

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



**Center for Medicaid and CHIP Services**  
**Children and Adults Health Programs Group**

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SEP 27 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 serves as notification from the Centers for Medicare & Medicaid Services (CMS) of our continuing review of the Special Terms and Conditions (STCs) for the current TennCare II section 1115 Demonstration (11-W-00151/4), in compliance with section 1115(f) of the Social Security Act (the Act). The next step, as outlined in the statute, is the 30-day negotiation period beginning with the date of this letter.

At this time, CMS is prepared to renew the current demonstration through December 31<sup>st</sup>, 2013, with technical changes. This extension period will give CMS and the State the opportunity to have more detailed discussions of the issues involved in a longer extension of all or part of the demonstration. For example, there would be more time to engage in discussions concerning the coordination of the demonstration with other state initiatives. We note that section 1115(f)(5)(A) of the Act allows the state to request more negotiating time before CMS makes a final decision on the demonstration, up to the expiration of the current approval period, June 30, 2013.

We have had productive discussions and look forward to reaching a mutual agreement on the authorities and terms of this demonstration. If, however, CMS and Tennessee are unable to reach an agreement on final STCs for the extension period requested, we will proceed according to section 1115(f) of the Act.

We ask that you contact your project officer, Jessica Woodard, in order to facilitate negotiations. You may contact Ms. Woodard at (410) 786-9249. We look forward to working with you on this demonstration extension.

Sincerely,

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Victoria Wachino  
Director

**Cc: Angela Garner, CMCS  
Jessica Woodard, CMCS  
Jackie Glaze, CMS Atlanta Regional Office  
Kenni Howard, CMS Atlanta Regional Office**