Montana Medicaid Tribal Consultation

Tribal Residential Treatment Facility

October 27, 2026

DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

Reimbursement Methodology

- The Department is working on establishing Tribal Residential Treatment Facility (TRTF) authority through a State Plan Amendment (SPA).
- This includes developing a reimbursement methodology that is specific to Tribal Residential Treatment Facilities.
- This would be a daily reimbursable rate, not tied to a specific service.
- This methodology must be clearly described in the SPA and show how it meets federal statutory and regulatory requirements.

What does this reimbursement methodology require from a TRTF?

- The Department's proposed methodology establishes the opportunity for each TRTF to have its own reimbursement rate based on that facility's costs.
- There is a period of time in which a facility will need to operate to establish cost data.
  - During that period of time, the TRTF would operate under an *interim* rate.
  - This is not the facility's final rate.
  - This would be established based on the information provided from the cost report that would be filled out and sent to the Department.

What would happen with the final rate?

- Once a final rate is calculated, the Department would start reimbursing at the final rate.
- If the final rate is more than the interim rate, the Department would submit a mass adjustment of previous paid claims to reflect the increased final rate.
- If the final rate is less than the interim rate, the Department would submit a mass adjustment of previous paid claims to take back the overpayment.

Establishing the Interim Rate

- There is a risk of establishing an interim rate that is higher than actual costs.
- To minimize this risk, the Department proposed the interim rates be established based on the costs of Crystal Creek Lodge who is currently operating as an ASAM 3.5 level of care and does have cost data.
- The Department did get cost information from Crystal Creek Lodge back when this discussion first started.

Establishing the Interim Rate cont.

- The cost information received established an interim rate of the current all-inclusive for 3.5 services.
- The interim rate methodology then looked at the percentage difference in reimbursement between BHDDD's 3.5 ASAM level of care and the 3.1 ASAM level of care. Then at the percentage difference in the reimbursement between BHDDD's 3.5 ASAM level of care and the 3.7 ASAM level of care.

Methodology to Reimbursement

- For the provider rate study that was conducted for BHDDD, there was a 16.17% increase in the per diem from 3.5 to 3.7 level of care. There was a 48.2% decrease in the difference between the 3.5 and 3.1 levels of care.
- ASAM 3.7 = $959.77 per day rate.
- ASAM 3.5 = $826.00 per day rate.
- ASAM 3.1 = $427.67 per day rate.
- After 3 years, the Department would cost settle to determine the facility's actual costs.

Unallowable Costs

- Medicaid does not reimburse for room and board
- Costs unrelated to participant care, such as:
  - Excessive administrative, program support, and/or overhead costs
  - Services reimbursed under a separate authority (already reimbursable under the state plan)
  - Travel unrelated to participant care
  - Entertainment
  - Third Party Liability

Next Steps

- Proposed SPA language has been updated to reflect the 3-year cost report look back and cost reassessment for changes to the level of service.
- Proposed SPA language has a yearly cost-of-living adjustment reflected.
- The Cost Report Spreadsheet reflects additional line items as suggested previously.
- Submit the SPA as soon as possible with a targeted January 1, 2027, effective date.

Conclusion



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