

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



**Children and Adults Health Programs Group**

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**AUG 31 2017**

Wendy Long  
Deputy Commissioner  
Tennessee Department of Finance and Administration  
Bureau of TennCare  
301 Great Circle Road  
Nashville, TN 37243

Dear Dr. Long:

This letter is in response to Tennessee's request for a waiver, under section 1902(e)(14)(A) of the Social Security Act (the Act), that will assist the state as it implements eligibility and enrollment policies and procedures in the state's Medicaid and Children's Health Insurance Program (CHIP). The state's waiver request was further clarified through meetings with the Centers for Medicare and Medicaid Services (CMS).

Previously, CMS granted Tennessee with authority, under 1902(e)(14)(A) of the Act, to renew Medicaid coverage for beneficiaries who were eligible for Medicaid as of December 31, 2013 under the state plan, were receiving benefits under the Supplemental Nutrition Assistance Program (SNAP), not receiving Supplemental Security Income (SSI), under age 65, and not enrolled in Medicare (unless otherwise permitted, such as for the parent/caretaker relative group). CMS is again granting this authority to permit the state to renew Medicaid coverage for beneficiaries concurrently enrolled in SNAP, whose SNAP gross income is below the applicable Medicaid standard. This authority is effective until January 31, 2019, when the state's Tennessee Eligibility Determination System (TEDS) is expected to be implemented, or when TEDS goes live, if prior to January 2019.

The CMS is also partly extending a waiver of required renewal procedures described in our October 2015 approval letter, as part of the state's renewal mitigation plan, in accordance with the processes described below.

Tennessee has not completed procurement of new systems or functionality necessary to accomplish the redetermination and renewal of Medicaid and CHIP eligibility in accordance with Medicaid and CHIP regulations at 42 CFR 435.916 and 457.343. As stated in previous CMS letters to State Health Officials in May 2013 and August 2015 (SHO #13-003 and SHO #15-001 respectively), states adopting the SNAP-based targeted enrollment strategy described above must generally complete eligibility determinations using MAGI-based methodologies no later than 12 months after the use of the strategy for individuals who were determined eligible for Medicaid based on findings from SNAP. However, as described in our July 19, 2017 guidance on the extended use of the targeted enrollment "SNAP strategy," waivers approving the continued use of the strategy may be approved under limited circumstances, when severe system challenges

and delays in the implementation of critical functionality persist for period longer than 12 months. Given the severe and persistent system challenges in Tennessee, CMS has determined that the authorities granted in this letter are necessary to protect beneficiaries as the state develops and deploys a fully-functioning eligibility and enrollment system. Accordingly, these authorities are granted only to the extent to which Tennessee requires additional time to build and test critical MAGI functionality in the Tennessee Eligibility Determination System (TEDS), and are contingent upon regular updates from the state on the status of its systems development and capacity. The CMS systems analyst for Tennessee will be monitoring the state's progress towards deployment of critical renewal functionalities as part of the Systems Development Life Cycle process. CMS will also continue to monitor Tennessee's implementation of the renewal process through regular meetings and updates.

### Renewal Process

Tennessee has agreed to implement the following combination of streamlined enrollment options and strategies to complete renewals for beneficiaries whose eligibility is based on MAGI or who are subject to MAGI but have not received a MAGI determination. CMS will continue to work with Tennessee on development of a renewal plan for beneficiaries eligible on the basis of a disability.

#### *1: Renewal of Medicaid Beneficiaries Enrolled in SNAP*

For each month, beginning in August 2017, Tennessee will select a cohort of beneficiaries for redetermination whose eligibility was not renewed within the previous 12 months. Within each cohort, the state will identify the subset of beneficiaries who are concurrently enrolled in SNAP and whose SNAP gross income is below the applicable Medicaid standard. These beneficiaries will have their eligibility renewed for 12 months without any further actions by the beneficiary or the state. Individuals will not be terminated from coverage based solely on the review of SNAP enrollment data.

#### *2: Reapplication Mitigation for Beneficiaries Who Cannot be Renewed Based on SNAP*

Consistent with CMS' previously approved October 2015 renewal plan, Tennessee will continue to send a paper renewal re-application form to beneficiaries identified for renewal in the given month, whose eligibility cannot be renewed using the SNAP strategy described above. Beneficiaries will be given at least 30 days to complete and return the form, which the Tennessee Medicaid agency will process. Beneficiaries who the state determines eligible based on the renewal re-application will be renewed for a new 12-month period. Those who do not return the application within the specified time period will have their coverage terminated for failure to provide information needed to renew coverage, with appropriate notice and appeal rights, in accordance with federal regulations in 42 CFR 431 subpart E. Individuals determined no longer eligible for Medicaid or CHIP will be instructed on how to apply for coverage through the Federally-Facilitated Marketplace (FFM).

CMS understands that effective November 2017, Tennessee will resume the renewal process for beneficiaries enrolled in the state's Children's Health Insurance Program (CoverKids). These

beneficiaries will have their eligibility redetermined through the reapplication mitigation strategy described above, and if eligible, will be renewed for a new 12-month renewal period.

The authority provided in this letter is subject to the conditions described above as well as CMS receiving your written acknowledgement of this approval and acceptance of these new authorities within 30 days of the date of this letter.

We look forward to our continuing work together to achieve successful implementation of the Medicaid and CHIP eligibility and enrollment policies and procedures. If you have questions regarding this waiver, please contact me at Children and Adults Health Programs Group, Center for Medicaid & CHIP Services, at (410) 786-5647 or [annemarie.costello@cms.hhs.gov](mailto:annemarie.costello@cms.hhs.gov).

Sincerely,

A handwritten signature in black ink that reads "Anne Marie Costello". The signature is written in a cursive style with a large, looped initial "A".

Anne Marie Costello  
Director

cc: Shantrina Roberts Glaze, Acting Associate Regional Administrator, Region IV