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## Table of Contents

**State/Territory Name:** Montana

**State Plan Amendment (SPA) #:** MT-14-027

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  
1600 Broadway, Suite 700  
Denver, CO 80202-4967



**Region VIII**

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December 4, 2014

Mary Dalton, Medicaid & Health Services Manager  
Montana Department of Health & Human Services  
1400 Broadway  
PO Box 202951  
Helena, MT 59620

Re: SPA MT-14-027

Dear Ms. Dalton:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number MT-14-027. This SPA amends Physical Therapy Services to increase the rate by approximately 2% and update the fee schedule.

Please be informed that this State Plan Amendment was approved today with an effective date of July 1, 2014. We are enclosing the summary page and the amended plan page(s).

In order to track expenditures associated with this amendment, Montana should follow the CMS-64 reporting instructions outlined in Section 2500 of the State Medicaid Manual (SMM).

For those individuals whose expenditures qualify for the newly eligible federal medical assistance percentage report on the Form CMS-64.9 VIII and those not enrolled in the new adult group, claims should be reported on the Form CMS-64.9 Base.

This amendment would affect expenditures reported on Line 30.


If you have any questions regarding this SPA please contact Cindy Smith at 303-844-7041.

Sincerely,

/s/

Richard C. Allen  
Associate Regional Administrator  
Division for Medicaid and Children's Health Operations

Cc: Richard Opper, Department Director  
Duane Preshinger  
Jo Thompson  
Mary Eve Kulawik

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: 14-027	2. STATE Montana
		3. PROGRAM IDENTIFICATION: Title XIX of the Social Security Act (Medicaid)	
FOR: HEALTH CARE FINANCING ADMINISTRATION		4. PROPOSED EFFECTIVE DATE 07/01/2014	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES			
5. TYPE OF PLAN MATERIAL (Check One):			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: SECTION 1902(a)(30)(A)		7. FEDERAL BUDGET IMPACT:	
		a. FFY 2014                      \$ 6,187	
		b. FFY 2015                      \$ 24,623	
		c. FFY 2016                      \$ 24,392	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Page(s) 1 of 1 and 2 of 2 Attachment 4.19B Methods & Standards of Establishing Payment Rules Service 11a Physical Therapy Services		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Page(s) 1 of 1 and 2 of 2 Attachment 4.19B Methods & Standards of Establishing Payment Rules Service 11a Physical Therapy Services	
10. SUBJECT OF AMENDMENT: Amended Physical Therapy Services 11a to increase fees approximately 2%, to remove the by report method, to update the date of the fee schedule on the Attachments 4.19B Introduction Page and to set fees for those codes.			
11. GOVERNOR'S REVIEW (Check One):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED:	
<input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED		Single Agency Director Review	
<input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Montana Dept. of Public Health and Human Services Mary E. Dalton State Medicaid Director Attn: Mary Eve Kulawik PO Box 4210 Helena, MT 59604	
13. TYPED NAME: Mary E. Dalton			
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED: 6-30-14			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 6/30/14		18. DATE APPROVED: 12/4/14	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 7/1/14		20. SIGNATURE OF REGIONAL OFFICIAL: /s/	
21. TYPED NAME: Richard C. Allen		22. TITLE: ARA, DMCHO	
23. REMARKS:			

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- I. Reimbursement for Physical Therapy Services shall be:
- A. The lower of:
1. The provider's usual and customary charge for the service; or
  2. The reimbursement provided in accordance with the methodology described in Section II.
- II. The Department's fee schedule for Physical Therapy Services is determined:
- A. In accordance with the Resource Based Relative Value Scale (RBRVS) methodology, by multiplying Medicare's Relative Value Units (RVU), or Medicare's base and time units for anesthesia services, which is numeric, by the Montana Medicaid specific conversion factor, which is a dollar amount, to equal a fee. Specific to Montana Medicaid, there is an ability to multiply the fee times a policy adjuster (either plus or minus) to affect the fee.
1. RBRVS means the version of the Medicare resource based relative value scale contained in the Medicare Physician Fee Schedule (MPFS) adopted by the Centers for Medicare and Medicaid Services (CMS). The Department will update Medicare additions, deletions, or changes to procedure codes on the first of each quarter.
  2. RVU means a numerical value assigned by Medicare in the RBRVS methodology to each procedure code used to bill for services provided by a health care provider. The RVU assigned to a particular code expresses the relative effort and expense expended by a provider in providing one service as compared with another service.
- B. For services not included in the RBRVS methodology, a Medicaid fee is determined by:
1. Reviewing cost information for the service if available or by reviewing the reimbursement of similar services if cost information is not available for procedure codes that are new (less than one year in existence); have no or low utilization; or have inconsistent charges.
  2. For procedure codes that cannot be determined by the methodology in II. B. 1., by multiplying the average charge for the service by the payment-to-charge ratio. The payment-to-charge ratio means the percent determined by dividing the previous state fiscal year's total Medicaid reimbursement for RBRVS provider covered services by the previous state fiscal year's total Medicaid charges for RBRVS provider covered services.

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- C. The agency's rates were set as of the date on the Attachment 4.19B Introduction Page and are published on the agency's website [www.mtmedicaid.org](http://www.mtmedicaid.org). Unless otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers.