



**Health Care  
Finance & Administration**

October 8, 2015

Eliot Fishman, Ph.D., Director  
State Demonstrations Group  
Centers for Medicare & Medicaid Services  
Center for Medicaid & CHIP Services  
Mail Stop: S2-01-16  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850

RE: TennCare II demonstration (No. 11-W-00151/4), Amendment #28

Dear Dr. Fishman,

The purpose of this letter is to request a change to the TennCare Demonstration. This change will be Demonstration Amendment #28.

**Proposed change.** In Amendment #28, we propose to remove the Standard Spend Down (SSD) category from the TennCare Demonstration. As you know, the SSD eligibility category was established in 2007 as a demonstration population of adult Tennesseans who are aged, blind, disabled, or caretaker relatives and who meet spend-down requirements. There are currently about 800 people enrolled in this category; no new persons have been added to the SSD category since 2013.

We are requesting the authority to close out the SSD category. At the next reverification period, we will review members of this category to determine whether there is any Medicaid category for which they qualify. If there is, they will be moved to that category and services will continue without interruption. For any individuals currently enrolled in the SSD program who go through reverification and are not found eligible in any open category, the program will disenroll them, since the SSD eligibility category will be closed. We will advise these individuals to seek coverage through Medicare or the Federally Facilitated Marketplace (FFM), as appropriate. We are requesting an approval date for this Amendment that is no later than December 1, 2015.

**Public notice process.** This change has been published for public comment in newspapers of general circulation, in accordance with the public notice requirements of paragraph 15 of the Special Terms and Conditions of the TennCare Demonstration. Information about this change has also been posted on the State's website, with instructions for how interested persons may submit comments. We have received no comments on the proposed change.

**Evaluation design.** We do not anticipate modifying the evaluation design at this time.

**Data analysis.** A data analysis illustrating the anticipated impact of this change is attached to this submission.

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We will be glad to work with you and your team as you review Amendment #28. We are requesting a December 1, 2015, effective date for this Amendment.

Thank you for your attention to this important matter.

Sincerely,



Darin J. Gordon  
Director

cc: Patrick Edwards, Project Officer, CMCS, Baltimore  
Jackie Glaze, Associate Regional Administrator, CMS Atlanta  
Kenni Howard, Health Insurance Specialist, CMS Atlanta  
Juliana Sharp, Technical Director, CMCS, Baltimore

# Baseline Budget Neutrality - Budget Impact Analysis

## II. Actual Expenditures

### Group 1 and 2

	Projected	
	2016	2017
1-Disabled (can be any ages)	\$ 2,743,295,438	\$ 2,743,295,438
2-Child <=18	\$ 2,317,004,599	\$ 2,317,004,599
3-Adult >= 65	\$ 16,083,463	\$ 16,083,463
4-Adult <= 64	\$ 1,801,624,070	\$ 1,801,624,070
Duals (17)	\$ 2,277,325,076	\$ 2,277,325,076
<b>Total</b>	<b>9,155,332,646</b>	<b>9,155,332,646</b>

### Group 3

	Projected	
	2016	2017
1-Disabled (can be any ages)	\$ 312,234,957	\$ 312,234,957
2-Child <=18	\$ 2,136,099	\$ 2,136,099
3-Adult >= 65	\$ 5,101,120	\$ 5,101,120
4-Adult <= 64	\$ 16,552,507	\$ 8,958,157
Duals (17)	\$ 206,770	\$ 206,770
<b>Total</b>	<b>336,231,453</b>	<b>328,637,102</b>

### Projected Pool Payments and Admin

	2016	2017
<b>Total Pool &amp; Admin</b>	<b>1,158,103,005</b>	<b>1,158,103,005</b>

### Total Net Quarterly Expenditures

\$ 10,649,667,104 \$ 10,642,072,753

## III. Surplus/(Deficit)

### Annual With Amendment #28 Changes Cumulative With Amendment #28 Changes

	2016	2017
Annual With Amendment #28 Changes	\$1,293,888,857	\$1,301,483,208
Cumulative With Amendment #28 Changes	\$28,721,168,765	\$30,022,651,973

### Annual Before Amendment #28 Changes Difference

	2016	2017
Annual Before Amendment #28 Changes	\$1,293,888,857	\$1,293,888,857
Difference	0	\$7,594,351

### Cumulative Before Amendment #28 Changes Difference

	2016	2017
Cumulative Before Amendment #28 Changes	\$28,721,168,765	\$30,015,057,622
Difference	0	\$7,594,351

## IV. Amendment #28 On-Off Switches

Amendment #28 (1 = yes,  
0 = no)

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Net FFP Impact of Amendment #28	\$0	(\$4,938,986)
FFP with Amendment #28	\$6,926,011,001	\$6,921,072,015

**Changes related to Amendment #28**

**Elimination of Standard Spend Down Group**

**TOTAL Computable**

	<b>2016</b>	<b>2017</b>
Standard Spend Down	(\$3,797,175)	(\$7,594,351)
<b>TOTAL</b>	<b>(\$3,797,175)</b>	<b>(\$7,594,351)</b>

**Distribution of Reduction - All Groups**

	<b>2016</b>	<b>2017</b>
1-Disabled (can be any ages)	\$0	\$0
2-Child <=18	\$0	\$0
3-Adult >= 65	\$0	\$0
4-Adult <= 64	(\$3,797,175)	(\$7,594,351)
Duals	\$0	\$0
<b>Total</b>	<b>(\$3,797,175)</b>	<b>(\$7,594,351)</b>

**Distribution of Reduction - Group I and II**

	<b>2016</b>	<b>2017</b>
1-Disabled (can be any ages)	\$0	\$0
2-Child <=18	\$0	\$0
3-Adult >= 65	\$0	\$0
4-Adult <= 64	\$0	\$0
Duals	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>

**Distribution of Reduction - Group III**

	<b>2016</b>	<b>2017</b>
1-Disabled (can be any ages)	\$0.00	\$0
2-Child <=18	\$0.00	\$0
3-Adult >= 65	\$0.00	\$0
4-Adult <= 64	(\$3,797,175)	(\$7,594,351)
Duals	\$0.00	\$0
<b>Total</b>	<b>(\$3,797,175)</b>	<b>(\$7,594,351)</b>