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**State/Territory Name: Montana**

**State Plan Amendment (SPA) #: 17-0029**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) 179
- 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**

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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-17-0029

Dear Ms. Matthews:

We have approved the State Plan Amendment (SPA) submitted under transmittal number MT-17-0029. The amendment implements a statewide 2.99% rate reduction for Prosthetic Devices, 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 Prosthetic Devices 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 Prosthetic Devices, 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 Prosthetic Devices, the expenditures should be reported on: Line 33 – Prosthetic Devices, Dentures, Eyeglasses, and Hearing Aids.



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  
Mary Eve Kulawik

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: 17-0029	2. STATE Montana
<b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		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): <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) 42 CFR 440.120(c)		7. FEDERAL BUDGET IMPACT: a. FFY 2018: \$ 0.00 b. FFY 2019: \$ 0.00 c. FFY 2020: \$ 0.00 Amounts are reflected on the MT 17-0003 Reimbursement Introduction Page.	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachments 4.19 B Methods and Standards for Establishing Payment Rates, Service 12.c (Prosthetic Devices) Pages 1 & 2 of 2		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  Attachments 4.19 B Methods and Standards for Establishing Payment Rates, Service 12.c (Prosthetic Devices) Pages 1 & 2 of 2	
10. SUBJECT OF AMENDMENT: Prosthetic Device methods and standards of payment rates. Medicare rates will decrease to 97.01% and services paid by MSRP and a provider's usual and customary charge methods will decrease to 72.8%.			
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 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			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
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: 	
21. TYPED NAME: Richard C. Allen		22. TITLE: ARA, DMCHO	
23. REMARKS:			

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- I. Reimbursement for Prosthetic Devices shall be the lowest of the following:
- A. The provider's Usual and Customary Charge (UCC) amount submitted on the claim to Medicaid; or
  - B. The Department's fee schedule maintained in accordance with the methodology described below.
- II. The Department's Prosthetic Devices Fee Schedule will include fees set and maintained according to the following methodology:
- 97.01% of the Medicare Region D allowable fee;
  - For all items for which no Medicare allowable fee is available, the Department's fee schedule amount will be 72.8% of the provider's UCC;
  - The amount of the provider's UCC 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. The Department's policy base for the percentage of charges methodology is the MSRP. A similar method is used by Noridian, the Jurisdiction D, DME MAC.
    - 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.
    - For items that are custom fabricated at the place of service, the amount charged will be considered reasonable if it does not exceed the average charge of all Medicaid providers by more than 20%.

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- o Items having no product retail list price, such as items customized by the provider, will be reimbursed at 72.8% of the provider's UCC as defined above.
  - The Department's Prosthetic Devices Fee Schedule for items billed under generic or miscellaneous codes will be 72.8% of the provider's UCC as defined in I.B.
- III. 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.medicicaidprovider.mt.gov](http://www.medicicaidprovider.mt.gov). Unless otherwise noted in the plan, State developed fee schedule rates are the same for both governmental and private providers.