



## MONTANA SECTION 1115 HEALTH AND ECONOMIC LIVELIHOOD PARTNERSHIP (HELP) DEMONSTRATION APPLICATION

Full Public Notice  
July 18, 2025

The Montana Department of Public Health and Human Services (DPHHS) is providing public notice of its intent to: (1) submit to the Centers for Medicare and Medicaid Services (CMS) a Section 1115 Demonstration application to request federal authority to require enrollees to meet community engagement requirements and pay premiums as a condition of Medicaid enrollment in accordance with the Montana code; and (2) hold public hearings to receive comments on the 1115 Demonstration application. DPHHS is seeking a five-year approval of the Demonstration and aims to implement the waiver as soon as is practicable following federal approval.

DPHHS is seeking a Section 1115 demonstration waiver to comply with Montana legislative requirements (MCA 53-6-1307, 53-6-1308, and 53-6-1309) and build upon Governor Gianforte's vision to build a strong foundation for Montana that emphasizes self-sufficiency over government dependency. DPHHS will also seek to align and comply with recently enacted federal requirements included in the One Big Beautiful Bill Act (HR 1) related to community engagement for Medicaid enrollees.

Montana seeks to implement community engagement requirements and cost sharing for the adult Medicaid expansion group. Specifically, Montana seeks to implement the HELP Demonstration program in a way that meets the intent of State code (MCA 53-6-1307, 53-6-1308, 53-6-1309) while also aligning with the new federal community engagement and cost sharing requirements to the greatest extent possible. While the State intends to align with HR 1, DPHHS is also requesting several Montana specific additions to the program including specific qualifying activities, exemptions, short-term hardship/good cause criteria, and cost sharing elements included in the MCA.

### Program Description and Goals

The HELP demonstration program seeks to require non-exempt enrollees to meet community engagement requirements and pay premiums as a condition of enrollment. By requiring working age able-bodied adult Medicaid enrollees to take an active role in their health care and become engaged in their communities, Montana can achieve lasting improvements in the health and economic well-being of its citizens, as well as the financial health of the Medicaid program.

The HELP demonstration program will include the following features:

- **Community Engagement**. The State seeks waiver authority to condition Medicaid

coverage on compliance with community engagement requirements for non-exempt expansion adults aged 19 - 64 with incomes up to 138 percent of the federal poverty level (FPL). While HR 1 and MCA are directionally aligned, there are slight discrepancies in the definitions of certain activities and exemptions. To promote administrative simplicity, avoid unnecessary system changes, and ensure prudent use of State resources, the State proposes to implement community engagement requirements consistent with HR 1, while also including several State-specific elements included in MCA.

- **Cost Sharing.** DPHHS is seeking to enhance enrollee cost sharing for adult Medicaid expansion enrollees through the use of premiums and copayments.
  - *Premiums.* The State seeks to apply premiums for expansion adult enrollees up to 138 percent FPL that gradually increase based on the length of time an individual is enrolled in Medicaid coverage, unless an enrollee is exempt from premium increases. In the first two years of coverage, all Medicaid expansion adult enrollees will pay premiums in an amount equal to two percent of their aggregate household income. The premium obligation would gradually increase by 0.5 percent in each subsequent year of coverage under the Demonstration with a maximum premium amount not to exceed four percent of the enrollee's aggregate household income. Individuals who are exempt from community engagement requirements will also be exempt from the annual premium increases, although they will still be subject to the base premium amounts.
  - *Copayments.* DPHHS recognizes that HR 1 requires the collection of copayments for Medicaid expansion enrollees by October 1, 2028. It is the State's intention to eventually implement copayments as required by HR 1 and as permitted by MCA.

The State does not propose any changes to the Medicaid health care delivery system. Demonstration enrollees will continue to receive services through the State's fee-for-service delivery system.

Demonstration enrollees will also continue to receive benefits through the Alternative Benefit Plan; the State does not propose any changes to benefits for Demonstration enrollees. Further, no new provider payment rates will be developed for this Demonstration.

