Medicaid *in* MONTANA

How Medicaid Impacts Montana’s State Budget, Economy, and Health

MONTANA HEALTHCARE FOUNDATION | ANNUAL REPORT | 2023

Table of Contents

Acknowledgements

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This report would not have been possible without the partnership and support of the Montana Department of Public Health and Human Services (DPHHS). MHCF would also like to thank the following individuals for sharing their time and expertise: Duane Preshinger, and Roberta Yager, Montana Hospital Association; and Annette Darkenwald, Billings Clinic.

Visit the Montana Healthcare Foundation's website for more information about the report and to download the accompanying databook.
For any questions about the report, contact the Montana Healthcare Foundation at info@mthcf.org.

Letter from Montana Healthcare Foundation CEO Dr. Aaron Wernham

Montana Medicaid provides health care coverage to 300,000 people. This coverage allows Montanans to access comprehensive physical and behavioral health services, contributing to improved health and well-being as well as economic productivity. This year, for the first time, we also report evidence that these improvements were accompanied by decreasing ER and hospital costs as well.

Because of the Medicaid program's importance to Montana's health system and more than a quarter of the state's residents, the Montana Healthcare Foundation makes it a priority to produce independent reports assessing the program's performance. This third annual report on Medicaid in Montana is intended to help Montanans and those responsible for setting health policy priorities understand the program's core functions and effectiveness and identify opportunities to strengthen the program.

In 2015, the Montana Legislature passed the Health and Economic Livelihood Partnerships (HELP) Act, which expanded Medicaid to cover low-income adults. The HELP Act – or "Medicaid expansion" – aimed to expand health care coverage, increase the availability of high-quality health care, and provide greater value for the tax dollars spent on Medicaid. In our analysis, we look carefully at whether the program is achieving its intended goals.

The findings in this report show that Medicaid has indeed expanded health coverage, reducing that state's uninsured rate by 50%. As hoped, this coverage has facilitated the high use of preventive services, like wellness exams, cancer screenings, and dental cleanings. In turn, we also find evidence that these preventive services contribute to earlier diagnosis and treatment and better health outcomes for more severe issues like breast and colon cancer, hypertension, diabetes, and substance use disorders. Also important for assessing the value of Medicaid, this year we found that for every year of enrollment in the program, ER visits and hospitalizations – and the associated health care costs – also decrease.

Special thanks to our partners at the Montana Department of Public Health and Human Services, who made this report possible by contributing data, expertise, and insights on the Montana Medicaid program.

Executive Summary

Montana's Medicaid program provides low-income Montanans—including children, seniors, the disabled, and the medically needy—access to health care services that support their health and well-being. In 2022, Medicaid provided coverage to more than one in four Montanans. As the nation emerges from the COVID-19 pandemic, Montana Medicaid has been a critical health care safety net for individuals who may have delayed care during the public health emergency, and for those who are facing acute mental health and substance use needs.

In 2022, Medicaid provided coverage for approximately 300,000 Montanans.

- » The state and federal governments jointly fund Medicaid. In state fiscal year (SFY) 2022, the federal government reimbursed Montana for 80 cents of every dollar it spent on Medicaid.
- » Montana spends a lower proportion of its state general fund (13%) on Medicaid compared to peer states, including both expansion and non-expansion states.
- » Since March 2020, Montana has been receiving enhanced federal matching funds in exchange for maintaining continuous coverage for Medicaid enrollees. As a result, while overall Medicaid spending increased by approximately $140 million between SFY 2021 and 2022, most of those costs ($130 million) were reimbursed by the federal government.
- » Medicaid is a critical source of coverage for rural Montanans. In 2022, more than two-thirds of Montana Medicaid enrollees lived in rural areas.
- » Many Medicaid enrollees delayed preventive care in 2020 due to COVID-19-related concerns. As access concerns waned in 2021, the number of Medicaid-supported wellness exams returned to pre-pandemic levels (+14%), while condition-specific screenings, including alcohol abuse, breast cancer, cholesterol, and diabetes screenings, also increased from 2020 levels.
- » Telehealth utilization increased dramatically during the COVID-19 pandemic and remained high for mental health services through 2021. Nearly 20% of mental health services provided in April 2021 were delivered via telehealth.

Executive Summary (Continued)

In 2015, the HELP Act expanded Medicaid to cover adult Montanans with incomes at or below 133% of the federal poverty level (FPL).

» Medicaid expansion improved health care access for adult Montanans, supporting their health, well-being, and productivity. In 2021, more than 61,000 expansion enrollees utilized preventive services, more than 34,000 received mental health services, and more than 5,500 received substance use disorder treatment.

» Expansion enrollees had fewer visits to the emergency department (ED) each year they were enrolled in Medicaid.

- During their first year of enrollment, 17,914 (around 26%) of Medicaid expansion enrollees had at least one ED visit. During their second year of enrollment, however, only 15,788 of those enrollees visited the ED, a decline of more than 11%.
- ED use among Medicaid expansion enrollees for preventable dental conditions, including loss of teeth and diseases of pulp and periapical tissues, declined by nearly 40% over three years.

» Health care costs for expansion enrollees declined each year they had coverage. During their first year of enrollment, enrollees had average health care costs of $9,430. By their third year of coverage, average per-enrollee costs were $9,161, a decline of 3%.

» Among expansion enrollees, health care costs shifted from more expensive emergency and inpatient care to outpatient services and pharmacy costs over time. During their first year of enrollment, emergency and inpatient costs comprised 35% of enrollee health care costs. By their third year of enrollment, emergency and inpatient costs comprised 30% of total costs.

» Implementation of the HELP Act, including Medicaid expansion, generated state budget savings of more than $27 million in SFY 2022 by providing higher match rates for some existing Medicaid populations and by replacing existing state spending with new federal dollars.

» No rural hospitals in Montana have closed since Medicaid expansion passed, as uncompensated care costs for Montana's Critical Access Hospitals declined by 35% between 2016 and 2021.

» Nationally, adults have reported considerably elevated adverse mental health conditions associated with COVID-19. In Montana, nearly one-third of expansion enrollees had a mental health or substance use diagnosis recorded on a Medicaid claim in 2021.

» Primary care is a critical access point for mental health and substance use treatment. Approximately 70% of adult Medicaid enrollees visit integrated behavioral health providers for primary care treatment.

Program Background

Montana Medicaid is a joint federal-state program that provides health care coverage to nearly 300,000 eligible low-income adults, children, pregnant women, elderly adults, and people with disabilities.

Overview. Montana Medicaid and the Healthy Montana Kids program—collectively referred to as "Medicaid" in this report—provide Montana residents with low incomes access to low- or no-cost health care benefits.

- The Healthy Montana Kids program is the largest health insurance provider for children in the state.
- Medicaid serves as a critical coverage vehicle for Montanans who are blind and disabled, women who are pregnant or have breast or cervical cancer, and families with dependent children. Since its expansion in 2016, Medicaid also covers nondisabled, nonelderly adults with low incomes.

State-Federal Partnership. Medicaid is a joint federal-state partnership managed locally by the Montana Department of Public Health and Human Services (DPHHS) and federally by the U.S. Centers for Medicare and Medicaid Services (CMS). DPHHS and CMS agree to a "state plan" that outlines how DPHHS will administer Montana's Medicaid program, including who will be eligible to receive services and what services they will be eligible to receive beyond those minimally required by CMS. The state plan is sometimes modified by jointly agreed-to "waivers" of statutory requirements, which allow Montana to tailor its Medicaid program to meet local needs and pursue alternative approaches for achieving program goals. The Severe and Disabling Mental Illness Home and Community Based Services Waiver, for example, allows Medicaid to cover specialized services for individuals with serious mental illnesses.

REPORT PURPOSE

This report provides foundational information and statistics about the Medicaid program, including the populations it serves, their health care needs, and their medical costs. It also speaks to the role Medicaid expansion has played in providing a source of health care coverage for many previously uninsured Montanans, and the impact that expansion has had on health care costs and the local economy as new federal dollars are brought into the state. This year's report also focuses on the key role Medicaid plays in supporting access to mental health care and substance use disorder treatment.

Data & Sources

Medicaid provides access to comprehensive health care services to address physical, behavioral health, dental, and long-term care needs.

COVERED SERVICES

Early Periodic Screening, Diagnosis, and Treatment

Medicaid covers medically necessary physical, behavioral health, and dental services for children under the age of 21.

Behavioral Health Services

Medicaid covers a continuum of behavioral health services for individuals with mental illness and substance use disorders, such as screening, outpatient treatment, crisis prevention, and inpatient treatment when needed. Under the Healing and Ending Addiction Through Recovery and Treatment (HEART) Initiative, Medicaid covers substance use treatment in additional residential and inpatient settings.

Primary and Specialty Care

Medicaid covers primary care and specialty services, including those delivered by Montana's critical Federally Qualified Health Centers (FQHCs) and Rural Health Centers (RHCs).

Inpatient Hospitalization Services and Outpatient Services

Medicaid covers needed inpatient medical services for individuals admitted to a hospital and outpatient services for those who may need lower acuity care.

Dental Services

Recognizing the importance of oral health, Medicaid covers necessary dental services, including exams, cleanings, fillings, and dentures. Montana is one of 39 states that cover preventive dental services for adults.

Long-Term Services and Supports, Including Home and Community-Based Services

Medicaid covers long-term care services for individuals with disabilities. Under the Big Sky Waiver, aged Montanans can receive these services in their home or communities rather than in a nursing home or institutional setting. Other waivers like the Home and Community-Based Waiver for Individuals with Developmental Disabilities allow Montana to cover more individuals.

Data & Sources

Medicaid supports the health care needs of Montana's diverse populations.

While most Medicaid enrollees have access to the same set of benefits, different population groups require different Medicaid services to support their unique health care needs. All population groups utilize outpatient services and basic lab services more than any other service.

Frequently Utilized Services by Population Group (CY 2021)

Children

Children utilize Medicaid to access preventive screenings, outpatient services for low-acute conditions, and dental services. More than 38,000 children ages 1-17 received a Medicaid-covered preventive wellness visit in 2021, while 41,000 children received a periodic dental evaluation.

Seniors

Older populations utilize Medicaid for services that Medicare (in which they are often dually enrolled) does not cover, such as assisted living, personal care services, nursing homes, and habilitation services. In 2021, Medicaid covered assisted living expenses for more than 900 seniors.

Adults

For both "traditional" and expansion enrollees, Medicaid allows nonelderly adults, many of whom would otherwise be uninsured, to access critical outpatient care. In 2021, nearly 60,000 Medicaid-covered adults accessed a 20- to 40-minute outpatient office visit, and more than 8,400 received an influenza vaccine.

Individuals With Disabilities

Individuals with disabilities utilize Medicaid services such as long-term care and personal care services that allow them to remain in their homes. In 2021, Medicaid covered personal care services for approximately 2,500 individuals with disabilities.

Data & Sources

The federal government pays most health service costs for Medicaid enrollees, including $9 of every $10 spent on individuals receiving coverage through Medicaid expansion.

Medicaid services are paid for through both federal and state funds. The federal government reimburses Medicaid at varying rates—or Federal Medical Assistance Percentages (FMAPs)—depending upon the expenditure type and the population. On average, **Montana leverages more than four federal dollars for every state dollar it expends on Medicaid enrollees' medical care at health care providers across the state.** Federal reimbursement rates are higher for Medicaid expansion enrollees (90%) than for most other Medicaid populations (71%),* while services provided or received through Indian Health Services (IHS) and tribal health facilities are fully reimbursed (100%).

Montana Federal Medical Assistance Percentages Rates (February 2022)

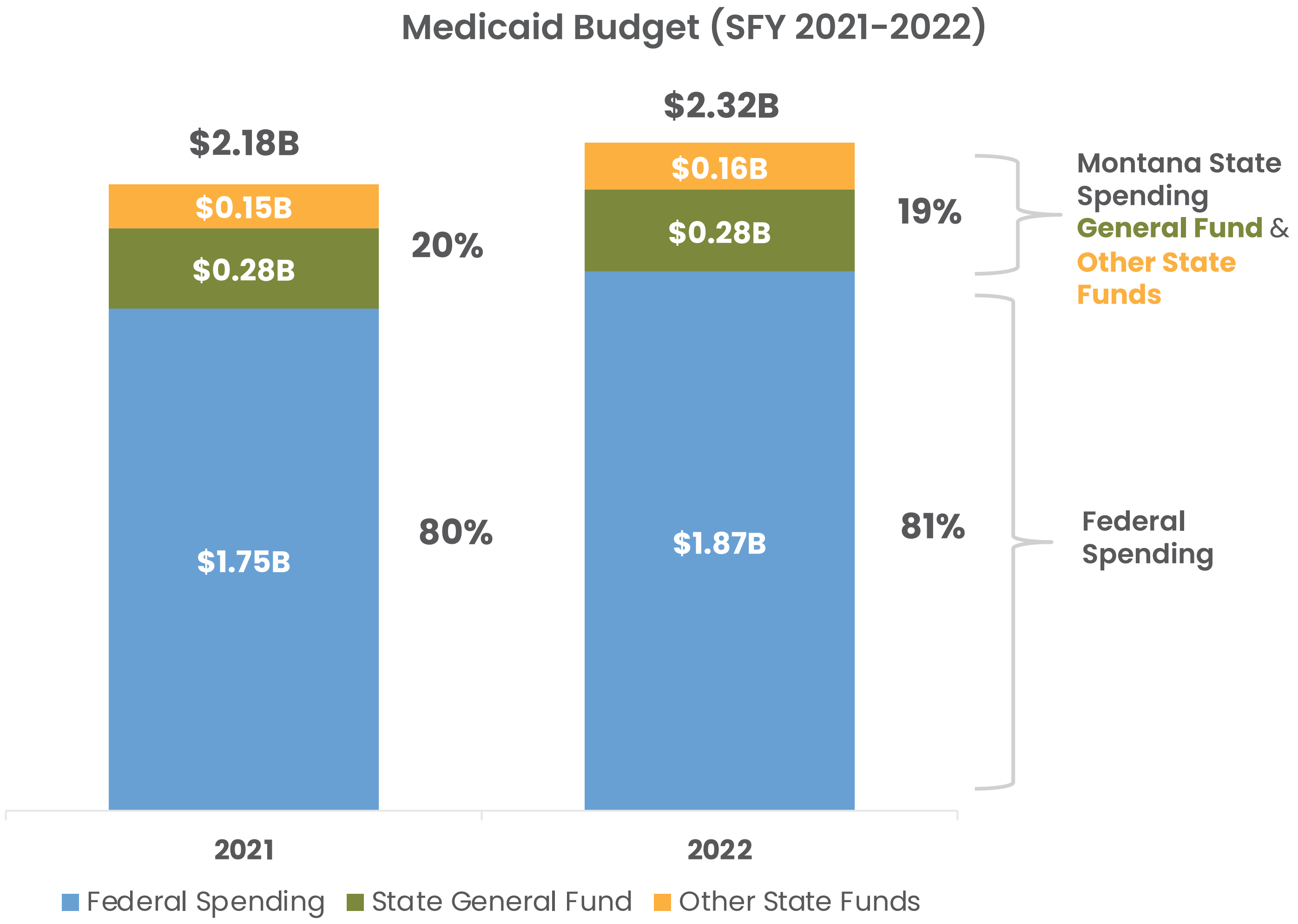
Expenditure Type (Selection)	Federal / State Split
Standard FMAP (services for most Medicaid enrollees)	Federal: 71%*
CHIP FMAP (services for low-to-moderate income children)	80%*
Medicaid Expansion FMAP (services for expansion enrollees)	90%
Indian & Tribal Health (services received through IHS/tribal facilities)	100%
Administration: Systems Development	90%
Administration: General Administration (Operations)**	75%

*During the COVID-19 public health emergency, Montana is receiving federal matching funds (+6.2%) for populations covered under its "regular" FMAP in exchange for maintaining continuous coverage for those enrolled as of March 18, 2020, or at any time during the period thereafter, and who continue to reside in the state, among other conditions.

**Administration outside of Eligibility Determination Systems and Staffing, Claims Processing Systems and Operations, Skilled Medical Personnel, and Systems Development.

Data & Sources

The federal government reimbursed Montana for 80 cents of every dollar spent on Medicaid in state fiscal year 2022.



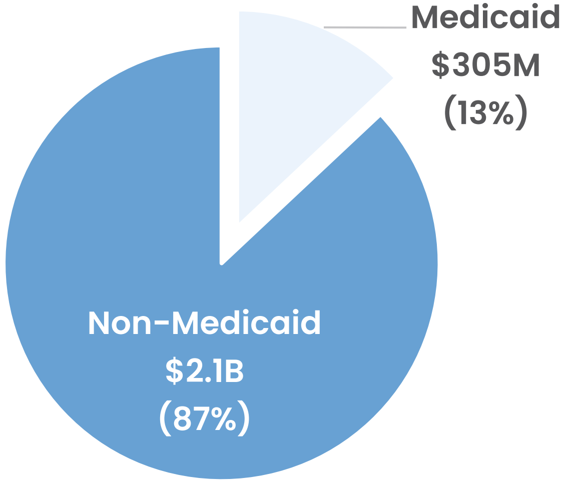
In SFY 2022, Montana's Medicaid budget was $2.32 billion, approximately 81% of which was reimbursed by the federal government. State spending totaled approximately $450 million: $285 million from Montana's general fund and $165 million from other state funds, which include local funds, and an assessment on hospitals to support Medicaid expansion.

Like most other states, Medicaid spending in Montana increased during the COVID-19 pandemic, along with enrollment. During that time, Montana has been receiving enhanced federal matching funds (+6.2%) in exchange for maintaining continuous eligibility for Medicaid enrollees.

