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CHARLIE BRERETON
DIRECTOR

Date: September 24, 2026

To: Montana Health Coalition Members/Medicaid Advisory Committee (MAC), Ad Hoc Members, and Interested Parties

From: Rebecca de Camara, Medicaid and Health Services Executive Director/Medicaid State Director

Subject: 1115 Waiver for Additional Services and Populations (WASP) Demonstration Extension Request

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) to continue and amend the Montana Waiver for Additional Services and Populations (WASP) Demonstration. DPHHS is seeking an extension of the WASP Demonstration for an additional five-year period from January 1, 2028, through December 31, 2032. DPHHS intends to submit the extension application to CMS on or before December 31, 2026. All proposed requests are subject to CMS approval.

Short History of WASP

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.

WASP Goals

The 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.

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.

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 following 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.
2. Individuals who are categorically eligible as Aged/Blind/Disabled (ABD). This population receives dental treatment services above the State Plan annual dental limit of $1,205.

The extension request includes 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.

Public Meetings and Comment Process

The public comment period for the WASP Waiver Extension Demonstration Application will begin on Thursday, September 24, 2026, and close on Monday, 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 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.

1. October 2, 2026, from 10:00 am to 12:00 pm MT (in-person and virtual)

    Cogswell Building, Conference Rooms C205, C207, and C209 (combined)
    1400 E. Broadway St.
    Broadway Entrance, south side of building
    Helena, MT

Register in advance for this Zoom webinar: https://mt-gov.zoom.us/webinar/register/WN_5tyTfGSsRzanZ7squpimhg [mt-gov.zoom.us]

2. October 7, 2026, from 3:00 to 4:30 pm MT (virtual only for non-Montana Health Coalition members)

   Montana Health Coalition/Medicaid Advisory Committee Meeting
   111 North Sanders Street.
   Room 306
   Helena, MT

   Register in advance for this Zoom webinar: https://mt-gov.zoom.us/webinar/register/WN_hXeOYH2pSg6NbZjtfA7peg [mt-gov.zoom.us]

The complete version of the Demonstration public notice and 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 59604.

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 59620, 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 the 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/section-1115-demo/demonstration-and-waiver-list.