



October 19, 2026

Kamia Rathore
State Demonstrations Group
Centers for Medicare & Medicaid Services
Center for Medicaid and CHIP Services
Mail Stop: S2-25-26
7500 Security Boulevard
Baltimore, Maryland 21244

RE: TennCare III Demonstration (Project Nos. 11-W-00369/4 and 21-W-0075/4)

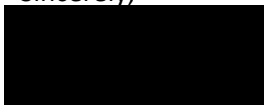
Dear Ms. Rathore,

Thank you for your ongoing partnership in the administration of the TennCare III demonstration. We have reviewed Deputy Administrator Brillman's letter of September 25, 2026, regarding recent changes to Medicaid and CHIP statute contained in the Working Families Tax Cut legislation (WFTC) and the applicability of these changes to the TennCare III demonstration. Specifically, we have reviewed CMS's clarification regarding the applicability of WFTC Section 71109 to the TennCare III demonstration. We have also reviewed the clarification to the demonstration's special terms and conditions (STCs) to reflect the applicability of WFTC Section 71119. We accept the special terms and conditions, waivers, and expenditure authorities as amended and clarified by the Deputy Administrator's September 25, 2026, letter.

If you need additional information about the TennCare III demonstration, please contact Aaron Butler at 615.507.6448, or aaron.c.butler@tn.gov

We look forward to continuing to work with CMS to administer the TennCare III demonstration and to provide high-quality healthcare to Tennesseans enrolled in TennCare.

Sincerely,



Stephen Smith
Director, Division of TennCare

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