HEART Section 1115 Demonstration Renewal

Tribal Consultation

October 27, 2026

DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

Welcome and Zoom Logistics

Zoom Overview

- Participants are joining by computer and phone
- Everyone will be automatically muted upon entry

Closed Captioning

- Live closed captioning is available. You can click the “CC” box at the bottom of the Zoom box

Submitting Public Comments

- **Q&A Box.** All information and questions received through the Q&A box will be recorded as public comments.
- **Spoken.** Participants will have the opportunity to submit live public comments in the last half of the webinar (more details will be shared about how to “raise your hand” & “unmute” yourself at that time)

Agenda

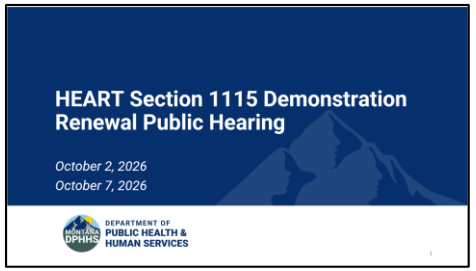
1. Healing and Ending Addiction Through Recovery and Treatment (HEART) Demonstration Renewal Background
2. Proposed Demonstration Renewal and Waiver Requests
3. Waiver Implementation and Evaluation
4. Discussion and Public Comment

Presentation Objectives

- Provide an overview of Montana's efforts to improve access to behavioral health care services and supports;
- Review the HEART Section 1115 Demonstration Renewal; and
- Provide an opportunity to submit public comments.

Accessing Montana HEART Materials

Information on the Montana HEART Demonstration renewal can be found on the DPHHS HEART webpage.

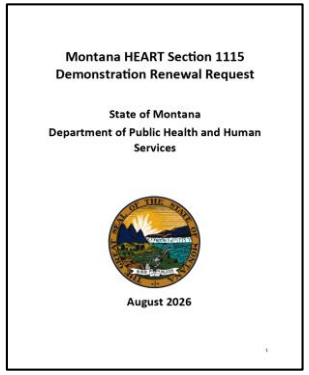


This Presentation


DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

NOTICE OF PUBLIC COMMENT PERIOD AND PUBLIC HEARINGS
Montana Section 1115 Healing and Ending Addiction through Recovery and Treatment (HEART) Demonstration Renewal Request
Full Public Notice – September 1, 2026

The Public Notice


Montana HEART Section 1115 Demonstration Renewal Request

State of Montana
Department of Public Health and Human Services

August 2026

The Montana HEART Waiver Application

Submitting Public Comments

The state public comment period for the HEART Demonstration renewal is currently ongoing. To be considered prior to CMS submission, comments must be received by 11:59 PM MT on November 27, 2026.

Mail
Department of Public Health and Human Services
Medicaid HEART Waiver
Director's Office
Room 301
PO Box 4210
Helena, MT 59604-4210

Email
dphhscomments@mt.gov

Indicate "Medicaid HEART Waiver" in the email's subject line

Today's Public Hearing
Q&A and Spoken Comments. All information and questions received through the chat function and spoken comments will be recorded as public comments.

Background of the Current HEART 1115 Demonstration

DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

HEART Initiative Background

- The HEART Initiative expands behavioral health services and strengthens Montana's continuum of care.
- Established through the HEART fund in H.B. 701 (2021), the Initiative utilizes tax revenue from the sale of recreational marijuana to leverage additional Medicaid funding through a federal match.
- Together, state and federal funding support up to $25 million annually in behavioral health and treatment services for Montana communities.

A cornerstone of the Initiative is the HEART Section 1115 waiver, which allows Montana to receive Medicaid funds for services that are not currently reimbursable through Medicaid. **DPHHS is seeking to review all four waiver components:** substance use disorder (SUD) treatment in larger facilities, contingency management, tenancy support services, and reentry services.

Summary of Section 1115 Waiver Authority

Under Section 1115 of the federal Social Security Act, the Secretary of Health and Human Services has the authority to approve a state's request to waive compliance with provisions of federal Medicaid law.

An 1115 Waiver must be:

- An experimental, pilot, or demonstration project;
- Likely to assist in promoting the objectives of the Medicaid program;
- Budget neutral to the federal government; and
- Limited in duration to the extent and period necessary to carry out the demonstration.
- States must provide a public process for notice and comment on proposed demonstration applications and extensions.

In 2022, DPHHS received approval for the HEART Demonstration under this federal authority; it is set to expire in 2027.
DPHHS is now seeking authority to amend and extend the HEART Demonstration for another five years.

HEART Demonstration Goals

The HEART Demonstration is a statewide Section 1115 Medicaid demonstration waiver that expands access to critical mental health and substance use disorder (SUD) services, helping to build a stronger, more integrated behavioral health continuum for Medicaid members across the state.

The Demonstrations supports Montana's efforts to:

1. **Expand the behavioral health continuum of care**, including early intervention, outpatient and residential treatment, and recovery supports for individuals with SUD and mental health needs
2. **Reduce opioid-related overdose deaths and suicides**
3. **Improve the quality of care and outcomes** across outpatient, residential, and inpatient settings
4. **Strengthen care transitions and continuity of care** for justice-involved individuals

Proposed Demonstration Extension and Amendment Request

Proposed HEART Waiver Extension

DPHHS is requesting renewal of the HEART Demonstration for an additional five-year period, from July 1, 2027, through June 30, 2032.

