Division of TennCare

TennCare III Demonstration

Project No. 11-W-00369/4

Amendment 2

Coverage of Adopted Children

DRAFT

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Amendment 2 to the TennCare III Demonstration

TennCare is an integrated managed care program that provides medical and behavioral health benefits to approximately 1.6 million Tennesseans. In Amendment 2, the state proposes to extend TennCare coverage to certain adopted children who are not otherwise eligible for Medicaid.

I. Description of the Amendment

One of the key objectives of the Medicaid program is to provide healthcare coverage to various groups of vulnerable Americans, including low-income children and children in other at-risk groups. Children and adolescents in the foster care system are a particularly at-risk group. Studies generally show that children in foster care are disproportionately at risk for a variety of physical and mental health conditions.[1] Children and adolescents need permanency, stability, and a sense of belonging in a family for optimal well-being.

TennCare's coverage currently includes children for whom a Title IV-E adoption assistance agreement is in effect,[2] as well as children with special needs receiving non-IV-E adoption assistance from the state.[3] However, there are a number of children in foster care in Tennessee each year who do not qualify for either form of adoption assistance (federal or state). In this amendment, the state proposes to extend TennCare coverage to children adopted from state custody who do not qualify for federal or state adoption assistance. Extending Medicaid coverage to this group of children will remove a potential barrier to adoption, as well as promote greater continuity of care for these children as they transition from foster care to permanent homes.

Description of Proposed Population

In this amendment, the state proposes to provide TennCare coverage to children who are:

1. Adopted from state custody, and
2. Ineligible for Title IV-E adoption assistance, and
3. Ineligible for state-funded (non-IV-E) adoption assistance.

This group of children will be added to the list of populations covered by the TennCare demonstration. This group of children will receive services through TennCare's existing managed care program. Covered

[1] See for example Turney, K. & Wildeman, C. (2016). Mental and physical health of children in foster care. *Pediatrics, 138*(5). Accessed at https://publications.aap.org/pediatrics/article/138/5/e20161118/60623/Mental-and-Physical-Health-of-Children-in-Foster . See also Bronsard G. et al. (2016). The prevalence of mental disorders among children and adolescents in the child welfare system: A systematic review and meta-analysis. *Medicine, 95*(7). Accessed at https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4998603/pdf/medi-95-e2622.pdf

[2] See 42 CFR § 435.145.

[3] See 42 CFR § 435.227.

benefits for these children will be the same as all other children enrolled in TennCare. This group of children will not be subject to cost sharing.

Coverage for these children will end at one of the following events, whichever occurs first: (1) The child graduates high school and is at least 18 years of age; or (2) the child is a full-time secondary school (high school or equivalent) student and turns 19 years old; or (3) the child is at least 18 years old and is no longer a full-time high school student. Consistent with the state's policy for state-funded adoption assistance, coverage may continue until the 21st birthday if the child has a mental or physical disability that warrants the continuation of coverage.

In addition, coverage will be terminated if any one of the following circumstances occur:

1. Upon the adoptive parent(s) request;
2. The state determines that the adoptive parent(s) are no longer providing any support to the child;
3. The state determines that the adoptive parent(s) are no longer legally responsible for support of the child. Examples include, but are not limited to:
    a. The child marries.
    b. The child enlists in military service.
    c. The child dies.
    d. The youth is approved for and begins receiving benefits from the Extension of Foster Care (EFC) program.
4. A youth approved for Deferred Adoption Assistance turns 18 years old;
5. Adoptive parent(s) fails to submit yearly medical, mental health, or educational documentation necessary to determine the child continues to qualify for coverage;
6. The adoptive parent(s) dies.

Proposed Waiver and Expenditure Authorities

All waiver and expenditure authorities currently approved for the TennCare demonstration will continue to be in effect. To effectuate this amendment, the state requests expenditure authority under Section 1115(a)(2) of the Social Security Act to provide coverage as described above for children who are adopted from state custody but who are not otherwise eligible for Medicaid (i.e., not receiving IV-E or non-IV-E adoption assistance).

II. Expected Impact on Budget Neutrality

Implementation of this amendment is expected to result in approximately 50 additional children enrolling in TennCare each year. Over time, this additional enrollment is expected to result in an increase in annual aggregate expenditures under the TennCare demonstration of approximately $1 million. Attached is an updated overview of the demonstration's finances that reflects this adjustment.

III. Expected Impact on CHIP Allotment Neutrality

This amendment will not result in any changes to Tennessee's CHIP allotment neutrality.

IV. Updates to Monitoring and Evaluation Processes

The table below presents an overview of the state's plan for evaluating the provisions outlined in this amendment.

Hypothesis	Methodology	Data Sources and Metrics
Rates of adoption for children in state custody will increase when Medicaid coverage is available for all children.	Number and percentage of children adopted from state custody.	State administrative data

Demonstration monitoring reports and processes will be modified to include the number of children enrolled in this new demonstration population each quarter.

V. Demonstration of Public Notice and Input

The state has used multiple mechanisms for notifying the public about this amendment and for soliciting public input on the amendment. These public notice and input procedures are informed by—and comply with—the requirements specified in STC 12 of the TennCare demonstration and 59 Fed. Reg. 49249.

