



Montana Health Coalition December 5, 2023

Medicaid & CHIP State Plan and Waiver Amendments & Renewals Submitted to CMS after the November 2022 Coalition Meeting

Since our November 29, 2022 Montana Health Coalition meeting through November 30, 2023, the Department of Public Health and Human Services submitted the following Medicaid and Children's Health Insurance Program (CHIP) State Plan and Medicaid Waiver amendments and renewals for approval to the Centers for Medicare and Medicaid Services (CMS).

This handout provides you with a summary of these submittals.

Pending State Plan Amendments	Proposed Effective Date
<p>Inpatient Hospital proposed to adopt Version 40 of the 3M APR-DRG grouper. This grouper update included changes to DRG relative weights and average length of stays, added some DRGs, and deleted other DRGs. The following base rate increases were proposed:</p> <ul style="list-style-type: none">• General Hospitals increase to \$5,660.• Centers of Excellence increase to \$8,430.• Inpatient Rehabilitative Facilities increase to \$6,790.• Long Term Acute Care Hospitals increase to \$7,640.	October 1, 2023
The reimbursement Introduction Page proposed to update the date of the fee schedule to update quarterly Medicare fees, additions, deletions, or changes to procedure codes when Medicare releases and updates their fee schedule.	October 1, 2023



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Approved State Plan Amendments	Approved Effective Date
<p>HMK/CHIP and Medicaid Eligibility State Plans proposed to extend the coverage of postpartum women enrolled in Montana CHIP and Medicaid from 60 days to 12 months. Sections 9812 and 9822 of the American Rescue Plan Act of 2021 give states a new option to provide 12 months of extended postpartum coverage to pregnant individuals enrolled in CHIP and Medicaid beginning April 1, 2022. The newly extended postpartum coverage option can reduce pregnancy-related deaths and severe maternal morbidity and improve continuity of care for chronic conditions such as diabetes, hypertension, cardiac conditions, substance use disorder, and depression.</p>	July 1, 2023
<p><u>Rate Increase Background</u></p> <p>In 2022, DPHHS contracted with Guidehouse to conduct a comprehensive Medicaid provider rate review for three DPHHS divisions: Behavioral Health and Developmental Disabilities, Health Resources, and Senior and Long-Term Care. The review utilized a multitude of data sources, survey data collection and stakeholder feedback.</p> <p>Guidehouse identified benchmark rates based on the average costs for providers to deliver services. The benchmark rates provided a framework that was used by both the Department and legislature in determining provider rate increases. Ultimately, the legislature approved an historic increase in Medicaid provider rates. Legislative funding is being applied across all studied rates using the same methodology. To reduce existing disparities in rates, this methodology increases rates by a percentage of the difference between current and benchmark rates.</p> <p><u>Medicaid Rate Increases included in the Guidehouse Study</u></p> <p>As a result of the Guidehouse study and the 2023 Legislative Session appropriation, the studied Medicaid State Plan and Waiver provider types will be amended to receive an average of 17.82% rate increase. The specific rate increase for each service is dependent upon the difference between the current rate and the Guidehouse benchmark rate.</p>	July 1, 2023



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The Medicaid State Plan provider types included in the Guidehouse study were:		July 1, 2023
Provider Type	Weighted Rate Change (FY 24)	
CASE MANAGEMENT – ADULT MENTAL HEALTH	11.69%	
CASE MANAGEMENT – CHILD MENTAL HEALTH	0.00%	
CASE MANAGEMENT - TARGETED	4.92%	
CHEMICAL DEPENDENCY CLINIC	0.79%	
COMMUNITY FIRST CHOICE	39.91%	
COMPREHENSIVE SCHOOL AND COMMUNITY TREATMENT (CSCT)	0.29%	
DEVELOPMENTAL DISABILITIES TARGETED CASE MANAGEMENT	0.51%	
MENTAL HEALTH CENTER - ADULT	8.48%	
MENTAL HEALTH CENTER - CHILD	35.53%	
NURSING HOME	22.00%	
PERSONAL CARE AGENCY	34.94%	
PERSONAL CARE AGENCY - YOUTH MENTAL HEALTH	40.08%	
PERSONAL CARE AGENCY – ADULT MENTAL HEALTH	36.54%	
PRIVATE DUTY NURSING AGENCY	40.88%	
PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY	17.10%	
THERAPEUTIC FOSTER CARE - HOME SUPPORT SERVICES	34.18%	
THERAPEUTIC GROUP HOME	9.80%	
WASP 1115 WAIVER	8.19%	
Average Rate Increase for Medicaid Studied Rates	17.82%	



