

Montana Waiver for Additional Services and Populations (WASP) Demonstration Program

Waiver Extension Application
DRAFT FOR PUBLIC COMMENT

SEPTEMBER 24, 2026



DEPARTMENT OF
**PUBLIC HEALTH &
HUMAN SERVICES**

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SECTION 1: EXECUTIVE SUMMARY

This Section 1115 Demonstration waiver extension request seeks to continue Montana's current Section 1115 demonstration, which helps adults with severe and disabling mental illness (SDMI) obtain standard Medicaid coverage even when they do not meet traditional eligibility requirements. The SDMI population served through the WASP was previously referred to as the Waiver Mental Health Services Plan (WMHSP) population.

The extension also requests to maintain the additional dental benefit for individuals who are categorically eligible as Aged, Blind, or Disabled (ABD), allowing them to receive dental services above the State Plan's annual \$1,205 limit.

The extension includes one programmatic change. The SDMI population will no longer receive 12-month expanded continuous Medicaid eligibility. Instead, they will receive the standard 6-month continuous eligibility period. This change is being requested based on guidance received from CMS received in July 2025. All other components of the demonstration remain unchanged. The existing demonstration is approved from January 1, 2023, through December 31, 2027.

The populations currently covered by the WASP.

- Adults aged 18 or older with SDMI who are otherwise ineligible for Medicaid and have income between 139 and 150 percent of the federal poverty level (FPL), or adults aged 18 or older with SDMI who are not otherwise eligible for Medicaid and have income between 139 and 150 percent of the FPL.
 - This population receives standard Medicaid benefits and 12-month expanded continuous Medicaid eligibility.
 - This population served through this portion of WASP will now be referred to as the SDMI population
- Individuals who are categorically eligible for Medicaid under the Aged, Blind, or Disabled (ABD) category, who receive enhanced dental benefits beyond the State Plan's \$1,125 dental treatment cap. The current Special Terms and Conditions of the waiver indicate that the State Plan annual dental limit is \$1,125. As of July 1, 2025, the State Plan annual dental limit is \$1,205.

The state is submitting the materials required to demonstrate that the waiver continues to operate in alignment with the objectives of Title XIX and/or Title XXI. The application will be considered complete for federal review and federal-level public notice once all requested information is provided.

Required documentation is included in Sections 1 through 11.

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SECTION 2: BACKGROUND

DPHHS BACKGROUND

The Department of Public Health and Human Services (DPHHS) administers Montana's Medicaid program, which provides health coverage to a broad range of residents, including infants, children, pregnant women, low-income families with dependent children, low-income adults, adults with severe and disabling mental illness (SDMI), and individuals who are aged, blind, or disabled.

HISTORY OF THE WASP DEMONSTRATION WAIVER

The Section 1115 Montana Waiver for Additional Services and Populations was previously titled the Basic Medicaid Waiver.

BASIC MEDICAID WAIVER BACKGROUND

In 1996, Montana implemented a limited Medicaid benefit package known as "Basic Medicaid" under the authority of an 1115 Welfare Reform Waiver titled Families Achieving Independence in Montana (FAIM). This benefit package provided optional Medicaid services to the same group of adults eligible under Sections 1925 or 1931 of the Social Security Act. The FAIM Welfare Reform Waiver expired on January 31, 2004, as confirmed in correspondence dated October 7, 2003, from Mike Fiore, Director of the Family and Children's Health Program Group at the Centers for Medicare & Medicaid Services.

BASIC MEDICAID WAIVER 2004

On October 23, 2003, the Montana Department of Public Health and Human Services (DPHHS) submitted a request for an 1115 Basic Medicaid Waiver under Section 1902(a)(10)(B) of the Social Security Act. The waiver sought approval to offer a limited Medicaid benefit package consisting of optional services for adults ages 21 to 64 who were not pregnant or disabled. The waiver was approved to operate from February 1, 2004, through January 31, 2009, for able-bodied adults eligible for Medicaid under Sections 1925 or 1931 of the Social Security Act.