Public Notice

The state held a formal notice and comment period on this proposed demonstration amendment from December 7, 2021, through January 10, 2022. During this time, a comprehensive description of the amendment to be submitted to CMS was made available for public review and comment on an amendment-specific webpage on the TennCare website. In addition, a notice of the state's intent to submit a demonstration amendment was published in newspapers of general circulation in Tennessee communities with 50,000 or more residents. This newspaper notice described the major elements of the proposed amendment and provided instructions for how to access the proposal on the TennCare website. The newspaper notice also provided instructions for submitting comments on the proposed amendment to the state during the notice and comment period. In addition, the state notified the public of its intent to submit a demonstration amendment via social media (i.e., Facebook, Twitter) with links to the comprehensive notice on the state's website. The state made copies of its notice available in county

health departments throughout the state. TennCare also notified the members of the Tennessee General Assembly of this amendment via an electronically transmitted letter.

Public Comments

[COMMENTS RECEIVED BY THE STATE DURING THE PUBLIC NOTICE PERIOD WILL BE SUMMARIZED HERE PRIOR TO SUBMISSION TO CMS.]

Attachment

Data Analysis

Changes related to Amendment 2 - Coverage of Adopted Children

Without Waiver Total Expenditures - (Cap from Original TC III Waiver)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Aggregate Cap	$9,356,603,867	$9,721,165,197	$10,133,757,745	$10,566,395,812	$11,020,053,654	tbd	tbd	tbd	tbd	tbd
Risk Corridor Adjustment	$1,121,506,099	$1,028,523,100	$506,827,452	$0	$0	tbd	tbd	tbd	tbd	tbd
Total	**$10,478,109,966**	**$10,749,688,297**	**$10,640,585,197**	**$10,566,395,812**	**$11,020,053,654**	tbd	tbd	tbd	tbd	tbd

With Waiver Total Expenditures - (Projections prior to Amendment 2)

Distribution	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
EG1 Disabled	$2,444,483,928	$2,517,818,446	$2,593,352,999	$2,671,153,589	$2,751,288,197	$0	$0	$0	$0	$0
EG2 Over 65	$1,940,658	$1,998,878	$2,058,844	$2,120,610	$2,184,228	$0	$0	$0	$0	$0
EG3 Children	$2,359,120,550	$2,429,894,166	$2,502,790,991	$2,577,874,721	$2,655,210,962	$0	$0	$0	$0	$0
EG4 Adults	$2,428,740,939	$2,501,603,167	$2,576,651,262	$2,653,950,800	$2,733,569,324	$0	$0	$0	$0	$0
EG5 Duals	$1,341,217,606	$1,381,454,134	$1,422,897,758	$1,465,584,691	$1,509,552,232	$0	$0	$0	$0	$0
EG12E Carryover	$96,990,124	$99,899,828	$102,896,822	$105,983,727	$109,163,239	$0	$0	$0	$0	$0
DSH	$369,538,589	$369,538,589	$369,538,589	$369,538,589	$369,538,589	$0	$0	$0	$0	$0
UC Pool	$252,845,885	$252,845,885	$252,845,885	$252,845,885	$252,845,885	$0	$0	$0	$0	$0
EG14 Katie Beckett Part B	$1,219,925	$45,000,000	$45,000,000	$45,000,000	$45,000,000	$0	$0	$0	$0	$0
EG17 Less than MEC Additions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
GME	$30,556,200	$25,000,000	$50,000,000	$50,000,000	$50,000,000	$0	$0	$0	$0	$0
DSIP	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total	**$9,326,654,403**	**$9,625,053,093**	**$9,918,033,151**	**$10,194,052,612**	**$10,478,352,656**	**$0**	**$0**	**$0**	**$0**	**$0**

With Waiver Total Expenditures - (Projections including Amendment 2))

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Adopted Children	-	150,920	310,895	480,333	659,657	849,309	1,027,479	1,215,574	1,414,030	1,632,300

Distribution	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
EG1 Disabled	$2,444,483,928	$2,517,818,446	$2,593,352,999	$2,671,153,589	$2,751,288,197	$0	$0	$0	$0	$0
EG2 Over 65	$1,940,658	$1,998,878	$2,058,844	$2,120,610	$2,184,228	$0	$0	$0	$0	$0
EG3 Children	$2,359,120,550	$2,430,045,086	$2,503,101,886	$2,578,355,054	$2,655,870,619	$0	$0	$0	$0	$0
EG4 Adults	$2,428,740,939	$2,501,603,167	$2,576,651,262	$2,653,950,800	$2,733,569,324	$0	$0	$0	$0	$0
EG5 Duals	$1,341,217,606	$1,381,454,134	$1,422,897,758	$1,465,584,691	$1,509,552,232	$0	$0	$0	$0	$0
EG12E Carryover	$96,990,124	$99,899,828	$102,896,822	$105,983,727	$109,163,239	$0	$0	$0	$0	$0
DSH	$369,538,589	$369,538,589	$369,538,589	$369,538,589	$369,538,589	$0	$0	$0	$0	$0
UC Pool	$252,845,885	$252,845,885	$252,845,885	$252,845,885	$252,845,885	$0	$0	$0	$0	$0
EG14 Katie Beckett Part B	$1,219,925	$45,000,000	$45,000,000	$45,000,000	$45,000,000	$0	$0	$0	$0	$0
EG17 Less than MEC Additions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
GME	$30,556,200	$25,000,000	$50,000,000	$50,000,000	$50,000,000	$0	$0	$0	$0	$0
DSIP	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total	**$9,326,654,403**	**$9,625,204,013**	**$9,918,344,046**	**$10,194,532,945**	**$10,479,012,313**	**$0**	**$0**	**$0**	**$0**	**$0**