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**State/Territory Name: Tennessee**

**State Plan Amendment (SPA)#: 25-0002**

This file contains the following documents in the order listed:

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

## TN - Submission Package - TN2024MS0004O - (TN-25-0002) - Eligibility

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DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Medicaid and CHIP Operations Group  
601 E. 12th Street Room 355  
Kansas City, MO 64106



### Center for Medicaid & CHIP Services

May 16, 2025

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

Re: Approval of State Plan Amendment TN-25-0002

Dear Stephen M. Smith,

On March 28, 2025, the Centers for Medicare and Medicaid Services (CMS) received Tennessee State Plan Amendment (SPA) TN-25-0002, in which the state proposed to create a new reasonable classification of medically needy individuals under age 21.

We approve Tennessee State Plan Amendment (SPA) TN-25-0002 with an effective date(s) of January 01, 2025.

If you have any questions regarding this amendment, please contact Tandra Hodges at [Tandra.Hodges@cms.hhs.gov](mailto:Tandra.Hodges@cms.hhs.gov)

Sincerely,

Shantrina Roberts

Acting Director, Division of Program  
Operations

Center for Medicaid & CHIP Services

# TN - Submission Package - TN2024MS0004O - (TN-25-0002) - Eligibility

- Summary
- Reviewable Units
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## Submission - Summary

MEDICAID | Medicaid State Plan | Eligibility | TN2024MS0004O | TN-25-0002

CMS-10434 OMB 0938-1188

### Package Header

Package ID	TN2024MS0004O	SPA ID	TN-25-0002
Submission Type	Official	Initial Submission Date	3/28/2025
Approval Date	05/16/2025	Effective Date	N/A
Superseded SPA ID	N/A		

### State Information

State/Territory Name:	Tennessee	Medicaid Agency Name:	Department of Finance & Administration
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### Submission Component

- ☒ State Plan Amendment
- ☒ Medicaid
- ☐ CHIP

# Submission - Summary

MEDICAID | Medicaid State Plan | Eligibility | TN2024MS0004O | TN-25-0002

## Package Header

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<b>Submission Type</b>	Official	<b>Initial Submission Date</b>	3/28/2025
<b>Approval Date</b>	05/16/2025	<b>Effective Date</b>	N/A
<b>Superseded SPA ID</b>	N/A		

## SPA ID and Effective Date

**SPA ID** TN-25-0002

Reviewable Unit	Proposed Effective Date	Superseded SPA ID
Optional Eligibility Groups	1/1/2025	TN-21-0010
Medically Needy Reasonable Classifications of Individuals under Age 21	1/1/2025	TN-21-0010

# Submission - Summary

MEDICAID | Medicaid State Plan | Eligibility | TN2024MS0004O | TN-25-0002

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## Executive Summary

**Summary Description Including Goals and Objectives** This SPA extends Medicaid coverage to children adopted from state custody who do not qualify for Title IV-E or non-IV-E adoption assistance.

## Federal Budget Impact and Statute/Regulation Citation

### Federal Budget Impact

	Federal Fiscal Year	Amount
First	2025	\$130664
Second	2026	\$195991

### Federal Statute / Regulation Citation

42 CFR 435.308

Supporting documentation of budget impact is uploaded (optional).

Name	Date Created	
No items available		

# Submission - Summary

MEDICAID | Medicaid State Plan | Eligibility | TN2024MS0004O | TN-25-0002

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## Governor's Office Review

- ☒ No comment
- ☐ Comments received
- ☐ No response within 45 days
- ☐ Other

PRA Disclosure Statement: Centers for Medicare & Medicaid Services (CMS) collects this mandatory information in accordance with (42 U.S.C. 1396a) and (42 CFR 430.12); which sets forth the authority for the submittal and collection of state plans and plan amendment information in a format defined by CMS for the purpose of improving the state application and federal review processes, improve federal program management of Medicaid programs and Children's Health Insurance Program, and to standardize Medicaid program data which covers basic requirements, and individualized content that reflects the characteristics of the particular state's program. The information will be used to monitor and analyze performance metrics related to the Medicaid and Children's Health Insurance Program in efforts to boost program integrity efforts, improve performance and accountability across the programs. Under the Privacy Act of 1974 any personally identifying information obtained will be kept private to the extent of the law. According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1188. The time required to complete this information collection is estimated to range from 1 hour to 80 hours per response (see below), including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

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# TN - Submission Package - TN2024MS0004O - (TN-25-0002) - Eligibility

## Medicaid State Plan Eligibility

### Optional Eligibility Groups

MEDICAID | Medicaid State Plan | Eligibility | TN2024MS0004O | TN-25-0002

CMS-10434 OMB 0938-1188

### Package Header

Package ID	TN2024MS0004O	SPA ID	TN-25-0002
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Superseded SPA ID	TN-21-0010		
	System-Derived		

### A. Options for Coverage

The state provides Medicaid to specified optional groups of individuals.
















