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State/Territory Name: Montana

State Plan Amendment (SPA) #: MT-15-0038

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
1961 Stout Street, Room 08-148
Denver, CO 80294



Region VIII

April 29, 2016

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

RE: SPA 15-0038

Dear Ms. Dalton:

We have reviewed the proposed Federal Medical Assistance Payment (FMAP) State Plan Amendment (SPA), TN 15-0038, submitted to the Centers for Medicare & Medicaid Services' Denver Regional Office on December 29, 2015. This SPA describes the methodology used by the state for determining the appropriate FMAP rates, including the increased FMAP rates, available under the provisions of the Affordable Care Act applicable for the medical assistance expenditures under the Medicaid program associated with enrollees in the new adult group adopted by the state and described in 42 CFR 435.119.

Please be informed that this SPA was approved today with an effective date of January 1, 2016. We are enclosing the CMS 179 Form and the approved State Plan pages.



If you have any questions regarding this SPA please contact Michelle Baldi at (312) 353-0909.

Sincerely,

A black rectangular box redacting the signature of Trinia J. Hunt.

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

cc: Richard Oppen, Department Director
Duane Preshinger
Jo Thompson
Mary Eve Kulawik

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 15-0038	2. STATE Montana
FOR: HEALTH CARE FINANCING ADMINISTRATION		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE 01/01/2016	
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: If applicable, provide CFR citation: Section 1902 (a)(30)(A)		7. FEDERAL BUDGET IMPACT: a. FFY 2016 \$0 b. FFY 2017 \$0 This state plan amendment is related to Montana's Medicaid expansion, effective 1/1/16. Its estimated federal fiscal impact is reported on the MT 15-0025 HCFA 179.	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Supplement 18 to Attachment 2.6A, Methodology for Identification of Applicable FMAP Rates, Pages 1-6 of 6		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): NEW	
10. SUBJECT OF AMENDMENT: To claim 100% FMAP for the New Adult Group.			
11. GOVERNOR'S REVIEW (<i>Check One</i>):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Single Agency Director Review	
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Montana Department of Public Health and Human Services Mary E. Dalton Attn: Mary Eve Kulawik PO Box 4210 Helena MT 59620	
13. TYPED NAME: Mary E. Dalton			
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED: 1-4-16			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: January 4, 2016		18. DATE APPROVED: April 29, 2016	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: January 1, 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

METHODOLOGY FOR IDENTIFICATION OF APPLICABLE FMAP RATES

The State will determine the appropriate FMAP rate for expenditures for individuals enrolled in the adult group described in 42 CFR 435.119 and receiving benefits in accordance with 42 CFR Part 440 Subpart C. The adult group FMAP methodology consists of two parts: an individual-based determination related to enrolled individuals, and as applicable, appropriate population-based adjustments.

Part 1 – Adult Group Individual Income-Based Determinations

For individuals eligible in the adult group, the state will make an individual income-based determination for purposes of the adult group FMAP methodology by comparing individual income to the relevant converted income eligibility standards in effect on December 1, 2009, and included in the MAGI Conversion Plan (Part 2) approved by CMS on 04/07/2016. In general, and subject to any adjustments described in this SPA, under the adult group FMAP methodology, the expenditures of individuals with incomes below the relevant converted income standards for the applicable subgroup are considered as those for which the newly eligible FMAP is not available. The relevant MAGI-converted standards for each population group in the new adult group are described in Table 1.

Table 1: Adult Group Eligibility Standards and FMAP Methodology Features

Covered Populations Within New Adult Group		Applicable Population Adjustment			
Population Group	Relevant Population Group Income Standard	Resource Proxy	Enrollment Cap	Special Circumstances	Other Adjustments
	<p>For each population group, indicate the lower of:</p> <ul style="list-style-type: none"> The reference in the MAGI Conversion Plan (Part 2) to the relevant income standard and the appropriate cross-reference, or 133% FPL. <p>If a population group was not covered as of 12/1/09, enter "Not covered".</p>	Enter "Y" (Yes), "N" (No), or "NA" in the appropriate column to indicate if the population adjustment will apply to each population group. Provide additional information in corresponding attachments.			
A	B	C	D	E	F
Parents/Caretaker Relatives	Attachment A, Column C, Line 1 of Part 2 of the CMS approved MAGI Conversion Plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.	No	No	No	No
Disabled Persons, non-institutionalized	Attachment A, Column C, Line 2 of Part 2 of the CMS approved MAGI Conversion Plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.	No	No	No	No
Disabled Persons, institutionalized	Attachment A, Column C, Line 3 of Part 2 of the CMS approved MAGI Conversion Plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.	No	No	No	No
Children Age 19 or 20	Not Covered	No	No	No	No
Childless Adults	Not Covered	No	No	No	No
		No	No	No	No

Part 2 – Population-based Adjustments to the Newly Eligible Population Based on Resource Test, Enrollment Cap or Special Circumstances

A. Optional Resource Criteria Proxy Adjustment (42 CFR 433.206(d))

1. The state:

☐ Applies a resource proxy adjustment to a population group(s) that was subject to a resource test that was applicable on December 1, 2009.

