

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 and the Medical Assistance Act, T.C.A. § 71-5-134.

On June 8, 2005, the State of Tennessee received federal approval for certain amendments to the cost-sharing arrangements under the TennCare Demonstration Project (No. 11-W-0015 1/4). Approval of the project modification is granted under the authority of Section 1115 (a) of the Social Security Act. The amendments are approved through the period ending June 30, 2007. The TennCare program is a managed care program for both the Medicaid population and the expansion population.

This rule is being amended to point out that effective August 1, 2005, there is no Out-of-Pocket Maximum for enrollee copays and pharmacy services.

Tennessee Code Annotated, Section 71-5-134, states that in order to comply with or to implement the provisions of any federal waiver or state plan amendment obtained pursuant to the Medical Assistance Act as amended by Acts 1993, the Commissioner of Finance and Administration is authorized to promulgate public necessity rules pursuant to Tennessee Code Annotated, Section 4-5-209.

I have made a finding that these amendments are required to conform the current TennCare Medicaid rules to reflect changes resulting from the amendment of the TennCare waiver.

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.

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J. D. Hickey  
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  
Amendments.

Subparagraph (a) of paragraph (3) of rule 1200-13-14-.05 Enrollee Cost Sharing is amended by adding the sentence “Effective August 1, 2005, there is no Out of Pocket Maximum for enrollee copays” at the end of the subparagraph so as amended the last paragraph in subparagraph (a) shall read as follows:

Managed care organizations participating in the TennCare program shall be specifically prohibited from waiving, or discouraging TennCare enrollees from paying, the amounts described in this provision. Effective August 1, 2005, there is no Out of Pocket Maximum for enrollee copays.

Subparagraph (a), (b), (d), (e), and (f) of paragraph (7) of rule 1200-13-14-.05 Enrollee Cost Sharing is amended by adding the sentence “Effective August 1, 2005, there is no Out-of-Pocket Maximum for enrollee copays” at the end of each subparagraph so as amended the subparagraphs shall read as follows:

- (a) For enrollees in families with incomes equal to or above two hundred (200%) percent of the poverty level, the annual out-of-pocket maximum is two thousand (\$2,000) dollars per individual and four thousand (\$4,000) dollars per family. Effective August 1, 2005, there is no Out-of-Pocket Maximum for enrollee copays.
- (b) For enrollees in families with incomes below two hundred (200%) percent of the poverty level, the annual out-of-pocket maximum is one thousand (\$1,000) dollars per individual and two thousand (\$2,000) dollars per family. Effective August 1, 2005, there is no Out-of-Pocket Maximum for enrollee copays.
- (d) Effective August 1, 2002, the poverty levels for out-of-pocket maximum will be the poverty levels used by the Tennessee Department of Human Services. Effective August 1, 2005, there is no Out-of-Pocket Maximum for enrollee copays.
- (e) Effective January 1, 2003, included in the annual out-of-pocket maximums are monthly out-of-pocket maximums for pharmacy services only. The monthly out-of-pocket maximum for pharmacy services for all TennCare Standard enrollees is one hundred-fifty (\$150.00) dollars per enrollee per month. Effective August 1, 2005, there is no Out-of-Pocket Maximum for enrollee copays.
- (f) TennCare Standard enrollees are responsible for requesting a review of his/her out-of-pocket expenditures by TennCare if s/he believes s/he has reached, or is close to reaching, his/her out-of-pocket maximum. Effective August 1, 2005, there is no Out-of-Pocket Maximum for enrollee copays.

Subparagraphs (l), (m), and (n) of paragraph (7) of rule 1200-13-14-.05 Enrollee Cost Sharing is deleted in their entirety and replaced with new subparagraphs (l), (m), and (n) which shall read as follows:

(l) Pharmacy and Psychiatric Pharmacy Copayments

1. Effective August 1, 2005, all TennCare Standard enrollees with incomes at or above poverty who receive pharmacy services will have nominal copayments on these services. The copays will be \$3.00 for each branded drug and \$0 for each covered generic drug. Generic drugs which exceed the limit of five (5) prescriptions or refills per enrollee per month are not covered. Family planning drugs and emergency drugs are exempt from copay.
2. The following groups (adults and children) are exempt from copay:
  - (i) Individuals receiving hospice services who provide verbal notification of such to the pharmacy provider at the point of service;
  - (ii) Individuals who are pregnant who provide verbal notification of such to the pharmacy provider at the point of service; and
  - (iii) Individuals who are receiving services in a Nursing Facility, an Intermediate Care Facility for the Mentally Retarded, or a Home and Community Based Services waiver.

(m) Effective August 1, 2005, there is no maximum out-of-pocket maximum on pharmacy services.

(n) The three (3) day supply requirements of the *Grier Revised Consent Decree* do not affect the pharmacy copay requirements. Every prescription for all TennCare Standard enrollees will require a copayment as described herein. In the event the three (3) day supply represents less than a full prescription, the entire copayment will be required.

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 1st day of July, 2005, 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 December, 2005.