



**Montana Department of Public Health and Human Services**  
**Section 1115 Demonstration Amendment and Extension Application**

***Montana Health and Economic Livelihood Partnership (HELP)***  
***Demonstration Program***

~~Updated July 23~~ August 30, 2019

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**Section I. Historical Narrative Summary of the Demonstration**

**A. Introduction**

In November 2015, CMS approved Montana’s Section 1115 Demonstration Waiver, “Montana Health Economic Livelihood Partnership (HELP) Demonstration,” that: expanded Medicaid coverage to newly eligible adults effective January 1, 2016; authorized 12 month continuous eligibility for all new adults; applied enrollee premiums equal to two percent of aggregate household income; and, instituted maximum co-payments allowable under federal law. The approved waiver also authorized the administration of Medicaid through a Third Party Administrator (TPA) for enrollees subject to premiums.

In December 2017, CMS approved an amendment to Montana’s Section 1115 Demonstration Waiver that maintained Medicaid expansion, 12 month continuous eligibility and premiums, but removed the authorization of the TPA and the premium credit that applied to some HELP enrollees’ cost-sharing obligations. The amended Demonstration is approved for the period from January 1, 2016 through December 31, 2020.

On May 9, 2019, Governor Steve Bullock signed House Bill 658, the Medicaid Reform and Integrity Act, that directs the Department of Public Health and Human Services (DPHHS or the Department) to request federal waiver approval for new Medicaid expansion program features including those that condition Medicaid eligibility on participation in work/community engagement.

**B. Summary of the Current HELP Demonstration Program**

The HELP Demonstration Program was initially designed to meet the following policy objectives:

- 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.

The State has made significant progress in meeting the policy objectives of the HELP Demonstration Program. As of June 2019, Montana’s Medicaid enrollment under the HELP Demonstration Program reached 92,548 adults.<sup>1</sup> The rate of uninsurance in Montana has declined to 8.6 percent.<sup>2</sup> Medicaid expansion in Montana has afforded unprecedented access to primary and preventive care, cancer treatment, and mental health and substance use treatment, among other essential health care services. As of June 24, 2019, 101,309 adults who gained coverage under Medicaid expansion received preventive health care services, including:<sup>3</sup>

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<sup>1</sup> For the most up-to-date enrollment numbers, see the Montana Medicaid Expansion Dashboard, available at <https://dphhs.mt.gov/helpplan/medicaidexpansiondashboard>.

<sup>2</sup> Montana Healthcare Foundation, 2019 Report on Health Coverage and Montana’s Uninsured, June 2019, available at <https://mthcf.org/resources/2019-report-on-health-coverage-and-montanas-uninsured/>.

<sup>3</sup> Montana Department of Public Health and Human Services, Montana Medicaid Expansion Dashboard, Services Summary, <https://dphhs.mt.gov/helpplan/medicaidexpansiondashboard>, accessed on July 14, 2019. For additional information on the

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- 8,172 adults received a colon cancer screening, resulting in 2,941 possible cases of colon cancer averted;
- 9,257 women received a breast cancer screening, resulting in 136 women diagnosed with breast cancer as a result of screening;
- 2,492 adults were newly diagnosed with and treated for hypertension;
- 1,156 adults were newly diagnosed with and treated for diabetes;
- 35,152 adults received outpatient mental health services and 3,484 adults received inpatient mental health services; and
- 3,610 adults received substance use outpatient services and 2,337 adults received substance use residential services.

Medicaid expansion has also enabled rural hospitals and health care providers to keep their doors open, preserving access for rural Montanans of all incomes. Following the HELP Demonstration Program’s implementation, Montana hospitals witnessed a 49 percent decrease in uncompensated care and Montana’s community health centers saw an increase of \$11.7 million in Medicaid revenue.<sup>4</sup>

Medicaid expansion led to the creation of approximately 5,300,000 new jobs ~~each year since between~~ 2016 and 2018.<sup>5</sup> These are healthcare jobs – which are among the highest paying in the State – as well as jobs in retail, trade, construction, services industry, real estate, and technology. In addition, the Demonstration contributed to more low-income adults joining the workforce in Montana; from 2015-2016, Montana witnessed a 9 percent increase in non-disabled adults working and a 6 percent increase in people with disabilities working. The State estimates that Medicaid expansion resulted in more than \$270 million in new income for Montanans each year.<sup>6</sup>

**C. Summary of Montana’s New Proposed HELP Demonstration Program Features**

House Bill 658, the Medicaid Reform and Integrity Act,<sup>7</sup> directs DPHHS to request federal waiver approvals for new Medicaid program features. Montana seeks to amend and extend the State’s current Demonstration to maintain current Demonstration features while testing new and amended Medicaid program features which include the following:

- **Work/Community Engagement.** The State seeks waiver authority to condition Medicaid coverage on compliance with work/community engagement requirements for non-exempt expansion adults with incomes up to 138 percent of the FPL.
- **Premium Increase Structure Based on Coverage Duration.** The State seeks to amend its Demonstration approach to premiums by applying a premium structure that gradually increases monthly premiums based on the length of time an individual is enrolled in

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demonstration see “[Montana HELP Demonstration Section 1115 Waiver Annual Report, Demonstration Year 3](#)” attached to this report.

<sup>4</sup> HELP Act Oversight Committee, 2018 Report to the Governor and Legislative Finance Committee, August 2018, available at <https://dphhs.mt.gov/Portals/85/Documents/healthcare/HELP-ActOversightCommitteeReport2018.pdf>.

<sup>5</sup> The Economic Impact of Medicaid Expansion in Montana, University of Montana Bureau of Business and Economic Research, commissioned by the Montana Healthcare Foundation and the Headwaters Community Foundation, April 2018, available at [https://mthcf.org/wp-content/uploads/2018/04/BBER-MT-Medicaid-Expansion-Report\\_4.11.18.pdf](https://mthcf.org/wp-content/uploads/2018/04/BBER-MT-Medicaid-Expansion-Report_4.11.18.pdf)~~https://mthcf.org/wp-content/uploads/2018/04/BBER-MT-Medicaid-ExpansionReport\_4.11.18.pdf~~.

<sup>6</sup> Ibid.

<sup>7</sup> Montana State Legislature, House Bill 658, available at <https://leg.mt.gov/bills/2019/billpdf/HB0658.pdf>.

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coverage under the Demonstration. In the first two years of coverage, Demonstration enrollees with income greater than 50 percent of the FPL will pay premiums in the amount equal to two percent of their aggregate household income. The enrollee's premium obligation would gradually increase by 0.5 percent in each subsequent year of coverage under the Demonstration with a maximum premium amount not to exceed 4 percent of the enrollee's aggregate household income. Medicaid enrollees will not be subject to co-payments under this premium payment structure.

Populations eligible for the Demonstration are not changing, but eligibility requirements are changing as described in Section II, A. Work/Community Engagement Requirements. As described above and in greater detail in Section II, B. Premiums, the State proposes changes to the premium structure for Demonstration enrollees.

The State does not propose any changes to the Medicaid health care delivery system. Demonstration enrollees will continue to receive services through the State's fee-for-service delivery system. Demonstration enrollees will also continue to receive benefits through the Alternative Benefit Plan; the State does not propose any changes to benefits for Demonstration enrollees.

**D. Summary of Current Demonstration Features to be Continued Under the 1115 Demonstration Amendment and Extension**

Under this amendment and extension application, Montana seeks approval to extend the following current Demonstration features:

- **Twelve-Month Continuous Eligibility Period.** Enrollees will receive continued benefits during any periods within a twelve month eligibility period.
- **Premiums.** The State will continue, and amend its approach to, charging premiums to non-exempt individuals with incomes greater than 50 percent of the FPL, as described in greater detail in Section II, B. Premiums.

Enrollees excluded from the current Demonstration will continue to be excluded in this amendment and extension request. These enrollees include those who:

- Are medically frail;
- The State determines have exceptional health care needs, as identified through the application process or by an individual notifying the State at any time, including but not limited to medical, mental health, or developmental conditions;
- Live in a region (that may include all or part of an Indian reservation), that would not be effectively or efficiently served through the Demonstration, including where the State is unable to contract with sufficient providers;
- The State determines, in accordance with objective standards approved by CMS, require continuity of coverage that is not available or cost-effective through the Demonstration; or
- Individuals exempted by federal law from premium or cost sharing obligations, whose exemption is not waived by CMS, including all individuals with incomes up to 50 percent of the FPL.

These enrollees hereinafter referred to as "Excluded Populations" will be served under the Medicaid State Plan and subject to the terms and conditions therein.

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**E. Future Additional Goals of the HELP Demonstration Program**

Through this Demonstration amendment and extension, Montana seeks to further the goals and policy objectives of the underlying HELP Demonstration Program described above, as well as:

- Improve the health, well-being, and financial stability of Montanans through participation in work/community engagement requirements;
- Encourage HELP Demonstration Program enrollees to be discerning health care purchasers, take personal responsibility for their health care decisions, and ultimately improve their health through changes to the premium structure; and
- Improve continuity of coverage and care through 12 month continuous eligibility.