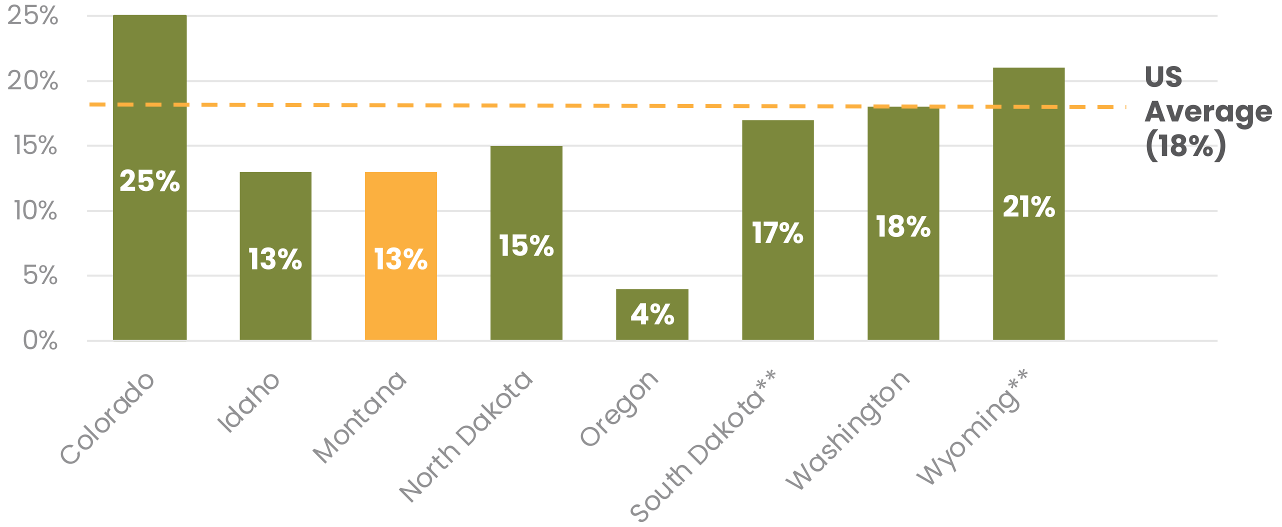
While overall Medicaid spending increased by approximately $140 million between SFY 2021 and 2022, the majority of those costs ($130 million) were reimbursed by the federal government.

Montana leverages less of its state general fund to finance its Medicaid program compared to peer states.

Medicaid as Percentage of State General Fund Spending (SFY 2021)



Medicaid as a Percentage of State General Fund Spending (SFY 2021)



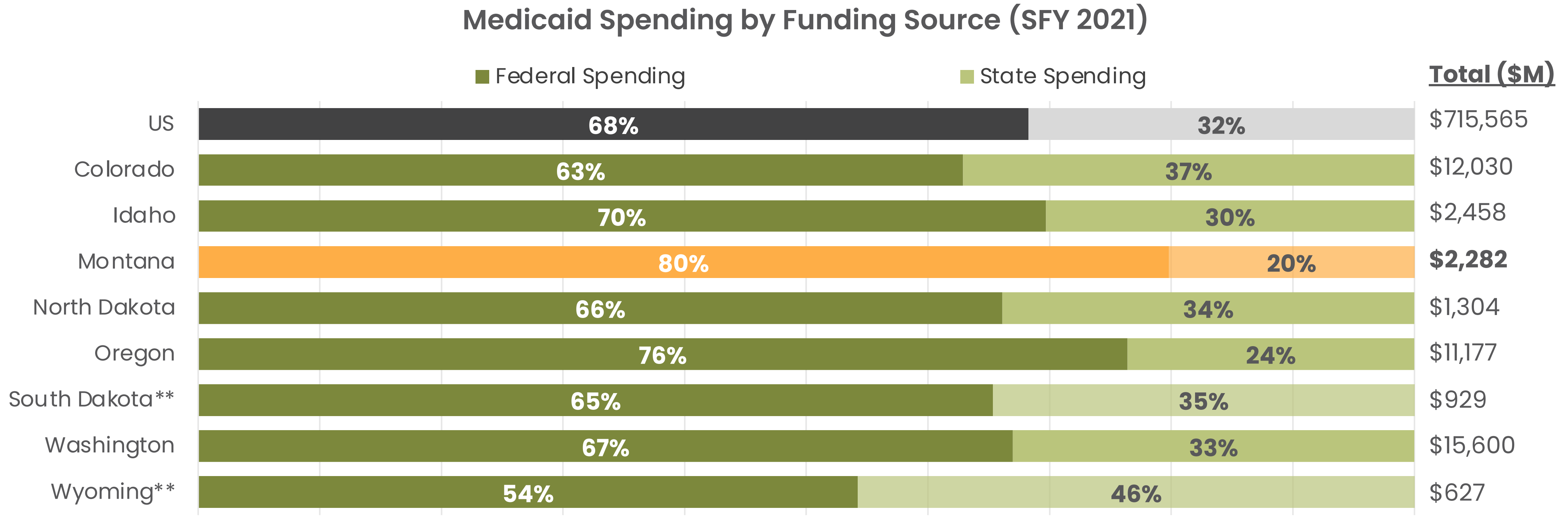
Montana spends a low proportion of its state general fund on Medicaid compared to the national average and peer states. During SFY 2021, **Montana had the 13th lowest rate of state general fund spending on Medicaid nationally and a lower rate of spending than peer states, including those that have not expanded Medicaid.***

Montana supplements its state general fund spending with approximately $156 million of other state funds from sources including an assessment on hospitals and nursing homes, and local funds that Montana collects to support Medicaid expansion.

*Peer states were selected as comparators based on demographic, geographic, and Medicaid expansion characteristics.

**States that have not expanded Medicaid.

Montana pulls in more federal dollars than peer states to support its Medicaid program for every state dollar spent.



Montana benefits from high federal match rates for its Medicaid program. Approximately 80% of its total Medicaid budget was funded by the federal government in SFY 2021, significantly more than the national average and peer states.* Montana benefits from high FMAP rates for both its regular and expansion expenditures. **Montana leverages $4 of federal spending for every $1 of state spending,** compared with approximately $2 of federal spending for every $1 of state spending nationally.

*Peer states were selected to provide a diverse set of comparators by demographic, geographic, and Medicaid expansion characteristics.

**States that have not expanded Medicaid.

Data & Sources

The Montana Department of Public Health and Human Services closely monitors the Medicaid program for fraud and abuse.

Nationally, Medicaid's size, complexity, and diversity make it a target for fraud and abuse. To ensure program accountability, states are required to investigate and prosecute Medicaid fraud and abuse. Medicaid oversees rigorous programs to identify, recover and prevent inappropriate provider payments, including:

- Using its Medicaid Management Information System (MMIS) to scan for billing errors and stop provider payments when irregularities are detected
- Coordinating with DPHHS' Quality Assurance Division to audit payments and identify misspent funds
- Deploying its Medicaid Fraud Control Unit (MFCU) to investigate and prosecute Medicaid fraud, abuse, and neglect

Each year, Montana's MFCU recovers approximately $1 million in provider fraud and convictions related to patient abuse or neglect. Additionally, a 2022 report from the Montana Legislative Audit Division found that Montana maintains a consistently low payment error rate measurement (PERM) for both Medicaid and CHIP. In 2020, Montana's PERM was 4.6%, significantly lower than the national average (13.9%).

Medicaid Program Accountability Processes

Medicaid Management Information System scans for fraud and billing errors.

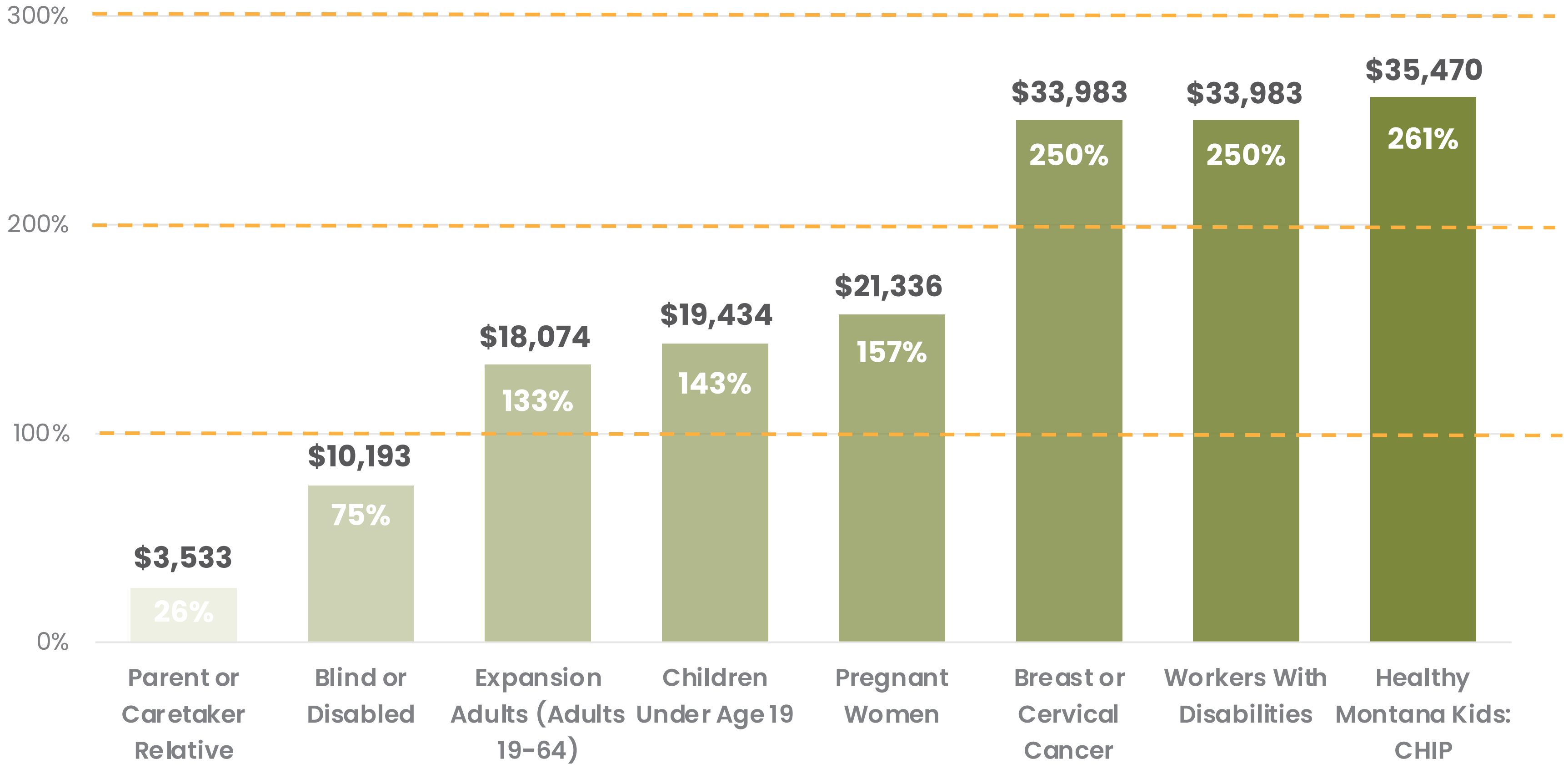
DPHHS' Quality Assurance Division audits payments and identifies misspent funds.

Montana's Medicaid Fraud Control Unit investigates and prosecutes Medicaid fraud and abuse.

*A national audit of Medicaid claims by state.

Montanans on Medicaid have low incomes and often limited employer-sponsored health care coverage options. Medicaid income thresholds vary by program.

Covered Populations by Eligibility Level (% FPL)*



*Income limits do not include a disregard equal to five percentage points of the FPL applied to the highest income limit for the group. Additional information about eligibility levels and Medicaid programs is available from DPHHS.

Medicaid provides health coverage for Montana families and children, pregnant women, the elderly, individuals with disabilities, and other adults with low incomes, defined against various federal poverty level thresholds.

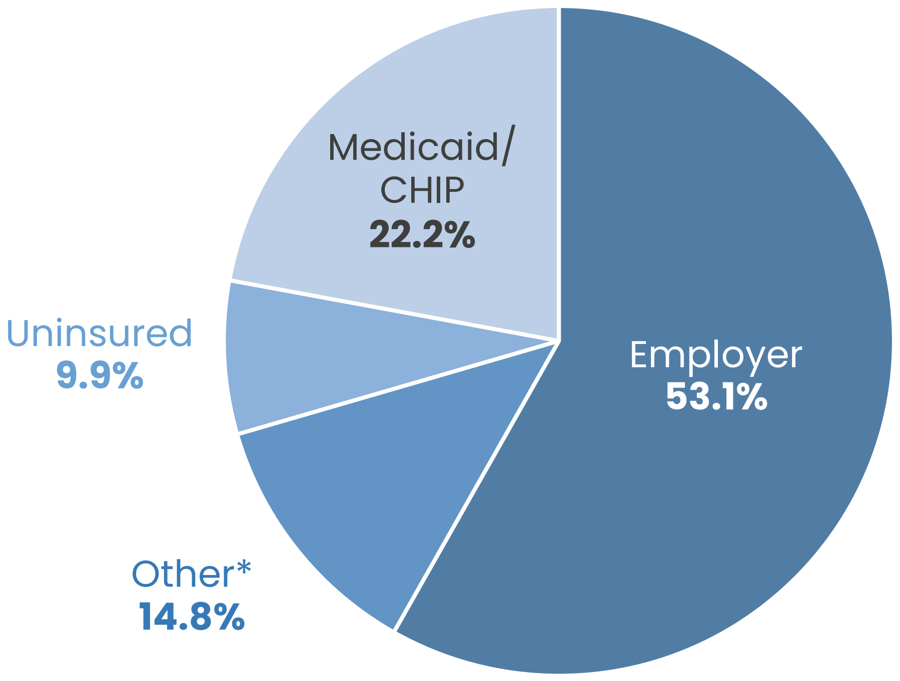
For example, low-income adults ages 19-64 may be covered under Medicaid expansion if they earn up to 133% of the FPL or $18,074 for an individual in 2022.

Data & Sources

Montana Medicaid Basics

Medicaid provides health care coverage to more than one of every five nonelderly Montanans, including one of every three children.

Health Insurance Coverage of Montana's Nonelderly Population (0-64) (CY 2021)



Consistent with other states, most nonelderly Montanans receive health care coverage from an employer, either through their own job or as a dependent in the same household. Nationally, 57% of nonelderly adults are covered by an employer. For those who do not have employer-sponsored insurance, including individuals with disabilities, caretakers and their families, and other adults with low incomes, Medicaid is a critical source of health care coverage, covering more than one of every five nonelderly Montanans. Medicaid is a particularly valuable resource for children and youth in Montana, where more than one-third of individuals aged 0-18 are covered by Medicaid (35.3%).

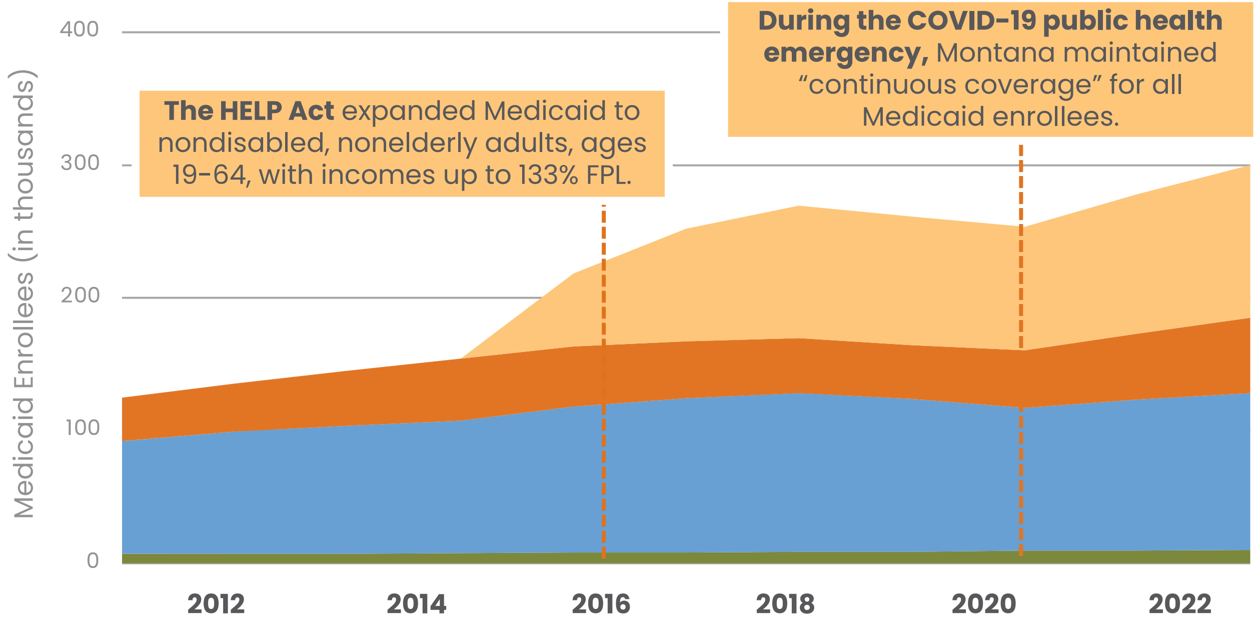
Access to Medicaid reduces the number of individuals without health care coverage. The uninsured rate for nonelderly adults in Montana declined by more than 50% between 2014 and 2021 (16.4% to 7.4%) as the HELP Act expanded Medicaid to adults ages 19-64 with incomes up to 133% of the federal poverty level, or $18,074 for an individual in 2022.

