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State/Territory Name: Montana

State Plan Amendment (SPA) #: 18-0053

This file contains the following documents in the order listed:

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

CENTERS FOR MEDICARE & MEDICAID SERVICES

REGION VIII - DENVER

October 18, 2018

Marie Matthews, Medicaid & CHIP Director
Montana Department of Public Health & Human Services
P.O. Box 4210
Helena, MT 59604

Dear Ms. Matthews:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number MT-18-0053. This amendment restores the rate for DME Services methodology to previous language by eliminating the percentage reduction driven by the State's 2017 budget challenges.

Please be informed that this State Plan Amendment was approved today, with an effective date of July 1, 2018. We are enclosing the summary page and the amended plan page(s).

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).

For those individuals whose expenditures qualify for the newly eligible federal medical assistance percentage report on the Form CMS-64.9 VIII and those not enrolled in the new adult group, claims should be reported on the Form CMS-64.9.

If you have any questions regarding this SPA please contact Barbara Prehmus at (303) 844-7472.

Sincerely,

[redacted]

Richard C. Allen
Associate Regional Administrator
Division for Medicaid & Children's Health Operations

cc: Sheila Hogan, Department Director
Duane Preshinger
Mary Eve Kulawik

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 18-0053

2. STATE: Montana

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
07/01/2018

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:

SECTION 1902(a)(30)(A), 42CFR440.70(b)(3)

7. FEDERAL BUDGET IMPACT:

a. FFY 2018: $ 0
b. FFY 2019: $ 0
c. FFY 2020: $ 0

Amounts are reflected on the MT 18-0040 Reimbursement Introduction Page.

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachments 4.19 B, Methods and Standards for Establishing Payment Rates, Service 7.C, Durable Medical Equipment and Supplies, Pages 1 & 2 of 2

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:

Attachments 4.19 B, Methods and Standards for Establishing Payment Rates, Service 7.C, Durable Medical Equipment and Supplies, Pages 1 & 2 of 2

10. SUBJECT OF AMENDMENT:

Durable Medical Equipment and Supplies methods and standards of payment rates: Medicare rates will increase to 100%, and services paid by MSRP and a provider's ususal and customary charge methods will increase to 75%.

11. GOVERNOR'S REVIEW *(Check One)*:

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☒ OTHER, AS SPECIFIED: Single Agency Director Review

12. SIGNATURE OF STATE AGENCY OFFICIAL:

[redacted]

13. TYPED NAME: Marie Matthews

14. TITLE: State Medicaid Director

15. DATE SUBMITTED: 9-8-18

16. RETURN TO:

Montana Department of Public Health and Human Services
Marie Matthews
Attn: Mary Eve Kulawik
PO Box 4210
Helena MT 59620

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: September 8, 2018

18. DATE APPROVED: October 18, 2018

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2018

20. SIGNATURE OF REGIONAL OFFICIAL:

[redacted]

21. TYPED NAME: Richard C. Allen

22. TITLE: ARA, DMCHO

23. REMARKS:

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I. Reimbursement for Durable Medical Equipment and Supplies shall not exceed the lower of:

A. The provider's Usual and Customary Charge (UCC) amount submitted on the claim to Medicaid; or

B. The Department's Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule, which will include fees set and maintained according to the following methodology:

1. 100% of the Medicare Region D allowable fee;
2. 100% of the Medicaid allowable fee established by the department if there is no Medicare region D allowable fee established;
3. For all items for which no Medicare or Medicaid allowable fee is available, the Department's fee schedule amount will be 75% of the provider's usual and customary charge;
4. The amount of the provider's usual and customary charge may not exceed the reasonable charge usually and customarily charged by the provider to all payers:
   - The charge will be considered reasonable if less than or equal to the manufacturer's suggested list price. The Department's policy base for the percentage of charges methodology is the MSRP. A similar method is used by Noridian, the Jurisdiction D, DME MAC.
   - For items without a manufacturer's suggested list price, the charge will be considered reasonable if the provider's acquisition cost from the manufacturer is at least 50% of the charge amount.
   - For items that are custom fabricated at the place of service, the amount charges will be considered reasonable if it does not exceed the average charge of all Medicaid provider's by more than 20%.
   - Items having no product retail list price, such as items customized by the provider, will be reimbursed at 75% of the provider's usual and customary charge as defined above; or
5. The Department's DMEPOS Fee Schedule for items billed under generic or miscellaneous codes will be 75% of the provider's usual and customary charge as defined above.
6. Rental items are limited to a 13-month rental period.
   - Rental for items needing frequent servicing as classified by Medicare can be rented as long as the medical necessity exists.

MONTANA

- Rental fees include all necessary supplies needed to operate rented equipment for the month unless supplies are allowed by Medicare.
- Total Medicaid rental reimbursement for items in Medicare's capped rental program or classified by Medicare as routine and inexpensive rental will be limited to 105% of the purchase price for that item. Monthly rental fees will be limited to 10% of the purchase price and payments will be limited up to 13 months or less as outlined in Chapter 5 of the Region D Medicare Supplier Manual. Items will be paid on a rental basis for up to 13 months or up to purchase price, whichever comes first. For purposes of this limit, the purchase price is the purchase fee specified in the department's fee schedule. Rental fees can be found on the Department's fee schedule under the appropriate HCPCS code with an RR modifier attached.

7. Effective, March 1, 2018, for the purchase of incontinence supplies, Medicaid will pay the lesser of the provider's usual and customary charge amount or 100% of the rate established by the Department.

II. Reimbursement for home infusion therapy shall not exceed the lowest of:

1. The provider's usual and customary charge of the therapy to the the general public; or

2. The Medicaid fee established and listed on the fee schedule as a daily rate for home infusion therapy providers. Daily rates for various therapies were established based on the usual and customary charges reported by home infusion therapy providers in the State of Montana. The daily rate for each therapy was derived by averaging the individual provider charges. The Department worked with providers to reach agreement on reimbursement for individuals' infusion therapies.

III. The agency's rates were set as of the date on the Attachment 4.19B Introduction Page and are published on the agency's website www.medicaidprovider.mt.gov. Unless otherwise noted in the plan, State developed fee schedule rates are the same for both governmental and private providers.