GREG GIANFORTE
GOVERNOR

DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

CHARLIE BRERETON
DIRECTOR

Feb. 28, 2025

[Address]

Re: 1915(c) Severe and Disabling Mental Illness (SDMI) Waiver Renewal, Heightened Scrutiny Evidentiary Packet, and State Plans

Dear :

The Montana Department of Public Health and Human Services (DPHHS) is pleased to invite comment from all Tribal Governments, Urban Indian Organizations, and Indian Health Service (IHS) entities regarding the following Montana Waiver and State Plan Amendments (SPAs). DPHHS will submit these amendments for Centers for Medicare and Medicaid Services (CMS) approval on or before March 31, 2025.

Under our Montana Medicaid Tribal Consultation State Plan agreement, DPHHS provides you notice of all Medicaid, Children's Health Insurance Program (CHIP) State Plans, and Waiver changes. To aid your review, we have indicated whether there will be a direct impact on reimbursement or coverage for American Indians/Alaska Natives.

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

Proposed Effective Date: July 1, 2025

On or before March 31, 2025, the Montana Department of Public Health and Human Services (DPHHS) will 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. The department is requesting approval to operate the renewed waiver from July 1, 2025, to June 30, 2030.

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 Behavioral Health and Developmental Disabilities (BHDD) Division program staff to review and approve all Person-Centered Recovery Plans (PCRPs);
- Update quality assurance review processes;
- Update reserve capacity purposes and determination and add a new reserve capacity group;

- Remove the requirement for PRCPs 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.

This renewal positively impacts American Indian/Alaska Native Medicaid members who receive services from Tribes, Urban Indian Health Organizations, and IHS because it allows for continuation of waiver authorization.

Subject: 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.

This HS Evidentiary Packet submittal **does not impact** American Indian/Alaska Native Medicaid members who receive services from Tribes, Urban Indian Health Organizations, and IHS.

Subject: Updating Children's Health Insurance Program (CHIP) State Plan Performance Goals and Strategic Objectives

Proposed Effective Date: December 31, 2024 (retroactively)

The CHIP State Plan will be updated to align the goals and objectives with what is currently reported in the CHIP Annual Report. The strategic objectives and the performance goals in the State Plan assist in measuring the State's capacity to provide child health assistance to low-income children under the plan while maximizing health benefit coverage. The amendment is budget neutral.

This amendment **positively impacts** American Indian/Alaska Native CHIP members who receive services from Tribes, Urban Indian Health Organizations, and IHS because it updates and aligns CHIP goals and objectives.

Subject: Updating State Plans to Include the Consolidated Appropriations Act (CAA) Mandatory Youth Reentry Services

Proposed Effective Date: January 1, 2025 (retroactively)

The Medicaid, Alternative Benefit Plan (ABP), and the Children's Health Insurance Program/Healthy Montana Kids (CHIP/HMK) State Plans will be amended to include Section 5121 of the Consolidated Appropriations Act (CAA) mandatory youth reentry services. This provides for availability of services for incarcerated youth enrolled in Medicaid, Medicaid Expansion, and CHIP/HMK. Coverage timeframe begins 30 days prior to release and at least 30

days after release from incarceration. The total estimated annual cost of the proposed Medicaid SPA is $21,310.32 for FFY25 and $30,956.85 in FFY26. The total estimated annual cost of the proposed ABP SPA is $9,989.21 for FFY25 and $14,446.53 for FFY26. The total estimated annual cost of the proposed CHIP/HMK SPA is $1,331.90 in FFY25 and $1375.86 in FFY26.

These amendments positively impact American Indian/Alaska Native Medicaid and CHIP members who receive services from Tribes, Urban Indian Health Organizations, and IHS because it adds youth reentry services.

Subject: Recovery Audit Contractor

Proposed Effective Date: April 1, 2025

During the 2017 legislative session, Montana enacted Montana Code Annotated 53-6-1402, which adjusts the Medicaid review time frame from a four-year lookback, excluding the current year, to a six-month data review within a three-year lookback for an initial audit. Due to this restriction, DPHHS received no bids on the released Recovery Audit Contractor Request for Proposals. The Department requested, and CMS approved, a two-year waiver from CMS for 42 CFR 455.502, through April 30, 2025. Currently, Montana is seeking a renewal of the exemption for an additional two-year period through April 30, 2027.

This amendment does not impact American Indian/Alaska Native Medicaid members who receive services from Tribes, Urban Indian Health Organizations, and IHS because DPHHS does not currently have a Recovery Audit Contractor to conduct audits.

Subject: Updating Other Rehabilitative Services State Plan Amendment

Proposed Effective Date: January 1, 2025 (retroactively)

The Department proposes creating the Evidence Based Practice (EBP) Administration code H0050 with a rate of $16.51 per unit. Corresponding intent of reimbursement will be included in the Contingency Management Policy 610 within the Medicaid Services Provider Manual for Substance Use Disorder and Adult Mental Health.

This amendment positively impacts American Indian/Alaska Native Medicaid members who receive services from Tribes, Urban Indian Health Organizations, and IHS because it adds a billable code.

DPHHS is committed to an extensive public process. We want to provide you the opportunity to review the proposed actions, understand the concepts, and offer comments. We invite your comments and questions on this SPA emailed or postmarked through March 30, 2025. You may direct comments to Carla Rime, Medicaid State Plan Amendment and Waiver Coordinator,

at (406) 444-2584 or CRime2@mt.gov, or the Director's Office, PO Box 4210, Helena, MT 59604-4210.

Sincerely,

Rebecca de Camara
Medicaid and Health Services Executive Director/State Medicaid Director

c: Misty Kuhl, Director of Indian Affairs, Governor's Office
Stephanie Iron Shooter, American Indian Health Director, DPHHS