

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, Maryland 21244-1850



State Demonstrations Group

July 27, 2022

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

Dear Mr. Smith:

The Centers for Medicare & Medicaid Services (CMS) has approved the Evaluation Design for Tennessee's Home and Community-Based Services (HCBS) COVID-19 Public Health Emergency (PHE) amendment to the section 1115 demonstration entitled, "TennCare III" (Project Number 11-W-00369/4). We sincerely appreciate the state's commitment to efficiently meeting the requirement for an Evaluation Design stated in the demonstration's Special Terms and Conditions (STCs) for this amendment, especially under these extraordinary circumstances.

The approved Evaluation Design may now be posted to the state's Medicaid website within thirty days, per 42 CFR 431.424(c). CMS will also post the approved Evaluation Design on Medicaid.gov.

Please note that, consistent with the approved Evaluation Design, the draft Final Report will be due to CMS no later than one year after the end of the COVID-19 PHE demonstration authority.

We look forward to our continued partnership with you and your staff on the TennCare III Demonstration. If you have any questions, please contact your CMS project officer, April Wiley, who may be reached by email at April.Wiley@cms.hhs.gov.

Sincerely,

Danielle Daly Digitally signed by
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Danielle Daly
Director
Division of Demonstration
Monitoring and Evaluation

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



Division of TennCare

TennCare III Demonstration

Project No. 11-W-00369/4

Emergency Demonstration Amendment – Home- and Community-Based Services **Evaluation Design**

June 20, 2022

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A. General Background Information

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. As a result, on March 22, 2020, the Centers for Medicare & Medicaid Services (CMS) announced that state Medicaid programs may apply for certain flexibilities intended to support state responses to the COVID-19 public health emergency under Section 1115 demonstration authority.

The American Rescue Plan Act of 2021 (ARP) also included a number of provisions intended to support state Medicaid programs in their response to the COVID-19 public health emergency. Among these provisions, Section 9817 of the ARP authorized additional federal funding to enhance, expand, or strengthen Medicaid home- and community-based services (HCBS). Pursuant to CMS guidance on ARP Section 9817 and after an extensive stakeholder input process, Tennessee submitted and subsequently received CMS approval of its plan to use ARP Section 9817 funding to enhance, expand, and strengthen Medicaid HCBS programs in Tennessee (“HCBS Spending Plan”).

Accordingly, Tennessee submitted a proposed amendment to the “TennCare III” section 1115(a) demonstration, under which most of the state’s HCBS are authorized. The purpose of this proposed demonstration amendment was to strengthen the state’s ability to support HCBS recipients during the COVID-19 public health emergency by implementing the activities identified in the state’s approved HCBS Spending Plan. These activities include:

1. Increasing certain expenditure caps for HCBS recipients enrolled in CHOICES and Employment and Community First CHOICES (when an individual cost neutrality test is not applicable),
2. Providing time-limited exceptions to the expenditure caps for HCBS recipients enrolled in CHOICES and Employment and Community First CHOICES who routinely receive unpaid support and assistance from family caregivers, and
3. Adding Enabling Technology as a benefit for HCBS recipients in CHOICES Groups 2 and 3.

This Evaluation Design will guide the federally required Final Report and is organized as follows:

- **Section A.** General Background Information
- **Section B.** Evaluation Questions and Hypotheses
- **Section C.** Methodology
- **Section D.** Methodological Limitations
- **Section E.** Preparing the Final Report

B. Evaluation Questions and Hypotheses

Figure 1 outlines the hypotheses and research questions (RQs) related to understanding the successes, challenges, and lessons learned in implementing the demonstration.

Figure 1. Hypotheses and Research Questions

Research Question (RQ)	
Hypothesis 1 – The demonstration will facilitate attaining the objectives of Medicaid.	
RQ 1.1	What activities did the state ultimately undertake to support HCBS recipients and their caregivers under the demonstration authority?
RQ 1.2	In what ways during the PHE did the demonstration support adding or strengthening supports for persons receiving HCBS?
RQ 1.3	What problems may have been faced by HCBS recipients in Tennessee during the PHE had the state not implemented the activities authorized under this demonstration that would have undermined the objectives of Medicaid, and how did the demonstration address or prevent these problems?

Research Question (RQ)	
RQ 1.4	What were the principal challenges associated with implementing the modifications to HCBS authorized under the demonstration authority?
RQ 1.5	What were the principal lessons learned for any future PHEs in implementing the demonstration flexibilities?
Hypothesis 2 – The demonstration will provide TennCare with authority to support HCBS recipients during the public health emergency beyond what would have been permissible absent the demonstration authority.	
RQ 2.1	To what extent did the HCBS authorized under the demonstration authority result in greater supports to individuals receiving HCBS during the PHE?

C. Methodology

This section provides details on the proposed methodology for the Evaluation Design, including anticipated data sources, analytic methods, and evaluation reporting periods.

Section C.1 summarizes the types of data that will be used to prepare the Final Report.

Section C.2 outlines TennCare’s proposed analytic methods for the Evaluation.