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**Section II. Changes Requested to the Demonstration**

**A. Work/Community Engagement Requirements**

As directed by State legislation, and consistent with CMS’s State Medicaid Director Letter encouraging Medicaid programs to test the intersection of work/community engagement and health and well-being,<sup>8</sup> Montana seeks to implement work/community engagement requirements as a condition of Medicaid eligibility. Montana has designed a work/community engagement initiative to promote the health, wellness, and financial stability of enrollees.

**1. Populations Subject to Work/Community Engagement Requirements**

Montana will make participation in work/community engagement a condition of ongoing eligibility for all Demonstration enrollees between ages 19 and 55 with incomes up to 138 percent FPL who do not otherwise qualify for an exemption, as further defined below. Enrollees will be required to participate in 80 hours of work/community engagement activities each month.

**2. Qualifying Activities**

Qualifying work/community engagement activities shall include:

- Employment;
- Work readiness and workforce training activities;
- Secondary, postsecondary, or vocational education;
- Substance abuse education or substance use disorder treatment;
- Other work or work/community engagement activities that promote work or work readiness or advance the health purpose of the Medicaid program;
- A community service or volunteer opportunity; and
- Any other activity required by CMS for the purpose of obtaining necessary waivers.

**3. Exemptions**

Montana will exempt enrollees who meet the standard and hardship/good cause exemptions described in this section. The specific length of time for which an exemption applies will depend on the exemption. Some exemptions may be permanent, including, for example, enrollees who are blind; other exemptions will be time-limited including, for example, exemptions for women who are pregnant.

- **Standard Exemptions.** Enrollees who qualify for an exemption from work/community engagement requirements include those who are:
  - Medically frail enrollees as defined in 42 CFR 440.315;
  - Blind or disabled;
  - Pregnant;
  - Experiencing an acute medical condition requiring immediate medical treatment;
  - Mentally or physically unable to work;
  - A primary caregiver for a person who is unable to provide self-care;

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<sup>8</sup> Centers for Medicare and Medicaid Services State Medicaid Director Letter, “Opportunities to Promote Work and Community Engagement Among Medicaid Beneficiaries,” January 11, 2018, available at: <https://www.medicaid.gov/federal-policy-guidance/downloads/smd18002.pdf>.

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- A foster parent;
  - A full-time student in a secondary school;
  - A student enrolled in the equivalent of at least six credits in a postsecondary or vocational institution;
  - Participating in or exempt from the work requirements of the Temporary Assistance for Needy Families (TANF) program or the Supplemental Nutrition Assistance Program (SNAP);
  - Under supervision of the Department of Corrections, a county jail, or another entity as directed by a court, the Department of Corrections, or the Board of Pardons and Parole;
  - Experiencing chronic homelessness;
  - A victim of domestic violence as defined by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, 42 U.S.C. 601, et seq.;
  - Living in an area with a high-poverty designation;
  - A member of an entity subject to the fee provided for in 15-30-2660(3);
  - An enrollee whose income exceeds an amount equal to the average of 80 hours per month multiplied by the minimum wage; or
  - Otherwise exempt under federal law.
- ***Hardship/Good Cause Exemptions.*** To address life circumstances that affect an enrollee's ability to engage in work/community engagement, Montana will also exempt individuals who:
    - Are hospitalized or caring for an immediate family member who has been hospitalized;
    - Have a documented serious illness or incapacity or are caring for an immediate family member with a documented serious illness or incapacity; or
    - Are impacted by a catastrophic event or hardship, as defined by DPHHS, which prevents enrollees from complying with the work/community engagement requirements.

The duration of these exemptions will be dependent on the enrollee's circumstances.

**4. Process for Determining Standard and Good Cause/Hardship Exemptions and Compliance with Work/Community Engagement Hours**

Montana will use a variety of methods to identify individuals who qualify for standard and good cause/hardship exemptions as well as those who are already complying with work/community engagement hours for enrollees who are not exempt, using a multi-pronged process that includes but is not limited to using available data (within DPHHS and other State agencies) to identify enrollees who should be exempt from or are already complying with work hours (e.g., exemption from or compliance with SNAP requirements, employment-based income that equates to required work hours assuming Montana minimum wage, and claims experience indicating medical frailty).

For enrollees for whom the Department is unable to use data to determine their exemption or compliance, the Department will provide multiple ways for enrollees to self-report an exemption or their compliance with work/community engagement requirements, including online, through a call center, by mail, and in person.

**5. Notices**



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A description of the work/community engagement requirements will be outlined in supplemental information provided to applicants and enrollees in the Medicaid application, redetermination, and change reporting processes. All Medicaid enrollees subject to work/community engagement requirements will receive consumer notices at application and renewal that describe the program, qualifying work/community engagement activities, exemptions, required hours, compliance reporting processes, and who they can contact with questions. This information will also be available at county eligibility offices, online, and through the call center.

**6. Penalties for Non-Compliance**

DPHHS will notify a program enrollee who is not in compliance with the work/community engagement requirements that the enrollee has 180 days to come into compliance, and failure to comply within the 180-day period will result in suspension from the program, unless the enrollee attests and the Department confirms that the enrollee is exempt from the work/community engagement requirements.

**7. Reactivation of Coverage**

An enrollee who is suspended from the program for noncompliance may be reinstated 180 days after the date of suspension or upon a determination by the Department that the program enrollee: (a) is exempt from the work/community engagement requirements; (b) has been in compliance with the requirements for 30 days; or (c) meets an Medicaid eligibility group that is not subject to the Demonstration.

**8. Audit Trigger**

Per State legislation, if suspensions for noncompliance with work/community engagement requirements exceed 5 percent of program enrollees, the Department will notify the Legislative Audit Committee. The Legislative Audit Committee shall select an independent third-party auditor to conduct an audit of the enrollees who were subject to suspension. If the audit finds that more than 10 percent of the enrollees in the audit sample were suspended erroneously as defined by the Department, the Department will cease further suspensions until the conclusion of the next general legislative session. The audit must be completed within 90 days or the Department will cease suspensions until the audit is complete and the Legislative Audit Committee has received the audit report.

**9. Employment Assessment and Supports for Montana HELP Demonstration Program Enrollees**

As it does currently, the Department will continue to provide enrollees the option to participate in an employment assessment to identify barriers to employment. The Department of Labor and Industry will contact each interested program enrollee subject to the work/community engagement requirements and assist them with completion of an employment or reemployment assessment. Based on the results of the assessment, the Department of Labor and Industry shall identify services to help the enrollee address barriers to employment.

Enrollees will also have the option of participating in HELP-Link, the workforce development program operated by the Department of Labor and Industry. Services offered through HELP-Link include:

- Assistance with resume and cover letters, job applications and interview skills;
- Resource center for job seekers including the Montana Career Information System;

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- Labor market information and skills testing;
- Assistance for veterans of the military and eligible spouses;
- Workforce and educational training; and
- Referrals to other service providers (e.g., childcare, housing supports, and financial counseling).

To date, more than 25,244 HELP enrollees have received workforce services through HELP-Link.<sup>9</sup> The Montana Bureau of Business and Economic Research (BBER) found that since the implementation of the HELP Demonstration Program, including HELP-Link, more low-income adults are joining the workforce, including a 9 percent increase in employment among non-disabled adults.<sup>10</sup>

Additionally, pursuant to legislation, the Department of Labor and Industry will award grants to employers to hire or train enrollees in skills to help them obtain new or improved employment, obtain employment with healthcare benefits, earn a wage that allows them to purchase their own health insurance, and improve their long-term financial security.

**B. Premiums**

Montana is amending its Demonstration approach to premiums by requiring Demonstration enrollees to pay monthly premiums that increase based on the length of time they are enrolled in the HELP Demonstration Program. Specifically, enrollees who are not otherwise exempt from paying premiums will continue to be required to pay monthly premiums equal to 2 percent of their modified adjusted gross income for the first two years of participation. Per State legislation, the premium will increase 0.5 percent in each subsequent year of Demonstration coverage, up to a maximum of 4 percent of the enrollee’s aggregate household income. The proposed premium structure will encourage HELP Demonstration Program enrollees to be discerning health care purchasers, to take personal responsibility for their health care decisions, and ultimately to improve their health.

The figure below depicts the premium schedule for enrollees in the HELP Demonstration Program for six years or more.

Figure 1. Premiums

<b>Year of Participation in HELP Demonstration Program</b>	<b>Premium Amount</b>
<b>Year 1</b>	2 percent of an enrollee’s household income
<b>Year 2</b>	2 percent of an enrollee’s household income
<b>Year 3</b>	2.5 percent of an enrollee’s

<sup>9</sup> HELP Act Oversight Committee, 2018 Report to the Governor and Legislative Finance Committee, August 2018, available at <https://dphhs.mt.gov/Portals/85/Documents/healthcare/HELP-ActOversightCommitteeReport2018.pdf>.

<sup>10</sup> The Economic Impact of Medicaid Expansion in Montana, University of Montana Bureau of Business and Economic Research, commissioned by the Montana Healthcare Foundation and the Headwaters Community Foundation, April 2018, available at [https://mthcf.org/wp-content/uploads/2018/04/BBER-MT-MedicaidExpansionReport\\_4.11.18.pdf](https://mthcf.org/wp-content/uploads/2018/04/BBER-MT-MedicaidExpansionReport_4.11.18.pdf).