☒ Does NOT apply a resource proxy adjustment (Skip items 2 through 3 and go to Section B).

Table 1 indicates the group or groups for which the state applies a resource proxy adjustment to the expenditures applicable for individuals eligible and enrolled under 42 CFR 435.119. A resource proxy adjustment is only permitted for a population group(s) that was subject to a resource test that was applicable on December 1, 2009.

The effective date(s) for application of the resource proxy adjustment is specified and described in Attachment B.

2. Data source used for resource proxy adjustments:

The state:

☐ Applies existing state data from periods before January 1, 2014.

☐ Applies data obtained through a post-eligibility statistically valid sample of individuals.

Data used in resource proxy adjustments is described in Attachment B.

3. Resource Proxy Methodology: Attachment B describes the sampling approach or other methodology used for calculating the adjustment.

B. Enrollment Cap Adjustment (42 CFR 433.206(e))

1. ☐ An enrollment cap adjustment is applied by the state (complete items 2 through 4).

☒ An enrollment cap adjustment is not applied by the state (skip items 2 through 4 and go to Section C).

2. Attachment C describes any enrollment caps authorized in section 1115 demonstrations as of December 1, 2009 that are applicable to populations that the state covers in the eligibility group described at 42 CFR 435.119 and received full benefits, benchmark benefits, or benchmark equivalent benefits as determined by CMS. The enrollment cap or caps are as specified in the applicable section 1115 demonstration special terms and conditions as confirmed by CMS, or in alternative authorized cap or caps as confirmed by CMS. Attach CMS correspondence confirming the applicable enrollment cap(s).
3. The state applies a combined enrollment cap adjustment for purposes of claiming FMAP in the adult group:
 - ☐ Yes. The combined enrollment cap adjustment is described in Attachment C
 - ☐ No.
4. Enrollment Cap Methodology: Attachment C describes the methodology for calculating the enrollment cap adjustment, including the use of combined enrollment caps, if applicable.

C. Special Circumstances (42 CFR 433.206(g)) and Other Adjustments to the Adult Group FMAP Methodology

1. The state:
 - ☐ Applies a special circumstances adjustment(s).
 - ☒ Does not apply a special circumstances adjustment.
2. The state:
 - ☐ Applies additional adjustment(s) to the adult group FMAP methodology (complete item 3).
 - ☒ Does not apply any additional adjustment(s) to the adult group FMAP methodology (skip item 3 and go to Part 3).
3. Attachment D describes the special circumstances and other proxy adjustment(s) that are applied, including the population groups to which the adjustments apply and the methodology for calculating the adjustments.

Part 3 – One-Time Transitions of Previously Covered Populations into the New Adult Group

A. Transitioning Previous Section 1115 and State Plan Populations to the New Adult Group

- ☒ Individuals previously eligible for Medicaid coverage through a section 1115 demonstration program or a mandatory or optional state plan eligibility category will be transitioned to the new adult group described in 42 CFR 435.119 in accordance with a CMS-approved transition plan and/or a section 1902(e)(14)(A) waiver. For purposes of claiming federal funding at the appropriate FMAP for the populations transitioned to new adult group, the adult group FMAP methodology is applied pursuant to and as described in Attachment E, and where applicable, is subject to any special circumstances or other adjustments described in Attachment D.
- ☐ The state does not have any relevant populations requiring such transitions.

Part 4 - Applicability of Special FMAP Rates

A. Expansion State Designation

The state:

- ☒ Does NOT meet the definition of expansion state in 42 CFR 433.204(b). (Skip section B and go to Part 5)
- ☐ Meets the definition of expansion state as defined in 42 CFR 433.204(b), determined in accordance with the CMS letter confirming expansion state status, dated _____.

B. Qualification for Temporary 2.2 Percentage Point Increase in FMAP.

The state:

- ☒ Does NOT qualify for temporary 2.2 percentage point increase in FMAP under 42 CFR 433.10(c)(7).
- ☐ Qualifies for temporary 2.2 percentage point increase in FMAP under 42 CFR 433.10(c)(7), determined in accordance with the CMS letter confirming eligibility for the temporary FMAP increase, dated _____. The state will not claim any federal funding for individuals determined eligible under 42 CFR 435.119 at the FMAP rate described in 42 CFR 433.10(c)(6).

Part 5 - State Attestations

The State attests to the following:

- A. The application of the adult group FMAP methodology will not affect the timing or approval of any individual's eligibility for Medicaid.
- B. The application of the adult group FMAP methodology will not be biased in such a manner as to inappropriately establish the numbers of, or medical assistance expenditures for, individuals determined to be newly or not newly eligible.

