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**State/Territory Name: Montana**

**State Plan Amendment (SPA) #: 26-0008**

This file contains the following documents in the order listed:


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

# MT - Submission Package - MT2026MS0001O - (MT-26-0008) - Eligibility



DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Medicaid and CHIP Operations Group
601 E. 12th St., Room 355
Kansas City, MO 64106

## Center for Medicaid & CHIP Services

November 04, 2026

Rebecca de Camara
State Medicaid Director
Montana Department of Public Health and Human Services
PO Box 4210
Helena, MT 59601

Re: Approval of State Plan Amendment MT-26-0008

Dear Director de Camara,

On June 30, 2026, the Centers for Medicare and Medicaid Services (CMS) received Montana State Plan Amendment (SPA) MT-26-0008 to implement the community engagement requirement in accordance with Section 1902(xx) of the Social Security Act (the Act) and implementing regulations at 42 C.F.R §§ 435.550 through 435.563.

We approve Montana SPA MT-26-0008 with an effective date of July 01, 2026.

CMS has included a companion letter, dated November 4, 2026, along with the approval of this SPA that describes CMS' exercise of enforcement discretion to allow Montana to provide a temporary 'hold harmless' period and directs the state to notify CMS of any outstanding definitional or operational discrepancies between the definitions and criteria the state applies and those in the interim final rule with comment period (IFC), if any such discrepancies exist, within 30 days of the SPA approval.

| Name | Date Created | |
|---|---|---|
| MT 26-0008 C-E SPA Companion Letter | 11/4/2026 5:35 PM EST | |

If you have any questions regarding this amendment, please contact Justyna Redlinski at 667-290-9570 or justyna.redlinski@cms.hhs.gov.

Sincerely,

Megan K. Buck

Director, Division of Program Operations

Center for Medicaid & CHIP Services

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355
Kansas City, Missouri 64106




**Medicaid and CHIP Operations Group**

November 4, 2026

Rebecca de Camara
State Medicaid Director
Montana Department of Public
Health & Human Services
PO Box 4210
Helena, MT 59601

Re: Montana State Plan Amendment (SPA) – 26-0008

Dear Director de Camara:

This letter is sent as a companion to the Centers for Medicare and Medicaid Services (CMS) approval of state plan amendment (SPA) MT 26-0008, which was submitted to CMS on June 30, 2026. This approval will be effective as of July 1, 2026.

This SPA amends the Medicaid state plan to implement the community engagement requirement in accordance with section 1902(xx) of the Social Security Act (the Act) and implementing regulations at 42 C.F.R §§ 435.550 through 435.563. Section 1902(xx) of the Act requires states to provide, as a condition of eligibility for Medicaid, that an applicable individual demonstrate community engagement by January 1, 2027, or, if elected by the state, an earlier date the state shall specify.

Montana began implementing the community engagement requirement on July 1, 2026. To support this early implementation and provide an opportunity for the state to test systems and operations, CMS exercised enforcement discretion to allow the state to provide a "hold harmless" period through September 30, 2026.

During this hold harmless period, the state assessed compliance, including deemed compliance with, or exclusion from, the community engagement requirement, but did not deny or terminate eligibility if the state determined an applicant or beneficiary did not meet, was not deemed to meet, and was not excluded from, the community engagement requirement in accordance with 42 C.F.R. §§ 435.552-435.555.

For applications submitted and renewals initiated on or after October 1, 2026, the state will deny or terminate eligibility (as applicable) when an applicable individual is determined ineligible for Medicaid because the individual has not met the community engagement requirement. Before denying or terminating eligibility, the state must comply with all applicable regulatory requirements, including (but not limited to), noncompliance procedures described at 42 C.F.R. § 435.558.

We recognize that, because the state implemented the community engagement requirement early, the state had to finalize system updates and internal policies and processes to meet its implementation date before the interim final rule with comment period (IFC) entitled "Medicaid Program, Community Engagement Requirement for Certain Individuals" (91 Fed. Reg. 33,343, June 3, 2026) was published. As a result, there were areas of discrepancy between policies and procedures initially developed by the State as of the state's implementation date and the requirements described in the IFC and additional guidance. It is our understanding that the state has been working to correct these discrepancies to ensure the definitions and criteria the state applies are consistent with terms as defined in the IFC. The state will notify CMS of any outstanding definitional or operational discrepancies between the definitions and criteria the state applies and those in the IFC, particularly with respect to (but not limited to) the manner in which the State has defined qualifying activities, mandatory exceptions, optional short-term hardship exceptions and specified excluded individuals, and all subcategories therein and provide a timeline for achieving compliance within 30 days of the SPA approval.