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<b>Year of Participation in HELP Demonstration Program</b>	<b>Premium Amount</b>
<b>Year 4</b>	household income 3 percent of an enrollee's household income
<b>Year 5</b>	3.5 percent of an enrollee's household income
<b>Year 6 and beyond</b>	4 percent of an enrollee's household income

**1. Premium Exemptions**

Pursuant to State statute, program enrollees who are exempt from the work/community engagement requirement are also exempt from premium increases.

**2. Consequences for Unpaid Premiums**

Within 30 days of an enrollee's failure to make a required premium payment, the Department shall notify the enrollee that payment is overdue and must be paid within 90 days from when the notification was sent.

If an enrollee with an income of 100 percent FPL or less fails to make payment for overdue premiums, DPHHS will provide notice to the Department of Revenue of the enrollee's failure to pay. The Department of Revenue will collect the amount due for nonpayment by assessing the amount against the enrollee's annual income tax. The enrollee will not be disenrolled from the program.

If an enrollee with income of more than 100 percent FPL and up to 138 percent FPL fails to make the overdue payments within 90 days of being notified, DPHHS will:

- Follow the same collection procedures described above for enrollees with an income of 100 percent FPL or less; and
- Suspend the enrollee from coverage.

The Department will unsuspend an enrollee from coverage upon: (a) payment or assessment of the total amount of overdue premium payments; (b) demonstrating a standard or good cause exemption; or (c) meeting a Medicaid eligibility group not subject to the Demonstration.

Enrollees who meet two of the following criteria are not subject to suspension for failure to pay overdue premiums:

- Discharge from United States military service within the previous 12 months;
- Enrollment for credit in any Montana university system unit, a tribal college, or any other accredited college within Montana offering at least an associate degree;
- Participation in a workforce program or activity; and
- Participation in any of the following healthy behavior plans:
  - Medicaid health home
  - Patient-centered medical home
  - Cardiovascular disease, obesity, or diabetes prevention program

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- Program restricting the enrollee to obtaining primary care services from a designated provider and obtaining prescriptions from a designated pharmacy
- Medicaid primary care case management program established by the department
- Tobacco use prevention or cessation program
- ~~○ Medicaid waiver program providing coverage for family planning services~~
- Substance abuse treatment program
- Care coordination or health improvement plan administered by a third-party administrator

**3. Co-Payments**

Demonstration enrollees are currently subject to co-payments. Under this amendment and extension application, Demonstration enrollees will not be subject to co-payments.

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**Section III. Implementation of Amendment and Extension**

Specific implementation target dates depend on policy negotiations with and waiver approval by CMS. New Demonstration initiatives under this application require large and complex business processes development, infrastructure planning and deployment, and information systems modifications. Montana is also cognizant of reporting from states with similar work/community engagement requirements that suggests loss of coverage may result from inadequate systems or a lack of consumer information regarding work/community engagement and/or premium requirements. As such, Montana proposes to implement new HELP Demonstration Program features once the operational infrastructure is in place to support these Demonstration features. This implementation approach will promote continuity of coverage, minimize confusion and complexity for enrollees, and better position the State to achieve the goals of the Demonstration.

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**Section IV. Requested Waivers and Expenditure Authorities**

Montana is seeking to extend the waivers and expenditure authorities currently approved under the Demonstration except as indicated below. In addition, the State is seeking additional waiver authorities to implement its proposed work/community engagement and premium policies. Montana is not requesting any new federal expenditure authority as part of its Demonstration amendment and extension application.

Figure 2. **Montana Waiver Authority Requests**

<b>Waiver Authority</b>	<b>Use of Waiver</b>	<b>Currently Approved Waiver Request?</b>
<b>§ 1902(a)(8)</b>	To waive the reasonable promptness requirement to permit suspension or termination of eligibility for Demonstration enrollees who fail to comply with certain Demonstration requirements.	No
<b>§ 1902(a)(14)</b> <b>§ 1916</b>	To impose monthly premiums not to exceed 4 percent of household income.	No

Demonstration enrollees are currently subject to co-payments. Under this amendment and extension application, Demonstration enrollees will not be subject to co-payments and therefore the State is no longer requesting waiver authority of § 1902(a)(17).

The State is seeking § 1115(a)(2) expenditure authority to apply 12 month continuous eligibility to Medicaid eligible adults. This expenditure authority was approved under the current demonstration.

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**Section V. Summaries of External Quality Review Organization (EQRO) Reports, Managed Care Organization (MCO) and State Quality Assurance Monitoring**

The following reports, attached to this application, provide information on quality of and access to care provided under the HELP Demonstration Program:

- [Federal Evaluation of HELP: Draft Interim Evaluation Report](#)
- [Montana Health and Economic Livelihood Partnership \(HELP\) Program Demonstration: Section 1115 Annual Report, Demonstration Year: 3 \(01/01/18 – 12/31/18\)](#)
- Montana Help Oversight Committee’s [2018 Report to the Governor and Legislative Finance Committee](#) and [2016 Report to the Governor and Legislative Finance Committee](#)<sup>11</sup>

As discussed in these reports, the HELP Demonstration Program has increased Montanans’ access to high quality health care, strengthening care delivery across the state and helping enrollees prevent health problems before they occur, and prevent chronic conditions and other health problems from worsening. Please see Section VII. Evaluation & Demonstration Hypotheses for a summary of findings from the federal evaluation of the HELP Demonstration Program.

Montana has a fee-for-service delivery system and therefore does not have managed care organization (MCOs) quality or monitoring reports.

*Access to Preventive Services*

Throughout the HELP Demonstration Program, the State has monitored and reported on covered adults’ access to preventive services. As of June 2019, more than 101,309 covered adults have received preventive services through the HELP Demonstration Program. The table below summarizes the services accessed to date based on paid claims.

**Figure 3. Preventive Services Accessed by HELP Program Demonstration Enrollees through June 2019<sup>12</sup>**

<b>Number of Adults Accessing Service</b>	<b>Preventive Service</b>
<b>101,309</b>	Adults have received preventive services
<b>8,172</b>	Adults have received a colon cancer screening
<b>9,257</b>	Women have received a breast cancer screening
<b>136</b>	Women diagnosed with breast cancer as a result of screening
<b>2,492</b>	Adults newly diagnosed and treated for hypertension
<b>1,156</b>	Adults newly diagnosed and treated for diabetes
<b>35,152</b>	Adults have received outpatient mental health services
<b>3,610</b>	Adults have received inpatient mental health services
<b>9,083</b>	Adults have received substance use outpatient services
<b>2,512</b>	Adults have received substance use residential services

The top 10 Medicaid preventive services accessed through June 30, 2018 are summarized below.<sup>13</sup>

<sup>11</sup> The legislature, in separate legislation, eliminated the HELP Oversight Committee in the 2019 session.

<sup>12</sup> Montana Department of Health and Human Services, Montana Medicaid Expansion Dashboard, Accessed on July 11, 2019, <https://dphhs.mt.gov/helpplan/medicaidexpansiondashboard>.

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**Figure 4. Top Preventive Services Accessed by HELP Program Demonstration Enrollees through June 2018**

<b>Number</b>	<b>Preventive Services</b>
<b>108,280</b>	Dental preventive
<b>34,062</b>	Colorectal cancer screening
<b>34,062</b>	Cholesterol screening
<b>27,982</b>	Diabetes screening
<b>22,869</b>	Preventive or wellness exam
<b>21,017</b>	Chlamydia screening
<b>20,310</b>	Vaccines
<b>20,074</b>	Cervical cancer screening
<b>20,074</b>	Gonorrhea screening
<b>14,950</b>	Abdominal aortic aneurysm screening

*Medicaid Payment and Delivery System Reform to Strengthen Primary Care*

HELP Demonstration Program enrollees have also benefited from Montana’s investments in Medicaid payment and delivery system reforms through the state’s participation in Comprehensive Primary Care Plus (CPC+), a national advanced primary care medical home model demonstration that aims to strengthen primary care through a regionally based multi-payer payment reform and care delivery transformation. As of June 2018, 61,065 Medicaid members were seeing primary care providers participating in CPC+.

The Montana Medicaid program also encourages providers to become certified patient centered medical homes (PCMHs). PCMHs are designed to provide Montana Medicaid members with a comprehensive coordinated approach to primary care where the member is at the forefront. For each member enrolled in a PCMH, the primary care provider receives additional reimbursement for providing enhanced services, reporting quality measures, and supporting comprehensive infrastructure.

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<sup>13</sup> HELP Act Oversight Committee, 2018 Report to the Governor and Legislative Finance Committee, Submitted August 2018, <https://dphhs.mt.gov/Portals/85/Documents/healthcare/HELP-ActOversightCommitteeReport2018.pdf>.



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**Section VI. Financial Data**

**A. Historical Enrollment and Expenditures**

Historical enrollment figures since the launch of the program and corresponding program year expenditures for full coverage years are summarized below.

