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State/Territory Name: Tennessee

State Plan Amendment (SPA)#: 25-0006

This file contains the following documents in the order listed

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-14-26
Baltimore, Maryland 21244-1850



Medicaid Benefits and Health Programs Group

July 23, 2025

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

Dear Stephen M. Smith,

We have reviewed Tennessee's State Plan Amendment (SPA) 25-0006 received in the Centers for Medicare and Medicaid Services (CMS) OneMAC application on June 16, 2025. This amendment provides updates to the state's limitations on the amount, duration, and scope of coverage for prescribed drugs, and updates the state's excluded drug list.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that TN-25-0006 is approved with an effective date of August 1, 2025.

We are attaching a copy of the signed CMS-179 form, as well as the pages approved for incorporation into the Tennessee state plan. If you have any questions regarding this amendment, please contact Michael Forman at Michael.forman@cms.hhs.gov.

Sincerely,



Mickey Morgan
Acting Director
Division of Pharmacy

cc: Aaron Butler, Division of TennCare
Renee Williams-Clark, Division of TennCare
Tandra Hodges, CMS, Medicaid and CHIP Operations Group

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

1. TRANSMITTAL NUMBER

2 5 — 0 0 0 6

2. STATE

TN3. 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

August 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR Parts 440 and 441

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2025 \$ 1,533,837b. FFY 2026 \$ 9,110,720

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 3.1.A.1, page 25;
Attachment 3.1.A.1, unnumbered page that begins with item (12)
The member is entitled to an emergency supply...;
Attachment 3.1.B.1, page 25;
Attachment 3.1.B.1, unnumbered page that begins with item (12)
The member is entitled to an emergency supply...8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)

Same as Box 7.

9. SUBJECT OF AMENDMENT

Provides updates to the state's limitations on the amount, duration, and scope of coverage for prescribed drugs, and updates the state's excluded drug list.

10. GOVERNOR'S REVIEW (Check One)



GOVERNOR'S OFFICE REPORTED NO COMMENT



COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

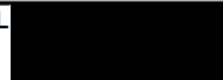


NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL



OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME
Stephen Smith13. TITLE
Director, Division of TennCare14. DATE SUBMITTED
June 16, 2025

15. RETURN TO

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

Attention: Aaron Butler

FOR CMS USE ONLY16. DATE RECEIVED
June 16, 202517. DATE APPROVED
July 23, 2025**PLAN APPROVED - ONE COPY ATTACHED**18. EFFECTIVE DATE OF APPROVED MATERIAL
August 1, 2025

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Mickey Morgan21. TITLE OF APPROVING OFFICIAL
Acting Director, CMCS Division of Pharmacy

22. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: TENNESSEELIMITATION ON AMOUNT DURATION AND SCOPE OF MEDICAL
CARE AND SERVICES PROVIDED

12. Prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist.

12.a. Prescribed drugs

- (1) Prescription outpatient drugs of any manufacturer which has entered into and complies with an agreement under Section 1927(a) of the Social Security Act will be a covered benefit for all TennCare members when prescribed by an authorized licensed prescriber, unless coverage is excluded or otherwise restricted by TennCare in accordance with the following:
- (a) TennCare will not cover any drugs that are permitted to be excluded or restricted under the Social Security Act, Section 1927(d)(2), except select weight loss drugs when prescribed for treatment of obesity. Effective January 1, 2006, the Medicaid agency will not cover any Medicare Part D drug for full benefit dual eligible individuals who are entitled to receive Medicare benefits under Part A or Part B.
- (b) Coverage of prescription drugs will be limited to no more than two (2) brand name prescriptions or refills per month. There is no limit on the number of generic prescriptions or refills. All prescriptions may be subject to a requirement of prior authorization by the TennCare Bureau as a condition of coverage, and the State shall designate the covered outpatient drugs to which a prior authorization requirement applies. The monthly coverage limitation on brand name drugs shall not apply to medications included on a list to be maintained by the State in accordance with the State's Uniform Administrative Procedures Act. Pharmacies, providers and beneficiaries shall be made aware of this list through appropriate notice. Individuals under the age of 21 who are receiving benefits under the EPSDT Program, as well as individuals 21 years of age or older who receive services in nursing facilities (NFs) or in intermediate care facilities for individuals with intellectual disabilities (ICFs/IID), will not be subject to the limit on brand name drugs.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: TENNESSEE

LIMITATION ON AMOUNT DURATION AND SCOPE OF MEDICAL
CARE AND SERVICES PROVIDED

- (12) The member is entitled to an emergency supply of the prescribed drug provided that:
- (a) The manufacturer has a rebate agreement and the medication is not classified by the FDA or regarded by CMS to be less than effective (DESI, LTE or IRS drug); or
 - (b) The medication is not a drug in a non-covered TennCare therapeutic category or class of drugs or products such as:
 - 1. Select agents used for anorexia, weight loss or weight gain, except for weight loss drugs prescribed for treatment of obesity as listed on the TennCare preferred drug list on the state's website;
 - 2. Agents used to promote fertility;
 - 3. Agents not listed on the TennCare preferred drug list used for the symptomatic relief of cough and colds;
 - 4. Agents not listed on the TennCare preferred drug list which are vitamin and mineral products;
 - 5. Select nonprescription (over-the-counter) products and drugs as listed on the TennCare preferred drug list on the state's website.
- TennCare will exclude from coverage all of the allowable exclusions described above; or
- (c) Use of the medication has not been determined to be medically contraindicated because of the member's medical condition or possible adverse drug interaction; or
 - (d) The prescriber did not prescribe a total quantity less than an emergency supply, in which case the pharmacist must provide a supply up to the amount prescribed.
- (13) There are some cases in which it is not feasible for the pharmacist to dispense an emergency supply because the drug is packaged by the manufacturer to be sold as the original unit or because the usual and customary pharmacy practice would be to dispense the drug in the original packaging (inhalers, eye drops, topicals, etc.). When coverage of an emergency supply of a prescription would otherwise be required and when, as described above, it is not feasible for the pharmacist to

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- (b) Coverage of prescription drugs for Medically Needy beneficiaries will be limited to no more than two (2) brand name prescriptions or refills per month. There is no limit on the number of generic prescriptions or refills. All prescriptions may be subject to a requirement of prior authorization by the TennCare Bureau as a condition of coverage, and the State shall designate the covered outpatient drugs to which a prior authorization requirement applies. The monthly coverage limitation on brand name drugs shall not apply to medications included on a list to be maintained by the State in accordance with the State's Uniform Administrative Procedures Act. Pharmacies, providers and beneficiaries shall be made aware of this list through appropriate notice. Individuals under the age of 21 who are receiving benefits under the EPSDT Program, as well as individuals 21 years of age or older who receive services in nursing facilities (NFs) or in intermediate care facilities for individuals with intellectual disabilities (ICFs/IID), will not be subject to the limit on brand name drugs.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

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