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Children, Families, Health, and Human Services Interim Committee
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SJR 14: ADULT MENTAL HEALTH SYSTEM ELIGIBILITY FOR SERVICES

BACKGROUND

Montana's publicly funded mental health system for adults consists largely of Medicaid-funded services, as well as some crisis stabilization and diversion programs paid for by the general fund and two state-run facilities – the Montana State Hospital at Warm Springs and the Montana Mental Health Nursing Care Center in Lewistown.

Some Medicaid services, such as outpatient therapy, are available to anyone with a mental health diagnosis. Others are limited to people who meet the criteria for Severe and Disabling Mental Illness (SDMI), which requires both a psychiatric diagnosis and impaired functioning due to the diagnosis.

This briefing paper summarizes the financial and mental health criteria for receiving Medicaid-funded services.

FINANCIAL REQUIREMENTS

Medicaid covers mental health services offered to people through:

- the traditional state plan that covers people who meet a "categorical" requirement, such as being aged, blind, disabled, pregnant, or a low-income parent;
- the expansion program for nondisabled, nonpregnant adults who are 19 to 64 years of age;
- the SDMI waiver program that covers home and community-based services for adults who would otherwise need a nursing home level of care; or
- the Waiver for Additional Services and Populations (WASP) that covers SDMI adults who have incomes that either exceed the Medicaid expansion standard or that fall within that standard but the individuals are also eligible for or enrolled in Medicare.

The financial standard for coverage depends on the avenue through which people qualify for Medicaid and can vary widely, as shown in the table on Page 2.

Medicaid Category	Income as % of Federal Poverty Level
Low-Income Parents	29%*
Aged, Blind, and Disabled	Individual: \$794/month Couple: \$1,191/month
Medicaid Expansion	138%*
Pregnant Women	162%*
SDMI Waiver	Varies based on Medicaid category
WASP Waiver	150%

* Percentage includes a 5% income disregard required under federal law.

SDMI REQUIREMENTS

Most Medicaid mental health services are provided only to people with SDMI, which in most cases requires both a diagnosis and an identified level of impairment. However, a level of impairment is not required for treatment under:

- the Medicaid state plan or Medicaid expansion, if a person has been diagnosed with one of seven schizophrenia spectrum diagnoses; and
- any of the programs, for a person committed to the Montana State Hospital or the Montana Mental Health Nursing Care Center for at least 30 consecutive days in the past 12 months.

Otherwise, the diagnoses and areas of impairment required for SDMI designation vary among the programs. In general, the state plan, expansion program, and WASP waiver require less serious impairment than does the SDMI waiver. The table below shows the categories of diagnoses covered under the four programs.

State Plan/Expansion	WASP Waiver	SDMI Waiver
Schizophrenia/Schizoaffective Disorders	Schizophrenia/Schizoaffective Disorders	Schizophrenia/Schizoaffective Disorders
Delusional Disorder	Delusional Disorder	Delusional Disorder
Bipolar Disorders	Bipolar Disorders	Bipolar Disorders
Severe Major Depressive Disorders	Severe Major Depressive Disorders	Severe Major Depressive Disorders
PTSD	PTSD	PTSD
Borderline Personality Disorder	Borderline Personality Disorder	Borderline Personality Disorder
Moderate Major Depressive Disorders	Moderate Major Depressive Disorders	Moderate Major Depressive Disorders
Generalized Anxiety Disorder		Generalized Anxiety Disorder
Persistent Depressive Disorder	Persistent Depressive Disorder	
Autism	Autism	
Panic Disorders	Panic Disorders	
Dissociative Disorders	Obsessive-Compulsive Disorder	
Anorexia/Bulimia		
Gender Dysphoria		
Red = Category 1 Diagnosis Blue = Category 2 Diagnosis		

In addition to the diagnosis, a person's functioning in one or more areas must be impaired because of the symptoms of the diagnosis. The table below shows the areas of functioning that are evaluated for each program.

State Plan/Expansion	WASP Waiver	SDMI Waiver
Self Care/Basic Needs	Self Care	Self Care
Employment/Education/ Housing/Financial	Work/School	Basic Needs
Family/Interpersonal	Housing	Employment/Education
Mood/Thought Functioning	Independent Living	Housing/Financial
Self Harm/Harm to Others		Family/Interpersonal
Substance Use		Mood/Thought Functioning
		Self Harm/Harm to Others
		Substance Use

For the Medicaid state plan, Medicaid expansion, and SDMI waiver, a person's ability to function in each area is rated on a scale of 0 to 5, with 0 indicating that no impairment exists in that area and 5 showing the person is gravely disabled in that area. For the WASP waiver, a person's ability to function in some – but not all – of the areas is evaluated but not scored.

The table below shows the criteria a person must meet to qualify for services under each of the programs.

Program	SDMI Requirement Level	Impairment Scoring
Medicaid/ Medicaid Expansion	Diagnosis and moderate level of impairment as shown below: <ul style="list-style-type: none"> • Category 1 diagnosis and a Level A or B impairment • Category 2 diagnosis and a Level B impairment 	Level A <ul style="list-style-type: none"> • 3 areas with a score of 6 or higher • 4 areas with a score of 8 or higher Level B <ul style="list-style-type: none"> • 3 areas with a score of 9 or higher • 4 areas with a score of 12 or higher
WASP Waiver	<ul style="list-style-type: none"> • Diagnosis • Inability to function in: <ul style="list-style-type: none"> ○ 2 areas if not taking psychiatric; or ○ 1 area if taking psychiatric medications 	<ul style="list-style-type: none"> • Impairment is not scored
SDMI Waiver	<ul style="list-style-type: none"> • Diagnosis • High level of impairment in at least 3 areas 	<ul style="list-style-type: none"> • A score of 3 or higher in each area of high-level impairment

Sources

- "Evaluation and Level of Impairment (LOI) Form, Severe and Disabling Mental Illness (SDMI) Home and Community Based Services (HCBS) Waiver." *DPHHS Addictive and Mental Disorders Division*. Available at: <https://dphhs.mt.gov/assets/amdd/SDMI/HCBS/SDMI/LOI/WaiverForm111320.pdf>. Accessed July 26, 2021.

- "Clinical Eligibility Form, Mental Health Services Plan (MHSP) and Waiver for Additional Populations (WASP). DPHHS *Addictive and Mental Disorders Division*. Available at: <https://dphhs.mt.gov/assets/amdd/AdultMHGeneralDocs/ClinicalEligibilityForm.pdf>. Accessed Aug. 4, 2021.
- "Serious Disabling Mental Illness (SDMI) and Level of Impairment Worksheet (LOI)." *Department of Public Health and Human Services*. Available at: <https://dphhs.mt.gov/assets/amdd/AdultMHGeneralDocs/StatePlanSDMILOIForm508compliant.pdf>. Accessed Aug. 4, 2021.
- "Montana Healthcare Programs Notice: Severe Disabling Mental Illness (SDMI)." *Department of Public Health and Human Services*. Nov. 21, 2017.
- "Severe and Disabling Mental Illness, Policy 105." Medicaid Services Provider Manual for Substance Use Disorder and Adult Mental Health. *DPHHS Addictive and Mental Disorders Division*. Available at: <https://dphhs.mt.gov/assets/amdd/MedicaidManual/105severeanddisablingmentalillness.pdf>. Accessed Aug. 4, 2021.
- Discussions and e-mails with Zoe Barnard, Administrator, DPHHS Addictive and Mental Disorders Division, July through September 2021.