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<p><u>Medicaid Rate Increases Not Included in the Guidehouse Study</u></p> <p>Medicaid services and provider types not included in the Guidehouse study will be amended to receive an approximate 4% rate increase appropriated in the 2023 Montana Legislative Session, effective July 1, 2023, except the following:</p> <ul style="list-style-type: none"> • Inpatient Hospitals, which will update the All-Patient Refined Diagnosis-Related Group (APR-DRG) fee schedule effective October 1, 2023. • Youth Mental Health Targeted Case Management services because this service is currently being reimbursed at the benchmark rate. • Other Rehabilitative Services Substance Use Disorder services (ASAM 2.1-3.7) because these services are currently being reimbursed at the benchmark rates. 	July 1, 2023
The reimbursement Introduction Page updated the fee schedule dates of most Medicaid State Plan services and provider types to reflect the rate increases passed by the 2023 Montana Legislature.	July 1, 2023
The following Medicaid services and provider types not included on the Introduction Page also received a legislatively appropriated rate increase: Dialysis Clinic, Nursing Facilities, Outpatient Hospitals, Outpatient Prescribed Drugs tiered dispensing fee, and Psychiatric Residential Treatment Facilities .	July 1, 2023
<p>Community First Choice (CFC) and Personal Care Services implemented the following changes:</p> <ul style="list-style-type: none"> • Funding for Health Care for Health Care Workers will be \$3,411,285 in State Fiscal Year (SFY) 2024 and \$3,411,285 in SFY 2025 to provide CFC and PCS provider agencies the ability to purchase insurance for direct care workers. • Funding for Direct Care Worker wages will provide for wage or lump sum payments to workers who provide direct care services under the CFC and PCS State Plans. CFC and PCS state plan funding will be \$6,121,811 in SFY 2024 and \$6,121,811 in SFY 2025. 	July 1, 2023
Other Rehabilitative Services added Mobile Crisis Response Services and Crisis Care Coordination and implemented the legislatively appropriated rate increase.	July 1, 2023



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Healthy Montana Kids (HMK)/Children's Health Insurance Program (CHIP) demonstrated compliance with the American Rescue Plan Act provisions that require states to cover treatment (including treatment of a condition that may seriously complicate COVID-19 treatment), testing, and vaccinations for COVID-19 without cost sharing in CHIP through September 30, 2024. Cost sharing for the remaining CHIP services were reinstated. HMK/CHIP also removed the Prior Authorization requirement for Occupational, Physical, and Speech Therapy services.	July 1, 2023
Home Health services now allows: patients to be under the care of a nurse practitioner, clinical nurse specialist, or a physician assistant, who are now able to order home health services and are allowed to establish and periodically review a plan of care for home health services; non-physician practitioners to order medical equipment, supplies and appliances, home health nursing and aide services, and physical, occupational, and speech therapies in accordance with state scope of practice laws; and Home Health services to be provided through telehealth.	May 12, 2023
CFC made the use of Legally Responsible Individuals (LRI), for CFC, a permanent flexibility for members who require extraordinary care. Extraordinary care means care exceeding the range of activities that a legally responsible individual would ordinarily perform in the household on behalf of a person without a disability or chronic illness of the same age, and which are necessary to assure the health and welfare of the participant and avoid institutionalization. CFC also applied the spousal impoverishment (SI) rules in determining eligibility for married applicants who are eligible for CFC services under the 1915(k).	May 12, 2023
Other Rehabilitative Services made permanent updates to face-to-face service delivery requirements for several services. Telehealth may be substituted if clinically indicated or if the member does not have access to face-to-face services. The amendment also gave all Assertive Community Treatment (PACT) and Montana Assertive Community Treatment (MACT) teams up to 120 days to fill vacant positions. If vacancies persist beyond 120 days, teams will be expected to work monthly with the Department of Public Health and Human Services (DPHHS) on a plan to meet staffing requirements.	May 12, 2023
The reimbursement Introduction Page updated the date of the fee schedule to update quarterly Medicare fees, additions, deletions, or changes to procedure codes when Medicare releases and updates their fee schedule.	April 1, 2023
A two-year exception extension to the requirement of having a Recovery Audit Contractor (RAC) was approved. the extension is necessary because Montana did not receive any proposals for the RAC Request for Proposals (RFP).	April 1, 2023



