

TO: Children, Families, Health, and Human Services Interim Committee  
Legislative Finance Committee  
Interim Budget Committee

FROM: Mike Randol, Medicaid Director

DATE: September 30, 2022

SUBJECT: Medicaid Change Reporting – September 2022

**Purpose:**

This memo is to complete the requirements set forth in 53-6-101 (12)(a) by reporting changes to provider rates, Montana Medicaid waivers, and/or the Montana Medicaid State Plan to the Children, Families, Health, and Human Services Interim Committee, the Legislative Finance Committee, and the Health and Human Services Interim Budget Committee.

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## Provider Rate Changes

The Department of Public Health and Human Services (DPHHS) is enacting the following rate changes for Medicaid covered services delivered by Medicaid enrolled providers to Medicaid enrollees.

### Provider Rates: Substance Use Disorder Provider Changes

The Behavioral Health and Developmental Disabilities (BHDD) Division adopted rate changes for substance use disorder (SUD) services bundled rates for several levels of care. BHDD Division utilized bundled rates developed by the contractor that performed the rate study for DPHHS. This allows the department to employ a consistent rate methodology that reflect service requirements outlined in the American Society of Addiction Medicine (ASAM) Criteria for each specific level of care. The rate changes will increase Medicaid rates. These rate changes will impact state approved substance use disorder programs delivering a specific level of care.

The rate changes are effective as of October 1, 2022. The estimated total impact of this rate increase for each of the next four fiscal years is:

Fund Source	SFY 2023	SFY 2024	SFY 2025	SFY2026
State Funds	\$ 420,652	\$673,841	\$721,244	\$742,882
Federal Funds	\$ 1,983,074	\$3,176,681	\$3,400,152	\$3,502,156
Total	\$2,403,726	\$3,850,522	\$4,121,396	\$4,245,038

## Provider Participation Changes

### HEART Waiver

The department was approved for the first portion of a 1115(a) demonstration, titled “Healing and Ending Addiction through Recovery and Treatment Demonstration (HEART waiver), effective July 1, 2022, through June 30, 2027. The purpose of this change is to waive the prohibition of Medicaid payment for members with an SUD being treated in “institutions of mental disease” (IMDs), which includes our SUD residential and inpatient facilities with more than 16 beds. This will reduce waitlists and allow an increased number of members with to receive appropriate treatment services in larger SUD facilities. There are currently two SUD IMDs in the state, but this is expected to grow over the course of the waiver.

### Eligibility Changes

N/A

## Benefit Plan Changes

### Substance Use Disorder Changes

The BHDD Division adopted rules changes regarding SUD services. The purpose of these changes is to align service delivery for covered SUD services with service requirements found in the ASAM Criteria for each specific treatment level of care. Three levels of care were added to the benefit plan to expand the SUD Continuum of care to include all treatment levels of care described in the ASAM Criteria. These changes will ensure SUD treatment services are delivered according to a member's individualized treatment plan and meet service requirements outlined in the Other Rehabilitative Services section of the approved state plan. These changes have been submitted to CMS for an effective date of October 1, 2022. There is a fiscal impact for this change, which is reflected above.

### Applied Behavior Analysis

BHDD Division's Developmental Disabilities (DD) Program adopted new rules to govern the Applied Behavior Analysis (ABA) Services Medicaid State Plan. The purpose of the new rules is to establish, in accordance with federal requirements and the intent of the 2017 Montana Legislature in Senate Bill 199, a Medicaid state program to provide appropriate services to youth who have not reached age 21 who have a diagnosis of autism, to individuals with other serious emotional disturbance (SED) diagnoses, and to DD eligible members who meet functional impairment criteria.