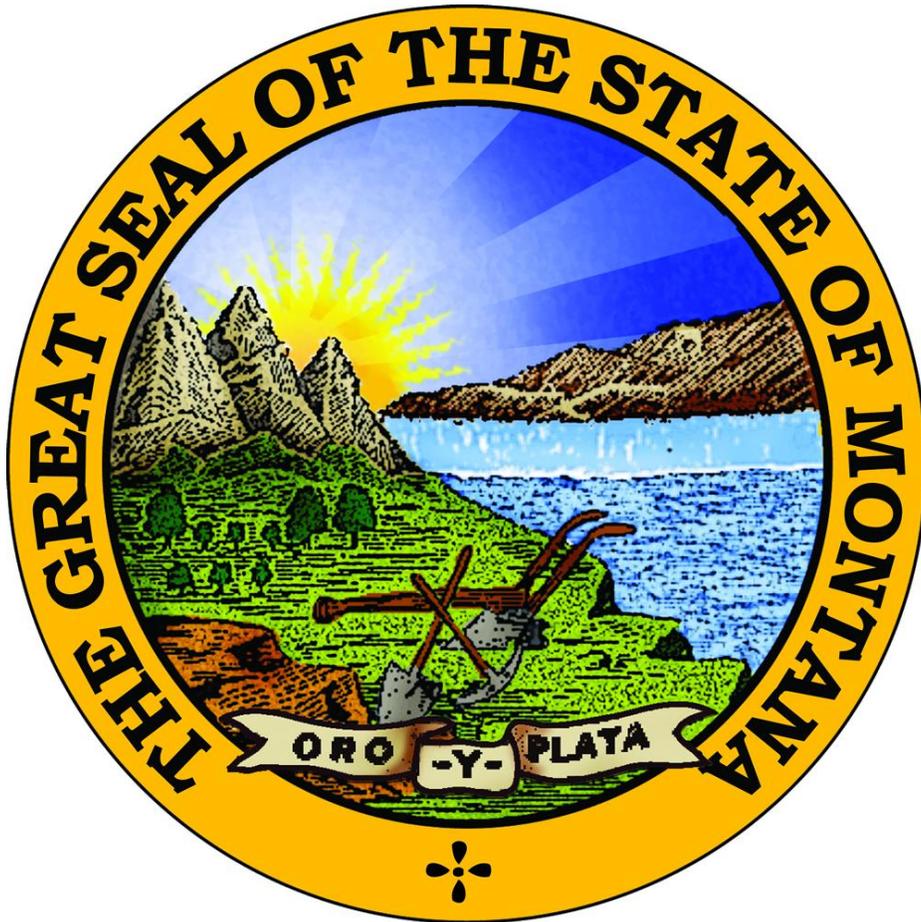


**Montana Section 1115 Waiver for Additional Services and  
Populations Demonstration  
Section 1115 Annual Report**

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**Demonstration Reporting Period:  
Demonstration Year 17  
January 1, 2020 – December 31, 2020**



## **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. 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 ABD individuals, as a pass-through cost.

## **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 age 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, 2020, 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 6. The 2020 post award forum was held November 17, 2020 in conjunction with the Montana Health Coalition annual meeting. The forum was held virtually due to COVID-19 concerns. Nineteen people attended via Zoom. No WASP related comments were made.

## **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.

Demonstration Populations (as hard coded in the CMS 64)	Enrollment (last day of quarter) Q1	Enrollment (last day of quarter) Q2	Enrollment (last day of quarter) Q3	Enrollment (last day of quarter) Q4	Enrollment Annual Total*	Newly Enrolled (annual count)	Disenrolled (annual count)
Parent and caretaker relatives	18,235	19,755	20,749	22,433	27,191	11,521	6,386
Dental	27,144	27,174	27,351	27,000	30,079	9,062	6,670
WMHSP Adults	1,104	1,101	1,086	1,069	1115	96	140
• Schizophrenia	355	352	340	336	298	35	39
• Bipolar Disorder	290	290	289	283	353	18	44
• Major Depression	339	338	338	332	274	27	54
• Other Diagnoses	120	121	119	118	90	16	21

