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State/Territory Name: Montana

State Plan Amendment (SPA) #: 25-0013

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
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

December 11, 2025

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 25-0013

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 25-0013, which was submitted to CMS on September 29, 2025. This plan amendment updates the reimbursement fee schedule for psychiatric residential treatment facility (PRTF) services for State Fiscal Year 2026.

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.



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 25-0013	2. STATE MT
		3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT ✓ XIX XXI	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE 7/1/20242025	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 440 42 CFR 447.203 1902(a)(30)(A) of the Social Security Act		6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY25 (3 months) \$ 181,172.00 b. FFY26 (12 months) \$ 735,179.00	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19D, Reimbursement Service 16, Psychiatric Residential Treatment Facilities (PRTF), Pages 1-3 of 3		8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19D, Reimbursement Service 16, Psychiatric Residential Treatment Facilities (PRTF), Pages 1-3 of 3	
9. SUBJECT OF AMENDMENT The Psychiatric Residential Treatment Facilities State Plan is being amended to update the date of the fee schedule, effective July 1, 2025.			
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		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Montana Department of Public Health and Human Services State Medicaid Director Attn: Carla Rime PO Box 4210, Helena, MT 59604	
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			
<i>FOR CMS USE ONLY</i>			
16. DATE RECEIVED September 29, 2025		17. DATE APPROVED December 11, 2025	
<i>PLAN APPROVED - ONE COPY ATTACHED</i>			
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 Pen-and-ink change to Box 4 by State			

A. DIRECT CARE WAGE

The Direct Care Wage Supplemental Annual Payments provide additional funding paid to in-state Psychiatric Residential Treatment Facility (PRTF) providers, to increase the wages and benefits of their direct care workers. The intent is to enhance service delivery by supporting hiring and retention of qualified direct care staff.

The amount available to each provider is calculated as follows:

1. The number of Direct Care Workers (DCWs) reported by each provider per service type, is adjusted based on the percentage of Medicaid youth served by the provider in each service.
2. The adjusted number of DCWs per provider is then allocated as a percentage of the total number of Medicaid DCWs.
3. Based on the percentage of DCWs, each provider is allocated its share of appropriation to be distributed.
4. $\text{Provider DCWs} \times \text{Medicaid percentage} / \text{Total Number of Medicaid DCWs} \times \text{Appropriation Amount } (\$389,348)$.
5. The data are updated from the previous fiscal year, prior to payment. The provider certifies that funds expended and being requested for reimbursement are solely used for DCW wage rate increases paid or wage adjustments paid and related payroll benefit expenses.

B. MONTANA MEDICAID REIMBURSEMENT FOR PRTF

PRTF services must be authorized by the Department or the Department's utilization review contractor.

Reimbursement will be made to a PRTF provider for no more than 14 patient days per youth per State Fiscal Year for reserving a bed while the youth is temporarily absent for a Therapeutic Home Visit (THV). A THV is three days or less, unless authorized by the Department.

1. IN-STATE PRTF REIMBURSEMENT

a. In-State PRTF Bundled Per Diem Rate

The bundled per diem rate is a set fee. The bundled per diem rate was set on or after July 1, 2025, and is effective for services on or after that date. All rates are published on the Department's website at www.medicicaidprovider.mt.gov. Unless otherwise noted in the State Plan, state developed fee schedule rates are the same for both governmental and private providers.

i. The in-state PRTF bundled per diem rate INCLUDES:

- Services, therapies and items related to treating the youth's psychiatric condition;
- Services provided by licensed psychologists, licensed clinical social workers, licensed professional counselors, and licensed marriage and family therapists;
- Psychological testing;

- Psychotropic medication and related lab services; and
 - Support services necessary for daily living and safety.
- ii. The in-state PRTF bundled per diem rate DOES NOT INCLUDE:
- Physician, psychiatrist and mid-level practitioner services;
 - Non-psychotropic medication and related lab services;
 - Mental health center evaluations for transition age youth to determine whether or not they qualify for adult mental health services and have Severe and Disabling Mental Illness (SDMI); and
 - Ancillary services as described in each specific State Plan service in Attachments 4.19B, whether these ancillary services are provided by the PRTF or by a different provider under arrangement with the PRTF.

Medicaid payment is not allowable for treatment or services unless provided in a hospital-based or free standing PRTF as defined in Service 16 of the Supplement to Attachments 3.1A and 3.1B of Montana Medicaid State Plan.

b. PRTF Assessment Service (PRTF-AS) Rate

PRTF-AS services are reimbursed at a higher rate than the bundled PRTF per diem rate. PRTF-AS services are provided by in-state PRTFs and are short-term lengths of stay of 14 days or less. The Department increased the daily PRTF rate 15% for assessment services to incentivize in-state PRTFs to evaluate youth with Serious Emotional Disturbance who have multiple and special treatment needs, and to offset the higher professional staff expenses in a short PRTF stay. Fifteen percent was a negotiated amount between the Department and providers.

If short-term PRTF-AS services will not meet the youth's needs, a regular PRTF authorization will be requested and the PRTF bundled per diem rate will be paid instead of the higher PRTF-AS rate.

c. Hospital-Based PRTF Continuity of Care Payment

In-state hospital-based PRTFs receive a continuity of care payment as defined in Montana Medicaid State Plan 4.19A.

2. OUT-OF-STATE PRTF REIMBURSEMENT

Out of State PRTFs will be reimbursed a percentage, determined by the department, of their usual and customary charges, not to exceed the percentage published at www.medicicaidprovider.mt.gov and not to exceed 100% of the PRTF's cost of doing business. Services included in the out-of-state PRTF bundled per diem rate are effective on or after July 1, 2025.

a. The out-of-state PRTF bundled per diem rate INCLUDES:

- i. All services, therapies and items related to treating the youth's condition, unless specifically noted;

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- ii. Services provided by physicians, psychiatrists, mid-level practitioners, licensed psychologists, licensed clinical social workers, licensed professional counselors, and licensed marriage and family therapists;
 - iii. Psychological testing;
 - iv. Psychotropic medication and related lab services; and
 - v. Support services necessary for daily living and safety.
- b. The out-of-state PRTF bundled per diem rate DOES NOT INCLUDE:
- i. Montana mental health center evaluations for transition age youth to determine whether they qualify for adult mental health services and have a SDMI; and
 - ii. Ancillary services as described in each specific State Plan service in Attachments 4.19B, provided by a different provider under arrangement with the PRTF.