

Center for Medicaid and State Operations

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December 31, 2012

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 extend the TennCare II section 1115 of the Social Security Act (the Act) demonstration (Project No. 11-W-00151/4). This extension is effective July 1, 2013 through June 30, 2016. The extension is granted under the authority of section 1115(f) of the Act.

There are several changes to the Standard Terms and Conditions (STCs) included in this approval that are noteworthy.

- Removing the Transition Group and the Discontinued Demonstration Group from the STCs and adding an end date for new enrollment into the At-Risk Demonstration Group and Interim CHOICES 3 Group.
- Updating the waiver authority for freedom of choice to clarify that the waiver does not include waiving freedom of choice for family planning providers.
- Clarifying TennCare's cost sharing requirements.
- Two authorities are set to expire. Funding pools for uncompensated care will expire on December 31, 2015. Tennessee's waiver of retroactive eligibility will expire on June 30, 2016. The state must evaluate uncompensated care costs for the uninsured and also evaluate seamless coverage provided by TennCare in relation to health coverage administered through the Exchange.

This approval is subject to our receiving your written acknowledgement of the award and acceptance of the STCs and waiver and expenditure authorities within 30 days of the date of this letter. CMS is also requesting responses to follow up questions regarding budget neutrality.

Your acceptance and any questions regarding TennCare II program may be directed to your project officer, Jessica Woodard. Ms. Woodard's 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, CMCS  
Angela D. Garner, CMCS  
Jessica Woodard, CMCS  
Kenni Howard, CMS Atlanta  
Jackie Glaze, CMS Atlanta