



MONTANA
ADMINISTRATIVE
REGISTER



DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

NOTICE OF ADOPTION

MAR NOTICE NO. 2026-514.2

Summary

Amendment of ARM 37.84.102, 37.84.116, 37.84.117, 37.84.118, 37.84.120, 37.84.121, 37.84.122, and 37.84.123 and repeal of ARM 37.84.107 and 37.84.119 pertaining to Montana's Health and Economic Livelihood Partnership (HELP) program, which administers Medicaid Expansion

Previous Notice(s) and Hearing Information

On April 24, 2026, the Department of Public Health and Human Services published MAR Notice No. 2026-514.1 pertaining to the public hearing on the proposed amendments of the above-stated rule in the 2026 Montana Administrative Register, Issue Number 8.

A public hearing was held May 14, 2026.

Final Rulemaking Action – Effective July 1, 2026

AMEND AS PROPOSED

The agency has amended the following rules as proposed:

37.84.102 DEFINITIONS

37.84.116 COMMUNITY ENGAGEMENT ACTIVITY PARTICIPATION: REQUIREMENTS AND REPORTING

37.84.117 COMMUNITY ENGAGEMENT ACTIVITY PARTICIPATION: DATA REVIEW AND VERIFICATION

37.84.118 COMMUNITY ENGAGEMENT ACTIVITY PARTICIPATION: QUALIFYING ACTIVITIES, DATA REVIEW, AND VERIFICATION ON APPLICATION

37.84.120 COMMUNITY ENGAGEMENT ACTIVITY PARTICIPATION: STANDARD EXEMPTIONS, DATA REVIEW, AND VERIFICATION

37.84.121 COMMUNITY ENGAGEMENT ACTIVITY PARTICIPATION: SHORT-TERM HARDSHIP EVENTS

37.84.122 COMMUNITY ENGAGEMENT ACTIVITY PARTICIPATION: NONCOMPLIANCE SANCTIONS

37.84.123 COMMUNITY ENGAGEMENT ACTIVITY PARTICIPATION: AUDIT REQUIREMENTS

REPEAL

The agency has repealed the following rules as proposed:

37.84.107 HELP ACT: PREMIUMS

37.84.119 HELP ACT: COMMUNITY ENGAGEMENT ACTIVITY PARTICIPATION: INCOME-BASED EXEMPTION

Statement of Reasons

The agency has considered the comments and testimony received. A summary of the comments received, and the agency's responses are as follows:

Comment #1

Several commenters expressed their opposition to the timing of implementation of the rules and asked the department not to implement community engagement requirements prior to January 2027.

Response #1

The department appreciates the commenters' feedback. Since 2019, the Montana Legislature has mandated in state law that community engagement be incorporated into the Medicaid Expansion program. During the 2025 legislative session when Medicaid Expansion was permanently reauthorized, the department committed to its legislative partners to work with CMS to implement those program provisions as soon as possible.

While the federal legislation establishing community engagement for Medicaid Expansion adults sets a deadline of January 2027 for all states, Congress contemplated that states willing

and able to act sooner could do so with CMS approval. By implementing in July 2026, the department is working to fulfill its commitment to implement these program requirements as soon as possible.

Comment #2

Several commenters noted that the federal government has not yet issued additional guidance on the implementation and operations of community engagement and noted that it is premature for the Department to implement the program without federal guidance.

Response #2

The department appreciates the commenters' concerns. As the department has been working on implementation, it has been in close contact with partners at CMS to ensure that implementation will be compliant with future guidance.

Comment #3

Many commenters had concerns about the clarity of the proposed rules and suggested that the purpose of the rules is to provide a sufficient level of detail to guide the day-to-day operations of Medicaid Expansion. The commenters expressed concerns that the current proposed rules lack detail and clarity for people to be able to understand the requirements. Specific concerns included:

- Many commenters expressed concerns that the proposed definition of “medically frail” was unclear and individuals could not reasonably be expected to know if they do or do not meet this exemption.
- Commenters expressed confusion about if a medically frail exemption applies to lifelong conditions.
- They also expressed concerns regarding the identification process and documentation requirements.
- Further comments were made stating that the process as proposed was not well defined for either beneficiaries or medical providers who would be trying to provide evidence of medical frailty to the department.
- Many commenters expressed concerns regarding the lack of detail, definitions, and verification methods for all exemptions, qualifying activities, and provider types. Some also expressed concern regarding individuals who are employed but their work does not provide a W-2 form or paystub to document hours.
- Several commenters expressed concerns regarding the lack of detail and definitions specifically for exemptions related to behavioral health or substance use disorder.
- Many commenters asked the department to clarify the renewal process and ensure the rules specify what documentation an individual must provide to show they are meeting community engagement requirements or qualify for an exemption. Commenters also requested additional details on how ex parte reviews will occur and a clear timeframe for how long an exemption lasts once applied.

