



CONTRACT

(fee-for-service contract with a federal or Tennessee local or quasi-governmental entity)

Begin Date July 1, 2016	End Date June 30, 2017	Agency Tracking # 31865-00002	Edison Record ID 49369
Contractor Legal Entity Name Secretary of Health and Human Services			Edison Vendor ID 0000000108

Subrecipient or Vendor <input checked="" type="checkbox"/> Subrecipient <input type="checkbox"/> Vendor	CFDA # 93.778 Dept of Health & Human Services/Title XIX
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Service Caption (one line only)
Payment of Medical Insurance Program Premiums (Section 1843 of the Social Security Act)

Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2017	\$137,752,430.00	\$255,634,870.00			\$393,387,300.00
TOTAL:	\$137,752,430.00	\$255,634,870.00			\$393,387,300.00

American Recovery and Reinvestment Act (ARRA) Funding: YES NO

Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.

OCR USE - GU



Speed Chart (optional) TN00000169 TN00000344	Account Code (optional) 71309000
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March 22, 2016

Mike Perry, Chief Procurement Officer
Department of General Services
312 Rosa Parks Avenue, 3rd Floor
Nashville, TN 37243

Dear Mr. Perry:

Attached is a copy of the ongoing agreement (State Buy-In Agreement) between the State of Tennessee, Department of Finance and Administration, Bureau of TennCare, and the Secretary of Health and Human Services, to carry out the provisions of Section 1843 of the Social Security Act. This federal agreement enables Tennessee to enroll certain residents of the State in the Supplemental Medical Insurance Program of Title XVIII of the Social Security Act (Medicare Program) and to pay the supplementary medical insurance premiums for such individuals. This on-going agreement with the federal government has been in effect since the early 1970's and is necessary to establish funding for payments for the Medicare Program. This document is not a State of Tennessee contract, however, in order to make these payments to the federal government, we attach a Contract Summary Sheet and load through the Edison contract approval process in order to make the payments related to this federal agreement.

The Bureau of TennCare, therefore, requests your approval by this letter and attached Contract Summary Sheet to provide funding to the current agreement to add additional funds necessary for FY 2017. The amount projected for this on-going federal agreement totals \$393,387,300.00, represented by \$137,752,430.00 State funds and \$255,634,870.00 Federal matching funds.

Sincerely,

Larry B. Martin
Commissioner

Attachment



MODIFICATION NO. 5 OF AGREEMENT WITH THE STATE UNDER SECTION 1843 OF THE SOCIAL SECURITY ACT TO CONFORM THE AGREEMENT TO THAT ACT

The Secretary of Health, Education, and Welfare and the State of Tennessee, acting through its representative designated to administer its responsibilities under the agreement of April 6, 1966 for purposes of conforming the terms of that agreement fully to the terms of the Social Security Act, as amended by P.L. 92-603, P.L. 93-233, and P.L. 94-48, and to the terms of P.L. 93-66 and P.L. 94-566, hereby agree that the agreement (including any modifications previously made) is revised to read as follows:

**AGREEMENT
BETWEEN
THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
AND
THE STATE OF TENNESSEE**

(To carry out the provisions of Section 1843 of the Social Security Act)

"The Secretary of Health, Education, and Welfare, hereinafter referred to as the Secretary, and the State of Tennessee, hereinafter referred to as the State, through the Department of Public Health, hereinafter referred to as the State agency, for the purposes of carrying out the provisions of Section 1343 of the Social Security Act (providing for the State to enroll in the supplementary medical insurance (SMI) program of Title XVIII of the Social Security Act certain residents of the State and to pay the SMI premiums for such individuals) hereby agree to the following:

- A. Definitions for the purposes of this agreement:
 - A.1. The term "Secretary" means the Secretary of Health, Education, and Welfare or his delegate.
 - A.2. The term "Act" means the Social Security Act unless otherwise specified.
 - A.3. The term "eligible individual" means an individual who meets the requirements of Section 1836 of the Act.
 - A.4. The term "supplemental security income", hereinafter referred to as SSI means supplemental security income under Title XVI of the Act.
 - A.5. The term "State supplementary payments", hereinafter referred to as SSP, means State supplementary payments as the term is used in Section 1616(a) of the Act and Section 212 of Public Law 93-66.



