

## **Table of Contents**

**State/Territory Name: Tennessee**

**State Plan Amendment (SPA) #: 25-0009**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Form CMS-179
- 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

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February 18, 2026

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

Re: Tennessee State Plan Amendment (SPA) - 25-0009

Dear Director Smith:

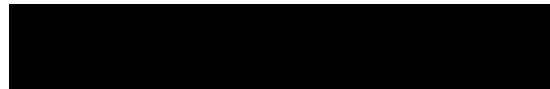
The Centers for Medicare & Medicaid Services (CMS) has completed our review of the proposed amendment submitted under transmittal number (TN) 25-0009. This amendment describes coverage of substance use disorder treatment services for eligible individuals who are patients in eligible institutions for mental diseases.

We conducted our review of your submittal according to statutory requirements in Section 1915(l) of the Social Security Act. This letter is to inform you that Tennessee's Medicaid TN 25-0009 was approved on February 18, 2026, with an effective date of October 1, 2025.

Enclosed are copies of Form CMS-179 and approved SPA pages to be incorporated into the Tennessee State Plan.

If you have any questions regarding this matter, you may contact Tandra Hodges at (404) 562-7409 or via email at [Tandra.Hodges@cms.hhs.gov](mailto:Tandra.Hodges@cms.hhs.gov).

Sincerely,



Nicole McKnight, Acting Director  
Division of Program Operations

Enclosures

cc: Aaron Butler

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

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

1. TRANSMITTAL NUMBER  
2 5 — 0 0 0 9 2. STATE  
TN  
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL  
SECURITY ACT  XIX  XXI

5. FEDERAL STATUTE/REGULATION CITATION  
Section 1915(l) of the Social Security Act

4. PROPOSED EFFECTIVE DATE  
October 1, 2025  
6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY 2026 \$ 0  
b. FFY 2027 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

Attachment 3.1-B, page 12;  
Attachment 3.1-L pages 1-6

Supplement 4 to Attachment 3.1-A, pages 1-4 (approved  
as TN 21-0002);  
Attachment 3.1-B, page 12;  
Attachment 3.1-B, page 13

9. SUBJECT OF AMENDMENT

This amendment describes medical assistance for eligible individuals who are patients in eligible institutions for mental diseases, consistent with Section 1915(l) of the Social Security Act.

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

15. RETURN TO

12. TYPED NAME  
Stephen Smith

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

13. TITLE  
Director, Division of TennCare

Attention: Aaron Butler

14. DATE SUBMITTED  
December 22, 2025

FOR CMS USE ONLY

16. DATE RECEIVED  
December 22, 2025

17. DATE APPROVED  
February 18, 2026

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL  
October 1, 2025

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL  
Nicole McKnight

21. TITLE OF APPROVING OFFICIAL

Acting Director, Division of Program Operations

22. REMARKS

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: TENNESSEEAMOUNT, DURATION, AND SCOPE OF SERVICES PROVIDED  
MEDICALLY NEEDY GROUP(S): Children Under 21, Pregnant Women.

## 27. Coverage of Routine Patient Cost in Qualifying Clinical Trials

Provided: X

General Assurances:

Routine Patient Cost – Section 1905(gg)(1)

X Coverage of routine patient cost for items and services as defined in section 1905(gg)(1) that are furnished in connection with participation in a qualified clinical trial.

Qualifying Clinical Trial – Section 1905(gg)(2)

X A qualified clinical trial is a clinical trial that meets the definition at section 1905(gg)(2).

Coverage Determination – Section 1905(gg)(3)

X A determination with respect to coverage for an individual participating in a qualified clinical trial will be made in accordance with section 1905(gg)(3).

**State Plan under Title XIX of the Social Security Act**  
**State/Territory: Tennessee**

**1915(I) State Plan Option To Provide Medical Assistance For Eligible Individuals Who Are Patients In Eligible Institutions for Mental Diseases**

**General Assurances**

- Services provided under section 1915(I) are covered under the Medicaid state plan.
- Coverage is available for a maximum of 30 days per 12-month period per eligible individual from the date an eligible individual is first admitted to an eligible institution for mental diseases (IMD) in accordance with section 1915(I)(2).

