

# Montana State Legislature

2011 Session

## Exhibit 1

**This exhibit is a booklet which can not be scanned, therefore only the front cover/table of content and 10 pages have been scanned to aid in your research.**

**Entitled:**

**The Montana Medicaid Program 2009-10**

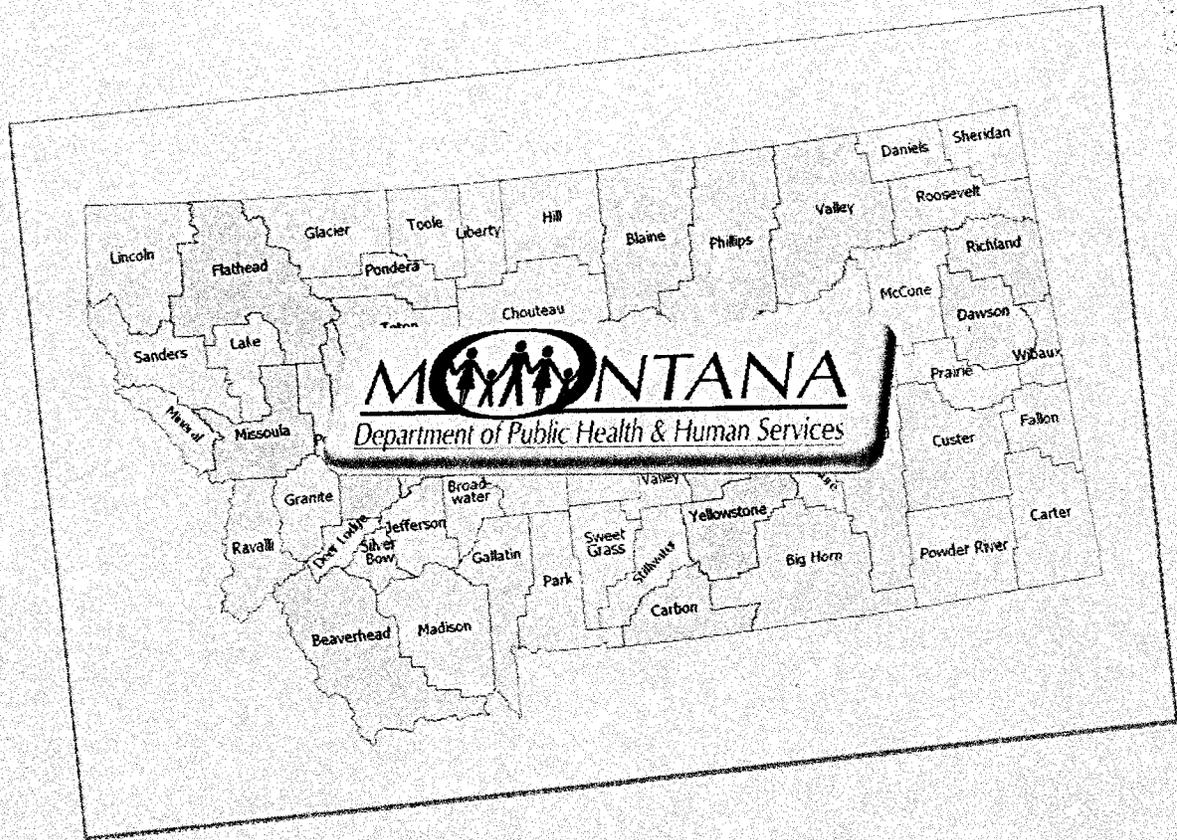
**The original exhibits are on file at the Montana Historical Society and may be viewed there.**

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DATE 11/6/2011  
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# THE MONTANA MEDICAID PROGRAM



**Montana Department of Public Health and Human Services Report to the 2011 Legislature**

**State Fiscal Years 2009/2010**

DEPARTMENT OF  
PUBLIC HEALTH AND HUMAN SERVICES



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December 22, 2010

Dear Legislators:

I am pleased to provide the Montana Medicaid Program Report to the 2011 Legislature, as is required by Montana law.

