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**State/Territory Name: Montana**

**State Plan Amendment (SPA) #: 19-0028**

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- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
1961 Stout Street, Room 08-148  
Denver, CO 80294



**Denver Regional Operations Group**

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January 3, 2020

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

Dear Ms. Matthews:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number MT-19-0028. This amendment adds an outpatient hospital supplemental payment to MT's state plan, which is funded through a provider fee/tax.

Please be informed that this State Plan Amendment was approved today, with an effective date of January 1, 2020. We are enclosing the summary page and the amended plan page(s).

If you have any questions regarding this SPA please contact Barbara Prehmus at (303) 844-7472.

Sincerely,



Richard C. Allen  
Director, Western Regional Operations Group  
Denver Regional Office  
Centers for Medicaid and CHIP Services

cc: Sheila Hogan, Montana Department Director  
Mary Eve Kulawik, Montana



MONTANA

F. Outpatient Hospital Utilization Fee

Effective January 1, 2020, hospitals located in Montana who provide outpatient hospital services are eligible for an outpatient Hospital Reimbursement Adjustment (HRA) Payment. In order to maintain access and quality in the most rural areas of Montana, CAHs shall receive the HRA Payment. The Montana State Hospital or a hospital or facility operated by the state, a political subdivision of the state, the United States, or an Indian Tribe or any facility authorized under the Indian Health Care Improvement Act are not eligible for an outpatient HRA payment.

The outpatient HRA payment will be based upon total Medicaid outpatient charges and will be computed as follows:  $HRA = \frac{J}{D} \times P$ .

For the purposes of calculating the hospital specific outpatient HRA, the following apply:

Where:

- (i) "HRA" represents the calculated hospital specific outpatient HRA payment.
- ii) "J" equals the total outpatient hospital charges billed to Medicaid by the hospital for which the payment is calculated.
- (iii) "D" equals the total outpatient hospital charges billed to Medicaid by all hospitals eligible to receive of the HRA payment.
- (iv) "P" equals the distributable revenue generated by the outpatient hospital utilization fee.

Effective January 1, 2020, the total Medicaid billed charge amounts used to calculate the HRA must be from the Department's paid claims data in the most recent calendar year. The State will make HRA in an annual lump-sum payment in the fourth quarter of the State's fiscal year and is limited by the outpatient upper payment limit (UPL). This reimbursement will be excluded from cost settlement.