

HEART Section 1115 Demonstration Renewal Public Hearing

October 2, 2026

October 7, 2026



DEPARTMENT OF
**PUBLIC HEALTH &
HUMAN SERVICES**

Welcome & Zoom Logistics

Zoom Overview

- Participants are joining by computer and phone
- Everyone will be ***automatically muted*** upon entry

Closed Captioning

- Live closed captioning is ***available*** – you can click the CC box at the bottom of the Zoom box

Submitting Public Comments

- ***Q&A Box.*** All information and questions received through the Q&A box will be recorded as public comments
- ***Spoken.*** Participants will have the opportunity to submit live public comments in the last half of the webinar (*more details will be shared about how to “raise your hand” & “unmute” yourself at that time*)



Agenda

- 1. Healing and Ending Addiction Through Recovery and Treatment (HEART) Demonstration Renewal Background**
- 2. Proposed Demonstration Renewal and Waiver Requests**
- 3. Waiver Implementation and Evaluation**
- 4. Discussion and Public Comment**



Objectives of Today's Public Hearing



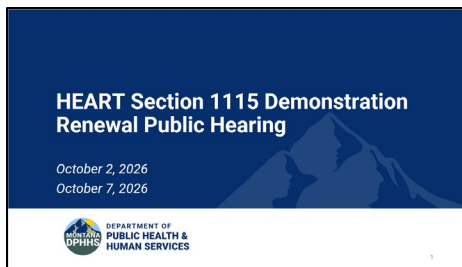
In today's public hearing we will:

- **Provide an overview of Montana's efforts to improve access to behavioral health care services and supports;**
- **Review the HEART Section 1115 Demonstration Renewal; and**
- **Provide an opportunity to submit public comments.**



Accessing Montana HEART Materials

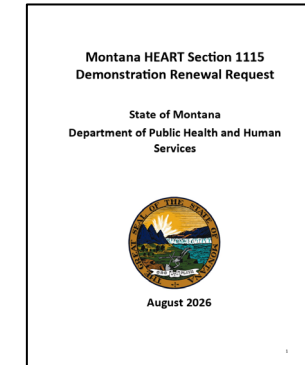
Information on the Montana HEART Demonstration renewal can be found on the [DPHHS HEART webpage](#).



This Presentation



The Public Notice



The Montana HEART Waiver Application

Submitting Public Comments

The state public comment period for the HEART Demonstration renewal is currently ongoing. To be considered prior to CMS submission, comments must be received by 11:59 PM MT on October 31, 2026.



Mail

Indicate "Medicaid HEART Waiver" in the address line
Department of Public Health and Human Services
Director's Office
Room 301
PO Box 4210
Helena, MT 59604-4210



Email

Indicate "Medicaid HEART Waiver" in the email's subject line
dphhscomments@mt.gov

Today's Public Hearing



Q&A and Spoken Comments. All information and questions received through the chat function and spoken comments will be recorded as public comments.



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Overview of the Current HEART 1115 Demonstration



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Background: The HEART Initiative

Overview

- HEART Initiative is **expanding the range of behavioral health services** available to Montanans and filling in gaps in the continuum of care.
- The Initiative was **authorized through the HEART fund in [H.B. 701](#)** (2021), which utilizes tax revenue from the sale of recreational marijuana to leverage additional Medicaid funding through a federal match.
- With the federal match, the Initiative **invests up to \$25 million a year in programs to provide a full continuum of behavioral health and treatment programs** for Montana communities.
- A cornerstone of the Initiative is the HEART 1115 waiver. This Waiver allows Montana to access Medicaid funds for services that are not currently reimbursable through Medicaid. All four components of the waiver – **substance use disorder (SUD) treatment in larger facilities, contingency management, tenancy support services, reentry services** – are up for renewal.

Today's focus



Background: Section 1115 Waiver Authority

Under Section 1115 of the federal Social Security Act, the Secretary of Health and Human Services has authority to approve a state's requests to waive compliance with provisions of federal Medicaid law.

An 1115 Waiver must be:

- ✓ An experimental, pilot or demonstration project;
- ✓ Likely to assist in promoting the objectives of the Medicaid program;
- ✓ Budget neutral to the federal government; and
- ✓ Limited in duration to the extent and period necessary to carry out the demonstration.

