

# Notice of Change to the TennCare III Demonstration Amendment 6

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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 6,” will be filed with the Centers for Medicare & Medicaid Services (CMS). In Amendment 6, Tennessee is proposing to extend TennCare coverage to additional working individuals with disabilities. Individuals newly qualifying for TennCare under this amendment will be subject to premiums. This amendment also includes a companion change to the TennCare CHOICES program.

## **Description of Amendment and Affected Populations**

### ***Eligibility***

In this amendment, Tennessee is proposing to establish a Work Incentives Group within the TennCare demonstration for working persons with disabilities.

To qualify in the new Work Incentives Group, individuals must meet the following criteria:

- Must be 18 years of age or older (no maximum age);
- Must meet the level of care (LOC) criteria for TennCare’s existing programs for persons with disabilities (i.e., CHOICES or ECF CHOICES); and
- Must have earned income.

There will be no limitations on eligibility in the Work Incentives Group related to a person’s income or resources (i.e., no maximum income or resource standard).

### ***Benefits***

Individuals who qualify for TennCare in the Work Incentives Group as described above will receive the full TennCare benefits package as provided to all other persons enrolled in TennCare. In addition, individuals in the Work Incentives Group may receive home- and community-based services (HCBS), to the extent that they meet the applicable criteria for the TennCare demonstration’s existing HCBS programs (i.e., CHOICES and Employment and Community First CHOICES).

### ***Service Delivery System***

Like all other TennCare enrollees, individuals enrolled in the Work Incentives Group will receive their TennCare-covered benefits through the managed care service delivery system

authorized under the TennCare demonstration. Individuals in the Work Incentives Group will be enrolled in the TennCare Select health plan for receipt of their TennCare benefits.

### ***Premiums and Cost Sharing***

Individuals enrolled in the Work Incentives Group will be subject to monthly premiums equivalent to 5 percent of countable income. Individuals enrolled in the Work Incentives Group who fail to pay required premiums in full for four consecutive months may be subject to disenrollment. Individuals in the Work Incentives Group will be subject to the same copays as all other adults enrolled in TennCare.

### ***Enrollment Target***

In order to ensure that the state is able to administer coverage for the Work Incentives Group within available funds, the state may establish an enrollment target for the Work Incentives Group. This enrollment target will be publicly available on the state's website. If the enrollment target is reached, the state may stop enrolling individuals in the Work Incentives Group until additional slots become available.

Any enrollment target established for the Work Incentives Group will be in addition to and separate from the already existing enrollment targets for the CHOICES and ECF CHOICES programs.

### ***Companion Change to CHOICES***

Currently, CHOICES Group 2 and CHOICES Group 3 provide HCBS to individuals with physical disabilities who are age 21 or older. In this amendment, Tennessee proposes to open CHOICES Group 2 and Group 3 to individuals age 18 and older who have physical disabilities. This change will align the age of HCBS recipients in CHOICES with the age of HCBS recipients in the new Work Incentives Group.

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

The changes proposed in this amendment are expected to result in an increase in TennCare enrollment of approximately 700 persons and an increase in aggregate annual TennCare expenditures of approximately \$28 million.

### ***Evaluation Impact***

Tennessee does not anticipate modifying its evaluation design based on this amendment. This amendment 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 enhancing the coverage available under the TennCare demonstration.

Demonstration monitoring reports and processes will be updated to account for the number of individuals who receive coverage under this new category of eligibility.

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

All waiver and expenditure authorities currently approved for the TennCare demonstration will continue to be in effect. To effectuate the changes described in this amendment, the state will request expenditure authority under Section 1115(a)(2) of the Social Security Act to cover medically necessary care—including any HCBS for which an individual may qualify—for persons in the Work Incentives Group described above. The state's proposed Work Incentives Group is modeled on the Work Incentives Group described in Section 1902(a)(10)(A)(ii)(XIII) of the Social Security Act, except that it may be subject to an enrollment target. More specifically, this group will cover working age adults with disabilities who have earned income, and who but for their income or resources would be eligible for TennCare in one of the demonstration's existing eligibility categories for persons with disabilities. Tennessee will also request any additional waiver authorities determined necessary by CMS in order for the state to establish an enrollment target for the Work Incentives Group as described above (e.g., any needed waivers of the reasonable promptness requirements located at Section 1902(a)(8) of the Social Security Act).

### **Public Notice Process**

TennCare has taken a variety of steps to ensure that members of the public are notified of Amendment 6. 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 disseminated information about the proposed amendment via its social media accounts (e.g., Facebook, X). TennCare has also notified members of the Tennessee General Assembly of its intent to submit Amendment 6.

### **Public Input Process**

TennCare is seeking feedback on Amendment 6 prior to its submission to CMS. Members of the public are invited to offer comments regarding Amendment 6 from July 8, 2024, through August 9, 2024.

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](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.

TennCare always appreciates input. In order to be considered for the final draft of Amendment 6, feedback must be received no later than August 9, 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.

### **Draft of Amendment 6**

A draft of TennCare's proposed demonstration amendment is located at <https://www.tn.gov/content/dam/tn/tenncare/documents2/DraftVersionOfAmendment6.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](https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/waivers_faceted.html).