The Montana Medicaid program helps Montanans all across this state - from border to border - to be more self sufficient. Medicaid is a joint federal-state program that pays for a broad range of medically necessary health care and long-term care services for certain low income populations. DPHHS administers the program in a partnership with the federal Centers for Medicare and Medicaid Services (CMS).

We have prepared this overview to provide basic information for your use as a starting point in understanding the Medicaid program. The report outlines the eligibility process, including resource limit requirements, and the actual enrollment of and benefits paid to the separate eligible populations. Eligibility is primarily determined by staff in Offices of Public Assistance throughout the state in most counties, who work very hard to ensure that the determination process runs as efficiently as possible.

The overview explains Medicaid benefits; enrollment and expenditures by county; the number of participating providers and claims they submitted; and a summary of the rate setting process. There is also a section on waivers. DPHHS has requested several Medicaid waivers from CMS in order to better customize services for key populations. These waivers have allowed us to dramatically improve the lives of people participating in the Montana Medicaid program, while often times providing the most cost efficient service in their homes. Featured in the report is the Children's Autism Waiver which was approved in January 2009. This waiver serves Montana children ages 15 months through 7 years old with autism and adaptive behavior deficits. Autism impacts families statewide, and this waiver has made a difference in Montana, while saving thousands of dollars.

Tribal activities is another key piece of this report. DPHHS contracts with Indian Health Services and Tribal health departments for services in many Tribal communities. In addition to services, the Medicaid Administrative Match Program (MAM) continues to flourish. MAM was created to reimburse contracted Montana Tribes with federal funds for allowable administrative costs related to Medicaid State Plan or waiver services.

This letter does not mention all the information contained in the report. Thank you for taking the time to better understand the Medicaid program by reading this in its entirety. If you have any questions, or if we can provide additional information, please feel free to contact me at (406) 444-5622, or Mary Dalton, State Medicaid Director, at 444-4084.

Sincerely,

A handwritten signature in cursive script that reads "Anna Sorrell".

Anna Whiting Sorrell, Director

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# The Montana Medicaid Program

## Report to the 2011 Legislature

The Montana Medicaid Program is authorized under 53-6-101, Montana Codes Annotated, and Article XII, Section 3 of the Montana Constitution. The Department of Public Health and Human Services (DPHHS) administers the program.

### **Program Mission:**

To assure that necessary medical care is available to all eligible Montanans within available funding resources.

### **Basic Objectives:**

- Promote the maintenance of good health by Medicaid eligible persons
- Assure that Medicaid eligible persons have access to necessary medical care
- Assure that the quality of care meets acceptable standards
- Promote the appropriate use of services by Medicaid eligible persons
- Assure that services are provided in the most cost effective manner
- Assure that only medically necessary care is provided
- Assure that the Medicaid program is operated within legislative appropriation
- Assure that prompt and accurate payments are made to providers
- Assure that accurate Medicaid program and financial information is available for management on a timely basis
- Assure that confidentiality and privacy of client information is maintained at all times
- Promote the appropriate utilization of preventive services

# The Montana Medicaid Program

## Report to the 2011 Legislature

### MEDICAID PROGRAM OVERVIEW

The Montana Medicaid program is a joint federal-state program. The State administers the program in partnership with the federal Centers for Medicare and Medicaid Services (CMS). States are required to provide the same amount, duration, and scope of services to all people who receive a Medicaid benefit unless they have a waiver. The State is responsible for determining eligibility for low-income populations including pregnant women, children, individuals with disabilities and the elderly. As a general rule, the Montana Medicaid program has flexibility to: 1) design our own eligibility package; 2) design our own benefit package; and 3) determine provider reimbursement within certain guidelines established by CMS. The Montana Medicaid benefits package meets the federal requirements.

