



What is Next for 70,000 Montanans? Next Steps on Medicaid Expansion

May 2015

Last month, Governor Bullock signed into law [the Montana Health and Economic Livelihood \(HELP\) Act](#), which moves tens of thousands of Montanans a huge step closer to gaining access to affordable health care coverage. However, the state must meet certain benchmarks before newly eligible Montanans will be able to enroll in health care coverage.

While the HELP Act expands Medicaid coverage to Montanans, it includes provisions outside of traditional Medicaid that cannot be implemented without federal approval. For this to happen, over the coming months the state will prepare a section 1115 waiver proposal that will be submitted to the federal Center for Medicaid and Medicare Services (CMS) and which, if approved, will allow the state to receive federal funds to expand coverage. Section 1115 waivers allow states to pursue experimental, pilot, or demonstration projects that promote the objectives of Medicaid, namely to keep low-income families healthy. There are six states - Arkansas, Indiana, Iowa, Michigan, New Hampshire, and Pennsylvania - that have applied and received approval to expand Medicaid through a waiver.¹ **The waiver approval process can take months, and for this reason it is unlikely that eligible Montanans will start receiving coverage before early 2016.**

Next Steps

- The Montana Department of Health and Human Services (DPHHS) will begin drafting the 1115 waiver based on the language provided in the HELP Act.
- DPHHS must post a draft of the waiver on its website and provide a 30-day public notice and comment period.
- During the comment period, DPHHS will hold at least two public forums where interested parties can learn more about the waiver proposal and comment on the record. The state must also allow people to sign up for an email list to receive updates on the application process.
- The state will then officially submit the 1115 waiver to CMS, which will include a summary of the public comments submitted and details on how it considered issues raised during the comment period.
- Once CMS receives the state's application, it must provide an additional 30-day comment period and post the waiver application and other relevant materials on its website along with an email address through which the public can send comments.
- Federal rules stipulate that CMS cannot make a decision on a state's waiver application for 45 days after it sends the state a notice of receipt, but it could take longer than that.²

¹ Rudowitz, Robin, Samantha Artiga and MaryBeth Musumeci, "The ACA and Medicaid Expansion Waivers," The Henry J. Kaiser Family Foundation, The Kaiser Commission on Medicaid and the Uninsured, February 2015, <http://files.kff.org/attachment/issue-brief-the-aca-and-medicaid-expansion-waivers>.

² "The New Review and Approval Process Rule for Section 1115 Medicaid and CHIP Demonstration Waivers," Kaiser Commission on Key Facts: Medicaid and the Uninsured, March 2012, <https://kaiserfamilyfoundation.files.wordpress.com/2013/01/8292.pdf>.

Montana’s Waiver Application

Medicaid waivers are approved after negotiations between Montana and CMS. Even though the formal process on the waiver starts with the official submission of an application, informal talks between Montana state officials and CMS have already begun.

To date, CMS has made it clear to states that have submitted waivers that it will not approve a waiver that limits the number of eligible people who can be enrolled under the plan. The waiver request must also show that the program will not cost the federal government more than traditional expansion over a multi-year period.

- Montana’s waiver application will include the HELP Act’s requirement that most new enrollees pay premiums. **These premiums are limited to no more than 2% of the enrollee’s adjusted gross income, consistent with CMS’s approval of previous states’ waivers.**
- **New enrollees living in poverty cannot be disenrolled from coverage if they do not pay their premiums.** While premiums may be a stretch for some low-income families, enrollees will not be threatened with loss of health care when they most need it.
- **Individuals will not be subject to cost sharing (co-pays) beyond current Medicaid rules.** Current Medicaid programming in Montana allows plans to charge co-pays up to 5% of adjusted gross income. The HELP Act also requires individuals to pay co-pays, but limits it to 3% of their adjusted gross income. This, combined with the premiums, will therefore stay below the total 5% cost sharing provided in current Medicaid.
- **The HELP Act does not have a work requirement, and thus is consistent with other approved waivers.** CMS rejected initial waivers submitted by Indiana and Pennsylvania that made eligibility dependent on employment or work search activities. The HELP Act provides support for workforce development but participation is voluntary.

Key Themes in Medicaid Expansion Waivers					
	Premiums/Monthly Contributions	Healthy Behavior Incentives	Restricted Benefits	Work Referral	Co-Payments
Arkansas	X				
Iowa	X	X	X		
Indiana ¹	X	X	X		X
Michigan	X	X			
Pennsylvania ²	X	X	X		

Source: Adapted from “The ACA and Medicaid Expansion Waivers” by Artiga, Musumeci & Rudowitz. The Henry J. Kaiser Family Foundation. Issue Brief. 2015

1 - Indiana may administer a voluntary state-run work search and job training program, separate from the Medicaid waiver.

2 - Governor Wolf announced that PA will transition to a traditional Medicaid expansion plan and will not implement the benefit and work changes.

The 1115 waiver process is a long but critical process and one where the voices of Montanans will be important. The lives of 70,000 Montanans are depending on it.