AMENDMENTS AND EXTENSIONS

A Health Insurance Flexibility and Accountability (HIFA) waiver proposal was submitted on June 27, 2006. Subsequently, amendments to the 1115 Basic Medicaid Waiver were submitted on March 23, 2007, and January 28, 2008, requesting approval for seven new optional and expansion populations. Tribal consultation for these proposed changes

was completed on December 14, 2007. Following discussions with the Centers for Medicare & Medicaid Services (CMS), Montana submitted a revised 1115 Basic Medicaid Waiver amendment to the waiver that was submitted on June 6, 2008, requesting approval for four new populations. Subsequent discussions with CMS led to a revised submission on July 30, 2009, requesting approval for only one additional population: Waiver Mental Health Services Plan (WMHSP) individuals previously covered under a state-funded program who had schizophrenia, severe depression, or bipolar disorder—along with able-bodied adults. Minor adjustments were made to the July 30, 2009, application following continued conversations with CMS, and the Basic Medicaid Waiver was approved in December 2010.

The Basic Medicaid Waiver Extension was approved on December 24, 2013, effective January 1, 2014. A subsequent amendment, submitted on June 30, 2014, expanded coverage for the WMHSP group to include all individuals with Severe Disabling Mental Illness (SDMI). This amendment became effective August 1, 2014.

An amendment submitted on November 15, 2015, effective January 1, 2016, implemented the following changes:

- Removed able-bodied adults from the waiver.
- Removed individuals under age 65 with SDMI who were not covered by or eligible for Medicare and who had income between 0–138% of the MAGI level.
- Provided coverage to individuals aged 18 or older with SDMI who were otherwise ineligible for Medicaid and either:
 - Had income between 0–138% of the Federal Poverty Level (FPL) and were eligible for or enrolled in Medicare; or
 - Had income between 139–150% of the FPL, regardless of Medicare status.
- Aligned the Basic Medicaid benefit package with the Standard Medicaid benefit package. Previously, Basic Medicaid did not cover or offered only limited coverage for audiology, dental and denturist services, durable medical equipment (DME), eyeglasses, optometry and ophthalmology for routine eye exams, personal care services, and hearing aids.
- Adopted 12-month continuous eligibility for all non-expansion individuals whose eligibility is based on MAGI.

Another amendment was submitted on March 7, 2016, effective March 1, 2016, which renamed the waiver the Section 1115 Montana Waiver for Additional Services and Populations (WASP). This amendment also extended coverage to individuals determined categorically eligible under the Aged, Blind, or Disabled (ABD) category for

dental treatment services above the Medicaid State Plan's \$1,125 cap. The extension and extension submitted by DPHHS on July 15, 2016, for the Section 1115 WASP Demonstration was approved on December 15, 2017, and became effective January 1, 2018, through December 31, 2022. This extension made no changes to the existing waiver.

On September 3, 2021, the state submitted an amendment requesting removal of the expenditure authority for 12-month continuous eligibility for non-expansion Medicaid beneficiaries whose eligibility is based on MAGI, also known as Parents and Other Caretaker Relatives (PCR). CMS approved this amendment on March 30, 2022. Removal of this expenditure authority effectively eliminated WASP coverage for the PCR population, as this 12-month continuous eligibility period was the only benefit they received under the demonstration.

Coverage provided through WASP for the MHSP SDMI population including 12-month continuous eligibility, and for the ABD population, including dental treatment services beyond the State Plan annual cap of \$1,125, remains unchanged. The amendment also removed cost sharing and copayments for WASP enrollees to align with the Montana Medicaid State Plan's removal of cost sharing effective January 1, 2020. This applies both to WMHSP enrollees and categorically eligible ABD individuals receiving expanded dental treatment services under WASP.

The submission of the September 2021 amendment created challenges for Montana in meeting the December 31, 2021, extension deadline. Because the timing of CMS approval was unknown, it was unclear which waiver authorities would remain in effect and therefore what the extension application should request to continue. Additionally, the state needed to update WASP fiscal reporting before submitting the extension. As the 60-day public comment period deadline approached and these issues remained unresolved, Montana requested a temporary extension of the application deadline and the accompanying interim evaluation report. CMS granted this temporary extension on November 3, 2021, via email confirmation, establishing a new deadline of June 30, 2022.

