January 29, 2018

RE: Medicaid State Plan and Waiver Amendments and February 14, 2018 Conference Call to Discuss These Changes and Impacts

Dear:

The Montana Department of Public Health and Human Services (DPHHS) is pleased to invite comment from all Tribal Chairs, Tribal Presidents, Urban Indian Center Directors and the Indian Health Service (IHS) regarding upcoming Montana Medicaid State Plan and Waiver amendments to be submitted for Centers for Medicare and Medicaid Services approval.

In November of 2017, Governor Bullock called a legislative special session to address the variances in revenue and high fire season expenditures. The Governor and State Legislature worked together to reach a compromise to bring the budget into balance. That compromise included a reduction to the DPHHS budget of $49 million general fund dollars across the biennium, including changes to benefits. The following State Plan and Waiver Amendments address the decisions made during the 2017 special session.

Under our agreement, we provide you notice of all Medicaid State Plan and Waiver changes. To aid your review, I have indicated below which amendments directly impact coverage or reimbursement for Tribes, Urban Indian Centers, IHS, or tribal members. I am also inviting you to participate in a tribal consultation conference call on these Medicaid changes on February 14, 2018, from 10:00 a.m. to 12:00 p.m. The call details are at the end of this letter.

The tables below indicate the impact of the changes. They are explained in more detail later in the document.

<table>
<thead>
<tr>
<th>Medicaid State Plan Service</th>
<th>Amendment impacts:</th>
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<tr>
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<td>Tribal Providers</td>
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<tr>
<td>1. Dental Services and Dentures</td>
<td>✓</td>
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<td>2. Inpatient Hospital</td>
<td>N/A</td>
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<td>3. Outpatient Hospital</td>
<td>N/A</td>
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<tr>
<td>4. Optometrists (Eye Exams &amp; Eyeglasses)</td>
<td>✓</td>
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<td>5. Durable Medical Equipment and Supplies (DME)</td>
<td>N/A</td>
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Below is a more detailed explanation of each Medicaid State Plan service amendment.

1. **The Dental Services and Dentures** State Plans for adult (ages 21 and over) dental services, including services provided within Federally Qualified Health Centers, Rural Health Clinics, and IHS/Tribal Clinics, are reducing coverage. The adult dental benefit will be limited to diagnostic, preventive and minor restorative services. High cost, extensive services such as crowns, bridges, and dentures will be eliminated for adults.

2. The base rate in the **Inpatient Hospital** State Plan will be decreased by five percent for general hospitals.

3. The allowance for the facility charges for provider-based entity services in the **Outpatient Hospital** State Plan is being eliminated. In addition, DPHHS is reducing the outpatient conversion factor that is used for outpatient services to $49.46.
4. The limits to the Optometrists’ State Plan eye exam and eyeglasses benefit in the Optometrists’ State Plan is changing for adults age 21 and over from one every 365 days to one every 730 days. The eye exam and eyeglass benefit for children age 20 and under will remain one every 365 days.

5. The reimbursement method for incontinence supplies in the Durable Medical Equipment and Supplies (DME) State Plan is changing from a percent of billed charges to a set rate fee schedule. DPHHS made a comparison of Montana's average reimbursement to the average reimbursement rate of 15 other states that have a set fee schedule rate. The comparison showed Montana's overall reimbursement rate is higher than all states except Indiana. From this comparison, it was determined that Montana Medicaid should change to a set rate fee schedule for incontinence supplies and to use an average of the Idaho and Wyoming fee schedules, as these states are very similar in their rural nature to Montana. These new fees will be included in the March 1, 2018 fee schedule.

6. The Other Rehabilitative Services State Plan: Substance Use Disorder (SUD) Assessment, Individual Therapy, and Group Therapy Fee Schedule will be updated to change reimbursement methodology from the Healthcare Common Procedure Coding System (HCPC) to the national standard Current Procedural Terminology (CPT) codes. The change affects three SUD treatment procedure codes: assessment, individual therapy, and group therapy. Reimbursement will not change for Tribes, Urban Indian Centers, or IHS.

7. The Targeted Case Management (TCM) Services for Children and Youth with Special Health Care Needs State Plan will update the eligibility requirements to include only children with specific chronic physical health conditions and who need additional assistance. This amendment will also remove the requirement of a registered dietitian as part of the required TCM care team and update the date of the current fee schedule.

8. TCM Services for High Risk Pregnant Women will remove the registered dietitian as part of the required TCM care team, and update the date of the current fee schedule.

9. The Psychiatric Residential Treatment Facility (PRTF) State Plan will be amended to limit the reimbursement rate for out-of-state PRTFs to a maximum of 133% of the in-state PRTF rate.

Although DPHHS proposes no changes to the following Medicaid State Plan services, the date of their fee schedule must also be amended to March 1, 2018, because the services share a single fee schedule with the PRTF service:

10. TCM Services for Youth with Serious Emotional Disturbance (SED)
11. TCM Services for Youth with SED in an Out of State PRTF
12. Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Youth Respite Care Services
13. Licensed Clinical Social Workers’ Services
14. Licensed Professional Counselors’ Services
15. Licensed Psychologists’ Services

DPHHS will submit the above State Plan Amendments on or before February 28, 2018, for a March 1, 2018 effective date. (Montana Administrative Register (MAR) Notice MAR 37-828)

Below is a more detailed explanation of Montana’s Medicaid Passport to Health 1915(b) Waiver amendment.

16. Montana’s Medicaid Passport to Health 1915(b) Waiver will be amended to:

   A. Add Pregnancy Medicaid and Breast and Cervical Cancer populations to the list of ineligible populations. Members who have pregnancy Medicaid currently do not require Passport referral for pregnancy related services and once the pregnancy ends the members are moved to another eligibility group. Members with Breast and Cervical Cancer eligibility are only eligible during treatment and mainly receive care from specialists related to their cancer treatment.

   B. Reduce the Per Member Per Month reimbursement amount for primary care case management services for all Passport eligible populations other than members determined categorically eligible for Aged, Blind, Disabled and Medically Frail Medicaid from $3.00 to $1.00. Members determined categorically eligible for Aged, Blind, Disabled and Medically Frail Medicaid typically have more healthcare needs and could benefit the most from care coordination; and

   C. Transition the current Health Improvement Program (HIP) to a new Complex Care Management Program, which will be a new tier of the Patient Centered Medical Home Program. The waiver amendment will not affect the Tribal HIP.

DPHHS will submit the Passport to Health 1915(b) Waiver Amendment on or before February 28, 2018, for an April 1, 2018 effective date.

The Department is committed to an extensive public process. We want you to have an opportunity to review the proposed action, understand the concepts, and offer your comments. For further information, you may view the MAR 37-828 online at the following Proposed Notice web site: http://www.dphhs.mt.gov/legalresources/rules/index.shtml.

We have scheduled a two-hour call to discuss these Medicaid State Plan and Waiver changes and provide you the opportunity to ask questions and offer feedback. The call will be held on February 14, 2018, from 10 a.m. to 12:00 p.m. The call-in information is:

   Call-in toll number: 1-408-792-6300
   Access code: 809 693 035
You also have the opportunity to send DPHHS your written comments and questions postmarked through **February 26, 2018**. 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.

Sincerely,

Marie Matthews  
State Medicaid Director

c: Tribal Health Director  
   Jason Smith, Director, Governor’s Office of Indian Affairs  
   Lesa Evers, Tribal Relations Manager, DPHHS