



STATE OF TENNESSEE
BUREAU OF TENNCARE
DEPARTMENT OF FINANCE AND ADMINISTRATION
310 Great Circle Road
NASHVILLE, TENNESSEE 37243

April 26, 2013

Jennifer Ryan, Acting Director
Family and Children's Health Programs Group
Centers for Medicare and Medicaid Services
Center for Medicaid, CHIP, and Survey & Certification
Mail Stop S2-01-16
7500 Security Boulevard
Baltimore, Maryland 23244-1850

RE: TennCare II demonstration (No. 11-W-00151/4), Amendment #19

Dear Ms. Ryan:

We are requesting the addition of a \$1.50 co-pay on generic prescription drugs for those TennCare Medicaid and TennCare Standard enrollees who currently have a \$3.00 co-pay on brand name prescription drugs. Enrollees in the following eligibility groups would be affected by this change:

- All Medicaid adults aged 21 and older, other than those who are in exempt groups
- All TennCare Standard adults in the Standard Spend Down category and the CHOICES At-Risk Demonstration category
- All TennCare Standard children with family incomes at 100% of poverty or greater

Emergency pharmacy services, including a 72-hour emergency supply of a medication in an emergency situation, are exempt from co-pays, as are family planning supplies and preventive services.

We will be filing a State Plan Amendment as a companion to this waiver amendment request and would appreciate CMS's assistance in coordinating action on these two requests.

Proposed changes. The purpose of our proposed Amendment #19 is to introduce a new co-pay on generic prescription drugs. At present there is only one co-pay required of non-exempt TennCare Medicaid and TennCare Standard adults, and that is the \$3.00 co-pay on prescription drugs. There are several co-pays that are applicable to TennCare Standard children with incomes at 100% of poverty or greater.

We believe that the use of co-pays can serve an important purpose, and that is to encourage enrollees to take more responsibility for their health care. Enrollees would likely pay more than \$1.50 for non-covered over-the-counter drugs, so this small co-pay on their TennCare generic prescriptions should not be unduly burdensome.

Public notice. These changes have 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. Information about the proposals has been posted on the state's website, with a vehicle for comments included. We have received no comments.

CHIP Allotment Neutrality Worksheet. We do not believe that these changes will have a significant effect on CHIP allotment neutrality.

Evaluation Design. We do not anticipate modifying the Evaluation Design at this time.

Data Analysis. We are forwarding the worksheet electronically.

We will be glad to work with you and your staff as you review Amendment #19. We are requesting an October 1, 2013, implementation date. We will need to secure approval in time to provide notice to beneficiaries in accordance with Section XIII, Part II, of the Special Terms and Conditions.

Thank you for your attention to this important matter.

Sincerely,

Darin J. Gordon
Director, Bureau of TennCare

cc: Jessica Woodard, TennCare Project Officer, Center for Medicaid, CHIP and Survey & Certification, Baltimore
Andrea Casart, Technical Director, Center for Medicaid, CHIP and Survey & Certification, Baltimore
Jackie Glaze, Associate Regional Administrator, Atlanta Regional Office
Trina Roberts, Branch Manager, Medicaid and CHIP Policy, Atlanta Regional Office
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