Under the waiver authorities scheduled to expire December 31, 2022, a third population, the PCR population—had been covered under WASP. This group received only one benefit: 12-month continuous eligibility. That benefit was removed by the amendment submitted on September 3, 2021, and formally approved on March 30, 2022. Therefore, the PCR population was removed from WASP effective March 30, 2022. However, the effective date of this removal depends on the yet-to-be-determined end of the federal

Public Health Emergency (PHE). For purposes of this extension application, the state will assume that the PCR population will continue to receive 12-month continuous eligibility under WASP through December 31, 2022. The state requests approval of the demonstration that incorporates and extends the changes included in the amendment submitted on September 3, 2021, and subsequently approved by CMS.

On October 20, 2023, the state submitted an amendment requesting the addition of fertility preservation services for aged-eligible individuals diagnosed with cancer and the standard of care involves medical treatment that may directly or indirectly cause iatrogenic infertility. This amendment is currently pending with CMS while the state and CMS explore state plan amendment options for fertility preservation services

SECTION 3: WASP EXTENSION DESCRIPTION

The WASP provides an eligibility pathway for low-income individuals living with Severe Disabling Mental Illness (SDMI) who are not otherwise eligible for Medicaid, and offers unlimited dental treatment services for Aged, Blind, or Disabled Medicaid enrollees. In this extension application Montana proposes to continue these benefits for both covered populations.

SDMI POPULATION DESCRIPTION

- Adults aged 18 or older with SDMI who are otherwise ineligible for Medicaid and have income between 139 and 150 percent of the federal poverty level (FPL), or adults aged 18 or older with SDMI who are not otherwise eligible for Medicaid and have income between 139 and 150 percent of the FPL.
 - This population receives standard Medicaid benefits and 12-month expanded continuous Medicaid eligibility.
 - This population served through this portion of WASP will now be referred to as the SDMI population.

ABD POPULATION DESCRIPTION

- Individuals who are categorically eligible for Medicaid under the Aged, Blind, or Disabled (ABD) category, who receive enhanced dental benefits beyond the State Plan's \$1,205 dental treatment cap.

SECTION 4: WASP GOALS

The broad goal of the WASP aligns with the goal of Montana’s Medicaid program: to ensure that medically necessary care is available to all eligible Montanans within available funding resources.

The goal of WASP specific to the SDMI population is threefold:

- Improving access to mental health care;
- Improving utilization of mental health care; and
- Improving mental health outcomes for adults age 18 or older with Severe Disabling Mental Illness (SDMI) who qualify for, or are enrolled in, WASP.

By providing Standard Medicaid benefits for mental health services, the WASP is intended to enable SDMI enrollees to obtain timely and appropriate care, including community-based mental health services and psychotropic prescription medications. The evaluation design hypothesizes that access to these services will improve mental health outcomes and reduce reliance on higher-intensity interventions such as emergency room visits, crisis facilities, inpatient behavioral health units, and the Montana State Hospital.

To evaluate these goals, the state will use survey responses and claims data specific to the SDMI population over a defined period. The evaluation will measure access to, and utilization of services covered under Standard Medicaid benefits—services that would not otherwise be available to the SDMI population without the WASP. These data sources support an evaluation design that can effectively assess the impact of the demonstration on the SDMI population primarily affected by the provision of Standard Medicaid benefits to ensure the evaluation is isolated from other initiatives within the State.

SURVEY RESPONSE SUMMARY

Annual satisfaction surveys are performed for the SDMI population of the WASP waiver as they receive the most comprehensive service package from the waiver. The comparison group for the survey (non-WASP) includes any Medicaid member that had a mental health claim during the survey year (this also includes grant-funded programs). The following tables provide satisfaction survey results for the completed years of the current demonstration period.