Medicaid services are funded by a combination of federal and state (and in some situations, local) funds. In Montana, the matching rate is approximately 67% federal and 33% state funds. Simply stated, if DPHHS receives 33 cents in general funds, the 33 cents becomes a Medicaid dollar. Some Medicaid services receive an enhanced federal match rate such as services provided in Indian Health Service Facilities at 100% federal dollars; for family planning services at 90% federal; and services through the breast and cervical cancer program at 78%. In addition, administrative costs of the State are matched at 50% and data systems are matched at 75%.

### MEDICAID ELIGIBILITY

The rules governing Medicaid eligibility changed with the passage of the Affordable Care Act. As of March 2010, a state can no longer decrease eligibility for Medicaid below the level in place as of that date. Montana can still choose to add eligibility categories but we cannot decrease either the number of categories/groups that we cover nor can we decrease the level of poverty that we provide coverage for.

These are the different groups/populations that Montana provides Medicaid coverage for:

**Children** – Medicaid is the largest provider of health care coverage for children in the State of Montana. During State Fiscal Year 2009, the average number of children enrolled in Medicaid each month was 47,952. For State Fiscal Year 2010 the average for each month was 56,992, with 64,099 children enrolled in the month of June 2010. Children are primarily covered by Medicaid under one of the following three programs:

- Healthy Montana Kids Plus - Children up to the age of 19 in families with countable income equal to or less than 133% of the Federal Poverty Level (FPL). There is no resource test for these children.
- Infants - Children born to women who are receiving Medicaid at the time of birth automatically qualify for Medicaid coverage through the month of their first birthday. There is no income or resource test for this coverage.

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- **Subsidized Adoption and Foster Care** - Children who are eligible for an adoption subsidy through the Department are automatically eligible for Medicaid coverage. This coverage can continue through the month of the child's 21<sup>st</sup> birthday. Children who are placed into licensed foster care homes by the Child and Family Services Division are eligible for Medicaid.

**Pregnant Women** – Medicaid must be provided to eligible pregnant women with countable income equal to or less than 150% FPL (increased from 133% FPL in July 2007) and countable resources that do not exceed \$3000. The coverage extends for two months beyond the birth of their child.

**2010 Federal Poverty Levels & Gross Monthly Income**

Family Size	150% FPL	133% FPL	100% FPL
1	\$1,354	\$1,200	\$903
2	\$1,821	\$1,615	\$1,214
3	\$2,289	\$2,029	\$1,526
4	\$2,756	\$2,444	\$1,838

**Families with Dependent Children** – Parents or related caretakers (grandparents, aunts/uncles, etc.) whose countable income is below the Family Medicaid income level and whose countable resources do not exceed \$3000 may receive Medicaid. TANF cash assistance eligibility must be determined separately from Medicaid.

**Family-Transitional Medicaid** - Under certain conditions, families are eligible for up to 12 months of extended Medicaid coverage after their eligibility for Section 1931 Medicaid coverage ends due to new or increased earned income. This coverage, called Family-Transitional Medicaid, is not dependent on income, and there is no resource limit. The family must meet all other eligibility criteria for the entire 12 months.

Family Size	Monthly Income Limit Transitional SFY 2007
1	\$1,574
2	\$2,111
3	\$2,647
4	\$3,184

**Aged** – Individuals who are age 65 or older and whose countable income is within allowable guidelines and whose resources do not exceed \$2000 for an individual or \$3000 for a couple may be eligible for Medicaid.

## The Montana Medicaid Program Report to the 2011 Legislature

**Blind/Disabled** – Individuals who have been determined to be blind or disabled using Social Security criteria, and whose income is within allowable limits and whose resources do not exceed \$2000 for an individual or \$3000 for a couple may be eligible for Medicaid.

Income limits for the aged, blind and disabled populations are \$674 per month for an individual and \$1011 for a couple.