## Community Engagement

### *Enrollment Standards*

DPHHS will determine eligibility for the Demonstration population at the time of application. Individuals will be required to meet community engagement qualifying activity requirements, or be exempt from requirements, to qualify for coverage. To the extent possible, DPHHS will utilize information available in existing systems to validate qualifying activities and exemptions including participation in other State-defined programs or activities, as noted below.

DPHHS will verify that enrolled expansion adult individuals continue to meet community engagement requirements, or exemption criteria, at least every six months as required by HR 1.

### *Qualifying Activities*

Enrollees in the HELP Demonstration program must participate in at least 80 hours of community engagement activities each month, unless otherwise exempt.

Consistent with HR 1, qualifying activities will include time spent on one or more of the following activities which may be counted toward the monthly requirement for community engagement:

- Work, including work that:
  - Has a monthly income that is not less than the applicable minimum wage requirement under section 6 of the Fair Labor Standards Act of 1938, multiplied by 80 hours;
  - Has an average monthly income over the preceding six months that is not less than the applicable minimum wage requirement under section 6 of the Fair Labor Standards Act of 1938 multiplied by 80 hours, and is a seasonal worker, as described in section 45R(d)(5)(B) of the Internal Revenue Code of 1986; or
  - Is not less than 80 hours per month for individuals making less than minimum wage;
- Community service;
- Work programs, including:
  - Work readiness;
  - Workforce training activities;
  - Internships; or
  - Registered Apprenticeship; and
- Educational programs (half-time or more), including:
  - Secondary education;
  - Post-secondary education;
  - Vocational education; or
  - Registered Apprenticeship; and
- Consistent with MCA, any other activity required by CMS for the purpose of obtaining necessary waivers.

### *Community Engagement Exemptions*

Montana will exempt enrollees from the community engagement requirement who meet any of the following standard exemptions or a short-term hardship/good cause exemption described in this section. The specific length of time for which an exemption

applies will depend on the exemption. Some exemptions may be permanent, including, for example, enrollees who are blind; other exemptions will be time limited including, for example, exemptions for women who are pregnant.

**Standard Exemptions.** Pursuant to HR 1, a program enrollee will be exempt from community engagement requirements if the individual is:

- Entitled to, or enrolled in, Medicare;
- A former foster youth, as defined in subsection (a)(10)(A)(i)(IX) of 1902 of the Social Security Act;
- A Native American or Alaska Native, defined in alignment with HR 1 as:
  - an Indian or Urban Indian (as such terms are defined in paragraphs (13) and (28) of section 4 of the Indian Health Care Improvement Act);
  - a California Indian described in section 809(a) of such Act; or
  - has otherwise been determined eligible as an Indian for the Indian Health Service under regulations promulgated by the Secretary;
- The parent, guardian, caretaker relative, or family caregiver (as defined in section 2 of the RAISE Family Caregivers Act) of a dependent child 13 years of age and under or a disabled individual;
- A veteran with a disability rated as total under section 1155 of title 38, United States Code;
- Medically frail or otherwise has special medical needs (as defined by the United States Secretary of Health and Human Services (HHS Secretary)), including an individual:
  - Who is blind or disabled (as defined in section 1614 of the Social Security Act);
  - With a substance use disorder;
  - With a disabling mental disorder;
  - With a physical, intellectual, or developmental disability that significantly impairs their ability to perform one or more activities of daily living; or
  - With a serious or complex medical condition;
- In compliance with mandatory work requirements imposed by the State pursuant to the Temporary Assistance for Needy Families (TANF) program;
- A member of a household that receives Supplemental Nutrition Assistance Program (SNAP) benefits under the Food and Nutrition Act of 2008 and is not otherwise exempt from work requirements under such Act;
- Participating in a drug addiction or alcoholic treatment and rehabilitation program (as defined in section 3(h) of the Food and Nutrition Act of 2008);
- An inmate of a public institution or was previously incarcerated within the last 90 days; or

- Pregnant or otherwise entitled to postpartum medical assistance.

