

## Section VIII: Public Notice

### Full Public Notice

#### **MONTANA SECTION 1115 HEALING AND ENDING ADDICTION THROUGH RECOVERY AND TREATMENT (HEART) DEMONSTRATION AMENDMENT REQUEST APPLICATION**

**Public Notice – November 29, 2023**

**The Montana Department of Public Health and Human Services (DPHHS) is providing public notice of its intent to: (1) submit to the Centers for Medicare and Medicaid Services (CMS), on or before February 15, 2024, a written 1115 Demonstration amendment request application to request federal authority to reimburse for stays by children or youth with serious emotional disturbance (SED) at IMDs that are also qualified residential treatment programs (QRTPs); and (2) hold a public hearing to receive comments on the 1115 Demonstration amendment request application. DPHHS is seeking an effective term for the Demonstration amendment request from the date of the approval of Demonstration’s Implementation Plan to June 30, 2027. All proposed requests are subject to approval by CMS.**

#### **I. Overview**

In October 2021, Montana DPHHS submitted a Section 1115 Demonstration request to build upon the strides made by the state over the past decade to establish a continuum of behavioral health—mental health and substance use disorder (SUD)—services for its Medicaid members. This Healing and Ending Addiction through Recovery and Treatment (HEART) Demonstration is a critical component of the state’s commitment to expand coverage and access to prevention, crisis intervention, treatment and recovery services through Governor Gianforte’s Healing and Ending Addiction through Recovery and Treatment (HEART) Initiative, as outlined in [H.B. 701](#).

As part of the original Demonstration request, DPHHS sought:

- To add new Medicaid services under the Demonstration as part of its commitment to ensuring that Medicaid members have access to a full continuum of behavioral health services including:
  - Evidence-based stimulant use disorder treatment models, including contingency management services;
  - Tenancy support; and
  - Pre-release care management and targeted Medicaid services to be provided to inmates in the 30 days pre-release.
- Expenditure authority allowing federal reimbursement for Medicaid services provided to short-term residents of Institutions of Mental Disease (IMDs) obtaining treatment for SUD.

On July 1, 2022, DPHHS received [CMS approval](#) for its SUD IMD Demonstration, with concurrent approval of the required SUD Implementation Plan and SUD Health Information Technology (HIT) Plan. The SUD IMD Demonstration will allow the state to receive federal financial participation (FFP) for state plan services provided to otherwise-eligible Medicaid beneficiaries, ages 18 to 64, who are primarily

receiving treatment and withdrawal management services for SUD in residential and inpatient settings that qualify as IMDs. It will also support Montana’s efforts to connect individuals with appropriate levels of care, improve availability of Medication Assisted Treatment (MAT), and enhance access to SUD evidence-based services. The Demonstration will give beneficiaries access to a continuum of services in settings that, absent the Demonstration approval, would be ineligible for payment for most Medicaid enrollees, allowing the state to provide more coordinated and comprehensive treatment to SUD beneficiaries.

CMS continues to review Montana’s other requests for behavioral health services outlined in its HEART Waiver demonstration request – contingency management services, tenancy supports, and 30 days of pre-release care management for justice-involved populations – and is working with DPHHS towards approval.

DPHHS is seeking an amendment to the current Demonstration, which is effective from July 1, 2022, to June 30, 2027. The Demonstration amendment request will seek federal reimbursement for stays by children or youth with serious emotional disturbance (SED) at IMDs that are also qualified residential treatment programs (QRTPs). Approval of this Demonstration amendment request will assist Montana in addressing surging mental health needs among children and youth by expanding access and improve care transitions for children and youth with SED in need of residential treatment. The goals and objectives of the Demonstration amendment request are described in more detail below.

## **II. Goals and Objectives**

This proposed Demonstration amendment request will allow Montana to better address the behavioral health needs of Montana Medicaid members by:

- Expanding Medicaid’s continuum of behavioral health care through providing behavioral health treatment and recovery services for children and youth with SED in support of the state’s HEART Initiative; and
- Improving the outcomes and quality of care delivered to children and youth with behavioral health needs receiving residential and inpatient levels of care.

