, all other policies applying to benefit limits in CHOICES and ECF CHOICES continue to apply.</p>

C. Cost-sharing

This amendment does not seek to modify the cost sharing obligations of individuals eligible for CHOICES or ECF CHOICES under the TennCare III demonstration.

Check to Apply	Cost-Sharing Description
	<p>There will be no premium, enrollment fee, or similar charge, or cost-sharing (including copayments and deductibles) required of individuals who will be enrolled in this demonstration that varies from the state’s current state plan.</p>
	<p>Other as described here: <i>[state to insert description]</i></p>

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D. Delivery System:

This amendment does not seek to modify the delivery system for benefits and services provided to individuals eligible for CHOICES or ECF CHOICES under the TennCare III demonstration. These benefits will continue to be provided through managed care.

Check to Apply	Delivery System Description
	The health care delivery system for the provision of services under this demonstration will be implemented in the same manner as under the state’s current state plan.
	Other as described here: [<i>state to insert description</i>]

III. EXPENDITURE AND ENROLLMENT PROJECTIONS

A. Enrollment and Enrollment Impact.

- i. State projects that approximately 0 individuals as described in section II will be eligible for the period of the demonstration. The overall impact of this section 1115 demonstration is that these individuals, for the period of the demonstration, will continue to receive HCBS or coverage through this demonstration to address the COVID-19 public health emergency.

This amendment does not change projected enrollment or enrollment impact for CHOICES or ECF CHOICES under the TennCare III demonstration.

B. Expenditure Projection.

The state projects total aggregate expenditures resulting from the State’s Enhanced HCBS FMAP plan at \$440,179,046, as provided in the CMS conditionally approved initial spending plan and narrative. This includes additional waiver authorities reflected in this amendment, as well as expenditure authority for all additional funding provided pursuant to Section 9817 of the American Rescue Plan Act of 2021 (ARP) (Pub. L. 117-2). Note that the state is proposing to amend an existing demonstration, and this expenditure projection reflects only the expenditures authorized under the ARP. As provided in the initial spending plan, the State requests through this amendment, a modified budget neutrality agreement as reflected in STC 75.b. of the approved TennCare demonstration, to increase the state’s aggregate cap by the additional

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\$440,179,046 in enhanced FMAP expenditures conditionally approved in the state’s initial spending plan and made pursuant to the plan for each quarter of the period ending March 31 2024, and for any additional expenditures beyond \$440,179,046 if they are incurred and approved in a future spending plan revision.

In light of the unprecedented emergency circumstances associated with the COVID-19 pandemic and consistent with the President’s proclamation that the COVID-19 outbreak constitutes a national emergency consistent with section 1135 of the Act, and the time-limited nature of demonstrations that would be approved under this opportunity, the Department will not require States to submit budget neutrality calculations for section 1115 demonstration projects designed to combat and respond to the spread of COVID-19. In general, CMS has determined that the costs to the Federal Government are likely to have otherwise been incurred and allowable. States will still be required to track expenditures and should evaluate the connection between and cost effectiveness of those expenditures and the state’s response to the public health emergency in their evaluations of demonstrations approved under this opportunity.

IV. APPLICABLE TITLE XIX AUTHORITIES

The state is proposing to apply the flexibilities granted under this demonstration opportunity to the populations identified in section II.A above.

Check to Apply	Program
	Medicaid state plan
	Section 1915(c) of the Social Security Act (“HCBS waiver”). Provide applicable waiver numbers below:
X	Section 1115(a) of the Social Security Act (i.e., existing, approved state demonstration projects). Provide applicable demonstration name/population name below: TennCare III Demonstration (Project No. 11-W-00369/4) CHOICES Program Employment and Community First CHOICES Program
	Other: [<i>State to describe here</i>]

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V. WAIVERS AND EXPENDITURE AUTHORITIES

A non-exhaustive list of waiver and expenditure authorities available under this section 1115 demonstration opportunity has been provided below. States have the flexibility to request additional waivers and expenditure authorities as necessary to operate their programs to address COVID-19. If additional waivers or expenditure authorities are desired, please identify the authority needed where indicated below and include a justification for how the authority is needed to assist the state in meeting its goals and objectives for this demonstration. States may include attachments as necessary. Note: while we will endeavor to review all state requests for demonstrations to combat COVID-19 on an expedited timeframe, dispositions will be made on a state-by-state basis, and requests for waivers or expenditure authorities in addition to those identified on this template may delay our consideration of the state’s request.

A. Section 1115(a)(1) Waivers and Provisions Not Otherwise Applicable under 1115(a)(2)

The state is requesting the below waivers pursuant to section 1115(a)(1) of the Act, applicable for beneficiaries under the demonstration who derive their coverage from the relevant State plan. With respect to beneficiaries under the demonstration who derive their coverage from an expenditure authority under section 1115(a)(2) of the Act, the below requirements are identified as not applicable. Please check all that apply.