2023 WASP SATISFACTION SURVEY

Domain	SFY2023 WASP	SFY2023 NON-WASP
General Satisfaction	92%	84%
Access to Services	92%	80%
Quality & Appropriateness of Services	92%	82%
Participation in Treatment	85%	81%
Outcomes	62%	57%
Improved Functioning	46%	60%
Improved Social Connectedness	46%	61%
Average of all 7 Domains	74%	72%

2024 WASP SATISFACTION SURVEY

Domain	SFY2024 WASP	SFY2024 NON-WASP
General Satisfaction	76%	82%
Access to Services	85%	83%
Quality & Appropriateness of Services	75%	84%
Participation in Treatment	79%	85%
Outcomes	57%	61%
Improved Functioning	47%	61%
Improved Social Connectedness	47%	65%
Average of all 7 Domains	67%	74%

2025 WASP SATISFACTION SURVEY

Domain	SFY2025 WASP	SFY2025 NON-WASP
General Satisfaction	94%	83%
Access to Services	97%	81%
Quality & Appropriateness of Services	93%	82%
Participation in Treatment	89%	75%
Outcomes	58%	59%
Improved Functioning	55%	61%
Improved Social Connectedness	61%	64%
Average of all 7 Domains	78%	72%

The goal of the WASP for the ABD population is to provide individuals determined categorically eligible for ABD with dental treatment services above the \$1,125 State Plan limit.

The ABD population faces unique challenges in accessing dental care. Because incremental dental services can create hardship for these individuals, they are offered additional annual coverage. Many ABD patients require specialized support, including anesthesia, and may experience behavioral difficulties or emotional trauma during treatment. Providers have consistently emphasized that this population has significant dental care needs and benefits from coverage that is not restricted by timeframes or dollar limit.

SECTION 5: EXTENSION SUMMARY

EXPENDITURE AUTHORITIES

Montana is not proposing any modifications, modifications, additions or removal of currently approved expenditure authorities

WAIVER AUTHORITIES

Montana is not proposing any modifications, additions or removal of currently approved waiver authorities. The WASP program will remain under 1115 Demonstration Waiver authority.

ELIGIBILITY

The extension request includes only one programmatic change. Per guidance received from CMS, the extension request is seeking to remove § 1115(a)(2) expenditure authority for 12-month continuous enrollment for the SDMI populations identified above. SDMI population will no longer receive 12-month expanded continuous Medicaid eligibility. Instead, they will receive the standard 6-month continuous eligibility period. The ABD population will continue under their current eligibility requirements.

BENEFITS AND COST SHARING

Montana is not proposing any changes to benefits or cost-sharing under the WASP waiver.

DELIVERY SYSTEM

Montana's healthcare delivery system is fee-for-service. No changes to the healthcare delivery system by which benefits will be provided to enrollees under the demonstration are proposed.

SECTION 6: DEMONSTRATION HYPOTHESES AND EVALUATION APPROACH

Evaluation of the overall impact of the demonstration that includes evaluation activities and findings to date, in addition to plans for evaluation activities over the requested extension period. The evaluation should provide CMS with a clear analysis of the state's achievement in obtaining the outcomes expected as a direct effect of the demonstration program. The state's evaluation must meet all the requirements outlined in the STCs.

The two populations currently served under WASP differ substantially from one another, and the benefits they receive through the demonstration also vary. The SDMI population receives the most comprehensive service package and therefore serves as the primary focus of the evaluation.

SDMI EVALUATION MEASURES AND DATA SOURCES TABLE

Measure	Data Source	Analytical Approach and Statistical Methods	Baseline	Comparisons
<i>Research question for Hypothesis 1: Does the provision of Standard Medicaid benefits coverage for SDMI enrollees impact their access to covered services?</i>				
Enrollee perception of difficulty accessing care	Mental Health Statistical Improvement Survey (MHSIP); Domain: Access	Calculate annual rates and track changes over time in beneficiaries' perceptions of their ability to access care Stratify rates and trends by age, sex, gender, geography Test for strength and significance of change over time using Kendall's tau (Thiel-Sen Line)	MHSIP survey responses	Within-population change over time
<i>Research question for Hypothesis 2: Does the provision of Standard Medicaid benefits coverage for WASP enrollees impact utilization of community-based mental health covered services and psychotropic prescription drug services?</i>				