- Commenters expressed concerns about the availability of community engagement reporting forms and submission modalities.

Response #3

The department appreciates the commenters who provided feedback on the proposed rules. The intent of the proposed administrative rules is to establish the core program framework while preserving sufficient flexibility to address operational matters, including process for defining and identifying medically frail and other exemptions, through subsequent guidance, forms, notices, and internal processes. This approach is important as it allows the department to respond efficiently to implementation issues, changing operational needs, and federal requirements without requiring repeated formal rulemaking for every procedural adjustment. The department believes it is appropriate for the proposed rules to set forth the governing standards and for more detailed day-to-day operational instructions to be addressed through program guidance.

With respect to the medically frail exemption, the department recognizes commenters' concerns that additional clarity will be necessary so that beneficiaries and providers understand how medically frail status may be identified and what documentation may be submitted for consideration, including for conditions that are lifelong. The department intends to develop operational guidance describing the process for identification, review, and verification of medically frail status, including the types of information that may be accepted from treating providers or otherwise available to the department. The department also notes that determinations of medical frailty often require individualized clinical review and therefore are not always suited to an exhaustive definition in rule.

Regarding exemptions and qualifying activities, including situations involving individuals whose employment may not generate a W-2 form or paystub, the department understands the concern that beneficiaries need clear direction regarding what circumstances qualify and what documentation may be used. The department intends to provide additional guidance identifying acceptable forms of verification, including alternative documentation where traditional wage documentation is unavailable, consistent with program integrity requirements.

The department also acknowledges comments requesting greater specificity for exemptions related to behavioral health conditions and substance use disorder, and how hospitalization will be assessed when determining exemptions. The department agrees that these areas warrant careful administration and intends to address them through implementation guidance and training so that beneficiaries, providers, and staff better understand how such exemptions will be evaluated and documented.

Finally, the department recognizes the importance of a clear renewal process. The department intends to clarify through notices, forms, and guidance what documentation may be required to demonstrate compliance with community engagement requirements or continued eligibility for an exemption. The department's goal is to promote consistency, transparency, and ease of administration while maintaining flexibility necessary for effective program operations.

After consideration of the comments, the department is not making changes to the proposed rules in response to these comments. The department believes the proposed rules appropriately establish the requirements, while additional operational details will be provided through implementation materials and direct to beneficiary communications to ensure the public receives clear, accessible information describing the requirements and what documentation may be submitted to support compliance.

Comment #4

Commenters expressed concerns that the department would not be able to implement these changes successfully and that past operational changes led to a significant number of individuals losing coverage.

Response #4

The department appreciates the comment and is committed to continuous improvement in operational processes. As the department has been planning for implementation, it has reviewed existing processes and staffing models to identify opportunities for increased efficiency and quality. The department is committed to working with its partners to effectuate a thoughtful roll-out that reduces administrative burden and aligns with the department's ongoing customer service improvement efforts.

Comment #5

A few commenters noted that the proposed rules will increase the administrative burden on individuals who are applying for Medicaid and for those wanting to retain their current benefits.

Response #5

The department appreciates the comment and recognizes the importance of minimizing administrative burden for beneficiaries and new applicants. However, community engagement is a federal condition of eligibility for the adult expansion population, and, therefore, individuals will be required to meet the eligibility criteria to establish and maintain coverage. As with any eligibility requirement in a public program, some level of administrative process is necessary to verify that these eligibility criteria are met. The department remains committed to reducing burden wherever permissible under federal law, including through streamlined verification, use of available data sources, and clear beneficiary communication.

Comment #6

Commenters noted that the proposed rules will likely lead to a loss of coverage for many Medicaid beneficiaries and expressed concern about how that loss of coverage will have a significant negative financial impact to Montana hospital systems and nursing facilities.

