

Notice of Change to the TennCare III Demonstration Amendment 5

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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 5,” will be filed with the Centers for Medicare & Medicaid Services (CMS). In Amendment 5, Tennessee is proposing changes to the demonstration that will enhance coverage and benefits for children and their caregivers and strengthen families in Tennessee. This amendment also includes proposed changes to enhance the employment supports available to persons with disabilities under the TennCare demonstration.

Description of Amendment and Affected Populations

This proposed amendment consists of three primary components:

1. Expanding access to care for low-income parents and caretaker relatives of dependent children,
2. Covering a supply of diapers for children under age 2, and
3. Enhancing the home- and community-based services (HCBS) available under the demonstration, with particular emphasis on supporting employment.

Each of these proposals is described below.

1. Expanding Access to Care for Low-Income Parents and Caretaker Relatives of Dependent Children

Currently, TennCare covers parents/caretaker relatives whose incomes fall below fixed dollar amounts which vary by household size and which are specified in Tennessee’s Title XIX Medicaid State Plan. These amounts are currently below the federal poverty level for all household sizes. In Amendment 5, Tennessee proposes to increase its coverage of parents/caretaker relatives by aligning TennCare’s income standard for these individuals with the federal poverty level (i.e., 100 percent of the FPL). This change will ensure that all parents/caretaker relatives in Tennessee with incomes below the federal poverty level have access to health coverage.

2. *Covering a Supply of Diapers for Children under Age 2*

In this amendment, Tennessee is proposing to cover a supply of diapers for TennCare-enrolled children under age 2. This benefit is expected to support improved health outcomes for children enrolled in TennCare. Research has increasingly documented the importance of access to diapers for the health of infants and young children. A lack of an adequate supply of diapers is linked to multiple adverse infant and caregiver outcomes, including dermatological and urinary tract infections.

In this amendment, Tennessee is proposing to cover a supply of 100 disposable diapers per month for children under age 2 enrolled in TennCare as a means to help ensure that children enrolled in TennCare have access to an adequate supply of diapers. At this time, TennCare is proposing only to cover disposable diapers.

3. *Enhancing Home- and Community-Based Services*

Under the TennCare demonstration, the CHOICES program provides supports for persons who are elderly or who have physical disabilities, and the Employment and Community First CHOICES program (ECF CHOICES) provides supports to persons with intellectual or other developmental disabilities. In this amendment, Tennessee is proposing several enhancements to the HCBS benefits available under the demonstration, with particular emphasis on enhancing the availability of employment support services for individuals enrolled in CHOICES.

The HCBS enhancements proposed in Amendment 5 are:

- Adding employment services/supports as covered benefits in CHOICES;
- Simplifying service definitions by combining Attendant Care and Personal Care services in CHOICES;
- Revising the definition of Individualized Integrated Employment used in CHOICES and ECF CHOICES;
- Adding Community Transportation as a covered CHOICES benefit;
- Revising the definition of Benefits Counseling in CHOICES and ECF CHOICES to provide greater flexibility;
- Revising the definition of self-employment used in CHOICES and ECF CHOICES to provide greater clarity;

- Providing exceptions to individual cost neutrality tests and HCBS expenditure caps to better support employment outcomes for persons enrolled in CHOICES and ECF CHOICES; and
- Allowing electronic signatures/verbal authorizations to provide greater flexibility in developing the person-centered support plan.

These proposed changes will support improved HCBS outcomes, particularly employment-related outcomes, for persons enrolled in CHOICES and ECF CHOICES.

Expected Impact on Enrollment and Expenditures

The change to TennCare's income standard for parents/caretaker relatives is expected to result in an increase in TennCare enrollment of approximately 8,100 persons. The proposed coverage of diapers for children under age 2 and the proposed changes to TennCare HCBS benefits will not result in any changes to TennCare enrollment.

Overall, the changes proposed in this amendment are expected to result in an increase in aggregate annual expenditures of approximately \$67.6 million under the TennCare program.

Evaluation Impact

Tennessee does not anticipate modifying its evaluation design based on the proposed change to the eligibility standard for parents/caretaker relatives or the proposed changes to HCBS benefits. These changes are expected to contribute to key goals of the TennCare demonstration already reflected in the demonstration's evaluation design, including enhancing coverage and benefits available under the TennCare demonstration and supporting access to safe and appropriate HCBS.

Tennessee will work with CMS to modify TennCare's evaluation design to assess the impact of the proposed diaper benefit, with emphasis on whether covering a supply of diapers for children enrolled in TennCare results in reduced costs associated with conditions such as diaper rash/diaper dermatitis, urinary tract infections, and related medical care.

Waiver and Expenditure Authorities Requested

All waiver and expenditure authorities currently approved for the TennCare demonstration will continue to be in effect. Tennessee will request expenditure authority under Section 1115(a)(2) of the Social Security Act to effectuate the proposed change in the income standard for parents/caretaker relatives and the proposed coverage of diapers for children under age 2.

Tennessee is not proposing any new waiver or expenditure authorities to effectuate the proposed changes to the demonstration's HCBS programs. These modifications will involve changes and clarifications to the demonstration's existing special terms and conditions.

Public Notice Process

TennCare has taken a variety of steps to ensure that members of the public are notified of Amendment 5. 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, Twitter). TennCare has also notified members of the Tennessee General Assembly of its intent to submit Amendment 5.

Public Input Process

TennCare is seeking feedback on Amendment 5 prior to its submission to CMS. Members of the public are invited to offer comments regarding Amendment 5 from September 13, 2023, through October 13, 2023.

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.
- 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 5, feedback must be received no later than October 13, 2023. 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 5

A draft of TennCare's proposed demonstration amendment is located at <https://www.tn.gov/content/dam/tn/tenncare/documents2/DraftVersionOfAmendment5.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-notice.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.medicare.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/waivers-faceted.html>.