

### **Notice of Change in Medicaid State Plan**

The Commissioner of the Tennessee Department of Finance & Administration is providing official notification, pursuant to 42 CFR § 447.205, of intent to file an amendment to the Medicaid State Plan. This amendment will be filed with the Centers for Medicare and Medicaid Services (CMS).

The purpose of this amendment is to reflect a change in TennCare's reimbursement methodology for nursing facility services. For some time, TennCare has worked with the Tennessee Health Care Association (the nursing facility industry association), nursing facility providers, residents and their family members, and other stakeholders to design and implement a quality- and acuity-adjusted reimbursement methodology for nursing facilities. Although TennCare payments to nursing facilities are not governed by the State Plan (since they are part of the managed care program operated under the TennCare II demonstration), this SPA will update Tennessee's State Plan to align with this new reimbursement methodology and with State law, primarily for purposes of crossover payments. Under the new quality- and acuity-adjusted reimbursement methodology, payment determination components include acuity adjusted direct care, non-acuity adjusted direct care, quality, administration, fair market value capital, and a cost-based component. A detailed description of the new methodology is available at [http://publications.tnsosfiles.com/rules\\_filings/05-01-18.pdf](http://publications.tnsosfiles.com/rules_filings/05-01-18.pdf).

The proposed effective date of the amendment is July 1, 2018. This amendment is not anticipated to result in a net increase or decrease in annual aggregate expenditures.

Copies of this notice will be available in each county office of the Tennessee Department of Health. Written comments concerning the amendment may be submitted by email to [public.notice.tenncare@tn.gov](mailto:public.notice.tenncare@tn.gov) or may be mailed to

Dr. Wendy Long, Director  
Division of TennCare  
310 Great Circle Road  
Nashville, Tennessee 37243.

Persons wishing to review copies of written comments received may submit their requests to the same email and/or physical address.

ATENCIÓN: si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1-855-259-0701 (TTY: 1-800-848-0298).

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