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DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

CHARLIE BRERETON
DIRECTOR

Date: February 28, 2025

To: Montana Health Coalition Members, Ad Hoc Members, and Interested Parties

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

Subjects: Montana Home and Community Based Services Severe and Disabling Mental Illness (SDMI) Waiver Renewal and Heightened Scrutiny Package Submittal

This memo is to inform you of Montana Department of Public Health and Human Services' (DPHHS) intent to submit a request to the Centers for Medicare and Medicaid Services (CMS) to renew the 1915(c) Severe and Disabling Mental Illness (SDMI) Waiver and propose changing the name to the Hope Waiver on or before March 31, 2025. The department is requesting approval to operate the renewed waiver from July 1, 2025, to June 30, 2030.

1915(c) The Severe and Disabling Mental Illness (SDMI) Waiver Renewal

The SDMI Waiver provides long term services and supports to members with a severe and disabling mental illness in a community setting as an alternative to receiving long term care services in a nursing facility setting. It is a combination 1915(c) and 1915(b)(4) waiver, combining a specialized array of services with conflict free case management statewide.

Montana Medicaid Members can access the waiver if they meet a nursing home level of care, have an approved SDMI diagnosis and level of impairment, and are 18 years of age or older. The proposed waiver renewal includes changes to members served, the services offered, and language improvements to clearly describe the program design. The waiver currently serves approximately 450 members statewide.

Members served:

There is proposed Reserved Waiver Capacity to respond to the following situations:

- Transitioning individuals with Money Follows the Person grant funding.
- Transitioning individuals from youth-based Medicaid programs to adult coverage through the SDMI Waiver.
- Transitioning individuals from Montana State Hospital or the Montana Mental Health Nursing Care Center.

Services Offered:

The following changes are proposed to improve service definitions to better serve the needs of members and to alleviate duplicative services:

- Update service definitions to define individual service delivery model;

- Update Residential Habilitation, Case Management, Consultative Clinical and Therapeutic Services, Health and Wellness, and Pain and Symptom Management service definitions and scope;
- Update provider definitions for Health and Wellness and Specialized Medical Equipment and Supplies;
- Update the provisions of care by Legally Responsible Individuals/Relatives/Legal Guardians; and
- Respond to HCBS settings process and assurances required by new waiver application document.

Program Design:

The following changes are proposed to improve the overall program design and operations:

- Update program name from the Severe and Disabling Mental Illness Home and Community Based Services (SDMI) waiver to the Hope Waiver;
- Update language to remove outdated information, correct entity name changes, program staff position titles, update contracted case management entity from two to one, correct grammar, and provide clarifying details regarding the overall waiver administration, oversight, and operations;
- Update performance measures/quality assurance standards;
- Address updates outlined in CMS' new waiver application document and 1915(c) technical guide;
- Update prior authorization situations managed by the Quality Improvement Organization (QIO);
- Remove requirement for BHDD program staff to review and approve all PCRPs;
- Update quality assurance review processes;
- Update reserve capacity purposes and determination and add a new reserve capacity group;
- Remove the requirement for Person-Centered Recovery Plans to be submitted to the program for approval and oversight;
- Update case management team's responsibilities for record maintenance;
- Remove the requirement for the department to approve initial, annual, and/or updated PCRPs;
- Remove the requirement for the department to review specific components in the PCRPs prior to authorization;
- Update program staff quality assurance review responsibilities;
- More clearly define risk assessment and mitigation processes;
- Update the list of services provided by the contracted case management entity and the providers' availability for each service;
- Remove the requirement for direct approval from the State for the approval of the Intensive Mental Health Group Home service;
- Respond to Conflict of Interest assurances list required by new waiver application document;
- Clarify the telephone contact (monthly call) requirements with members must be completed verbally;
- Add requirement to use SMART goal process within the PCRP goal definitions;
- Remove reference to MP completing capacity assessment;
- Update program survey process;
- Update claim review process from program staff to QIO;

- Update financial oversight details;
- Remove requirement for case management teams to conduct quarterly internal audits;
- Update rate methodology, rates, billing and claims information; and
- Update utilization estimates and rate methodologies.

The current SDMI Waiver fee schedule can be found at https://medicaidprovider.mt.gov/docs/feeschedules/2024/CLEAN_SDMI_effective07.01.2024SDMI.pdf. The draft SDMI renewal is available for review at https://dphhs.mt.gov/bhdd/mentalhealthservices/SDMI/index. The state will make hard copies of the waiver renewal available upon request.

Home and Community-Based Services Heightened Scrutiny Evidentiary Packet

On or before March 31, 2025, DPHHS will submit an HCBS Heightened Scrutiny (HS) Evidentiary Packet to CMS. As part of the HCBS Final Rules, CMS defined settings presumed not to be home and community-based and will need to undergo HS. These settings include: 1) settings that are located in a building that is also a publicly or privately operated facility that provides inpatient institutional treatment, 2) settings that are in a building located on the grounds of, or immediately adjacent to, a public institution, 3) any other settings that have the effect of isolating individuals receiving Medicaid HCBS from the broader community.

For settings presumed not to be home and community-based, states must present evidence of their home and community-based characteristics to CMS to determine if the setting has the qualities of a home and community-based setting and does not have the qualities of an institution and, therefore, can begin providing waiver services to individuals receiving Medicaid HCBS. Public comment on each setting is an important part of the home and community-based evidence package.

A summary of HS-7 (Montana's seventh HS setting), a description of their home and community-based characteristics, and the reason the setting requires HS can be found at https://dphhs.mt.gov/SLTC and https://dphhs.mt.gov/hcbs.

We invite your comments and questions postmarked through March 30, 2025. You may direct comments or request a hard copy from Carla Rime, Medicaid State Plan Amendment and Waiver Coordinator, at (406) 444-2584 or CRime2@mt.gov; or Director's Office, PO Box 4210, Helena, MT 59604-4210.