



# MONTANA LEGISLATIVE BRANCH

## Legislative Fiscal Division

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## MEDICAID WAIVERS IN MONTANA

### ABOUT MEDICAID WAIVERS- GENERAL INFORMATION

Under federal Medicaid law, Medicaid waivers are a provision that grant flexibility in the implementation of state Medicaid programs by allowing individual states to forgo various federal requirements. They are intended to allow individual states to experiment with and implement certain programs in order to reach goals such as reducing cost, expanding coverage, or improving care.

States most commonly seek to waive the statutory principles of:

1902(a)(10)(B) — Comparability: Medicaid-covered benefits must be provided in the same amount, duration, and scope to all enrollees. These waivers allow states to limit an enhanced benefit package to a targeted group of persons identified as needing it most and to limit the number of participants to implement a demonstration on a smaller scale.

1902(a)(23) — Freedom of Choice: Beneficiaries have the choice of any provider participating in the Medicaid program. Typically, these waivers are used to allow the implementation of managed care programs or better management of service delivery.

1902(a)(1) — Statewideness: Enrollees or providers are not allowed to be excluded from the Medicaid program because of where they live in the state. These waivers can limit the geographic area in which a new program is tested, allow for a phased-in program implementation, or reduce state expenditures by limiting eligibility.

In order to get these waivers approved, states must meet certain budgetary criteria and provide regular reports and evaluations to the Centers for Medicare and Medicaid Services (CMS) showing that the waiver requirements are being met. Waivers require lengthy applications and must be renewed periodically.

### TYPES OF WAIVERS

#### 1915(b)

These are typically referred to as managed care waivers. These waivers are used by states to provide services through managed care delivery or otherwise limit participant choice of providers.

There are four types of 1915(b) waivers:

- (b)(1) Freedom of Choice – allows a state to restrict Medicaid enrollees from receiving services within the managed care network
- (b)(2) Enrollment Broker - utilizes a "central broker", or single provider
- (b)(3) Non-Medicaid Services Waiver - uses cost savings to provide additional services to beneficiaries
- (b)(4) Selective Contracting Waiver - restricts the provider from whom the Medicaid population may obtain services

## 1915(c)

These are typically referred to as Home and Community-Based Services (HCBS) waivers. These waivers are used to keep people in community placements as opposed to institutional settings.

## 1115 Demonstration

These are typically referred to as research and demonstration waivers. They are intended to allow states to experiment with how best to cover and deliver healthcare for Medicaid and Children’s Health Insurance Program (CHIP) recipients. The purpose of these demonstrations is to give states flexibility to design and improve their programs and evaluate policy approaches such as:

- Expanding eligibility to individuals who are not otherwise Medicaid or CHIP eligible
- Providing services not typically covered by Medicaid
- Using innovative service delivery systems that improve care, increase efficiency, and reduce costs

## The Approval Process Across Waivers

	§1115	§1915(b)	§1915(c)
Format	Use of CMS preprint form recommended	Use of CMS preprint form required	Use of CMS preprint form recommended
Public review	Robust public process required, with additional requirements added by the ACA	Public process encouraged; tribal input required	Public process encouraged; tribal input required
Federal budget requirements	Budget neutrality required	Cost effectiveness required	Cost neutrality required
Timeframe for approval	No required timeframe for CMS approval	90-day clock	90-day clock
Monitoring and evaluation	Annual state reports required; evaluations required	Must monitor access; independent assessment required	Annual state reports required
Approval period	Initially approved for five years	Initially approved for two years (up to five years if individuals dually eligible for Medicare and Medicaid are included)	Initially approved for three years (up to five years if individuals dually eligible for Medicare and Medicaid are included)
Renewal	Customarily up to three years (up to five years if individuals dually eligible for Medicare and Medicaid are included)	Customarily up to two years (up to five years if individuals dually eligible for Medicare and Medicaid are included)	Customarily up to five years

<sup>1</sup> Table provided by [www.macpac.gov](http://www.macpac.gov)

## **ACTIVE MEDICAID WAIVERS IN MONTANA**

The following is a list of Medicaid waivers currently active (as of September 2022) in the State of Montana. Listed below are the waiver name, federal authority, and a brief description of services offered by each waiver. Montana has three active federal waiver types including 1915(b), 1915(c), and 1115. A brief description of each waiver type follows.

### **Waiver for Additional Services and Populations (WASP) - 1115**

Provides health coverage for up to 3,000 waiver mental health service plan (WMHSP) beneficiaries age 18 and older and diagnosed with a severe disabling mental illness (SDMI) who qualify for or are enrolled in the state-financed Mental Health State Plan program. These beneficiaries with SDMI are otherwise ineligible for Medicaid by either having an income above 133 up to and including 150 percent of the federal poverty level (FPL), or by having an income at or below 133 percent of the FPL but are eligible for or enrolled in Medicare. Montana provides a full state plan benefit package to WMHSP beneficiaries in the demonstration. Beneficiaries categorically aged, blind, and disabled (ABD) receive unlimited dental treatment services above the state plan's current \$1,125 dental services annual limit.