While the community engagement exemptions listed in MCA generally align with HR 1 in overall intent, there are several places where the State is requesting waiver authority to include additional exemptions to align with MCA and support the policy priorities of DPHHS. Specifically, DPHHS requests an exemption for any individual who is:

- A foster parent of a foster child under the age of 19; or
- Under the supervision of the Department of Corrections, a county jail, or another entity as directed by a court, the Department of Corrections, or the Board of Pardons and Parole.

**Short-Term Hardship/Good Cause Exemptions.** Pursuant to HR 1 and to address life circumstances that affect an enrollee's ability to meet community engagement requirements, an individual will be temporarily exempt for good cause from community engagement requirements during a short-term hardship. Individuals will be deemed to be experiencing a short-term hardship/good cause event during a month if, for part or all of such month:

- Such individual receives inpatient hospital services, nursing facility services, services in an intermediate care facility for individuals with intellectual disabilities, inpatient psychiatric hospital services, or such other services of similar acuity (including outpatient care relating to other services specified in this clause) as the HHS Secretary determines appropriate;
- Such individual resides in a county (or equivalent unit of local government)
  - In which there exists an emergency or disaster declared by the President pursuant to the National Emergencies Act or the Robert T. Stafford Disaster Relief and Emergency Assistance Act; or
  - That, subject to a request from the State to the HHS Secretary, made in such form, at such time, and containing such information as the Secretary may require, has an unemployment rate that is at or above the less of
    - 8 percent; or
    - 1.5 times the national unemployment rate; or
- Such individual or their dependent must travel outside of their community for an extended period to receive medical services necessary to treat a serious or complex medical condition that are not available within their community of residence.

Again, while the short-term hardship/good cause exemptions defined in MCA are broadly aligned with those identified in HR 1, the State requests waiver authority to include additional short-term hardship/good cause exemptions, which are included in MCA. Specifically, DPHHS requests authority to establish a short-term hardship/good cause exemption for individuals who are:

- Experiencing homelessness;
- A victim of domestic violence as defined by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, 42 U.S.C. 601, et seq; or
- Caring for an immediate family member who receives inpatient hospital services, nursing facility services, services in an intermediate care facility for individuals with intellectual disabilities, inpatient psychiatric hospital services, or such other services of similar acuity (including outpatient care relating to other services specified in this clause).

The duration of these exemptions will be dependent on the enrollee's circumstances. Montana intends to establish a short-term hardship/good cause exemption review process via administrative rule.

### *Program Participation and Penalties for Non-Compliance*

Individuals applying for expansion adult Medicaid coverage must demonstrate compliance with community engagement requirements or document an exemption for at least 30 days before enrollment. After enrolling, non-exempt individuals must participate in qualifying community engagement activities for at least 80 hours per month and will be reviewed for compliance every six months. At each review, enrollees must verify current compliance within the prior 30 days or exemption status, with enhanced annual redeterminations requiring additional proof of participation for at least five months (for a total demonstrated compliance of six of the past twelve months). DPHHS will leverage standard auto-renewal and ex parte eligibility processes to the greatest extent possible and provide clear notices detailing requirements, exemptions, reporting processes, and appeal rights.

If a non-exempt enrollee fails to meet community engagement requirements at a six-month review, they will receive a 30-day notice to comply or show exemption, after which failure to comply will result in disenrollment. Before disenrollment, eligibility for other Medicaid categories will be assessed. Disenrolled individuals must reapply and demonstrate compliance or exemption to regain coverage, including at least 30 days of compliance prior to reenrollment. All required information about the community engagement policy and appeal rights will be provided through multiple channels, ensuring enrollees are informed throughout the process.

## **Cost Sharing**

### *Graduated Premiums*

Pursuant to MCA, HELP Demonstration enrollees up to 138 percent FPL must pay monthly premiums that increase over time based on the length of time they are enrolled in the Demonstration. Specifically, enrollees who are not otherwise exempt from paying premiums will continue to be required to pay monthly premiums equal to 2 percent of their modified adjusted gross income for the first two years of participation, unless an enrollee is exempt from premium increases. Pursuant to State statute, the premium will increase by 0.5 percent in each subsequent year of Medicaid enrollment, up to a

maximum of 4 percent of the enrollee's aggregate household income. Program enrollees who are exempt from community engagement requirements will also be exempt from premium increases; however, they will continue to be subject to the annual premium of 2 percent of an enrollee's household income regardless of length of time of enrollment in the Demonstration.