Figure 5. **HELP Demonstration Program Historical Enrollment**

<b>Program Month and Year</b>	<b>Point in Time Enrollment</b>
<b>December 2016</b>	59,501
<b>December 2017</b>	89,605
<b>December 2018</b>	94,967

Figure 6. **HELP Demonstration Program Historical Total Expenditures**

<b>Total Expenditures</b>	
<b>Program Year (Calendar Year)</b>	<b>Expenditures (for full year)</b>
<b>2016</b>	291,856,023
<b>2017</b>	647,168,966
<b>2018</b>	699,573,205
<b>Total (2016 – 2018)</b>	<b>1,638,598,194</b>

Figure 7. **Historical Information – PMPM Based by Program Year**

<b>Program Year (Calendar Year)</b>	<b>Count of Enrollees</b>	<b>Member Months</b>	<b>PMPM<sup>14</sup></b>
<b>2016</b>	88,720	667,526	416.45
<b>2017</b>	114,565	1,017,744	621.88
<b>2018</b>	125,666	1,198,211	570.34

**B. Projected Enrollment and Expenditures for the Demonstration Amendment and Extension**

Enrollment and expenditure projections under the proposed Demonstration amendment and extension are described below, as are assumptions and data used to develop these estimates. To predict future costs, adjustments to reflect enrollment trends based on the proposed work/community engagement activities and premium changes were predicted based on available administrative data related to work requirement exemptions and compliance requirements and the State’s recent experience with premium disenrollment. We have broken out the analysis of the projected impact of work/community engagement requirements and premium collections to more clearly reflect assumptions related to each

<sup>14</sup> PMPM reflects health care services only and excludes administrative expenses.

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requirement, and note that some beneficiaries will be subject to both requirements. Finally, in providing these estimates, the State notes that because the work/community engagement requirements policy is new, and one with little precedent nationally, it is impossible to predict future enrollment effects of the Demonstration with certainty, and that coverage losses could be greater.

**Figure 8. Estimated Compliance and Exemptions by Administrative and Self-Report Status for Montana Medicaid Expansion Beneficiaries Subject to Work/Community Engagement Requirements**

	Number	Percent of Total
<b>Subject to requirement (average during year)</b>	100,000 <sup>15</sup>	100%
No reporting obligation; State determines through available administrative data that the enrollee is either exempt from or compliant with work/community engagement requirements*	74,030	74%
Has reporting obligation	25,970	26%
Does not report or fails to meet the work requirement**	4,000 – 12,000	4 – 12%

Notes: Sums of components may not equal totals due to rounding. Figures reflect Montana Department of Health and Human Services administrative data and the application of assumptions developed from a variety of sources (e.g., available SNAP data and survey data on characteristics of the HELP population).

\* SNAP/TANF is the largest component at 55.85% (includes beneficiaries either meeting or exempt from work requirements for those programs); primary caregiver is 13.52%; age 56 or older is 2.05%. Figures are adjusted to account for overlap between the groups. Percent of total for each exemption type ranges from less than 3% to approximately 56%.

\*\* These estimates assume a disenrollment rate of 4 to 12%. We estimated our range from a low based on the final Fiscal Note prepared by the Governor’s Office of Budget and Program Planning for House Bill 658, which assumed that 4% of enrollees would lose coverage due to penalties associated with work/community engagement requirements,<sup>16</sup> and a high based on a review of emerging literature about compliance with work requirements in other states and the extent to which beneficiaries will be aware of, and comply with new reporting requirements. Our current range estimates reflect reasonable assumptions, but we acknowledge that coverage losses could be higher. Notably, a recent study from the Center on Budget and Policy Priorities found that implementation of work/community engagement requirements in Arkansas resulted in 23% of program enrollees subject to the requirements losing coverage.<sup>17</sup>

Evaluations of Montana’s current premium requirement indicate that in 2018, 2.9 percent of beneficiaries subject to premiums with income above 100 percent of the FPL, the group subject to

<sup>15</sup> The State estimates that in 2019 programmatic saturation is expected to occur which will result in 100,000 estimated covered lives per month.

<sup>16</sup> The fiscal Note required a single point in time analysis and not a range for the purposes of estimating fiscal impact. Montana Governor’s Office of Budget and Program Planning, HB 658 Fiscal Note, May 10, 2019. Available at: [https://leg.mt.gov/bills/2019/FNP/DF/HB0658\\_3.pdf](https://leg.mt.gov/bills/2019/FNP/DF/HB0658_3.pdf).

<sup>17</sup> Center on Budget and Policy Priorities, Commentary: As Predicted, Arkansas’ Medicaid Waiver is Taking Coverage Away from Eligible People, June 28, 2019. Available at: <https://www.cbpp.org/health/commentary-as-predicted-arkansas-medicaid-waiver-is-taking-coverage-away-from-eligible-people>.

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disenrollment for failing to pay premiums, were disenrolled for non-payment. The proposed Demonstration Amendment and Extension would increase premium obligations from 2 percent of income to 4 percent of income based on the duration of beneficiaries' enrollment and continue the State's authority to suspend individuals over 100 percent FPL who fail to pay their premiums. There is overlap across beneficiaries who could lose coverage for non-payment of premiums and non-compliance with work/community engagement requirements and thus there are limitations with the estimates of the projected coverage losses.

Pursuant to State statute, program enrollees who are exempt from the work/community engagement requirement are also exempt from premium increase. Given that the populations projected to lose coverage overlap, and that the exemptions for premiums under the current demonstration are intended to continue, the State expects that the disenrollment rate for non-payment of premiums will continue at 2.9 percent. In providing these estimates, the State notes that [that the evaluation also found that "half of the surveyed enrollees reported some degree of concern about their ability to make the monthly premiums."](#) Because the premium increases based on coverage duration is a new policy it is impossible to predict future enrollment effects of the Demonstration with certainty, and that coverage losses as a result of premium non-payment could be greater.

Based on the assumptions above, the table below depicts Montana's enrollment projections, by total member months, taking into account the proposed changes to the HELP Demonstration Program. The table also includes the State's budget projections for Demonstration spending.

**Figure 9. Projected Enrollment and Expenditures for HELP Demonstration Expansion Population, Assuming Adoption of Work/Community Engagement Requirements and Premium Payment Requirements<sup>18</sup>**

	DY1	DY2	DY3	DY4	DY5
<b>Estimated Number of Member Months</b>	1,200,000	1,212,000	1,224,120	1,236,361	1,248,725
<b>Estimated Number of Member Months For Enrollees Determined Exempt or Compliant via Administrative Data</b>	888,360	897,243	906,216	915,278	924,430
<b>Member Months Subject to Work/Community Engagement</b>	311,640	314,756	317,903	321,083	324,294

<sup>18</sup> Estimated enrollment is expected to grow in proportion to Montana's population growth which is estimated at 1 percent per year. This growth assumption is applied to all member month rows in Figure 5.

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	DY1	DY2	DY3	DY4	DY5
<b>Requirements And Not Determined Exempt or Compliant Via Administrative Data</b>					
<b>Member Months Noncompliant with Work/Community Engagement Reporting or Participation Requirements (Disenrolled)</b>	48,000 – 144,000	48,480 – 145,440	48,965 – 146,894	49,454 – 148,363	49,949 – 149,847
<b>Member Months over 100% FPL Subject to Premium Requirements</b>	97,416	98,390	99,374	100,368	101,371
<b>Member Months over 100% FPL Noncompliant with Premium Requirements (Disenrolled)</b>	2,825	2,853	2,882	2,911	2,940
<b>Total Member Months Less Member Months Removed</b>	1,053,175 – 1,149,175	1,063,707 – 1,161,667	1,074,344 – 1,172,273	1,085,087 – 1,183,996	1,095,938 – 1,195,836
<b>PMPM</b>	\$660.60	\$662.80	\$666.22	\$669.74	\$673.27
<b>Total Costs</b>	\$695,724,593 – \$759,141,941	\$705,027,502 – \$769,292,837	\$715,755,966 – \$780,999,232	\$726,723,053 – \$792,966,001	\$737,858,181 – \$805,116,129

DPHHS is unable to estimate the number of individuals who will gain employer-sponsored coverage, or other coverage, as a result of the work/community engagement requirement. Per the Federal Interim Evaluation Report of the current Demonstration, evaluators noted a limitation in their ability to estimate the number of people who were disenrolled from Medicaid and were either uninsured or gained alternative coverage.<sup>19</sup> A recent [study](#) in the New England Journal of Medicine found that Arkansas’s work and community engagement requirements resulted in significant losses in Medicaid coverage, without significant changes to the rates of employment among the population subject to the new

<sup>19</sup> N.Kowlessar, A.Bernstien, N.Odaka, et. al., “Federal Evaluation of Help: Interim Evaluation Report,” July 2019.

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requirements. If Montana’s experience is similar, it is expected that Montana’s proposed policies will result in an increase in the number of uninsured individuals in the State.

**Section VII. Evaluation & Demonstration Hypotheses**

To meet the federal 1115 waiver evaluation requirement, Montana participated in the multi-state 1115 Demonstration Federal Evaluation and Meta-Analysis.<sup>20</sup> The evaluation of Montana’s HELP Demonstration Program was conducted by Social & Scientific Systems (SSS) and the Urban Institute (“federal evaluation.”) A summary of the draft interim federal evaluation report is included below.