States must provide a public process for notice and comment on proposed demonstration applications and extensions.

In 2022, DPHHS received approval under this federal authority; it is set to expire in 2027.

DPHHS is now seeking authority to amend and extend the HEART Demonstration for another five years.



Goals and Objectives: HEART 1115 Demonstration

DPHHS is committed to improving access to Medicaid-covered mental health and SUD services. The HEART Demonstration builds on Montana's progress over the past decade to strengthen and expand a comprehensive behavioral health continuum for Medicaid members.

Specifically, the Demonstration supports Montana's efforts to:



Expand the behavioral health continuum of care, including early intervention, outpatient and residential treatment, and recovery supports for individuals with SUD and mental health needs



Reduce opioid-related overdose deaths and suicides



Improve the quality of care and outcomes across outpatient, residential, and inpatient settings



Strengthen care transitions and continuity of care for justice-involved individuals

Proposed Components of Demonstration Renewal



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Overview of Key HEART Demonstration Components

DPHHS is requesting renewal of the HEART Demonstration for an additional five-year period, from July 1, 2027, through June 30, 2032, to continue and strengthen access to behavioral health services and supports.

Montana is seeking to continue and, in some circumstances, amend existing Demonstration components:



SUD IMD

Reimburses short-term residential and inpatient SUD treatment in Institutions for Mental Disease (IMDs)



Contingency Management

Uses structured incentives to promote treatment engagement and sustained abstinence for individuals with Stimulant Use Disorder (StUD)



Tenancy Supports

Helps individuals with behavioral health needs secure and maintain stable housing to support recovery and long-term health



Reentry Services

Delivers case management, medication-assisted treatment (MAT), medications upon release, and limited clinical consultation for justice-involved individuals

SUD IMD

Objective:

- Allow federal Medicaid matching funds for short-term residential and inpatient SUD treatment provided to eligible individuals in IMDs.
- Eligible individuals are: enrolled in Medicaid; aged 18-64; and determined by a clinician to need inpatient or residential treatment.

Current Status:

- Effective as of July 1, 2022.
- 1,728 Medicaid members have received services under this SUD IMD authority.

Proposed Renewal Request: Maintain authority with no proposed change





Contingency Management

Objective:

- Provide modest, structured incentives to provide evidence-based treatment for StUD and promote treatment engagement and sustained abstinence from stimulants.
- Eligible individuals are: enrolled in Medicaid; aged 18 or older; and have a StUD as the primary diagnosis.

Current Status:

- Services launched on January 1, 2026.
- Two agencies currently deliver services, with an additional agency awaiting enrollment; 97 providers have completed the contingency management overview training course.

Proposed Renewal Request: Remove the requirement that StUD be the *primary diagnosis* to align with original intent of program; current criteria is showing to be too restrictive and not reaching all who could benefit.





Tenancy Support Services

Objective:

- Help individuals with behavioral health needs secure and maintain stable housing to support recovery and long-term health through:
 - **Pre-Tenancy Support Services:** Supports individuals with identifying, preparing for, and maintaining stable housing.
 - **Tenancy Sustaining Services:** Assists individuals with securing housing, supporting move-in, working with landlords, and providing additional housing-related outreach and education to tenants.
- Eligible individuals are: enrolled in Medicaid; aged 18 or older; have a qualifying SUD and/or SMI; and are experiencing or at risk of homelessness.

Current Status:

- Services launched on June 1, 2025, starting implementation of tenancy support services.
- 27 agencies currently provide services statewide.
- 525 members were assessed for eligibility and 205 members received tenancy support services.

Proposed Renewal Request: Maintain authority with no proposed change





Reentry Services

Objective:

- Provide case management, MAT, medications provided upon release, and limited clinical consultation services to individuals reentry the community from DOC Facilities.
- Eligible individuals are: Enrolled in Medicaid, or would be eligible for CHIP except for incarcerated status; aged 19 or older; and have a confirmed or suspected SUD and/or confirmed mental health diagnosis.

Current Status:

- Services launched on October 15, 2025 in three DOC facilities.
- DOC in the final stages of implementing their operational processes and Medicaid billing systems.

