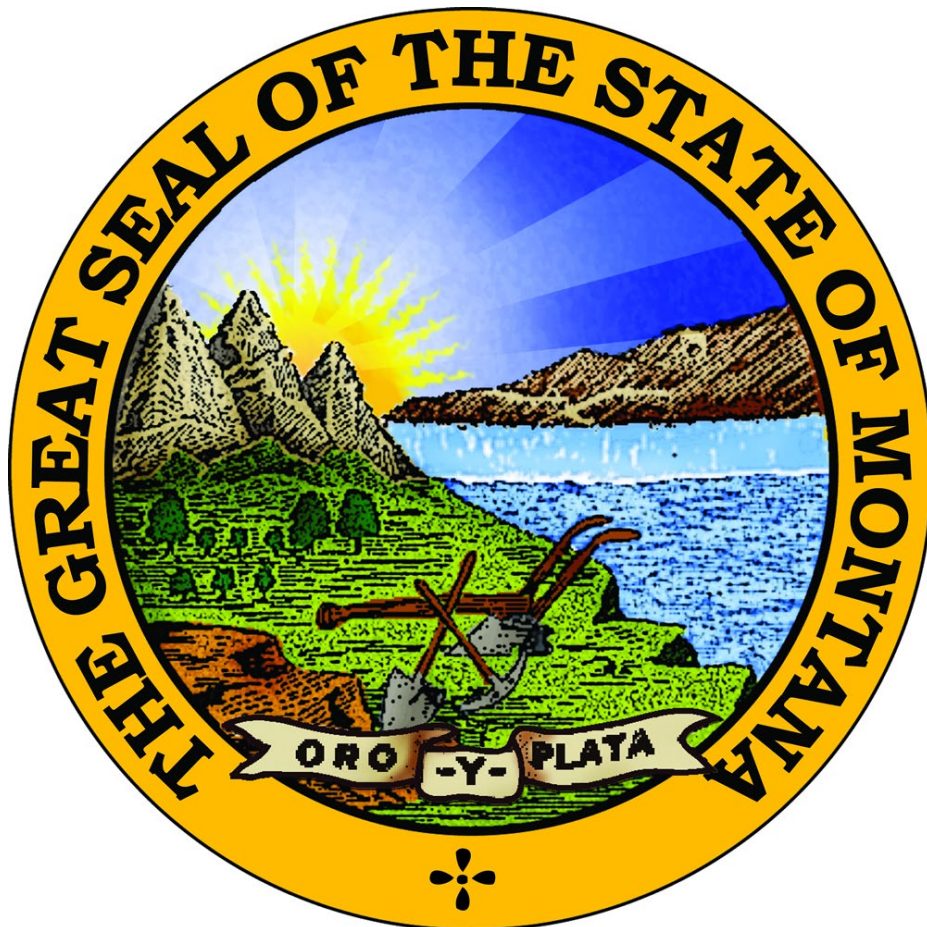


# Montana Section 1115 Waiver for Additional Services and Populations (WASP) Demonstration

## Section 1115 Annual Report

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Demonstration Reporting Period:  
Demonstration Year 19  
January 1, 2022 – December 31, 2022



## **Introduction**

Montana's Waiver for Additional Services and Populations (WASP), formally known as the Basic Medicaid Waiver, has remained a positive source of Medicaid coverage since the program's inception in 1996. The Basic Program was comprised of mandatory Medicaid benefits and a collection of optional services available for emergencies and when necessary, for seeking and maintaining employment. These services were available to Able-Bodied Adults (neither pregnant nor disabled) who were parents and/or caretaker relatives of dependent children (PCR). This waiver has undergone multiple changes over the years.

Changes that directly impacted this waiver's services in 2016 were precipitated by the implementation of Medicaid expansion, called the Health and Economic Livelihood Partnership (HELP) Plan. Due to Medicaid expansion, many Basic Medicaid / WASP Program members became eligible for Montana Medicaid. At the same time, significant changes were made to the Basic Program / WASP Program. An amendment effective January 1, 2016, reduced the number of persons covered, changed the nature of the population eligible and changed the plan of benefits for WASP members. Basic Medicaid previously did not cover or had very limited coverage of some services. This amendment aligned the Basic Medicaid benefit package with the Standard Medicaid benefit package.