### *Consequences for Unpaid Premiums*

In accordance with MCA, if an enrollee with an income of 100 percent FPL or less fails to make payment for overdue premiums, DPHHS will provide notice to the Department of Revenue of the enrollee's failure to pay. The Department of Revenue will collect the amount due for nonpayment by assessing the amount against the enrollee's annual income tax. The enrollee will not be disenrolled from the program.

Additionally, if an enrollee with income greater than 100 percent FPL but not more than 138 percent FPL, fails to make payment for overdue premiums within 90 days of being notified, DPHHS will:

- Follow the same collection procedures described above for enrollees with an income of 100 percent FPL or less;
- Consider the failure to pay the premium(s) a voluntary disenrollment from the program; and
- Disenroll the enrollee from coverage.

Pursuant to state statute, enrollees who meet at least two of the following criteria are not subject to disenrollment for failure to pay overdue premiums:

- Discharge from United States military service within the previous 12 months;
- Enrollment for credit in any Montana university system unit, a tribal college, or any other accredited college within Montana offering at least an associate degree for no more than four years;
- Participation in a workforce program or activity; and
- Participation in any of the following healthy behavior plans developed by a health care provider or a third-party administrator, if any, or approved by DPHHS:
  - Medicaid health home;
  - Patient-centered medical home;
  - Cardiovascular disease, obesity, or diabetes prevention program;
  - Program restricting the enrollee to obtaining primary care services from a designated provider and obtaining prescriptions from a designated pharmacy;
  - Medicaid primary care case management program established by DPHHS;
  - Tobacco use prevention or cessation program;
  - Substance use disorder treatment program;

- Care coordination or health improvement plan administered by a third-party administrator.

### Copayments

- State law (MCA 53-6-1306) currently does not permit copayments. However, DPHHS recognizes that HR 1 requires the collection of copayments for expansion enrollees by October 1, 2028. It is the State's intention to eventually implement copayments as required by HR 1 and as permitted by MCA.

### Program Goals and Objectives

Throughout the Demonstration, Montana seeks to advance the following goals and policy objectives:

- Improve the health, well-being, and financial stability of Montanans through participation in community engagement requirements;
- Help Montanans become self-sufficient and independent while reducing government dependency;
- Encourage HELP Demonstration program enrollees to be discerning health care purchasers, take personal responsibility for their health care decisions, and ultimately improve their health through the collection of premiums;
- Provide greater value for the tax dollars spent on the Montana Medicaid program;
- Reduce health care costs; and
- Boost Montana's economy.

### Enrollment, Fiscal Projections, and Budget Neutrality

The proposed budget neutrality limits in Table 1 were developed using enrollment and cost projections that account for the community engagement requirements and premiums discussed in this waiver application. Table 2 includes the "without waiver" enrollment and expenditures, which is a baseline projection that does not consider the impact of premiums and community engagement requirements nor any adjustments for the recently passed HR 1.

Table 1 Montana DPHHS 1115 Demonstration Waiver Enrollment, Expenditures, and PMPM by Calendar Year Newly Eligible Adults without Waiver					
	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
<b>Enrollment</b>	71,998	66,201	67,182	68,176	69,540
<b>PMPM</b>	\$1,084	\$1,165	\$1,223	\$1,285	\$1,349
<b>Expenditures</b>	\$936,461,044	\$925,559,354	\$986,242,220	\$1,050,876,309	\$1,125,488,527



**Table 2**  
**Montana DPHHS 1115 Demonstration Waiver**  
**Enrollment, Expenditures, and PMPM by Calendar Year**  
**Newly Eligible Adults without Waiver**

