



# Department of Public Health and Human Services

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Steve Bullock, Governor

Richard H. Opper,  
Director

September 15, 2015

Mr. Richard Allen, Associate Regional Administrator  
Division of Medicaid and Children's Health  
Department of Health and Human Services  
Centers for Medicare and Medicaid Services  
1961 Stout Street, Room 08-148  
Denver, CO 80294

Subject: Section 1915(b)(4) Fee-for-Service Selective Contracting Waiver

Dear Mr. Allen:

Montana formally requests Centers for Medicare and Medicaid Services (CMS) approval of this Section 1915(b)(4) Fee-for-Service Selective Contracting Waiver. The proposed waiver effective dates are January 1, 2016, through December 31, 2020, pending reauthorization of the Montana Health and Economic Livelihood Partnership (HELP) Program beyond June 30, 2019, by the State Legislature.

Montana has consulted with staff from CMS to determine what other authorities are needed to bring the HELP program to fruition. As a result of those consultations, we are submitting concurrently a 1915(b)(4) Fee-for-Service Selective Contracting Waiver to the Denver Regional Office and a Section 1115 Demonstration Waiver to the CMS Central Office. We have been instructed by CMS officials that both waivers are needed to enable us to use a Third Party Administrator (TPA) to administer the HELP Program. We are submitting the Section 1115 Demonstration Waiver under a separate cover to avoid delays in review. **Please note that we have asked CMS to approve both the Section 1115 Demonstration Waiver and the 1915(b)(4) Fee-for-Service Selective Contracting Waiver by November 1, 2015, to ensure that we can implement the HELP Program on January 1, 2016.**

Montana will also submit, in a timely fashion at a later date, any State Plan Amendments (SPAs) needed to effectuate the Section 1115 Demonstration Waiver and general Medicaid Expansion. These include eligibility and copayment SPAs and two Alternative Benefit Plan SPAs reflecting the following: (1) an ABP administered by the TPA, which will not include long term care services; and (2) an ABP administered by the Montana Department of Public Health and Human Services (for individuals who are TPA exempt) that will include long term care services.

## Background

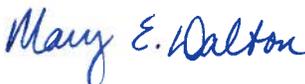
On April 29, 2015, Governor Steve Bullock signed into law Senate Bill 405, an Act establishing the HELP Program to expand access to health coverage for over 70,000 new adults with incomes up to 138 percent of the Federal Poverty Level (FPL). The goals of the HELP Program are to:

- Increase the availability of high-quality health care to Montanans;
- Provide greater value for the tax dollars spent on the Montana Medicaid Program;
- Reduce health care costs;
- Provide incentives that encourage Montanans to take greater responsibility for their personal health;
- Boost Montana's economy; and
- Reduce the costs of uncompensated care and the resulting cost-shifting to patients with health insurance.

Montana will contract with a TPA to administer the delivery of, and payment for, healthcare services for most new adults, with the exception of participants who are exempt from TPA enrollment under state law. Montana's goal in using the TPA model is to leverage an existing commercial market vehicle to administer efficient and cost-effective health care coverage for new Medicaid adults. This will be the first Section 1115 Medicaid Expansion Demonstration Waiver to use a TPA model to deliver services.

Enclosed is the waiver application and tribal and public notice documentation. We look forward to your timely approval of this 1915(b)(4) Fee-for-Service Selective Contracting Waiver.

Sincerely,



Mary E. Dalton  
Montana State Medicaid Director

cc: Richard H. Opper, DPHHS Director  
Duane Preshinger, HRD, DPHHS  
Jo Thompson, HRD, DPHHS  
Mary Marchioni, CMS  
Cindy Smith, CMS  
Scott Manning  
Matt Rodriguez  
Alexis Gibson

Enclosures: Section 1915(b) (4) Fee-for-Service Selective Contracting Program Waiver Application, Tribal Consultation, Public Notice, and Montana Health Coalition Memo