Section C.3 includes analytic tables that detail the evaluation approach for each hypothesis. The analytic tables outline the planned research questions, outcome measures, data sources, and analytic approaches.

1. Data Sources

The state will compile data for the Evaluation from qualitative and quantitative data sources including staff interviews and state and administrative data.

Document Review

The state will review relevant documents to understand the scope of activities undertaken under the authority of the demonstration amendment.

Staff Interviews

The state will conduct staff interviews to evaluate the extent to which the demonstration amendment facilitated attaining the objectives of Medicaid. Tennessee will identify TennCare interview participants based on involvement in the implementation of the HCBS activities authorized under the demonstration amendment.

Encounter Data

The state will use encounter data to understand and quantify the extent to which the demonstration amendment allowed HCBS recipients to access supports beyond what would have been available absent the demonstration amendment.

2. Analytic Methods

As part of the 1115 demonstration approval, CMS required Tennessee to develop a “simplified” Evaluation Design that does not undertake evaluations that would prove overly burdensome and impractical for data collection or analyses, but rather focuses on using qualitative methods and descriptive statistics to understand how this flexibility helped Tennessee respond to the COVID-19 PHE. As such, Tennessee will use qualitative and descriptive statistics methods to conduct the Evaluation.

Qualitative Analysis

The state will collect qualitative data through methods such as staff interviews. Where applicable, the qualitative data will be categorized and coded systematically. The state will use thematic analysis, which is a systematic and iterative data coding and analysis process that will allow the state to identify themes or patterns within the responses.

Descriptive Analyses

For research questions assessing service utilization, the state will use descriptive statistics to understand the extent to which the demonstration amendment allowed HCBS recipients to access additional supports.

3. Analytic Table

Figure 2 outlines the hypotheses, research questions, outcome measures, data sources, and analytic approaches for this Evaluation Design.

Figure 2. Analytic Table

Research Question	Outcome Measure(s)	Data Source(s)	Analytic Approach
Hypothesis 1 – The demonstration will facilitate attaining the objectives of Medicaid.			
RQ 1.1: What activities did the state ultimately undertake to support HCBS recipients and their caregivers under the demonstration authority?	- Type(s) of HCBS benefits authorized under the demonstration authority	- Document review	- Qualitative analysis
RQ 1.2: In what ways during the PHE did the demonstration support adding or strengthening supports for persons receiving HCBS?	- Benefits/successes of adding HCBS supports that would not have been realized if the demonstration authority were not in place	- TennCare staff Interview(s)	- Qualitative analysis
RQ 1.3: What problems may have been faced by HCBS recipients in Tennessee during the PHE had the state not implemented the activities authorized under this demonstration that would have undermined the objectives of Medicaid, and how did the demonstration address or prevent these problems?	- Description of how the demonstration authority addressed or prevented problems faced by HCBS recipients during the COVID-19 public health emergency	- TennCare staff Interview(s)	- Qualitative analysis
RQ 1.4: What were the principal challenges associated with implementing the modifications to HCBS authorized under the demonstration authority?	- Description of challenges (if any) related to implementing the additional HCBS authorized under the demonstration	- TennCare staff Interview(s)	- Qualitative analysis
RQ 1.5: What were the principal lessons learned for any future PHEs in implementing the demonstration flexibilities?	- Description of lessons learned for future PHEs in implementing the demonstration flexibilities	- TennCare staff Interview(s)	- Qualitative analysis
Hypothesis 2 – The authority will provide TennCare with authority to support HCBS recipients during the public health emergency beyond what would have been permissible absent the demonstration authority.			
RQ 2.1: To what extent did the HCBS authorized under the demonstration authority result in greater supports to individuals receiving HCBS during the PHE?	- Utilization rates of HCBS beyond the otherwise applicable expenditure caps during the COVID-19 PHE - Utilization rates for Enabling Technology by CHOICES 2 and 3 members	- TennCare encounter data	- Descriptive analysis

D. Methodological Limitations

Given the simplified nature of this Evaluation Design, Tennessee does not anticipate encountering extensive methodological limitations. However, there are a few limitations the state may encounter, which are described below.

- **Qualitative Analysis.** The main analytic approach TennCare will use in this Evaluation is qualitative analysis. There are a few widely known limitations to the qualitative analysis approach such as difficulty to demonstrate rigor, dependency of an individual's skills on research quality, and bias. TennCare will do its best to minimize these limitations, for example, by creating a scripted interview template.
- **Staff Interviews.** The State plans to conduct a limited number of TennCare staff interviews to evaluate RQs 1.2 – 1.5. The State will schedule interviews with the critical TennCare staff members that were involved in the development and implementation of the HCBS demonstration amendment. If any of the critical staff members involved in the development and implementation of the risk corridor depart TennCare prior to the interview, it may be difficult to fully evaluate RQs 1.2 – 1.5.

E. Preparing the Final Report

TennCare will submit to CMS a Final Report for this demonstration one year after the expiration of the COVID-19 PHE demonstration authority. The Final Report will include all applicable elements required by 42 CFR 431.428.