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
<b>Enrollment</b>	79,560	81,151	82,774	84,430	86,118
<b>PMPM</b>	\$1,065	\$1,118	\$1,174	\$1,233	\$1,295
<b>Expenditures</b>	\$1,016,780,695	\$1,088,972,125	\$1,166,289,146	\$1,249,095,675	\$1,337,781,468

## Hypothesis and Evaluation

During the approval period, DPHHS proposes to test a series of hypotheses the State believes will lead to success in improving the health, well-being, and financial stability of enrollees, reduce health care costs, and boost Montana's economy. Table 3 below identifies the specific hypotheses, methodology, and potential performance measures associated with this Demonstration.

**Table 3. Hypotheses**

Hypothesis	Methodology	Performance Measure(s)
1. Enrollees participating in community engagement requirements will have improved health and well-being.	Quantitative pre-post analysis of administrative claims data.	<ul style="list-style-type: none"> <li>• PQI 01: Diabetes Short-Term Complications Admission Rate (PQI01-AD)</li> <li>• PQI 05: Chronic Obstructive Pulmonary Disease (COPD) or Asthma in Older Adults Admission Rate (PQI05-AD)</li> <li>• PQI 08: Heart Failure Admission Rate (PQI08-AD)</li> <li>• Other identified measures including, but not limited to, those related to behavioral health and substance use disorder; hypertension; obesity; and maternal health as determined by DPHHS.</li> </ul>
2. Enrollees participating in community engagement requirements will have improved financial stability.	Quantitative trend analysis of enrollment and eligibility data.	<ul style="list-style-type: none"> <li>• The number and percent of enrollees whose household income increases during the Demonstration.</li> </ul>

3. HELP Demonstration program enrollees who participate in cost-sharing will have increased utilization of preventive health care services.	Quantitative pre-post analysis of administrative claims data.	<ul style="list-style-type: none"> <li>• Cervical Cancer Screening (CCS-AD)</li> <li>• Percentage of HELP Demonstration program enrollees with one or more preventive visit during the year.</li> </ul>
4. The implementation of community engagement requirements will increase the rate of HELP Demonstration program enrollees who are employed or who are actively seeking employment.	Quantitative trend analysis of enrollment and eligibility data.	<ul style="list-style-type: none"> <li>• The number and rate of enrollees who are employed during the Demonstration.</li> <li>• The number and rate of enrollees who are newly employed during the Demonstration.</li> </ul>
5. The HELP Demonstration program will slow the growth in HELP Demonstration health care expenditures.	Quantitative trend analysis of enrollment and eligibility data, and health care expenditures.	<ul style="list-style-type: none"> <li>• The number of people enrolled in the Demonstration over time.</li> <li>• The average per enrollee expenditures and total expenditures for the HELP Demonstration program.</li> <li>• The average per enrollee expenditures and total expenditures among other Medicaid programs.</li> <li>• The annual HELP Demonstration program administrative costs.</li> </ul>
6. The percentage of people in poverty in Montana will decline.	Quantitative pre-post analysis using data from the US Census Current Population Survey, Annual Social and Economic Supplement.	<ul style="list-style-type: none"> <li>• The percentage of people in poverty in a calendar year.</li> </ul>
7. HELP Demonstration program enrollees will gain or increase sustained employment.	Quantitative trend analysis using enrollment and eligibility data.	<ul style="list-style-type: none"> <li>• The number and percentage of HELP Demonstration program enrollees who report meeting the community engagement requirements through employment.</li> </ul>

		<ul style="list-style-type: none"> <li>• The average number of employment hours among Demonstration enrollees.</li> </ul>
8. HELP Demonstration program enrollees participating in engagement requirements who lose eligibility because of increased income or enrollment in commercial coverage will be less likely to return to Medicaid.	Quantitative trend analysis using enrollment and eligibility data.	<ul style="list-style-type: none"> <li>• The number and percentage of people who enroll in the HELP Demonstration who were previously disenrolled due to income or insurance coverage.</li> </ul>

## Waiver and Expenditure Authorities

The State is seeking the following new waivers and expenditure authorities in the 1115 Demonstration application:

### 1. Comparability of Eligibility Requirements

#### § 1902(a)(10)(A)

To the extent necessary to enable the State to require all non-exempt expansion adult enrollees to meet one of the defined community engagement qualifying activities as a condition of gaining and maintaining eligibility.

