



Administrator
Washington, DC 20201

NOV 24 2010

Ms. Mary E. Dalton
State Medicaid Director
Montana Department of Public Health and Human Services
P.O. Box 4210
Helena, MT 59604-4210

Dear Ms. Dalton:

We are pleased to inform you that Montana's request to renew and amend its section 1115 Medicaid Demonstration project entitled Montana Basic Medicaid for Able-Bodied Adults (Basic Medicaid) has been approved as project number 11-W-00181/8 under the authority of section 1115(a) of the Social Security Act (the Act). The enclosed Special Terms and Conditions (STCs), waivers and expenditure authorities will be effective from December 1, 2010 through December 31, 2013.

The Centers for Medicare & Medicaid Services (CMS) is renewing Montana's statewide Basic Medicaid Demonstration, which began in 1996 under the authority of an 1115 welfare reform waiver referred to as families Achieving Independence in Montana (FAIM), and currently serves approximately 8,500 able-bodied adults. In addition, under the attached STCs, Federal financial participation will be available to enable the State to expand health care coverage by offering the Basic Medicaid benefit package to up to 800 individuals that have been diagnosed with a severe disabling mental illness of schizophrenia, bipolar disorder, or major depression. The approval to expand the Basic Medicaid Demonstration will enable the State to provide both physical and mental coverage to these vulnerable individuals in an effort to better stabilize their conditions.

Our approval of the Montana Basic Medicaid section 1115(a) Demonstration is limited to the extent of granting approval for the necessary expenditure authorities in the accompanying list and is conditioned upon compliance with the enclosed STCs. The STCs set forth in detail the nature, character, and extent of federal involvement in the Demonstration, and are effective immediately, unless otherwise specified. All the requirements of the Medicaid program expressed in law, regulation, and policy statement, not expressly waived or identified as not applicable in the enclosed expenditure authority list, shall apply to the Demonstration.

Written notification to our office of your acceptance of this award must be received within 30 days after your receipt of this letter. Your project officer is Kelly Heilman. She is available to answer questions concerning this demonstration project. Her contact information is as follows:

Centers for Medicare & Medicaid Services
Center for Medicaid and State Operations
7500 Security Boulevard , S2-01-16
Baltimore, MD 21244-1850
Telephone: (410) 786- 1451
Facsimile: (410) 786-5882
E-mail: kelly.heilman@cms.hhs.gov

Official communications regarding program matters should be submitted simultaneously to Dr. Heilman, and to Mr. Richard Allen, Associate Regional Administrator in our Denver Regional Office. Mr. Allen's address is:

Centers for Medicare & Medicaid Services
Division of Medicaid & Children's Health Operations
Colorado State Bank Building
1 600 Broadway, Suite 700
Denver, CO 80202-4367

We extend our congratulations to you on the renewal, and we appreciate the State's cooperation throughout the review process. If you have additional questions, please contact Ms. Victoria Wachino, Director, Family and Children's Health Programs Group, Center for Medicaid and State Operations, at (410) 786-5647.

Sincerely,

/Donald M. Berwick/

Donald M. Berwick, M.D.

Encloures

cc:

Duane Preshinger, Montana Medicaid Systems Support Program Director
Jo Thompson, Montana Medicaid Analyst
Richard Allen, Associate Regional Administrator, CMS Denver Regional Office
Kelly Heilman, Health Insurance Specialist, CMS