



Department of Public Health and Human Services

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Steve Bullock, Governor

Richard H. Opper, Director

May 15, 2013

Tribe
Address
Town

Dear

We are pleased to invite comment from all Tribal Presidents, Tribal Chairmen, Urban Center Directors and Indian Health Service Directors regarding Montana Medicaid and CHIP State Plan Amendments and Waiver Amendments. Montana will be submitting several amendments for approval to the Centers for Medicare and Medicaid Services (CMS) before June 30, 2013 and unless otherwise indicated, will be effective July 1, 2013. These amendments do not affect those Tribes or IHS providers who bill as IHS providers.

Several state plan amendments are being submitted, to update the fee schedules and the date of the fee schedule. All Medicaid provider types will receive an approximate 2% fee increase effective July 1, 2013 except the following: critical access hospitals; ambulatory surgical centers; durable medical equipment; federally qualified health centers; rural health clinics; drug ingredient costs; eyeglasses; Indian health services; Home and Community Based Services for Adults with Severe Disabling Mental Illness (SDMI) Waiver assisted living providers; Passport to Health Program; Team Care Program; Health Improvement Program and outpatient hospital. These provider types are not receiving an increase because they are reimbursed under a methodology that is federally prescribed or adjusted to reflect allowable costs. Assisted living providers under the SDMI Waiver are not receiving the increase because their existing reimbursement has been higher than that provided under other waivers. The 1915i Home and Community Based Services providers will not receive the 2% increase for the following services: respite 24 hour care, education and support, non-medical transportation, consultative clinical and therapeutic services, supplemental supportive services, specialized evaluation services, crisis intervention services and the geographical factor. (Montana Administrative Register (MAR) Notice 37-636)

The 1915(i) Home and Community Based Services State Plan for High Needs Youth with Serious Emotional Disturbance will also be amended to revise references to the Utilization Review Contractor to include "in the absence of the UR Contractor, the Department or qualified designee".

Medicaid uses Medicare's reimbursement rate for many Medicaid services. A reference will be added to those State Plan amendments to allow Medicaid to update those Medicare fees using the Medicare quarterly fee schedule update without submitting a State Plan Amendment each time the Medicare fee changes.

Administrative Rules of Montana (ARM) 37.40.307 and 37.40.361 pertaining to Medicaid nursing facility services will be amended in the State Plan to remove the rate effective date of September 1, 2012 in the reimbursement rule and in the direct care and ancillary services worker wage reimbursement rule and replace them with the term "rate year". This will provide that DPHHS will no longer have to amend these rules to change this effective date in these rule sections annually. The term "rate year" is already defined in ARM 37.40.302(17) in the definitions section to mean, a 12-month period beginning July 1. For example, rate year 2006 means a period corresponding to the SFY July 1, 2005 through June 30, 2006. Additionally, we are amending ARM 37.40.325(6) for nursing facilities, in the State Plan, to require new Medicaid provider enrollment for any provider change that results in a change in the federal tax identification number. (MAR 37-635)

The Home Health State Plan will be amended to remove the specific dollar reimbursement rate amounts, will update provider rates and will add the location and date of the provider fee schedule. (MAR 37-636)

A new Reimbursement Introduction State Plan Amendment will be submitted to list the fee schedule dates of several Medicaid services on one new page. This will enable Montana to only submit this one State Plan Amendment (instead of a separate State Plan submittal for each specific service) when fees for these services are adjusted and the date of the fee schedule changes.

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The Outpatient Drug Services State Plan is also being amended to allow for the reimbursement to pharmacies for vaccine administration in the amount of \$21.32 for the first vaccine and \$13.38 for each additional vaccine administered. This fee will be in lieu of the dispensing fee. This is allowed by the Montana Pharmacy Practice Act, 37-7-101, MCA. The plan will also be amended to include Levonorgestrel as a covered over-the-counter medication.

Physician services providers fees will also increase by 3.7% due to the increase in the consumer price index for medical services as directed by 53-6-125, MCA. Physician service providers include: physicians, mid-level practitioners, podiatrists, public health clinics, independent diagnostic testing facilities (IDTF), qualified Medicare beneficiary (QMB) and early and periodic screening, diagnostic and treatment (EPSDT) chiropractors, laboratory and x-ray services, family planning clinics, and dentists providing medical services.

Effective July 1, 2012, we will submit an amendment to the 1915c Home and Community Based Services for Adults with Severe Disabling Mental Illness (SDMI) Waiver for the following changes: remove the expansion of 30 slots in the Kalispell core site and 10 additional slots in Helena for FY 2014 and 10 additional slots in Kalispell core site in FY 2015. These slots were identified in the waiver but have never been filled. A number of services have not been utilized to the extent originally submitted. Day habilitation, respite care, personal emergency response system, supportive employment, private duty nursing, extended occupational therapy, prevocational services and durable medical equipment services will be decreased to better reflect utilization. The following services will be increased: case management, adult day health, habilitation aid, nutrition, personal assistance, attendant care, homemaker, homemaker chores, transportation and supported living. SDMI waiver providers will also get the estimated up to 2% increase except assisted living SDMI HCBS providers.

The 1115 Basic Medicaid Waiver renewal submission will include the following changes effective January 1, 2014: include home infusion as a covered service; add major depression as an eligible group within the enrollment cap; increase the enrollment cap for individuals with schizophrenia, bipolar disorder or major depression from “up to 800” to “up to 2000”; update the eligible diagnosis codes for these groups; update the per member per month costs of all the waiver populations; update the amount of money (Maintenance of Effort) the State needs to continue to spend on benefits for the mental health waiver population; update the waiver budget neutrality; revise the waiver draft evaluation design; and update general waiver language. The amended application and public notice details are located on the Department website at <http://medicaidprovider.hhs.mt.gov/waiver/index.shtml>.

Targeted case management services for seriously emotionally disturbed children will be increased up to an additional \$2,811,336 per year or the amount approved by CMS.

Effective July 1, 2013, the Department will be updating the CHIP State Plan regarding the Healthy Montana Kids Extended Dental Program (EDP). The EDP recently received a \$200,000 private donation from the Caring Foundation of Montana and a State Plan Amendment, if approved, will allow Federal matching funds for the program.

The Department of Public Health and Human Services 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 Montana Administrative Rule (MAR) Notices on-line at the following Proposed Notice web site: <http://www.dphhs.mt.gov/legalresources/rules/index.shtml>. Instructions and deadlines to comment are contained in the MAR Notice.

We invite your comments and questions postmarked by June 13, 2013. You may direct comments to Jo Thompson, Medicaid Analyst, at (406) 444-2584, jthompson@mt.gov; or PO Box 4210, Helena, MT 59604. Please let us know if you would like to arrange a date and time to discuss these State Plan Amendments. Thank you and we look forward to working with you on this endeavor.

Sincerely,

Mary E. Dalton
State Medicaid Director
Cc; Jason Smith, Director, Governor’s Office of Indian Affairs
Lesla Evers, Tribal Relations Manager, DPHHS