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Number of enrollees receiving community-based mental health services, specifically: Outpatient Therapy services, Targeted Case Management services, Behavioral Health Day Treatment services, Rehabilitation & Support services, Illness Management and Recovery services, Behavioral Health Group Home services, Program of Assertive Community Treatment services, Peer Support services, and Adult Foster Care services.	Community-based mental health services claim data from the MT claims reporting system.	Calculate changes in individual utilization of services before and after coverage Calculate annual rates and track changes over time in utilization by all covered individuals Stratify rates and trends by age, sex, gender, geography Test for changes in individual utilization rates using interrupted time series model with autoregression Test for strength and significance of change over time in utilization rates in population using Kendall's tau (Thiel-Sen Line)	Claims with Dates of Service between 1/1/2027-12/31/2027	Within-individual change pre- and post-WASP enrollment Within-population change over time Comparisons to states with similar policy and utilization environment Within-population change over time
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Number of enrollees receiving psychotropic prescription drug services	Psychotropic prescription drug claims data from the MT claims reporting system			
Research question for Hypothesis 3: Does the provision of Standard Medicaid benefits coverage impact health care outcomes in the WASP population?				
Number of enrollees utilizing emergency department services for mental health emergencies	Emergency department claims data from the MT claims reporting system	Calculate changes in individual utilization of services before and after coverage Calculate annual rates and track changes over time in utilization by all covered individuals	Claims with Dates of Service between 1/1/2027-12/31/2027	Within-individual change pre- and post-WASP enrollment
Number of enrollees admitted to an inpatient psychiatric facility	Inpatient psychiatric facility claims data from the MT claims reporting system	Stratify rates and trends by age, sex, gender, geography Test for changes in individual utilization rates using interrupted time series model with autoregression Test for strength and significance of change over time in utilization rates in population using Kendall's tau (Thiel-Sen Line)		Within-population change over time Comparisons to states with similar policy and utilization environment
Research question for H4: Does the addition of telehealth services to the provision of Standard Medicaid benefits coverage impact health care outcomes in the WASP population?				

Number of enrollees receiving mental health services in the telehealth setting	Telehealth place of service claims data from the MT claims reporting system	Calculate annual rates and track changes over time in utilization by all covered individuals Stratify rates and trends by age, sex, gender, geography. Test for strength and significance of change over time in utilization rates in population using Kendall's tau (Thiel-Sen Line)	Claims with Dates of Service between 1/1/2027-12/31/2027	Within-population change over time Comparisons to states with similar policy and utilization environment
Number of mental health services received via the telehealth				

ABD EVALUATION MEASURES AND DATA SOURCES TABLE

Measure	Data Source	Analytical Approach and Statistical Methods	Baseline	Comparisons
<i>Research question: Do beneficiaries utilize covered dental health services?</i>				
Number of beneficiaries who had at least one dental service encounter above the cap in each year of the demonstration (Both the numerator and the denominator will be a distinct count of ABD beneficiaries above the dental limit, counting the beneficiary only once regardless of	ABD dental claims data from the MT claims reporting system pulled from the database and the total counts of ABD eligible above the dental limit Enrollment Data pulled from the database that	Calculate changes in individual utilization of services before and after coverage Calculate annual rates and track changes over time in utilization by all covered individuals	Claims with Dates of Service between 1/1/2027-12/31/2027	Within-individual change pre- and post-WASP enrollment Within-population change over time

the number of services covered by their ABD	receives information from the eligibility system.	Stratify rates and trends by age, sex, gender, geography Test for changes in individual utilization rates using interrupted time series model with autoregression Test for strength and significance of change over time in utilization rates in population using Kendall's tau (Thiel-Sen Line)		
Average number of services utilized per beneficiary				
Top ten utilized dental services in each year of the demonstration/total number of beneficiaries				
Research question: Does the addition of telehealth services to the provision of Standard Medicaid benefits coverage impact health care outcomes in the WASP population?				
Number of enrollees receiving dental health services in the telehealth setting	Dental telehealth procedure code claims data from	Calculate annual rates and track changes over time in utilization by all	Claims with Dates of Service between 1/1/2027-12/31/2027	Within-population change over time