Check to Waive	Provision(s) to be Waived	Description/Purpose of Waiver
	Section 1902(a)(1)	To permit the state to target services on a geographic basis that is less than statewide.
X	Section 1902(a)(8), (a)(10)(B), and/or (a)(17)	To permit the state to vary the amount, duration, and scope of services based on population needs; to provide different services to different beneficiaries in the same eligibility group, or different services to beneficiaries in the categorically needy and medically needy groups; and to allow states to triage access to long-term services and supports based on highest need.
[check box]	[insert here the statutory section of the Social Security Act]	[insert here the description/purpose of waiver]
[check box]	[insert here the statutory section of the Social Security Act]	[insert here the description/purpose of waiver]
[check box]	[insert here the statutory section of the Social Security Act]	[insert here the description/purpose of waiver]

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Check to Waive	Provision(s) to be Waived	Description/Purpose of Waiver
[check box]	[insert here the statutory section of the Social Security Act]	[insert here the description/purpose of waiver]

B. Expenditure Authority

Pursuant to section 1115(a)(2) of the Act, the state is requesting that the expenditures listed below be regarded as expenditures under the state plan.

Note: Checking the appropriate box(es) will allow the state to claim federal financial participation for expenditures that otherwise would be ineligible for federal match.

Check to Request Expenditure	Description/Purpose of Expenditure Authority
	Allow for self-attestation or alternative verification of individuals' eligibility (income/assets) and level of care to qualify for long-term care services and supports.
	Long-term care services and supports for impacted individuals even if services are not timely updated in the plan of care, or are delivered in alternative settings.
	Ability to pay higher rates for HCBS providers in order to maintain capacity.
	The ability to make retainer payments to certain habilitation and personal care providers to maintain capacity during the emergency. For example, adult day sites have closed in many states due to isolation orders, and may go out of business and not be available to provide necessary services and supports post-pandemic
	Allow states to modify eligibility criteria for long-term services and supports.
	The ability to reduce or delay the need for states to conduct functional assessments to determine level of care for beneficiaries needing LTSS.
X	Other: Expenditure authority for all additional funding provided pursuant to Section 9817 of the American Rescue Plan Act of 2021 (ARP) (Pub. L. 117-2), including services delivered to affected beneficiaries in excess of current cost limits, outside the scope of current services, and/or in excess of service limitations.
[check box]	Other: [insert here the description/purpose of the expenditure authority being requested]
[check box]	Other: [insert here the description/purpose of the expenditure authority being requested]

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Check to Request Expenditure	Description/Purpose of Expenditure Authority

VI. Public Notice

Pursuant to 42 CFR 431.416(g), the state is exempt from conducting a state public notice and input process as set forth in 42 CFR 431.408 to expedite a decision on this section 1115 demonstration that addresses the COVID-19 public health emergency.

VII. Evaluation Indicators and Additional Application Requirements

A. Evaluation Hypothesis. The demonstration will test whether and how the waivers and expenditure authorities affected the state’s response to the public health emergency, and how they affected coverage and expenditures.

B. Final Report. This report will consolidate demonstration monitoring and evaluation requirements. No later than one year after the end of this demonstration addressing the COVID-19 public health emergency, the state will be required to submit a consolidated monitoring and evaluation report to CMS to describe the effectiveness of this program in addressing the COVID-19 public health emergency. States will be required to track expenditures, and should evaluate the connection between and cost effectiveness of those expenditures and the state’s response to the public health emergency in their evaluations of demonstrations approved under this opportunity. Furthermore, states will be required to comply with reporting requirements set forth in 42 CFR 431.420 and 431.428, such as information on demonstration implementation, progress made, lessons learned, and best practices for similar situations. States will be required to track separately all expenditures associated with this demonstration, including but not limited to administrative costs and program expenditures, in accordance with instructions provided by CMS. CMS will provide additional guidance on the evaluation design, as well as on the requirements, content, structure, and submittal of the report.

VIII. STATE CONTACT AND SIGNATURE

State Medicaid Director Name: Stephen Smith

Telephone Number: 615-507-6444

E-mail Address: Stephen.M.Smith@tn.gov

State Lead Contact for Demonstration Application: Aaron Butler and Patti Killingsworth

Telephone Number: 615-507-6448

E-mail Address: Aaron.C.Butler@tn.gov; Patti.Killingsworth@tn.gov

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Authorizing Official (Typed): Stephen Smith

Authorizing Official (Signature): _____

Date: December 13, 2021

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148 (Expires 03/31/2021). The time required to complete this information collection is estimated to average 1 to 2 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. Your response is required to receive a waiver under Section 1115 of the Social Security Act. All responses are public and will be made available on the CMS web site. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850. ***CMS Disclosure*** Please do not send applications, claims, payments, medical records or any documents containing sensitive information to the PRA Reports Clearance Office. Please note that any correspondence not pertaining to the information collection burden approved under the associated OMB control number listed on this form will not be reviewed, forwarded, or retained. If you have questions or concerns regarding where to submit your documents, please contact Judith Cash at 410-786-9686.