***Summary of Draft Interim Federal Evaluation Report***

As described in Section V and in the [Federal Evaluation of HELP: Draft Interim Evaluation Report](#), Social & Scientific Systems (SSS) and the Urban Institute conducted the federal evaluation of Montana’s HELP Demonstration Program. The evaluation had four principle objectives:<sup>21</sup>

- Understand the design, implementation, and administrative costs of the HELP Demonstration Program;
- Document enrollee understanding of and experiences with the HELP Demonstration Program, including experiences with premiums, copayments, enrollment, and disenrollment;
- Estimate the impacts of Montana’s Medicaid expansion, including the third-party administrator (TPA) plan, on health insurance coverage, access to and use of health care, quality of health care, health care affordability, and health behaviors; and
- Provide timely information on the HELP Demonstration Program that can inform CMS, Montana, and other states as they consider ways to improve the Medicaid program

To achieve these objectives, the federal evaluation of HELP has three components that rely on qualitative and quantitative analyses:

- Qualitative analyses entailing document review and two rounds of site visits (September 2017 and September 2018), including conducting informational interviews with HELP stakeholders and focus groups with HELP enrollees;
- HELP beneficiary surveys (2017 and 2018) and descriptive analyses based on Medicaid administrative data; and
- Impact analyses using both Medicaid administrative data (through 2018) and national survey data (through 2017).<sup>22</sup>

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<sup>20</sup> Centers for Medicare & Medicaid Services, 1115 Demonstration Federal Evaluation & Meta-Analysis, accessible at <https://www.medicare.gov/medicaid/section-1115-demo/evaluation-reports/federal-evaluation-and-meta-analysis/index.html>.

<sup>21</sup> “Evaluation Design Report for Montana HELP Federal Evaluation,” Social & Scientific Systems, Inc., (Silver Spring, MD: Centers for Medicare & Medicaid Services, 2017), <https://www.medicare.gov/medicaid-chip-program-information/by-topics/waivers/1115/downloads/mt/help-program/mt-help-program-fed-state-eval-dsgn-051617.pdf>.

<sup>22</sup> Because the national survey data to be used for the impact analysis are released in the fall of the year after the survey is fielded (e.g., data for 2017 are released in fall 2018), the final year of survey data available to the HELP evaluation is 2017.

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The goals of the qualitative analyses were to provide careful documentation of HELP Demonstration Program implementation and operations, as well as successes and challenges Montana faced in managing the demonstration. The qualitative analyses were also to provide an in-depth assessment of consumer experiences with the HELP Demonstration Program through the enrollee focus groups and the beneficiary surveys. The goals of the impact analyses were to assess the extent to which the HELP Demonstration Program led to changes in health insurance coverage, as well as changes in health care access and affordability, health care quality, health behaviors, and health status.

The draft interim evaluation report, summarized here, covers findings from the 2017 and 2018 site visits, which includes information obtained from key informant interviews and enrollee focus groups; beneficiary surveys from 2017; and impact estimates.

***Findings from the Evaluation***

Findings from all three components of this HELP evaluation show that the program had significant and positive effects, although, as with any program, implementation and administration faced some challenges. Overall, there were substantial gains in health insurance coverage; beneficiaries for the most part expressed satisfaction with the program; and stakeholders believed it had positive economic impacts by decreasing hospital uncompensated care costs- and stimulating- economic growth in the state.

Allowing Montana to use a section 1115 demonstration resulted in a program that achieved a key goal of both the ACA and the state—a significant expansion in health insurance coverage. As of September 2018, nearly 100,000 Montanans were enrolled in HELP. Moreover, based on results from the impact analysis, the expansion in health insurance coverage exceeded the gains that would have been expected if the state had expanded Medicaid without a demonstration or with a demonstration more similar to those of Michigan or New Hampshire. Apart from increases in health insurance coverage, the three components of the assessment of HELP provide results that may be informative to other states considering designing and implementing section 1115 Medicaid demonstrations.

***Findings from the key stakeholder interviews***

*Strong stakeholder engagement and collaboration with the state expedites system change.* While state officials and stakeholders acknowledged that it took time and compromise to pass the Medicaid expansion in Montana, once HELP legislation was enacted, the deep collaboration between the state and stakeholders in implementing HELP created a win-win situation for hospitals, the broader health care system, and the uninsured in Montana.

*Changing patterns of health care use.* While findings from stakeholder interviews and focus groups indicate continued gaps in enrollee understanding of HELP, there were evidence of changes in health care behaviors in response to program changes, as more enrollees were reported to be obtaining preventive care over time. These changes were noted by state officials and other interviewees, and also appeared to be supported by the early impact estimates.

*Flexibility in program design is important.* State officials and other interviewees highlighted the importance of periodically revisiting the HELP demonstration design based on actual program experience. Their findings that the 2 percent premium credit as well as copayments for non-emergent use of the emergency room were difficult to track and administer resulted in the elimination of both these program features.

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***Findings from the Survey and focus group***

*Satisfaction with the HELP program was high among current enrollees.* A majority of enrollees reported being somewhat to very satisfied with individual features of HELP, such as monthly premiums, the ability to see their doctors as well as choice of doctors, and coverage of needed health care services. Among the disenrollee respondents, nearly 50 percent indicated that they would choose to re-enroll in HELP.

*HELP enrollees' and disenrollees' had limited understanding of the individual features of HELP.* Enrollees and disenrollees in focus groups expressed confusion about some of the basic components of HELP such as what is coverage by the program as well as some of the more complex features of HELP such as premium credits. This was consistent with findings from the surveys of HELP enrollees and disenrollees.

*Access to health care improved for many beneficiaries.* Focus group and stakeholder interviews showed that access to needed healthcare services was viewed favorably by both beneficiaries and stakeholders. Survey results indicated that most beneficiaries reported receiving needed services and that cost was a barrier to receiving services for fewer than 20 percent of enrollees. With gains in health insurance coverage, beneficiaries perceived increases in access relative to their prior coverage status. However, even with HELP coverage, access barriers were more prevalent for dental and vision services than for other services, based on both focus group and survey results.

***Findings from the impact analyses***

*Health insurance coverage increased in Montana.* We find strong evidence that Montana's HELP demonstration expanded health insurance coverage for adults beyond what would have been expected if Montana had not expanded Medicaid, a view echoed by site visit interviewees. Health insurance coverage also increased in Montana relative to similar states that expanded Medicaid, without a demonstration or with a different demonstration.

*Early evidence suggests that the use of preventive care increased in Montana relative to similar states, regardless of Medicaid expansion status.* Given that the post-implementation period for this analysis only extends through 2017, it is still early to see changes in access and affordability measures under Montana's 2016 demonstration. Even so, we do see some evidence of increases in the use of preventive care relative to similar states, with gains in routine check-ups and receipt of a flu vaccine in Montana for all adults and low-income adults, although only few of the estimates for low-income adults are statistically significant.

***Policy Implications***

Based on results from this evaluation, Montana's HELP program provided coverage and access to care for about 100,000 Montanans, and was viewed positively by the majority of stakeholders and beneficiaries we interviewed or surveyed. While the design of HELP was intended to encourage enrollees to take responsibility for their health care through premiums, copayments, and strategies to promote healthy behaviors, these features produced administrative complexity that sometimes confused beneficiaries, or were administratively difficult to implement (such as copayments for emergency room visits). In addition, programs are not implemented in a vacuum, and state infrastructure and budget affect both implementation and program administration. States contemplating implementing or revising their Medicaid programs may wish to learn from Montana's experiences with specific program features, such as use of a third-party administration (TPA), or with their experiences with beneficiary outreach and education, which appears to be necessary for many beneficiaries in order to use the program effectively.

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***1115 Waiver Amendment and Extension Evaluation Plans***

Montana plans to continue participation in the federal evaluation through federal fiscal year 2019. The State intends to contract with an independent third party to evaluate: the objectives and hypotheses that are approved under the current Demonstration that the State is seeking to extend; and the objectives and hypotheses for the new authorities requested for this Demonstration including those related to work/community engagement and premiums.

***Evaluation Hypotheses for New Requested Authorities***

The hypotheses under consideration for the new authorities requested for this Demonstration amendment and extension period are below.