*Includes those covered under the military or Veterans Administration and individuals and families who purchased or are covered as a dependent by non-group insurance.

Data & Sources

Through the COVID-19 pandemic, Medicaid has been a critical health care safety net for children, seniors, low-income parents/caretakers, and individuals with disabilities.

Montana Medicaid Enrollment* (CY 2012-2022)



	Enrollment (2022*)		Change (2021-22)	
	Total	Share	Total	Annual Growth
Total	**299,937**	**-**	+16,075	+5.7%
Adults (Expansion)	**114,999**	**38%**	+7,537	+7.0%
Adults (Non-expansion)	**56,841**	**19%**	+5,107	+9.9%
Children	**118,106**	**39%**	+3,138	+2.7%
Seniors	**9,991**	**3%**	+294	+3.0%

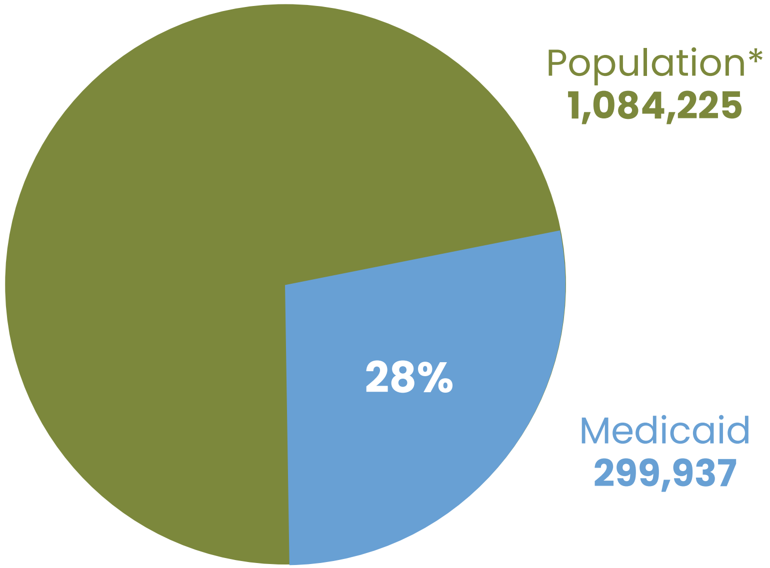
Montana's Medicaid enrollment has grown over the past decade through bipartisan program expansions for children (2008) and adults (2016), and to support a growing state population. Medicaid expansion enrollment grew to cover approximately 100,000 individuals by 2018, then decreased throughout 2020 before enrollment rebounded during the pandemic. Throughout the public health emergency, Congress provided increased Medicaid funding to states that maintained continuous coverage for Medicaid enrollees to minimize unintended disenrollment. Medicaid has served as an important safety net for adults who may have been impacted by job losses (+12,644 enrollees between January 2021 and June 2022) and their children (+3,138 enrollees). Medicaid enrollment is expected to decrease as Montana conducts redeterminations following the end of the continuous coverage requirements which are slated to end on March 31, 2023.

*Average enrollment through June 2022.

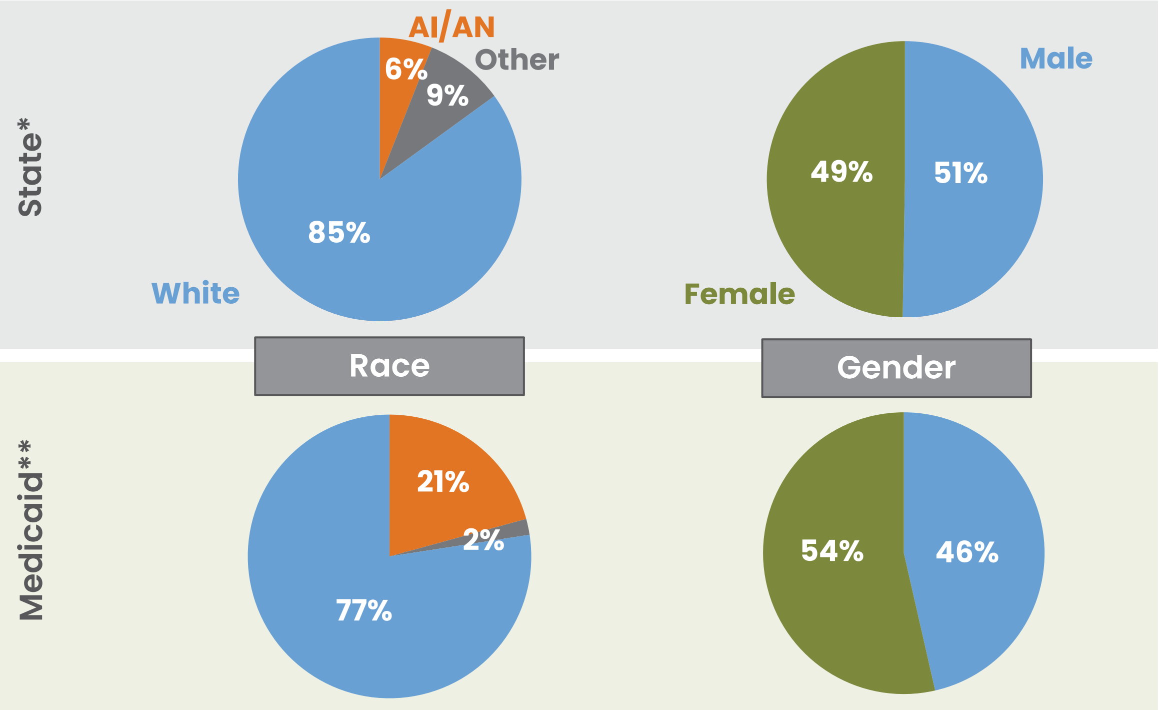
Data & Sources

Medicaid covers more than a quarter of Montanans and is a particularly important source of health care coverage for American Indian and Alaskan Native populations.

Medicaid Enrollment as a Proportion of the Total Population (CY 2022)



Medicaid Demographics in Comparison With State Demographics* (CY 2022)



In 2022, Medicaid provided health care coverage for more than one out of four Montanans (28%). Medicaid is an essential source of coverage for American Indian and Alaskan Native (AI/AN) populations, which comprise only 6% of the state's population but 21% of its Medicaid enrollment.

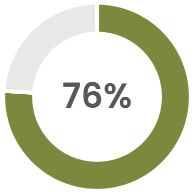
*State demographic data only available for 2020.

**In previous reports, "Other" Medicaid demographics comprised both "Other" and "Unknown" race categories. Current report excludes the "Unknown" race category.

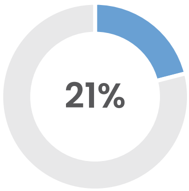
Data & Sources

Medicaid supports low-income adults and their employers by providing essential health care coverage.

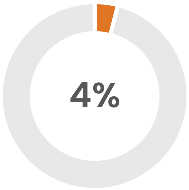
Employment Status of Adult Medicaid Enrollees



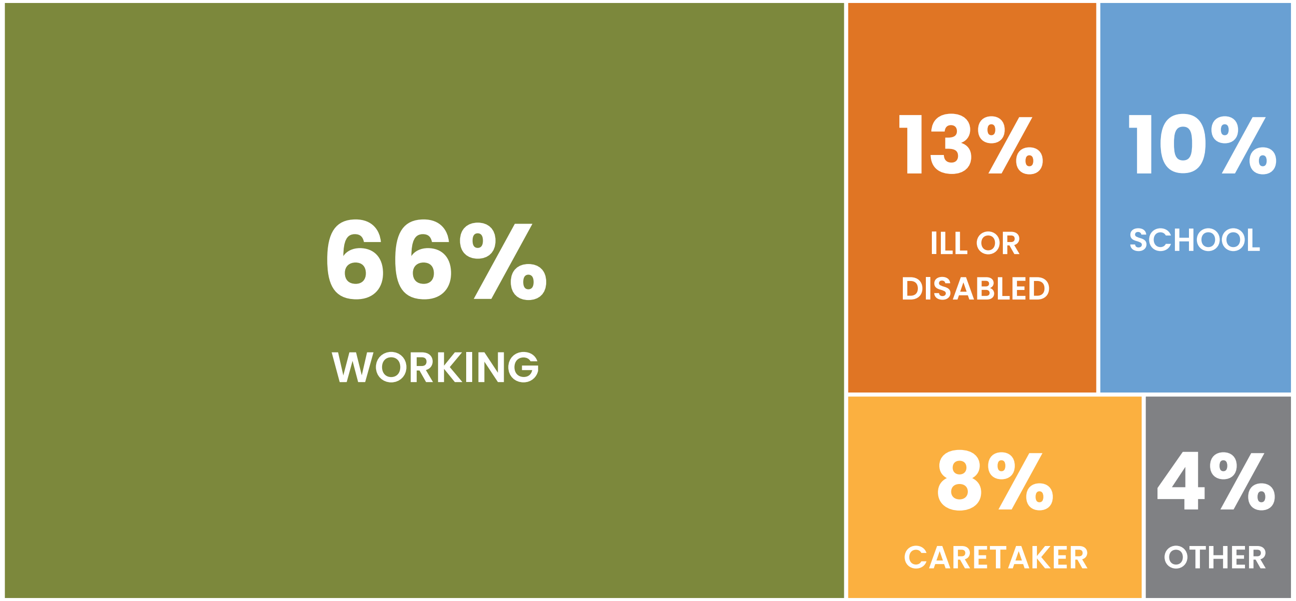
76% of Montana's adult Medicaid enrollees aged 19-64 reported working full time, working part time, or attending school.



21% of adult Medicaid enrollees reported a disability or other impairment to work or reported being a caretaker.



4% of adult Medicaid enrollees reported not working and having no impediments to work.



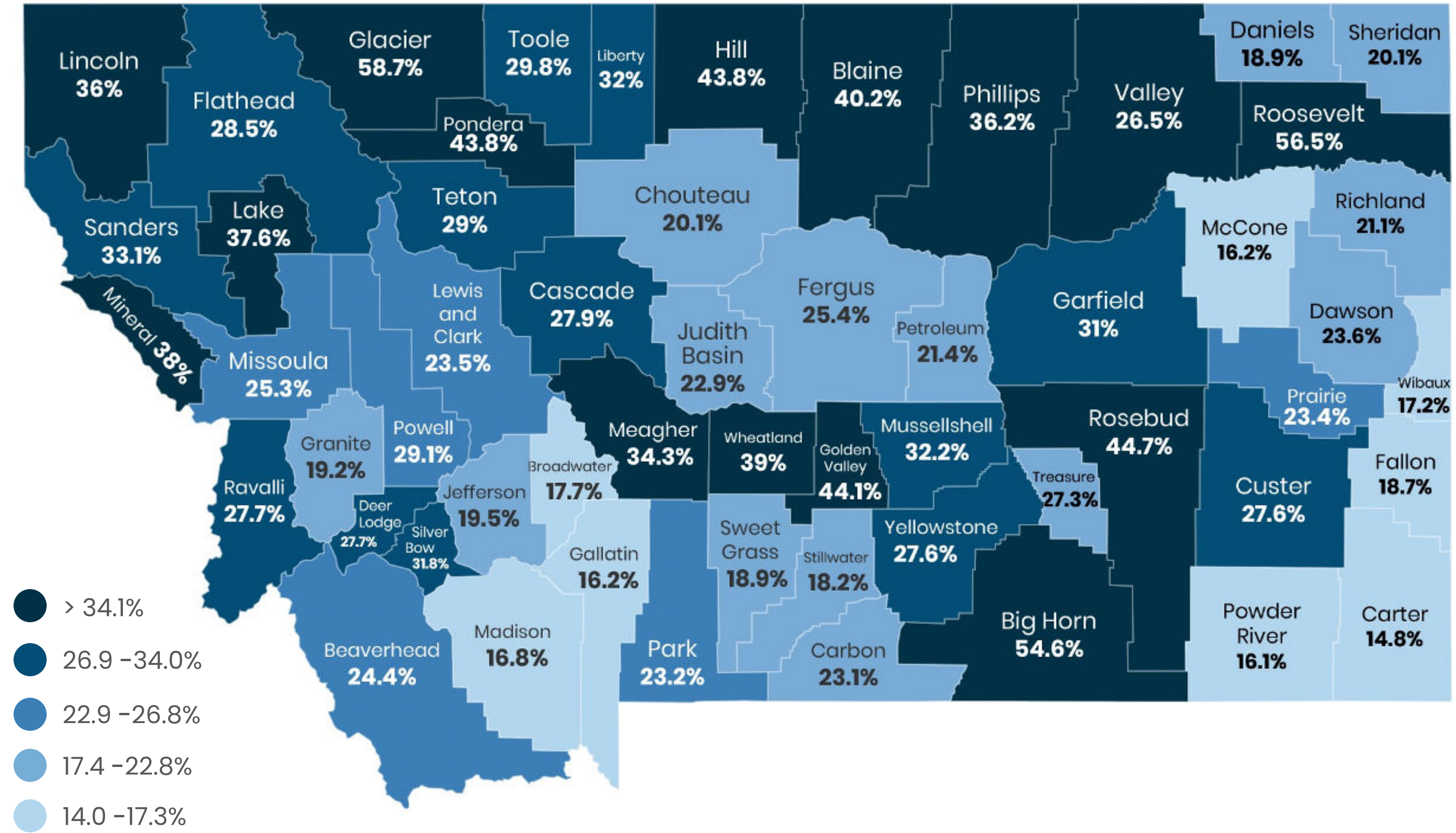
More than three-quarters of Montana's 170,000 adult Medicaid enrollees are employed or attending school. Many Medicaid enrollees work in low-wage, seasonal, or "gig" industries that do not offer commercial insurance coverage. For example, more than 34% of all adults who work as maids and housekeepers and 30% of adults who are cooks or food preparation workers are enrolled in Medicaid. Medicaid supports those workers and their employers by offering a stable source of health care coverage and ensuring care is accessible for physical and mental health conditions.

*In previous reports, employment status data comprised only Medicaid expansion enrollees. Current report includes data for all Montana Medicaid adult enrollees aged 19-64.

Data & Sources

Medicaid provides coverage for individuals across Montana's urban centers and rural regions.

Medicaid Enrollment as Percent of Population by County (CY 2022)



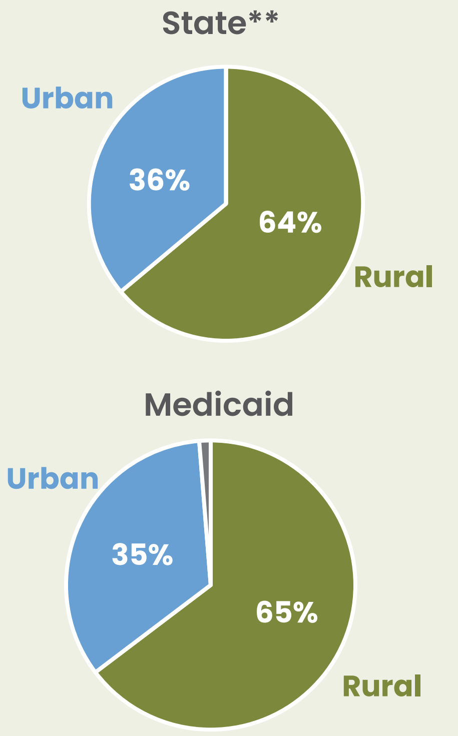
Counties With Highest Medicaid Enrollment as a Proportion of Population (CY 2022)

County	Population*	Medicaid (est., %)
Glacier County	13,778	58.7%
Roosevelt County	10,794	56.5%
Big Horn County	13,124	54.6%
Rosebud County	8,329	44.7%
Golden Valley County	823	44.1%
Hill County	16,309	43.8%
Pondera County	5,898	43.8%
Blaine County	7,044	40.2%
Wheatland County	2,069	39.0%
Mineral County	4,535	38.0%

*Population data only available for 2020.

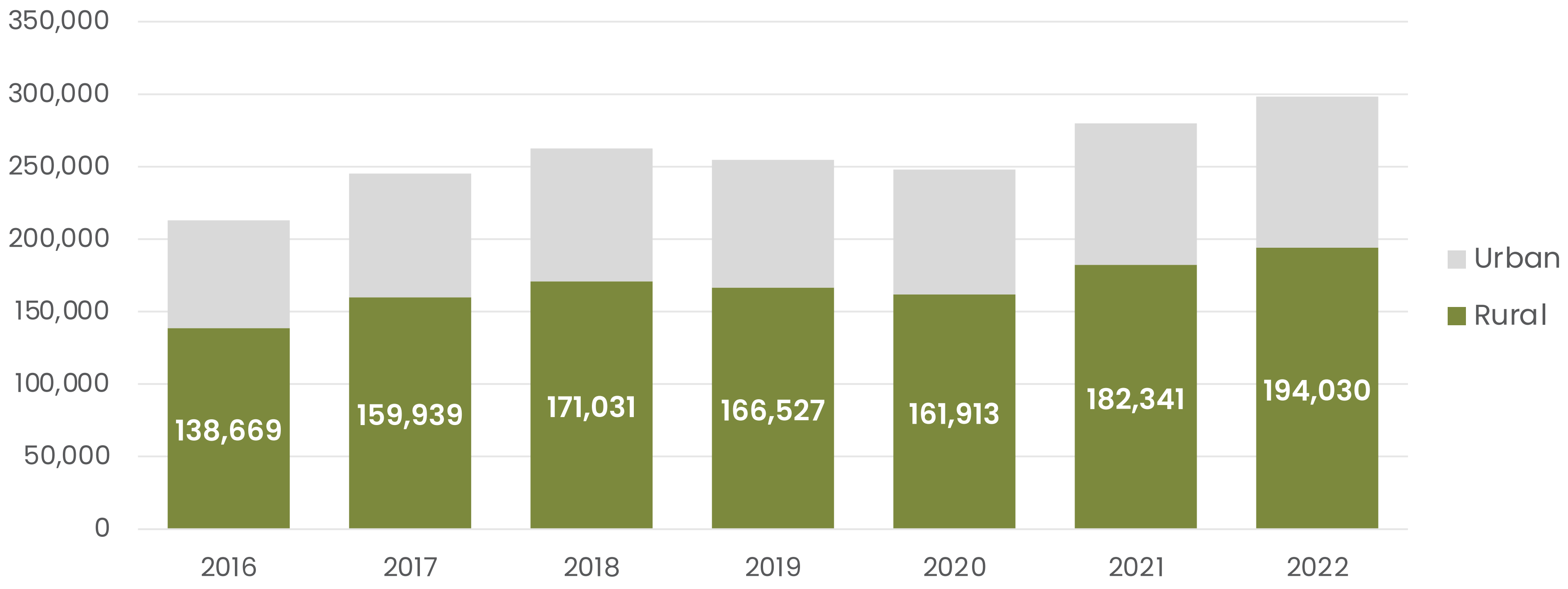
Medicaid is a critical source of coverage for rural Montanans.