An additional amendment, effective March 1, 2016, changed the name of the Basic Waiver to Waiver for Additional Services and Populations. It also added dental treatment coverage, above the Medicaid State Plan cap of \$1,125, for categorically eligible aged, blind or disabled (ABD) individuals, as a pass-through cost.

An additional amendment, effective March 30, 2022, removed expenditure authority for the twelve-month continuous eligibility for the PCR population and also removed historical references to cost sharing and copayments for all demonstration enrollees. However, due to the public health emergency (PHE) provisions of the continuous enrollment requirement under section 6008(b)(3) of the Families First Coronavirus Response Act (FFCRA), the PCR population continued to receive twelve-month continuous eligibility into 2023.

An application to extend this waiver for five years, with no changes to the prior approved authorities, was approved December 15, 2022.

More details follow below.

## **Detailed History and Key Dates of Approval/Operation**

The Montana Medicaid Program is authorized under 53-6-101, Montana Codes Annotated, and Article XII, Section 3 of the Montana Constitution. The Department of Public Health and Human Services (DPHHS) administers the Medicaid Program. The Basic Medicaid Program was the medical services provided for able-bodied adults (neither pregnant nor disabled) and who were parents and/or caretaker relatives of dependent children, eligible for Medicaid under Sections 1925 or 1931 of the Social Security Act. The Basic Program was operated under a Section 1115 waiver, offering all mandatory services and a reduced package of Medicaid optional services through a fee-for-service delivery. Amount, duration, and scope of services, under Section 1902(a)(10)(B) of the Act were waived enabling Montana to carry out the 1115 demonstration.

In February 1996, Montana implemented its state-specific welfare reform program known as Families Achieving Independence in Montana (FAIM). This sweeping change involved the cash assistance, food stamp, and Medicaid programs that were administered on the federal side by several agencies under multiple statutes. As part of welfare reform, Montana obtained a Section 1115 waiver, approved in February 1996. On October 23, 2003, the DPHHS submitted an 1115 waiver application to CMS requesting approval to continue the Basic Medicaid Program. CMS approved the waiver application on January 29, 2004, for a five-year period from February 1, 2004, through January 31, 2009. Terms of the request and the approval were consolidated into an Operational Protocol document as of February 2005. The waiver structure remained constant throughout the life of the Basic Program. The State was required to submit a quarterly Basic Medicaid report as one of the Operational Protocol conditions. A HIFA proposal was submitted on June 27, 2006. 1115 Basic Medicaid Waiver amendments were submitted on March 23, 2007, and January 28, 2008, requesting seven new optional and expansion populations. Tribal Consultation was completed on December 14, 2007. As a result of discussions with CMS, Montana submitted a revised 1115 Basic Medicaid Waiver amendment on June 6, 2008, requesting four new populations. July 30, 2009, and August 6, 2010, submittals requested only one population, Mental Health Service Plan (MHSP) Waiver individuals (individuals with schizophrenia and individuals with bipolar), in addition to Able Bodied Adults. CMS approved the waiver extension and the request to insure the additional population, effective December 1, 2010.

The 1115 Basic Medicaid Waiver renewal was submitted in June of 2013 and approved by CMS effective January 1, 2014. The renewal includes raising the enrollment cap from “up to 800” to “up to 2000”; the primary Severe Disabling Mental Illness (SDMI) clinical diagnosis of major depressive disorder as a covered diagnosis; and home infusion as a covered service.

In June 2014, Montana submitted an amendment to the Section 1115 Basic Medicaid Waiver (Amendment #1) which was approved by CMS with an August 1, 2014, effective date. This amendment increased the enrollment cap for individuals who qualify for the State only MHSP Program from “up to 2,000” to “up to 6,000.” It also updated the eligible diagnosis codes to allow all MHSP Program individuals with SDMI; added a random drawing with the diagnosis code hierarchy selection of schizophrenia first, bipolar second, major depressive disorder third, and then all remaining diagnosis codes. It also updated the per member per month costs of all waiver populations; updated the amount of money (Maintenance of Effort) the State needed to continue to spend on benefits for the mental health waiver population; updated the budget neutrality; revised the CMS approved evaluation design; updated the Federal Poverty Level from 33% FPL to approximately 47% FPL for Able Bodied Adults; and lastly, updated general waiver language.

