

53-6-101 MONTANA MEDICAID PROGRAM – AUTHORIZATION OF SERVICES

Medicaid Change Reporting

April 1, 2026



DEPARTMENT OF
**PUBLIC HEALTH &
HUMAN SERVICES**

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SUMMARY

This report fulfills the requirements set forth in 53-6-101 (12)(a) by reporting changes to provider rates, Montana Medicaid waivers, and/or the Montana Medicaid State Plan Amendments to the Children, Families, Health, and Human Services Interim Committee, the Legislative Finance Committee, and the Health and Human Services Interim Budget Committee. The effective date of each proposed change is indicated.

PROVIDER RATE CHANGES

EARLY AND PERIODIC SCREENING, DIAGNOSTIC AND TREATMENT (EPSDT) STATE PLAN AMENDMENT

On or before April 1, 2026, the Montana Department of Public Health and Human Services (DPHHS) will submit the following EPSDT Montana Medicaid State Plan Amendments (SPAs) to the Centers for Medicare and Medicaid Services (CMS) for approval, requesting a proposed effective date of May 9, 2026.

COMPREHENSIVE SCHOOL AND COMMUNITY TREATMENT (CSCT)

DPHHS proposes returning to the 15-minute unit rate funding methodology, with a monthly maximum number of 15-minute units a team can provide a month, at 1350 units for a team of three.

Home Support Services (HSS)

DPHHS proposes to add an HSS group procedure code, set weekly group limits, and require HSS service coordination with CSCT and coordination of HSS, Therapeutic Group Home (TGH), and Outpatient therapy treatment planning.

BENEFIT PLAN CHANGES

BIG SKY WAIVER (BSW) AMENDMENT

On or before March 1, 2026, the DPHHS will submit an application to CMS for approval to amend the 1915(c) Big Sky Waiver (BSW), requesting a proposed effective date of June 1, 2026.

The Senior and Long-Term Care (SLTC) Division’s BSW is expanding its residential habilitation service continuum by introducing Category D Intensive Assisted Living services. These services, mandated by Montana Senate Bill (SB) 524, are designed to address a critical gap between traditional care offered in an Assisted Living Facility and inpatient psychiatric hospitalization by offering structured, community-based support for individuals with acute behavioral health and neurocognitive needs.

This amendment ensures that Montana continues to meet federal Home and Community-Based Service (HCBS) requirements while addressing service gaps that lead to unnecessary institutionalization.

This waiver amendment incorporates the following changes:

- The addition of Category D Intensive Assisted Living Residential Habilitation Service
- A revision to BSW’s incident management process

The following Appendices will be modified:

- **Appendix B:**
 - B-3:
 - Add Category D Intensive Assisted Living as Reserved Capacity
 - Add Purpose and Description regarding the request for Reserved Capacity for Category D
 - Request 30 for reserved capacity
- **Appendix C:**
 - New service added: Category D Intensive Assisted Living
- **Appendix G:**
 - G-1
 - Critical Incident Reporting Requirements: The addition of Pulselight Aura and the implementation of the Serious Occurrence Committee

- Review and Response to Critical Incidents: The addition of the Serious Occurrence Review Committee and the use of Pulselight Aura
- G-2
 - Safeguards concerning the use of restraints and seclusions: The addition of the Serious Occurrence Committee is intended to act as a safeguard against unauthorized restraints and seclusions
- G-3
 - The addition of the Serious Occurrence Committee acts as a safeguard and addresses incidents related to medication errors
- **Appendix H:**
 - H-1
 - System Design Changes: Language added regarding the Serious Occurrence Committee and Pulselight Aura’s impact on the incident management process and design changes
- **Appendix I:**
 - I-2
 - Rate Determination Method: Entire section revised to reflect the addition of a new service and the comprehensive provider rate study completed by Guidehouse
- **Appendix J:**
 - J-1
 - Composite Overview: changed to reflect Category D Intensive Assisted Living
 - J-2
 - Average Length of Stay: Language added to reflect Category D Intensive Assisted Living
 - Derivation of Estimates: Language added to Factor D Derivation
 - Component Management for Waiver Services: Category D Intensive Assisted Living added
 - Estimate of Factor D: Category D Intensive Assisted Living added for each Waiver Year

NEW PRIMARY CARE CASE MANAGEMENT PROGRAM: PRIMARY CARE MONTANA (PCMT) STATE PLAN AMENDMENT

On or before April 1, 2026, DPHHS will submit a SPA to CMS for approval, requesting an effective date of July 1, 2026. In addition, Montana’s Alternative Benefit Plan (ABP) State Plan will be amended to include the new SPA.

Proposed Three-Tiered Model

The proposed PCMT program features three tiers designed to accommodate providers of varying capacities and resources. It establishes a glide path toward advanced population health management, with clearly defined expectations for organizational structure and performance. Pending federal approval of this SPA, DPHHS plans to begin Tiers 1 and 2 on July 1, 2026, with Tier 3 added at a later date and with a subsequent SPA. Details of the proposed tiers are included in Table 1 below.

TABLE 1: OVERVIEW OF PROPOSED TIERS

	Tier 1	Tier 2	Tier 3
Goal	Improve outcomes on select quality metrics	Increase post-hospital PCP follow-up visits and reduce hospital readmissions	Tier 1 and 2-participating providers with a DPHHS-defined minimum number of attributed beneficiaries alone or as part of a clinically integrated network
Providers Eligible to Participate	Any willing primary care provider (PCP) with continued participation contingent on meeting performance targets	PCPs actively managing post-hospital transitions of care with continued participation contingent on meeting performance targets	Tier 1 and 2-participating providers with a DPHHS-defined minimum number of attributed beneficiaries, either alone or as part of a clinically integrated network
Provider Payment	\$6.00 Per member per month (PMPM) care coordination fee	\$11.00 PMPM care coordination fee	TBD PMPM care coordination fee with opportunity for shared savings

Objectives

DPHHS' objectives for PCMT include:

- Promoting preventive care, optimizing care coordination, and improving health management;
- Avoiding barriers for rural and small practice provider participation;
- Providing timely data to allow providers to act on gaps in care and improve outcomes; and
- Incorporating value-based payments to incentivize improved outcomes while remaining budget neutral.

Member Eligibility

Medicaid enrollees are not required to select a PCP participating in PCMT. If an enrollee in any of the following eligibility groups elects to do so, they will have access to the program's additional population health management services.

- Children (Medicaid and Healthy Montana Kids Plus (HMK+))
- Parent and Caretaker Relatives
- Aged, Blind & Disabled
- Foster Care Children
- Expansion Adults
- Pregnant Women
- Breast and Cervical Cancer Program Enrollees

Fiscal Impact

The projected total cost, including state and federal share, allocated between traditional Medicaid and Medicaid expansion, for Tier 1 and Tier 2 PCMT implementation is \$13,277,819 in state fiscal year (SFY) 2027 and \$13,543,375 in SFY 2028. The PCMT program will be consolidated into a new tiered value-based program that maintains overall funding levels while reallocating resources. The proposed change is budget-neutral and assumes funding from the current PCCM program and cost savings from the tier 2 requirements.