Medicaid Enrollment by Geography in Comparison With State Population* (CY 2021)



*State demographic data only available for 2019.

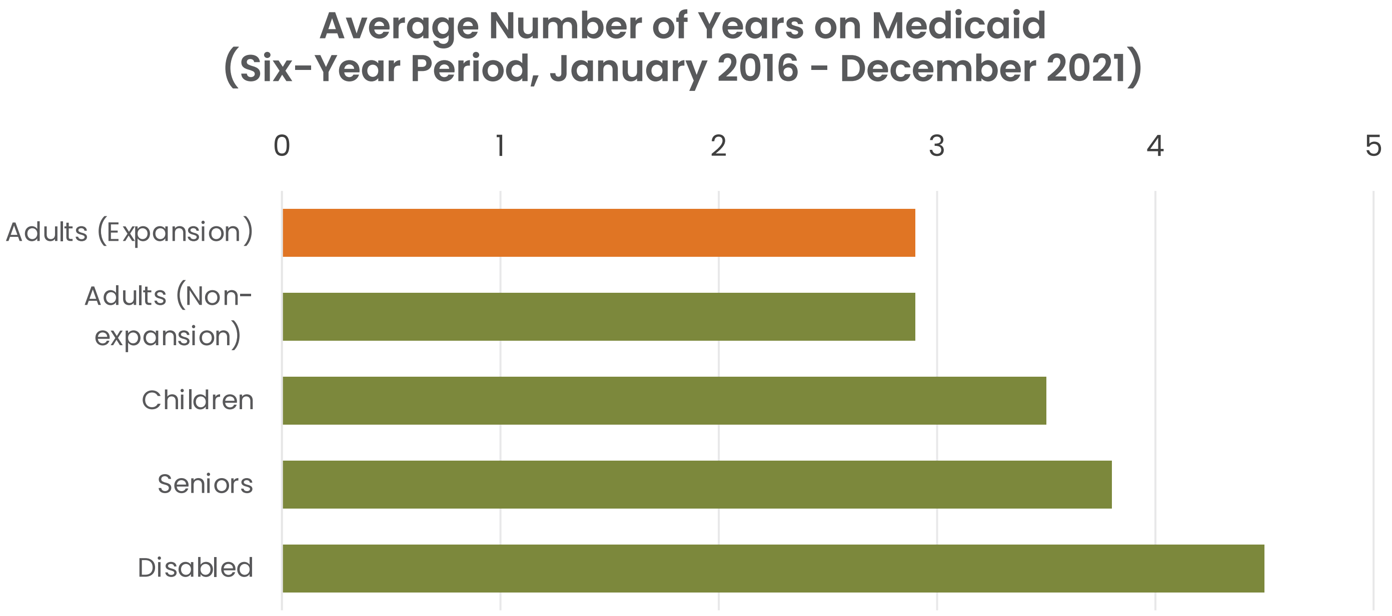
Medicaid Enrollees Residing in Rural Areas (CY 2016-2022)



Nationally, individuals living in rural areas experience higher rates of chronic and behavioral health conditions and higher mortality rates, making access to health care coverage particularly critical to their health and well-being. In each year since Montana expanded Medicaid, nearly two-thirds of Medicaid enrollees have resided in rural areas.

Data & Sources

Medicaid is a stable source of longer-term coverage for children, seniors, and individuals with disabilities, while providing shorter coverage for low-income adults.



During the COVID-19 public health emergency, Congress provided increased Medicaid funding to states that maintained continuous coverage in order to minimize unintended disenrollment. As a result, beginning in March 2020 Montana has temporarily seen increased Medicaid enrollment across all eligibility categories, as well as longer enrollment periods for current enrollees.

Medicaid provides low-income Montanans access to the care they need to support their long-term health, well-being, and productivity. Medicaid minimizes coverage gaps that could otherwise delay needed medical care and preventive services, such as chronic disease screenings, viral testing, and vaccinations. Populations with chronic medical needs (seniors, individuals with disabilities) and/or income limitations (children) tend to be on Medicaid longer than those who are more able to find permanent employment or alternative coverage (adults). This holds true in Montana, where more than half (58%) of the state's Medicaid expansion population (able-bodied, low-income adults) was enrolled for fewer than three years between 2016 and 2021.

Medicaid covers essential preventive services that help Montanans identify and address health issues early.

Access to preventive services is a critical driver of long-term health and well-being. In 2021, Medicaid supported the delivery of more than 62,000 wellness exams, 118,000 preventive dental services, and more than 45,000 vaccinations (not including vaccinations for COVID-19).

*Billed screenings only; may undercount regularly conducted screenings such as for alcohol abuse.

**Disabled counts not mutually exclusive of other population groups.

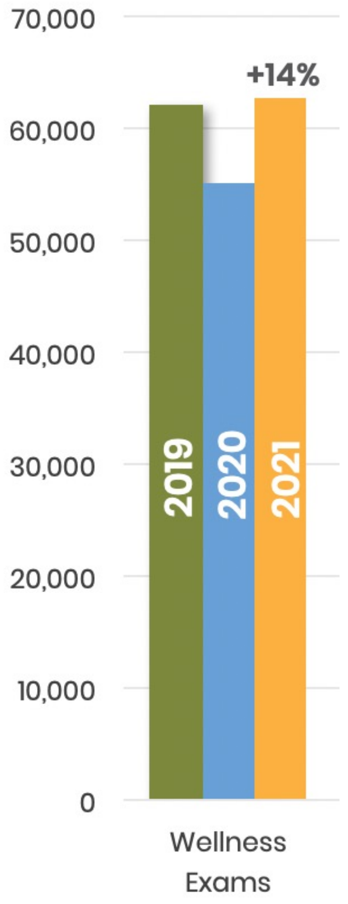
Preventive Service Utilization By Population Group (CY 2021)

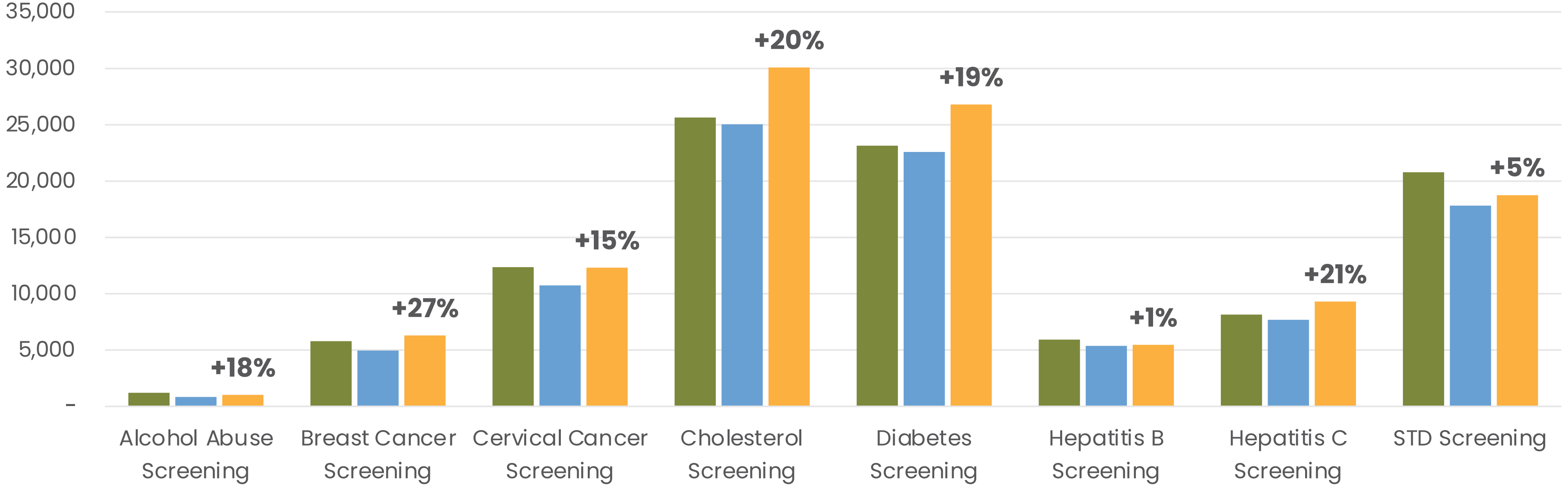
Service	Children	Adults (Non-expansion)	Adults (Expansion)	Seniors	Disabled**
Preventive/Wellness Exams	**40,789**	**6,172**	**15,474**	**410**	**1,827**
Physical and Behavioral Health Screenings*					
Alcohol Abuse Screening	38	182	760	33	55
Breast Cancer Screening	2	1,385	4,716	178	671
Cervical Cancer Screening	14	3,729	8,534	36	450
Cholesterol Screening	2,355	6,987	19,990	751	3,279
Diabetes Screening	2,586	7,613	15,849	744	2,914
Hepatitis B Screening	223	1,733	3,458	44	338
Hepatitis C Screening	355	2,836	6,092	32	458
Sexually Transmitted Disease Screening	1,487	5,797	11,458	17	586
Tobacco Use Counseling & Interventions	18	361	1,009	20	168
Vaccinations	**26,970**	**5,834**	**12,190**	**503**	**2,364**
Dental Preventive Services	**68,544**	**16,689**	**30,654**	**2,729**	**7,294**

Data & Sources

Medicaid enrollees accessed more preventive services during 2021 than in 2020 as individuals returned to in-person care following the pandemic.

Preventive Services Delivered (CY 2019-2021, Percent Change CY 2020-2021)

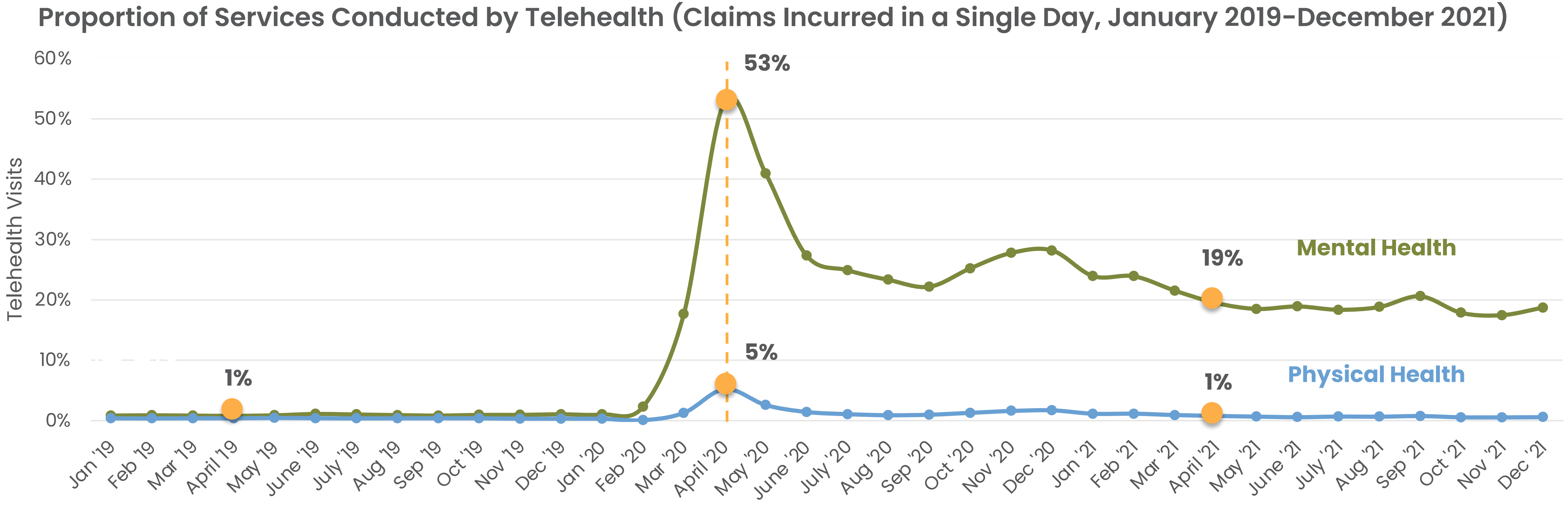




Both nationally and in Montana, many Medicaid enrollees delayed or avoided receiving preventive care in 2020 due to COVID-19-related concerns. As health care access concerns waned in 2021, the number of Medicaid-supported wellness exams returned to pre-pandemic levels (+14%), while condition-specific screenings, including screenings for alcohol abuse, breast cancer, cholesterol, and diabetes, increased by similar amounts (+18% to +27%). Tobacco use counseling and STD screening remained below pre-pandemic levels. The largest rebounds in overall preventive service utilization were seen for Medicaid-enrolled adults (+13%) and seniors (+16%).

Data & Sources

Telehealth service utilization increased dramatically during the public health emergency and remained high for mental health services through 2021.

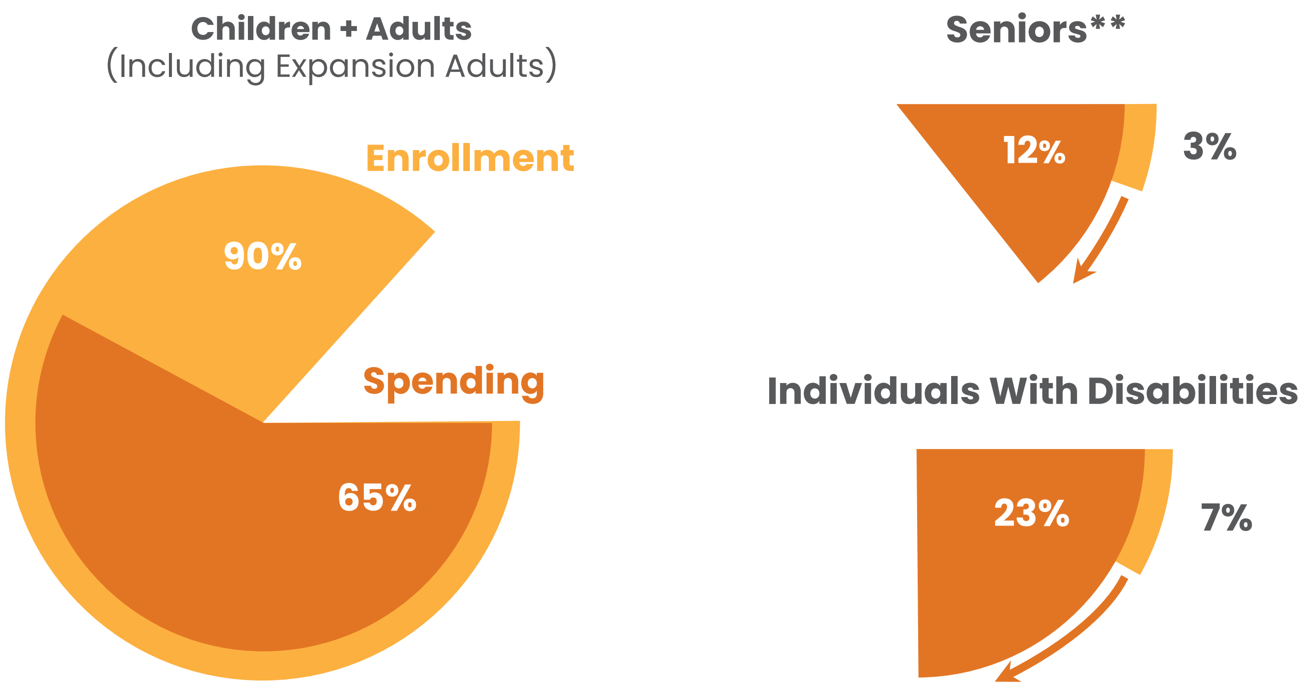


During the public health emergency, Medicaid waived in-person service delivery requirements for many physical and behavioral health services and authorized reimbursement for telehealth services at the same rate as in-person visits. Telehealth utilization rose significantly from 2019 to 2020, with Medicaid-covered telehealth visits peaking in April 2020, representing 53% of all mental health service claims (63,417 claims) and 5% of all physical health service claims (21,441 claims). By 2021, overall telehealth utilization rates decreased from their 2020 peak. However, usage rates of telehealth for mental health services has remained structurally higher than pre-pandemic rates, with nearly one out of five mental health services in April 2021 delivered via telehealth (23,050 claims).