Figure 10. **Evaluation Hypotheses under Consideration**

Hypothesis	Selected Outcome Measures & Analytic Approaches	Data Sources
<b>Work/Community Engagement</b>		
Enrollees enrolled in the Demonstration will secure sustained employment.	Analyze enrollee employment outcomes	<ul style="list-style-type: none"> <li>• Eligibility and enrollment data</li> <li>• Enrollee survey data</li> <li>• State and national survey data</li> <li>• Other state administrative data sources</li> </ul>
Community engagement requirements will increase the likelihood that Medicaid beneficiaries transition to commercial health insurance after separating from Medicaid, compared to Medicaid beneficiaries not subject to the requirements.	Analyze coverage outcomes	<ul style="list-style-type: none"> <li>• Eligibility and enrollment data</li> <li>• Enrollee survey data</li> <li>• State and national survey data</li> </ul>
The Demonstration’s work/community engagement requirements will not deter eligible enrollees from applying for or renewing Medicaid coverage.	Analyze coverage trends pre/post implementation	<ul style="list-style-type: none"> <li>• State and national survey data</li> <li>• Eligibility and enrollment data</li> <li>• Enrollee survey data</li> </ul>
Participation in the Demonstration’s work/community engagement requirements will improve current and former enrollee health and well-being, compared to Medicaid beneficiaries not subject to the requirements.	Analyze enrollee utilization, diagnoses, and self-reported health	<ul style="list-style-type: none"> <li>• Utilization and diagnoses data, including preventive services</li> <li>• Enrollee survey data</li> <li>• State and national survey data</li> <li>• Health outcomes</li> </ul>



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Hypothesis	Selected Outcome Measures & Analytic Approaches	Data Sources
Work/community engagement requirements will increase the average income of Medicaid beneficiaries subject to the requirements, compared to Medicaid beneficiaries not subject to the requirements.	Analyze enrollee income	data <ul style="list-style-type: none"> <li>• Enrollee survey data</li> <li>• State and national survey data</li> </ul>
<b>Premium Increase Structure Based on Coverage Duration</b>		
Conditioning coverage among enrollees with incomes above 100 percent FPL on payment of gradually increasing premiums will promote continuous coverage and continuity of care.	Analyze coverage gaps and utilization trends	<ul style="list-style-type: none"> <li>• Eligibility and enrollment data</li> <li>• Enrollee survey data</li> </ul>
Premiums will not deter eligible enrollees from applying for, enrolling in or renewing Medicaid coverage.	Analyze coverage trends pre/post implementation and within and inside/outside Medicaid	<ul style="list-style-type: none"> <li>• Enrollee survey data</li> <li>• State and national survey data</li> <li>• Eligibility and enrollment data</li> </ul>
Enrollees who are required to make premium payments will gain familiarity with a common feature of commercial health insurance.	Analyze familiarity with premiums pre/post implementation	<ul style="list-style-type: none"> <li>• Enrollee survey data</li> <li>• State and national survey data</li> </ul>

Upon approval of this extension, Montana will work with CMS to develop an evaluation design plan consistent with the Standard Terms and Conditions (STCs) and CMS policy.

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**Section VIII. Compliance with Public Notice Process**

***Public Notice Process***

Montana has undertaken a robust public notice process in compliance with State and federal requirements, and made clarifying edits to the application to reflect feedback received throughout the public comment process. The State notified the public of its intent to submit the amendment and extension application on June 14, 2019, publishing the application and public notice on the State's website. The State also announced dates and locations for two public hearings and the tribal consultation meeting.<sup>23</sup> On June 18<sup>th</sup>, the State published the abbreviated public notice in the State's three largest newspapers: Missoulian, (Missoula, MT); Billings Gazette, (Billings, MT); and the Independent Record, (Helena, MT). The State also [emailed](#) an interested parties listserv and the Montana Health Coalition, the State's Medical Care Advisory Committee, to inform them of the application's posting, public comment period, public hearings, and process for public comment submission.<sup>24</sup>

In late June, CMS notified the State that the amendment and extension application must include the interim federal evaluation of the current HELP Program. The interim federal evaluation was made publicly available on July 22, 2019. On July 23, 2019, the State posted an [updated amendment and extension application](#) and [full](#) and [abbreviated](#) public notices that included the interim federal evaluation findings and updated information on projected enrollment, disenrollment estimates due to work/community engagement and premium requirements, and projected program costs.<sup>25</sup> The abbreviated public notice was also re-published in the State's three largest newspapers; affidavits from the newspapers are included in Appendix B.

The State certifies that it held two public hearings to present the details of the amendment and extension application and to take public comment. The first hearing was held on July 31, 2019 from 11:30 am to 1:30 pm at the Billing Clinic Conference Center, 2800 10<sup>th</sup> Avenue North, Billings, Montana. The second hearing was held on August 1, 2019 from 11:00 am to 1:00 pm at the Sanders Auditorium, 111 North Sanders, Helena, Montana. Telephone and webinar participation was available for both public hearings for those who were unable to participate in person.

In addition to the two public hearings, the amendment and extension application was presented to the Legislative Interim Committee on Children, Families, Health and Human Services during their meeting

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<sup>23</sup> On July 10, 2019, the State [announced](#) it would reschedule the public hearings in Billings and Helena, and on July 15, 2019 the State published [notice of the rescheduled public hearings](#) in the State's three largest newspapers: Missoulian, (Missoula, MT); Billings Gazette, (Billings, MT); and the Independent Record, (Helena, MT)

<sup>24</sup> Department of Public Health and Human Services Letter to Interested Parties, "Montana Medicaid 1115 Waiver Amendment and Extension Application, June 14, 2019, available at <https://dphhs.mt.gov/Portals/85/MedicaidWaivers/expansionextension/06142019InterestedPartiesMemo.pdf>.

<sup>25</sup> Montana Department of Public Health and Human Services, "Section 1115 Demonstration Amendment and Extension Application, updated July 23, 2019, available at <https://dphhs.mt.gov/Portals/85/Documents/MedicaidExpansion/UpdatedApplicationforAmendmentandExtension-draft.pdf>.

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on July 30, 2019 and to the Montana Health Coalition, consistent with federal requirements, on August 15, 2019. There were opportunities for public comments at both meetings.

Please refer to the [public notice schedule](#) on the State’s website for a full calendar of public notice activities related to the amendment and extension application.

***Public Comment***

The State-required 60-day public comment period ran from June 15, 2019 through August 23, 2019. The CMS-required 30-day public comment period ran from July 24, 2019 through August 23, 2019.

The State received 309 public comments on the amendment and extension demonstration application, including comments submitted via email and regular mail as well as comments provided orally during the public hearings and other meetings.

The State thanks the public for its robust review of the amendment and extension demonstration application and for their comments. The State reviewed and considered all public comments; a summary of the comments and the State’s responses are in Appendix C.

The majority of commenters supported the continuation of Medicaid expansion under the HELP Program and recognized the benefits it has afforded to enrollees with respect to enabling access to affordable, high quality health care. The majority of commenters were concerned with the proposed changes to the HELP Program as required by State legislation, HB 658, which reauthorized the HELP Program. Specifically, commenters were largely opposed to the implementation of work/community engagement requirements and the premium increase structure, and expressed concerns that these changes would lead to coverage losses and would not increase employment among enrollees.

***Tribal Consultation***

In accordance with the Montana Medicaid State Plan and federal regulations at 42 CFR §431.408(b), the State conducted tribal consultation for the amendment and extension application through an in-person meeting as well as a written consultation. On June 5, 2019 the State sent an [invitation](#) and [agenda](#) to Indian Health Services, Tribes and Urban Indian Health Centers (ITUs) for the tribal consultation meeting to be held on July 16, 2019.<sup>26</sup> On June 14, 2019, the State sent tribal consultation [letters](#) to ITUs inviting their input at the public hearings to be held in Helena and Billings; this information was subsequently revised and emailed on July 12<sup>th</sup> to inform ITUs of the changes to public hearing dates.

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<sup>26</sup> Montana Department of Public Health and Human Services, “Invitation to Attend Formal Medicaid State-Tribal Consultation on Tuesday, July 16, 2019 in Helena,” June 5, 2019, available at <https://dphhs.mt.gov/Portals/85/MedicaidWaivers/expansionextension/6-5-19TribalConsultationFormalInvitation.pdf>. Montana Department of Public Health and Human Services, “Medicaid Tribal Consultation Agenda,” available at <https://dphhs.mt.gov/Portals/85/MedicaidWaivers/expansionextension/6-5-19TribalConsultationAgenda.pdf>.

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On July 16, 2019, Medicaid Director Marie Matthews held the tribal consultation meeting to present the amendment and extension application and discuss with Tribes the potential impact of changes to the HELP Program. During the meeting, participants raised concerns that unemployment is high on Montana's Indian reservations and that state employment data likely does not capture actual tribal employment rates. They also expressed concern that enrollees with mental health challenges will slip through the cracks and fail to report to meet work/community engagement requirements. Participants also recognized that Medicaid expansion has enabled Indian Health Services to be able to purchase services that would have otherwise been unaffordable and suggested that it will be important to extend the program beyond the current sunset date of June 30, 2025. Finally, participants asked questions about how work/community engagement requirements and the associated reporting process will be implemented. The State thanked the Tribes for the operational questions and responded that implementation details will be finalized after the approval of the amendment and extension application.