Number of dental health services received via the telehealth setting	the MT claims reporting system.	covered individuals Stratify rates and trends by age, sex, gender, geography Test for strength and significance of change over time in utilization rates in population using Kendall's tau (Thiel-Sen Line)		
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SECTION 7: EXPENDITURE

There are no proposed changes to state demonstration financing or overall approved budget/allotment neutrality methodology for determining federal expenditure limits.

Montana expects the WASP Demonstration EXTENSION request to remain budget neutral consistent with Section 1115 requirements and CMS budget neutrality policies. The State's budget neutrality analysis will evaluate both the direct and indirect fiscal impacts associated with the extension proposal, including impacts on utilization, care delivery, and administrative expenditures, as required by CMS guidance.

Montana will include detailed budget neutrality analyses and supporting documentation as part of its final extension submission.

EXPENDITURE HISTORY AND PROJECTIONS UNDER THE PROPOSED DEMONSTRATION EXTENSION

EXPENDITURE HISTORY TABLE

Waiver Population	DY 20 - CY 2023	DY 21 - CY 2024	DY 22 - CY 2025	DY 23 - CY 2026	DY 24 - CY 2027
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WASP ABD	\$1,179,071	\$1,200,861	\$1,243,961	\$1,294,092	\$1,346,247
WASP SDMI	\$6,598,816	\$6,600,041	\$5,309,211	\$5,522,995	\$5,745,530
TOTAL	\$7,777,887	\$7,800,902	\$6,553,172	\$6,817,087	\$7,091,777

EXPENDITURE PROJECTIONS TABLE

Waiver Population	DY 25 - CY 2028	DY 26 - CY 2029	DY 27 - CY 2030	DY 28 - CY 2031	DY 29 - CY 2032
WASP ABD	\$1,400,097	\$1,456,101	\$1,514,345	\$1,574,919	\$1,637,915
WASP SDMI	\$5,975,351	\$6,214,365	\$6,462,940	\$6,721,457	\$6,990,316
TOTAL	\$7,375,448	\$7,670,466	\$7,977,285	\$8,296,376	\$8,628,231

SECTION 8: ENROLLMENT

WASP has seen an overall slow decline in enrollment over all years of the current demonstration period.

Enrolled WASP member counts within the SDMI population decreased over all years of the current demonstration period. The ABD population continues to represent the largest group of covered members. Although overall ABD enrollment is declining, it still reflects a significant number of Montanans receiving coverage.

ENROLLMENT HISTORY AND PROJECTIONS UNDER THE PROPOSED DEMONSTRATION EXTENSION

Enrollment History Table

Waiver Population	DY 20 - CY 2023	DY 21 - CY 2024	DY 22 - CY 2025	DY 23 - CY 2026	DY 24 - CY 2027
WASP ABD	30,288	28,465	27,524	22,586	22,812
WASP SDMI	1,009	912	839	571	577
TOTAL	31,297	29,377	28,363	23,157	23,389

ENROLLMENT PROJECTIONS TABLE

Waiver Population	DY 25 - CY 2028	DY 26 - CY 2029	DY 27 - CY 2030	DY 28 - CY 2031	DY 29 - CY 2032
WASP ABD	23,040	23,501	24,206	24,932	25,680
WASP SDMI	582	594	612	630	649
TOTAL	23,622	24,095	24,818	25,562	26,329

SECTION 09: INTERIM EVALUATION

Interim evaluation of the overall impact of the demonstration that includes evaluation activities and findings to date, in addition to plans for evaluation activities over the requested extension period. The interim evaluation should provide CMS with a clear analysis of the state's achievement in obtaining the outcomes expected as a direct effect of the demonstration program. The state's interim evaluation must meet the requirements outlined in the STCs. Montana is proposing no changes to the current WASP evaluation design. The Interim Evaluation Report will be submitted with this extension application.