Montana’s goals support the broader objectives of the Medicaid program to ensure equitable access to medically necessary services for Medicaid-eligible members. Montana’s goals also support the specific goals for SED IMD Demonstrations outlined by State Medicaid Director Letter (SMDL) [#18-011](#), including:

- Increased rates of identification, initiation and engagement in behavioral health treatment;
- Increased adherence to and retention in behavioral health treatment;
- Reduced utilization and lengths of stays in emergency departments and inpatient hospital settings for treatment, where the utilization is preventable or medically inappropriate for individuals with SED, through improved access to treatment and recovery services;
- Fewer preventable readmissions to hospitals and residential settings, where the readmission is preventable or medically inappropriate;
- Improved availability of services provided during intensive outpatient services, acute short-term stays in residential crisis stabilization programs, residential treatment settings throughout the state.

### III. Program Description

DPHHS is seeking an effective term of five years for the Demonstration amendment request, from July 1, 2022 to June 30, 2027, for all provisions. The SED IMD Demonstration request will be effective upon approval of the Implementation Plan and through June 30, 2027.

On July 1, 2022, MT DPHHS received CMS approval for a SUD IMD Demonstration, with concurrent approval of the required SUD Implementation Plan and SUD Health Information Technology (HIT) Plan. Through this amendment request, Montana is seeking expenditure authority to cover stays in IMDs that are QRTPs for children and youth with SED. Montana requests that for the first two years following the effective date of the demonstration, QRTPs be exempted from the length of stay requirements set forth in [SMDL #18-011](#) (i.e., a statewide average length of stay of 30 days and the limit on federal financial participation to stays of no more than 60 days).<sup>1</sup> A more detailed description of Montana’s SED Section 1115 Demonstration amendment request for children and youth in QRTPs is included below.

#### A. Eligibility Requirements

All children up to age 21 who are diagnosed with an SED, staying in an IMD that is classified as a QRTP, and are otherwise eligible to receive full Medicaid benefits under the Montana State Plan, Alternative Benefit Plan, or Medicaid 1115 waivers will be included in this Demonstration amendment request.

Medicaid members will qualify for services outlined in this Demonstration based upon their medical need for services. Medicaid member eligibility requirements will not differ from the approved Medicaid State Plan, Alternative Benefit Plan and Medicaid 1115 waivers, and DPHHS is not proposing changes to Medicaid eligibility standards in this Demonstration application.

See Table 1 for more information on Medicaid eligibility groups affected by this Demonstration.

*Table 1. Medicaid Eligibility Groups Affected by the Demonstration*

Eligibility Group	Federal Citation	Income Federal Poverty Level (FPL)
Medicaid Children Ages 0-17	42 CFR § 435.117	0-143 percent FPL
Medicaid Children Ages 18-20	42 CFR § 435.117	0-143 percent FPL

#### B. Health Care Delivery System and Benefits

There are no proposed changes to the Medicaid delivery system as part of this application. Montana plans to continue using a fee-for-service delivery system for all Medicaid services, including behavioral health services.

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<sup>1</sup> See Qualified Residential Treatment Program (QRTP) Reimbursement: Family First Prevention Services Act (FFPSA) Requirements, Q & A, Oct. 19, 2021, available at <https://www.medicaid.gov/federal-policy-guidance/downloads/fag101921.pdf>.

**C. Cost Sharing**

Montana currently does not apply cost sharing to any of its Medicaid members and therefore no cost sharing will be imposed under this 1115 Demonstration amendment request.

**IV. Enrollment Projections**

The state is not proposing any changes to Medicaid eligibility requirements in the Section 1115 Demonstration request. As such, the Demonstration is not expected to affect enrollment trends, which will continue to be determined largely by demographic changes, and economic conditions, and, if applicable, enrollment coverage changes during the COVID-19 public health emergency unwind.