Proposed Renewal Requests:

- **Eligibility:** Lower the minimum eligibility age to 18 and older to align with other reentry program eligibility criteria.*
- **Service Delivery Timeframe:** Extend the service window from 30-days to 60-days prior to release to align with other approved Reentry Demonstrations and provide additional time to connect with community-based providers.
- **Reentry Services:** Add peer support services prior to release to align with other approved reentry demonstrations and strengthen the continuum of reentry support.

*Montana is also implementing [Section 5121 of the federal Consolidated Appropriations Act of 2023 \(CAA, 2023\)](#), which requires states to provide certain Medicaid and CHIP services for eligible juveniles before and after release from a public institution.

Additional Proposed Demonstration Renewal and Waiver Requests



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Demonstration Eligible Populations

- **All children ages 18-20 years old and adults eligible to receive full Medicaid benefits** under the Montana State Plan, Alternative Benefit Plan or Medicaid 1115 waivers, as well as children aged 18 eligible for the CHIP program, will be included in this Demonstration.
- Medicaid members will qualify for services outlined in this Demonstration based upon their medical and/or behavioral health need for services.
- Medicaid member eligibility requirements will not differ from the approved Medicaid State Plan, Alternative Benefit Plan and Medicaid 1115 waivers.
- **DPHHS is not proposing changes to Medicaid eligibility standards in this Demonstration renewal application.**



Delivery System and Benefits

DPHHS is not proposing any changes to the Medicaid delivery system under the HEART Demonstration renewal.



Health Care Delivery System and Benefits

- **There are no proposed changes to the Medicaid delivery system under the HEART Demonstration renewal request.**
- Montana plans to continue using a fee-for-service delivery system for all Medicaid services, including behavioral health services.



Enrollment Projections

The State is not proposing any changes to Medicaid eligibility requirements in this Section 1115 Demonstration renewal request. As such, the Demonstration is not expected to affect enrollment trends.

Category of Aid	Projected Enrollment				
	DY 6 7/1/27 – 6/30/28	DY 7 7/1/28 – 6/30/29	DY 8 7/1/29 – 6/30/30	DY 9 7/1/30 – 6/30/31	DY 10 7/1/31 – 6/30/32
Families and Children (not CHIP)	470	500	528	549	571
CHIP	1	2	3	4	5
Aged, Blind and Disabled	196	208	220	229	238
ACA Expansion	3,422	3,644	3,848	3,999	4,157
Other (HIFA, Poverty, Transitional MA, Former Foster Care)	34	37	39	40	42
Total	4,123	4,391	4,638	4,821	5,013



Annual Expenditures

The authorities requested in the Demonstration renewal do not represent new spending but instead represent spending that would otherwise be expected under the Montana Medicaid State Plan.

Montana anticipates the HEART Demonstration renewal to remain budget neutral consistent with Section 1115 requirements and CMS budget neutrality policies.

Expenditure Authorities	Projected Expenditures (in dollars)				
	DY 6 7/1/27 – 6/30/28	DY 7 7/1/28 – 6/30/29	DY 8 7/1/29 – 6/30/30	DY 9 7/1/30 – 6/30/31	DY 10 7/1/31 – 6/30/32
IMD Exclusion for SUD	\$11,876,577	\$12,446,653	\$13,044,092	\$13,670,209	\$14,326,379
Tenancy Supports	\$3,000,000	\$3,399,000	\$3,851,067	\$4,363,259	\$4,943,572
60-Days Pre-Release Coverage	\$5,777,568	\$6,236,538	\$6,731,969	\$7,266,757	\$7,844,028
Evidence-Based Stimulant Use Disorder Treatment Models	\$172,725	\$271,524	\$355,696	\$383,953	\$414,454
IMD Exclusion for SUD	\$20,826,871	\$22,353,715	\$23,982,824	\$25,684,177	\$27,528,433
Total	\$11,876,577	\$12,446,653	\$13,044,092	\$13,670,209	\$14,326,379



Requested Waiver Authority

The proposed services in the HEART Waiver will require the following authorities:

Requested Waiver Authority	Use for Waiver
§ 1902(a)(1) State-wideness	• To enable the state to provide contingency management services on a less than statewide basis to qualifying beneficiaries. • To enable the state to cover pre-tenancy and tenancy support services on a geographically limited basis. • To enable the state to provide pre-release services, as authorized under this Demonstration, to qualifying beneficiaries on a geographically limited basis.
§ 1902(a)(8) Reasonable Promptness	• To the extent necessary, to enable the state to limit enrollment through waiting lists for pre-tenancy and tenancy support services.
§ 1902(a)(10)(B) Amount, Duration, and Scope and Comparability	• To enable the state to provide contingency management services through approved providers to eligible individuals with stimulant use disorders, that are not otherwise available to other beneficiaries in the same eligibility group. • To the extent necessary, to allow the state to offer a varying set of benefits to beneficiaries eligible for pre-tenancy and tenancy support services. • To enable the state to provide only a limited set of pre-release services, to qualifying beneficiaries that is different than the services available to all other beneficiaries outside of carceral settings in the same eligibility groups authorized under the state plan.
§ 1902(a)(23)(A) Freedom of Choice	• To the extent necessary, to enable the state to restrict freedom of choice of provider for beneficiaries who receive contingency management services. • To the extent necessary, to enable the state to restrict freedom of choice of provider for beneficiaries who receive pre-tenancy and tenancy support services under the Demonstration. • To enable the state to require qualifying beneficiaries to receive pre-release services, as authorized under this Demonstration, through only certain providers.



Requested Expenditure Authority

The proposed services in the HEART Waiver will require the following expenditure authorities:

Expenditure Authority	Use for Expenditure Authority
Expenditures for Residential and Inpatient Treatment for Individuals with SUD	Expenditures for otherwise covered Medicaid services furnished to otherwise eligible individuals who are primarily receiving treatment and withdrawal management services for SUD who are short-term residents in facilities that meet the definition of an IMD.
Expenditures Related to Contingency Management	Expenditures for contingency management services provided to qualifying beneficiaries from a provider that has been approved by DPHHS to pilot the Contingency Management benefit.
Expenditures Related to Pre-Tenancy and Tenancy Support Services	Expenditures for pre-tenancy and tenancy support services provided to qualifying beneficiaries, from a provider that has been approved by DPHHS, and subject to annual enrollment limits and waiting lists.
Expenditures Related to Pre-Release Services	Expenditures for pre-release services provided to qualifying Medicaid beneficiaries for up to 60 days immediately prior to the expected date of release from a participating State prison.



Waiver Implementation and Evaluation



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Preliminary Evaluation Plan

As part of the HEART 1115 renewal application, Montana included a preliminary plan to evaluate the HEART Demonstration and measure achievement of the Demonstration's goals, per federal regulations. These hypotheses will be further defined as Montana works with CMS to develop an evaluation design.

Section 1115 Demonstration Evaluation Requirements:

- Montana is required to contract with independent third parties to conduct evaluations and develop evaluation design plans for CMS review.
- Montana is currently working with the University for Montana to evaluate the HEART Demonstration.

Draft Hypotheses:

- Over the course of the HEART Demonstration renewal period, DPHHS anticipates the proposed HEART 1115 Demonstration will:
 - Promote increased access to care for members with behavioral health needs
 - Improve the quality of care for members with behavioral health needs
 - Improve outcomes for members using SUD services and maintain costs



Timeline and Submission of Public Comment



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HEART Demonstration Renewal Timeline

DPHHS plans to submit the HEART Demonstration renewal request to CMS in November 2026.

Sep 1, 2026:
Application published
HEART waiver renewal application posted for public comment

Oct 2 and Oct 7, 2026:
Public hearings
Two public hearing meetings on renewal application

Nov 2026:
Submit to CMS
DPHHS submits the revised renewal application to CMS

Jan 2027-May 2027:
CMS negotiations
CMS/DPHHS negotiations

Sep-Oct 2026:
State public comment period
60-day state public comment period is open now

Oct 31, 2026:
Comment period closes
60-day public comment period closes

Dec 2026:
Completeness review and federal comment period
CMS conducts completeness review & 30-day federal comment period

No Later Than June 2027:
CMS approves HEART waiver renewal application



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How to Provide Public Comment

Public comments may be submitted by email, mail, or in person through 11:59 p.m. on October 31, 2026.

Hard copies of the draft waiver application and public notice materials are available at the DPHHS Director’s Office.

By Phone	(406) 444-2584
By Email	dphhscomments@mt.gov
By Regular Mail	Medicaid HEART Waiver Director’s Office PO Box 4210 Helena, MT 59604-4210
In Person	Public Hearings



Public Hearing Dates

DPHHS is holding two public hearings for the HEART Demonstration renewal.