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Former Foster Care Youth were added as a mandatory group.	January 1, 2023
EPSDT removed prior authorization requirements for Extraordinary Needs Aides (ENA) and made mental health Intensive Outpatient (IOP) services a permanent benefit.	January 1, 2023
The reimbursement Introduction Page updated the date of the fee schedule to update quarterly Medicare fees, additions, deletions, or changes to procedure codes when Medicare releases and updates their fee schedule.	January 1, 2023
Outpatient Drugs removed reference to Average Sales Price (ASP) plus 6%. Section 11403 of the Inflation Reduction Act implemented a rate of ASP plus 8% for qualifying biosimilars.	November 2, 2022
HMK/CHIP removed the state-specific exceptions to continuous eligibility. This is no longer permitted by federal rule.	November 1, 2022
The reimbursement Introduction Page updated the date of the fee schedule to update quarterly Medicare fees, additions, deletions, or changes to procedure codes when Medicare releases and updates their fee schedule. EPSDT and Licensed Marriage and Family Therapists were added to the Introduction Page.	October 1, 2022
Other Rehabilitative Services added Crisis Response and new ASAM Levels of Care and revised provider qualifications.	October 1, 2022
Inpatient Hospital updated adopt Version 39.1 of the 3M All Patient Refined Diagnosis Related Groups (APR-DRG) grouper. This grouper update includes changes to DRG relative weights, average length of stays, and adds and/or deletes some DRGs. The base rate for 'General Hospitals' increased to \$5,390 and the base rate for 'Centers of Excellence' increased to \$8,030. These changes to APR-DRG were projected to provide for an increase of \$511,712 for State Fiscal Year (SFY) 2023.	October 1, 2022
Outpatient Hospital increased the conversion factor to \$56.14 for services priced under the Outpatient Prospective Payment System reimbursement methodology. The proposed conversion factor increase impacted Non-Critical Access Outpatient Hospitals and Free Standing Birthing Centers (FSBC's). FSBCs are reimbursed under the Outpatient Hospital Service reimbursement methodology. The conversion factor increase provided for an increase of \$449,589 for Outpatient Hospitals that are Non-Critical Access Hospitals and \$91 for FSBC's for SFY 2023.	October 1, 2022



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Pending 1915(c) Home and Community Based Services (HCBS) Waiver Renewal	Proposed Effective Date
<p>1915(c) Home and Community Based Services (HCBS) Montana Medicaid Big Sky Waiver (BSW) for the Elderly and Individuals with Physical Disabilities proposed the following changes:</p> <p><u>Members Served</u> Reserved Waiver Capacity for individuals determined to be At-Risk and those receiving a Care Category (CC) 3 slot.</p> <p><u>Services Offered</u> The following changes were proposed to improve service definitions to better serve the needs of members who are elderly and/or with physical disabilities and to alleviate duplicative services:</p> <ul style="list-style-type: none">• Updated Personal Assistance Services to reflect processes to ensure third-party payors are pursued and exhausted prior to coverage under BSW, define service scope more clearly and ensure service utilization is authorized within the current service plan.• Removed Specially Trained Attendant from the Personal Assistance Services and established it as a separate service.• Established Money Management, previously provided under the Specially Trained Attendant, as a separate service.• Removed Service Animals from Specialized Medical Equipment and Supplies and established as a separate service.• Proposed a transition plan to eliminate the Supported Living service and transition members to existing BSW services and/or community resources and State Plan services.	January 1, 2024



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Pending 1915(c) Home and Community Based Services (HCBS) Waiver Renewal	Proposed Effective Date
<p><u>Other Proposed Changes in the BSW Renewal</u></p> <ul style="list-style-type: none"> • Added a definition of "Extraordinary Care"; • Updated: <ul style="list-style-type: none"> ○ Policy for selecting entrants to the waiver to reflect an admit visit deadline from 60 to 30 days and update wait list criteria to clearly define when an applicant may remain on the waitlist; ○ Dietetic service title to Dietetic-Nutrition Services and revise provider qualifications; ○ Consumer Goods and Services service title to Big Sky Bonanza Goods and Services, revise definition, and update prior authorization limit; • Limited Personal Assistance Services and Non-Medical Transportation service utilization as authorized within the current Service plan; • Revised: <ul style="list-style-type: none"> ○ Prevocational service to remove the compensation requirement that members be paid at less than 50 percent of the minimum wage; ○ Homemaker to include laundry and shopping tasks; ○ Environmental Accessibility Adaptions service to add a competitive bid requirement and prior authorization limit; ○ Homemaker Chore service definition to remove costs associated with moving from one residence to another and expand the definition to include extermination services; ○ Pain and Symptom Management service to require written documentation from the member's health care professional indicating the treatment will not harm the member; ○ Senior Companion service definition to ensure it is not duplicative of State Plan services and to limit the service to non-medical companionship services provided in the home; ○ Specialized Medical Equipment service definition to update the prior authorization limit and provider requirements; and • Expanded Vehicle Modifications service definition, add a prior authorization limit, and competitive bid requirement. 	<p>January 1, 2024</p>



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Approved 1915(c) HCBS Waiver Renewal	Approved Effective Date
<p>1915(c) Home and Community Based Montana Medicaid Comprehensive Waiver for Individuals with Developmental Disabilities was approved for the following changes:</p> <ul style="list-style-type: none">• Revised the reserve capacity to increase the number of slots for emergency capacity available to members in waiver years 1-3. Waiver years 4 and 5 were increased in the previous amendment and remain the same.• Revised the reserve capacity in waiver years 1-3 to reduce the number of slots reserved for individuals transitioning from institutional settings, due to the closure of Montana's Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF-IID). Waiver years 4 and 5 were decreased in the previous amendment and remain the same.• Added another level of service to Behavioral Support Services to include direct treatment of implementing treatment plans, behavior intervention procedures, skill acquisition procedures and positive behavior support plans by a Registered Behavior Technician (RBT) or Intensive Behavior Assistant (IBA), under the supervision of a Board Certified Behavior Analyst (BCBA), Board Certified Assistant Behavior Analyst (BCaBA), or Intermediate Professional; or either a person with a degree in Applied Behavior Analysis (ABA), Psychology, or Special Education who has provided documentation of training and experience in the use of principles of ABA as approved by the Department.• Added language regarding the availability of retainer payments for providers of Assisted Living and Retirement services.• Added the ability for DDP qualified service provider agencies to subcontract for Residential Habilitation and Adult Foster.• Removed the limit of a single foster home not being able to exceed the Adult Foster Supports reimbursement rate for serving one member with intensive support needs.	July 1, 2023



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Approved 1915(c) HCBS Waiver Renewal	Approved Effective Date
<p><u>Other Approved Changes in the DD Waiver Renewal</u></p> <ul style="list-style-type: none"> Revised the Remote Monitoring service definition to include more information and clarification, per CMS, to include the following: <ul style="list-style-type: none"> Discovery of monitoring in private areas addressed by case managers and quality assurance personnel during on-site visits; HIPAA compliance requirements; The service diverts institutional or more restrictive placements by providing appropriate level of supervision for safety in the community; Assurance that the member and staff are trained on utilizing the technology and having the ability to turn off the equipment; and Assurance that there is no duplication with other waiver services. For the following services that currently allow a relative and/or legal guardian as paid caregivers, added “legally responsible person” as a paid caregiver: Residential Habilitation, Companion Services, Personal Care, Personal Supports, Supported Employment-Follow Along Support, Supported Employment-Co-Worker Support, Supported Employment-Individual Employment Support, Supported Employment-Small Group Employment. Added authorization criteria and defines extraordinary care for legally responsible persons to be paid caregivers. Replaced contract language with “DDP qualified service provider.” Updated Administrative Rules of Montana (ARM) references that were transferred to a new chapter number: <ul style="list-style-type: none"> Physical Therapy 24.177.101 through 24.177.2405; Private Duty Nursing 24.159.101 through 24.159.2301; Psychological Evaluation, Counseling and Consultation Services 24.189.601 through 24.189.633; and Speech Therapy 24.222.101 through 24.222.2402. Updated case managers’ training/knowledge requirements to align with Montana’s approved Targeted Case Management Services for Individuals with Developmental Disabilities Enrolled in the 0208 1915(c) Waiver or Eligible Individuals Age 16 and Over State Plan. 	<p>July 1, 2023</p>



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Approved 1915(c) HCBS Waiver Renewal	Approved Effective Date
<u>Other Approved Changes in the DD Waiver Renewal</u> <ul style="list-style-type: none">• Updated plan of care language and goal structure.• Combined contracted and state service coordinator performance measures.• Updated Incident Manual procedures.• Revised the G.d.1. performance measure to clarify that completion of a Healthcare Checklist and Risk Worksheet (HCCL) is monitored as well as whether there is an action in the plan of care that corresponds with a follow-up in the HCCL, per CMS's recommendation.• Updated Developmental Services Division (DSD) to Behavioral Health and Developmental Disabilities (BHDD) Division.• Added rate study language, including behavioral service rates.• Updated Quality Assurance Division (QAD) to Office of Inspector General (OIG), Audit Compliance Bureau to Program Compliance Bureau or Quality Control Unit, updates invoiced/invoicing to billed/billing.• Revises the denominators of performance measures to clarify that the paid claims reviewed are representative samples.• Revised the I.b.1. performance measure to better align with the sub-assurance, per CMS's recommendation.• Updated Factors D, D', G, and G', and Average Length of Stay (ALOS) based on currently available data.• Updated Number of Users, Average Units per User, and Average Cost per Unit for each service based on currently available data.• Added a Level II for RBT and Level II for IBA to Behavioral Support Services with projected calculations.	July 1, 2023



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Pending 1915(c) HCBS Waiver Amendments	Proposed Effective Date								
<p>Through November 11, 2023, Montana's approved disaster relief Appendix K protected the three HCBS waivers' legislatively appropriated rate increases effective July 1, 2023. This gave the state time to submit a rate increase amendment effective November 12, 2023, for each HCBS waiver, for Centers for Medicare and Medicaid Services (CMS) approval:</p> <ul style="list-style-type: none"> • BSW • Home and Community Based Comprehensive Waiver for Individuals with Developmental Disabilities (DD Waiver) • Behavioral Health Severe Disabling Mental Illness HCBS Waiver (SDMI Waiver) <p>The waiver rate increases that were included in the Guidehouse study were as follows:</p> <table> <tr> <th><u>Waiver</u></th><th><u>Provider Type Weighted Rate Change (FY 2024)</u></th></tr> <tr> <td>Developmental Disabilities Program</td><td>16.04%</td></tr> <tr> <td>BSW</td><td>15.20%</td></tr> <tr> <td>SDMI WAIVER</td><td>18.01%</td></tr> </table> <p><u>Electronic Visit Verification (EVV)</u> The three HCBS waiver amendments also added EVV. Montana implemented an EVV solution on September 18, 2023. This system replaces paper timesheets with the real-time check-in and check-out process. Additionally, the system will pre-validate Medicaid claims for processing to save providers time and resources.</p>	<u>Waiver</u>	<u>Provider Type Weighted Rate Change (FY 2024)</u>	Developmental Disabilities Program	16.04%	BSW	15.20%	SDMI WAIVER	18.01%	November 12, 2023
<u>Waiver</u>	<u>Provider Type Weighted Rate Change (FY 2024)</u>								
Developmental Disabilities Program	16.04%								
BSW	15.20%								
SDMI WAIVER	18.01%								
<p><u>Other Medicaid Waiver Changes</u> In addition to rate increases, the DD Waiver amendment proposed the following changes:</p> <ul style="list-style-type: none"> • Updated Appendix C.2.d. for accuracy of services that allows "legally responsible individuals" as paid caregivers. These services include Individual Goods and Services, Specialized Medical Equipment and Supplies, and Transportation that were previously approved for this allowance by CMS; and • Updated plan of care language and goal structure (i.e., replace quarterly reports with mid-year reviews of the plan of care, or Personal Support Plan; initial plan of care is finalized within 45 days of enrollment with an interim service plan). 	November 12, 2023								



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Approved 1915(c) HCBS Waiver Amendment	Approved Effective Date
<p>The SDMI Waiver added the following selected disaster relief Appendix K provisions permanently to the base waiver:</p> <ul style="list-style-type: none">• A self-direct service option to Behavioral Intervention Assistant and Life Coach.• Conflict-free case management criteria to the base waiver to ensure there is no conflict between AWARE, Inc., case management and AWARE, Inc., SDMI waiver services. AWARE, Inc., is the SDMI Waiver's contractor who provides case management services.• Updated provider requirements for case management services. <p>The amendment also updated case management team requirements to align with the requirements in the approved AWARE, Inc., contract.</p>	October 1, 2023

Pending Section 1115 Demonstration Waiver Amendment	Proposed Effective Date
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During the 2023 Montana Legislative Session, Senate Bill 516 to "Provide for the preserving Fertility Act, " was passed and signed into law by Governor Gianforte. This legislation required DPHHS to add Medicaid and HMK/CHIP coverage for fertility preservation services for age-eligible individuals diagnosed with cancer and the standard of care involves medical treatment that may directly or indirectly cause iatrogenic infertility.

The **Section 1115 Demonstration Waiver for Additional Services and Populations (WASP)** proposed to add fertility preservation services for age-eligible Medicaid and CHIP/HMK enrolled members diagnosed with cancer.

Montana believes this demonstration is likely to promote the objectives of Medicaid by improving participant health outcomes and quality of life. Providing these services will make it possible for Medicaid and HMK/CHIP eligible individuals who have been diagnosed with a form of cancer, and whose related treatment may cause a substantial risk of sterility or iatrogenic infertility (including surgery, radiation, or chemotherapy) to receive coverage for fertility preservation services.

January 1, 2024