*Table 2. Projected Enrollment by Category of Aid*

Category of Aid	Projected Enrollment				
	DY 1 7/1/22- 6/30/23	DY 2 7/1/23- 6/30/24	DY 3 7/1/24- 6/30/25	DY 4 7/1/25- 6/30/26	DY 5 7/1/26- 6/30/27
Families and Children (not CHIP)	49	56	61	61	62
Aged, Blind and Disabled	48	55	59	60	61
ACA Expansion	921	1158	1310	1329	1351
Other (HIFA, Poverty, Transitional MA, Former Foster Care)	412	471	556	566	574
<b>Total</b>	<b>1,430</b>	<b>1,740</b>	<b>1,986</b>	<b>2,016</b>	<b>2,048</b>

**V. Annual Expenditures and Maintenance of Effort**

**A. Annual Expenditures**

Based on the programmatic details described above, Montana has estimated projected spending for the authorization period. For the purposes of public notice and comment, the state has summarized in the table below the projected expenditures for the authorization period, including spending on requested expenditure authorities. The state will include final projections in the Demonstration amendment request submitted to CMS; final numbers may differ as Montana continues to finalize financial data demonstrating the state’s historical expenditures and to determine the impact that the COVID-19 public health emergency unwind has had on enrollment and expenditure trends. Montana will establish budget neutrality for these items by building estimates into detailed budget neutrality tables.

*Table 3: Projected Expenditures, Montana 1115 SED IMD Demonstration Amendment*

Projected Expenditures (in dollars)
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<b>Expenditure Authorities</b>	<b>DY 1 7/1/22- 6/30/23</b>	<b>DY 2 7/1/23- 6/30/24</b>	<b>DY 3 7/1/24- 6/30/25</b>	<b>DY 4 7/1/25- 6/30/26</b>	<b>DY 5 7/1/26- 6/30/27</b>
IMD Exclusion for SED <sup>2</sup>	0	0	\$1,985,614	\$2,310,768	\$2,620,924
<b>Total</b>	0	0	\$1,985,614	\$2,310,768	\$2,620,924

## B. Maintenance of Effort

Montana has summarized the outpatient community-based mental health expenditures for state fiscal year 2020, distributed by population and stratified according to federal share, state share general funds and state share county-level funding in the table below. Montana is committed to maintaining or improving access to community-based mental health services throughout the course of this Demonstration.

*Table 4: Montana SFY 2020 Expenditures on Community-Based Mental Health Services*

<b>Total</b>	<b>Federal</b>	<b>State-General Funds (Matchable)</b>	<b>State-County Funds</b>	<b>Total</b>
Expansion	\$34,401,658	\$3,822,406	NA	\$38,224,064
Standard	\$35,137,324	\$18,920,098	NA	\$54,057,422
<b>Total MT Medicaid</b>	<b>\$69,538,982</b>	<b>\$22,742,504</b>	<b>NA</b>	<b>\$92,281,486</b>

## VI. Expenditure Authorities

Montana is requesting expenditure authority to support implementation of the proposed Demonstration amendment request. To the extent that CMS advises the state that additional authorities are necessary to implement the programmatic vision and operational details described above, the state is requesting such waiver or expenditure authority, as applicable. Montana’s negotiations with the federal government, as well as state legislative and/or budget changes, could lead to refinements in these lists as the state works with CMS to move these behavioral health initiatives forward.

### A. Expenditure Authorities

Under the authority of Section 1115(a)(2) of the act, Montana is requesting expenditure authorities so that the items identified below, which are not otherwise included as expenditures under Section 1903 of the act, shall, through June 30, 2027, be regarded as expenditures under the state’s Title XIX plan. These

<sup>2</sup> Expenditures were calculated using data from Montana State Hospital, which had 675 admissions for individuals aged 21-65 in 2020. DPHHS assumed a steady admission rate throughout the five years due to facility limitations. To calculate cost, DPHHS estimated an average per person cost for up to 30 days by taking the average from the various units, their admissions, and an average length of stay for 30 days.

expenditure authorities promote the objectives of Title XIX by improving health outcomes for Medicaid populations.

*Table 5: Expenditure Authority Requests*

Expenditure Authority	Use for Expenditure Authority
Expenditures related to IMDs	Expenditures for otherwise-covered services furnished to otherwise-eligible individuals who are short-term residents/inpatients in facilities that meet the definition of an IMD, or primarily receiving treatment for SED who are residents of QRTPs.

## VII. Demonstration Hypotheses and Evaluation Approach

Montana will contract with an independent external evaluator to conduct a critical and thorough assessment of the Demonstration amendment request. The independent external evaluator will develop a comprehensive evaluation design that is consistent with CMS guidance and the requirements of the special terms and conditions for the Demonstration to evaluate the objectives and hypotheses for the authorities requested.

The hypotheses under consideration for the Demonstration amendment request period are below.