Effective January 1, 2016, Montana submitted an amendment (Amendment #2), to remove the Able-Bodied Adult population, remove the SDMI population eligible for State Plan expansion, give the MHSP Waiver population the Standard Medicaid benefit, and close the Basic benefit. This amendment proposed to cover individuals aged 18 or older, with SDMI who qualify for or are enrolled in the state financed MHSP but are otherwise ineligible for Medicaid benefits and either: 1) have income 0-138% of the federal poverty level (FPL) and are eligible for or enrolled in Medicare; or 2) have income 139-150% of the FPL regardless of Medicare status. The MHSP Waiver enrollment cap was reduced from 6,000 to 3,000. The amendment provided for 12-month continuous eligibility period for all non-expansion Medicaid-covered individuals whose eligibility is based on modified adjusted gross income (MAGI).

On March 7, 2016, an amendment was submitted (Amendment #3) that proposed to: change the name of the Waiver to Section 1115 Montana Waiver for Additional Services and Populations and cover individuals determined categorically eligible for ABD for dental treatment services above the Medicaid State Plan cap of \$1,125, as a pass-through cost. This amendment was approved with an effective date of March 1, 2016.

Following the third quarter report for DY13, the decision was made to change the reporting for this demonstration to a January through December calendar year as opposed to the prior February through January schedule. Therefore, the DY13 Annual Report covered an abbreviated year, 02/01/2016 through 12/31/2016. The DY14 Annual Report was applicable to the entire calendar year of 2017. The Montana WASP Medicaid Demonstration was granted an extension on December 15, 2017. This extension, including new Special Terms and Conditions, was accepted by Montana DPHHS, January 12, 2018, and is effective January 1, 2018 through December 31, 2022.

In response to the 2020 COVID-19 state of emergency, effective April 1, 2020, Montana implemented several temporary changes to member eligibility and services:

- A moratorium on non-voluntary dis-enrollments to Montana Healthcare Programs, including no dis-enrollment in WASP for failure to renew eligibility;
- Expedited enrollment process;
- More services became available through telephone conversations and electronic visits;
- Removal of most referral requirements; and
- Suspension of face-to-face requirements for some programs.

The Montana Healthcare Programs Pharmacy Program also made temporary adjustments in response to the 2020 COVID-19 emergency:

- Allowed early refills for members on a case-by-case basis;
- Authorized non-preferred medications due to shortages;
- Extended existing prior authorizations;
- Extended day supply for MAT therapy if provider deemed appropriate; and
- Allowed flexibility so members limited by the application of 42 CFR 431.54(e) can obtain medications at a pharmacy other than their lock-in, if necessary and appropriate.

In April, May and June of 2020, these additional temporary COVID-19 related adjustments were made:

- Amendment to provider enrollment instructions
- Dental telemedicine coding guidance
- Suspension of prior authorizations or continued stay reviews and clinical requirements for some Medicaid programs
- Changes to Youth Community-Based psychiatric rehabilitation and support services (retroactive to March 16, 2020)
- Non-covered services agreement policy change
- Suspension of the PCP referral requirement
- National correct coding initiative announcement
- Revision to Case Management General Provisions
- Allowing a 90-day supply for all drugs except C II drugs, (retroactive to March 1, 2020)

As of the end of December, 2022, the above temporary COVID-19 related adjustments remained in place.

At the end of December, 2020, an evaluation design draft was in process. Please see a fuller explanation on this topic in the Demonstration Evaluation section of this report on page 8.

On September 3, 2021, Montana submitted an amendment application to CMS, asking for the authority to do two things:

- 1) Remove expenditure authority for 12-month continuous eligibility for the non-expansion Medicaid-covered individuals whose eligibility is based on MAGI, also known as Parents and Caretaker Relatives (PCR). This removal would remove this population from any coverage under WASP as this is the only benefit they receive under the waiver. The coverage WASP provides for the Waiver Mental Health Services Plan (WMHSP) population, including 12-month continuous eligibility, and for the Aged, Blind and Disabled (ABD) population, for dental treatment services above the State Plan annual cap of \$1,125, would remain the same.
- 2) Remove cost sharing and copayments for demonstration enrollees, to align with the removal of cost sharing from the Montana Medicaid plan effective January 1, 2020. This removal would apply to WMHSP enrollees as well as the categorically eligible ABD individuals who receive expanded dental treatment services through WASP.

