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**Montana Medicaid and CHIP State Plan Amendments effective July 1, 2023**

On or before June 30, 2023, the Montana Department of Public Health and Human Services (DPHHS) will submit the following Medicaid and Children’s Health Insurance Program (CHIP) State Plan Amendments (SPAs) effective July 1, 2023, for Centers for Medicare and Medicaid Services (CMS) approval.

Rate Increase Background

In 2022, DPHHS contracted with Guidehouse to conduct a comprehensive Medicaid provider rate review for three DPHHS divisions: Behavioral Health and Developmental Disabilities, Health Resources, and Senior and Long-Term Care. The review utilized a multitude of data sources, survey data collection and stakeholder feedback.

Guidehouse identified benchmark rates based on the average costs for providers to deliver services. The benchmark rates provided a framework that was used by both the Department and legislature in determining provider rate increases. Ultimately, the legislature approved an historic increase in Medicaid provider rates. Legislative funding is being applied across all studied rates using the same methodology. To reduce existing disparities in rates, this methodology increases rates by a percentage of the difference between current and benchmark rates.

Medicaid Rate Increases included in the Guidehouse Study

As a result of the Guidehouse study and the 2023 Legislative Session appropriation, the **studied** Medicaid State Plan and Waiver provider types will be amended to receive an average of 17.82% rate increase. The specific rate increase for each service is dependent upon the difference between the current rate and the Guidehouse benchmark rate.

The provider types included in the Guidehouse study are:

<b>Provider Type</b>	<b>Weighted Rate Change (FY 24)</b>
CASE MANAGEMENT – ADULT MENTAL HEALTH	11.69%
CASE MANAGEMENT – CHILD MENTAL HEALTH	0.00%
CASE MANAGEMENT - TARGETED	4.92%
CHEMICAL DEPENDENCY CLINIC	0.79%
COMMUNITY FIRST CHOICE	39.91%
COMPREHENSIVE SCHOOL AND COMMUNITY TREATMENT (CSCT)	0.29%
DEVELOPMENTAL DISABILITIES PROGRAM	16.04%

DEVELOPMENTAL DISABILITIES TARGETED CASE MANAGEMENT	0.51%
BIG SKY WAIVER HOME & COMMUNITY BASED SERVICES	15.20%
MENTAL HEALTH CENTER - ADULT	8.48%
MENTAL HEALTH CENTER - CHILD	35.53%
NURSING HOME	22.00%
PERSONAL CARE AGENCY	34.94%
PERSONAL CARE AGENCY - YOUTH MENTAL HEALTH	40.08%
PERSONAL CARE AGENCY – ADULT MENTAL HEALTH	36.54%
PRIVATE DUTY NURSING AGENCY	40.88%
PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY	17.10%
SEVERE DISABILING MENTAL ILLNESS (SDMI) HOME AND COMMUNITY BASED WAIVER	18.01%
THERAPEUTIC FOSTER CARE - HOME SUPPORT SERVICES	34.18%
THERAPEUTIC GROUP HOME	9.80%
WASP 1115 WAIVER	8.19%
<b>Average Rate Increase for Medicaid Studied Rates</b>	<b>17.82%</b>

#### Medicaid Rate Increases Not Included in the Guidehouse Study

Medicaid services and provider types not included in the Guidehouse study will be amended to receive an approximate 4% rate increase appropriated in the 2023 Montana Legislative Session, effective July 1, 2023, except the following:

- Inpatient Hospitals, which will update the All-Patient Refined Diagnosis-Related Group (APR-DRG) fee schedule effective October 1, 2023.
- Youth Mental Health Targeted Case Management services because this service is currently being reimbursed at the benchmark rate.
- Other Rehabilitative Services Substance Use Disorder services (ASAM 2.1-3.7) because these services are currently being reimbursed at the benchmark rates.

#### Other Medicaid and CHIP Changes

The following Medicaid and CHIP changes are also proposed effective July 1, 2023:

#### **Community First Choice (CFC) and Personal Care Services**

DPHHS proposes to amend the CFC and PCS State Plans to implement the following changes:

- Funding for Health Care for Health Care Workers will be \$3,411,285 in State Fiscal Year (SFY) 2024 and \$3,411,285 in SFY 2025 to provide CFC and PCS provider agencies the ability to purchase insurance for direct care workers.
- Funding for Direct Care Worker wages will provide for wage or lump sum payments to workers who provide direct care services under the CFC and PCS State Plans. CFC and PCS state plan funding will be \$6,121,811 in SFY 2024 and \$6,121,811 in SFY 2025.

The amendments for Health Care for Health Care Workers and Direct Care Worker wages will be cost neutral as the appropriations, per state fiscal year, are the same as the previous biennium.

### **Other Rehabilitative Services**

DPHHS proposes to amend the state's Other Rehabilitative Services to add Mobile Crisis Response Services and Crisis Care Coordination. The total estimated annual impact of the amendment is \$8,728,814.

### **Healthy Montana Kids (HMK)/CHIP and Medicaid 12-Month Postpartum Continuous Eligibility**

DPHHS proposes to amend the HMK/CHIP and Medicaid State Plans to extend the coverage of postpartum women enrolled in Montana CHIP and Medicaid from 60 days to 12 months.

Sections 9812 and 9822 of the American Rescue Plan Act of 2021 give states a new option to provide 12 months of extended postpartum coverage to pregnant individuals enrolled in CHIP and Medicaid beginning April 1, 2022. The newly extended postpartum coverage option offers states an opportunity to provide care that can reduce pregnancy-related deaths and severe maternal morbidity and improve continuity of care for chronic conditions such as diabetes, hypertension, cardiac conditions, substance use disorder, and depression.

The estimated annual cost of the proposed HMK/CHIP SPA is \$10,851; and the estimated annual cost of the Medicaid SPA is \$14,108.

We invite your public comments and questions postmarked **through July 15, 2023**. You may direct comments to Mary Eve Kulawik, Medicaid State Plan Amendment and Waiver Coordinator, at (406) 444-2584 or [mkulawik@mt.gov](mailto:mkulawik@mt.gov); or Director's Office, PO Box 4210, Helena MT 59604-4210.