Response #6

The department appreciates the comment and shares commenters' interest in preserving coverage for eligible individuals who maintain compliance with federal Medicaid eligibility

criteria, including community engagement. To the extent some individuals may lose coverage for failure to comply, the department has established safeguards to minimize unnecessary coverage disruptions which include outreach to affected populations, formal notice and opportunity to demonstrate compliance or exemption before any disenrollment, opportunity for an administrative hearing, and the right for disenrolled individuals to reapply for Medicaid at any time. Additionally, the proposed rules maintain broad exemptions consistent with federal law for medically frail individuals, caregivers, pregnant and postpartum women, and other vulnerable populations, ensuring that the most at-risk Montanans will maintain coverage.

Regarding concerns about financial impacts to providers, the department recognizes the role hospitals and nursing facilities play in Montana's healthcare system. However, these changes bring Medicaid in line with other means-tested programs such as SNAP and TANF, reflecting a longstanding federal and state approach to balancing program access with reasonable participation standards.

The department further believes that a more sustainable Medicaid program, with appropriate accountability measures, better serves both beneficiaries and providers over the long term. While commenters speculate that reduced enrollment could negatively affect provider revenue, the department must administer the program responsibly and in accordance with federal and state laws, safeguard taxpayer resources, and ensure Medicaid remains available for the most vulnerable Montanans. The department will continue to monitor implementation and consider operational adjustments as appropriate, but it declines to revise the proposed rules based on these comments.

Comment #7

Many commenters asked the department to explain how existing data sources would be utilized to identify those who are meeting community engagement requirements. Another commenter expressed privacy concerns about how this data may be used by the department.

Response #7

The department uses an integrated eligibility system (the Combined Health Information and Montana Eligibility System, or CHIMES) and currently leverages federal and state information related to wage records, Medicare enrollment, SNAP/TANF participation, and other case information. Leveraging existing data sources for verification and automating eligibility processes are top priorities, and the department will continue to incorporate these strategies wherever possible to streamline program operations and reduce burden to clients. In compliance with federal and state laws and regulations, client information is only used for purposes directly related to program administration.

Comment #8

Many commenters emphasized the importance of Medicaid benefits to the individuals who receive them, noting that the program provides valuable coverage for those who qualify and benefits Montanans more broadly.

Response #8

The department appreciates the comments received regarding the importance of Medicaid benefits to eligible Montanans. The department agrees that Medicaid plays an important role in providing access to necessary health care services for qualified individuals and families across the state. The department remains committed to administering the Medicaid program responsibly, ensuring that coverage is available to those who meet eligibility requirements under state and federal law, including the new community engagement requirements. It values public input and acknowledges the strong interest in maintaining a Medicaid program that supports vulnerable Montanans while being administered efficiently, transparently, and in a fiscally responsible manner.

Comment #9

A few commenters expressed concerns about the number of months that an individual must demonstrate community engagement compliance for initial eligibility and redeterminations, including concerns that the actual process and timeframes are not fully described. Others noted that the three-month period for compliance was more than is federally required and would be overly burdensome for beneficiaries to provide evidence of compliance.

Response #9

The department appreciates the comments and believes the selected compliance period best reflects the intent of the department to responsibly administer Medicaid by requiring community engagement for the benefit of the individual in sustained work, school, or volunteer activities. Accordingly, the department declines to amend the proposed compliance period.

Comment #10

A few commenters noted that they were opposed to the following changes:

- Changing the upper age limit for community engagement compliance from 55 to 64
- Removing the exemption for foster parents
- Removing the exemption for those experiencing homelessness
- Removing the exemption for foster parents

Response #10

The department appreciates the comments. These changes are necessary to come into compliance with the federal regulations.

Comment #11

A few commenters noted their overall opposition to community engagement programs and expressed that they did not think it should be a requirement of the Medicaid program.

Response #11

The department recognizes that there are differing views regarding the role of such requirements within the Medicaid program. The department believes the implementation of community engagement requirements will empower able-bodied, working-age adults to

achieve greater independence and improved health. Additionally, these requirements are part of Montana law, as well as federal law and regulations. The department must ensure these requirements are implemented in a manner consistent with law.

Comment #12

A few commenters expressed concerns regarding the American Indian and Alaska Native exemption process and how it will be operationalized. They requested additional information regarding how an individual who may qualify for this exemption will be identified, if any form of self-attestation would be allowed, and if they would need to re-verify the information periodically.

Response #12

The department appreciates commenters' feedback on operationalizing the American Indian and Alaska Native exemption and recognizes the importance of implementing a process that is both administratively feasible and minimizes the burden on individuals and tribal communities.