On July 23, 2019, the State issued a second round of written formal tribal consultation [letters](#) to ITUs inviting their input on the [updated amendment and extension application](#).<sup>27</sup>

### ***Summary of Changes to Demonstration Amendment and Extension Application***

In response to the comments received, the State made the following changes to its application:

- Added language to *Section II, Changes Requested to the Demonstration* to clarify that the State will exempt enrollees from work/community engagement requirements if the State determines an enrollee's income exceeds an amount equal to the average of 80 hours per month multiplied by the minimum wage
- Corrected the number of jobs Medicaid expansion has helped to create to approximately 5,300 between 2016 and 2018

### ***Compliance with Post-Award Public Input Process***

Following approval of the HELP Demonstration Program waiver, DPHHS held an initial post-award public forum within 6 months of the implementation date of the waiver and then annually thereafter, using the Medical Care Advisory Committee. Over the course of the Demonstration, the State has continued to update the Medical Care Advisory Committee regularly; these meetings are open to the public. The dates of all public forums were published to the DPHHS website at least 30 days prior to each forum. A list of the forums held to date and their dates are below.

- August 15, 2019 in Helena, Montana
- December 4 and 5, 2018 in Helena, Montana
- December 5, 2017 in Helena, Montana
- November 28, 2016 in Helena, Montana
- August 20, 2015 in Helena, Montana

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<sup>27</sup> Montana Department of Public Health and Human Services, "Revised Tribal Consultation Notice Pertaining to Montana Medicaid Expansion Waiver Amendment and Extension," July 23, 2019, available at <https://dphhs.mt.gov/Portals/85/MedicaidWaivers/expansionextension/6-5-19TribalConsultationFormalInvitation.pdf>.

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**Section IX. Public Notice**

**MONTANA SECTION 1115 DEMONSTRATION AMENDMENT AND EXTENSION APPLICATION  
Public Notice – Updated July 23, 2019**

The Montana Department of Public Health and Human Services (DPHHS) is providing a revised public notice of its intent to: (1) submit to the Centers of Medicare and Medicaid Services (CMS), on or before August 30, 2019, a written 1115 Demonstration application to amend and extend the Health and Economic Livelihood Partnership (HELP) Demonstration Program and test new program features including work/community engagement requirements and a premium structure based on coverage duration; and (2) hold public hearings to receive comments on the 1115 Demonstration amendment and extension application.

This notice revises a prior notice issued on June 15, 2019. The revisions to this public notice include additional detail related to the 1115 Demonstration amendment and extension’s goals and objectives, enrollment projections and expenditures, waiver authorities, interim federal evaluation findings, and hypotheses that will be tested through the Demonstration.

**I. Overview**

In November 2015, CMS approved Montana’s Section 1115 Demonstration Waiver, “Montana Health Economic Livelihood Partnership (HELP) Demonstration,” that: expanded Medicaid coverage to newly eligible adults effective January 1, 2016; authorized 12 month continuous eligibility for all new adults; applied enrollee premiums equal to two percent of aggregate household income; and, instituted maximum co-payments allowable under federal law. The approved waiver also authorized the administration of Medicaid through a Third Party Administrator (TPA) for enrollees subject to premiums.

In December 2017, CMS approved an amendment to Montana’s Section 1115 Demonstration Waiver that maintained Medicaid expansion, 12 month continuous eligibility and premiums, but removed the authorization of the TPA and the premium credit that applied to some HELP enrollees’ cost-sharing obligations. The amended Demonstration is approved for the period from January 1, 2016 through December 31, 2020.

House Bill 658, the Medicaid Reform and Integrity Act, continues the state’s Medicaid expansion and directs the Department of Public Health and Human Services (DPHHS or the Department) to request federal Demonstration approval to implement new Medicaid expansion program features. Therefore, the Department is seeking to amend and extend its current Medicaid Section 1115 Waiver, [Montana Health and Economic Livelihood Partnership \(HELP\) Demonstration Program](#), to: (1) condition Medicaid coverage on compliance with work/community engagement requirements; and (2) apply a premium structure that gradually increases enrollee premiums based on coverage duration. The HELP Demonstration Program will continue to apply to most Medicaid expansion enrollees eligible under Section 1902(a)(10)(A)(i)(VIII) of the Act and 42 CFR 435.119, as now incorporated into Montana’s Medicaid State Plan.

Through the 1115 Demonstration amendment and extension, Montana will continue to provide quality and affordable coverage for the nearly 100,000 low-income Montanans who gained coverage under expansion. The goals and objectives of the demonstration are described in more detail below.

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**II. Goals and Objectives**

Through this Demonstration amendment and extension, Montana seeks to accomplish the following goals and objectives:

- Improve the health, well-being, and financial stability of Montanans through participation in work/community engagement requirements;
- Encourage HELP Demonstration Program enrollees to be discerning health care purchasers, take personal responsibility for their health care decisions, and ultimately improve their health through changes to the premium structure;
- Improve continuity of coverage and care through 12 month continuous eligibility;
- 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;\*
- Boost Montana's economy;\* and
- Reduce the costs of uncompensated care and the resulting cost-shifting to patients with health insurance.\*

*\*Indicates original policy objectives of the HELP Demonstration Program.*

**II. Program Description**

**A. Work/Community Engagement Requirements**

Montana will condition Medicaid coverage on compliance with work/community engagement requirements for new adult enrollees ages 19 to 55 with incomes up to 138 percent of the federal poverty level (FPL). Non-exempt Demonstration enrollees will be required to participate in 80 hours of work/community engagement activities each month. Qualifying work/community engagement activities include: employment; work readiness and workforce training activities; secondary, postsecondary, or vocational education; substance abuse education or substance use disorder treatment; other work/community engagement activities that promote work or work readiness or advance the health purpose of the Medicaid program; a community service or volunteer opportunity; and any other activity required by the Centers for Medicare and Medicaid Services (CMS) for the purpose of obtaining necessary waivers.

Leveraging available administrative data sources as well as information collection and retention tools, Montana will identify and exempt from work/community engagement requirements enrollees who meet work/community engagement requirements or qualify for certain standard or hardship/good cause exemptions. Demonstration enrollees will also have multiple ways to self-report an exemption or their compliance with work/community engagement requirements, including online, through a call center, by mail, and in person. The Department will notify an enrollee who is not in compliance with the work/community engagement requirements that they have 180 days to come into compliance, and failure to comply within the 180-day period will result in suspension from the program. A suspended enrollee may be reinstated 180 days after the date of suspension or upon a determination by the Department that they are: (a) exempt from the work/community engagement requirements; (b) in compliance with the requirements for 30 days; or (c) meet a Medicaid eligibility category that is not subject to the Demonstration.

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**B. Cost Sharing: Premium Increase Structure Based on Coverage Duration**

Montana intends to extend its waiver authority to require premium payment as a condition of eligibility for Medicaid for new adults enrolled in the Demonstration. Montana is seeking to modify the current Demonstration premium structure to increase premiums based on coverage duration in the HELP Demonstration Program. Enrollees will continue to be required to pay monthly premiums equal to 2 percent of their modified adjusted gross income for the first two years of participation. The premium will increase 0.5 percent in each subsequent year of coverage, up to a maximum of 4 percent of the enrollee's aggregate household income.

As is the case under the current demonstration, enrollees who fail to make payment for overdue premiums will have premium debt assessed against their income taxes by the Department of Revenue. Enrollees with incomes above 100 percent FPL and up to 138 percent FPL who fail to pay premiums will be suspended from coverage until they pay overdue premiums or until the Department of Revenue assesses the premium debt against their income taxes.

Pursuant to State statute, program enrollees who are exempt from the work/community engagement requirement are also exempt from premium increases based on duration of HELP Demonstration Program enrollment.

Demonstration enrollees are currently subject to co-payments. Under this amendment and extension application, Demonstration enrollees will not be subject to co-payments.

**C. Eligibility Requirements**

Populations eligible for the Demonstration are not changing, but eligibility requirements are changing as described in the Work/Community Engagement Requirements section above.

**D. Health Care Delivery System and Benefits**

The State does not propose any changes to the Medicaid health care delivery system. Demonstration enrollees will continue to receive services through the State's fee-for-service delivery system.

Demonstration enrollees will also continue to receive benefits through the Alternative Benefit Plan; the State does not propose any changes to benefits for Demonstration enrollees.

**III. Enrollment Projections and Annual Expenditures**

To predict future costs, adjustments to reflect enrollment trends based on the proposed work/community engagement activities and premium changes were predicted based on available administrative data related to work requirement exemptions and compliance requirements and the State's recent experience with premium disenrollment. We have broken out the analysis of the projected impact of work/community engagement requirements and premium collections to more clearly reflect assumptions related to each requirement, and note that some beneficiaries will be subject to both requirements. Finally, in providing these estimates, the State notes that because work/community engagement requirements is a new policy, and one with little precedent nationally, it

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is impossible to predict future enrollment effects of the Demonstration with certainty, and that coverage losses could be greater.

The State estimates that, on average, 100,000 adults will be enrolled in the HELP Demonstration Program and be subject to work/community engagement requirements. The State estimates that through the review of available administrative data, 74 percent of enrollees will be exempt from or compliant with work/community engagement requirements. Of the remaining 26 percent of enrollees, the State predicts that between 4 percent and 12 percent of enrollees will not report or fail to meet the work/community engagement requirement.

