



NOTICE OF PUBLIC COMMENT PERIOD AND PUBLIC HEARINGS

Montana Section 1115 Waiver for Additional Services and Populations (WASP) Demonstration Waiver Extension Request

Full Public Notice – September 24, 2026

Pursuant to 42 C.F.R. Section 431.408, the Montana Department of Public Health and Human Services (DPHHS) is providing public notice of its intent to submit a Section 1115 Demonstration extension request to the Centers for Medicare & Medicaid Services (CMS) on or before December 31, 2026. DPHHS will submit a five-year Section 1115 Waiver for Additional Services and Populations (WASP) Medicaid Waiver Extension application, with a proposed effective date of January 1, 2028, and extending through December 31, 2032.

PROGRAM DESCRIPTION

The WASP is a statewide section 1115 Medicaid demonstration waiver that was first approved in 1996. This waiver has historically provided: an eligibility pathway for low-income individuals living with a severe mental illness (SMI) not otherwise eligible for Medicaid; and unlimited dental treatment services for Aged/Blind/Disabled Medicaid enrollees.

Eligible individuals belong to one or both populations.

1. Individuals aged 18 or older with Severe Disabling Mental Illness (SDMI), who are otherwise ineligible for Medicaid, and meet one of the following criteria:
 - Income between 0–138% of the Federal Poverty Level (FPL) and eligible for or enrolled in Medicare; or
 - Income between 139–150% of the FPL, regardless of Medicare status.
 - Through WASP, this population receives the Standard Medicaid benefit and 12-month continuous Medicaid eligibility.
 - This population under WASP is limited to 3,000 members at one time.
2. Individuals who are categorically eligible as Aged, Blind, and/or Disabled (ABD).
 - This population receives dental treatment services above the State Plan annual dental limit of \$1,205.

- There is no membership limit for this population.

WASP GOALS

The Waiver for Additional Services and Populations (WASP) Demonstration aligns with the overarching goal of Montana's Medicaid program: to ensure medically necessary care is available to all eligible Montanans within available funding resources.

The two populations covered under WASP differ significantly from each other and the benefit they derive from inclusion in WASP also differs. The SDMI population receives the broadest service package.

Goals for the SDMI population include improving:

- Access to mental health care,
- Utilization of mental health care, and
- Mental health outcomes for individuals aged 18 or older with SDMI who qualify for WASP and receive Standard Medicaid benefits for mental health services.

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 for mental health care.

The goal for the ABD dental population is to provide individuals categorically eligible as ABD with dental treatment services above the \$1,205 State Plan dental limit.

SUMMARY OF PROPOSED CHANGES

Montana is seeking through this Demonstration extension to continue the expenditure authority for the current populations.

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. All other components of the demonstration remain unchanged.

The State is not proposing changes to the Medicaid delivery system as part of this application. Demonstration enrollees will continue to receive services through the State's fee-for-service delivery system. The State does not propose any changes to benefits for Demonstration enrollees. Montana currently does not apply cost sharing to any Medicaid members.

ANNUAL ENROLLMENT AND EXPENDITURES

ENROLLMENT

Average monthly enrollment in 2025 included approximately 2,363 WASP members, with 70 members in the SDMI population and 2,293 in the ABD population. Enrollment among WASP members within the SDMI group declined throughout the current demonstration period. The ABD population also experienced a gradual decrease but continues to represent the largest share of covered members. Despite the decline, the ABD group still reflects a substantial number of Montanans receiving coverage.

ENROLLMENT HISTORY TABLE

The table below describes historical enrollment for the current Demonstration period.

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

The table below describes projected enrollment under the WASP Demonstration extension request by WASP population.

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

EXPENDITURES

Total WASP expenditures have generally trended upward across the current demonstration period, despite fluctuations between individual demonstration years. In 2024, total program costs reached \$7,800,902, followed by a decrease in 2025 to \$6,553,172, largely driven by reduced expenditures within the SDMI population. The current total cost for 2025 stands at just over \$6.5 million. Projections for 2026 indicate a slight increase, with anticipated expenditures of

\$6,817,087. Overall, while yearly spending has varied, the program continues to show an overall incline when viewed across the full demonstration period.

EXPENDITURE HISTORY 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

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WAIVER AND EXPENDITURE AUTHORITIES

Montana is requesting to continue waiver of certain federal Medicaid requirements to enable the operation of the WASP as a Demonstration that will effectively meet the objectives as well as budget neutrality expectations.