### 2. Amount, Duration and Scope of Services and Comparability

#### §§ 1902(a)(10)(A) and 1902(a)(17)

To the extent necessary to enable the State to disenroll non-exempt expansion adult enrollees who fail to meet and/or provide verification of meeting the community engagement and associated reporting requirements.

### 3. Provision of Medical Assistance

#### § 1902(a)(8)

To the extent necessary to disenroll non-exempt expansion adult enrollees who fail to meet the community engagement and associated reporting requirements following the formal notice period.

To the extent necessary to disenroll eligibility for non-exempt expansion adult enrollees with income at or above the poverty level for failure to pay premiums.

### 4. Premiums

#### §§ 1902(a)(14) and 1916

To the extent necessary to impose monthly premium payments not to exceed 4 percent of household income.

## 5. Methods of Administration

### §§ 1902(a)(17) in so far as it incorporates 42 CFR 435.916

To the extent necessary to enable the State to require expansion adult enrollees to provide additional information to verify compliance or an exemption from community engagement requirements, and to permit the State to deny eligibility or disenroll individuals who do not provide required verification.

To the extent necessary to implement electronic modalities exclusive for confirmation of having met community engagement requirements to maintain eligibility.

To the extent necessary, expenditure authority to support infrastructure investments required for the verification of enrollee eligibility and compliance with community engagement requirements, which includes utilizing available external data sources, such as data accessible through other State agencies.

## Public Meetings and Comment Process

In accordance with federal regulation (42 CFR § 431.408), DPHHS is providing the public and other interested parties with the opportunity to review and provide input on the waiver through a formal, 30-day public notice and comment process which will run from July 18, 2025 to August 18, 2025. The draft of the Montana HELP waiver can be found at [help.mt.gov](https://help.mt.gov). Paper copies are available to be picked up in person at the DPHHS Director's Office located at 111 North Sanders Street, Room 301, Helena, Montana 59601.

Two public meetings will be held regarding the Demonstration application:

1. July 31 from 3:00 to 5:00 pm MT (in-person and virtual)  
Cogswell Building, Conference Rooms C205, C207, and C209  
1401 East Lockey Avenue  
Broadway Entrance  
Helena, MT 59601
2. August 1 from 3:00 to 5:00 pm MT (virtual only for non-Montana Health Coalition members)  
Montana Health Coalition Meeting  
111 North Sanders Street  
Room 306  
Helena, MT 59601

The public hearing on July 31, 2025 will be a hybrid meeting and the public may attend in-person or virtually. The public hearing on August 1, 2025 will be held as part of the regularly scheduled Montana Health Coalition meeting and will be accessible to the public virtually due to security restrictions in the building where the meeting is held. To register for one or both meetings use the following link: [help.mt.gov](https://help.mt.gov).

Individuals who require special accommodation in order to attend these public meetings should contact Carla Rime at (406) 444-2584 or email at [crime2@mt.gov](mailto:crime2@mt.gov) to ensure that

any necessary accommodation can be provided.

Formal public comments may be submitted until 11:59 pm MT on August 18. Questions or public comments may be submitted via email to [dphhscomments@mt.gov](mailto:dphhscomments@mt.gov) with "HELP Demonstration Waiver" in the subject line, or by mail to:

Department of Public Health and Human Services  
Director's Office  
RE: HELP Waiver  
P.O. Box 4210  
Helena, MT 59604-4210

Please note that comments will continue to be accepted after August 18, but the state may not be able to consider those comments prior to the initial submission of the demonstration application to CMS.

After Montana reviews comments submitted during the state public comment period, the state will submit a revised application to CMS. Interested parties will also have an opportunity to officially comment during the federal comment period; the submitted application will be available for comment on the CMS website at <https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list>.