**Eligibility for Services**

- Medicaid beneficiaries ages 21 through 64 who have at least one substance use disorder (SUD) and reside in an eligible IMD primarily to receive withdrawal management and/or SUD treatment services in accordance with 1915(I)(7).

**Eligible IMDs**

- The state has a process to review the compliance of eligible IMDs with nationally recognized SUD-specific program standards that are specified by the state, in accordance with section 1915(I)(4)(E).
- The state provides assurance that providers follow reliable evidence-based practices and offer at least two forms of medications for addiction treatment onsite, including one antagonist and one partial agonist for opioid use disorder, in accordance with section 1915(I)(7)(B).

PRA Disclosure Statement - This use of this form is mandatory and the information is being collected to assist the Centers for Medicare & Medicaid Services in implementing section §1915(I) of the Social Security Act. Under the Privacy Act of 1974, any personally identifying information obtained will be kept private to the extent of the law. An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid Office of Management and Budget (OMB) control number. The OMB control number for this project is 0938-1148 (CMS-10398 #93). Public burden for all of the collection of information requirements under this control number is estimated to take about 25 hours per response. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to CMS, 7500 Security Boulevard, Attn: Paperwork Reduction Act Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

TN: 25-0009

Supersedes TN: NEW

Approval Date: 02/18/26

Effective Date: 10/01/25

**State Plan under Title XIX of the Social Security Act**  
**State/Territory: Tennessee**

**1915(I) State Plan Option To Provide Medical Assistance For Eligible Individuals Who Are Patients In Eligible Institutions for Mental Diseases**

**Eligible IMDs (continued)**

The state assures that IMDs follow nationally recognized SUD-specific program standards that are specified by the state, in accordance with section 1915(I)(4)(E). The state specifies intake and discharge processes, quality assurances that services provided are clinically appropriate, aftercare requirements, staffing requirements including appropriate qualified professionals, and other requirements consistent with nationally recognized SUD program standards. In addition, managed care plans are required to determine the medical necessity and clinical appropriateness of services in IMDs using research-based clinical criteria and practice guidelines appropriate for persons receiving SUD treatment.

The state assures that IMDs follow reliable evidence-based practices and offer two forms of MAT on-site (one antagonist and one partial agonist). The state partners with managed care plans for monitoring of standards for evidence-based practices, and for ensuring that all IMDs offer two forms of MAT on-site. The state Medicaid agency and the state's substance use disorder agency (the licensing agency for these facilities) work collaboratively to ensure adequate education and communication with IMDs about these requirements.

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**State Plan under Title XIX of the Social Security Act**  
**State/Territory: Tennessee**

**1915(I) State Plan Option To Provide Medical Assistance For Eligible Individuals Who Are Patients In Eligible Institutions for Mental Diseases**

**Individual Placement Criteria and Utilization Management**

- The state assures use of evidence-based, SUD-specific individual placement criteria and utilization management approaches to ensure placement of eligible individuals in an appropriate level of care, including criteria and approaches to ensure that eligible individuals receive an appropriate evidence-based clinical screening prior to receiving services in an eligible IMD, including initial and periodic reassessments to determine the appropriate level of care, length of stay, and setting for each individual, in accordance with section 1915(I)(4)(B).

Please briefly describe the state's individual placement criteria and utilization management approaches.:

Prior authorization is required for SUD treatment services in IMDs, which involves a review of the provider's request for services, including a comprehensive diagnostic assessment prior to admission. All substance use disorder treatment services in Tennessee are delivered through a managed care service delivery system. The state requires that its contracted MCOs have in place, and follow, written policies and procedures for processing requests for initial and continuing authorizations of services and have in effect mechanisms to ensure consistent application of review criteria for authorization decisions.

Network providers (including IMDs) are also required to follow evidence-based Level of Care Guidelines established or adopted by the MCOs, which are used to ensure correct placement aligned with ASAM criteria.