☒ Yes ☐ No

The optional eligibility groups covered in the state plan are (elections made in this screen may not be comprehensive during the transition period from the paper-based state plan to MACPro):

#### Families and Adults

Eligibility Group Name		Covered In State Plan	Include RU In Package	Included in Another Submission Package	Source Type
Optional Coverage of Parents and Other Caretaker Relatives		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="radio"/>	NEW
Reasonable Classifications of Individuals under Age 21		<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	NEW
Children with Non-IV-E Adoption Assistance		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	APPROVED
Independent Foster Care Adolescents		<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	NEW
Optional Targeted Low Income Children		<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	NEW
Individuals above 133% FPL under Age 65		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="radio"/>	NEW
Individuals Needing Treatment for Breast or Cervical Cancer		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	APPROVED
Individuals Eligible for Family Planning Services		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="radio"/>	NEW
Individuals with Tuberculosis		<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	NEW
Individuals Electing COBRA Continuation Coverage		<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	NEW

## Aged, Blind and Disabled

Eligibility Group Name		Covered In State Plan	Include RU In Package ?	Included in Another Submission Package	Source Type ?
Individuals Eligible for but Not Receiving Cash Assistance		<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	NEW
Individuals Eligible for Cash Except for Institutionalization		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	APPROVED
Individuals Receiving Home and Community-Based Waiver Services under Institutional Rules		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	APPROVED
Optional State Supplement Beneficiaries		<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	NEW
Individuals in Institutions Eligible under a Special Income Level		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	APPROVED
PACE Participants		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	APPROVED
Individuals Receiving Hospice		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="radio"/>	NEW
Children under Age 19 with a Disability		<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	NEW
Age and Disability-Related Poverty Level		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="radio"/>	NEW
Work Incentives		<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	NEW
Ticket to Work Basic		<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	NEW
Ticket to Work Medical Improvements		<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	NEW
Family Opportunity Act Children with a Disability		<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	NEW
Individuals Receiving State Plan Home and Community-Based Services		<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	NEW
Individuals Receiving State Plan Home and Community-Based Services Who Are Otherwise Eligible for HCBS Waivers		<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	NEW



# Optional Eligibility Groups

MEDICAID | Medicaid State Plan | Eligibility | TN2024MS0004O | TN-25-0002

## Package Header

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System-Derived			

## B. Medically Needy Options for Coverage



The state provides Medicaid to specified groups of individuals who are medically needy.

☒ Yes ☐ No

The medically needy eligibility groups covered in the state plan are:

### 1. Mandatory Medically Needy:

#### Families and Adults



Eligibility Group Name		Covered In State Plan	Include RU In Package ?	Included in Another Submission Package	Source Type ?
Medically Needy Pregnant Women		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	APPROVED
Medically Needy Children under Age 18		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	APPROVED

#### Aged, Blind and Disabled

Eligibility Group Name		Covered In State Plan	Include RU In Package ?	Included in Another Submission Package	Source Type ?
Protected Medically Needy Individuals Who Were Eligible in 1973		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	NEW

### 2. Optional Medically Needy:

#### Families and Adults

Eligibility Group Name		Covered In State Plan	Include RU In Package ?	Included in Another Submission Package	Source Type ?
Medically Needy Reasonable Classifications of Individuals under Age 21		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="radio"/>	APPROVED
Medically Needy Parents and Other Caretaker Relatives		<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	NEW

#### Aged, Blind and Disabled

Eligibility Group Name		Covered In State Plan	Include RU In Package ?	Included in Another Submission Package	Source Type ?
Medically Needy Populations Based on Age, Blindness or Disability		<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	NEW

# Optional Eligibility Groups

MEDICAID | Medicaid State Plan | Eligibility | TN2024MS0004O | TN-25-0002

## Package Header

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## C. Additional Information (optional)

### Eligibility Groups Deselected from Coverage

The following eligibility groups were previously covered in the source approved version of the state plan and deselected from coverage as part of this submission package:

- N/A

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# TN - Submission Package - TN2024MS0004O - (TN-25-0002) - Eligibility

## Medicaid State Plan Eligibility

### Eligibility Groups - Medically Needy

#### Medically Needy Reasonable Classifications of Individuals under Age 21

MEDICAID | Medicaid State Plan | Eligibility | TN2024MS0004O | TN-25-0002

One or more reasonable classifications of individuals under age 21 who do not qualify as categorically needy.

