

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>	1. TRANSMITTAL NUMBER: 09-024	2. STATE Montana
	3. PROGRAM IDENTIFICATION: Title XIX of the Social Security Act (Medicaid)	
FOR: HEALTH CARE FINANCING ADMINISTRATION		4. PROPOSED EFFECTIVE DATE 07/01/2009
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: N A	7. FEDERAL BUDGET IMPACT: a. FFY 2009      \$ 5,590 b. FFY 2010      \$ 22,361
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Page(s) 1 of 1 and 2 of 2 Attachment 4.19B Methods & Standards for Establishing Payment Rates Service 6.b Optometrists' Services	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Page(s) 1 of 1 and 2 of 2 Attachment 4.19B Methods & Standards for Establishing Payment Rates Service 6.b Optometrists' Services

10. SUBJECT OF AMENDMENT:  
Optometric Payment Methodology Change

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO: Montana Dept. of Public Health and Human Services Mary E. Dalton Acting Medicaid Director Attn: Jo Thompson PO Box 4210 Helena, MT 59604
13. TYPED NAME: Mary E. Dalton	
14. TITLE: Acting Medicaid Director	
15. DATE SUBMITTED: 6/30/09	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: 6/24/09	18. DATE APPROVED: 8/4/09
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 7/1/09	20. SIGNATURE OF REGIONAL OFFICIAL:
21. TYPED NAME: Richard C. Allen	22. TITLE: Associate Regional Administrator
23. REMARKS:	

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
1600 Broadway, Suite 700  
Denver, CO 80202-4967



*CENTERS for MEDICARE & MEDICAID SERVICES*

## **Region VIII**

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August 6, 2009

Ms. Mary Dalton  
Medicaid Director  
Montana Department of Public Health and Human Services  
Health Policy and Services division  
111 North Sanders, Room 301  
P.O. Box 4210  
Helena, MT 59620-4210

Re: SPA 09-024. Optometric Payment Methodology Change.

Dear Ms. Dalton:

Please be advised CMS has approved Montana State Amendment 09-024, Optometric Payment Methodology Change. This state plan amendment is approved with an effective date of July 1, 2009. We appreciate the cooperation extended by your staff in the review and approval of this state plan amendment.

If you have any questions regarding this State Plan Amendment please contact Diana Maiden at 303-844-7114.

Sincerely,

Richard C. Allen  
Associate Regional Administrator  
Division of Medicaid and Children's Health Operations

cc: Ms. Jo Thompson, Montana State Plan Coordinator

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I. Reimbursement for Optometric Services shall be:

A. The lower of:

1. The provider's usual and customary charge for the service; or
2. Reimbursement provided in accordance with the methodology described in Number II.

II. The Department's fee schedule for Optometric Services is determined:

- A. In accordance with the Resource Base Relative Value Scale (RBRVS) methodology, by multiplying Medicare's Relative Value Units (RVU), which is numeric, by the Montana Medicaid specific conversion factor, which is a dollar amount, to equal a fee. Specific to Montana Medicaid, there is an ability to multiply the fee times a policy adviser (either plus or minus) to affect the fee.
- B. "Resource based relative value scale (RBRVS)" means the most current version of the Medicare resource based relative value scale contained in the physicians' Medicare Physician Fee Schedule adopted by the Centers for Medicare and Medicaid Services (CMS) of the U.S. Department of Health and Human Services.
- C. "Relative value unit (RVU)" means a numerical value assigned in the resources based relative value scale to each procedure code used to bill for services provided by a health care provider. The relative value unit assigned to a particular code expresses the relative effort and expense expended by a provider in providing one service as compared with another service.
- D. The RVU's are adopted from the RBRVS. For the services for which the RBRVS does not specify RVU's, the department sets those RVU's as follows:
  - (1) The RVUs for a Medicaid covered service are calculated as follows:
    - i. If Medicare sets RVU's, the Medicare RVU's are applicable;
    - ii. If Medicare does not set RVU's but Medicaid sets RVUs, the Medicaid RVUs are set in the following manner:

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- (A) convert the existing dollar value of a fee to an RVU value;
  - (B) evaluate the RVU of similar services and adding an RVU value; or convert the average by report dollar value of a fee to an RVU value.
  - (C) convert the average by report dollar value of a fee to an RVU value.
- E. If there is not a Medicare RVU or Medicaid history data, reimbursement will be 'by report'. 'By report' means paying a percentage of billed charges. The percentage is derived by dividing the previous state fiscal year's total Medicaid reimbursement for services included in the RBRVS by the previous state fiscal year's total Medicaid billings.
- F. The agency's rates were set as of July 1, 2009 and are effective for services on or after that date. All rates are published on the agency's website [www.mtmedicaid.org](http://www.mtmedicaid.org). Except as otherwise noted in the plan, State developed fee schedule rates are the same for both governmental and private providers.

\* A provider is an optometrist licensed in the State of Montana who is individually enrolled in the Montana Medicaid program.