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State/Territory Name: Montana

State Plan Amendment (SPA) #: MT-17-0001

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
Denver Regional Office
1961 Stout Street, Room 08-148
Denver, CO 80294



REGION VIII - DENVER

September 26, 2017

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

Re: Montana #17-0001

Dear Ms. Matthews:

This revised approval package is being issued because the original approval letter, issued on September 21, 2017, contained incorrect approval and effective dates. This amendment will allow a separate payment in addition to the prospective payment system rate (PPS) for long-acting reversible contraceptive devices (LARCs), and to allow an enhanced PPS rate to FQHCs and RHCs whenever a member attends a Promising Pregnancy Care session provided in conjunction with an obstetric visit. The State Plans are also being amended to remove the specific reference to the Medicare Claims Processing Manual Chapter 9 and the Medicare Benefit Policy Manual Chapter 13.

Please be informed that this State Plan Amendment was approved September 21, 2017, with an effective date of July 1, 2017. 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.

This amendment could affect expenditures reported on various lines of the Form CMS-64 dependent upon where the client receives services and the type of client. For FQHC/RHC payments under an Alternative Payment Methodology and reimbursement for LARCs outside of PPS:

- Line 16 – Rural Health Clinic Services
- Line 28 – Federally Qualified Health Center



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

Sincerely,



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

cc: Sheila Hogan, Department Director
Duane Preshinger
Jo Thompson
Mary Eve Kulawik

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 17-0001	2. STATE Montana
FOR: HEALTH CARE FINANCING ADMINISTRATION		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE 07/01/2017	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>): <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 (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 441.20		7. FEDERAL BUDGET IMPACT: a. FFY 2018 \$4,912 (3 months) b. FFY 2019 \$19,638 (12 months) c. FFY 2020 \$14,854 (9 months)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19B, Rural Health Clinics (RHC), Service 2B, Pages 1 through 3 of 3 Attachment 4.19 B, Federally Qualified Health Centers (FQHC), Service 2C, Pages 1 through 3 of 3		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19B, Rural Health Clinics (RHC), Service 2B, Pages 1 through 2 of 2 Attachment 4.19 B, Federally Qualified Health Centers (FQHC), Service 2C, Pages 1 through 2 of 2	
10. SUBJECT OF AMENDMENT: The FQHC and RHC State Plans are being amended to allow a separate payment in addition to the prospective payment system rate (PPS) for long-acting reversible contraceptive devices (LARCs), and add an alternative payment methodology to allow an enhanced rate in addition to the PPS rate to FQHCs and RHCs whenever a member attends a Promising Pregnancy Care (PPC) session, group education, provided in conjunction with an obstetric visit. The Federal Budget Impact only affects FQHCs and RHCs participating in the Promising Pregnancy Care group pregnancy sessions.			
11. GOVERNOR'S REVIEW (<i>Check One</i>): <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		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Single Agency Director Review	
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Montana Department of Public Health and Human Services Marie Matthews Attn: Mary Eve Kulawik PO Box 4210 Helena MT 59620	
13. TYPED NAME: Marie Matthews			
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED: Original submittal: 6/30/17 Revised submittal: 9-8-17			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: September 8, 2017		18. DATE APPROVED: September 21, 2017	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2017		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Richard C. Allen		22. TITLE: ARA, DMCHO	
23. REMARKS:			

MONTANA

REIMBURSEMENT FOR RURAL HEALTH CLINICS (RHCs)

All RHC services will be reimbursed on a prospective payment system (PPS) beginning with fiscal year 2001 with respect to services furnished on or after January 1, 2001 and each succeeding fiscal year. The PPS will apply equally to provider based and independent (free-standing) RHCs.

