53-6-101 Montana Medicaid Program – Authorization of Services

Medicaid Change Reporting

JULY 1, 2026

MONTANA DPHHS

DEPARTMENT OF
PUBLIC HEALTH &
HUMAN SERVICES

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SUMMARY

This report is to complete the requirements set forth in 53-6-101 (12)(a) by reporting changes to provider rates, Montana Medicaid waivers, and/or the Montana Medicaid State Plan Amendments to the Children, Families, Health, and Human Services Interim Committee, the Legislative Finance Committee, and the Health and Human Services Interim Budget Committee. The effective date of each proposed change is indicated.

PROVIDER RATE CHANGES

On or before August 14, 2026, the Montana Department of Public Health and Human Services (DPHHS) will submit the following Montana Medicaid State Plan Amendments (SPAs) to the Centers for Medicare and Medicaid Services (CMS) for approval, requesting a proposed effective date of July 1, 2026.

INTRODUCTION PAGE STATE PLAN AMENDMENT

DPHHS proposes routine updates to align Medicaid fee schedules with current Medicare rates and codes, incorporate the latest Medicare relative value units (RVUs), and adopt the applicable conversion factors, provider rates of reimbursement, and policy adjustors.

Proposed changes to provider rates that are the subject of this public notice, including rates in fee schedules and rates in provider manuals, can be found at https://medicaidprovider.mt.gov/proposedfs.

For most service categories, these changes are budget-neutral in the aggregate, except for physician services, which are required to receive a provider rate increase under 53-6-125, MCA.

The estimated total fiscal impact for SFY 2027 is $7,269,713.

INPATIENT HOSPITAL, OUTPATIENT HOSPITAL, OUTPATIENT DRUG SERVICES, AND CLINIC STATE PLAN AMENDMENTS

DPHHS proposes increasing some Medicaid provider rates and fee schedules. Rates that will be updated are those required by state statute, federal regulation (i.e., Federally Qualified Health Centers, Rural Health Clinics, Indian Health Service, and Hospice), and rates implemented through a CMS-established fee schedule (i.e., Durable Medical Equipment and Ambulatory Surgery Centers). Proposed changes to provider rates that

are the subject of this public notice, including rates in fee schedules and rates in provider manuals, can be found at https://medicaidprovider.mt.gov/proposedfs.

NURSING FACILITY STATE PLAN AMENDMENT

DPHHS proposes to amend ARM 37.40.307 to update Medicaid nursing facility reimbursement rates for state fiscal year (SFY) 2027. The proposed amendments set the SFY 2027 flat-rate component for Medicaid nursing facility reimbursement at $287.11, which is the same rate as SFY 2026.

Pursuant to the existing quality component methodology under ARM 37.40.307(2)(b), these facility rates have been calculated based on the total estimated Medicaid bed days for SFY 2027 and each facility's current assigned rating under CMS's Five-Star Rating System.

Proposed nursing facility Medicaid reimbursement rates are posted at: https://medicaidprovider.mt.gov/proposedfs.

The estimated total fiscal impact for SFY 2027 is $185,662,590.

BENEFIT PLAN CHANGES

On or before August 14, 2026, DPHHS will submit the following Montana Medicaid and CHIP SPAs to CMS for approval, requesting a proposed effective date of July 1, 2026.

PREVENTIVE SERVICES STATE PLAN AMENDMENT

DPHHS proposes to amend Preventive Services to include licensed doula services as allowed in Senate Bill 319 (SB319). This will allow perinatal doulas licensed through the Department of Labor and Industry (DLI) to provide approved services to eligible members for Medicaid reimbursement. Licensed doula services will include non-clinical physical, emotional, and informational support to members during the approved perinatal period.

The fiscal impact for SFY2027 is $456,000, as appropriated by the 2025 Legislative Session.

HEALTHY MONTANA KIDS/CHILDREN'S HEALTH INSURANCE PROGRAM (HMK/CHIP) DENTAL BENEFIT CHANGES

In accordance with federal law, 42 CFR § 457.480, the HMK/CHIP State Plan will be updated to eliminate the $1,900 dental limit for all claims with a date of service on or after July 1, 2026.

The estimated total fiscal impact for SFY 2027 is $2,091,397.

ELIGIBILITY CHANGES

MEDICAID EXPANSION COMMUNITY ENGAGEMENT STATE PLAN AMENDMENT

On June 30, 2026, DPHHS submitted an SPA application to CMS for approval, requesting a proposed effective date of July 1, 2026.

DPHHS will be implementing community engagement requirements for Medicaid Expansion participants. Medicaid Expansion is also known as the Montana Health and Economic Livelihood Partnership (HELP) Program. Participation in Medicaid Expansion will require meeting community engagement requirements. These requirements apply to all Medicaid Expansion participants who do not meet the criteria for an exclusion. Participants must continue meeting the community engagement requirements throughout coverage.

The proposed amendment ensures that Montana will meet community engagement requirements mandated by the federal bill known as "One Big Beautiful Bill" or "H.R.1." This bill was signed into law on July 4, 2025.

PROPOSED COMMUNITY ENGAGEMENT REQUIREMENTS

Required Hours
Participants must complete 80 hours each month of approved activities, unless they qualify for an exclusion.

Qualifying activities include:

- Working at a job
- Community service or volunteering

- Workforce training or job readiness programs through the State of Montana
- Going to school

Verification
Participants must prove they are meeting this requirement. Examples of proof may include:

- Pay stubs from their job,
- Official letters from their school, or
- Signed volunteer logs showing their hours.

Completion of community engagement activities may be verified through:

- Data matching with other state programs, and/or
- Self-reporting online, by phone, by mail, or in person using approved methods.

Community Engagement Exclusions
Participants may be excluded if they are:

- American Indian/Alaska Native
- Caregivers for children under age 14 or persons with disabilities
- Children aged 18 or younger
- Former foster youth under age 26
- Inmates of a public institution or incarcerated in the last three months
- People with a medical condition or health needs that impact ability to work or do other community engagement activities
- People who meet TANF work requirements, or receive SNAP and are subject to SNAP work requirements
- People in a drug or alcohol rehabilitation or treatment program
- Women who are pregnant or postpartum (up to 12 months),
- People eligible for Medicare

- Veterans with a total disability rating,
- People experiencing the following short-term hardships:
    - Receiving inpatient services
    - Residing in a county with an emergency disaster declaration
    - Residing in a county with high unemployment
    - Person or dependent who must travel outside of their community for medical services for a serious or complex medical condition

Communication
Three months before implementation, DPHHS will notify current Medicaid Expansion participants who are subject to community engagement requirements. The notification will explain the community engagement requirements and how to submit documentation of compliance or an exclusion.

DPHHS will notify a participant who is not in compliance with the community engagement requirements that they have 30 days to come into compliance. The notice will also advise that failure to comply within the 30-day period may result in loss of Medicaid coverage.

FISCAL IMPACT

As part of program design, the Department has created efficiencies that minimize the fiscal impact of implementing community engagement requirements.