



**Children and Adults Health Programs Group**

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February 27, 2023

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

Dear Mr. Smith:

This letter is in response to Tennessee’s request, dated January 24, 2023, for a waiver under section 1902(e)(14)(A) of the Social Security Act (the Act), that will protect beneficiaries in addressing the challenges the state faces as part of a transition to routine operations when the continuous enrollment condition ends. Section 1902(e)(14)(A) allows for waivers “as are necessary to ensure that states establish income and eligibility determination systems that protect beneficiaries.” Such waivers are time-limited and are meant to promote enrollment and retention of eligible individuals by easing the administrative burden states may experience in light of systems limitations and challenges.

The ongoing COVID-19 pandemic and implementation of federal policies to address the PHE have disrupted routine Medicaid and Children's Health Insurance Program (CHIP) eligibility and enrollment operations. Medicaid and CHIP enrollment has grown to historic levels due in large part to the continuous enrollment requirements that states implemented as a condition of receiving a temporary 6.2 percentage point federal medical assistance percentage increase under section 6008 of the Families First Coronavirus Response Act (P.L. 116-127).

Consistent with the March 3, 2022 Centers for Medicare & Medicaid Services (CMS) State Health Official (SHO) letter #22-001, “*Promoting Continuity of Coverage and Distributing Eligibility and Enrollment Workload in Medicaid, the Children’s Health Insurance Program (CHIP), and Basic Health Program (BHP) Upon Conclusion of the COVID-19 Public Health Emergency,*” Tennessee has requested that CMS provide authority under section 1902(e)(14)(A) of the Act to temporarily permit the state to enroll and renew Medicaid eligibility for individuals who are receiving benefits under the Temporary Assistance for Needy Families (TANF), despite the differences in household composition and income-counting rules. The state has expressed the need for this authority in order to address systems and operational issues related to the extraordinarily high volume of renewals and other eligibility and enrollment actions that need to be conducted during the unwinding period. Specifically, the state cited that this flexibility will help alleviate significant additional strain on the state’s workforce through the unwinding period, and that this flexibility will help the state meet required timeframes for unwinding.

Under Section 1902(e)(14)(A) of the Act, your request to enroll and renew Medicaid eligibility for individuals who are receiving benefits under TANF, despite the differences in household composition and income-counting rules, is approved, as described and subject to the conditions below.

*Enrollment and Renewal for Individuals Based on TANF Eligibility (MAGI)*

The authority provided in accordance with this letter will enable the state, during the period of time specified below, to enroll and renew Medicaid eligibility for individuals who are receiving TANF benefits, despite the differences in household composition and income-counting rules. Under this authority, the state will enroll and renew Medicaid eligibility for TANF participants whose gross income as determined by TANF is under the applicable MAGI income standard for Medicaid eligibility without conducting a separate MAGI-based income determination. In order to enroll individuals into Medicaid at application under this strategy, the state will continue to collect and verify additional eligibility information, such as citizenship and immigration status, required to complete the Medicaid enrollment.

*Enrollment and Renewal for Individuals Based on TANF Eligibility (non-MAGI)*

The authority provided in accordance with this letter will enable the state, during the period of time specified below, to enroll and renew Medicaid eligibility for individuals who are receiving TANF benefits, despite the differences in household composition and income-counting rules. This authority will apply for individuals enrolled in coverage under the eligibility groups described at 42 CFR 435.135 (the “Pickle” group), 42 CFR 435.137 and 42 CFR 435.138 (relating to certain widows and widowers who have disabilities), section 1634(c) of the Act (relating to adults who developed disabilities before age 22), and section 1902(a)(10)(E) of the Act (the “Medicare Savings Program” groups). Under this authority, the state may enroll and renew Medicaid eligibility for TANF participants in these eligibility groups whose gross income as determined by TANF is under the applicable non-MAGI-based income standard for Medicaid eligibility without conducting a separate non-MAGI-based income determination. In order to enroll individuals into Medicaid at application under this strategy, the state will continue to collect and verify additional eligibility information, such as citizenship and immigration status, required to complete the Medicaid enrollment.

The state will continue to conduct resource determinations, consistent with the state’s existing policies. This includes verifying applicant resource attestations by checking the Asset Verification System (AVS) for resources at application, and attempting an *ex parte* renewal by checking the Asset Verification System (AVS) for resources. Consistent with the Section 1902(e)(14)(A) approval letter dated May 12, 2022 that authorizes the state to temporarily facilitate renewals for individuals with no AVS data returned within a reasonable timeframe, if the state is unable to complete the resource components of the *ex parte* renewal after checking AVS (i.e., no information is returned through the AVS or the AVS call is not returned within a reasonable timeframe), then the state can assume that there has been no change in resources without any further verification of assets.

The authority provided in this letter is effective March 25, 2023 and will remain effective for applications and renewals initiated through the end of the state’s 12-month unwinding period, as defined in SHO #22-001. The authority provided in this letter is subject to CMS receiving your written acknowledgement of this approval and acceptance of this new authority and the terms described herein within 30 days of the date of this letter.

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We look forward to our continuing work together as part of a transition to routine operations. If you have questions regarding this award, please contact Joe Weissfeld and Jessika Douglas in the Division of Enrollment Policy and Operations, at [josef.weissfeld@cms.hhs.gov](mailto:josef.weissfeld@cms.hhs.gov) and [jessika.douglas@cms.hhs.gov](mailto:jessika.douglas@cms.hhs.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read "Sarah deLone". The signature is fluid and cursive, with a large initial "S" and a long, sweeping underline.

Sarah deLone, Director,  
Children and Adults Health Programs Group