We also recognize that implementing the community engagement requirement introduces additional operational complexity that may affect states' ability to maintain timely application and renewal processing as required by 42 C.F.R. §§ 435.912 and 435.916, respectively, or exacerbate existing delays in application and renewal processing and increase existing backlogs. While reviewing Montana's community engagement SPA submission, we considered data pertaining to the state's application and renewal processing times. Based on our review, we identified timely processing concerns related to both application and renewal processing times.[1] As such, we intend to initiate discussions regarding mitigations and/or strategies the state may implement to ensure compliance with application and renewal processing timeframes while simultaneously implementing the provisions of the Working Families Tax Cut (WFTC) legislation, including the community engagement requirement.

Should you have any questions about this letter, please contact Justyna Redlinski at Justyna.Redlinski@cms.hhs.gov.

Sincerely,

[redacted]

Megan K. Buck
Director, Division of Program Operations

cc: Carla Rime

[1] Performance indicator data averaged from May, June and July 2026 show that 33.5% of the state's MAGI determinations at application took more than 45 days to process. In addition, Montana's renewal backlog ratio, which is the number of renewals in the state's backlog compared to the average number of people due for renewal in a month, is 1.524. This metric is defined as the state's total renewal backlog (Eligibility Processing (EP) Data Metric 7) for July 2026 divided by the state's average number of renewals due (EP Metric 5) across May, June, and July 2026. A renewal backlog ratio of more than 1, for example, means that the state is more than 1 month behind on renewal processing.

# MT - Submission Package - MT2026MS0001O - (MT-26-0008) - Eligibility



CMS-10434 OMB 0938-1188

## Submission - Summary

MEDICAID | Medicaid State Plan | Eligibility | MT2026MS0001O | MT-26-0008

### Package Header

**Package ID** MT2026MS0001O
**SPA ID** MT-26-0008
**Submission Type** Official
**Initial Submission Date** 6/30/2026
**Approval Date** 11/04/2026
**Effective Date** N/A
**Superseded SPA ID** N/A

### State Information

**State/Territory Name:** Montana
**Medicaid Agency Name:** Department of Public Health and Human Services

### Submission Component

- (•) State Plan Amendment
- (•) Medicaid
- ( ) CHIP

# Submission - Summary

MEDICAID | Medicaid State Plan | Eligibility | MT2026MS0001O | MT-26-0008

## Package Header

**Package ID** MT2026MS0001O
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**Effective Date** N/A
**Superseded SPA ID** N/A

## SPA ID and Effective Date

**SPA ID** MT-26-0008

| Reviewable Unit | Proposed Effective Date | Superseded SPA ID |
|---|---|---|
| Community Engagement for Certain Adults | 7/1/2026 | N/A |

**Page Number of the Superseded Plan Section or Attachment (If Applicable):**

# Submission - Summary

MEDICAID | Medicaid State Plan | Eligibility | MT2026MS0001O | MT-26-0008

## Package Header

**Package ID** MT2026MS0001O
**SPA ID** MT-26-0008
**Submission Type** Official
**Initial Submission Date** 6/30/2026
**Approval Date** 11/04/2026
**Effective Date** N/A
**Superseded SPA ID** N/A

## Executive Summary

**Summary Description Including Goals and Objectives** The purpose of the state plan amendment is to establish Medicaid community engagement requirements consistent with Section 1902(xx) of the Social Security Act.

## Federal Budget Impact and Statute/Regulation Citation

**Federal Budget Impact**

| | Federal Fiscal Year | Amount |
|---|---|---|
| First | 2026 | $0 |
| Second | 2027 | $-26561208 |

**Federal Statute / Regulation Citation**

Section 1902(xx) of the Social Security Act
42 CFR 435.550-563

**Supporting documentation of budget impact is uploaded (optional).**

| Name | Date Created | |
|---|---|---|
| MT 26-0008 FFY27 Federal Fiscal Impact for CE SPA | 9/28/2026 4:30 PM EDT | |

# Submission - Summary

MEDICAID | Medicaid State Plan | Eligibility | MT2026MS0001O | MT-26-0008

## Package Header

**Package ID** MT2026MS0001O

**SPA ID** MT-26-0008

**Submission Type** Official

**Initial Submission Date** 6/30/2026

**Approval Date** 11/04/2026

**Effective Date** N/A

**Superseded SPA ID** N/A

## Governor's Office Review

- ○ No comment
- ○ Comments received
- ○ No response within 45 days
- ◉ Other

**Describe** Montana Department of Public Health and Human Services
Medicaid and Health Services Executive Director/State Medicaid Director
Attn: Carla Rime
PO Box 4210
Helena MT, 59620

# Medicaid State Plan Eligibility

## Community Engagement

## Community Engagement for Certain Adults

MEDICAID | Medicaid State Plan | Eligibility | MT2026MS0001O | MT-26-0008

Requirement to demonstrate community engagement as a condition of Medicaid eligibility for certain individuals.