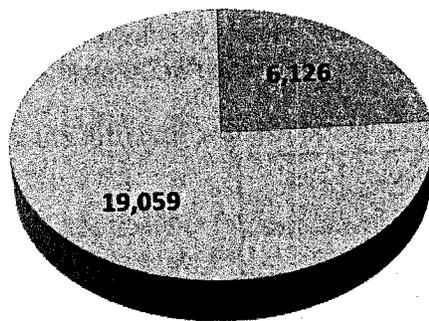
**People Who Are Aged, Blind, or Disabled and Receiving Supplemental Security Income (SSI)** Low income aged, blind, and disabled persons make up a large group within the Medicaid program. Many aged, blind, and disabled clients live alone and struggle to maintain independence despite health conditions requiring regular medical attention. Medicaid is critical to maintaining their access to medical care and thereby supports a higher level of independence, often reducing the need for more costly medical and support services.

Persons who are aged, blind, or disabled and whose income and resources are below federal Supplemental Security Income (SSI) limits may receive both SSI cash benefits and Medicaid, or they may receive Medicaid only. The Department's Disability Determination Bureau determines disability status for the SSI program. Aged, blind, or disabled persons with income above the SSI standards may be eligible for Medicaid under the medically needy program.

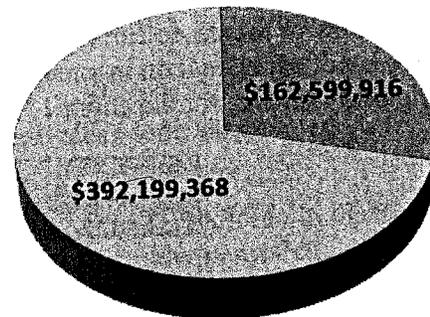
2010		
Family Size	Resource Limit	Monthly SSI Income Limit
1	\$2,000	\$674
2	\$3,000	\$1,011

### Enrollment and Expenditure Comparison Aged and Blind / Disabled

2009 Average Monthly Enrollment



2009 Expenditures



■ Aged    ■ Blind and Disabled

*Note that graphs above do not include Medicare Savings Plan Only clients or expenditures.*

## The Montana Medicaid Program Report to the 2011 Legislature

**Breast and Cervical Cancer Treatment** - This is a program for women who are diagnosed with breast or cervical cancer or a precancerous condition of the breast or cervix. To be eligible, a woman must be under 65 years old, not have insurance that is considered to be 'creditable coverage,' meet citizenship or qualified alien requirements, be a Montana resident, and have been screened through the Montana Breast and Cervical Health Program. Countable income cannot exceed 200% of the Federal Poverty Level and there is no resource test.

**Montana Medicaid for Workers with Disabilities (MWD)** – Montana implemented MWD effective July 1, 2010, based on provisions of the Balanced Budget Act of 1997 (BBA). MWD allows certain SSDI and former SSI recipients who are not financially eligible for Medicaid to pay affordable premiums for Medicaid coverage. Individuals must be employed, either through an employer or self-employed, to be considered for this program.

**Medically Needy** – This is coverage for certain individuals or families whose income exceeds the program standards but who have a significant medical need. The individual or family pays the difference between their countable income and the Medically Needy Income Level toward medical expenses each month. This difference is called an incurment or spenddown and can be met by making cash payments to the Department, incurring medical bills or a combination of the two. The resource limit is \$2000 for an individual, and \$3000 for a couple or family. In Montana, the aged, blind, disabled, children and pregnant women are covered under the medically needy program.

