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**State/Territory Name: Montana**

**State Plan Amendment (SPA) #: 18-0030**

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, MD 21244-1850



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**Financial Management Group**

AUG 24 2018

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

Re: Montana 18-0030

Dear Ms. Matthews:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 18-0030. Effective for services on or after July 1, 2018, this amendment updates the reimbursement methodology for Montana's Graduate Medical Education (GME) Program. Specifically, this amendment provides for a nominal reduction of approximately 1.2 percent in the State funds available for the GME supplemental payment program, as directed by the Montana State Governor's office.


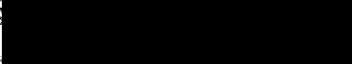
We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment TN 18-0030 is approved effective July 1, 2018. The HCFA-179 and the amended plan page are attached.

If you have any questions, please contact Christine Storey at (303) 844-7044.

Sincerely,



Kristin Fan  
Director

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: 18-0030	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 07/01/2018	
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: 42 CFR 413.75 42 CFR 447.272 1902(a)(30)(A) of the Social Security Act		7. FEDERAL BUDGET IMPACT: a. FFY 2018: (\$1,660,223) b. FFY 2019: (\$1,122,465)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19A, Service 1, Inpatient Hospital Services Page 13		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19A, Service 1, Inpatient Hospital Services Page 13	
10. SUBJECT OF AMENDMENT:  The reason for this proposed state plan amendment is that the Montana University System received a reduction in funds for GME and so the state share pool for GME was reduced for state fiscal year 2019 (FFY 2018).			
11. GOVERNOR'S REVIEW (Check One):			
<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 <i>submitted 5-30-18 resubmitted 8-23-18</i>			
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED:			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED:		18. DATE APPROVED: <b>AUG 24 2018</b>	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>JUL 01 2018</b>		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: <b>Kristin Fan</b>		22. TITLE: <b>Director, FHC</b>	
23. REMARKS:			

HRA2=(J/D) x P

Where:

- (i) "HRA2" represents the calculated Part 2 HRA payment.
- (ii) "J" equals amount of charges billed to Medicaid by the hospital for which the payment is being calculated.
- (iii) "D" equals the total amount of charges billed to Medicaid by all hospitals eligible to receive Part 2 of the HRA payment.
- (iv) "P" equals the total amount to be paid via Part 2 of the HRA. The State's share of "P" will be a minimal portion of the total revenue generated by Montana's hospital utilization fee, less all of the following:
  - (A) the amount expended as match for continuity of care payments; and
  - (B) the amount expended as match for Part 1 of the HRA.

Effective January 01, 2017, the total Medicaid billed charge amounts used to calculate part 2 of the HRA must be from the Department's and the Third Party Administrator's (TPA) paid claims data in the most recent calendar year. The State will make HRA in a lump-sum payment in the third quarter of the State's fiscal year, which will be limited to 75% of the State's overall UPL, and make an additional payment in the fourth quarter, which will be limited to the unpaid percentage of the State's UPL. This reimbursement will be excluded from cost settlement.

#### J. GRADUATE MEDICAL EDUCATION (GME)

In addition to Medicaid payments, a GME payment is made to partially fund providers for their otherwise unreimbursed costs of providing care to Medicaid members as part of the primary care and psychiatry residency program to an eligible hospital located in Montana.

The State portion of the GME pool amount for the current state fiscal year (SFY) is \$903,601. Therefore, the GME payment made in the current SFY supplements services for the first quarter of the SFY.

The Department will make a payment for the first quarter of the SFY, no later than the fourth quarter of the SFY, to the eligible hospitals. Payment will not exceed 25 percent of the available upper payment limit (UPL) for the first quarter of the SFY. If the payment pool is not paid in its entirety due to its exceeding the 25 percent UPL availability, then the remainder not paid during the first quarter will be paid in the following quarter or quarters, up to the UPL room available for each respective quarter in the SFY.