

Notice of Change in Medicaid State Plan

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The Commissioner of the Tennessee Department of Finance and 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 subject of this amendment is a change to the TennCare benefits package. Historically, federal law has generally prohibited Medicaid programs from paying for services for adults in Institutions for Mental Diseases (or “IMDs”). (IMDs are inpatient facilities with more than 16 beds that are primarily engaged in providing diagnosis, treatment, or care of persons with mental illness.) This exclusion on services provided by IMDs applies to residential facilities that provide treatment for substance use disorders (SUDs), if those facilities have more than 16 beds.

However, the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act allows state Medicaid programs to pay for inpatient and residential SUD treatment services in facilities that meet the definition of an IMD for up to 30 days per member per year. TennCare is submitting a State Plan Amendment to take advantage of this new flexibility. Effective March 1, 2021, the TennCare benefits package will include SUD treatment services in facilities that meet the definition of IMD for up to 30 days per member per year.

SUD treatment services in IMDs will be administered as part of the TennCare managed care program, and affected providers will be reimbursed by members’ managed care organizations.

The proposed effective date of the amendment is March 1, 2021. As residential SUD treatment services are already a covered benefit when provided in non-IMD facilities, this amendment is not expected to result in a change in annual aggregate expenditures under the TennCare program.

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 or may be mailed to



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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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