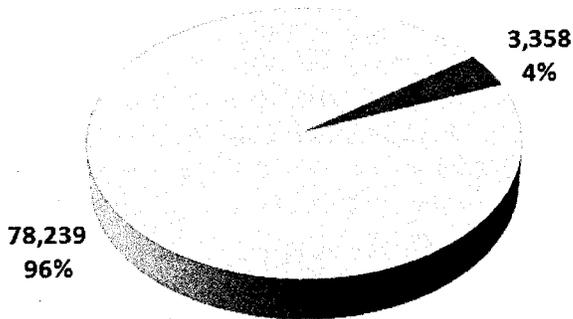
**State Fiscal Year 2010 Limits for Medically Needy**

Family Size	Resource Limit	Monthly Income Limit
1	\$2,000/\$3,000**	\$525
2	\$3,000	\$525
3	\$3,000	\$658
4	\$3,000	\$792
5	\$3,000	\$925
6	\$3,000	\$1,058
7	\$3,000	\$1,192
8	\$3,000	\$1,317
9	\$3,000	\$1,383
10	\$3,000	\$1,450
**\$2,000 for aged, blind, or disabled individuals, \$3,000 for children, pregnant women and for aged, blind, or disabled couples.		

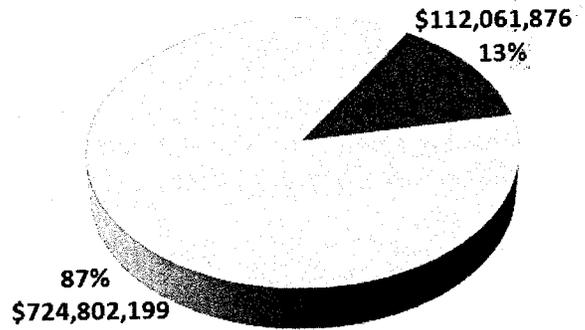
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## Comparison between Categorically Needy and Medically Needy

2009 Average Monthly Enrollment



2009 Expenditures



□ Categorically Needy ■ Medically Needy

*Note that graphs above do not include Medicare Savings Plan Only clients or expenditures.*

# The Montana Medicaid Program

## Report to the 2011 Legislature

### Summary of Medicaid Enrolled Persons for State Fiscal Year 2009 July 1, 2008 - June 30, 2009

Beneficiary Characteristic	Average Monthly Enrollment					% of Medicaid Total	% of Montana Population
	All	Aged	Blind & Disabled	Adults	Children		
<b>Total</b>	<b>81,597</b>	<b>6,126</b>	<b>19,059</b>	<b>11,433</b>	<b>44,979</b>	<b>100%</b>	
<b>Age</b>							
0 to 1	5,441	0	69	0	5,372	7%	1%
1 to 5	17,106	0	625	0	16,480	21%	6%
6 to 18	25,406	0	2,279	0	23,127	31%	16%
19 to 20	1,689	0	500	1,189	0	2%	3%
21 to 64	25,076	0	14,832	10,245	0	31%	58%
65 and older	6,880	6,126	754	0	0	8%	15%
<b>Gender</b>							
Male	35,891	1,731	9,275	2,294	22,591	44%	50%
Female	45,706	4,395	9,784	9,140	22,388	56%	50%
<b>Race</b>							
White	60,072	5,469	15,840	7,535	31,228	74%	90%
Native American	20,319	597	2,981	3,791	12,951	25%	6%
Other	1,206	60	238	107	800	1%	3%
<b>Assistance Status*</b>							
Medically Needy	3,358	1,809	1,380	4	165	4%	
Categorically Needy	78,239	4,317	17,679	11,429	44,814	96%	
<b>Medicare Status</b>							
Part A and B	13,222	6,071	7,119	31	1	16%	
Part A only	90	14	58	18	0	0%	
Part B only	32	17	16	0	0	0%	
None	68,250	25	11,864	11,384	44,978	84%	
<b>Medicare Saving Plan</b>							
QMB Only	2,938	0	0	2,938	0		
SLMB - QI Only	2,703	0	0	2,703	0		