## Package Header

| | | | |
|---|---|---|---|
| **Package ID** | MT2026MS0001O | **SPA ID** | MT-26-0008 |
| **Submission Type** | Official | **Initial Submission Date** | 6/30/2026 |
| **Approval Date** | 11/04/2026 | **Effective Date** | 7/1/2026 |
| **Superseded SPA ID** | N/A | | |
| | User-Entered | | |

**The state operates the community engagement requirement in accordance with the following provisions:**

## A. General Requirements for Community Engagement

1. The state requires as a condition of eligibility that an applicable individual demonstrates (or the state deems the applicable individual to demonstrate) community engagement for the number of months specified by the state during the applicable review period. An applicable individual is an individual who is not a specified excluded individual under Section B. below who is eligible for or enrolled in:

- [x] a. The state plan eligibility group described in 42 CFR § 435.119.
- [ ] b. A demonstration expenditure authority under section 1115(a)(2) of the Act that provides coverage equivalent to minimum essential coverage and who: attained the age of 19 and is under 65 years of age, is not pregnant, is not entitled to, or enrolled for, benefits under Medicare Part A or Part B, and is not otherwise eligible to enroll under the state plan.

2. An applicable individual demonstrates compliance with community engagement for a month if the individual meets one or more of the following:

a. Works not less than 80 hours

b. Completes not less than 80 hours of community service

c. Participates in a work program for not less than 80 hours

d. Enrolled in an educational program at least half-time

e. Any combination of A.2.a. through A.2.d. for a total of not less than 80 hours (except educational program hours may only be combined with other activities if the individual is enrolled less than half-time)

f. Has monthly income that is not less than the federal minimum wage multiplied by 80 hours

g. For a seasonal worker, has average monthly income over the preceding six months that is not less than the federal minimum wage multiplied by 80 hours

3. When monthly income is considered under A.2.f. or g., MAGI-based methodologies are used in calculating household income. Please refer as necessary to MAGI-Based Methodologies, completed by the state.

View approved version of MAGI-Based Methodologies

4. The state verifies an applicable individual meets an exception or demonstrates community engagement, or that an individual is a specified excluded individual, using reliable information available to the state without requiring information from the individual when possible.

5. The state conducts initial and periodic outreach consistent with § 435.561 to notify certain individuals described under § 435.561(a) of the requirement to demonstrate community engagement.

## B. Mandatory Exceptions and Exclusions

**Exceptions**

1. The state deems an applicable individual to demonstrate community engagement for a month during the review period if:

a. For part or all of that month, the individual was: Under age 19; entitled to, or enrolled for, benefits under Medicare Part A or Part B; described in any mandatory eligibility group under section 1902(a)(10)(A)(i)(I) through (VII) of the Act; or a specified excluded individual described in § 435.554.

b. At any point during the 3-month period ending on the first day of that month, the individual was an inmate of a public institution.

**Specified Excluded Individuals**

2. A specified excluded individual is not an applicable individual and is not subject to the community engagement requirement.

3. The state provides that the following categories of individuals meet the definition of specified excluded individual:

a. Former foster care child described in section 1902(a)(10)(A)(i)(IX) of the Act (as amended by Pub. L. 115-271)

b. American Indian as defined at § 447.51

c. Parent, guardian, caretaker relative, or family caregiver of a dependent child age 13 or under or of a disabled individual, as each of the terms is defined and implemented at § 435.554.

i. Elections on the relationships for a caretaker relative that the state makes on the Parents and Other Caretaker Relatives state plan page apply for the purpose of this category of specified excluded individuals.

d. Veteran with a total (100%) service-connected VA disability rating as defined at 38 U.S.C. 1155

e. Medically frail or otherwise has special medical needs, as defined at § 435.554(c)(5)

f. Compliant with a TANF work requirement or a member of a household that receives SNAP benefits and is subject to a SNAP work requirement

g. Participant in a drug addiction or alcoholic treatment and rehabilitation program. States may establish a minimum time commitment for participation in such program, consistent with appropriate clinical guidelines.

h. Inmate of a public institution, as defined at § 435.1010

i. Pregnant woman or entitled to Medicaid during a postpartum period

## C. Short-Term Hardship Exception

1. The state deems an applicable individual to demonstrate community engagement for a month during the review period during a short-term hardship event.

