**ATTACHMENT A**

**Montana Section 1115 Waiver for Additional Services and Populations**
**Section 1115 Quarterly Report**
**3rd Quarter DY13 August 2016 –October 2016**

**Introduction**

Effective July 19, 2016, the Basic Medicaid Waiver covers up to 3,000 individuals age 18 or older, with Severe Disabling Mental Illness (SDMI) who qualify for or are enrolled in the State-financed Mental Health Service Plan (MHSP) but otherwise ineligible for Medicaid benefits and either: 1) have income 0-138% of the federal poverty (FPL) and are eligible for or enrolled in Medicare; or 2) have income 139-150% of the FPL regardless of Medicare status (they can be covered or not covered by Medicare and be eligible). The waiver also offers a 12-month continuous eligibility period for all non-expansion Medicaid-covered individuals whose eligibility is based on Modified Adjusted Gross Income (MAGI).

On March 7, 2016, effective December 5, 2016, an Amendment was submitted that proposed to: change the name of the Waiver to Montana Section 1115 Waiver for Additional Services and Populations and cover individuals determined categorically eligible for ABD for dental treatment services above the Medicaid State Plan cap of $1,125, as a pass through cost.

**Enrollment**

| **Demonstration Populations** DY13 3rd Quarter August 2016-October 2016 | **Month 1** Aug 2016 | **Month 2** Sep 2016 | **Month 3** Oct 2016 | **Total Average for Quarter** Ending Oct 2016 |
|---|---|---|---|---|
| **WMHSP Adults** | 1109 | 1119 | 1110 | 1113 |

**Member Month Reporting**

| **Eligibility Group** DY13 3rd Quarter August 2016-October 2016 | **Month 1** Aug 2016 | **Month 2** Sep 2016 | **Month 3** Oct 2016 | **Total for Average Quarter** Ending Oct 2016 |
|---|---|---|---|---|
| **WMHSP Adults** | 1109 | 1119 | 1110 | 1113 |

*The demonstration population is reported using deprivation codes and the member months report sometimes shows a slightly different count. The member months report is used for the quarterly BN report.

**Outreach/Innovative Activities**

Upon eligibility determination, the MHSP Waiver member received an enrollment notice for Standard Medicaid. The determination has a program phone number the member can call with questions. The Mental Health Center discusses this new health benefit with the member. In addition, Medicaid members received a post card informing them the Montana Medicaid and Healthy Montana Kids *Plus* Member Guide was available online or they could request a hard copy by contacting the Member Help Line; the Montana Medicaid and Healthy Montana Kids *Plus* Member Guide can be found at: http://dphhs.mt.gov/MontanaHealthcarePrograms/Welcome/MembersServices. A chart of Medicaid covered benefits is published with additional service details.

**Operational/Policy Developments/Issues**
Montana has no operational issues at this time.

**Financial/Budget Neutrality Developments/Issues**
Montana has no financial issues at this time.

**Member Issues**
We are not hearing reported member issues. Members, family members, and Mental Health Center staff are very happy members are receiving health benefits, and are very pleased the waiver has expanded to align with the Standard Medicaid benefit package.

**Quality Assurance/Monitoring Activity**
No quality assurance/monitoring activity in current quarter.

**Status of Benefits and Cost Sharing**
No changes were made to benefits or cost sharing during the quarter.

**Demonstration Evaluation**
The draft evaluation was part of the waiver submission.

**Enclosures/Attachments**
Please see the following quarterly expenditure and enrollment reports, sent with this quarterly report.

- Quarterly BN Limit,
- Quarterly Waiver Costs and Variance from BN, and
- Quarterly Federal Funds Summary by DY.

**History**
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 Medicaid Program.

In February 1996, Montana implemented its state-specific welfare reform program known as Families Achieving Independence in Montana (FAIM). This sweeping change involved the cash assistance, food stamp, and Medicaid programs that were administered on the federal side by several agencies under multiple statutes. As part of welfare reform, Montana obtained a Section 1115 waiver, approved in February 1996, known as the Basic Medicaid Waiver. Services were provided for Able Bodied Adults (neither pregnant nor disabled) and who were parents and/or caretaker relatives of dependent children, eligible for Medicaid under Sections 1925 or 1931 of the Social Security Act, at or below 33% of the FPL. The waiver offered all mandatory services and a reduced package of Medicaid optional services through a fee-for-service delivery.

On October 23, 2003, DPHHS submitted an 1115 waiver application to CMS requesting approval to continue the Basic Medicaid Program. CMS approved the waiver application on January 29, 2004 for a five-year period from February 1, 2004, through January 31, 2009. CMS approved the waiver amendment extension and the request to insure the additional "MHSP Waiver" population, effective December 1, 2010. The waiver goal was to increase the number of individuals in Montana with health insurance coverage.

The additional population includes up to 800 individuals who were qualified for the State-financed MHSP, who have Schizophrenia or Bipolar disorder, who are 18 to 64 years of age, and who are a resident of Montana with incomes at or below 150% FPL. A waiver renewal was approved with an effective date of January 1, 2014. Included in the renewal is an enrollment cap of 2000 individuals; the primary SDMI clinical diagnosis of Major Depressive disorder as a covered diagnosis; and home infusion as a covered service. On December 16, 2014, a waiver amendment was approved by CMS which includes raising the enrollment cap from "up to 2000" to "up to 6000" and updated the eligible diagnosis codes to allow all MHSP Program individuals with SDMI. Through a computer cased random drawing, individuals with Schizophrenia were enrolled first, then individuals with Bipolar, then individuals with Major Depressive disorder, and lastly, all remaining SDMI diagnoses. Montana will continually analyze waiver sustainability.

Basic Medicaid services were Full Medicaid benefits with the following medical services generally excluded: audiology, dental and denturist, durable medical equipment, eyeglasses, optometry and ophthalmology for routine eye exams, personal care services and hearing aids. DPHHS recognized there may be situations where the excluded services were necessary as in an emergency or when essential for employment. In the event of an emergency or when essential to obtain or maintain employment, coverage for the excluded services were provided at the State's discretion.

Examples of emergency circumstances included, but were not limited to, coverage for emergency dental situations, medical conditions of the eye, which included but were not limited to annual dilated eye exams for individuals with diabetes or other medical conditions, and certain medical supplies such as diabetic supplies, prosthetic devices and oxygen.

On November 20, 2015, DPHHS submitted an 1115 waiver amendment application to coincide with Montana's Medicaid Expansion State Plan, with an effective date of January 1, 2016. The amendment requested to remove able-bodied adults from the waiver as they would now qualify for the Medicaid State Plan. To remove individuals under age 65 with SDMI who were not covered by or eligible for Medicare and who are between 0-138% of the MAGI income level. Then requested to cover individuals age 18 or older, with SDMI who qualify for or are enrolled in the state-financed MHSP or the Basic Medicaid waiver, but were otherwise ineligible for Medicaid benefits and either: have income 0-138% of the FPL and are eligible for or enrolled in Medicare; or have income 139-150% of the FPL regardless of Medicare status (they can be covered or not covered by Medicare and be eligible). To reduce the MHSP waiver enrollment cap from 6,000 to 3,000. To align the Basic Medicaid benefit package with the Standard Medicaid benefit package. Basic Medicaid previously did not cover or had very limited coverage of audiology, dental and denturist, durable medical equipment (DME), eyeglasses, optometry and ophthalmology for routine eye exams, personal care services, and hearing aids, as stated above. Lastly, to adopt a 12-month continuous eligibility period for all non-expansion Medicaid-covered individuals whose eligibility is based on MAGI.

**State Contact(s)**

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