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State/Territory Name: Montana

State Plan Amendment (SPA) #: 25-0006

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

May 14, 2026

Rebecca de Camara
Medicaid and Health Services Executive Director
Montana Department of Public Health & Human Services
P.O. Box 4210
Helena, MT 59604

RE: TN 25-0006

Dear Director de Camara:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Montana state plan amendment (SPA) to Attachment 4.19-D MT 25-0006, which was submitted to CMS on September 29, 2025. This plan amendment updates the nursing facility reimbursement rate and the requirements for nursing home staffing report quality and performance data.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2) of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of July 1, 2025. We are enclosing the approved CMS-179 and a copy of the new state plan pages. Additionally, a companion letter is included with this approval package. CMS identified issues with the state's base payment methodology for nursing facility providers. The letter clarifies that the SPA contains a previously approved methodology for base payment to out-of-state providers that may differ from base payments made to in-state providers and that CMS is not approving any payment that may violate Circuit opinion in *Asante v. Kennedy*, No. 23-5055 (D.C. Cir. 2025), petition for cert. filed (U.S. Sept. 17, 2025) (No. 25-361). More details can be found in the attached companion letter.

If you have any additional questions or need further assistance, please contact Diana Dinh at 670-290-8857 or via email at diana.dinh@cms.hhs.gov.

Sincerely,



Rory Howe
Director
Financial Management Group

Enclosures

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
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May 14, 2026

Rebecca de Camara
Medicaid and Health Services Executive Director
Montana Department of Public Health & Human Services
P.O. Box 4210
Helena, MT 59604

RE: TN 25-0006

RE: Montana base payments for out-of-state nursing facility providers


Dear Director de Camara:

The Centers for Medicare & Medicaid Services (CMS) is providing this letter as a companion to the approval of SPA MT-25-0006, which updates the nursing facility reimbursement rate, effective July 1, 2025.

It appears that some of the previously approved payment methodologies that pay out of state providers differently (noted in “same page” review) may be problematic in light of the D.C. Circuit opinion in *Asante v. Kennedy*, No. 23-5055 (D.C. Cir. 2025), *petition for cert. filed* (U.S. Sept. 17, 2025) (No. 25-361). By approving the corresponding SPA, CMS is expressly not approving any payment methodologies that would violate *Asante*. At this time, CMS will not take enforcement action against the state over such payment methodologies provided that the state does not implement such methodologies in a manner that conflicts with *Asante*. CMS is currently exploring options for how to proceed with this issue, which may include rulemaking.

If you have any additional questions or need further assistance, please contact Diana Dinh at 670-290-8857 or via email at diana.dinh@cms.hhs.gov.

Sincerely,


Rory Howe
Director
Financial Management Group


Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER <u> 2 </u> <u> 5 </u> - <u> 0 </u> <u> 0 </u> <u> 0 </u> <u> 6 </u>	2. STATE MT
	3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <p style="text-align: right;">✓ XIX XXI</p>	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE <p style="text-align: center;">July 1, 2025</p>	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 447 (250-272)	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY 2025 \$ 488,635 b. FFY 2026 \$ 1,954,540	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Pages 8 & 9 Page 11	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Skilled Nursing and Intermediate Care Services, 4.19 D Pages 8 & 9 Page 11	

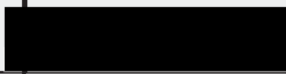
9. SUBJECT OF AMENDMENT

Nursing Facility Reimbursement and Staffing Report Requirements

10. 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: Montana Department of Public Health and Human Services State Medicaid Director Attn: Carla Rime PO Box 4210, Helena, MT 59604
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11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. RETURN TO Montana Department of Public Health and Human Services State Medicaid Director Attn: Carla Rime PO Box 4210 Helena, MT 59604
12. TYPED NAME Rebecca de Camara	
13. TITLE: Medicaid and Health Services Executive Director/State Medicaid Director	
14. DATE SUBMITTED 9/29/2025	

FOR CMS USE ONLY	
16. DATE RECEIVED September 29, 2025	17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED	
18. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 2025	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL Rory Howe	21. TITLE OF APPROVING OFFICIAL Director, FMG

22. REMARKS

NURSING FACILITY REIMBURSEMENT

(1) For nursing facility services provided by nursing facilities located within the state of Montana, the Montana Medicaid program will pay a provider, for each Medicaid patient day, a per-diem rate determined in accordance with this rule, minus the amount of the Medicaid recipient's patient contribution.

(2) Effective July 1, 2020 and in subsequent rate years, the reimbursement rate for each nursing facility will be determined using the flat-rate component specified in (2) (a) and the quality component specified in (2) (b).