(•) Yes ( ) No

2. A short-term hardship event exists when, for all or part of a month:

a. An individual receives inpatient hospital services, nursing facility services, services in an intermediate care facility, inpatient psychiatric services, or other services of similar acuity (as described in § 435.555(d)(1)(ii)).

b. An individual resides in a county (or equivalent unit of local government) in which there exists an emergency or disaster declared by the President under the National Emergencies Act (NEA) or the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act).

c. An individual resides in a county (or equivalent unit of local government) in which the unemployment rate is at or above the lesser of 8 percent or 1.5 times the national unemployment rate.

d. An individual or their dependent (as defined at § 435.555(b)(1)) must travel outside of their community for an extended period to receive medical services for a serious or complex medical condition (described in § 435.554(c)(5)(i)(E)) that are not available in their community.

3. An individual must request a short-term hardship event from the state for the events described in C.2.a. and C.2.d. The state must request from CMS a short-term hardship event for the event described in C.2.c.

## D. Assessing Compliance with Community Engagement

**For Individuals Who File an Application for Medical Assistance**

1. The state determines applicants meet an exclusion or are an applicable individual and demonstrate or are deemed to demonstrate community engagement at application.

2. For an applicable individual to be considered compliant with the community engagement requirement at application consistent with § 435.556(a)(1), the state requires demonstration or deemed demonstration of community engagement for:

(•) a. 1 month prior to the month of application.

( ) b. 2 consecutive months prior to the month of application.

( ) c. 3 consecutive months prior to the month of application.

**For Individuals Who Are Enrolled and Receiving Medical Assistance**

3. The state determines enrolled beneficiaries meet an exclusion or are an applicable individual and demonstrate or are deemed to demonstrate community engagement during the individual's periodic renewal of eligibility.

4. For an applicable individual to be considered compliant with the community engagement requirement at renewal, the state requires demonstration or deemed demonstration of community engagement for:

( ) a. 1 month during the individual's eligibility period.

(•) b. More than 1 month, whether or not consecutive, during the individual's eligibility period.

i. Enter the number of months:

3

## E. More Frequent Verifications of Community Engagement for Applicable Individuals

1. The state conducts more frequent verifications of the community engagement requirement in between renewals of eligibility for enrolled applicable individuals.

( ) Yes (•) No

## F. Notice of Noncompliance and Defining When a State is "Unable to Verify" Compliance with the Community Engagement Requirement

1. The state sends a notice of noncompliance to request information from the individual when it is unable to verify an applicable individual demonstrates or is deemed to demonstrate community engagement at application, renewal, and if elected by the state, during a more frequent verification of community engagement.

2. The state provides an applicable individual 30 days from the date of the notice of noncompliance to make a satisfactory showing of community engagement or that the requirement does not apply.

3. The state elects to consider that it is unable to verify community engagement at renewal:

- a. After the state checks reliable information and cannot verify compliance with community engagement without requesting information from the individual. When this occurs the state provides the beneficiary the notice of noncompliance concurrently with a renewal form.
- b. After the state is unable to renew eligibility based on information available to the state ('ex parte renewal') and the state provides the individual with a renewal form and the form is not returned or does not include sufficient information needed to demonstrate compliance with community engagement.

## G. Additional Information (optional)

PRA Disclosure Statement: Centers for Medicare & Medicaid Services (CMS) collects this mandatory information in accordance with (42 U.S.C. 1396a) and (42 CFR 430.12); which sets forth the authority for the submittal and collection of state plans and plan amendment information in a format defined by CMS for the purpose of improving the state application and federal review processes, improve federal program management of Medicaid programs and Children's Health Insurance Program, and to standardize Medicaid program data which covers basic requirements, and individualized content that reflects the characteristics of the particular state's program. The information will be used to monitor and analyze performance metrics related to the Medicaid and Children's Health Insurance Program in efforts to boost program integrity efforts, improve performance and accountability across the programs. Under the Privacy Act of 1974 any personally identifying information obtained will be kept private to the extent of the law. According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1188. The time required to complete this information collection is estimated to range from 1 hour to 80 hours per response (see below), including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

*This view was generated on 11/6/2026 9:46 AM EST*