

OFFICE OF THE GOVERNOR  
STATE OF MONTANA

STEVE BULLOCK  
GOVERNOR



JOHN WALSH  
LT. GOVERNOR

June 26, 2013

Jennifer Ryan, Acting Director  
Children and Adults Health Programs Group  
Center for Medicaid and CHIP Services  
Centers for Medicare & Medicaid Services  
7500 Security Blvd, Mailstop: S2-01-16  
Woodlawn, MD 21244

Subject: Request for Renewal - Section 1115 Montana Basic Medicaid Waiver

Dear Ms. Ryan:

Montana formally requests CMS approval of our Section 1115 Montana Basic Medicaid Waiver Renewal. The effective dates of the renewal are February 1, 2014 through January 31, 2017.

Background

The current Section 1115 Montana Basic Medicaid Waiver (hereafter referred to as the Basic Medicaid Waiver) ends January 31, 2014. The Basic Medicaid Waiver began in 1996. The only substantial change since inception occurred in December 2010 when "up to 800 individuals" with schizophrenia or bipolar disorder were added.

There are two different populations eligible for the existing Basic Medicaid Waiver. The first group consists of Able Bodied Adults (8800 people/monthly average) who are eligible for Medicaid under Sections 1925 or 1931 of the Social Security Act. They cannot be pregnant or disabled. These Able Bodied Adults have incomes at or below 33% of the Federal Poverty Level (FPL). The second population consists of individuals 18 years of age and older with a diagnosis of schizophrenia or bipolar disorder. They previously qualified for the state-funded Mental Health Services Plan Program. Individual in this second population have incomes at or below 150% of FPL and are residents of Montana. Without the Basic Medicaid Waiver, they would not be eligible for Medicaid,

Both populations described in the previous paragraph receive a Basic Medicaid benefit. The Basic Medicaid benefit is equivalent to the full Medicaid benefit except that the following medical services are generally excluded: audiology; dental and denturist; durable medical equipment; eyeglasses; optometry and ophthalmology for routine eye exams; personal care services; and hearing aids. These "generally excluded" services may be covered when they are essential for employment or in an emergency situation. Examples of when services are covered include emergency dental situations, medical conditions of the eye, annual dilated eye exams for individuals with diabetes or other medical conditions, and certain medical supplies such as diabetic supplies, prosthetic devices and oxygen.

Renewal Request

We are proposing the following changes to the Basic Medicaid Waiver as currently operated: 1) increase the number of individuals from 800 to "up to 2,000" individuals who previously were only eligible for the state-funded Mental Health Services Plan (MHSP); 2) add individuals with a diagnosis of major depressive disorder; 3) update the waiver diagnosis codes for schizophrenic disorder and bipolar disorder; 4) include home infusion as a covered service; 5) update the waiver population PMPM and cost data; 6) include the CMS approved evaluation design; and 7) update general waiver language.

Montana projects that we can sustain the Basic Medicaid Waiver through January 2017. Eighty million dollars in federal variance (savings from the Able Bodied Adult group since 1996) are available to cover the federal portion of the expanded MHSP population, while maintaining federal budget neutrality. Coverage through the Basic Medicaid Waiver will be literally life changing for the additional 1200 people with serious mental illness that we are proposing to serve. Individuals with serious mental illness often have physical health care complications that result in increased need for emergency care and/or permanent disability. Individuals who receive coverage under the Basic Medicaid Waiver will have greatly reduced out-of-pocket costs, increased mental health and pharmacy benefits, and for the first time will have a physical health care benefit. (Currently, these 1200 individuals participate in the state-funded MHSP program which has a limited mental health benefit and a \$425 mental health prescription drug benefit, but no physical health care benefit.)

Enclosed are the waiver application versions, public notice requirement documentation and budget neutrality for the three year renewal. Please contact Jo Thompson, Medicaid Analyst at (406) 444-2584 or [jonthompson@mt.gov](mailto:jonthompson@mt.gov) with questions. We look forward to your approval of the Basic Medicaid Waiver Renewal.

Sincerely,



STEVE BULLOCK  
Governor

SB:sj

cc: Richard H. Opper, DPHHS Director  
Mary E. Dalton, Montana State Medicaid Director  
Jo Thompson, DPHHS Medicaid Analyst  
Terri Frazer, CMS  
Andrea Casart, CMS  
Cindy Smith, CMS

Enc.: 1115 Basic Medicaid Application (redline/final/508 compliant), Budget Neutrality, Tribal Consultation, Public Notice, Montana Health Coalition Memo, Public Meeting Agendas