Data & Sources

Seniors and individuals with disabilities comprise only 10% of Medicaid enrollment but account for 35% of Medicaid expenditures.

Medicaid Enrollment and Spending by Population Group* (SFY 2021)



Medicaid spending varies by age group and disability status. Nondisabled children and adults comprise a large majority of Medicaid enrollment (90%) but contribute to a lower proportion of Medicaid spending (65%).

Seniors and individuals with disabilities, on the other hand, often require high-intensity and high-cost services to support their daily living. In 2021, seniors and individuals with disabilities comprised only 10% of Medicaid enrollment but accounted for 35% of Medicaid spending. Similar spending patterns are observed nationally.

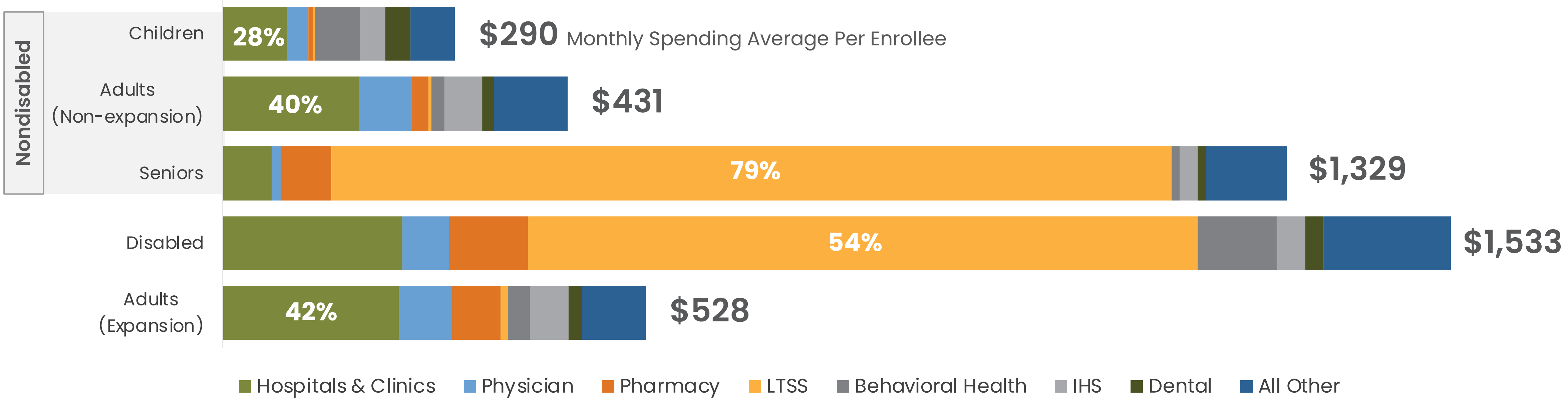
*Medicaid spending only, excludes Medicare spending. CHIP spending is estimated based on aggregate budget data. Spending excludes Disproportionate Share Hospital (DSH) and supplemental provider payments. Enrollment percentages are based on member months and may not align with other values in this report.

**"Individuals with disabilities" includes individuals from all age categories. "Seniors" excludes "individuals with disabilities" who are otherwise captured by the "individuals with disabilities" category.

Data & Sources

While adults and children rely on Medicaid for hospital and clinic services, seniors and individuals with disabilities depend on Medicaid for expensive long-term services and supports (LTSS) that are not otherwise covered by Medicare.

Average Enrollee Spending per Month by Population Group and Service Category* (SFY 2021)



Seniors and individuals with disabilities rely on Medicaid to pay for long-term services and supports (LTSS), including nursing home care and home and community-based services that are not otherwise covered by Medicare. In 2021, more than three-quarters of Medicaid spending on seniors and more than half of Medicaid spending on individuals with disabilities was for LTSS. Each year, Medicaid spending on children and adults, including expansion adults, remains more concentrated on hospital and clinic services.

*Medicaid spending only (excludes Medicare and CHIP).

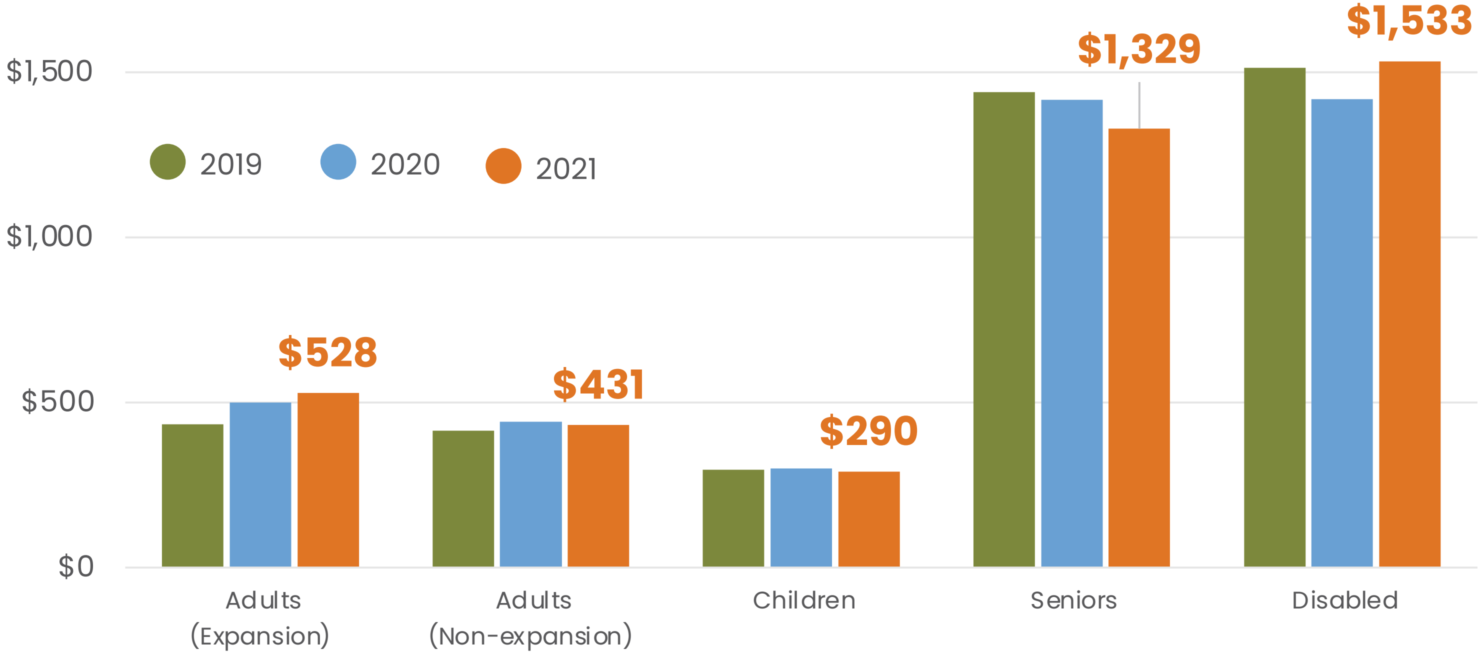
**Workers with disabilities who meet eligibility criteria are permitted to "buy in" to Medicaid coverage.

Data & Sources

Medicaid spending decreased for most groups in 2021 as hospital-related spending declined following the pandemic.

The pandemic has had significant impacts on Medicaid enrollment and spending. Nationally, state Medicaid agencies expect that Medicaid spending hit a peak growth rate in 2022 and will begin to decline following the end of the public health emergency. Similarly, in Montana, total Medicaid spending increased in 2021 as program enrollment grew. However, average spending per enrollee decreased for all groups except expansion adults and disabled individuals, where spending increased moderately across almost all service categories (e.g., hospital and clinic services, behavioral health services, dental services). Medicaid expansion per-member-per-month (PMPM) spending increases were likely attributable to a changing population composition over the years.

Medicaid Average Monthly Spending per Enrollee (SFY 2019-2021)

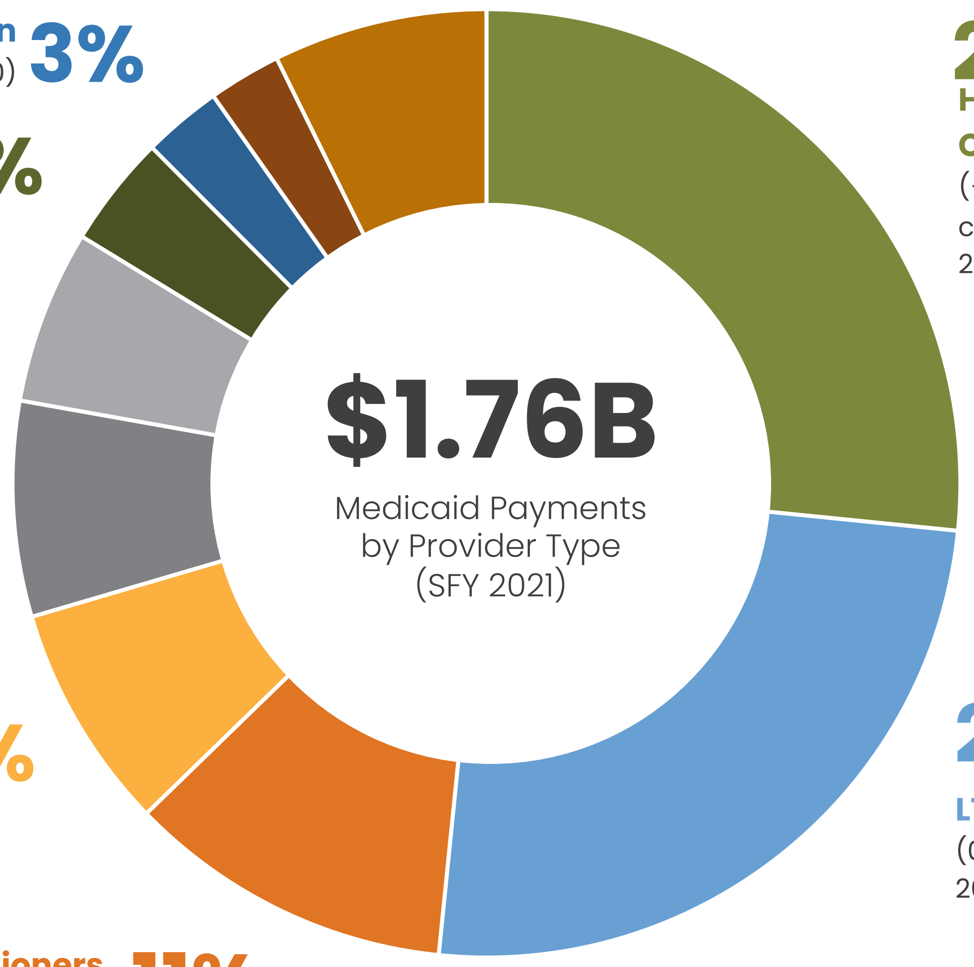


	Medicaid Spending (Average PMPM)			Change (2020-2021)	
	2019	**2020**	**2021**	**Total**	**Change (%)**
Adults (Expansion)	$434	$500	$528	+$28	+5%
Adults (Non-expansion)	$414	$441	$431	-$10	-2%
Children	$297	$301	$290	-$11	-4%
Seniors	$1,440	$1,416	$1,329	-$87	-6%
Disabled	$1,514	$1,419	$1,533	+$114	+8%

Data & Sources

Medicaid leveraged federal funding to pay for more than $1.7 billion in care for Montanans in 2021.

In 2021, Medicaid spent approximately $1.76 billion to support patient care across the state, with more than three-quarters of those dollars sourced from a federal government match against state spending. Overall spending grew in 2021 compared to 2020, as Medicaid enrollment increased and individuals returned to the health care system following the COVID-19 pandemic. However, Medicaid saw a spending decrease for some providers, particularly the Indian Health Service and school-based health services.



Data & Sources

The Impact of Medicaid Expansion

The Health and Economic Livelihood Partnership Act expanded Medicaid to cover nondisabled adults with incomes up to 133% of the federal poverty level.

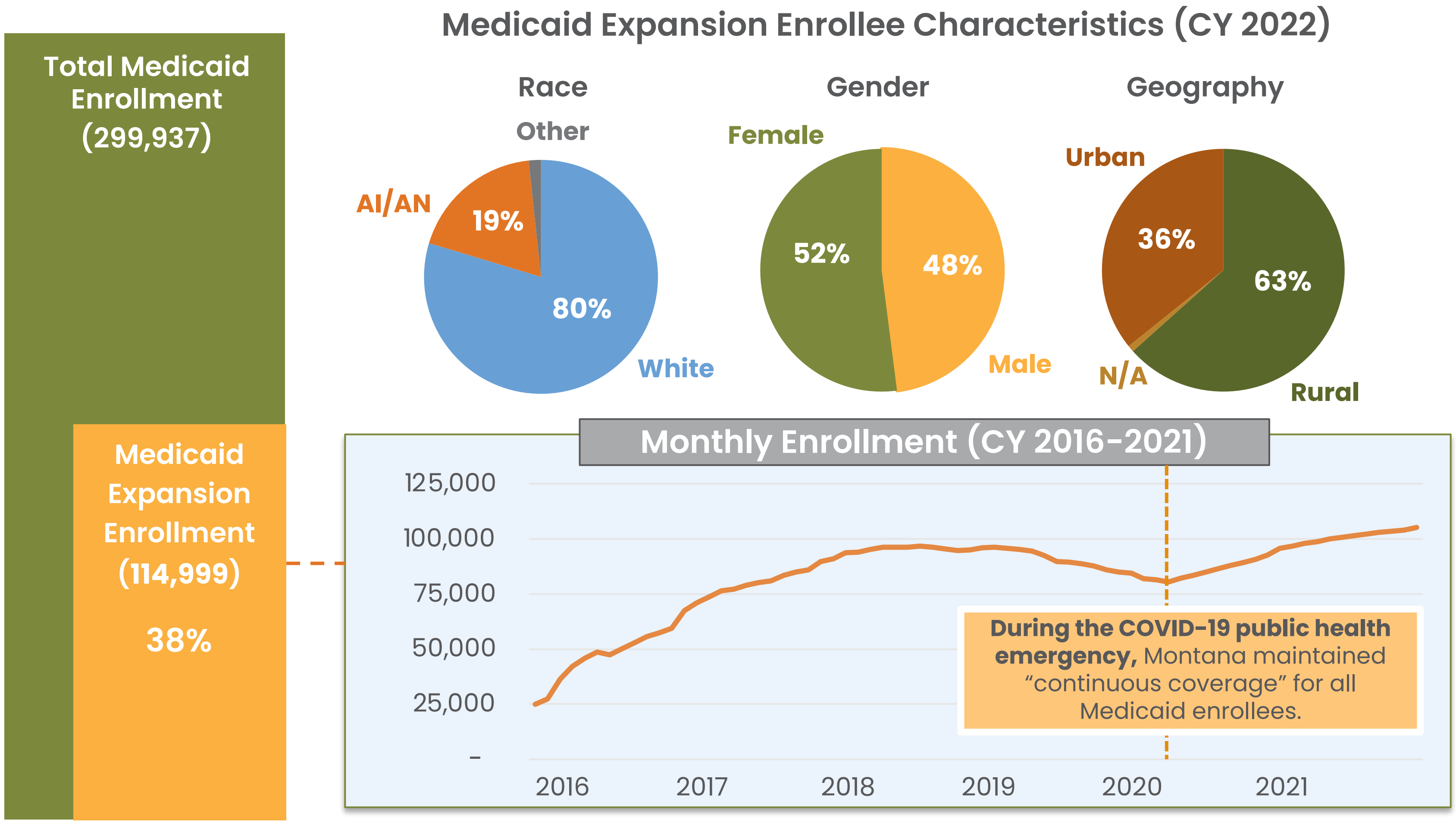
In 2015, the Montana Legislature passed Senate Bill (SB) 405, the Health and Economic Livelihood Partnership (HELP) Act. Effective January 1, 2016, the HELP Act expanded Medicaid to cover nondisabled adults with incomes up to 133% FPL. The HELP Act aimed to increase the availability of high-quality health care to low-income adults in Montana and provide greater value for the Medicaid system, bringing in new federal dollars to supplement state funds.

Objectives of the HELP Act

- Expand health care coverage to additional individuals.
- Improve access to health care services.
- Control health care costs.

Data & Sources

Medicaid expansion enrollment grew throughout the public health emergency as individuals experienced an unstable employment market and program re-determinations were suspended.



The size of the expansion population fluctuates with Montana's economy, decreasing from late 2018 into early 2020, then increasing in 2021 as Montana, like other states, suspended re-determinations during the public health emergency.

Demographically, the expansion population is similar to the overall Medicaid population, playing a critical role in supporting the state's tribal and rural communities.

Data & Sources

Medicaid expansion

Medicaid expansion provides low-income Montanans with access to preventive physical and behavioral health services critical to supporting long-term well-being.

Screenings

Medicaid expansion facilitates access to screenings and preventive services. **In 2021, 61,635 members utilized these services.**

Diagnoses

Access to preventive services and screenings results in early diagnosis of chronic physical and behavioral health conditions.