The 1115 waiver authorities for the WASP was due to expire on December 31, 2022, and the necessary extension application, with accompanying evaluation report, would have been due by December 31, 2021. Due to the pending CMS decision on the above proposed amendment's effect on the future shape of the waiver authorities, and also the future shape of the evaluation design, Montana requested and received a delay in this due date until June 30, 2022.

This awaited amendment approval arrived March 30, 2022. The approval sunsets expenditure authority for the twelve-month continuous eligibility for the PCR population, initially determined eligible under the state plan in the eligibility groups described in either section 1931 of the Act or section 1925 of the Act. This authority was set to end at the earlier of: the end of the continuous enrollment requirement under section 6008(b)(3) of the Families First Coronavirus Response Act (FFCRA) or the date that the state no longer claims the increased Federal medical assistance percentage (FMAP) under section 6008(a) of the FFCRA. This amendment also removes cost sharing and copayments for demonstration enrollees, to align with the removal of cost sharing from the Montana Medicaid state plan effective January 1, 2020.

An application to extend this waiver for five more years (January 1, 2023 through December 31, 2027) with no changes to the prior approved authorities, was submitted on June 30, 2022.

The 2022 post award forum was held November 29, 2022 in conjunction with the Montana Health Coalition annual meeting. The forum was held virtually. Twenty-four people attended via Teams link. No WASP related comments were made.

On December 15, 2022, the waiver extension request was approved. The demonstration will continue to provide expenditure authority for: 1) 12-month continuous eligibility and full state plan benefits, except retroactive eligibility, for the Waiver Mental Health Services Plan (WMHSP) population up to a limit of 3,000 beneficiaries, who have been diagnosed with a severe disabling mental illness (SDMI) of schizophrenia, bipolar disorder, major depression or another SDMI; and 2) dental treatment services above the \$1,125 state plan dental treatment cap to individuals determined categorically eligible for the aged, blind, and disabled (ABD) eligibility group, to which retroactive eligibility requirements will continue to apply. The state will maintain the authority to not provide retroactive eligibility for the

WMHSP demonstration population and will be required to evaluate the effects of this policy on beneficiary receipt of services and medical debt.

The above-mentioned amendment approval of March 30, 2022 was due to sunset expenditure authority for the twelve-month continuous eligibility for the PCR population, initially determined eligible under the state plan in the eligibility groups described in either section 1931 of the Act or section 1925 of the Act. This authority was set to end at the earlier of: the end of the continuous enrollment requirement under section 6008(b)(3) of the Families First Coronavirus Response Act (FFCRA) or the date that the state no longer claims the increased Federal medical assistance percentage (FMAP) under section 6008(a) of the FFCRA. However, the Consolidated Appropriations Act, 2023 (P.L. 117-328) (CAA,2023) allows for the unwinding of the PHE requirement of twelve-month continuous eligibility to begin prior to the ending of the PHE. Since twelve-month continuous eligibility is the only benefit the PCR population receives under WASP, the PCR members’ cessation of the twelve-month continuous eligibility will remove this population from the WASP.

With the authority of the Consolidated Appropriations Act, 2023 (P.L. 117-328) (CAA, 2023), Montana plans to begin moving forward toward reinstatement of scheduled qualification redetermination activities. Plans are to implement a portioned redetermination process beginning in early April, 2023 with the goal of full enrollment completion in ten months. The current plan is to process the group whose eligibility is based on MAGI first, of which the WASP PCR population is included.

All Montana Healthcare Programs members who cannot be automatically renewed would receive a letter with renewal packet at least 30-days prior to their renewal deadline. If no response within approximately 3-weeks, a reminder letter and/or text message will be sent. The specifics of this plan are tentative as the continuous eligibility unwinding plan is pending CMS approval. The additional PHE implemented flexibilities remain in place as the PHE continues.

A draft new Evaluation Design, relevant to the extension period that begins January 1, 2023 is due to CMS on June 30, 2023. A Final/Summative Evaluation Report, relevant to the extension period that ended December 31, 2022 is due to CMS on June 30, 2024.