SUD IMD

- Reimburses short-term residential and inpatient SUD treatment in Institutions for Mental Disease (IMDs)

Contingency Management

- Uses structured incentives to promote treatment engagement and sustained abstinence for individuals with Stimulant Use Disorder (StUD)

Tenancy Supports

- Helps individuals with behavioral health needs secure and maintain stable housing to support recovery and long-term health

Contingency Management

- Delivers case management, medication-assisted treatment (MAT), medications upon release, and limited clinical consultation for justice-involved individuals.

SUD IMD

Objective:

- Allow federal Medicaid matching funds for short-term residential and inpatient SUD treatment provided to eligible individuals in IMDs.
- Eligible individuals are: enrolled in Medicaid; aged 18-64; and determined by a clinician to need inpatient or residential treatment.

Current Status:

- Effective as of July 1, 2022.
- 1,728 Medicaid members have received services under this SUD IMD authority.

Proposed Renewal Request: Maintain authority with no proposed change

Contingency Management

Objective:

- Provide modest, structured incentives to provide evidence-based treatment for StUD and promote treatment engagement and sustained abstinence from stimulants.
- Eligible individuals are: enrolled in Medicaid; aged 18 or older; and have a StUD as the primary diagnosis.

Current Status:

- Services launched on January 1, 2026.
- Two agencies currently deliver services, with an additional agency awaiting enrollment; 97 providers have completed the contingency management overview training course.

Proposed Renewal Request: Remove the requirement that StUD be the ***primary diagnosis*** to better align with the original intent of program, as the current criteria may be overly restrictive and limit access to individuals who could benefit from the program.

Tenancy Support Services

Objective:

- Help individuals with behavioral health needs secure and maintain stable housing to support recovery and long-term health through:
  - **Pre-Tenancy Support Services:** Supports individuals with identifying, preparing for, and maintaining stable housing.
  - **Tenancy Sustaining Services:** Assists individuals with securing housing, supporting move-in, working with landlords, and providing additional housing-related outreach and education to tenants.
- Eligible individuals are: enrolled in Medicaid; aged 18 or older; have a qualifying SUD and/or SMI; and are experiencing or at risk of homelessness.

Current Status:

- Services launched on June 1, 2025, starting implementation of tenancy support services.
- 27 agencies currently provide services statewide.
- 525 members were assessed for eligibility and 205 members received tenancy support services.

Proposed Renewal Request: Maintain authority with no proposed change

Reentry Services

Objective:

- Provide case management, MAT, medications provided upon release, and limited clinical consultation services to individuals reentry the community from DOC Facilities.
- Eligible individuals are: Enrolled in Medicaid, or would be eligible for CHIP except for incarcerated status; aged 19 or older; and have a confirmed or suspected SUD and/or confirmed mental health diagnosis.

Current Status:

- Services launched on October 15, 2025 in three DOC facilities.
- DOC in the final stages of implementing their operational processes and Medicaid billing systems.

Proposed Renewal Requests:

- **Eligibility:** Lower the minimum eligibility age to 18 and older to align with other reentry program eligibility criteria.*
- **Service Delivery Timeframe:** Extend the service window from 30-days to 60-days prior to release to align with other approved Reentry Demonstrations and provide additional time to connect with community-based providers.
- **Reentry Services:** Add peer support services prior to release to align with other approved reentry demonstrations and strengthen the continuum of reentry support.

**Montana is also implementing Section 5121 of the federal Consolidated Appropriations Act of 2023 (CAA, 2023), which requires states to provide certain Medicaid and CHIP services for eligible juveniles before and after release from a public institution.*

Delivery System, Benefits, Cost-Sharing, and Authorities

Montana does not propose any changes to the Medicaid health care delivery systems.

- Demonstration enrollees will continue to receive services through the State's fee-for-service delivery system.

Montana does not propose any changes to benefits for Demonstration enrollees.

- Demonstration enrollees will continue to receive the same benefits as they currently receive through the standard Medicaid benefit.

No cost-sharing will be included in this 1115 extension request.

This extension request seeks to continue the existing expenditure and waiver authorities, with targeted modifications as outlined in the renewal application.

Timeline and Submission of Public Comment

Submitting Public Comment

Timelines and Next Steps

Milestones	Proposed Timeline
Conduct 60-day State public comment	September 1, 2026 – November 27, 2026
Mail Tribal Consultation Letter	September 1, 2026
Public Hearing (1 of 2) In-Person/Zoom	October 2, 2026, 10:00 am to 12:00 pm MT
Public Hearing (2 of 2) Zoom Only	October 7, 2026, 3:00 to 4:30 pm MT
Review public comments and finalize documents for CMS submission	December 2026
Submit HEART Waiver Extension	***December 2026***
CMS federal 30-day public comment period	TBD
Negotiations with CMS	December 2026-May 2027
Effective date of HEART Waiver Extension	June 1, 2027

Submitting Public Comment

All comments will be reviewed and considered equally, whether received in writing or verbally.

- **Written Comment**
  - Use the Zoom chat to submit information, questions, or comments. Chat submissions will be included in the public comment record.
- **Spoken Comment**
  - Use “Raise Hand” and wait for the moderator to call on you. The moderator will then provide instructions to unmute.

Follow the instructions for your device

Joining by Phone

1. Press *9 to raise your hand.
2. Listen for the moderator to call your phone number.
3. Press *6 to unmute when selected.

Joining through Zoom

1. Select Raise Hand at the bottom of the Zoom window.
2. Wait for the moderator to call on you.
3. Confirm that your microphone is unmuted.

Public Comment

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.

Conclusion



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