All live public comments should be limited to 2 minutes each.



OCTOBER 2

HYBRID

10:00 AM–12:00 PM MT

Format Attend in person or virtually

Location Cogswell Building
Conference Rooms C205, C207, and C209
1400 E. Broadway St., Helena, MT

[REGISTER FOR HEARING 1](#)



OCTOBER 7

VIRTUAL

3:00–4:30 PM MT

Format Public access is virtual

Meeting Montana Health Coalition /
Medicaid Advisory Committee Meeting

In person 111 North Sanders Street, Room 306, Helena, MT
Virtual only for non-Montana Health Coalition members

[REGISTER FOR HEARING 2](#)



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Public Comment Process

DPHHS will listen to and collect comments in an organized manner.

All comments will be reviewed and considered equally whether they are received as written or verbal comments.



Written Comment

Use the Zoom chat to submit information, questions, or comments. Chat submissions will be included in the public comment record.



Spoken Comment

Use Raise Hand and wait for the moderator to call on you. The moderator will then provide instructions to unmute.

Follow the instructions for your device



Joining by Phone

1. Press *9 to raise your hand.
2. Listen for the moderator to call your phone number.
3. Press *6 to unmute when selected.



Joining through Zoom

1. Select Raise Hand at the bottom of the Zoom window.
2. Wait for the moderator to call on you.
3. Confirm that your microphone is unmuted.



Thank You!



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Appendix



Glossary

To be eligible for pre-tenancy and tenancy support services, per the Demonstration’s [Special Terms and Conditions](#), eligible Medicaid members must have at least one of the following risk factors.

Keyword	Definition
History of homelessness	History of homelessness, defined as one of the following: 1. An individual who lacks a fixed, regular, and adequate nighttime residence; 2. An individual with a primary nighttime residence that is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground; 3. An individual in a supervised publicly or privately-operated shelter designated to provide temporary living arrangements (including hotels and motels paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations), congregate shelters, and transitional housing; 4. An individual who was residing in a shelter or place not meant for human habitation and who is exiting an institution where he or she temporarily resided; or 5. An individual defined as homeless, per the definition of homeless used by the U.S. Department of Housing and Urban Development (HUD), who: a. Has previously been unable to live independently in permanent housing; b. Has experienced persistent instability as measured by more than one move over such period; and c. Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.
At risk of homelessness	At risk of homelessness, defined as one of the following: 1. An individual who: a. Has moved because of economic reasons; b. Is living in the home of another because of economic hardship; c. Has been notified that their right to occupy their current housing or living situation will be terminated; d. Lives in a hotel or motel (including, but not limited to, hotels and motels paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations), congregate shelters, or transitional housing; e. Lives in severely overcrowded housing; f. Is exiting an institution; or g. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, such as high housing costs relative to income or poor or unsafe housing quality. 2. An individual who: a. Will imminently lose their housing, including housing they own, rent, live in without paying rent, are sharing with others, and rooms in hotels or motels not paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations, as evidenced by one of the following: i. A court order resulting in an eviction action that notifies the individual or family that they must leave within 14 days; ii. The individual or family having a primary nighttime residence that is a room in a hotel or motel and where they lack the resources necessary to reside there for more than 14 days; or iii. Credible evidence indicating that the owner or primary renter of the housing where the individual or family is residing will not allow the individual or family to stay there for more than 14 days, and any oral statement from an individual or family seeking assistance for homelessness that is found to be credible shall be considered credible evidence for purposes of this clause; b. Has no subsequent residence identified that is a fixed, regular, and adequate nighttime residence; and c. Lacks the resources or support networks needed to obtain other permanent housing.

Glossary

To be eligible for pre-tenancy and tenancy support services, per the Demonstration’s [Special Terms and Conditions](#), eligible Medicaid members must have at least one of the following risk factors.

Keyword	Definition
Member has experienced at least one of the following risk factors within the last 12 months	Defined as one of the following: 1. More than two stays, or a single stay of more than two weeks, in an institutional setting, group home, assisted living facility, licensed residential healthcare setting, or detention center (including jail or prison) setting; 2. Three or more emergency department (ED) visits or hospitalizations; 3. Incarceration; or 4. Loss of housing as a result of behavioral health symptoms.