Treatment

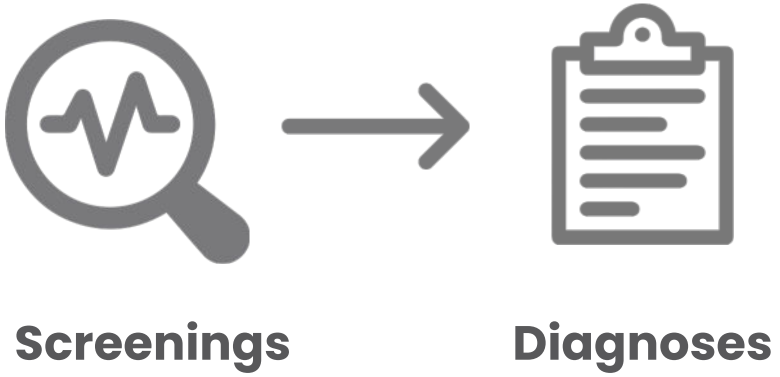
Early diagnosis facilitates treatment of conditions that benefit from ongoing care, supporting the long-term health and well-being of Montanans.

A healthier Montana

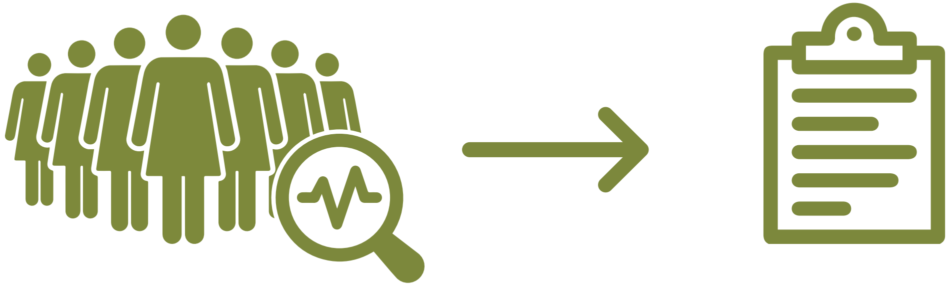
Data & Sources

Medicaid expansion facilitates access to screenings, which means earlier diagnoses and better outcomes.

In 2021, more than 5,500 Medicaid expansion enrollees were screened for breast cancer and more than 2,700 were screened for colon cancer. These screenings resulted in the diagnosis of 81 cases of breast cancer and 973 potentially averted cases of colon cancer. Like other preventive services, both screening and diagnoses of cancer increased in 2021, following declines in 2020 due to the pandemic.



Breast Cancer



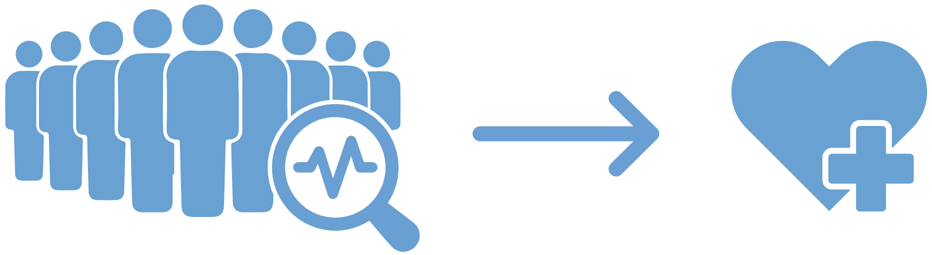
5,557

Unique members **screened for breast cancer** in 2021

81

Diagnoses in 2021

Colon Cancer



2,785

Unique members **screened for colon cancer** in 2021

973

Potentially averted cases in 2021

Data & Sources

Early diagnosis means early treatment.

Access to ongoing treatment for chronic physical and behavioral health conditions supports the long-term health and well-being of Montana's population and workforce. Following a decline in utilization of diabetes and hypertension treatment during the pandemic, in 2021 more than 6,600 enrollees were treated for hypertension (+1,200 from 2020) and 3,500 were treated for diabetes (+648 from 2020).

Diagnoses → Treatment

Expansion Diagnosis & Treatment Counts, 2021

Hypertension

2,117 Newly diagnosed → **6,611** Treated

Diabetes

1,091 Newly diagnosed → **3,506** Treated

Behavioral Health Services

Mental health and substance use treatment utilization increased for expansion enrollees, potentially related to new telehealth options and increased demand for behavioral health support. More than 34,000 expansion enrollees received mental health services in 2021, and more than 5,700 received support for substance use disorders.

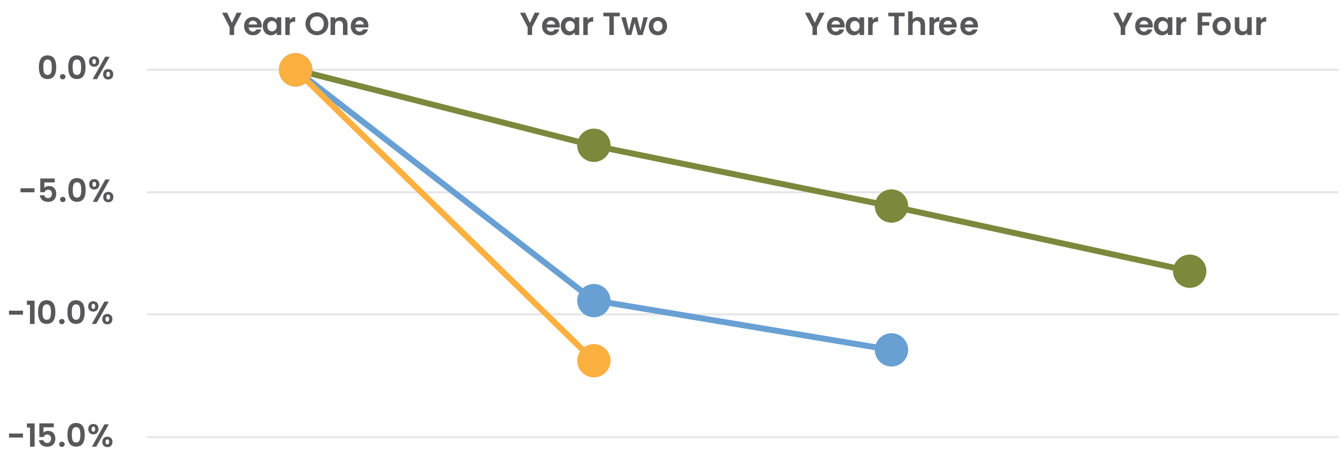
34,156
Received mental health treatment in 2021

5,750
Received substance use treatment in 2021

Data & Sources

Early treatment supports better health outcomes among Medicaid expansion enrollees.

Medicaid Expansion Enrollees With an ED Visit by Year of Enrollment



Enrollee Continuous Coverage Period	Total Pop.	Individuals Visiting ED				Percent Change (From Year 1)		
		Year One	Year Two	Year Three	Year Four	Year Two	Year Three	Year Four
Two Years Coverage +	69,970	17,914	15,788			-11.9%		
Three Years Coverage +	39,980	9,914	8,980	8,780		-9.4%	-11.4%	
Four Years Coverage +	15,209	3,358	3,254	3,171	3,082	-3.1%	-5.6%	-8.2%

Nearly 70,000 Montanans were covered by Medicaid expansion for at least two full years between program launch in 2016 and April 1, 2020, prior to the COVID-19 pandemic.* During their first year of enrollment, 17,914 (around 26%) of those enrollees had at least one ED visit. **During their second year of enrollment, however, only 15,788 Medicaid expansion enrollees visited the ED, a decline of more than 11%.** Declines in use of the ED over time is similarly observed for individuals with at least three or four years of continuous coverage, though drops are more gradual, which may reflect the differing health needs of the respective populations.

Nationally, research is mixed on the impact of Medicaid expansion on ED utilization. Several studies have suggested a decrease in ED utilization for lower acuity conditions as enrollees gain access to primary care and specialist services and are able to better manage their health needs.

*Previous reporting included individuals enrolled for at least two full years between program launch in 2016 and June 2021. Refined analysis omits data from April 2020 through June 2021 to account for the impact of the public health emergency.

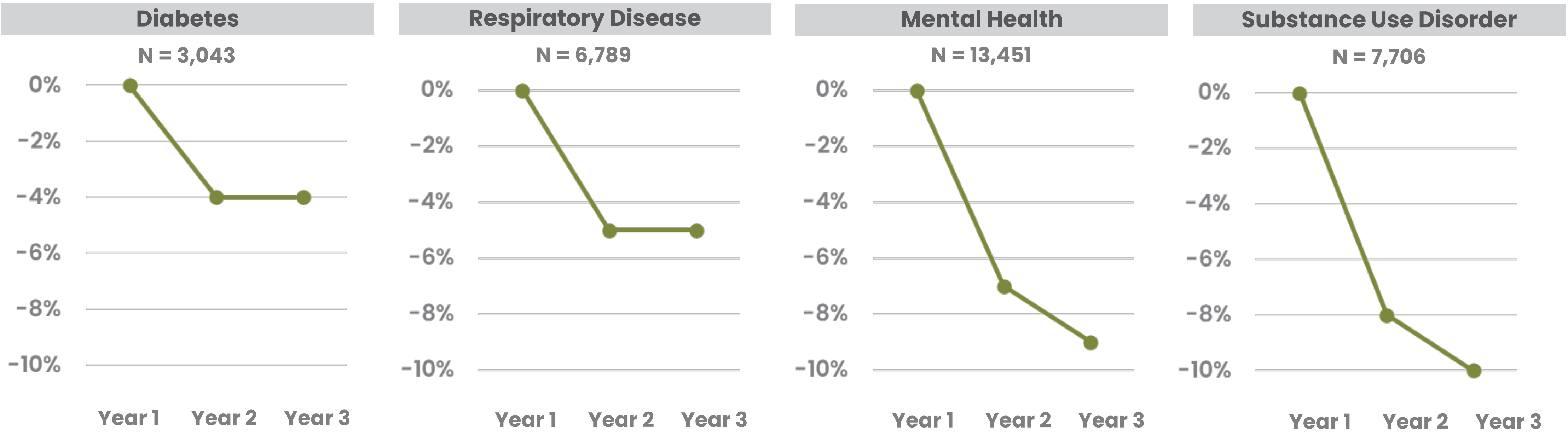
Data & Sources

Medicaid expansion enrollees with chronic physical and behavioral health conditions visited the emergency department less frequently the longer they had coverage.

Ongoing access to health care services is particularly critical for the significant proportion of Medicaid expansion enrollees with chronic physical health conditions such as diabetes and respiratory disease or behavioral health conditions. Medicaid expansion provides access to ongoing primary care services and chronic care management that would otherwise be unattainable.

Among individuals enrolled in Medicaid expansion for at least three years, those with diabetes, respiratory disease, mental health conditions and substance use disorders visited the emergency department less frequently over time.* For example, in their first year of enrollment more than 4,200 individuals with a substance use disorder visited the emergency department. By their third year of enrollment, only 3,850 of those individuals had an emergency department visit, a 10% decline.

Medicaid Expansion Enrollees With an ED Visit by Diagnosed Condition and Year of Enrollment

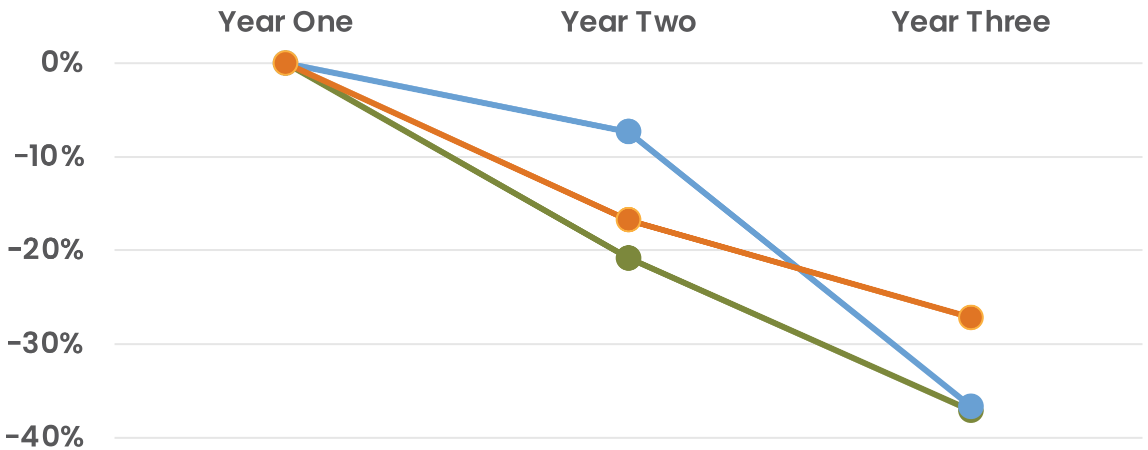


*Recorded diagnosis on claim.

Data & Sources

Emergency department use for preventable dental conditions declined by more than a third for Medicaid expansion enrollees with at least three years of coverage.

Medicaid Expansion Enrollee ED Visits for Preventable Dental Conditions



	Individuals Visiting ED for Condition*			Change (Year 1-Year 3)	
	Year One	Year Two	Year Three	Total	Change (%)
Loss of Teeth	399	316	251	-148	-37%
Diseases of Pulp and Periapical Tissues	300	278	190	-110	-37%
Dental Caries	221	184	161	-60	-27%

Oral health is critical to overall health, well-being, and employability. As one national study noted, 60% of Medicaid-enrolled adults in states that did not provide dental coverage reported that the appearance of their mouth and teeth affected their ability to interview for a job, nearly double those reporting similarly in states that provided dental coverage (35%).

Medicaid covers preventive dental services for expansion enrollees, including exams, cleanings, fillings, and dentures, providing a pathway for dental treatment outside of expensive, often more acute, ED visits. For Montanans with coverage through Medicaid expansion,* ED use for preventable dental conditions, including loss of teeth and diseases of pulp and periapical tissues, declined by nearly 40% over three years.

*Enrollees with at least three years of continuous Medicaid expansion enrollment between 2016 and April 1, 2020.

Data & Sources

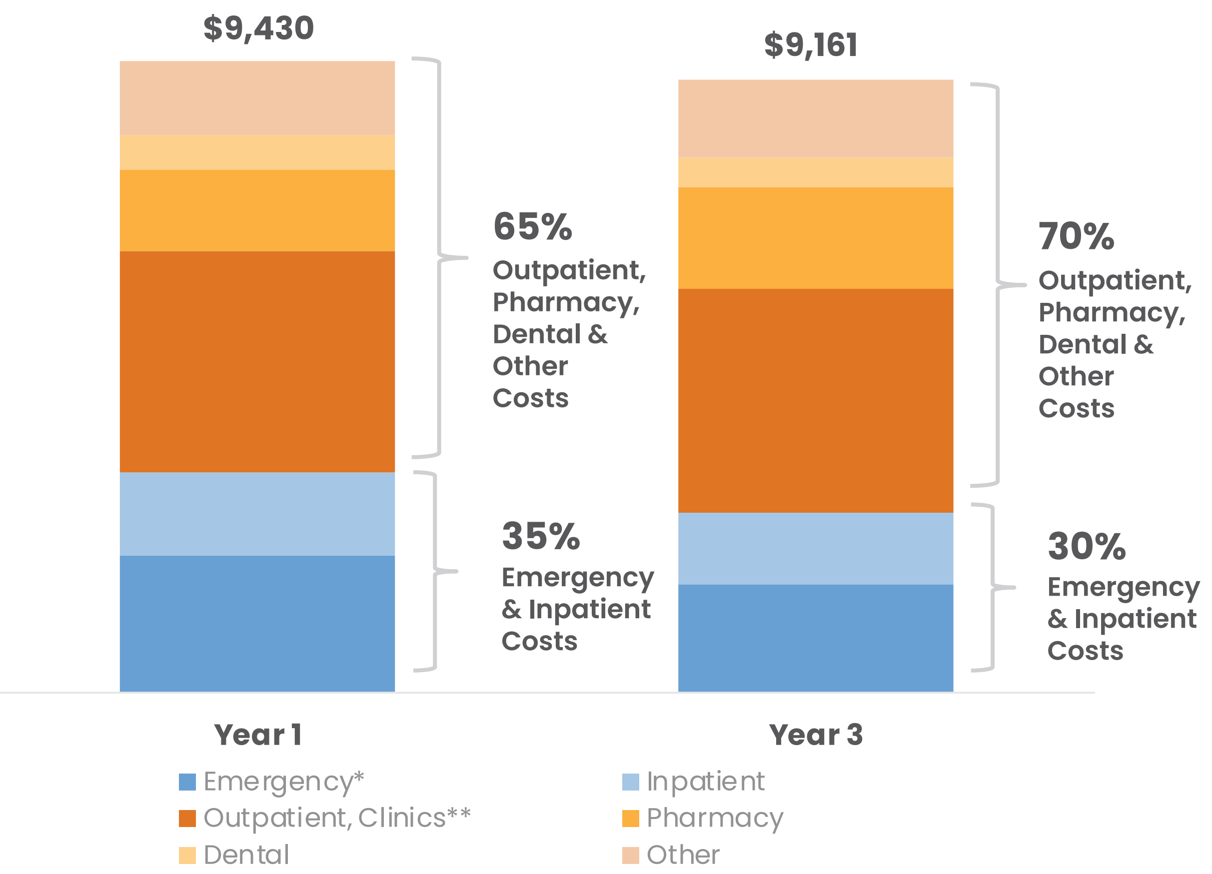
Among Medicaid expansion enrollees with at least three years of coverage, costs shifted from more expensive emergency and inpatient care to less intensive outpatient services and pharmacy costs over time.

Sustained access to Medicaid coverage can lead to lower per-enrollee health care costs over time. Among expansion enrollees enrolled in Medicaid for at least three years, enrollees had $9,430 of health care costs in their first year of coverage on average. By their third year of coverage, average per-enrollee costs were $9,161, a decline of 3%. The composition of expansion enrollee costs also shifted over time, with costs becoming more concentrated in outpatient, pharmacy, and dental services rather than more intensive emergency and inpatient services. For example, per-enrollee pharmacy costs grew from $1,209 in the first year of enrollment to $1,526 in the third year of enrollment, an increase of 26%.