\*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

Eligibility Group	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual Total
Parent and caretaker relatives	54,978	57,740	61,333	65,192	239,243
Dental	78,696	81,397	81,877	81,584	323,554
WMHSP Adults	3,335	3,305	3,278	3,226	13,144
• Schizophrenia	1,070	1,055	1,032	1,011	4,168
• Bipolar Disorder	876	870	869	856	3,471
• Major Depression	1,026	1,016	1,017	1,003	4,062
• Other Diagnoses	363	364	360	356	1,443

### Outreach/Innovative Activities:

No new outreach activities or innovations occurred in calendar year 2020.

### Operational/Policy Development/Issues:

No issues were identified in 2020.

**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 17. 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 17, 2020. The forum was held in conjunction with the Montana Health Coalition annual meeting and held virtually, due to COVID-19 concerns. Nineteen people attended via Zoom. No WASP related complaints or problems were identified at any time in 2020.

**Quality Assurance/Monitoring Activity:**

No specific quality assurance or monitoring activities were performed in 2020. 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 cost sharing component. The few benefits that were reduced in the second quarter of 2018 (due to a budgetary shortfall) have been fully restored.

**Demonstration Evaluation:**

Montana evaluated the effectiveness of the Waiver for Additional Services and Population with a CMS approved evaluation design from December 2010, through December 2017. A baseline survey of the 800 MHSP Waiver individuals was completed in the summer of 2012, and then a follow-up survey was conducted in October 2015. The 2015 return rate was 25.5% compared to the 2012 return rate of 26.5%. In 2015, approximately 3.5 times the number of surveys were sent out compared to 2012, with about 3.5 times the numbers of surveys returned. In 2015, 704 were returned and in 2012, 209 surveys were returned. The survey helped us learn about participants' health status, access to health care, and quality of care. A new survey and analysis were completed in late 2017 and findings were included in the 2017 Annual Report.

A new, though less extensive survey of the WASP MHSP population was completed in September of 2019. The results show a positive increase in member experience in SFY 2019 compared to the prior year. Additionally, the results show an overall higher level of satisfaction with services compared to the non-WASP Montana Medicaid population.

<b>Domain</b>	<b>SFY18</b>	<b>SFY19</b>
General Satisfaction	84%	90%
Access to Services	76%	87%
Quality & Appropriateness of Services	81%	86%
Participation in Treatment	79%	86%
Outcomes	62%	68%
Improved Functioning	60%	66%
Improved Social Connectedness	54%	69%
<b>Average of all 7 Domains</b>	<b>71%</b>	<b>79%</b>

<b>Domain</b>	<b>SFY19 WASP</b>	<b>SFY19 NON-WASP</b>
General Satisfaction	90%	85%
Access to Services	87%	83%
Quality & Appropriateness of Services	86%	87%
Participation in Treatment	86%	86%
Outcomes	68%	64%
Improved Functioning	66%	65%
Improved Social Connectedness	69%	66%
<b>Average of all 7 Domains</b>	<b>79%</b>	<b>77%</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) 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 offers the ABD population only dental treatment services above the \$1,125 State Plan dental treatment cap. WASP offers 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. During the monthly monitoring phone call with CMS on February 11, 2021, CMS indicated that the draft evaluation design had been recommended for approval but thus far had not been formally approved. As of this report's submission date, the design remains under CMS review.

**Enclosures/Attachments:**

Enclosed is document 2020waspAnnualReportBNworkbook, the 2020 Budget Neutrality Report for Montana's 1115 Waiver for Additional Services and Populations (WASP). CMS-64 corrections are in process that may require revisions to the 2019 and the 2020 WASP Budget Neutrality Reports.

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