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State/Territory Name: MT

State Plan Amendment (SPA) MT: 25-0014

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
Center for Medicaid & CHIP Services
230 South Dearborn
Chicago, Illinois 60604



Financial Management Group

December 18, 2025

Rebecca de Camara
Montana Department of Public Health & Human Services State Medicaid Director
Attn: Carla Rime
P.O. Box 4210
Helena, MT 59604

RE: TN 25-0014

Dear Acting Director de Camara:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Montana state plan amendment (SPA) to Attachment 4.19-B MT 25-0014, which was submitted to CMS on September 29, 2025. This state plan authorizes the Direct Care Wage supplemental payment and the Health Insurance supplemental payment for Community First Choice services (CFCS) provided in State Fiscal Years 2026 and 2027.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 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 out-of-state CFCS 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). The letter also notes that the approved methodology for out-of-state CFCS providers does not meet CMS' comprehensiveness requirements as described at 42 CFR 430.10. More details can be found in the attached companion letter.

If you have any additional questions or need further assistance, please contact Blake Holt at 303-844-6218 or via email at blake.holt@cms.hhs.gov.

Sincerely,



Todd McMillion
Director
Division of Reimbursement Review

Enclosures



Rebecca de Camara
Montana Department of Public Health & Human Services, State Medicaid Director
Attn: Carla Rime
P.O. Box 4210
Helena, MT 59604

RE: Montana base payments for out-of-state providers of Community First Choice Services (CFCS)

Dear Director de Camara:

The Centers for Medicare & Medicaid Services (CMS) is providing this letter as a companion to the approval of SPA MT-25-0014, which updates supplemental payment methodologies for CFCS providers, 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.

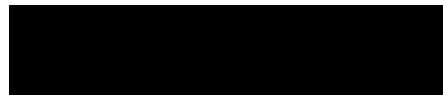
In addition, please note that 42 CF 430.10 requires that the state plan comprehensively describe the basis for FFP. Please note that the following provision, while not integral to the provision modified in the SPA submission, does not comprehensively describe how payment rates for out-of-state providers are set.

Reimbursement for CFCS for services provided outside the borders of the State of Montana is established by the Department and published on the agency’s website at <http://medicaidprovider.mt.gov>. Consideration may be given to reimburse out of state CFCS providers, up to their state’s established Medicaid rate if the following criteria are met: Montana’s established rates are lower, the out of state provider refuses to serve the member at Montana’s standard rate, and the other state’s Medicaid established rate is a rate established for a service similar in scope and duration to the CFCS Medicaid service.

Please provide a timeline for updating the out-of-state methodology in this SPA with comprehensive language.

Please provide the information requested above no later than 60 days after receipt of this letter.
Please reach out to Financial Management Group staff in the Division of Reimbursement Review
(blake.holt@cms.hhs.gov) should you have any questions.

Sincerely,

A large black rectangular redaction box covering the signature.

Todd McMillion

Director
Division of Reimbursement Review

**TRANSMITTAL AND NOTICE OF APPROVAL OF STATE
PLAN MATERIAL FOR: CENTERS FOR MEDICARE &
MEDICAID SERVICES**

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER 25 - 0014	2. STATE Montana
		3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="checkbox"/> XIX <input type="checkbox"/> XXI	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE 07/01/2025		
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR Part 441.500-590	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY 2025 (July-Sept) \$ 1,547,972 b. FFY 2026 (Oct-Sept) \$ 6,110,380		
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19B Service 1915K, Community First Choice Pages 1-3 of 3 2-3 of 3	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19B Service 1915K, Community First Choice Pages 1-3 of 3 2-3 of 3		
9. SUBJECT OF AMENDMENT Community First Choice will be amended to update the reimbursement section and the dates and amounts of the direct care wage and health care for health care worker add-on payments.			
10. GOVERNOR'S REVIEW (Check One)		OTHER, AS SPECIFIED: <input checked="" type="checkbox"/> Single Agency Director Review	
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
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 09/29/2025		17. DATE APPROVED December 18, 2025	
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 Todd McMillion		21. TITLE OF APPROVING OFFICIAL Director, Division of Reimbursement Review	
22. REMARKS Pen and ink changes made to Boxes 7 and 8 with state 10/20/25 concurrence.			