A.6. The term "categorically needy" means categorically needy as the term is used in 42 Code of Federal Regulations Part 435.

A.7. The term "medical assistance" means payment of part or all of the cost of medical care and services covered by Title XIX of the Act under a plan of the State approved under that Title.

A.8. (a) The term "coverage group" means:

(i) All individuals who (I) receive SSI or SSP or money payments under a plan of the State approved under Part A of Title IV of the Act, and (II) have been determined to be categorically needy under the plan of the State.

(b) An individual shall be deemed to be a member of the State's coverage group by virtue of paragraph (a) if:

(i) he has been determined to be eligible for medical assistance under: (1) 42 Code of Federal Regulations 435.112 (AFDC families eligible for continued medical assistance, in accordance with Section 1902 (e) of the Act) or;

(ii) he was eligible for money payments under a plan of the State approved under Title I, X, XIV, or Part A of Title IV of the Act for August 1972, and (1) he was entitled to monthly insurance benefits under Title II of the Act for August 1972, and (11) he would be currently eligible for money payments under a plan of the State approved under Titles I, X, XIV, XVI or Part A of Title IV of the Act if the 20 percent increase in monthly benefits under Title II of the Act provided by Public Law 92-366 had not been applicable and if all the plans of the State approved under those titles has continued in effect.

A.9. The "coverage period" of an individual attributable to this agreement means a period of one or more months, beginning and ending as provided in paragraphs (a) and (b) of this Section (9) during which the individual is a member of the coverage group included under this agreement.

(a) The coverage period of an individual attributable to this agreement shall begin on which ever of the following is the latest:

(i) January 1, 1974;

(ii) The first day of the first month in which he is both an eligible individual and a member of the coverage group but without regard



to any prior terminated coverage period attributable to this agreement.

(b) An individual's coverage period attributable to this agreement shall end on whichever of the following first occurs:

- (i) In the event of the termination of this agreement, the last day of the last month for which this agreement is effective;
- (ii) The last day of the month in which the individual dies;
- (iii) If the individual is under 65, the last day of the last month for which he is entitled to hospital insurance benefits;
- (iv) The last day of the last month for which he is eligible for inclusion in the coverage group if the State sends notice to the Social Security Administration (SSA) of such ineligibility within a reasonable time; or
- (v) The last day of the second month before the month in which SSA receives notice from the State on the individuals' ineligibility, where the State does not notify SSA within a reasonable time. For this purpose, notice of ineligibility received by SSA after the 25th day of a month shall be deemed to have been received in the following month.

(c) For the purpose of subparagraphs (iv) and (v) of paragraph (b), the notice of Ineligibility shall be given in the form and in accordance with instructions prescribed by the Health Care Financing Administration (HCFA). The Notice is considered to be given within a reasonable time.

- (i) When the State made the determination of the individuals' eligibility which began his coverage period, if the SSA receives the notice by the 25th day of the second month after the calendar month in which the individual becomes ineligible for inclusion in the coverage group; or
- (ii) When SSA made the determination of the individual's eligibility which began his coverage period, if SSA receives the notice by the 25th day of the second month after the calendar month in which SSA gives the State notice that the individual is no longer receiving SSI or federally administered SSP.

(d) Any eligible individual whose coverage period attributable to this agreement has ended, as determined under paragraph (b) will thereafter be deemed for purposes of the SMI program of Title XVIII of the Act, to have enrolled thereunder in his initial enrollment period as defined in Section 1837 of such Act.



B. Enrollment of Eligible Individuals

Any individual who is an eligible individual and who is a member of the coverage group included under this agreement shall be enrolled under the SMI program of Title XVIII of the Act with a coverage period beginning and ending as specified in paragraphs (a) and (b) of Section 9 of Part A of this agreement.

C. Payment by the State of Tennessee

The State will pay the Federal Supplementary Medical Insurance Trust Fund, at such time and place as HCFA may by instructions prescribe, an amount for each month equal to the SMI premium for that month, determined in accordance with Section 1839 of the Act (without any increase under subsection (d) thereof), multiplied by the number of eligible individuals in the coverage group who during that month are in a coverage period attributable to this agreement.