**Goal**

The goal of the Waiver for Additional Services and Populations (WASP) Demonstration mirrors the state’s Medicaid goal, that is to assure medically necessary medical care is available to all eligible Montanans within available funding resources.

**Enrollment Information**

**Enrollment Count**

**Note:** Enrollment counts are person counts, not member months.

<b>Demonstration Populations (as hard coded in the CMS 64)</b>	<b>Enrollment (last day of quarter) Q1</b>	<b>Enrollment (last day of quarter) Q2</b>	<b>Enrollment (last day of quarter) Q3</b>	<b>Enrollment (last day of quarter) Q4</b>	<b>Enrollment Annual Total*</b>	<b>Newly Enrolled (annual count)</b>	<b>Disenrolled (annual count)</b>
<b>Parent and caretaker relatives</b>	22,887	23,537	24,098	24,997	26,245	4,299	1,438

<b>Demonstration Populations (as hard coded in the CMS 64)</b>	<b>Enrollment (last day of quarter) Q1</b>	<b>Enrollment (last day of quarter) Q2</b>	<b>Enrollment (last day of quarter) Q3</b>	<b>Enrollment (last day of quarter) Q4</b>	<b>Enrollment Annual Total*</b>	<b>Newly Enrolled (annual count)</b>	<b>Disenrolled (annual count)</b>
<b>Dental</b>	37,345	27,355	27,340	27,218	29,457	3,059	2,787
<b>WMHSP Adults</b>	1,012	999	990	979	1,044	18	50
• <b>Schizophrenia</b>	317	313	309	302	333	9	20
• <b>Bipolar Disorder</b>	264	261	259	258	271	4	10
• <b>Major Depression</b>	316	313	309	306	322	1	15
• <b>Other Diagnoses</b>	115	112	113	113	118	4	5

\*The annual enrollment totals are more than any single quarterly total because the quarterly totals are based on enrollment on the last day of the quarter while the annual total counts members enrolled at any point during the year.

### Member Months Reporting

<b>Eligibility Group</b>	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>	<b>Annual Total</b>
<b>Parent and caretaker relatives</b>	68,087	70,013	71,718	73,945	283,763
<b>Dental</b>	81,909	82,003	82,028	81,823	327,763
<b>WMHSP Adults</b>	3,049	3,008	2,979	2,942	11,978
• <b>Schizophrenia</b>	954	942	929	911	3,736
• <b>Bipolar Disorder</b>	795	783	779	774	3,131
• <b>Major Depression</b>	953	944	932	919	3,748
• <b>Other Diagnoses</b>	347	339	339	338	1,363

### Outreach/Innovative Activities:

No new outreach activities or innovations occurred in calendar year 2022.

### Operational/Policy Development/Issues:

Other than the previously mentioned amendment and extension details, no issues were identified in 2022.

### Quality Assurance/Monitoring Activity:

No specific quality assurance or monitoring activities were performed in 2022. Complaints, if any, are addressed as they arise.

### Status of Benefits and Cost Sharing:

Montana's 1115 Waiver for Additional Services and Populations (WASP) has no functional cost sharing component and the authority to exclude the possibility of one was granted in the afore mentioned amendment approved March 30, 2022.

**Financial/Budget Neutrality Development/Issues:**

Montana has a generated savings balance by which a portion of the WASP expenses have been covered. It was initially thought this savings balance may be nearing exhaustion. After researching and compiling old files from previous analysts it has been determined that Montana has not depleted the savings balance as of DY 18. Because the MHSP is the only program within WASP that impacts the savings depletion, it is taking longer to deplete the saving than what was originally estimated by Montana.

**Consumer Issues:**

In accordance with CFR 431.420(c), Montana held its annual public forum to solicit comments on the progress of the WASP Demonstration on November 29, 2022. The forum was held in conjunction with the Montana Health Coalition annual meeting and held virtually.. Twenty-four people attended via Teams link. No WASP related complaints or problems were identified at any time in 2022.

**Demonstration Evaluation:**

In July 2020, a survey was completed on Waiver for Additional Services and Populations (WASP) recipients. The survey was condensed to provide participants the opportunity to take the questionnaire in a shorter period while still gathering answers necessary to determine a participant’s level of satisfaction. Despite this effort to increase the response rate of surveys by increasing the ease of the survey and providing traditional incentives, there was a decrease in surveys returned by WASP recipients in SY20 compared to SY19.

