



BEHAVIORAL HEALTH SYSTEM FOR FUTURE GENERATIONS RECOMMENDATION #1: REFINE AND RECONFIGURE THE CURRENT 0208 COMPREHENSIVE WAIVER SERVICES RATES

Recommendation Overview:

The current reimbursement model for Montana’s 0208 Home and Community Based Services Comprehensive Waiver for people with developmental disabilities bases payment entirely on service hours and does not factor in the complexity of a person’s support needs. As a result, service providers are reimbursed the same amount per service unit for a person with relatively low support needs as someone with high support needs. This approach may discourage service providers from supporting people with more complex needs because there is not adequate reimbursement available to meet the person’s needs. **This recommendation adjusts the 0208 Comprehensive Waiver rate methodology to account for each person’s level of support, better aligning their support needs with the resources they receive.** Specifically, it involves selecting and implementing a standardized assessment tool and refining the rate structure to account for varying levels of need. This recommendation helps align Montana with best practice rate-setting practices across the country and ensures people on the 0208 Comprehensive Waiver can access the supports and services they need.

Intended Impact:

This recommendation proposes adjusting community-based service rates to ensure providers receive fair and sustainable reimbursement to better support people with complex needs. Example performance measures for this recommendation may include:

- Decreased emergency department utilization
- Decreased out-of-state placements
- Decreased reliance on state-operated facilities
- Increased access to community-based services
- Decreased 0208 Comprehensive Waiver waitlist

Governor’s Budget Amounts:

Funding by Year ¹		Funding Sources ²	
SFY26	SFY27	State Special Revenue	Federal Funds
\$950K	\$7.5M	\$3.8M	\$4.6M





This recommendation includes reviewing and selecting a standardized assessment tool, conducting a pilot of the selected tool, contracting with a vendor to develop acuity-based rate modifications, and performing ongoing assessments with the new tool. The BHSFG funding request will support performing pilot assessments, contracted rate-setting



support, and the first year of ongoing assessment costs. Following the implementation of the recommendation, annual recurring funding is required for the estimated program cost increase (estimated at 5%) and ongoing assessment costs.³ Federal funding for this recommendation assumes the approval of a Medicaid waiver amendment by CMS.

Implementation Considerations:

This Phase 1 foundational recommendation establishes the necessary infrastructure for subsequent recommendations to succeed and/or is critical to strengthening and sustaining system operations.⁴ It is designated to receive funding in both SFY26 and SFY27 in the governor’s budget.

Project Requirements	Project Needs
Staffing 	<ul style="list-style-type: none"> Increased rate model complexity may increase staffing needs at the Developmental Disabilities Program (DDP) and DPHHS finance to ensure proper monitoring. Increased use of assessment data may increase the need for DDP clinical file reviews to ensure appropriate matching between need and funding is achieved.
System / Infrastructure 	<ul style="list-style-type: none"> Revise the Medicaid Management Information System service codes and modifiers. Establish data transfer protocols to automate the transmission of assessment data results to DDP and case management organizations.
Legislative / Regulatory 	<ul style="list-style-type: none"> Submit a Waiver Amendment to CMS. Revised funding methods will require revisions to the Administrative Rules of Montana (ARMs).
Finance / Sustainability 	<ul style="list-style-type: none"> Establish updated rates and total start-up costs. A phased implementation plan may be needed to support the transition to the new rates, initially causing operating dual rate models.

¹ In November 2024, Governor Gianforte authorized \$100M for SFY26 and SFY27 to implement ten recommendations identified by the BHSFG Commission. The cost estimates for this recommendation in the BHSFG final report may vary due to the timing of projected expenditures and additional adjustments.

² Federal match is projected to cover part of ongoing costs but is not expected to begin immediately.

³ All long-term recurring program costs are assumed to be eligible for federal matching.

⁴ The BHSFG recommendations included in the Governor’s budget are all eight Phase 1 recommendations and two Phase 2 recommendations. Phase 2 BHSFG Commissioner Identified Focus Area Recommendations are those the Commission identified as a leading focus area that may be impacted by the completion of a foundational recommendation and/or are not foundational in nature.