



Department of Public Health and Human Services

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Greg Gianforte, Governor

Adam Meier, Director

Date: July 2, 2021
To: Montana HELP Waiver Stakeholders
From: Marie Matthews, Medicaid State Director
Subject: Montana Section 1115 Health and Economic Livelihood Partnership (HELP) Waiver Amendment Application

This memo is to inform you that the Montana Department of Public Health and Human Services (DPHHS) is providing public notice of its intent to: (1) submit to the Centers for Medicare and Medicaid Services (CMS), on or before September 3, 2021, a written 1115 Demonstration application to amend the Health and Economic Livelihood Partnership (HELP) Demonstration Program to remove 12-month continuous enrollment and (2) hold public hearings to receive comments on the 1115 Demonstration amendment application. DPHHS is seeking the removal of 12-month continuous enrollment to be effective July 1, 2021.

I. Program Description

A. Overview

In November 2015, CMS approved Montana's Section 1115 Demonstration Waiver, "Montana Health Economic Livelihood Partnership (HELP) Demonstration," that expanded Medicaid coverage to newly eligible adults effective January 1, 2016; authorized 12-month continuous eligibility for all new adults; applied enrollee premiums equal to two percent of aggregate household income; and, instituted maximum co-payments allowable under federal law. The approved waiver also authorized the administration of Medicaid through a Third Party Administrator (TPA) for enrollees subject to premiums. In December 2017, CMS approved an amendment to Montana's Section 1115 Demonstration Waiver that maintained Medicaid expansion, 12-month continuous eligibility and premiums, but removed the authorization of the TPA and the premium credit that applied to some HELP enrollees' cost-sharing obligations. The amended Demonstration is approved for the period from January 1, 2016, through December 31, 2020.¹

On May 9, 2019, former Governor Steve Bullock signed House Bill 658, the Medicaid Reform and Integrity Act, that directed the Department of Public Health and Human Services (DPHHS)

¹ Montana Health and Economic Livelihood Partnership (HELP) Program Demonstration, December 20, 2017, available at <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/mt/mt-HELP-program-ca.pdf>.

to request federal waiver approval for new Medicaid expansion program features including those that condition Medicaid eligibility on participation in work/community engagement. Montana submitted an 1115 Waiver Amendment request on August 2019 seeking to condition Medicaid eligibility on work/community engagement requirements, increase monthly premiums based on coverage duration, and remove co-payments.²

In light of a delay to finalize the Special Terms and Conditions for Montana's 1115 Waiver Amendment request before December 31, 2020, CMS approved a one-year extension of the 1115 waiver, which is now slated to expire on December 31, 2021.³ Based on CMS' withdrawal of other states' 1115 waivers with work/community engagement requirements, CMS has communicated to DPHHS that a five-year extension of the Medicaid expansion waiver will not include work/community engagement requirements. It is expected that Special Terms and Conditions will be finalized in the fall of 2021 to ensure a waiver extension for the term of January 1, 2022–January 1, 2027.

During the course of the Special Terms and Conditions negotiations between DPHHS and CMS under the 1115 Waiver Amendment and Extension request that is currently before CMS for approval, Montana's Legislature passed a budget that explicitly removed funding for 12-month continuous eligibility and directed DPHHS to terminate the policy. During the course of the Special Terms and Conditions negotiations between DPHHS and CMS under the 1115 Waiver Amendment and Extension request that is currently before CMS for approval, Montana's Legislature passed a budget that explicitly removed funding for 12-month continuous eligibility and directed DPHHS to terminate the policy. The General Appropriations Act, HB 2, states "[t]he Legislature intends that the Department of Public Health and Human Services eliminate the policy of 12-month continuous eligibility for the Medicaid expansion population."⁴ The Budget was signed by Governor Gianforte on May 20, 2021.

In light of the statutory directive, Montana DPHHS is now seeking a waiver amendment to remove expenditure authority for 12-month continuous eligibility from the underlying 1115 Montana HELP Waiver. DPHHS is seeking an effective date of July 1, 2021, and to have this change reflected in the final negotiated 1115 HELP Waiver Special Terms and Conditions that it seeks to extend from January 1, 2022–January 1, 2027.

B. Summary of Amendment Request

The current 1115 HELP Waiver's Special Terms and Conditions provide expenditure authority to enable 12-month continuous coverage for Medicaid expansion adults. Montana's currently approved HELP Waiver authorized expenditures for health care-related costs for individuals in the new adult population determined financially eligible under the Modified Adjusted Gross

² Montana Department of Public Health and Human Services Section 1115 Demonstration Amendment and Extension Application, August 26, 2019, available at <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/mt/mt-help-program-pa3.pdf>.

³ Montana Health and Economic Livelihood Partnership (HELP) Program Temporary Extension Letter, December 1, 2020, available at <https://dphhs.mt.gov/Portals/85/hrd/MTHELPTemporaryExtensionLetterDecember2020through12312021.pdf>.

⁴ HB 2 available at <https://leg.mt.gov/bills/2021/billpdf/HB0002.pdf>. See also budget narrative available at <https://leg.mt.gov/content/Publications/fiscal/Session-2021/HB-2-Narrative/B-Senate-Floor.pdf>.

Income (MAGI)-based eligibility methods. That population received continued benefits during any periods within a twelve-month eligibility period regardless of a change of circumstances, with some exceptions. The state made a downward adjustment claiming 2.6 percent of expenditures at the standard federal matching rate instead of the enhanced new adult population federal matching rate.