A. PAYMENT FOR SERVICES PROVIDED BY RHCs

The payment limit for RHC services will be as described in Section 1905(a)(2)(C) 42 U.S.C. 1396a. For services furnished on or after January 1, 2001, payment for services for a RHC shall be calculated on a per visit basis. This payment shall be equal to 100 percent of the average of the costs of the clinic of furnishing such services during the clinic's fiscal years 1999 and 2000 which are reasonable and related to the cost of furnishing such services. Reasonableness shall be determined as the Secretary prescribes in the Social Security Act under section 1 833(a)(3); or, in the case of services to which such regulations do not apply, the same methodology used under section 1 833(a)(3), adjusted to take into account any change in the scope of such services furnished by the clinic during fiscal year 2001. The RHC shall report any change in the scope of services by filing a cost report for the clinic's fiscal year 2001 and subsequent fiscal years within 150 days after the close of the provider's reporting period.

The per visit payment rate shall include the costs of other ambulatory services. Allowable RHC costs for other ambulatory services shall be determined in accordance with Medicare reasonable cost principles as set forth in 42 CFR Part 413 and 42 CFR Part 75 Uniform Administrative Requirement, Cost Principle, and Audit Requirements for HHS Awards.

For services furnished during fiscal year 2002 or a succeeding fiscal year, the payment for such services will be in an amount (calculated on a per visit basis) that is equal to the amount of the PPS per visit rate for the preceding fiscal year:

- 1) adjusted by the percentage increase in the Medicare Economic Index (MEI) applicable to primary care services for that calendar year; and
- 2) adjusted to take into account any change in the scope of services furnished by the clinic during that fiscal year.

MONTANA

B. ESTABLISHMENT OF INITIAL YEAR PAYMENT FOR NEW RHCS

To determine the initial year Medicaid PPS baseline for a newly qualified RHC, reimbursement shall be equal to 100 percent of the costs of furnishing services based on the PPS rates for other clinics located in the same or adjacent area with a similar caseload. In the event that there is no such clinic, payment shall be made in accordance with the methodology for existing clinics established by the PPS or based on other tests of reasonableness that the Secretary may specify.

Once the PPS baseline for a new clinic is established, the clinic's per visit rate for years thereafter will be equal to the PPS per visit rate for the preceding fiscal year:

- 1) increased by the percentage increase in the MEI applicable to primary care services for that calendar year; and
- 2) adjusted to take into account any change in the scope of services furnished by the clinic during that fiscal year.

C. ALTERNATIVE PAYMENT METHODOLOGY (APM) FOR PRENATAL EDUCATIONAL HEALTH SERVICES

A RHC that agrees to the use of an APM shall be reimbursed using the methodology described in this section. A RHC that does not agree to the state's APM shall be reimbursed on a PPS identified in section A. The state ensures that the APM rate described in this section is at least equal to the PPS rate.

Effective July 1, 2017, the Department will pay RHCs an enhanced PPS rate whenever a Medicaid member attends a Promising Pregnancy Care (PPC) session, group educational services, provided in conjunction with an obstetric visit. The obstetric visit will be reimbursed at the RHCs PPS rate, and the group educational component will be reimbursed an additional enhanced payment in accordance with the posted fee schedule. The reimbursement for the educational component is based on the estimated cost to provide this service and is uniform for all RHCs that provide PPC. Unless otherwise noted in the plan, state-developed fee schedule rate are the same for both governmental and private providers. The agency's rates were set as of July 1, 2017, and are published at <http://medicaidprovider.mt.gov>.

MONTANA

D. REIMBURSEMENT FOR LONG ACTING REVERSIBLE CONTRACEPTIVE DEVICES (LARCs)

Effective July 1 2017, RHCs are eligible for an add-on reimbursement for LARCs. Reimbursement shall be separate from the RHC PPS rate and will be equal to the actual acquisition cost (AAC).

MONTANA

REIMBURSEMENT FOR FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)

All FQHC services will be reimbursed on a prospective payment system (PPS) beginning with fiscal year 2001 with respect to services furnished on or after January 1, 2001 and each succeeding fiscal year.