### **Montana Big Sky (Elderly and Physically Disabled) – 1915(c)**

Provides adult day health, case management, community adult group homes, community first choice/personal assistance and specially trained attendant care, day habilitation, homemaker, prevocational services, respite, supported employment, audiology, respiratory therapy, financial management services, independence advisor, adult foster care, community supports, community transition, consultative clinical and therapeutic services, consumer goods and services, dietetic services, environmental accessibility adaptations, family training and support, health and wellness, homemaker chore, level 1 assisted living, level 2 assisted living, level 3 assisted living, non-medical transportation, nutrition, occupational therapy, pain and symptom management, personal emergency response systems, physical therapy, post-acute rehabilitation services, private duty nursing, senior companion, specialized child care for medically fragile children, specialized medical equipment and supplies, speech therapy, supported living, and vehicle modifications for aged individuals 65+ and individuals with physical disabilities and other disabilities ages 0 – 64 years.

An additional waiver was approved for the renewal of this program to serve 2,580 members in waiver years one through five.

### **MT Home and Community-Based Waiver for Individuals with Developmental Disabilities (0208) – 1915(c)**

Provides day supports and activities, homemaker, residential habilitation, respite, supported employment - follow along support, nutritionist services, occupational therapy, physical therapy, private duty nursing, speech therapy, supports brokerage, adult foster support, assisted living, behavioral support services, caregiver training and support, community transition services, companion services, environmental modifications, individual goods and services, meals, personal care, personal emergency response system (PERS), personal supports, psychological evaluation, counseling and consultation services, remote monitoring equipment, remote monitoring, retirement services, specialized medical equipment and supplies, supported employment - co-worker support, supported employment - individual employment support, supported employment - small group employment support, transportation for individuals of all ages.

### **Severe and Disabling Mental Illness (SDMI) – 1915(c)**

Provides adult day health, case management, residential habilitation, respite, supported employment, behavioral intervention assistant, community transition, consultative clinical and therapeutic services, environmental accessibility adaptations, health and wellness, homemaker chore, life coach, meals, non-medical transportation, pain and symptom management, personal assistance service, personal emergency response system, private duty nursing, and specialized medical equipment and supplies for individuals with mental illness ages 18+.

An additional waiver was approved in congruence with the original SDMI to extend the program and increase the members able to be served. The number of unduplicated members able to be served increased from 357 to 600 in waiver year one, 650 in waiver year two, and 750 in waiver year three through five.

### **MT Plan First Family Planning Demonstration - 1115**

Provides family planning services to women statewide who are Montana residents ages 19 through 44 with income up to and including 211.0% of the federal poverty level and not otherwise eligible for Medicaid, able to bear children, and not presently pregnant. Some of the services covered include office visits, contraceptive supplies, laboratory services, and testing and treatment of sexually transmitted diseases (STDs). The program is capped at 4,000 members.

### **MT Passport to Health – 1915(b1), 1915(b2), 1915(b4)**

Provides primary care case management (PCCM) services for Montana Medicaid and Healthy Montana Kids (HMK) *Plus* members. These services include locating, coordinating, and monitoring primary healthcare services. They work closely with other care coordination programs such as the *Nurse Advice Line* (Nurse First), *Team Care* and *Health Improvement Program* (HIP).

### **MT Health and Economic Livelihood Partnership (HELP) – 1115, 1915(b4)**

This demonstration provides the state with authority to charge premiums to certain Medicaid participants with incomes from 50.0% up to 133.0% of the FPL as laid out in the Health Economic Livelihood Partnership (HELP) Act of 2015. Beneficiaries are subject to premiums starting at 2.0% of household income, to be raised 0.5% per year of coverage until a cap of 4.0%. CMS has notified states that premiums will no longer be permitted in Medicaid expansion as of the end of CY 2022. An amendment to this waiver removed copays from the original waiver as well as all references to a third-party administrator.

This waiver also permits the state to include 12 months of continuous eligibility, though the continuous eligibility provision will be eliminated by the Department of Public Health and Human Services (DPHHS) upon the end of the COVID-19 public health emergency declaration.

### **Montana Healing and Ending Addiction Through Recovery and Treatment (HEART) - 1115**

This waiver provides enhanced access to mental health services, opioid use disorder (OUD), and other substance use disorder (SUD) services. It also provides a comprehensive continuum of behavioral health services and SUD treatments to Medicaid beneficiaries with SUD who would otherwise be ineligible for payment. This demonstration grants the state authority to provide high-quality, clinically appropriate treatment to beneficiaries with SUD while they are short-term residents in residential and inpatient treatment settings that qualify as an institution for mental disease. It also supports state efforts to link individuals with the appropriate level of care, improve the availability of Medication Assisted Treatment (MAT), and improve access to a continuum of SUD evidence-based services at varied levels of intensity, including withdrawal management services.