Montana asking to extend the § 1115(a)(2) expenditure authority to:

- Allow individuals, who are age 18 or older, with Severe or Disabling Mental Illness (SDMI) who are otherwise ineligible for Medicaid to be enrolled in WASP if they:
 - 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 (they can be covered or not covered by Medicare and be eligible).
 - And limit this population to 3,000 members at any one time.
 - Not provide medical assistance to the SDMI population for any time prior to when an application for the demonstration is made;
 - Not furnish or arrange for EPSDT services to the demonstration population; and
 - Allow for an enrollment limit of the SDMI demonstration population.
- Offer the ABD population a benefit package that includes only dental treatment services above the \$1,125 State Plan dental treatment limit.
- Montana is seeking to remove the § 1115(a)(2) expenditure authority for 12-month continuous enrollment and does not propose any additional waiver and expenditure authority changes to the WASP Demonstration Program.

WASP HYPOTHESES AND EVALUATION APPROACH

The SDMI population receives the broadest benefit of the WASP populations and is the focus of the Demonstration evaluation. Montana is not proposing any changes to the approved evaluation design from the current Demonstration period.

Specific measures and data sources are detailed in the following Evaluation Measures and Data Sources Table. The measures and data sources were selected to ensure comprehensive coverage of the Demonstration's goals, including access to care, quality of treatment, and health outcomes.

SDMI POPULATION 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 MHSP 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>				

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			
<i>Research question for Hypothesis 3: Does the provision of Standard Medicaid benefits coverage impact health care outcomes in the WASP population?</i>				
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-		Within-population change over time Comparisons to states with similar policy and utilization environment

		Sen Line)		
<i>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?</i>				
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 setting				

ABD POPULATION 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 the number of services covered by their ABD)	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 receives information from the eligibility system.	Calculate changes in individual utilization of services before and after coverage	Claims with Dates of Service between 1/1/2027-12/31/2027	Within-individual change pre- and post-WASP enrollment
Average number of services utilized per beneficiary		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		Within-population change over time

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

PUBLIC NOTICE, PUBLIC HEARINGS AND PUBLIC COMMENT PROCESS

The 60-day public comment period for the WASP Demonstration Extension Application 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.

DPHHS will hold two public meetings on the Demonstration renewal application. The public hearing on October 2, 2026, will be a hybrid meeting and the public may attend in-person or virtually. The public hearing on October 7, 2026, will be held as part of a Montana Health Coalition/Medicaid Advisory Committee meeting and will be accessible to the public virtually only due to building security restrictions. Individuals requiring reasonable accommodations should contact DPHHS at (406) 444-2584.

PUBLIC HEARINGS

1. First Public Hearing

- Date: Friday, October 2, 2026
- Time: 10:00 AM – 12:00 PM MT
- Location:
 - Cogswell Building, Conference Rooms C205, C207, and C209 (combined) 1400 E. Broadway St. Broadway Entrance, south side of building Helena, MT
- Virtual Registration: Register for the Zoom link.
https://mt-gov.zoom.us/webinar/register/WN_5tyTfGSsRzanZ7squpimhg#/registration

2. Second Public Hearing

- Date: Wednesday, October 7, 2026
- Time: 3:00 – 4:30 PM MT
- Location: (Virtual only for non-Montana Health Coalition members)
 - Montana Health Coalition/Medicaid Advisory Committee Meeting 111 North Sanders Street Room 306 Helena, MT
- Virtual Registration: Register for the Zoom link.
https://mt-gov.zoom.us/webinar/register/WN_hXeOYH2pSg6NbZjtfA7peg#/registration

The complete draft Demonstration application is available for public review at: <https://dphhs.mt.gov/MontanaHealthcarePrograms/medicaid/2026waspwaiver>. Paper copies are available to be picked up at the DPHHS office located at 111 North Sanders Street, Room 301, Helena, Montana 59601.

SUBMITTING PUBLIC COMMENTS

Public comments may be submitted until 11:59 PM (Mountain Time) on November 23, 2026. Questions or public comments may be addressed care of Medicaid WASP Waiver, Department of Public Health and Human Services, Director's Office, PO Box 4210, Helena, MT 59604-4210, or by telephone to (406) 444-2584, or by electronic mail to dphhscomments@mt.gov. Comments received after November 23, 2026, will continue to be accepted, but DPHHS may not be able to consider those comments prior to initial submission of the renewal application to CMS.

After reviewing comments submitted during the state public comment period, Montana will submit a revised application to CMS. Interested parties will also have an opportunity to 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/section1115-demo/demonstration-and-waiver-list>.