Evaluations of Montana’s current premium requirement indicate that in 2018, 2.9 percent of beneficiaries subject to premiums with income above 100 percent of the FPL, the group subject to disenrollment for failing to pay premiums, were disenrolled for non-payment. The proposed Demonstration amendment and extension would increase premium obligations from 2 percent of income to 4 percent of income based on the duration of beneficiaries’ enrollment and continue the State’s authority to suspend individuals over 100 percent FPL who fail to pay their premiums. There is overlap across beneficiaries who could lose coverage for non-payment of premiums and non-compliance with work/community engagement requirements and thus there are limitations with the estimates of the projected coverage losses.

Pursuant to State statute, program enrollees who are exempt from the work/community engagement requirement are also exempt from premium increase. Given that the populations projected to lose coverage overlap, and that the exemptions for premiums under the current demonstration are intended to continue, the State expects that the disenrollment rate for non-payment of premiums will continue at 2.9 percent. In providing these estimates, the State notes that because the premium increases based on coverage duration is a new policy it is impossible to predict future enrollment effects of the Demonstration with certainty, and that coverage losses as a result of premium non-payment could be greater.

Based on the assumptions above, the table below depicts Montana’s enrollment projections, by total member months, taking into account the proposed changes to the HELP Demonstration Program. The table also includes the State’s budget projections for Demonstration spending.

**Figure 1. Projected Enrollment and Expenditures for HELP Demonstration Expansion Population, Assuming Adoption of Work/Community Engagement Requirements and Premium Payment Requirements<sup>28</sup>**

	DY1	DY2	DY3	DY4	DY5
<b>Estimated Number of Member Months</b>	1,200,000	1,212,000	1,224,120	1,236,361	1,248,725
<b>Estimated</b>	888,360	897,243	906,216	915,278	924,430

<sup>28</sup> Estimated enrollment is expected to grow in proportion to Montana’s population growth which is estimated at 1 percent per year. This growth assumption is applied to all member month rows in Figure 5.



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	DY1	DY2	DY3	DY4	DY5
<b>Number of Member Months For Enrollees Determined Exempt or Compliant via Administrative Data</b>					
<b>Member Months Subject to Work/Community Engagement Requirements And Not Determined Exempt or Compliant Via Administrative Data</b>	311,640	314,756	317,903	321,083	324,294
<b>Member Months Noncompliant with Work/Community Engagement Reporting or Participation Requirements (Disenrolled)</b>	48,000 – 144,000	48,480 – 145,440	48,965 – 146,894	49,454 – 148,363	49,949 – 149,847
<b>Member Months over 100% FPL Subject to Premium Requirements</b>	97,416	98,390	99,374	100,368	101,371
<b>Member Months over 100% FPL Noncompliant with Premium Requirements (Disenrolled)</b>	2,825	2,853	2,882	2,911	2,940
<b>Total Member Months Less Member Months Removed</b>	1,053,175 – 1,149,175	1,063,707 – 1,161,667	1,074,344 – 1,172,273	1,085,087 – 1,183,996	1,095,938 – 1,195,836
<b>PMPM</b>	\$660.60	\$662.80	\$666.22	\$669.74	\$673.27

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	DY1	DY2	DY3	DY4	DY5
<b>Total Costs</b>	\$695,724,593 – \$759,141,941	\$705,027,502 – \$769,292,837	\$715,755,966 – \$780,999,232	\$726,723,053 – \$792,966,001	\$737,858,181 – \$805,116,129

**IV. Waiver and Expenditure Authorities**

The State will request to continue the waivers and expenditure authorities currently approved under the demonstration except as indicated below. In addition, the State is seeking the following new waivers and expenditure authorities in the 1115 Demonstration amendment and extension application.

Figure 2. **Waiver Authority Requests**

Waiver Authority	Use of Waiver	Currently Approved Waiver Request?
<b>§ 1902(a)(8)</b>	To waive the reasonable promptness requirement to permit suspension or termination of eligibility for Demonstration enrollees who fail to comply with certain Demonstration requirements.	No
<b>§ 1902(a)(14)</b> <b>§ 1916</b>	To impose monthly premiums not to exceed 4 percent of household income.	No

Demonstration enrollees are currently subject to co-payments. Under this amendment and extension application, Demonstration enrollees will not be subject to co-payments and therefore the State is no longer requesting waiver authority of § 1902(a)(17).

The State is seeking § 1115(a)(2) expenditure authority to apply 12 month continuous eligibility to Medicaid eligible adults. This expenditure authority was approved under the current demonstration.

**V. Demonstration Hypotheses and Evaluation Parameters**

Montana plans to continue participation in the federal evaluation through federal fiscal year 2019; the federal evaluators released a [Draft Interim Evaluation Report](#) in July 2019. The State intends to contract with an independent third party to evaluate: the objectives and hypotheses that are approved under the current Demonstration that the State is seeking to extend; and the objectives and hypotheses for the new authorities requested for this Demonstration including those related to work/community engagement and the premiums.

The hypotheses under consideration for the new authorities requested for this Demonstration amendment and extension period are below.

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Figure 3. Evaluation Hypotheses Under Consideration

<b>Hypothesis</b>	<b>Selected Outcome Measures &amp; Analytic Approaches</b>	<b>Data Sources</b>
<b>Work/Community Engagement</b>		
Enrollees enrolled in the Demonstration will secure sustained employment.	Analyze enrollee employment outcomes	<ul style="list-style-type: none"> <li>• Eligibility and enrollment data</li> <li>• Enrollee survey data</li> <li>• State and national survey data</li> <li>• Other state administrative data sources</li> </ul>
Community engagement requirements will increase the likelihood that Medicaid beneficiaries transition to commercial health insurance after separating from Medicaid, compared to Medicaid beneficiaries not subject to the requirements.	Analyze coverage outcomes	<ul style="list-style-type: none"> <li>• Eligibility and enrollment data</li> <li>• Enrollee survey data</li> <li>• State and national survey data</li> </ul>
The Demonstration’s work/community engagement requirements will not deter eligible enrollees from applying for or renewing Medicaid coverage.	Analyze coverage trends pre/post implementation	<ul style="list-style-type: none"> <li>• State and national survey data</li> <li>• Eligibility and enrollment data</li> <li>• Enrollee survey data</li> </ul>
Participation in the Demonstration’s work/community engagement requirements will improve current and former enrollee health and well-being, compared to Medicaid beneficiaries not subject to the requirements.	Analyze enrollee utilization, diagnoses, and self-reported health	<ul style="list-style-type: none"> <li>• Utilization and diagnoses data, including preventive services</li> <li>• Enrollee survey data</li> <li>• State and national survey data</li> <li>• Health outcomes data</li> </ul>
Work/community engagement requirements will increase the average income of Medicaid beneficiaries subject to the requirements, compared to Medicaid beneficiaries not subject to the requirements.	Analyze enrollee income	<ul style="list-style-type: none"> <li>• Enrollee survey data</li> <li>• State and national survey data</li> </ul>
<b>Premium Increase Structure Based on Coverage Duration</b>		
Conditioning coverage among enrollees with incomes above 100 percent FPL on payment of gradually increasing premiums will promote continuous coverage and continuity	Analyze coverage gaps and utilization trends	<ul style="list-style-type: none"> <li>• Eligibility and enrollment data</li> <li>• Enrollee survey data</li> </ul>

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Hypothesis	Selected Outcome Measures & Analytic Approaches	Data Sources
of care.		
Premiums will not deter eligible enrollees from applying for, enrolling in or renewing Medicaid coverage.	Analyze coverage trends pre/post implementation and within and inside/outside Medicaid	<ul style="list-style-type: none"> <li>• Enrollee survey data</li> <li>• State and national survey data</li> <li>• Eligibility and enrollment data</li> </ul>
Enrollees who are required to make premium payments will gain familiarity with a common feature of commercial health insurance.	Analyze familiarity with premiums pre/post implementation	<ul style="list-style-type: none"> <li>• Enrollee survey data</li> <li>• State and national survey data</li> </ul>

**VI. Public Review and Comment Process**

The complete version of the updated draft of the Demonstration amendment and extension application is available for public review at <https://dphhs.mt.gov/MedicaidExpExt>. Paper copies are available to be picked up in person at DPHHS offices located at 111 North Sanders Street, Helena, Montana 59601.

Two public meetings will be held regarding the Demonstration amendment and extension application:  
 (1) July 31, 2019 from 11:30 am to 1:30 pm MT at the Billings Clinic, Conference Center, 2800 10th Avenue North, Billings, Montana.  
 (2) August 1, 2019 from 11:00 am to 1:00 pm MT at the Sanders Auditorium, 111 North Sanders, Helena, Montana.

To register for one or both meetings, use the following link, <https://dphhs.mt.gov/MedicaidExpExt>. You will receive instructions for joining the meeting upon registration. If special accommodations are needed, contact (406) 444-2584.

Public comments may be submitted until midnight on August 23, 2019. Questions or public comments may be addressed care of Medicaid Expansion Extension, Director’s Office, PO Box 4210, Helena, MT 59604-4210, or by telephone to (406) 444-2584, or by electronic mail to [dphhscomments@mt.gov](mailto:dphhscomments@mt.gov).

After Montana reviews comments submitted during this state public comment period, we will submit a revised application to CMS. Interested parties will also have opportunity to officially comment during the federal public comment period; the submitted application will be available for comment on the CMS website at: <https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/index.html>.