D. Compliance with Regulations

The State will comply with such regulations and instructions as the Secretary and HCFA may prescribe to carry out the purposes of Section 1843 of the Act. From time to time HCFA will review such regulations as have been issued pursuant to this agreement, and to the extent possible, will consult with, and take into consideration the experience of, (State (or such group of States as HCFA may consider representative) with which agreement have been entered into to carry out the purposes of Section 1843, to determine the regulations that are necessary and sufficient to effectuate the purposes of this agreement.

E. Arrangements Between State and Carriers to Supplement the SMI Program to Title XV111 of the Act.

At the request of the State and to the extent practicable, the Secretary will take such action as may be feasible to secure an arrangement between the State and the carrier or carriers selected by the Secretary for the administration of the SMI program of Title XV111 of the Act in the State, under which the carrier or carriers will undertake financial transactions on behalf of the State relating to the payment of those expenses for the medical or other health services specified in Section 1832 of the Act (but excluding items and services described in Section 1362 of the Act) furnished to any individual enrolled under the SMI program of Title XV111 of the Act and determined to be eligible for medical assistance under Title XIX of the Act, for which the State has assumed the responsibility and for which no payment or only partial payment can be made under Title XV111 of the Act.

F. Interchange of Information



HCFA and the State will interchange as expeditiously as possible such information, data, records, and other material as may be necessary to carry out this agreement.

G. Confidential Nature of Information

In accordance with regulations promulgated by the Secretary, the State will adopt policies and practices to insure that information contained in its records and obtained from the Secretary or from others in connection with carrying out this agreement will be used solely for the purposes of this agreement. Such information shall be disclosed only as provided in Section 1106 of the Act and regulations promulgated thereunder by the Secretary.

H. Adjustments

If more or less than the correct amount due under Part C of this agreement is paid, proper adjustments with respect to the amounts due under such Part C shall be made upon such conditions, in such manner, and at such times, as may be prescribed in instructions issued by HCFA.

I. Modification of the Agreement by Mutual Consent

This agreement may be modified in writing at any time by mutual consent of the parties to the agreement.

J. Termination of the Agreement

(1) This agreement may be terminated by the State on three (3) months advance notice in writing to the Secretary, or without such advance notice if it certifies to the Secretary (and, if requested by the Secretary, such certification is accompanied by an opinion of the appropriate legal officer of the State) that it is no longer legally able to comply substantially with any provision of this agreement.

(2) If the Secretary, after notice and opportunity for hearing to the State, finds that the State has failed to comply substantially with any of this agreement (except for Part C thereof), he shall notify the State in writing that this agreement will be terminated at the time designated in such writing unless prior to such time he finds that there is no longer any such failure. He may terminate this agreement without such notice and hearing if he finds that the State, after having been billed for the premiums owed for a month under Part C of this agreement, has failed to make payment of the amount due, and such failure has continued through the close of the third month after the month in which such billing was mailed to the State. The above modification is effective for months after 1973. The agreement originally entered into (with modifications previously made) continues in effect for months before 1974.



Original
Signature
Page

of this agreement (except Part C thereof), he shall notify the State in writing that this agreement will be terminated at the time designated in such writing, unless prior to such time he finds that there is no longer any such failure. He may terminate this agreement without such notice and hearing if he finds that the State, after having been billed for the premiums owed for a month under Part C of this agreement, has failed to make payment of the amount due, and such failure has continued through the close of the third month after the month in which such billing was mailed to the State.

The above modification is effective for months after 1973. The agreement originally entered into (with modifications previously made) continues in effect for months before 1974.

Department of Public Health

By *Eugene W. ...*

Title Date

Secretary of Health, Education and Welfare

By *Richard Z. ...*

Title Date

Pursuant to TCA, Sec. 9-611, I, Lewis R. Donelson, Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid, that is not otherwise encumbered to pay obligations previously incurred.

APPROVED:

TENNESSEE DEPARTMENT OF FINANCE AND ADMINISTRATION

BY: *Lewis R. Donelson*
Lewis R. Donelson
Commissioner