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**State/Territory Name: Montana**

**State Plan Amendment (SPA) #: 18-0055**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) 179
- 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**

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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-18-0055. This amendment restores the rate for Prosthetic Devices methodology to previously approved 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.

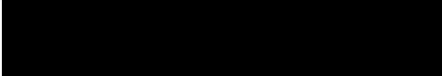

If you have any questions regarding this SPA please contact Barbara Prehmus at (303) 844-7472.

Sincerely,

A solid black rectangular box used to redact the signature of Richard C. Allen.

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

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

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: 18-0055	2. STATE Montana
<b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		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 ( <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 1902(a)(30)(A)		7. FEDERAL BUDGET IMPACT: a. FFY 2018: \$ 0.00 b. FFY 2019: \$ 0.00 c. FFY 2020: \$ 0.00  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 12.c (Prosthetic Devices) Pages 1 & 2 of 2		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ):  Attachments 4.19 B Methods and Standards for Establishing Payment Rates, Service 12.c (Prosthetic Devices) Pages 1 & 2 of 2	
10. SUBJECT OF AMENDMENT:  Prosthetic Device methods and standards of payment rates: Medicare rates will increase to 100%, and services paid by MSRP and a provider's usual and customary charge methods will increase to 75%.			
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 Agency Director Review <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 Marie Matthews Attn: Mary Eve Kulawik PO Box 4210 Helena MT 59620	
13. TYPED NAME: Marie Matthews			
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED: <div style="text-align: center; font-size: 1.5em; margin-top: 10px;">9-8-18</div>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: September 8, 2018		18. DATE APPROVED: October 18, 2018	
<b>PLAN APPROVED – ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2018		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Richard C. Allen		22. TITLE: ARA, DMCHO	
23. REMARKS:			

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- I. Reimbursement for Prosthetic Devices shall be the lowest of the following:
- A. The provider's Usual and Customary Charge (UCC) amount submitted on the claim to Medicaid; or
  - B. The Department's fee schedule maintained in accordance with the methodology described below.
- II. The Department's Prosthetic Devices Fee Schedule will include fees set and maintained according to the following methodology:
- 100% of the Medicare Region D allowable fee;
  - For all items for which no Medicare allowable fee is available, the Department's fee schedule amount will be 75% of the provider's UCC;
  - The amount of the provider's UCC may not exceed the reasonable charge usually and customarily charged by the provider to all payers:
    - o 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.
    - o 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.
    - o For items that are custom fabricated at the place of service, the amount charged will be considered reasonable if it does not exceed the average charge of all Medicaid providers by more than 20%.

Montana

- o Items having no product retail list price, such as items customized by the provider, will be reimbursed at 75% of the provider's UCC as defined above.
  - The Department's Prosthetic Devices Fee Schedule for items billed under generic or miscellaneous codes will be 75% of the provider's UCC as defined in I.B.
- 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](http://www.medicaidprovider.mt.gov). Unless otherwise noted in the plan, State developed fee schedule rates are the same for both governmental and private providers.