August 11, 2021

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

Dear Ms. Matthews:

Please find below the Centers for Medicare & Medicaid Services’ (CMS) request for additional information regarding Montana’s American Rescue Plan Act of 2021 (ARP) section 9817 initial spending plan and spending narrative submitted on July 12, 2021.

We have identified missing information which we will need to review before the initial spending plan and spending narrative can be approved. The State Medicaid Director Letter (SMDL) #21-003, section D, titled Required Reporting on Activities to Enhance, Expand, or Strengthen HCBS under the Medicaid Program provides a description of the information states should include in their initial spending plans and spending plan narratives.

**Additional Information Requested**

Please provide the following additional information related to each of these areas to facilitate our review and approval process:

- **Estimate the anticipated expenditures for the activities the state intends to implement to enhance, expand, or strengthen HCBS under the state Medicaid program between April 1, 2021, and March 31, 2024.**

In the submission, your state provided information on the activities that it intends to implement. However, the anticipated cost for each activity or category was not included. **Please update your spending plan to clearly indicate this information.**

In addition, it is unclear whether some of the activities would enhance, expand, or strengthen HCBS under the Medicaid program. CMS is requesting the following changes or clarifications to your state’s spending plan and narrative:

- **Clearly indicate whether the Direct Care Wage Increases and Provider Rate Increases activities are focused on providers delivering services that are listed in Appendix B of the SMDL or could be listed in Appendix B (e.g., behavioral health services that are covered under another benefit but could be covered under the rehabilitative services benefit). If the rate increases are not focused on providers that are delivering services that are listed**
in Appendix B or that could be listed in Appendix B, explain how the rate increases expand, enhance, or strengthen HCBS under Medicaid.

- Clearly indicate whether the provider rate study to determine the impact of COVID-19 on provider rate sufficiency and member access is focused on the services listed in Appendix B or that could be listed in Appendix B and/or providers that are delivering services listed in Appendix B or that could be listed in Appendix B. If the provider rate study is not focused on services listed in Appendix B or that could be listed in Appendix B and/or providers that are delivering services listed in Appendix B or that could be listed in Appendix B, explain how the provider rate study expands, enhances, or strengthens HCBS under Medicaid.

**CMS will need additional information before it can determine whether any of those activities or uses of funds are approvable under ARP section 9817.**

**General Considerations**

As part of this request for additional information, CMS is noting the following:

- CMS expects your state to notify CMS as soon as possible if your state’s activities to expand, enhance, or strengthen HCBS under ARP section 9817:
  - Are focused on services other than those listed in Appendix B or that could be listed in Appendix B (e.g., behavioral health services that are covered under another benefit but could be covered under the rehabilitative services benefit). If any activities are not directly related to the services listed in Appendix B or services that could be listed in Appendix B, please explain how those activities expand, enhance, or strengthen HCBS under Medicaid;
  - Include room and board (which CMS would not find to be a permissible use of funds); and/or
  - Include activities other than those listed in Appendices C and D.

**CMS will need additional information before it can determine whether any of those activities or uses of funds are approvable under ARP section 9817.**

As of today, CMS’s review is suspended until we receive your complete response. So that we may continue with the review process, please provide the requested information within 15 business days. We look forward to continuing to work with you to advance HCBS in Montana. Please submit questions or concerns regarding this request for information to HCBSincreasedFMAP@cms.hhs.gov.

Sincerely,

[Signature]

Director, Division of Community Systems Transformation

cc: Adam Meier