WASP EVALUATION BUDGET

Montana will use an outside evaluation contractor for the reporting requirements for the Interim and Summative Evaluations. The State will need to contract with an outside evaluator per the STCs of this approval period. The annual reporting requirements and budget neutrality will be completed in-house. The costs below are based on estimates submitted by the proposed evaluator and for in-house staff.

Activity	Cost
Computer programming (cost per hour x hours)	No additional programming costs will be incurred for this evaluation.
Data Extract (Completed by State Staff) (cost per hour x hours)	\$35.00/hour x 40 hours = \$1,400.00
Analysis of the data for interim reporting (cost per hour x hours)	\$210.00/hour x 100 hours = \$21,000.00
Analysis of the data for final reporting (cost per hour x hours)	\$210.00/hour x 70 hours = \$14,700
Preparation of the report for interim reporting (cost per hour x hours)	\$210.00/hour x 60 hours = \$12,600
Preparation of the report for final reporting (cost per hour x hours)	\$210.00/hour x 60 hours = \$12,600
Total cost of State Staff	\$1,400

SECTION 10: EXTERNAL QUALITY REVIEW

Summaries of External Quality Review Organization (EQRO) reports, managed care organization and state quality assurance monitoring, and any other documentation of the quality of and access to care provided under the demonstration.

SUMMARY OF EQRO REPORTS

Not applicable.

SUMMARY OF MANAGED CARE ORGANIZATIONS

Not applicable to Montana.

SUMMARY STATE QUALITY ASSURANCE MONITORING

The Montana Department of Public Health and Human Services, Office of the Inspector General Division, has two units that review Medicaid for accuracy:

- The Program Integrity Unit investigates allegations of intentional fraud in the SNAP, Medicaid, and TANF programs.
 - No allegations of intentional fraud were identified as applicable to the Montana WASP 1115 Demonstration Waiver.
 - The Intentional Program Violation (IPV) Unit does not track types of Medicaid programs reviewed
- The Surveillance Utilization Review Section (SURS) is responsible for protecting the integrity of the Montana Medicaid Program from fraud, waste, and abuse by Medicaid Providers. There are no identified SURS findings directly related to the WASP Section 1115 Demonstration Waiver.

The Payment Error Rate Measurement (PERM) is a federal audit which monitors improper payments in Medicaid programs on a three-year cycle. The PERM Reporting Year 2024 audit, for claims paid July 1, 2022-June 30, 2023, resulted in minimal errors found. Overall errors consisted of the following: provider information/enrollment error, number of unit(s) error, no documentation provided error, document(s) absent from record error, determination not conducted as required, verification/documentation not done, not eligible for enrolled program; financial issue, should have been enrolled in a different program.

- 311 Medical Record Reviews, resulting in 7 errors (0 of which were WASP)
- 311 Data Processing Reviews, resulting in 9 errors (0 of which was WASP)
- 117 Eligibility reviews, resulting in 2 errors (0 of which was WASP)

SECTION 11: COMPLIANCE WITH THE PUBLIC NOTICE PROCESS.

Documentation of the state's compliance with the public notice process set forth in 42 CFR 431.408 and 431.420.

Montana's Public Notice Documents are included within this application packet and posted on the December 2026 WASP Extension Submission webpage, <https://dphhs.mt.gov/MontanaHealthcarePrograms/Medicaid/2026waspwaiver>.

Montana's completed Compliance with the Public Notice Process document is included in the submission application and posted on the December 2026 WASP Extension Submission webpage, <https://dphhs.mt.gov/MontanaHealthcarePrograms/Medicaid/2026waspwaiver>.

To ensure transparency in the state's proposed 5-year Section 1115 WASP Waiver Extension application, DPHHS will hold two public hearings and conduct a public comment period. The comment period will begin on Thursday September 24, 2026, and close on November 23, 2026. All comments must be received by 11:59 PM (Mountain Time) on November 23, 2026.

SUMMARY OF PUBLIC COMMENTS AND RESPONSES GIVEN

Information pending