
Table of Contents

State/Territory Name: Montana

State Plan Amendment (SPA) #: MT-13-001

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Denver Regional Office
1961 Stout Street, Room 08-148
Denver, CO 80294



REGION VIII - DENVER

October 27, 2016

Ms. Mary E. Dalton
State Medicaid and CHIP Director
PO Box 4210
Helena, MT 59601-4210

RE: MT 13-001 Asset Verification System

Dear Ms. Dalton:

We have reviewed Montana's State Plan Amendment (SPA) Transmittal Number (TN) 13-001, originally submitted on September 27, 2013, and re-submitted on August 23, 2016. This amendment concerns implementation of an Asset Verification System (AVS) for eligibility, and includes a timeline for all needed steps to achieve full compliance with section 1940(a) of the Act.

Please be informed that this State Plan Amendment was approved October 26, 2016, with an effective date of October 27, 2016. We are enclosing the summary page and the amended plan page(s).

The approval of this State Plan amendment requires Montana to fully implement its Asset Verification System no later than September 18, 2017. This approval requires detailed bi-monthly reports on Montana's progress on the implementation, beginning in December, 2016. Reports need to be submitted to the CMS Regional Office no later than the 15th of each month in which the report is due. The reports must detail the status of the steps identified in the state's timeline, identify whether the state is on time with the steps, or how the time will be made up if behind, and identify any issues or concerns with the implementation.

In order to track expenditures associated with this amendment, Montana should follow the CMS-64 reporting instructions outlined in Section 2500 of the State Medicaid Manual (SMM). This amendment would affect administrative expenditures reported on the Form CMS-64.10 Base, Line 5B - Costs of Private Sector Contractors. Please note, in order for the State agency to claim Federal funds for these administrative activities, the cost allocation plan will need to be amended in order to clearly establish how these contractual costs will be allocated between all benefitting programs, as well as supported by a system which has the capability to isolate the costs which are directly related to the support of the Medicaid program from all other costs incurred by the agency as per 45 CFR Part 95.507.



Mary Dalton, State Medicaid Director
Page 2

If you have any questions, please contact Barbara Prehmus at (303) 844-7472 or barbara.prehmus@cms.hhs.gov.

Sincerely,

A solid black rectangular box used to redact the signature of Trinia J. Hunt.

Trinia J. Hunt
Acting Associate Regional Administrator
Division of Medicaid & Children's Health Operations

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 13-001	2. STATE Montana
		3. PROGRAM IDENTIFICATION: Title XIX of the Social Security Act (Medicaid)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE October 27 2016	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION: Section 1940 of the Social Security Act		7. FEDERAL BUDGET IMPACT: a. FFY 2017 \$1,457,272 b. FFY 2018 \$94,321	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Supplement 16 to Attachment 2.6-A, pages 1-3		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): N/A	
10. SUBJECT OF AMENDMENT: Updates the State Plan to clarify the asset verification system (AVS) that verifies the assets of aged, blind, disabled Medicaid applicants or members.			
11. GOVERNOR'S REVIEW (<i>Check One</i>): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Single State Agency <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Montana Department of Public Health and Human Services Mary E. Dalton State Medicaid Director Attn: Mary Eve Kulawik PO Box 4210 Helena MT 59604	
13. TYPED NAME: Mary E. Dalton			
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED: 9/27/13 / revised 10-27-16			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: September 27, 2013		18. DATE APPROVED: October 26, 2016	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: October 27, 2016		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Trinia J. Hunt		22. TITLE: Acting ARA, DMCHO	
23. REMARKS:			

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Montana

ASSET VERIFICATION SYSTEM

- 1940(a) of the Act
1. The agency will provide for the verification of assets for purposes of determining or re-determining Medicaid eligibility for aged, blind and disabled Medicaid applicants and recipients using an Asset Verification System (AVS) that meets the following minimum requirements.
 - A. The request and response system must be electronic:
 - (1) Verification inquiries must be sent electronically via the internet or similar means from the agency to the financial institution (FI).
 - (2) The system cannot be based on mailing paper-based requests.
 - (3) The system must have the capability to accept responses electronically.
 - B. The system must be secure, based on a recognized industry standard of security (e.g., as defined by the U.S. Commerce Department's National Institute of Standards and Technology, or NIST).
 - C. The system must establish and maintain a database of FIs that participate in the agency's AVS.
 - D. Verification requests also must be sent to FIs other than those identified by applicants and recipients, based on some logic such as geographic proximity to the applicant's home address, or other reasonable factors whenever the agency determines that such requests are needed to determine or re-determine the individual's eligibility.
 - E. The verification requests must include a request for information on both open and closed accounts, going back up to 5 years as determined by the State.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Montana

ASSET VERIFICATION SYSTEM

2. System Development

_____ A. The agency itself will develop an AVS.

In 3 below, provide any additional information the agency wants to include.

 X B. The agency will hire a contractor to develop an AVS.

In 3 below provide any additional information the agency wants to include.

_____ C. The agency will be joining a consortium to develop an AVS.

In 3 below, identify the States participating in the consortium. Also, provide any other information the agency wants to include pertaining to how the consortium will implement the AVS requirements.

_____ D. The agency already has a system in place that meets the requirements for an acceptable AVS.

In 3 below, describe how the existing system meets the requirements in Section 1.

_____ E. Other alternative not included in A. – D. above.

In 3 below, describe this alternative approach and how it will meet the requirements in Section 1.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Montana

ASSET VERIFICATION SYSTEM

3. Provide the AVS implementation information requested for the implementation approach checked in Section 2, and any other information the agency may want to include.

As part of Montana's 2016 Expedited Eligibility and Enrollment Implementation Advance Planning Document, approved by CMS on September 15, 2015, the Montana Department of Public Health and Human Services is working on an Asset Verification System (AVS) to provide the verification of assets for purposes of determining or re-determining Medicaid eligibility for aged, blind and disabled Medicaid applicants and members as specified under section 1940(a) under Title XIX of the Social Security Act.

The estimated cost for the Eligibility and Enrollment System Integration is \$1,500,000.

The timeline for implementing Montana's AVS is as follows:

Asset Verification System		
	Start	End
Procurement	11/01/2016	02/28/2017
Posting	11/01/2016	12/29/2016
Evaluation	01/02/2017	01/16/2017
Contract Award	01/18/2017	02/28/2017
Requirements	03/01/2017	03/30/2017
Design	03/16/2017	04/28/2017
Construction	05/01/2017	06/30/2017
SIT	06/05/2017	07/16/2017
UAT	07/17/2017	08/14/2017
Training	08/21/2017	09/08/2017
Implementation	09/18/2017	09/18/2017
Post-Implementation Support	09/18/2017	12/31/2017