

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop: S2-26-12  
Baltimore, Maryland 21244-1850



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**July 16, 2013**

Mr. Darin Gordon  
Director  
Bureau of TennCare  
Tennessee Department of Finance and Administration  
310 Great Circle Road  
Nashville, TN 37243

Dear Mr. Gordon:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) has approved your request to amend the TennCare II section 1115 of the Social Security Act (the Act) demonstration (Project No. 11-W-00151/4). This amendment is effective as of October 1, 2013.

The Special Terms and Conditions (STCs) have been changed to reflect that the following groups under the demonstration will be subject to a \$1.50 co-pay for generic outpatient prescriptions:

- TennCare Medicaid adults who are not exempt from cost sharing under 42 CFR 447.53
- TennCare Standard individuals under age 21 with incomes at or above 100 percent of the federal poverty level (FPL)
- TennCare Standard individuals aged 21 and older under the Standard Spend Down program
- CHOICES 3 and Interim CHOICES 3 enrollees that are at risk-for institutionalization

The approval is conditioned upon compliance with the enclosed STCs and is subject to our receiving your acknowledgement of the award and the acceptance of the STCs within 30 days of the date of this letter.

Your acceptance and any questions regarding the TennCare II program may be directed to your project officer, Jessica Woodard. Ms. Woodard can be reached at (410) 786-9249 or [Jessica.Woodard@cms.hhs.gov](mailto:Jessica.Woodard@cms.hhs.gov).

We look forward to continuing to work with you and your staff.

Sincerely,

/s/

Cindy Mann  
Director

Enclosure

Cc: Jennifer Ryan, Acting Director, Children and Adults Health Programs Group  
Diane T. Gerrits, Director, Division of State Demonstrations and Waivers  
Jackie Glaze, Associate Regional Administrator, CMS Atlanta  
Kenni Howard, CMS Atlanta  
Jessica Woodard, CMCS