



July 29, 2025

Karen Llanos, Acting Director
State Demonstrations Group
Center for Medicaid & CHIP Services
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244

RE: TennCare III Demonstration (Project No. 11-W-00369/4 and 21-W-00075/4), Amendments 1 & 2

Dear Ms. Llanos,

The purpose of this letter is to withdraw two proposed amendments to the TennCare demonstration.

- Demonstration Amendment 1 was submitted to CMS on March 31, 2021. Among other things, this amendment proposed to integrate 1915(c) HCBS for persons with intellectual disabilities into the managed care program authorized under the demonstration.
- Demonstration Amendment 2 was submitted to CMS on April 8, 2022. This amendment proposed to extend coverage to children adopted from state custody who do not qualify for Medicaid coverage on any other basis (e.g., not receiving IV-E or non-IV-E adoption assistance).

In the months since the submission of Amendment 1, we have worked with our partners in the provider community, our state agency on disability, our managed care contractors, and others to identify alternative approaches to achieving many of the goals of this demonstration amendment. This has included identifying opportunities to align processes to more effectively coordinate care, streamline procedures, and improve the member experience. In light of these improvements, we are withdrawing Amendment 1 so that our teams can prioritize other pending demonstration actions.

Since the submission of Amendment 2, we have engaged in conversations with the Children & Adults Health Programs Group, who have helped us identify an alternative authority to extend coverage to impacted children under the State Plan. Accordingly, we are withdrawing our request for demonstration authority to cover these children.

We appreciate CMS's work on these amendments, and we look forward to continuing to partner with CMS to administer the TennCare demonstration.

If you have questions about this letter or need additional information, please contact Aaron Butler at 615.507.6448, or aaron.c.butler@tn.gov.

Thank you for your attention to this important matter.

Letter to Karen Llanos

July 29, 2025

Page 2

Sincerely,

A solid black rectangular box used to redact the signature of Stephen Smith.

Stephen Smith

Director, Division of TennCare

cc: Tandra Hodges, Medicaid & CHIP Operations Group
Kamia Rathore, State Demonstrations Group
April Wiley, State Demonstrations Group