A. PAYMENT FOR SERVICES PROVIDED BY FQHCs

The payment limit for FQHC services will be as described in Section 1905(a)(2)(C) 42 U.S.C. 1396a. For services furnished on or after January 1, 2001, payment for services for a FQHC shall be calculated on a per visit basis. This payment shall be equal to 100 percent of the average of the costs of the center of furnishing such services during the center's fiscal years 1999 and 2000 which are reasonable and related to the cost of furnishing such services. Reasonableness shall be determined as the Secretary prescribes in the Social Security Act under section 1833(a)(3); or, in the case of services to which such regulations do not apply, the same methodology used under section 1833(a)(3), adjusted to take into account any change in the scope of such services furnished by the center during fiscal year 2001. The FQHC shall report any change in the scope of services by filing a cost report for the center's fiscal year 2001 and subsequent fiscal years within 150 days after the close of the provider's reporting period.

The per visit payment rate shall include the costs of other ambulatory services. Allowable FQHC costs for other ambulatory services shall be determined in accordance with Medicare reasonable cost principles as set forth in 42 CFR Part 413 and 42 CFR Part 75 Uniform Administrative Requirement, Cost Principle, and Audit Requirements for HHS Awards.

For services furnished during fiscal year 2002 or a succeeding fiscal year, the payment for such services will be in an amount (calculated on a per visit basis) that is equal to the amount of the PPS per visit rate for the preceding fiscal year:

- 1) adjusted by the percentage increase in the Medicare Economic Index (MEI) applicable to primary care services for that calendar year; and
- 2) adjusted to take into account any change in the scope of services furnished by the center during that fiscal year.

MONTANA

B. ESTABLISHMENT OF INITIAL YEAR PAYMENT FOR NEW FQHCs

To determine the initial year Medicaid PPS baseline for a newly qualified center, reimbursement shall be equal to 100 percent of the costs of furnishing services based on the PPS rates for other centers located in the same or adjacent area with a similar caseload. In the event that there is no such center, payment shall be made in accordance with the methodology for existing centers established by the PPS or based on other tests of reasonableness that the Secretary may specify.

Once the PPS baseline for a new center is established, the health center's per visit rate for years thereafter will be equal to the PPS per visit rate for the preceding fiscal year:

- 1) increased by the percentage increase in the MEI applicable to primary care services for that calendar year; and
- 2) adjusted to take into account any change in the scope of services furnished by the center during that fiscal year.

C. ALTERNATIVE PAYMENT METHODOLOGY (APM) FOR PRENATAL EDUCATIONAL HEALTH SERVICES

A FQHC that agrees to the use of an APM shall be reimbursed using the methodology described in this section. A FQHC that does not agree to the state's APM shall be reimbursed on a PPS identified in section A. The state ensures that the APM rate described in this section is at least equal to the PPS rate.

Effective July 1, 2017, the Department will pay FQHCs an enhanced PPS rate whenever a Medicaid member attends a Promising Pregnancy Care (PPC) session, group educational services, provided in conjunction with an obstetric visit. The obstetric visit will be reimbursed at the FQHCs PPS rate, and the group educational component will be reimbursed an additional enhanced payment in accordance with the posted fee schedule. The reimbursement for the educational component is based on the estimated cost to provide this service and is uniform for all FQHCs that provide PPC. Unless otherwise noted in the plan, state-developed fee schedule rate are the same for both governmental and private providers. The agency's rates were set as of July 1, 2017, and are published at <http://medicaidprovider.mt.gov>.

Montana

D. REIMBURSEMENT FOR LONG ACTING REVERSIBLE CONTRACEPTIVE DEVICES (LARCs)

Effective July 1 2017, FQHCs are eligible for an add-on reimbursement for LARCs. Reimbursement shall be separate from the FQHC PPS rate and will be equal to the actual acquisition cost (AAC).