STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION
BUREAU OF TENNCARE
310 Great Circle Road
NASHVILLE, TENNESSEE 37243

February 14, 2013

The Honorable Ron Ramsey
Lt. Governor and Speaker of the Senate
Suite 1 Legislative Plaza
Nashville, Tennessee 37243-0219

The Honorable Beth Harwell
Speaker of the House of Representatives
Suite 19 Legislative Plaza
Nashville, Tennessee 37243-0219

Dear Speaker Ramsey and Speaker Harwell:

This letter is written to inform you that the Bureau of TennCare will be submitting Amendment #18 to the TennCare Demonstration.

Amendment #18 makes certain modifications in definitions of benefits under the CHOICES program, which is the component of TennCare that provides long-term services and supports (LTSS) to certain persons who are elderly or who have physical disabilities.

There are three CHOICES groups:

- CHOICES Group 1 consists of individuals receiving TennCare-reimbursed care in Nursing Facilities (NFs).
- CHOICES Group 2 includes individuals who qualify for NF care but who are able to benefit from home and community-based services (HCBS) that provide an alternative to NF care.
- CHOICES Group 3 includes individuals who are "at risk" for institutional placement but whose risk may be diminished or delayed with the provision of certain HCBS.

One of the HCBS that we offer is Community Based Residential Alternatives (CBRAs), which include, but are not limited to, assisted care living facilities (ACLFs), adult care homes, and companion care. At present CBRAs are available only to persons in CHOICES Group 2.

The purpose of Amendment #18 is to make ACLF services available to persons in CHOICES Group 3 as well as CHOICES Group 2 under certain circumstances. Under this amendment, we propose to be able to offer ACLF services to CHOICES Group 3 members, but only when the cost of these services is no more than the cost of CHOICES HCBS that would otherwise be needed by the individual to be safely served in the community and to delay or prevent nursing facility placement. The definitions of ACLF services and community based residential alternatives will be modified consistent with this change.

This approach will allow us to make this change without requiring a new appropriation to support an expansion of program benefits,

We are asking for an effective date of July 1, 2013, for Amendment #18.

The implementation of the amendment would not have a significant impact on aggregate annual expenditures.

Copies of this letter are being sent electronically to all members of the General Assembly, in accordance with T.C.A. § 71-5-104(b).

Please let us know if you have comments or questions.

Sincerely,

Darin J. Gordon
Director

cc: The Honorable Members of the General Assembly