

Tennessee Department of Finance and Administration

Bureau of TennCare

Chapter 1200-13-14
TennCare Standard

Statement of Necessity Requiring Public Necessity Rules

I am herewith submitting amendments to the rules of the Tennessee Department of Finance and Administration, Bureau of TennCare, for promulgation pursuant to the public necessity provisions of the Uniform Administrative Procedures Act, T.C.A. § 4-5-209.

The Centers for Medicare and Medicaid Services (CMS) approved the TennCare II Medicaid Section 1115 Demonstration Waiver on October 5, 2007. The approval is under the authority of section 1115(a) of the Social Security Act. Federal Waiver approval is conditioned upon TennCare's compliance with certain Special Terms and Conditions (STCs), including those on cost-sharing.

TennCare's 1115 Demonstration Waiver amendment, signed on October 5, 2007, amends current requirements regarding premium collection from TennCare Standard enrollees. In accordance with TennCare's Waiver agreement with the federal government, these rules are necessary to implement the requirement to no longer collect premiums from TennCare Standard enrollees.

I have made the finding that the attached amendments are required by an agency of the federal government and adoption of the amendments through ordinary rulemaking procedures might jeopardize the loss of federal funds.

For a copy of this public necessity rule, contact George Woods at the Bureau of TennCare by mail at 310 Great Circle Road, Nashville, Tennessee 37243 or by telephone at (615) 507-6446.

Darin J. Gordon
Deputy Commissioner
Tennessee Department of Finance
and Administration

Public Necessity Rules
of
Tennessee Department of Finance and Administration

Bureau of TennCare

Chapter 1200-13-14
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Amendments

Paragraph (1) of rule 1200-13-14-.05 Enrollee Cost Sharing is deleted in its entirety and replaced with new paragraph (1) which shall read as follows:

- (1) Persons who are enrolled in TennCare Standard have premium obligations corresponding to their family size and income. No new premiums will be charged for periods of time from December 1, 2007, forward, notwithstanding anything else in these rules to the contrary. The premium schedule in effect prior to December 1, 2007, is shown below:

Percentage of Poverty	0% - 99%	100% - 149%	150% - 199%	200% - 249%	250% -299%
Monthly Premium (Individual)	\$0	\$20	\$35	\$100	\$150
Monthly Premium (Family of 2 or more)	\$0	\$40	\$70	\$250	\$375

Percentage of Poverty	300% - 349%	350% - 399%	400% - 499%	500% - 599%	600% and over
Monthly Premium (Individual)	\$200	\$250	\$350	\$450	\$550
Monthly Premium (Family of 2 or more)	\$500	\$625	\$875	\$1,125	\$1,375

Paragraph (2) of rule 1200-13-14-.05 ENROLLEE COST SHARING is amended by deleting subparagraphs (a) and (b) in their entirety and replacing them with a new subparagraph (a) and the present subparagraph (c) is renumbered as subparagraph (b) so as amended paragraph (2) shall read as follows:

(2) Premium Requirements.

- (a) No persons enrolled in TennCare Standard will have premium obligations for periods of time from December 1, 2007, forward. Enrollees who had premium obligations prior to December 1, 2007, and who have not made all required premium payments are not relieved of the responsibility for making these past due payments to TennCare.
- (b) At such time as (1) the enrollee has received at least two premium statements advising him of his arrearage AND (2) he is 60 days in arrears on his premium payments, coverage may be terminated for non-payment of premiums.
 - 1. Enrollees who are in arrears two months in premium payments will be sent a notice of delinquency (a "demand letter"). The notice will identify the specific payments, including month and amount, that are past due. The demand letter will serve as notice to the individual that he/she will be terminated from TennCare Standard unless he pays the amount due within 30 days. The enrollee has the right to appeal that he is in fact current with his/her payments or that the premium amounts being charged are not the premium amounts he has been assigned.
 - 2. If at least partial payment is received by the Bureau of TennCare within 30 days after the date of the demand letter, the enrollee will no longer be 60 days in arrears, and coverage will continue without interruption. "Partial payment" will be payment

sufficient to make the enrollee no longer 60 days in arrears. However, remaining past due amounts will continue to accrue. If the enrollee is again 60 days in arrears when the next cycle of demand letters is processed, the enrollee will again receive a demand letter and may subsequently be terminated in accordance with these rules.

3. If an enrollee files an appeal in response to his demand letter by the 30th day following the date of the notice, coverage will not be terminated on the 30th day, pending resolution of the appeal. The premium appeal will be processed by DHS in accordance with its rules at 1240-5.
4. If the enrollee does not pay at least a partial payment or file an appeal by the 30th day following the demand letter, his TennCare Standard coverage will be terminated. A termination notice will be sent with due process appeal rights. The date of termination is the date of notice. An enrollee may appeal his notice of termination, but he is not entitled to continuation of benefits during the appeal. If the appeal is decided in his favor, he will be reinstated retroactively to the date of termination.

Statutory Authority: T.C.A. 4-5-209, 71-5-105, 71-5-109, Executive Order No. 23.

The Public Necessity rules set out herein were properly filed in the Department of State on the 30th day of November, 2007, and will be effective from the date of filing for a period of 165 days. The Public Necessity rules remain in effect through the 13th day of May, 2008. (FS 11-24-07; DBID 2758)