*Table 6: Preliminary Evaluation Plan for 1115 IMD Demonstration for Youth with SED in QRTP*

Goal	Hypothesis	Evaluation Approach	Data Sources
Increased rates of identification, initiation, and engagement in behavioral health treatment	Earlier identification of and engagement in behavioral health treatment for individuals with behavioral health needs will increase their utilization of community-based behavioral health treatment services.	The state will monitor the number of children and youth screened using an evidence-based tool, referral and service utilization trends for individuals diagnosed with SED. The state will monitor that the individual’s evidence-based assessment aligns with the level of care they are receiving.	<ul style="list-style-type: none"> <li>• Claims data</li> <li>• Assessment data (CASII)</li> </ul>
Reduced utilization of emergency departments and inpatient hospital settings for treatment, where the utilization is preventable or medically inappropriate	Increasing access to community-based treatment and recovery services for individuals with an SED, including youth and children in QRTPs, will reduce emergency department utilization	The state will monitor the: <ul style="list-style-type: none"> <li>• Number and percentage of Medicaid members with SED diagnoses with emergency department visits</li> </ul>	<ul style="list-style-type: none"> <li>• Claims data</li> </ul>

Goal	Hypothesis	Evaluation Approach	Data Sources
	and preventable hospital admissions.	<ul style="list-style-type: none"> <li>• Number and percentage of Medicaid members with SED diagnoses with hospital admissions</li> <li>• Number and percentage of Medicaid members with SED diagnoses with hospital readmissions</li> <li>• Ratio of emergency department visits to community-based treatment for individuals with SED</li> <li>• Ratio of hospital admissions to community-based treatment for individuals with SED</li> </ul>	
Improved availability of outpatient services and residential or inpatient services	Member access to crisis stabilization services across different service modalities will increase throughout the course of the Demonstration.	<p>The state will monitor the:</p> <ul style="list-style-type: none"> <li>• Number and percentage of individuals presenting for behavioral health crises in emergency departments</li> <li>• Number of behavioral health-related responses from emergency medical services</li> </ul>	<ul style="list-style-type: none"> <li>• Claims data</li> </ul>
Improved care coordination and linkages to community-based behavioral health services following discharges from emergency department	Care coordination for members with SED experiencing care transitions will improve throughout the course of the Demonstration.	<p>The state will monitor:</p> <ul style="list-style-type: none"> <li>• Provider self-assessments of fidelity to program rules with an emphasis on family</li> </ul>	<ul style="list-style-type: none"> <li>• Provider Self Assessments on Fidelity to Family Engagement</li> </ul>

Goal	Hypothesis	Evaluation Approach	Data Sources
and residential or inpatient treatment		engagement and natural supports.	

### VIII. Public Review and Comment Process

The complete version of the Demonstration amendment request application is available for public review at <https://dphhs.mt.gov/heartwaiveramendment/>. Paper copies are available to be picked up in person at the DPHHS office located at 111 North Sanders Street, Room 301, Helena, Montana 59601.

A hybrid in-person and electronic Zoom public hearing will be held regarding the Demonstration amendment request application on Friday, December 15, 2023, from 9:00 a.m. to 11:00 a.m., at 111 North Sanders Street, Room 306, Helena, Montana.

Registration information to participate by Zoom can be found at <https://dphhs.mt.gov/heartwaiveramendment/>. You will receive instructions for joining the meeting upon registration. If special accommodations are needed, contact the Medicaid Coordinator at (406) 444-2584 or [dphhscments@mt.gov](mailto:dphhscments@mt.gov).

Public comments may be submitted from November 29, 2023, until 11:59 PM (Mountain Time) on January 28, 2024. Questions or public comments may be addressed care of Medicaid HEART Waiver Amendment Request, Director’s Office, PO Box 4210, Helena, MT 59604-4210, or by telephone to (406) 444-2584, or by electronic mail to [dphhscments@mt.gov](mailto:dphhscments@mt.gov). Please note that comments will continue to be accepted after January 28, 2024, but the state may not be able to consider those comments prior to the initial submission of the demonstration amendment application to CMS.

After Montana reviews comments submitted during this state public comment period, the state will submit a revised application to CMS. Interested parties will also have an 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-demonstrations/index.html>.