



Department of Public Health and Human Services

Director's Office ♦ PO Box 4210 ♦ Helena, MT 59620 ♦ (406) 444-5622 ♦ Fax: (406) 444-1970 ♦ www.dphhs.mt.gov

Steve Bullock, Governor

Richard H. Opper, Director

August 12, 2016

Address

Re: New State Plan Amendments and Waiver Renewals – Comments/Questions due by September 9, 2016

Dear

On or before September 30, 2016, the Montana Department of Public Health and Human Services (DPHHS) will be submitting several Medicaid State Plan Amendments (SPAs) and waiver renewals for approval to the Centers for Medicare and Medicaid Services (CMS). We invite comment from Tribes, Urban Indian Centers, and Indian Health Service regarding these amendments and renewal.

The following SPAs affect Urban Indian Centers directly.

Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC) State Plans

Effective July 1, 2016, the FQHC and RHC rule expanded the definition of “Health Professional” to include licensed addiction counselors (LAC) as an allowed core service provider; if a clinic plans to include a LAC in their clinic services, they must complete a scope of service change. The addition of LACs may increase the number of visits at these clinics. (Montana Administrative Register (MAR) 37-765)

Effective October 1, 2016, the FQHC and RHC State Plans are being amended to allow reimbursement for approved education health service(s) outside the Prospective Payment System rate. Approved education health services will be paid at a rate determined by the Department.

The following waiver renewal affects Tribes, Urban Indian Centers or Indian Health Service directly

Passport to Health Waiver

Effective October 1, 2016, the 1915(b) Passport to Health Waiver renewal adds the Health and Economic Livelihood Partnership (HELP) Act new State Plan adult population to the state and federal authority for Passport to Health, Health Improvement, Team Care and the Nurse Advice Line care management programs. The new adult population receives coverage through the Medicaid State Plan Standard benefit and will be eligible for all DPHHS care management programs.

The following SPA and waiver renewal do not affect Tribes, Urban Indian Centers or Indian Health Service directly; but under our agreement with Tribes and the federal government, we provide you notice of all SPA and waiver changes.

Inpatient Hospital State Plan

Effective October 1, 2016, the Inpatient Hospital State Plan is being amended to add a new base rate for long-term care (LTC) hospital facilities and revise the All Patient Refined - Diagnosis Related Groups (APR- DRG) payment methodology to calculate payment at the lesser of the APR-DRG reimbursement rate or billed charges. Language will also be added to specify that Montana Medicaid utilizes the hospital specific cost-to-charge ratio for in-state and Center of Excellence facilities; and that the statewide average cost-to charge ratio is used for all other out-of-state facilities, including border hospitals located within 100 miles outside Montana, when determining cost outlier payments. These changes have a budget-neutral fiscal impact. The estimated fiscal impact from the proposed lesser of payment methodology is being rebased to allow for the new proposed long-term care hospital base rate. (MAR 37-765)

Effective January 1, 2017, the inpatient hospital reimbursement adjustor (HRA1) calculation for Medicaid inpatient utilization will include the third party administrator (TPA) paid claims database.

Children's Autism Waiver

Effective January 1, 2017, the 1915(c) Home and Community-Based Services Children's Autism Waiver (CAW) Waiver renewal proposes to phase out currently enrolled children. The Developmental Disabilities Program (DDP) will not enroll any new applicants into the CAW.

The CAW is designed to provide early intervention based upon Applied Behavioral Analysis (ABA) training models to children age 15 months through 7 years of age to reduce or eliminate serious life-long disability. Services in this waiver are provided for three years or when the child turns eight years of age, whichever comes first. The CAW serves approximately 60 children per year. Seven agencies across the state provide program design and training, case management services, and other supports to enrolled children and their families.

DDP is currently working with CMS to finalize and approve a new Autism Treatment Services State Plan to provide services to those who meet the State Plan's eligibility criteria. Eligible children receiving Program Design and Monitoring through the CAW will transition to the Treatment Plan service component of the State Plan. Eligible children receiving Children's Autism Training through the CAW will transition to the State Plan's Implementation Guidance or Implementation Guidance and Intensive Treatment service components.

The projected total annual fiscal impact of the CAW renewal is \$802,903 for 2017, \$661,020 for 2018, and \$253,716 for 2019. These estimates will be lower after the Autism Treatment Services State Plan is approved and implemented. The currently approved CAW Waiver may be reviewed at: <http://dphhs.mt.gov/dsd/developmentaldisabilities/DDPmedicaidwaivers>.

Additional proposed changes for the renewal are:

- Over waiver years 1, 2, and 3, the unduplicated number of participants, the maximum number of participants served at any point during the year, and the base number of participants in the phase-out schedule will be reduced based on the projected completion of services.
- Language regarding eligibility, eligibility and diagnostic providers, referrals for autism waiver services, waiting list, selection process and initial level of care review conducted by Mountain Pacific Quality Health Foundation will be removed or reworded to indicate a former function of the CAW.
- Extended State Plan services of Occupational Therapy, Physical Therapy, and Speech Therapy will be removed.
- Language will be added to indicate that Respite, Adaptive Equipment/Environmental Modifications, and Individual Goods and Services are ancillary services, and the sum of all ancillary service costs may not exceed \$4,000 annually.
- Language will be added to indicate Waiver Children’s Case Management services will be capped at \$6,000 annually.
- Language will be added pertaining to the Home and Community-Based (HCB) Settings Waiver Transition Plan:
 - The state presumes family home settings that are integrated in typical community neighborhoods where people who do not receive HCB services also reside are compliant with the federal settings requirements.
 - All settings where services are delivered must be identified in the Individualized Family Service Plan and monitored by the state for compliance with the federal settings requirements.
- References to the Administrative Rules of Montana will be updated.
- The following language will be updated: 1) Client or Recipient to Member, 2) Mental Retardation to Intellectual Disability, 3) Waiver Specialist and DDP Child and Family Liaison to Medicaid Program Officer, and 4) DDP Program Director to DDP Bureau Chief.

A public meeting will be held to discuss the CAW renewal, phase-out schedule, and changes on August 23, 2016, from 2:00-4:00 pm at the Montana Department of Environmental Quality, Room 111, 1520 East 6th Avenue, Helena, Montana. Individuals who need assistance to participate during this meeting should call (406) 444-2695. The public meeting can be accessed via WebEx at the following link: <https://hhsmt.webex.com/hhsmt>.

The draft CAW renewal application will be available for review on August 12, 2016, at: <http://dphhs.mt.gov/dsd/developmentaldisabilities>. The state, upon request, will make available hard copies of the CAW renewal.

We invite your comments and questions on the above Medicaid SPAs and waiver renewals postmarked **by September 12, 2016**. You may direct comments to Mary Eve Kulawik, Medicaid State Plan Amendment and Waiver Coordinator, at (406) 444-2584 or mkulawik@mt.gov; or Director’s Office, PO Box 4210, Helena, MT 59604-4210. Please let us know if you would like to arrange a date and time to discuss these SPAs and waiver renewals.

Sincerely,

Mary E. Dalton
State Medicaid Director

cc: Jason Smith, Director, Governor's Office of Indian Affairs
Lesa Evers, Tribal Relations Manager, DPHHS
Mary Lynne Billy, Director, Office of American Indian Health