

Table of Contents

State/Territory Name: Tennessee

State Plan Amendment (SPA) #: 21-0008

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

March 11, 2022

Mr. Stephen M. Smith
Director, Division of TennCare
310 Great Circle Road
Nashville, Tennessee 37243

Re: Tennessee State Plan Amendment (SPA) Transmittal #21-0008

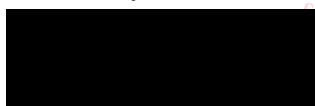
Dear Mr. Smith:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) #21-0008. This amendment is submitted to document compliance with third party liability provisions in the Bipartisan Budget Act of 2018.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations 42 CFR § 433.139. This letter is to inform you that Tennessee Medicaid SPA #21-0008 was approved on March 09, 2022, with an effective date of October 1, 2021.

If you have any questions, please contact Tandra Hodges at 404-562-7409 or via email at Tandra.Hodges@cms.hhs.gov.

Sincerely,

 Digitally signed by James G. Scott -S
Date: 2022.03.11 09:04:48 -06'00'

James G. Scott, Director
Division of Program Operations

cc: Aaron Butler

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 1 — 0 0 0 8

2. STATE

T N

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

October 1, 2021

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 433.139

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2022 \$ 0
b. FFY 2023 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.22-B, pages 1-2
Section 4, Page 69a

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.22-B, pages 1-2, Transmittal No. 90-6

9. SUBJECT OF AMENDMENT

Third Party Liability

10. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL

[Redacted Signature]

15. RETURN TO

Tennessee Department of Finance and Administration
Division of TennCare
310 Great Circle Road
Nashville, Tennessee 37243

12. TYPED NAME
Stephen Smith

13. TITLE
Director, Division of TennCare

14. DATE SUBMITTED
December 29, 2021

Attention: Jonathan Reeve

FOR CMS USE ONLY

16. DATE RECEIVED
December 29, 2021

17. DATE APPROVED
March 09, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
October 1, 2021

19. SIGNING OFFICIAL
[Redacted Signature] Digitally signed by James G. Scott -S
Date: 2022.03.11 09:05:22 -06'00'

20. TYPED NAME OF APPROVING OFFICIAL
James G. Scott

21. TITLE OF APPROVING OFFICIAL
Director, Division of Program Operations

22. REMARKS

- State authorized pen and ink changes:
- In Section 7, add "Section 4, Page 69a".
 - Also in Section 7, replace "Attachment 4.22-B, page 1" with "Attachment 4.22-B, pages 1-2".
 - In Section 8, add "Section 4, Page 69a, Transmittal No. 90-6".
 - Also in Section 8, replace "Attachment 4.22-B, page 1, Transmittal No. 90-6" with "Attachment 4.22-B, pages 1-2, Transmittal No. 90-6".

Revision: HCFA-PM-90-2 (BPD)
January 1990

OMB No.: 0938-0193

State/Territory: Tennessee

Citation

- 433.139(b)(3) /X/ (c) Providers are required to bill liable third parties when services
(ii)(A) covered under the plan are furnished to an individual on whose behalf
55 FR 1423 child support enforcement is being carried out by the State IV-D
agency.
- (d) ATTACHMENT 4.22-B specifies the following:
- 433.139(b)(3)(ii)(C) (1) The method used in determining a provider's compliance with the
55 FR 1423 third party billing requirements at §433.139(b)(3)(ii)(C).
- 433.139(f)(2) (2) The threshold amount or other guideline used in determining
50 FR 46652 whether to seek recovery of reimbursement from a liable third
party, or the process by which the agency determines that seeking
recovery of reimbursement would not be cost effective.
- 433.139(f)(3) (3) The dollar amount or time period the State uses to accumulate
50 FR 46652 billings from a particular liable third party in making the decision
to seek recovery of reimbursement.
- 42 CFR 447.20 (e) The Medicaid agency ensures that the provider furnishing a service
55 FR 1423 for which a third party is liable follows the restrictions specified in 42
CFR 447.20.

TN No.: 21-0008
Supersedes
TN No.: 90-6

Approval Date: 03/09/2022

Effective Date: 10/01/21

HCFA ID: 1010P/0012P

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: Tennessee

4.22 – Third Party Liability

Citation

433.139 (b)(3)(ii)(C) A claim cost avoidance system as outlined in 42 CFR 433.139 is utilized. All claims, except those listed below, will be cost avoided based on available insurance resource information. No threshold amount will be employed in conjunction with the cost avoidance method in processing claims.

The exceptions to the cost avoidance method are EPSDT, preventive pediatric care, and all claims covered by the health insurance maintained by the absent parent under Part D of Title IV of the Act.

1902(a)(25)(E) and 1902(a)(25)(F) of the Act The State Agency complies with each of the following requirements:

- (1) Application of cost avoidance procedures to claims for prenatal services, including labor, delivery, and postpartum care services;
- (2) Making payments without regard to potential third party liability for pediatric preventive services, unless the State Agency has made a determination related to cost-effectiveness and access to care that warrants cost avoidance for up to 90 days; and
- (3) Flexibility to make payments without regard to potential third party liability for up to 100 days for claims related to child support beneficiaries.

433.139 (f)(2) & (3) When an absent parent is ordered by the court to provide health insurance, but the insurance is not in effect, the State Agency shall initiate recovery action through the absent parent.

Pursuant to a waiver renewal from HCFA, Region IV, pharmacy claims will be accumulated on a monthly basis for direct filing to the third party carrier.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: Tennessee

4.22 – Third Party Liability

The State Agency will pursue recovery on certain trauma diagnosis and employment related claims at the time a liable third party is verified. All related claims (except pharmacy claims) will be submitted to the identified third party.

The State Agency will pursue reimbursement from a third party resource whenever the value of the claim to be recovered exceeds the cost of the recovery effort. Minimum recovery thresholds (i.e., claim amounts below which recovery would not be pursued) may be periodically established to guide this process.

447.20 Medical assistance benefits shall be coordinated with third party resources and reimbursement shall not be made for services which would have been reimbursable by the third party except for failure to adhere to the third party's requirements. Additionally, if the liability of the third party exceeds the amount payable under the state plan, the provider may not seek collection from the individual.