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**1915(I) State Plan Option To Provide Medical Assistance For Eligible Individuals Who Are Patients In Eligible Institutions for Mental Diseases**

**Comprehensive Continuum of Care**

- In accordance with section 1915(I)(4)(C), the state provides assurance that SUD treatment and withdrawal management services are covered under the state plan consistent with the following levels of care:
  - Early intervention
  - Outpatient services
  - Intensive outpatient services
  - Partial hospitalization

Please select at least two of the following residential and inpatient levels of care:

- Clinically managed, low-intensity residential services
- Clinically managed, population specific, high-intensity residential services for adults
- Clinically managed, medium-intensity residential services for adolescents
- Clinically managed, high-intensity residential services for adults
- Medically monitored, high-intensity inpatient services for adolescents
- Medically monitored, intensive inpatient services withdrawal management for adults
- Medically managed, intensive inpatient services.

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**State Plan under Title XIX of the Social Security Act**  
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**1915(I) State Plan Option To Provide Medical Assistance For Eligible Individuals Who Are Patients In Eligible Institutions for Mental Diseases**

**Care Transitions**

- The state provides assurance that placement of beneficiaries in an IMD will allow for their successful transition to the community, considering factors such as proximity to an individual's support network (e.g., family members, employment, counseling and other services near an individual's place of residence), in accordance with section 1915(I)(4)(D)(i).
- The state provides assurance that eligible IMDs either provide services at lower levels of clinical intensity or establish relationships with Medicaid-enrolled providers offering services at lower levels of care, in accordance with section 1915(I)(4)(D)(ii).

Please briefly describe the state's transition process that will ensure a beneficiary's successful transition to the community as well as the state's process to ensure that IMDs either provide services at lower levels of clinical intensity or establish relationships with Medicaid-enrolled providers offering services at lower levels of care:

As part of the utilization review process for continued stay criteria, ongoing discharge planning is required. The state requires that all enrollees discharged from all Residential Treatment Facilities (including IMDs) be evaluated for mental health and substance abuse services as medically necessary and provided with appropriate behavioral health follow-up services. Step-down outpatient services post discharge includes Opioid Use Disorder Medication Assisted Treatment Program, Intensive Outpatient Treatment, and Peer Recovery Services. These services include counseling and care coordination.

The state requires that all enrollees discharged from all Residential Treatment Facilities (including IMDs) be evaluated for mental health and substance abuse services as medically necessary and provided with appropriate behavioral health follow-up services. IMDs may also coordinate discharge planning with MCOs, especially for the medically complex beneficiaries. The MCOs also monitor discharge plans and provide coordination of care. The state provides access to a robust provider network that furnishes Medication Assisted Treatment in the community.

PRA Disclosure Statement - This use of this form is mandatory and the information is being collected to assist the Centers for Medicare & Medicaid Services in implementing section §1915(l) of the Social Security Act. Under the Privacy Act of 1974, any personally identifying information obtained will be kept private to the extent of the law. An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid Office of Management and Budget (OMB) control number. The OMB control number for this project is 0938-1148 (CMS-10398 #93). Public burden for all of the collection of information requirements under this control number is estimated to take about 25 hours per response. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to CMS, 7500 Security Boulevard, Attn: Paperwork Reduction Act Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

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**1915(I) State Plan Option To Provide Medical Assistance For Eligible Individuals Who Are Patients In Eligible Institutions for Mental Diseases**

**SUD Provider Assessment**

- In accordance with section 1915(I)(4)(F), the state provides assurance that an assessment of availability of SUD treatment at all levels of care, including the availability of medications for addiction treatment and medically supervised withdrawal management services and how such availability varies by region of the state, will be completed by the state, pursuant to the timeframes outlined in section 1915(I)(4)(F).

**Maintenance of Effort (MOE)**

- The state provides assurance that it will annually maintain or exceed state and local funding, including the state share of Medicaid expenditures, on items and services described in section 1915(I)(3) that are furnished to eligible individuals in outpatient, community-based settings.
  - The funding amount is based on federal fiscal year 2018.
  - The funding amount is based on the most recently completed federal fiscal year as of the date the state submits the 1915(I) SPA.

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