There was an overall decrease in in participant satisfaction; down by 5% in SY20 compared to SY19. WASP recipients also had 3% less overall satisfaction compared to non-WASP recipients. This is compared to WASP recipients having 2% more satisfaction that non-WASP recipients in SY2019.

<b>Domain</b>	<b>SFY19</b>	<b>SFY20</b>
General Satisfaction	90%	85%
Access to Services	87%	82%
Quality & Appropriateness of Services	86%	89%
Participation in Treatment	86%	80%
Outcomes	68%	58%
Improved Functioning	66%	64%
Improved Social Connectedness	69%	64%
<b>Average of all 7 Domains</b>	<b>79%</b>	<b>75%</b>

<b>Domain</b>	<b>SFY20 WASP</b>	<b>SFY20 NON- WASP</b>
General Satisfaction	85%	87%
Access to Services	82%	85%
Quality & Appropriateness of Services	89%	86%
Participation in Treatment	80%	84%
Outcomes	58%	68%
Improved Functioning	64%	66%
Improved Social Connectedness	64%	71%
<b>Average of all 7 Domains</b>	<b>75%</b>	<b>78%</b>



In the summer of 2020, over three months into the COVID-19 pandemic, CMS informed Montana that the WASP Medicaid Demonstration evaluation design draft was long overdue. This design draft, due 120 days after approval of the extension, had been due on May 1, 2018. It is believed that change in staffing at both CMS and the State of Montana contributed to this oversight. On August 19, 2020 CMS provided Montana with recommendations for developing an evaluation design draft with a suggested due date 60-days following.

In prior years, the approved WASP evaluation designs have been limited to the Mental Health Savings Plan (MHSP) population only. For this new demonstration period, CMS requested the other two populations: Aged, Blind and Disabled (ABD) and Parent & Caretaker Relatives (PCR) be included in the evaluation design draft. This presented some barriers to Montana. Since the MHSP population of the WASP is under the oversight of the Addictive and Mental Disorders Division (AMDD) now titled the Behavior Health and Developmental Disabilities Division (BHDDD) of DPHHS, this division has been responsible for the evaluation plan and reports, whereas the Health Resources Division (HRD) has been responsible for the monitoring reports. Additionally, HRD struggled with how to evaluate the very limited benefit the WASP offers to the ABD and PCR populations. WASP offered the ABD population only dental treatment services above the \$1,125 State Plan dental treatment cap. WASP offered the PCR population a 12-month continuous eligibility period only.

Weeks of discussion and clarification followed, while both CMS and Montana were enmeshed in COVID-19 pandemic response. By late November, 2020, CMS provided direction to Montana on how to proceed with the draft evaluation design giving minimal attention to measuring and evaluating WASP's effect on the ABD and PCR populations. In early December, 2020 CMS and Montana agreed upon a January 8, 2021, due date for the draft evaluation design. Montana encountered a brief delay and was granted two more weeks of grace but submitted the draft evaluation design on January 13, 2021. The evaluation design was formally approved by CMS on April 5, 2021.

As mentioned above, the 1115 waiver authorities for the WASP were due to expire on December 31, 2022, and the necessary extension application, with accompanying evaluation report, would have been due by December 31, 2021. Due to the pending CMS decision on the proposed amendment's effect on the future shape of the waiver authorities, and also the future shape of the evaluation design, Montana requested and received a delay in this due date until June 30, 2022. With the approval of that amendment, Montana submitted our Interim Evaluation Report in conjunction with our extension application on June 30, 2022.

The approval of the extension application with new authorities effective January 1, 2023, included a requirement for an eventual new evaluation design. This necessitates a final evaluation report covering the prior extension period. The due date of the new evaluation design is due by June 30, 2023 and the due date of the prior extension period's final evaluation report is due December 30, 2024.

**Enclosures/Attachments:**

Enclosed is document [2022MTwaspAnnualReptBNwrkbbk](#), the 2022 Budget Neutrality Report for Montana's 1115 Waiver for Additional Services and Populations (WASP).

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**Date Submitted to CMS:**

03/16/2023