The department intends to identify individuals eligible for an exemption using information collected during the Medicaid application and redetermination process, together with available electronic data sources, where feasible, to support exemption eligibility. To reduce administrative burden and support access to coverage, the department is considering allowing self-attestation under penalty of perjury of American Indian and Alaska Native status, and will publish further guidance, as needed, on acceptable methods of identification and verification. Specific to this exemption, all beneficiaries must verify their status once at application or redetermination. This process will align with standard Medicaid renewal procedures.

The department will continue to engage with tribal partners and stakeholders to ensure successful implementation while balancing program integrity and administrative simplicity.

Comment #13

A few commenters noted how the new administrative burden of community engagement will be especially detrimental to homeless individuals.

Response #13

The department acknowledges that individuals experiencing homelessness may face unique barriers to participating in community engagement activities and documenting that participation. At the same time, homelessness, in and of itself, does not preclude efforts to connect individuals with employment, training, and supportive services that may improve long-term stability and independence.

While homelessness is not an exemption, homeless individuals may qualify for an appropriate exemption for any of the existing exemptions. For example, individuals who are homeless may have a medical condition that could qualify them for the medically frail exemption. Consistent with federal guidance, the department intends to use available data sources to verify qualifying activities and exemptions where possible, to ensure that individuals who are eligible, including

eligible individuals experiencing homelessness, are not improperly disenrolled as a result of administrative process.

Comment #14

One commenter expressed support for the proposed rules.

Response #14

The department appreciates the support.

Comment #15

Some commenters suggested specific changes to the proposed rules specific to exemptions or qualifying activities including:

- Allowing a participant to work fewer than 80 hours each month if the participant earns at least minimum wage multiplied by hours
- Adding the Governor’s emergency declaration as a qualifying event
- Addressing special circumstances for rural communities that do not have many opportunities for volunteers, leaving people unable to meet community engagement requirements

Response #15

The department thanks the commenters for their feedback. The program currently allows an individual to be deemed to have met community engagement qualifying activity requirements if their verified monthly income is at least the total of the federal minimum wage multiplied by 80 hours.

The department cannot adopt changes to the exemptions or qualifying activities that are inconsistent with federal law. Because the community engagement requirements are governed by federal law and regulation, any state provision that conflicts with those requirements would be preempted. Accordingly, the department declines to modify the exemptions or qualifying activities beyond those required by federal law.

Comment #16

Several commenters stated that work and community engagement requirements should not apply to children, the elderly, or people living with disabilities and/or chronic medical conditions.

Response #16

The Department appreciates the commenters’ feedback. The department confirms the proposed community engagement requirements do not apply to these populations.

Comment #17

One commenter stated providers and their authorized representatives should have access to information for their attributed or enrolled patients including: (1) whether the patient is

enrolled in Medicaid Expansion or another Medicaid coverage category; (2) the patient's upcoming redetermination date; and (3) if a patient is inactive, the reason for ineligibility.

Response #17

The department thanks the commenter for their input. However, the issue raised is outside the scope of this rulemaking.

Comment #18

One commenter requested the department redesign their website for mobile phone access.

Response #18

The department appreciates the comment. However, the issue raised is outside the scope of this rulemaking.

Comment #19

One commenter requested a status update on the Community Assister Portal for providers to help patients navigate community engagement requirements.

Response #19

The department thanks the commenter for their input. However, the issue raised is outside the scope of this rulemaking.

Comment #20

One commenter requested the department to limit cost sharing to the minimum allowed and set copayment amounts at the lowest permissible levels.

Response #20

The department thanks the commenter for their input. However, the issue raised is outside the scope of this rulemaking.

Comment #21

One commenter requested the department protect retroactive coverage for Medicaid beneficiaries to the maximum extent allowable under federal law.

Response #21

The department thanks the commenter for their input. However, the issue raised is outside the scope of this rulemaking.

Comment #22

One commenter requested the department include rules specific to rural Montanans and address the oftentimes limited transportation options.

Response #22

The department thanks the commenter for their input. However, the issue raised is outside the scope of this rulemaking.

Comment #23

One commenter requested the department prioritize continuity of care.

Response #23

The department appreciates the commenter’s feedback. However, the issue raised is outside the scope of this rulemaking.

Comment #24

Several commenters requested that the department publish within its proposed rules the full text of the federal laws and regulations incorporated by reference.

Response #24

The department's goal is to avoid unnecessarily repeating federal regulations. This helps keep the proposed rules concise while also providing notice to the public as to where they can access the incorporated regulations. As such, the department declines to make this change.

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Approval

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