ATTACHMENTS

Not all of the attachments indicated below will apply to all states; some attachments may describe methodologies for multiple population groups within the new adult group. Indicate those of the following attachments which are included with this SPA:

- ☒ Attachment A – Conversion Plan Standards Referenced in Table 1
- ☐ Attachment B – Resource Criteria Proxy Methodology
- ☐ Attachment C – Enrollment Cap Methodology
- ☒ Attachment D – Special Circumstances Adjustment and Other Adjustments to the Adult Group FMAP Methodology
- ☒ Attachment E – Transition Methodologies

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 4 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

Attachment A
Most Recent Updated Summary Information for Part 2 of Modified Adjusted Gross Income (MAGI) Conversion Plan**
MONTANA

02/28/2014

	Population Group	Net standard as of 12/1/09	Converted standard for FMAP claiming	Same as converted eligibility standard? (yes, no, or n/a)	Source of information in Column C (New SIPP conversion or Part 1 of approved state MAGI conversion plan)	Data source for Conversion (SIPP or state data)
	A	B	C	D	E	F
Conversions for FMAP Claiming Purposes						
1	Parents/Caretaker Relatives	n/a*	n/a*	n/a	n/a	n/a
2	Noninstitutionalized Disabled Persons SSI FBR%	100%	103%	n/a	New SIPP conversion	SIPP
3	Institutionalized Disabled Persons	same as non-institutionalized	same as non-institutionalized	n/a	same as non-institutionalized disabled	same as non-institutionalized
4	Children Age 19-20	n/a	n/a	n/a	n/a	n/a
5	Childless Adults	n/a	n/a	n/a	n/a	n/a

*Although the state did cover parents/caretaker relatives in its 1931 group to a fixed dollar threshold (\$491 for a family of 3), this group was also part of a demonstration, Montana Basic Medicaid for Able-Bodied Adults, which waived full state plan benefits for this eligibility group. Therefore, all parent/caretaker relatives in the adult group are newly eligible. Please note that standard Medicaid eligibility requirements apply and some individuals in excess of the applicable December 1, 2009 converted standard may be covered in other eligibility groups instead of the Adult group. For example, as of January 1, 2016 the state's mandatory 1931 group uses the converted 1988 AFDC standard (\$399 for family of 3), so only parents/caretaker relatives above that standard (or the applicable standard in effect at the time) are covered in the Adult group.

**The numbers in this summary chart will be updated automatically in the case of modifications in the CMS approved MAGI Conversion Plan.

TN — MT-15 0038 Approval
Date — 04/ 29/2016

Effective Date _ 01/ 01/ 2016

Attachment D

Special Circumstances Adjustment and Other Adjustments to the Adult Group FMAP Methodology

Individuals determined eligible under the Modified Adjusted Gross Income (MAGI) methodology will receive continued benefits during any period within a twelve month eligibility period when these individuals would have been found ineligible if subject to redetermination. To reflect that only the regular matching rate is available for these demonstration expenditures, pursuant to the State's Special Terms and Conditions of the 1115 Waiver, the state will make a downward adjustment of 2.6 percent in claimed expenditures for federal matching at the enhanced federal matching rate, and will instead claim those expenditures at the regular matching rate.

Attachment E: Montana Medicaid Adult FMAP, Eligibility and Transition Plan

Populations Transitioning from Montana's Basic Medicaid 1115 Waiver to the New Adult Group		
Populations and MAGI Eligibility Levels	Eligibility State Plan Amendment	Enhanced FMAP Post Transition
25-50% FPL Parent and Caretaker Relative	X (S32 Mandatory Adult Group)	X
0-133% FPL Adults with Severe and Disabling Mental Illness	X (S32 Mandatory Adult Group)	X

Under the Basic Medicaid Section 1115 Waiver, Montana previously covered able-bodied parent and caretaker relatives with income 0 to 50% of the Federal Poverty Level (FPL) and people with severe and disabling mental illness with income 0 to 150% of the FPL. Covered benefits under Montana's Basic Medicaid Waiver did not meet benchmark benefit requirements; the benefit package did not cover or had extremely 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.

The State amended the Basic Medicaid 1115 Waiver to reflect the transition of the following populations from the Basic Medicaid 1115 Waiver to the new adult group under the Medicaid Expansion 1115 Waiver: 1) parent care-taker relatives with income 25-50% of the FPL¹; and 2) individuals with Severe Disabling Mental Illness (SDMI) with income 0-133% of the FPL. During the course of the Medicaid Expansion Section 1115 Waiver negotiations over the last six months, CMS confirmed that these groups would be eligible for the enhanced FMAP upon transition to the new adult group.

This eligibility transition will be completed administratively and will be effective January 1, 2016. Eligibility under the Basic Medicaid 1115 Waiver had already been determined using MAGI methodology so no MAGI conversion is necessary. The transition will be seamless for the consumer and there will be no disruption in coverage. Members were sent a consumer notice advising them of the change in their coverage from a limited benefit package under the Basic Medicaid 1115 Waiver to the more robust benefit package under the Alternative Benefit Plan. Consumers were also advised of their appeal rights. Individuals transitioning from the Basic Medicaid 1115 Waiver to the new adult group are also now eligible for 12 months continuous eligibility.

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¹ Parent and Caretaker Relatives with income 0-24% of FPL will be covered under that Standard Medicaid Plan and will receive the regular state plan FMAP.