(a) The flat rate component is the same per-diem rate for each nursing facility and will be determined each year through a public process. Factors that could be considered in the establishment of this flat-rate component include the cost of providing nursing facility services and Medicaid recipient access to nursing facility services. The flat rate component for state fiscal year (SFY) 2026 is \$287.11.

b) The quality component of each nursing facility's rate is based on the five-star rating system for nursing facility services, calculated by the Center for Medicare and Medicaid Services (CMS). It is set for each facility based on their average five-star rating for staffing and quality. Facilities with an average rating of three to five stars will receive a quality-component payment. The funding for the quality-component payment will be divided by the total estimated Medicaid bed days to determine the quality component per Medicaid bed day. The quality component per bed day is then adjusted based on each facility's five-star average of staffing and quality-component scores. A facility with a five-star average of staffing and quality component scores will receive 100% of the quality-component payment, four-star average will receive 75%, three-star average will receive 50%, and one- and two-star average facilities will receive 0%. Funds unused by the first allocation round will be reallocated based on the facility's percentage of unused allocation against the available funds.

(c) The total payment rate available for services on or after the period July 1, 2025 through June 30, 2026 will be the rate as computed in (2), plus any additional amount computed in Rate Adjustment for County Funded Rural Nursing Facilities and in Direct Care & Ancillary Services Workers' Rate Reporting. Copies of the department's current nursing facility reimbursement rates per facility are posted at <https://medicaidprovider.mt.gov/26>, or may be obtained from the Department of Public Health and Human Services, Senior Long-Term Care Division, P.O. Box 4210, Helena, MT 59604-4210. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers.

(3) Providers who, as of July 1 of the rate year, have not filed with the department a cost report covering a period of at least six months participation in the Medicaid program in a newly constructed facility will have a rate set at the statewide median price as computed on July 1, 2025. Following a change in provider as defined in Change in Provider Defined, the per diem rate for the new provider will be set at the previous provider's rate, as if no change in provider had occurred.

(4) For nursing facility services provided by nursing facilities located outside the state of Montana, the Montana Medicaid program will pay a provider only as provided in Reimbursement to Out-of-State Facilities.

Reimbursement for Skilled Nursing and Intermediate Care Services, Service 4(A)

(5) The Montana Medicaid program will not pay any provider for items billable to residents under the provisions of Items Billable to Residents.

(6) Reimbursement for Medicare co-insurance days will be as follows:

(a) for dually eligible Medicaid and Medicare individuals, reimbursement is limited to the per-diem rate, as determined under (1) or Reimbursement for Intermediate Care Facilities for Individuals with Intellectual Disabilities, or the Medicare co-insurance rate, whichever is lower, minus the Medicaid recipient's patient contribution; and

(b) for individual whose Medicare buy-in premium is being paid under the qualified Medicare beneficiary (QMB) program under the Eligibility Requirements for Qualified Medicare Beneficiaries, but are not otherwise Medicaid eligible, payment will be made only under the QMB program at the Medicare coinsurance rate.

(7) The department will not make any nursing facility per diem or other reimbursement payments for any patient day for which a resident is not admitted to a facility bed that is licensed and certified as provided in Provider Participation and Termination Requirements as a nursing facility or skilled nursing facility bed.

(8) The department will not reimburse a nursing facility for any patient day for which another nursing facility is holding a bed under the provisions of Bed Hold Payments (1), unless the nursing facility seeking such payment has, prior to admission, notified the facility holding a bed that the resident has been admitted to another nursing facility. The nursing facility seeking such payment must maintain written documentation of such notification.

(9) Providers must bill for all services and supplies in accordance with the provisions of the General Medical Services. The department's fiscal agent will pay a provider on a weekly or monthly basis the amount determined under these rules upon receipt of an appropriate billing which reports the number of patient days of nursing facility services provided to authorized Medicaid recipients during the billing period.

(a) Authorized Medicaid recipients are those residents determined eligible for Medicaid and authorized for nursing facility services as a result of the screening process described in the Level of Care Determinations and in the Preadmission Screening for Skilled Nursing and Intermediate Care Services.

(10) Payments provided under this rule are subject to all limitations and cost settlement provisions specified in applicable laws, regulations, rules and policies. All payments or rights to payments under this rule are subject to recovery or nonpayment, as specifically provided in these rules.

STAFFING AND REPORTING REQUIREMENTS

(1) Providers must provide:

(a) staffing at levels that are adequate for meeting federal law, regulations and requirements.

(b) staffing, quality, and performance information on the online Monthly Nursing Facility Report, which includes information on occupancy, staffing, demand for services, employee training, and employee longevity.

(c) Each provider must submit to the department within 15 days following the end of each calendar month a complete and accurate Monthly Nursing Facility Report, prepared in accordance with all applicable department rules and instructions.

(i) If the department does not receive complete and accurate reports within 15 days following the end of each calendar month, the department may withhold all payments for nursing facility services until the provider complies with the reporting requirements in (1)(c).

(d) Each provider must submit a summary of the annual resident/family satisfaction survey by January 15 for the previous year. If the summary of annual resident/family satisfaction survey is not received by January 15, the department may withhold all payments for nursing facility services until it is submitted.