MONTANA

1. CFCS Direct Care Wage Add-on Payment

Additional payment pools will be established for CFCS providers for direct care wage reimbursement effective on or after July 1, 2025 - June 30, 2027. These payment pools will provide supplemental payments which will be distributed proportionally to the participating CFCS provider based on the number of units of Medicaid CFCS attendant services provided by each provider. The calculated pro rata amount is distributed to each participating provider two times a year, no less than 6 months apart. The distributions are tied to the start and midpoint of the State Fiscal Year.

To qualify for the direct care wage reimbursement supplemental payments a provider must be currently enrolled and billing direct care worker CFCS services, submit an application to the Department, and outline the agency plan to distribute the supplemental payments to direct care workers.

Example: If the total to be distributed was \$500,000:

Provider	Units	Percentage	Allocation Formula	Annual ProRata Share	First Payment	Second Payment
A	15,000	30%	\$500,000 x.30	\$150,000	\$75,000	\$75,000
B	15,000	30%	\$500,000 x.30	\$150,000	\$75,000	\$75,000
c	20,000	40%	\$500,000 x.40	\$200,000	\$100,000	\$100,000
Total	50,000	100%		\$500,000	\$250,000	\$250,000

Payments will be made as a lump-sum add-on payment according to the following payment pool amount:

July 1, 2025 - June 30, 2026	\$5,815,720
July 1, 2026 - June 30, 2027	\$5,815,720

The Department assures there is no duplication of CFCS Direct Care Wage Add-on Payment and PCS Direct Care Wage Add-on.

MONTANA

2. CFCS Health Insurance for Health Care Worker Payment

Additional payment pools will be established for Community First Choice providers for health insurance for health care workers reimbursement, for the purpose of providing health insurance coverage to eligible CFCS workers. This reimbursement will be effective on or after July 1, 2025 - June 30, 2027. These payment pools will provide supplemental payments which will be distributed proportionally to the participating Community First Choice providers based on the number of units of Medicaid CFCS attendant services provided by each provider.

To qualify for the health insurance for health care worker reimbursement supplemental payments, a provider must be currently enrolled and billing direct care worker CFCS services, submit an application to the Department, and outline the provider's plan to provide health insurance coverage to direct care workers.

Payments will be made as a lump-sum add-on payment according to the following payment pool amounts. Payments are made monthly.

July 1, 2025 - June 30, 2026	\$3,240,721
July 1, 2026 - June 30, 2027	\$3,240,721

Example: If the total to be distributed was \$500,000

Provider	Units	Percentage	Allocation Formula	Annual Pro Rata Share	Monthly Payment
A	15,000	30%	\$500,000 x.30	\$150,000	\$12,500
B	15,000	30%	\$500,000 x.30	\$150,000	\$12,500
C	20,000	40%	\$500,000 x.40	\$200,000	\$16,667
Total	50,000	100%		\$500,000	\$41,667

The Department assures there is no duplication of CFCS Health Insurance for Health Care Worker Payments and PCS Health Insurance for Health Care Worker Payments.

3. Out of State Community First Choice Services

Reimbursement for CFCS for services provided outside the borders of the State of Montana is established by the Department and published on the agency's website at <http://medicaidprovider.mt.gov>. Consideration may be given to reimburse out of state CFCS providers, up to their state's established Medicaid rate if the following criteria are met: Montana's established rates are lower, the out of state provider refuses to serve the member at Montana's standard rate, and the other state's Medicaid established rate is a rate established for a service similar in scope and duration to the CFCS Medicaid service.