



Date: November 28, 2023

To: Montana Children, Families, Health, and Human Services Interim Committee

From: Mike Randol, Medicaid and Health Services Executive Director/Medicaid State Director

Subject: Montana Section 1115 Healing and Ending Addiction through Recovery and Treatment (HEART) Demonstration Waiver Amendment to reimburse for stays by children or youth with serious mental illness serious emotional disturbance at institutions of mental disease that are also qualified residential treatment programs

This memo is to inform you of Montana Department of Public Health and Human Services' (DPHHS) intent to: (1) submit to the Centers for Medicare and Medicaid Services (CMS), on or before February 15, 2024, a written 1115 Demonstration amendment request application to request federal authority to reimburse for stays by children or youth with serious mental illness serious emotional disturbance (SED) at Institutions of Mental Disease (IMDs) that are also qualified residential treatment programs (QRTPs); and (2) hold a public hearing to receive comments on the 1115 Demonstration amendment request application. DPHHS is seeking an effective term for the Demonstration amendment request from the date of the approval of the Demonstration's Implementation Plan to June 30, 2027.

Section 53-2-215(18), MCA, requires DPHHS to present a section 1115 waiver proposal to the Children, Families, Health, and Human Services Interim Committee for review and comment at a public hearing, prior to the submission of the proposal to the federal government. Accordingly, DPHHS requests the Committee include this matter on the agenda for its November 16, 2023, meeting.

Background

In October 2021, Montana DPHHS submitted a Section 1115 Demonstration request to build upon the strides made by the state over the past decade to establish a continuum of behavioral health—mental health and substance use disorder (SUD)—services for its Medicaid members. This Healing and Ending Addiction through Recovery and Treatment (HEART) Demonstration is a critical component of the state's commitment to expand coverage and access to prevention, crisis intervention, treatment and recovery services through Governor Gianforte's HEART Initiative, as outlined in [H.B. 701](#).

As part of the original Demonstration request, DPHHS sought:

- To add new Medicaid services under the Demonstration as part of its commitment to ensuring that Medicaid members have access to a full continuum of behavioral health services including:
 - Evidence-based stimulant use disorder treatment models, including contingency management services;



- Tenancy support; and
- Pre-release care management and targeted Medicaid services to be provided to inmates in the 30 days pre-release.
- Expenditure authority allowing federal reimbursement for Medicaid services provided to short-term residents of IMDs obtaining treatment for SUD.

On July 1, 2022, DPHHS received [CMS approval](#) for its SUD IMD Demonstration, with concurrent approval of the required SUD Implementation Plan and SUD Health Information Technology (HIT) Plan. CMS continues to work with DPHHS towards approval of the other requests for behavioral health services– contingency management services, tenancy supports, and 30 days of pre-release care management for justice-involved populations.

Current Proposed Action

DPHHS is seeking an amendment to the current Demonstration, which is effective from July 1, 2022, to June 30, 2027. The Demonstration amendment request will seek federal reimbursement for stays by children or youth with serious emotional disturbance (SED) at IMDs that are also qualified residential treatment programs (QRTPs). The SED IMD Demonstration request will be effective upon approval of the Implementation Plan and through June 30, 2027.

Approval of this Demonstration amendment request will assist Montana in addressing surging mental health needs among children and youth by expanding access and improving care transitions for children and youth with SED in need of residential treatment. The goals and objectives of the Demonstration amendment request are described in more detail below.

Summary of Proposed Waiver Features

Montana is seeking expenditure authority to cover stays in IMDs that are QRTPs for children and youth with SED. Montana requests that for the first two years following the effective date of the demonstration, QRTPs be exempted from the length of stay requirements set forth in [SMDL #18-011](#) (i.e., a statewide average length of stay of 30 days and the limit on federal financial participation to stays of no more than 60 days).¹

All children up to age 21 who are diagnosed with an SED, staying in an IMD that is classified as a QRTP, and who are otherwise eligible to receive full Medicaid benefits under the Montana State Plan, Alternative Benefit Plan, or Medicaid 1115 waivers will be included in this Demonstration amendment request.

There are no proposed changes to the Medicaid delivery system as part of this application. Montana plans to continue using a fee-for-service delivery system for all Medicaid services, including behavioral health services.

¹ See Qualified Residential Treatment Program (QRTP) Reimbursement: Family First Prevention Services Act (FFPSA) Requirements, Q & A, Oct. 19, 2021, available at <https://www.medicaid.gov/federal-policy-guidance/downloads/faq101921.pdf>.



Public Hearing and Comment Process

The complete version of the Demonstration amendment request application is available for public review at <https://dphhs.mt.gov/heartwaiveramendment/>. Paper copies are available to be picked up in person at the DPHHS office located at 111 North Sanders Street, Room 301, Helena, Montana 59601.

A hybrid in-person and electronic Zoom public hearing will be held regarding the Demonstration amendment request application on Friday, December 15, 2023, from 9:00 a.m. to 11:00 a.m., at 111 North Sanders Street, Room 306, Helena, Montana.

Registration information to participate by Zoom can be found at <https://dphhs.mt.gov/heartwaiveramendment/>. You will receive instructions for joining the meeting upon registration. If special accommodations are needed, contact Mary Eve Kulawik at (406) 444-2584 or dphhscomments@mt.gov.

DPHHS is committed to an extensive public process. We want to provide you the opportunity to review the proposed action, understand the concepts, and offer comments. We invite your comments and questions **from November 29, 2023, until 11:59 PM (Mountain Time) on January 28, 2024**. Questions or public comments may be addressed care of Medicaid HEART Waiver Amendment Request, Director's Office, PO Box 4210, Helena, MT 59604-4210, or by telephone to (406) 444-2584, or by electronic mail to dphhscomments@mt.gov. Please note that comments will continue to be accepted after January 28, 2024, but the state may not be able to consider those comments prior to the initial submission of the demonstration amendment application to CMS.

After Montana reviews comments submitted during this state public comment period, the state will submit a revised application to CMS. Interested parties will also have an opportunity to officially comment during the 30-day federal public comment period; the submitted application will be available for comment on the CMS website at <https://www.medicaid.gov/medicaid/section-1115-demonstrations/index.html>.

Thank you.

Attachment: HEART IMD Amendment Full Public Notice