53-2-215 Annual Report on Section 1115 WASP Demonstration Waiver

SEPT. 1, 2026

MONTANA DPHHS

DEPARTMENT OF
PUBLIC HEALTH &
HUMAN SERVICES

CONTENTS

WAIVER FOR ADDITIONAL SERVICES AND POPULATIONS (WASP) OVERVIEW 3

WASP GOAL 3

WASP RENEWAL 3

WASP POPULATIONS COVERED 3

WASP ENROLLMENT 3

WASP 2025/2026 UPDATES 4

WAIVER FOR ADDITIONAL SERVICES AND POPULATIONS (WASP) OVERVIEW

The WASP Demonstration gives Montana the ability to provide additional Medicaid services to specific populations or provide Medicaid to additional populations.

WASP GOAL

The goal of WASP is to ensure medically necessary care is available to all eligible Montanans within available funding resources.

WASP RENEWAL

On June 30, 2022, Montana submitted a five-year extension/renewal application and received CMS approval on Nov. 21, 2022. The extension/renewal was approved effective Jan. 1, 2023, through Dec. 31, 2027.

WASP POPULATIONS COVERED

- Individuals aged 18 or older, with Severe Disabling Mental Illness (SDMI), who are otherwise ineligible for Medicaid benefits and either:
  - Have income 0-138% of the Federal Poverty Level (FPL) and are eligible for or enrolled in Medicare; OR
  - Have income 139-150% of the FPL regardless of Medicare status.
- Individuals determined categorically eligible for aged, blind, or disabled (ABD) Medicaid for dental treatment services above the $1,125 State Plan dental treatment cap.

WASP ENROLLMENT

- WASP allows a maximum of 3,000 SDMI enrollees to be served.
- WASP SDMI enrollment is 570 as of Aug. 1, 2026.
- The total number of members categorically eligible for Standard Medicaid ABD as of Aug. 1, 2026, is 21,607. The dental treatment cap of $1,125 does not apply to these members.
- The SDMI population under WASP continues to decline, with a decrease of approximately six members from 2025 to 2026. The ABD population remains relatively consistent.

WASP 2025/2026 UPDATES

- A WASP amendment application requesting the addition of fertility preservation services was sent to the Centers for Medicare & Medicaid Services (CMS) for approval on Oct. 20, 2023. During a June 2026 discussion with CMS regarding the amendment, CMS requested that this section be added to the state plan. The State is preparing to submit a state plan amendment (SPA). Once the SPA is approved, these fertility preservation services will be available to eligible individuals between the ages of 12 and 35 who have been diagnosed by a physician as having an active cancer diagnosis requiring treatment that may cause a substantial risk of sterility or iatrogenic infertility (infertility caused by cancer treatment).
- In June 2025, CMS updated the Special Terms and Conditions (STCs) by providing a Monitoring Redesign Overlay Letter to alter the demonstration monitoring to align with CMS's Section 1115 Demonstration Redesign Initiative. This provides the state with a monitoring report template and updated timeframes for submission.
- In July 2025, CMS indicated that it does not anticipate approving continued Section 1115 Demonstrations for expanded continuous eligibility beyond what is permitted under existing Medicaid statute. As a result, continuous eligibility for WASP participants, currently set at 12 months, will be reduced to the standard six months. The State will not include 12 months of continuous eligibility in the waiver application at the time of waiver renewal. The current waiver remains approved through December 31, 2027.
- Beginning in June 2026, the State initiated discussions with CMS to transition a large portion of the WASP populations and services from Section 1115 Demonstration waiver authority to SPA authority. Moving to SPA authority will significantly reduce administrative burden by eliminating the extensive reporting, monitoring, and evaluation requirements associated with Section 1115 Demonstration waiver authority.