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**State/Territory Name: Montana**

**State Plan Amendment (SPA) #: 18-0003**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) 179
- 3) Approved SPA Pages

CDEPARTMENT 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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August 30, 2018

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-18-0003. This amendment creates an Alternative Payment Methodology (APM) so that tribal 638 clinics which choose to change their enrollment status to FQHC are assured of continuing to receive the All Inclusive Rate (AIR) and continue to be able to be reimbursed for the number of encounters/day as currently as a clinic. This SPA is effective April 1, 2018 and nothing in the SPA alters the scope of services.

Please be informed that this State Plan Amendment was approved today, with an effective date of April 1, 2018. 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).

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

Sincerely,

Mary Marchioni  
Acting Associate Regional Administrator  
Division for Medicaid & Children's Health Operations

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



**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
STATE OF MONTANA**

Supplement to  
Attachment 4.19B  
Service 9a  
Indian Health Services  
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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT/PER VISIT RATES  
INDIAN HEALTH SERVICES

Payments to Indian health facilities that are federally recognized and either tribally-operated or operated by the Indian Health Service shall be made according to the following categories of service:

- A. Outpatient Hospital, Clinic Categories of Service – Payments to Indian health facilities under these categories of service shall be per visit/encounter and based upon the approved rates published each year in the Federal Register by the U.S. Department of Health and Human Services' Indian Health Service, under the authority of Sections 321(a) and 322(b) of the Public Health Service Act (42 U.S.C. 248 and 249(b)), Public Law 83-568 (42 U.S.C. 2001 (a)), and the Indian Health Care Improvement Act (25 U.S.C 1601 seq.). The Department shall accept submission of and make payments for multiple visit/encounter claims for different types of service provided to a client on the same date of service by the same Indian health facility only if the services provided are different or are for different diagnosis codes. Different types of service shall include but are not limited to practitioner services, mental health services, podiatry services, optometry services, radiology services, laboratory services, durable medical equipment, pharmacy, and dental services.
- B. Outpatient surgeries will be reimbursed on a per visit basis. The rate will be calculated annually using the average Medicaid reimbursed amount in the Ambulatory Surgery Center (ASC) program. This same-day surgery or day surgery is surgery that is not typically done in a doctor's or dentist's office and does not require an overnight hospital stay.
- C. Inpatient Hospital Category of Service

Payments to Indian health facilities under this category of service shall be per date of inpatient stay and based upon the approval rates published each year in the Federal Register by the U.S. Department of Health and Human Services' Indian Health Service, under the authority of Sections 321(a) and 322(b) of the Public Health Service Act (42 U.S.C. 248 and 249(b)), Public Law 83-568 (42 U.S.C. 2001(a)), and the Indian Health Care Improvement Act (25 U.S.C. 1601 et seq.). The Department shall make only one payment per date of service per client.

MONTANA

D. Pharmacy Services

Reimbursement for drugs shall follow the Department's methodology under Outpatient Drug Services State Plan.

E. Nursing Home Services

Payment for Nursing Homes will be on a per diem (per day) rate. The rate negotiated with tribes for 2014 is \$389.14. This 2014 rate will be adjusted annually based on the inpatient hospital percentage increase or decrease to the approval rates published each year in the Federal Register by the U.S. Department of Health and Human Services' Indian Health Service, under the authority of Sections 321(a) and 322(b) of the Public Health Service Act (42 U.S.C. 248 and 249(b)), Public Law 83-568 (42 U.S.C. 2001(a)), and the Indian Health Care Improvement Act (25 U.S.C. 1601 et seq.).

F. Tribal FQHC

Tribal facilities operating in accordance with section 1905 (I)(2)(B) of the Social Security Act and the Indian Self-Determination Act (Public Law 93-638) and that enroll in Montana Medicaid as a Tribal FQHC have agreed through tribal consultation to be paid using an alternative payment methodology (APM) that is the all-inclusive rate (AIR) for services published annually in the Federal Register. Reimbursement will be allowed for the same categories of service as included within this State Plan that tribal facilities provide. Tribal FQHC's may bill the appropriate number of payable daily encounters based on the services that members receive.

Montana Medicaid will establish a Prospective Payment System (PPS) methodology for the Tribal FQHC so that the agency can determine on an annual basis that the published, all-inclusive rate is higher than the PPS rate. The PPS rate will be established by comparing the PPS rate that is currently paid to non-tribal FQHC's to determine if the all-inclusive rate is higher.