Service Type	Year One	Year Three	Proportion of Total (Y1)	Proportion of Total (Y3)
Total Costs	**$9,430**	**$9,161**	**100%**	**100%**
Emergency Costs*	$2,048	$1,618	22%	18%
Inpatient Costs	$1,241	$1,074	13%	12%
Outpatient, Clinics and Specialty Services Costs**	$3,308	$3,337	35%	36%
Pharmacy Costs	$1,209	$1,526	13%	17%
Dental Costs	$521	$436	6%	5%
Other Costs (e.g., labs)	$1,103	$1,169	12%	13%

*Includes emergency department and emergency inpatient costs.
**Includes hospital outpatient, primary care, physician, clinic, and IHS costs.

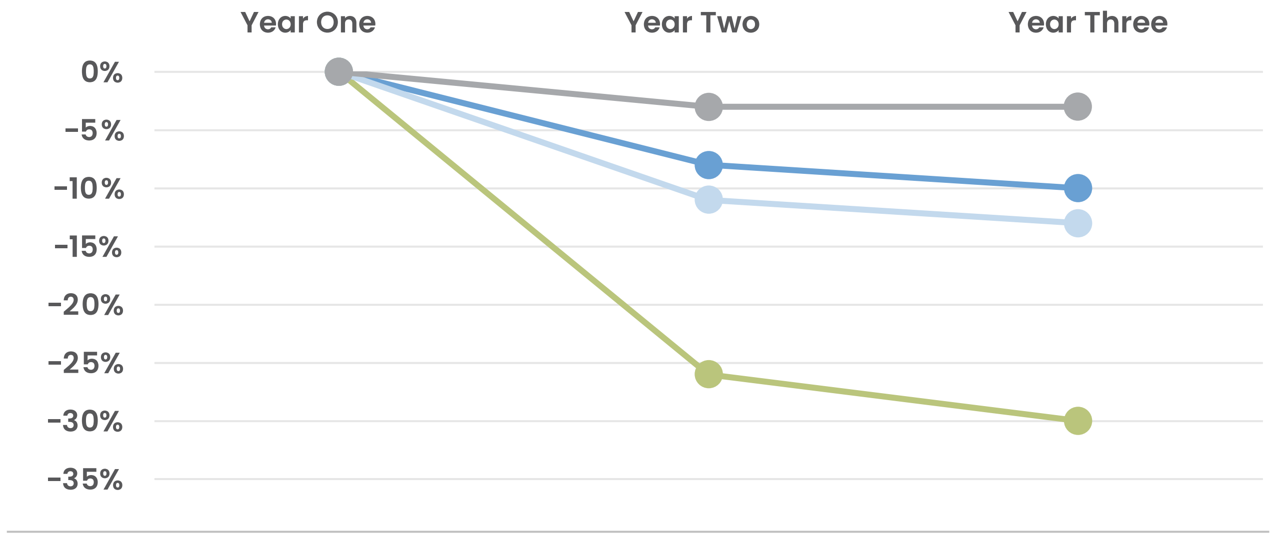
Average Medicaid Expansion Enrollee Health Care Costs by Service Type and Year of Enrollment



Data & Sources

The health care costs for Medicaid expansion enrollees declined each year they had coverage, with significant decreases in emergency and inpatient spending.

Average Medicaid Expansion Enrollee Emergency and Inpatient Costs by Year of Enrollment



	Average Costs Per Enrollee			Percent Change (From Year 1)	
	Year One	Year Two	Year Three	Year Two	Year Three
Total Costs	$9,430	$9,186	$9,161	-3%	-3%
ED Costs	$901	$833	$810	-8%	-10%
Emergency Inpatient Costs	$1,147	$844	$808	-26%	-30%
Inpatient Costs	$1,241	$1,102	$1,074	-11%	-13%
Outpatient, Clinic, and Specialty Services Costs**	$3,308	$3,339	$3,337	1%	1%
Pharmacy Costs	$1,209	$1,411	$1,526	17%	26%
Dental Costs	$521	$510	$436	-2%	-16%
Other Costs (e.g., labs)	$1,103	$1147	$1,169	4%	6%

Among Montanans covered by Medicaid expansion for at least three full years between the program launch in 2016 and April 1, 2020, during their first year of enrollment each enrollee, on average, had $3,289 in emergency and inpatient costs.* **By their third year of enrollment, however, emergency and inpatient costs dropped to $2,692 per enrollee, a decline of more than 18%.** While emergency and inpatient costs declined, outpatient and pharmacy costs increased, indicating that expansion enrollees may have improved access to the ongoing primary care and medications needed to manage their health conditions, rather than relying on emergency services for intensive care.

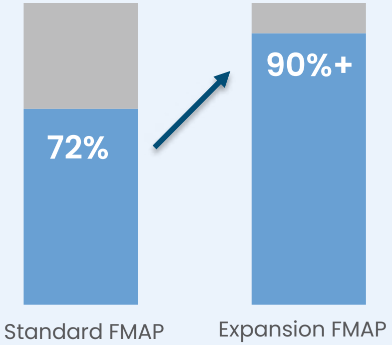
*Based on the methodology used for this analysis, ED costs may decrease from the first to second year of enrollment if a significant portion of individuals were enrolled in Medicaid after receiving ED services.

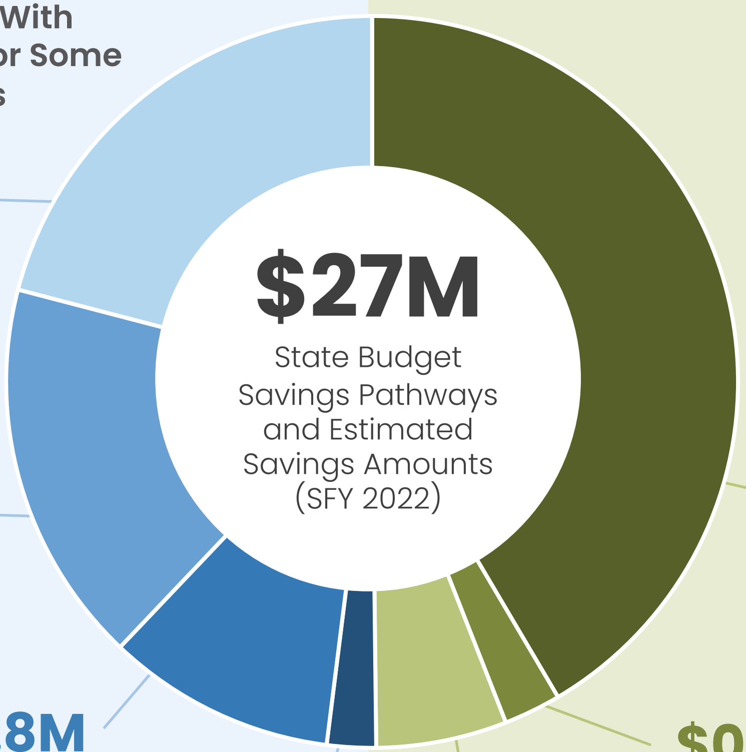
Data & Sources

The HELP Act, including Medicaid expansion, generated direct state budget savings of more than $27 million in state fiscal year 2022.

$13.9M Expansion Provides Montana With Higher Federal Match Rates for Some Existing Medicaid Populations

Individuals who were or would otherwise be covered by "traditional" Medicaid at a lower federal match rate (71% in SFY 2022) are now covered in the expansion group at a higher federal match rate (90%), with Montana saving the difference.





$13.8M Expansion Provides Federal Dollars That Replace State Spending for Some Services and Populations

Montana previously used state general funds to pay for health care programs that are now paid for through federal Medicaid dollars or at Medicaid rates, at least partially, allowing the state to allocate its limited budget to other priorities.

A 2023 report from the Montana Healthcare Foundation and the Headwaters Foundation estimates that **direct and indirect budget savings from Medicaid expansion offset between 59% and 83% of the expected state share of expansion costs.**

*Held at SFY19 estimates though demand has risen. **Held at SFY21 estimates.
Note: Savings estimates are based on assumptions held from 2021. Estimates are particularly challenging to make during an unprecedented public health emergency.

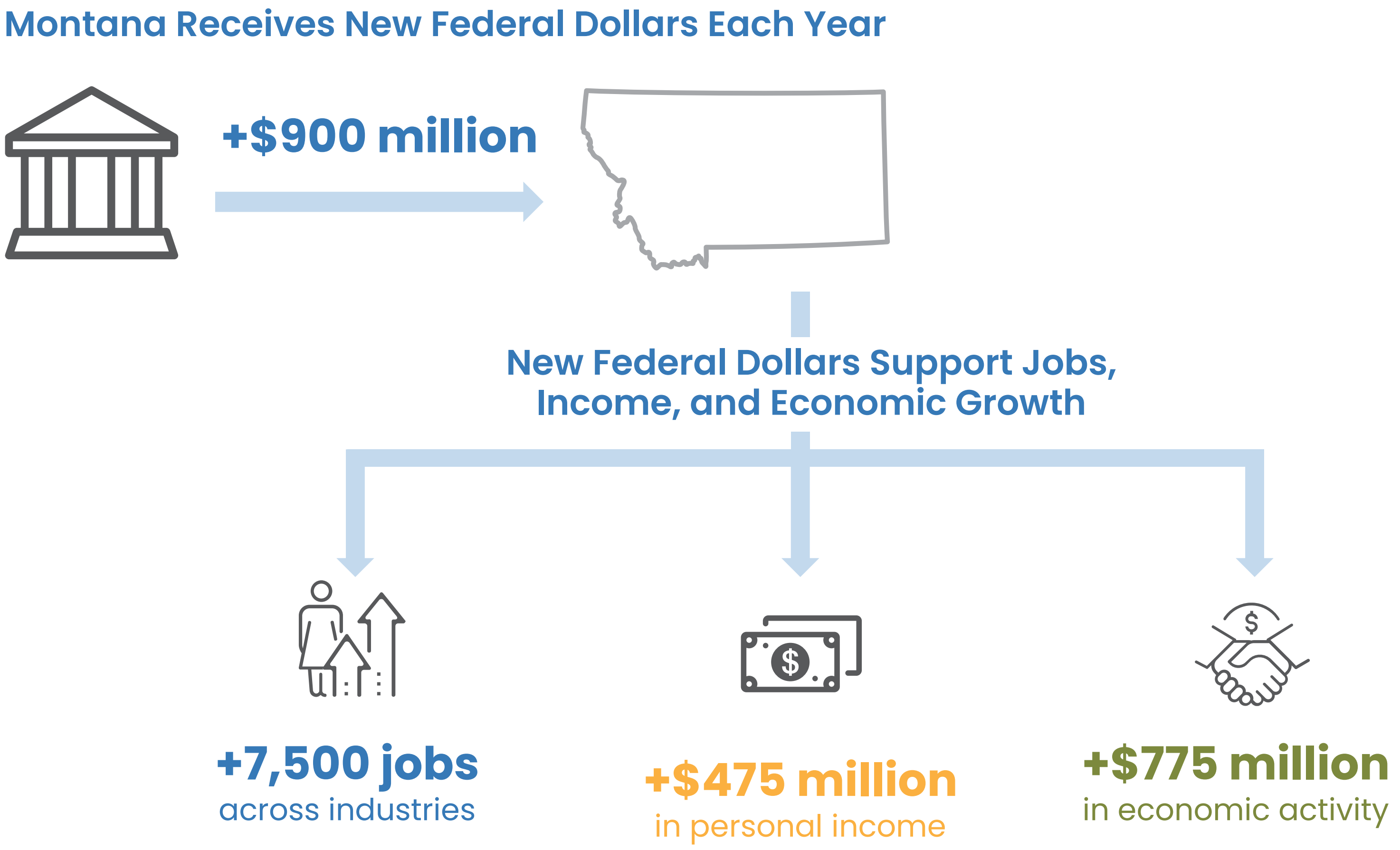
Data & Sources

Medicaid expansion brings approximately $900 million into Montana annually, creating jobs and supporting new economic activity.

Each year, Medicaid receives approximately $900 million from the federal government to spend on Medicaid expansion. This funding supports the health and well-being of Montana's residents and economy.

New federal spending on Montana's hospitals, clinics, and primary and specialty care allows enrollees to spend less on health care, and more on other goods and services. In 2022, Medicaid expansion helped create and sustain over 7,500 new jobs and generated an estimated $475 million in new personal income.

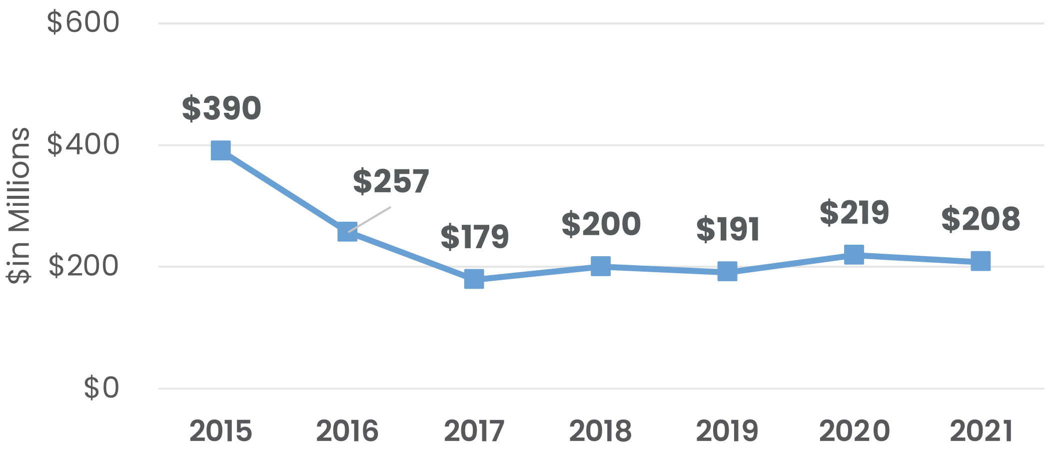
Economic Impact of Medicaid Expansion Annually (est., 2022)



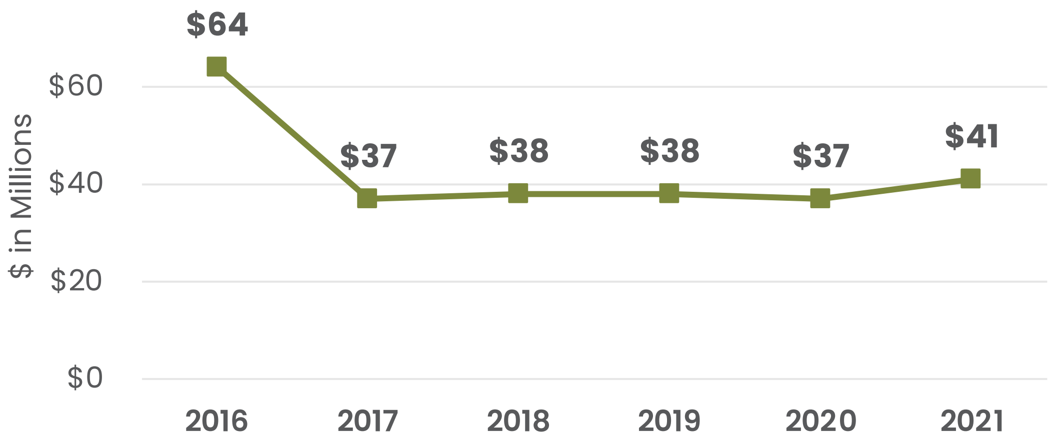
Data & Sources

Medicaid expansion reduced the financial burden of uncompensated care for Montana's hospitals, including critical access hospitals.

Montana Hospital Uncompensated Care Costs (CY 2015-2021)*



Montana Critical Access Hospitals and Rural Health Clinics Uncompensated Care Costs* (CY 2016-2021)**



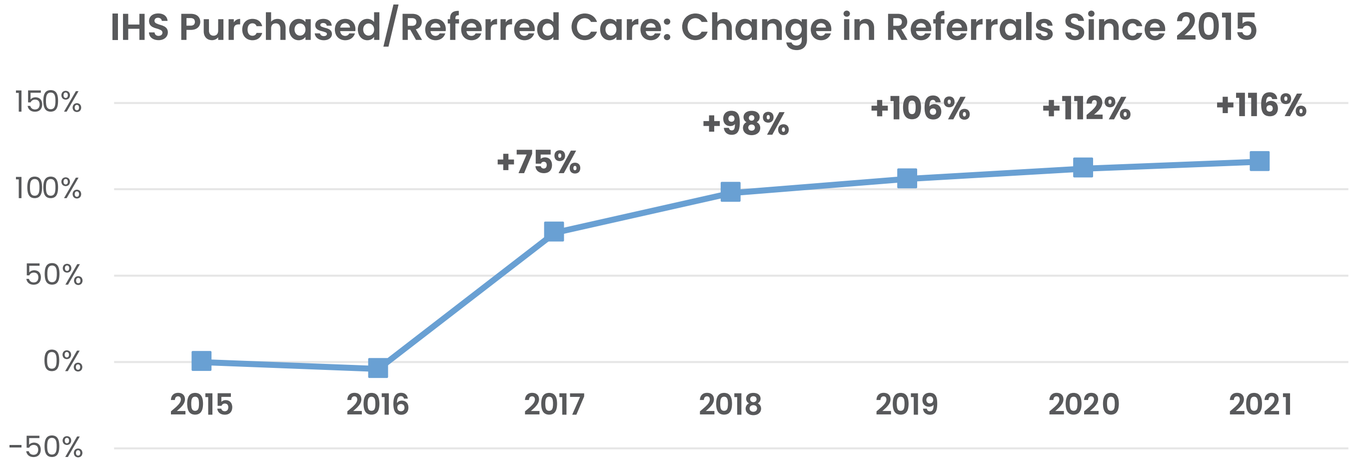
Prior to Medicaid expansion, many uninsured individuals may have been unable to pay their medical bills, resulting in uncompensated care costs for Montana's hospitals. Medicaid expansion provided many previously uninsured Montanans with a stable source of coverage and a reliable source of payment for medical claims. Reducing uncompensated care costs is particularly important for Montana's critical access hospitals (CAHs) and rural health clinics (RHCs). Nationally, rural hospitals located in non-expansion states have lower median operating margins than those in expansion states. Between 2016 and 2020, 72 rural hospitals closed nationwide. Since expansion, Montana's CAHs and RHCs have seen an increase in Medicaid reimbursement and a decrease in uncompensated care costs, improving their financial positions and allowing them to remain financially viable and continue serving as critical points of health care for rural Montanans. No rural hospitals in Montana have closed since Medicaid expansion passed, and uncompensated care costs for Montana CAHs and RHCs declined by 35% (more than $22 million) between 2016 and 2021.

