Table of Contents

State/Territory Name: Montana

State Plan Amendment (SPA) #: 17-0027

This file contains the following documents in the order listed:

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

March 8, 2018

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

Re: SPA MT-17-0027

Dear Ms. Matthews:

We have approved the State Plan Amendment (SPA) submitted under transmittal number MT-17-0027. The amendment implements a statewide 2.99% rate reduction for Hearing Aids, with the effective fee schedule date reflected on Montana's Attachment 4.19B Introduction Page.

Please be informed that this State Plan Amendment was approved on March 7, 2018, with an effective date of January 1, 2018. We are enclosing the summary page and the amended plan page(s).

The State assures that the change in reimbursement for Hearing Aids is not expected to have an effect on access to care for Medicaid beneficiaries. The State provided evidence from analysis reflected in a revised Addendum to Montana Medicaid 2016 Access Monitoring Plan that revealed consistent beneficiary utilization and provider enrollment for the benefit. Based on this information, CMS infers that the amendment does not affect consistency with the access to care requirements described in §1902(a) (30)(A) of the Social Security Act. While this SPA results in an overall decrease in State expenditures for Hearing Aids, it was determined to be a nominal change in overall reimbursement as described in State Medicaid Director Letter (SMDL) #17-004.

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.

For Hearing Aids, the expenditures should be reported on: Line 33 – Prosthetic Devises, Dentures, Eyeglasses, and Hearing Aids.

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

Sincerely,

[redacted]

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

cc: Sheila Hogan, Department Director
Mary Eve Kulawik

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: 17-0027	2. STATE Montana
	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 01/01/2018	

5. TYPE OF PLAN MATERIAL *(Check One)*:

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ 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) 42 CFR 440.120 (c)	7. FEDERAL BUDGET IMPACT: a. FFY 2018: $ 0 b. FFY 2019: $ 0 c. FFY 2020: $ 0 Amounts are reflected on the MT 17-0003 Reimbursement Introduction Page.
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19 B, Methods and Standards for Establishing Payment Rates, Service 12.e, Hearing Aids, Pages 1 & 2 of 2	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*: Attachment 4.19 B, Methods and Standards for Establishing Payment Rates, Service 12.e, Hearing Aids, Pages 1 & 2 of 2

10. SUBJECT OF AMENDMENT:

Hearing Aids reimbursement rates will decrease to 97.01%; and services paid by Manufacturer's Suggested Retail Price and a provider's ususal and customary charge methods will decrease to 72.8%. For each service which has been billed at least 50 times by all providers in the aggregate during the previous 12-month period, the fee will be set at the payment–to-charge ratio in accordance with ARM 37.85.105 (2) (d).

11. GOVERNOR'S REVIEW *(Check One)*:

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☒ OTHER, AS SPECIFIED: Single Agency Director Review

12. SIGNATURE OF STATE AGENCY OFFICIAL: [redacted]	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: 2-23-18	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: December 27, 2017	18. DATE APPROVED: March 7, 2018
PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: January 1, 2018	20. SIGNATURE OF REGIONAL OFFICIAL: [redacted]
21. TYPED NAME: Richard C. Allen	22. TITLE: ARA, DMCHO

23. REMARKS:

FORM HCFA-179 (07-92)

MONTANA

I. Reimbursement for Hearing Aid Services (excluding hearing aids) shall be the lower of the following:

A. The provider's usual and customary charge for the service; or

B. The Department's fee schedule.

II. Reimbursement for Hearing Aid(s) shall be the lower of the following:

A. The invoice cost for hearing aids from the manufacturer not to exceed the established rate on the fee schedule;

B. The invoice cost from the manufacturer for hearing aid repairs; or

C. 97.01% of the Medicare Region D fee for other hearing devices and accessories.

III. For new services or items that do not have an established set fee, the Department's fee schedule is determined by:

A. For services that have been billed less than 50 times by all providers in the aggregate during the previous 12-month period, a fee shall be set at the same rate as a service similar in scope.

B. For each service that has been billed at least 50 times by all providers in the aggregate during the previous 12-month period, the fee will be set at the payment-to-charge ratio.

C. For supplies and equipment billed less than 50 times during the previous 12-month period, the Department's fee schedule amount will be 72.8% of the provider's usual and customary charge. A provider's usual and customary charge may not exceed the reasonable charge usually and customarily charged by the provider to all payers. The charge will be considered reasonable if less than or equal to the manufacturer's suggested list price. For items without a manufacturer's suggested list price, the charge will be considered reasonable if the provider's acquisition cost from the manufacturer is at least 50% of the charge amount.

IV. The agency's rates are set as of the date on the Attachment 4.19B Introduction Page and are published at www.medicaidprovider.mt.gov. Unless otherwise noted in the plan, State-developed fee schedule rates are the same for both governmental and private providers.