As directed by statute, DPHHS is seeking the removal of this expenditure authority from its 1115 HELP Waiver. DPHHS is not seeking any changes to the current 1115 Waiver Amendment and Extension request submitted in August 2019, which is still under consideration by CMS.⁵

DPHHS understands that it is required to maintain continuous Medicaid coverage during the public health emergency as a condition of receiving a temporary 6.2 percent Federal Medical Assistance Program (FMAP) increase under the Families First Coronavirus Response Act.⁶ In the event that the national public health emergency is extended beyond the date of this amendment approval, DPHHS will maintain continuous enrollment through the end of the public health emergency.

C. Eligibility Requirements

The Demonstration amendment request to remove 12-month continuous eligibility will affect the new adults eligible for the HELP Program as described in the chart below.

Eligibility Group Name	Social Security Act and CFR Citations	Income Level
HELP Program New Adults	Social Security Act 1396(a)(10)(A)(i)(VIII) 42 C.F.R. 435.119	New adult group with income 0-138 percent FPL

D. Health Care Delivery System and Benefits

This amendment request is seeking to remove § 1115(a)(2) expenditure authority for 12-month continuous enrollment and does not propose any changes to the Medicaid health care delivery system; Demonstration enrollees will continue to receive services through the State’s fee-for-service delivery system. Demonstration enrollees will also continue to receive benefits through the Alternative Benefit Plan; the State does not propose any changes to benefits for Demonstration enrollees.

E. Cost Sharing

Montana currently does not apply cost sharing to any of its Medicaid members and therefore no cost sharing will be imposed under this 1115 amendment request. All monthly premiums will be consistent with the HELP 1115 Waiver and Cost Sharing State Plan.

⁵ Montana Department of Public Health and Human Services Section 1115 Demonstration Amendment and Extension Application, August 26, 2019, available at <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/mt/mt-help-program-pa3.pdf>.

⁶ P.L. 116-127, Families First Coronavirus Response Act, March 18, 2020.

II. Goals and Objectives

This amendment request is seeking to remove § 1115(a)(2) expenditure authority for 12-month continuous enrollment and does not propose any future additional goals of the HELP Demonstration Program beyond what is proposed in the August 2019 1115 HELP Waiver Amendment and Extension Request.⁷

III. Enrollment Projections and Annual Expenditures

Studies have estimated that continuous eligibility policies increase coverage continuity by 2.6%.⁸ Montana is assuming that discontinuation of continuous eligibility policies for Medicaid expansion adults will have an equivalent loss in coverage or change in eligibility group. Using the 2020 member months, Montana forecasts 29,083 fewer Medicaid expansion coverage months under the proposed amendment. ($1,118,558 \times 2.6\% = 29,083$). The loss in coverage months will result in an estimated reduction of waiver expenditures of \$22,212,722 ($29,083 \times 763.77 = 22,212,722$).

IV. Waiver Expenditure Authorities

This amendment request is seeking to remove § 1115(a)(2) expenditure authority for 12-month continuous enrollment and does not propose any additional waiver and expenditure authority changes to the HELP Demonstration Program beyond what is proposed in the August 2019 1115 HELP Waiver Amendment and Extension Request.⁹

V. Demonstration Hypotheses and Evaluation Parameters

This amendment request is seeking to remove § 1115(a)(2) expenditure authority for 12-month continuous enrollment and does not propose any additional hypotheses to the HELP Demonstration Program beyond what is proposed in the August 2019 1115 HELP Waiver Amendment and Extension Request.¹⁰

VI. Public Review and Comment Process

⁷ Montana Department of Public Health and Human Services Section 1115 Demonstration Amendment and Extension Application, August 26, 2019, available at <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/mt/mt-help-program-pa3.pdf>.

⁸ See Ku, L. and Steinmetz, E. "Bridging the Gap: Continuity and Quality of Coverage in Medicaid. George Washington University. Sept. 2013. <http://ccf.georgetown.edu/wp-content/uploads/2013/09/GWContinuity-Report-9-10-13.pdf> [ccf.georgetown.edu]; See also Guyer, J., Schwartz, T, "Manatt on Medicaid: New Strategy for Financing 12 Months of Continuous Coverage for Newly Eligible Adults," available at https://www.manatt.com/uploadedFiles/Content/4_News_and_Events/Newsletters/HealthLaw@Manatt/Manatt_On_Medicaid_Continuous_Coverage.pdf [manatt.com]

⁹ Montana Department of Public Health and Human Services Section 1115 Demonstration Amendment and Extension Application, August 26, 2019, available at <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/mt/mt-help-program-pa3.pdf>.

¹⁰ Montana Department of Public Health and Human Services Section 1115 Demonstration Amendment and Extension Application, August 26, 2019, available at <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/mt/mt-help-program-pa3.pdf>.

The complete version of the amendment application is available for public review at <https://dphhs.mt.gov/helpplan/2021medicaidnotice>. Paper copies are available to be picked up in person at the DPHHS Director's Office located at 111 North Sanders Street, Room 301, Helena, Montana 59601.

Two virtual public meetings will be held regarding the Demonstration application:

- (1) Public hearing on July 28 from 10:00 a.m. to 12:00 p.m. MT
Registration link can be found at <https://dphhs.mt.gov/helpplan/2021medicaidnotice>.
- (2) Montana Health Coalition meeting on July 29 from 1:00 p.m. to 3:00 p.m.
Registration link can be found at <https://dphhs.mt.gov/helpplan/2021medicaidnotice>.

You will receive instructions for joining the meeting upon registration. If special accommodations are needed, contact Mary Eve Kulawik at (406) 444-2584 or mkulawik@mt.gov.

Public comments may be submitted until 11:59 PM (Mountain Time) on August 31, 2021. Questions or public comments may be addressed care of Medicaid HELP Waiver Amendment, Department of Public Health and Human Services, 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 August 31, 2021, but the state may not be able to consider those comments prior to the initial submission of the Demonstration 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-demo/demonstration-and-waiver-list/index.html>.