

Notice of Change to the TennCare III Demonstration Amendment 3

Published June 29, 2022

The Commissioner of the Tennessee Department of Finance & Administration is providing official notification of intent to file an amendment to the TennCare III demonstration. This amendment, which will be known as “Amendment 3,” will be filed with the Centers for Medicare & Medicaid Services (CMS). In Amendment 3, TennCare is requesting to codify certain enhancements to the home- and community-based services (HCBS) available under the TennCare demonstration.

Description of Amendment and Affected Populations

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. Amendment 3 reflects changes that have been made to these HCBS programs in response to the COVID-19 public health emergency, as well as changes intended to enhance, expand, and strengthen Medicaid HCBS programs pursuant to Section 9817 of the American Rescue Plan Act of 2021.

These changes are currently in effect under the authority of an emergency amendment to the TennCare demonstration and have been instrumental to TennCare’s ability to adequately support HCBS recipients during the COVID-19 public health emergency. It is anticipated that TennCare’s authority to implement these enhancements will end six months after the end of the COVID-19 public health emergency. The purpose of Amendment 3 is to continue these enhanced HCBS benefits beyond their current end date (six months following the end of the COVID-19 public health emergency).

The specific changes proposed in Amendment 3 are as follows:

1. Increase Expenditure Caps for Certain Groups Receiving HCBS

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. In this amendment, TennCare proposes to adjust these expenditure caps as indicated in the table below.



Benefit Group	Expenditure Cap Currently Specified in the STCs	New Expenditure Cap
CHOICES Group 3	\$15,000	\$18,000
ECF CHOICES Group 4	\$15,000	\$18,000
ECF CHOICES Group 5	\$30,000	\$36,000
ECF CHOICES Group 6 – Enrollees with Low Level of Need	\$45,000	\$54,000
ECF CHOICES Group 6 – Enrollees with Moderate Level of Need	\$67,500	\$82,000
ECF CHOICES Group 6 – Enrollees with High Level of Need	\$88,250	\$108,000

These expenditure cap adjustments reflect the increased costs associated with targeted increases in reimbursement rates for certain HCBS.

2. Temporarily Exceed Certain Service Limitations in CHOICES and ECF CHOICES

In Amendment 3, Tennessee proposes to offer time-limited access to flexible family caregiver benefits in order to address the additional stresses from impacts of COVID-19 and ensure the sustainability of these supports going forward.

Under this amendment, certain individuals enrolled in CHOICES or ECF CHOICES will be allowed to exceed the otherwise applicable limits on HCBS expenditures in order to receive a one-time increase of up to \$3,000 in additional HCBS benefits. To qualify for this one-time increase, an individual must be living with family members who routinely provide unpaid support and assistance; if the individual does not live with family members, the member must have unpaid family caregivers who routinely provide unpaid support and assistance. This one-time increase in HCBS assistance will be available until March 31, 2025, or any subsequent date allowed by the federal government for spending funds associated with the American Rescue Plan Act of 2021.

3. Add Enabling Technology to CHOICES and ECF CHOICES

In Amendment 3, Tennessee proposes to add Enabling Technology as an HCBS benefit in CHOICES and ECF CHOICES. Enabling Technology refers to 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.

For persons enrolled in CHOICES, Enabling Technology will be limited to \$5,000 per person per year. Enabling Technology will be a temporary benefit in CHOICES—



available until March 31, 2025, or any subsequent date allowed by the federal government for spending funds associated with the American Rescue Plan Act of 2021.

For persons enrolled in ECF CHOICES, Enabling Technology in combination with Assistive Technology, Adaptive Equipment and Supplies will be limited to \$5,000 per person per year. Enabling Technology will be a permanent benefit in ECF CHOICES.

4. *Technical Correction to Medicaid Diversion (Part B) Service Definition*

The Medicaid Diversion (Part B) component of the TennCare demonstration provides a benefit referred to as Automated Health Care and Related Expense Reimbursement, which allows for the payment or reimbursement of qualified medical and related expenses. As currently defined in Attachment L of the demonstration, families specify an amount each year to be available for payment or reimbursement through Automated Health Care and Related Expense Reimbursement, and once established, the amount cannot be changed for the year. TennCare will seek a correction to this definition to clarify that the amount designated for Automated Health Care and Related Expense Reimbursement can be changed during the year so long as the individual's maximum benefit limit is not exceeded. This correction will provide for greater flexibility for members in Medicaid Diversion (Part B).

Expected Impact on Enrollment and Expenditures

Amendment 3 will not result in any additional enrollment in the TennCare demonstration. The enhancements to HCBS benefits proposed in Amendment 3 are expected to result in an increase in aggregate annual expenditures under the demonstration of approximately \$440 million.

Evaluation Impact

TennCare does not anticipate modifying its evaluation design based on the proposed changes in Amendment 3. These changes are expected to contribute to key goals of the TennCare demonstration already reflected in the demonstration's evaluation design (currently under CMS review). These include enhancing coverage and benefits available under the TennCare demonstration and supporting access to safe and appropriate HCBS.

Waiver and Expenditure Authorities Requested

All waiver and expenditure authorities currently approved for the TennCare demonstration will continue to be in effect. Since this amendment reflects adjustments to already approved



components of the demonstration, no additional waiver or expenditure authorities are needed.

Public Notice Process

TennCare has taken a variety of steps to ensure that members of the public are notified of Amendment 3. 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. TennCare has also disseminated information about the proposed amendment via its social media accounts (e.g., Facebook, Twitter).

Public Input Process

TennCare is seeking feedback on Amendment 3 prior to its submission to CMS. Members of the public are invited to offer comments regarding Amendment 3 from June 29, 2022, through August 1, 2022.

Members of the public who wish to comment on the proposed amendment may do so through either of the following options:

- Comments may be sent by email to 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.

TennCare always appreciates input. In order to be considered for the final draft of Amendment 3, feedback must be received no later than August 1, 2022. 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.

Draft of Amendment 3

A draft of TennCare's proposed demonstration amendment is located at <https://www.tn.gov/content/dam/tn/tenncare/documents2/Amendment3Draft.pdf>. Copies of the draft amendment are also available in each county office of the Tennessee Department of Health. Once comments received during the public input period have been reviewed and considered, a final draft of the amendment will be prepared. The final draft



will be submitted to CMS and will then be made available through the webpage located at <https://www.tn.gov/tenncare/policy-guidelines/waiver-and-state-plan-public-notices.html>.

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.