CMS-10434 OMB 0938-1188

#### Package Header

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The state covers the optional Medically Needy Reasonable Classifications of Individuals under Age 21 eligibility group in accordance with the following provisions:

#### A. Characteristics

Individuals qualifying under this eligibility group must meet the following criteria:

- Are under age 21, or a lower age, as specified in section C.
- Would not qualify under the Medically Needy Children under Age 18 eligibility group (42 CFR 435.301)
- Are not otherwise eligible for categorically needy coverage under the state plan.
- Have income at or below the medically needy income level and resources at or below the medically needy resource level.

# Medically Needy Reasonable Classifications of Individuals under Age 21

MEDICAID | Medicaid State Plan | Eligibility | TN2024MS00040 | TN-25-0002

## Package Header

Package ID	TN2024MS00040	SPA ID	TN-25-0002
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## B. Individuals Covered

The state covers the following populations:

- ☒ 1. All children under a specified age limit:

☒ i. Under age 21☐ ii. Under age 20☐ iii. Under age 19
- ☒ 2. Reasonable classifications of children

Name of classification	Age Range
Children adopted from state custody	Under age 19

**Name:** Children adopted from state custody

**Age Covered:** Under age 19

**Description:** Children adopted from state custody, other than children for whom an adoption assistance agreement is in effect under Title IV-E of the Act or for whom a state (non IV-E) adoption assistance agreement is in effect.

# Medically Needy Reasonable Classifications of Individuals under Age 21

MEDICAID | Medicaid State Plan | Eligibility | TN2024MS0004O | TN-25-0002

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## C. Financial Methodologies

1. The state uses the same financial methodology for all individuals covered.

- ☐ Yes  
☒ No

2. The financial methodologies are:

All children under age 21

The financial methodology used is:

- ☒ a. AFDC methodologies. Please refer as necessary to Non-MAGI Methodologies, completed by the state.  
☐ b. MAGI-like methodologies. Please refer as necessary to Non-MAGI Methodologies, completed by the state.

3. Less restrictive methodologies are used in calculating countable income.

- ☒ Yes  
☐ No

The less restrictive income methodologies are:

☒ Census Bureau wages are disregarded.

**Description of disregard:** All wages paid by the Census Bureau for temporary employment activities in connection with the full Census that occurs every 10 years are excluded.

☒ A less restrictive methodology is used with respect to lump sum income:

☒ Specified methodology for the treatment of lump sums as income:

Name of methodology:	Description:
Lump sum payments	Lump sum payments will be considered as a resource in the month received and thereafter if retained.

☒ The following less restrictive methodologies are used:

Name of methodology:	Description:
Med Needy Earned Income Disregard	Earned income deduction that is equal to \$90 plus \$30 and 1/3 or the current TANF general earned income disregard, whichever is higher, for applicants and recipients.

4. Less restrictive methodologies are used in calculating countable resources.

- ☒ Yes  
☐ No

The less restrictive resource methodologies are:

☒ The state uses a less restrictive methodology with respect to the treatment of motor vehicles.

☒ The value of a countable motor vehicle is disregarded, up to a limit.

The limit is: \$4600.00

**Description:** The first \$4,600 of equity value in an automobile will be disregarded. Any excess equity value of the automobile or the equity value of any other vehicle(s) will be considered as a resource.

☒ The state uses a less restrictive methodology with respect to the treatment of resources set aside in specified types of accounts.

☒ Resources set aside in an Assets for Independence Act (IDA) account

**Description:** Escrow profits for low-income entrepreneurs and Individual Development Accounts (IDA) of up to \$5,000 each plus interest earned are excluded as countable resources.

#### Children adopted from state custody

The financial methodology used is:

- ☒ a. AFDC methodologies. Please refer as necessary to Non-MAGI Methodologies, completed by the state.  
☐ b. MAGI-like methodologies. Please refer as necessary to Non-MAGI Methodologies, completed by the state.

3. Less restrictive methodologies are used in calculating countable income.

- ☒ Yes  
☐ No

The less restrictive income methodologies are:

☒ All income is disregarded. No income test is applied.

4. Less restrictive methodologies are used in calculating countable resources.

- ☒ Yes  
☐ No

The less restrictive resource methodologies are:

☒ All resources are disregarded. No resource test is applied.

# Medically Needy Reasonable Classifications of Individuals under Age 21

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## D. Income Standard Used

The income standard used for this group is described in the Medically Needy Income Level RU.

## E. Resource Standard Used

The resource standard used for this group is described in the Medically Needy Resource Level RU.

## F. Spenddown

The state allows individuals to deduct incurred medical and remedial expenses (spend down) to become eligible under this group. Spenddown is defined in the Handling of Excess Income (Spenddown) RU.

Medically Needy Reasonable Classifications of Individuals under Age 21

MEDICAID | Medicaid State Plan | Eligibility | TN2024MS0004O | TN-25-0002

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G. Additional Information (optional)



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