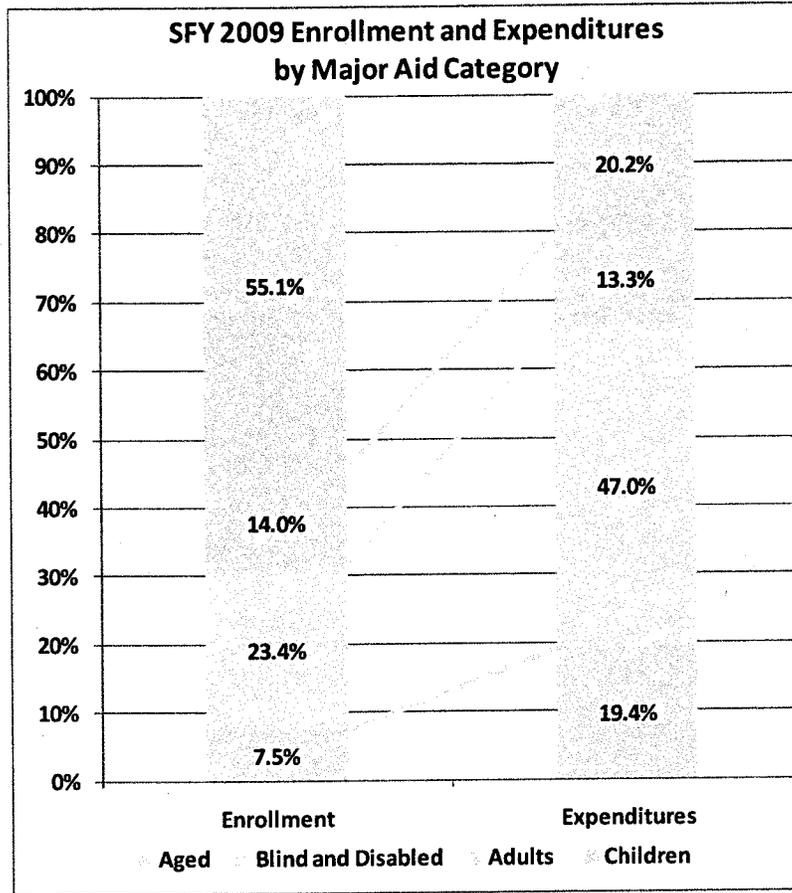
\* Categorically Needy persons are those eligible for Medicaid services. Individuals with income above the Categorically Needy program limits are considered Medically Needy and responsible each month for their medical bills until they have incurred enough medical expenses equal to the difference between their countable income and the Medically Needy income level.

For QMB only enrollees Medicaid pays for Medicare premiums, co-insurance, and deductibles.

For SLMB - QI only enrollees Medicaid pays for Medicare Premiums.

The column in the above chart “% of Montana Population” shows the percentage of Montana population for that beneficiary characteristic. For example 50% of Montana’s population is female, but 56% of the total Medicaid population in Montana is female.

## The Montana Medicaid Program Report to the 2011 Legislature



The chart shows Medicaid enrollment in 2009 by aid category. The Aged and Disabled are a relatively small percentage of the entire Medicaid population, but account for a high percentage of the Medicaid funds expended. Conversely, Children represent slightly more than half of the Medicaid population but account for approximately one-fifth of the cost.

**SFY 2009 Enrollment and Expenditures by Major Aid Category**

<u>Aid Category</u>	<u>Average Monthly Enrollment</u>	<u>Percent of Enrollment</u>	<u>Expenditures</u>	<u>Percent of Expenditures</u>
Aged	6,126	7.5%	\$162,599,916	19.4%
Blind and Disabled	19,059	23.4%	\$393,322,855	47.0%
Adults	11,433	14.0%	\$111,604,852	13.3%
Children	44,979	55.1%	\$169,336,452	20.2%
<b>Total</b>	<b>81,597</b>	<b>100%</b>	<b>\$836,864,075</b>	<b>100%</b>

# The Montana Medicaid Program Report to the 2011 Legislature