*Data provided by the Montana Hospital Association and sourced from the American Hospital Association (AHA) Annual Survey of Hospitals, which includes approximately 80% to 85% of Montana hospitals.

**2015 data not available for CAHs and RHCs.

Data & Sources

Medicaid expansion provided coverage to more than 19,000 American Indians in 2021, giving tribal members access to care that was previously inaccessible.



American Indians in Montana and nationally face significant health disparities stemming from structural disconnections from the health care system, health care service underfunding, extreme poverty, and discrimination. **Over time, lack of preventive care has led to a stark health disparity: the median lifespan of American Indians in Montana is roughly 19 years shorter than that for white Montanans.**

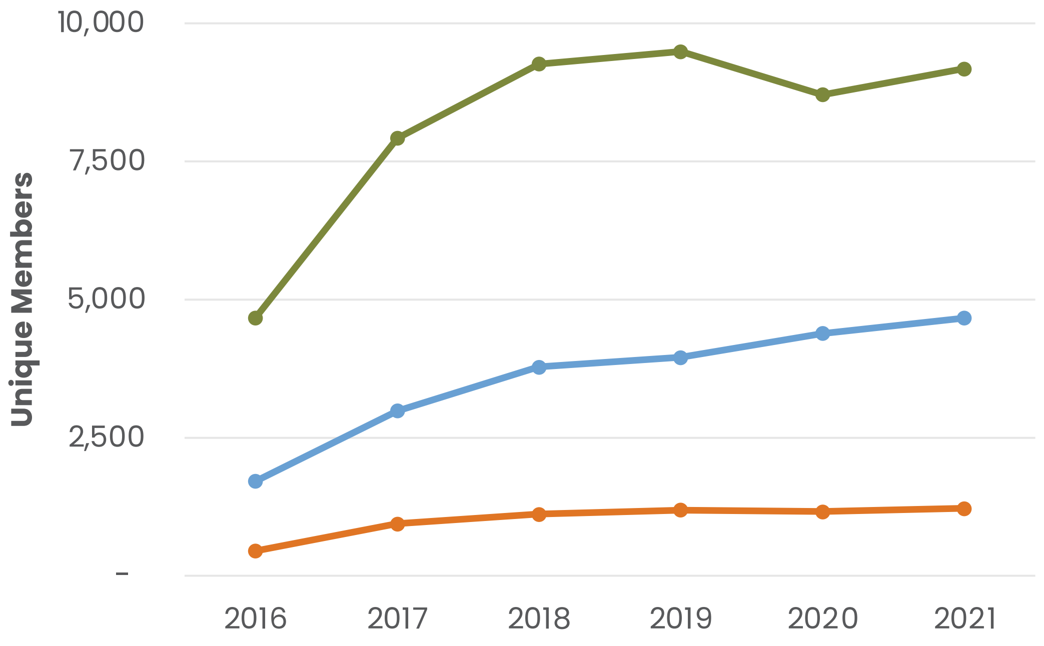
The Indian Health Service (IHS) is a federal agency that provides health services to American Indian populations in Montana directly through tribally contracted and operated programs (e.g., tribal 638 programs), and indirectly through purchased/referred care (PRC), which reimburses services from private-sector and tribally operated providers. PRC referrals occur when the facility cannot provide the service, and the individual is uninsured and requires care.* Historically, due to chronic and severe underfunding, PRC referrals in Montana have been limited to "life or limb" emergencies. However, as more American Indians received coverage through Medicaid expansion, demand on PRC funds lightened, and facilities were able to expand access to preventive, primary, secondary, and tertiary care services. The number of PRC referrals on limited PRC funds increased by 116% between 2015 and 2021. The federal government covers 100% of Medicaid costs for services delivered to American Indians through IHS facilities. IHS also provides a limited amount of funding for Urban Indian Health Programs that serve American Indian individuals who live off the reservation and other tribal-operated lands, though services provided by these programs and centers may not universally qualify for 100% federal reimbursement.

*Referrals do not guarantee payment; referrals can be made if an individual has a third-party payment available.

Data & Sources

Medicaid expansion provides Montana's American Indian population access to preventive services and treatments.

Preventive Services and Treatment Received by American Indian Expansion Enrollees (CY 2016-2021)

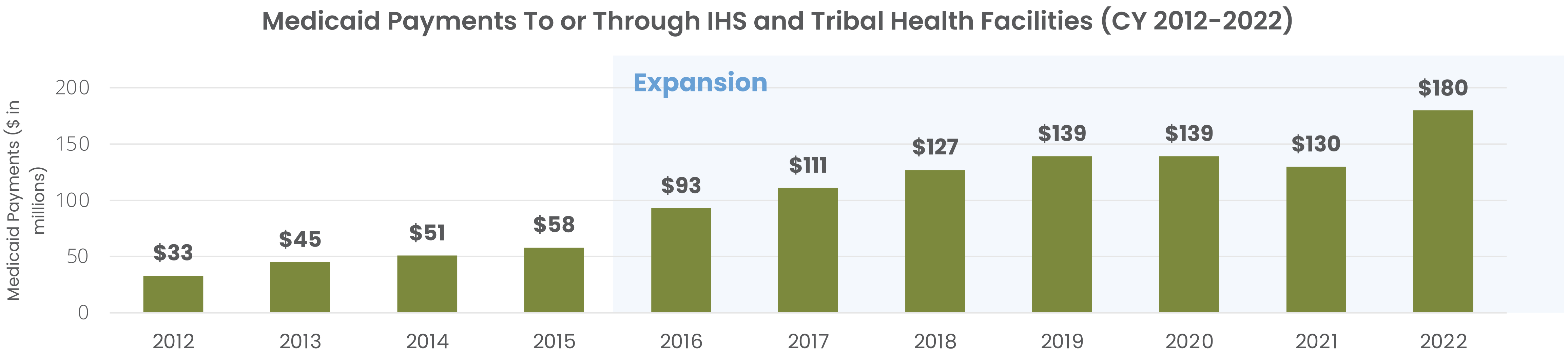


		2016	2017	2018	2019	2020	2021
Preventive Services Delivered		**4,668**	**7,918**	**9,266**	**9,490**	**8,707**	**9,178**
Mental Health Treatment		**1,710**	**2,987**	**3,780**	**3,950**	**4,389**	**4,664**
Substance Use Treatment		**449**	**940**	**1,115**	**1,189**	**1,159**	**1,221**
Breast Cancer	Screenings	99	217	449	448	364	437
	Diagnoses	-	3	9	10	13	12
Colon Cancer	Screenings	189	286	303	305	222	281
	Potentially Averted	66	85	102	102	73	87
Diabetes	Newly Diagnosed	50	126	196	224	60	135
	Treatments	283	426	469	460	434	516
Hypertension	Newly Diagnosed	73	272	332	306	94	192
	Treatments	359	629	660	569	556	619

In 2021, Medicaid expansion helped more than 9,100 American Indians in Montana receive preventive services, more than 4,600 receive mental health treatment, and more than 1,200 receive substance use disorder treatment. Like other population groups, American Indians increased their utilization of preventive services in 2021, following declines during the pandemic. In particular, utilization of mental health and substance use disorder treatment continues to steadily increase over time as American Indian enrollees are connected to needed treatments.

Data & Sources

Medicaid expansion has brought new federal dollars to support historically underfunded Indian Health Service and tribal health facilities at no cost to Montana.



In 2022, Montana Medicaid made federally reimbursable payments of more than $179 million to IHS and tribal health facilities, following a decline in payments in 2021 during the pandemic. **Nearly half (49%) of those payments were for health care services provided to Medicaid expansion enrollees.** Medicaid payments are a critical annual source of revenue for resource-limited IHS and tribal health facilities, which support the health and well-being of American Indians on and off reservations in Montana. Medicaid expansion has helped mitigate long-term underfunding at IHS and tribal health facilities by bringing new federal dollars into Montana, with all Medicaid services for American Indians provided at and coordinated through these facilities qualifying for 100% federal reimbursement. Historically, the national government has allocated less money per capita to the IHS than any other federally funded health care program. In 2017, an analysis from the Government Accountability Office (GAO) found that Medicare, Medicaid, the Veterans Health Administration, and federal prisons receive two to three times more federal spending per person than the IHS.

*GAO findings should be considered in context of program differences. IHS, the Veterans Health Administration, and Medicaid have different program structures, service populations, and services/benefits.

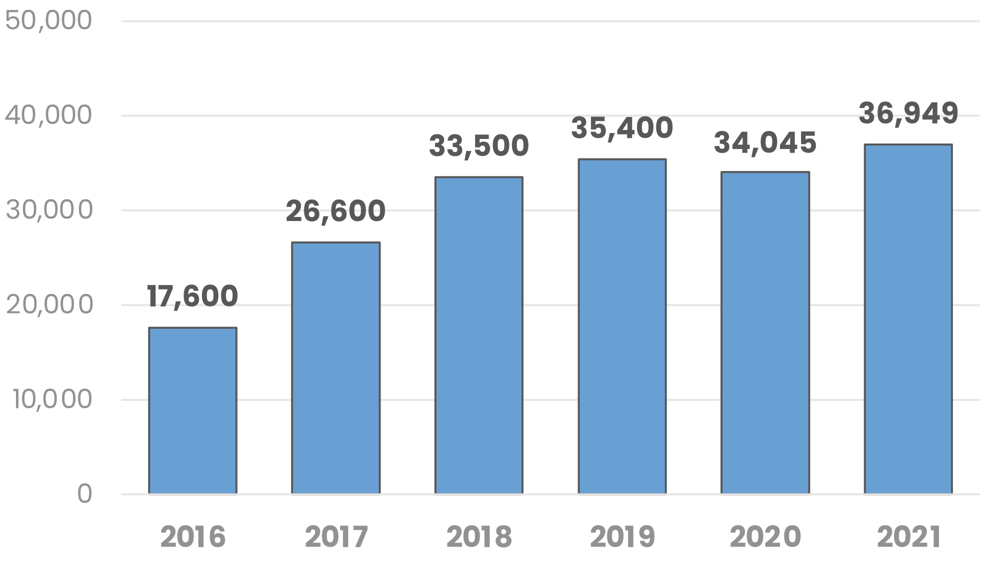
Data & Sources

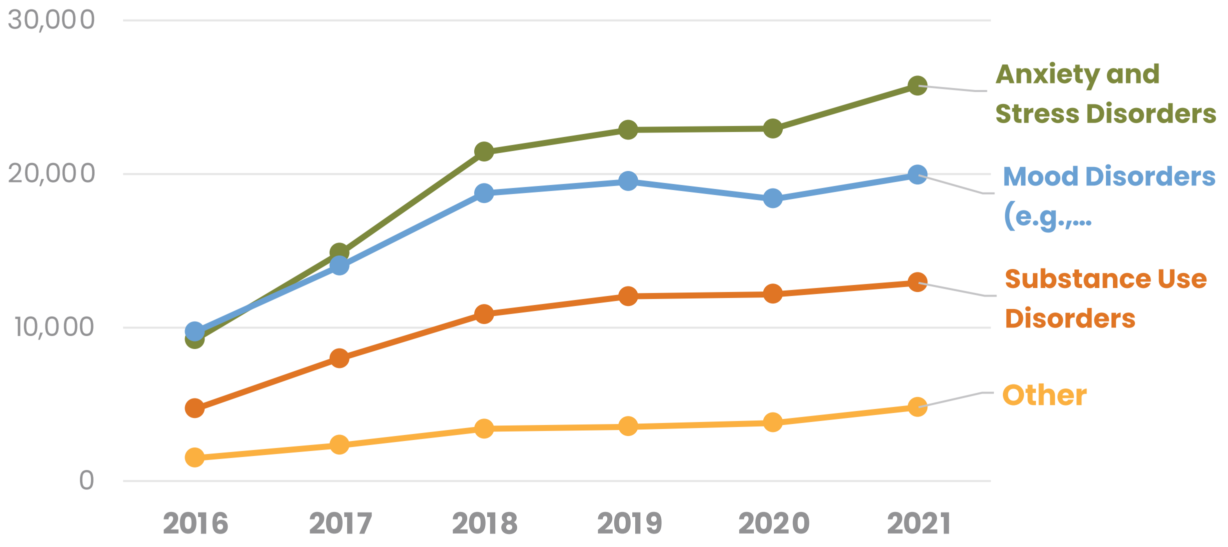
Special Topic:

The Role of Medicaid in Supporting Access to Behavioral Health

As the nation emerges from the COVID-19 pandemic, many Montanans face acute behavioral health needs.

Medicaid Expansion Enrollees with a Behavioral Health Diagnosis (CY 2016-2021)





Adults nationally have reported considerably elevated adverse mental health conditions associated with COVID-19. Younger adults, racial and ethnic minorities, essential workers, and unpaid caregivers reported experiencing disproportionately worse mental health outcomes, increased substance use, and elevated suicidal ideation. In one June 2020 survey, 22% of essential workers reported having seriously considered suicide in the past 30 days, compared with 11% of total respondents. Rates of mental health conditions in Montana are among the highest in the country. In 2019-2020, 23.4% of Montana adults reported experiencing mental illness in the past year, compared with 20.8% nationally. Behavioral health needs are particularly acute among Medicaid enrollees. Nearly one-third of Medicaid expansion enrollees (36,949) had one or more behavioral health diagnoses recorded on a Medicaid claim in 2021.

Data & Sources

Montana Medicaid covers a robust continuum of mental health and substance use services, including screenings, outpatient treatment, crisis intervention, and residential and inpatient treatment when needed.

Early Intervention

Early intervention includes services and screenings to educate and support Montanans to prevent acute or chronic health conditions.

Community-Based Treatment

Community-based treatment includes services that support Montanans in their homes and communities, including case management, peer support services, and other community-based supports.

Outpatient Services

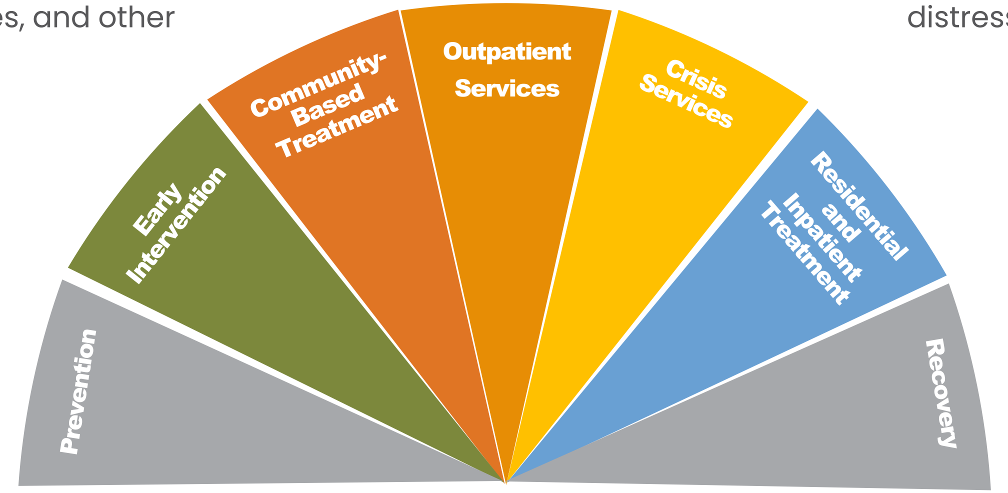
Outpatient services include individual and group therapy and other medications and supports in an outpatient hospital or primary care setting.

Crisis Services

Crisis intervention services assess, stabilize, and treat Montanans experiencing acute mental health or substance use-related distress.

Residential and Inpatient Treatment

Short-term residential treatment can divert Montanans from more intensive services or can be used as a step-down from such services. Inpatient services are delivered in facility settings to those who require intensive care and monitoring.



Through the Healing and Ending Addiction Through Recovery and Treatment (HEART) Initiative, Montana has expanded available behavioral health treatment for Medicaid members. The state seeks to support a strong continuum of outpatient and crisis services to provide more effective care, as well as to improve the availability of inpatient services. In July 2022, the Centers for Medicare and Medicaid Services approved a portion of DPHHS' Section 1115 demonstration request to expand options for residential and inpatient substance use care.

Data & Sources

The integrated care model enables primary care providers to offer screenings and prompt, effective care to Medicaid enrollees with behavioral health conditions.

Integrated Behavioral Health Model

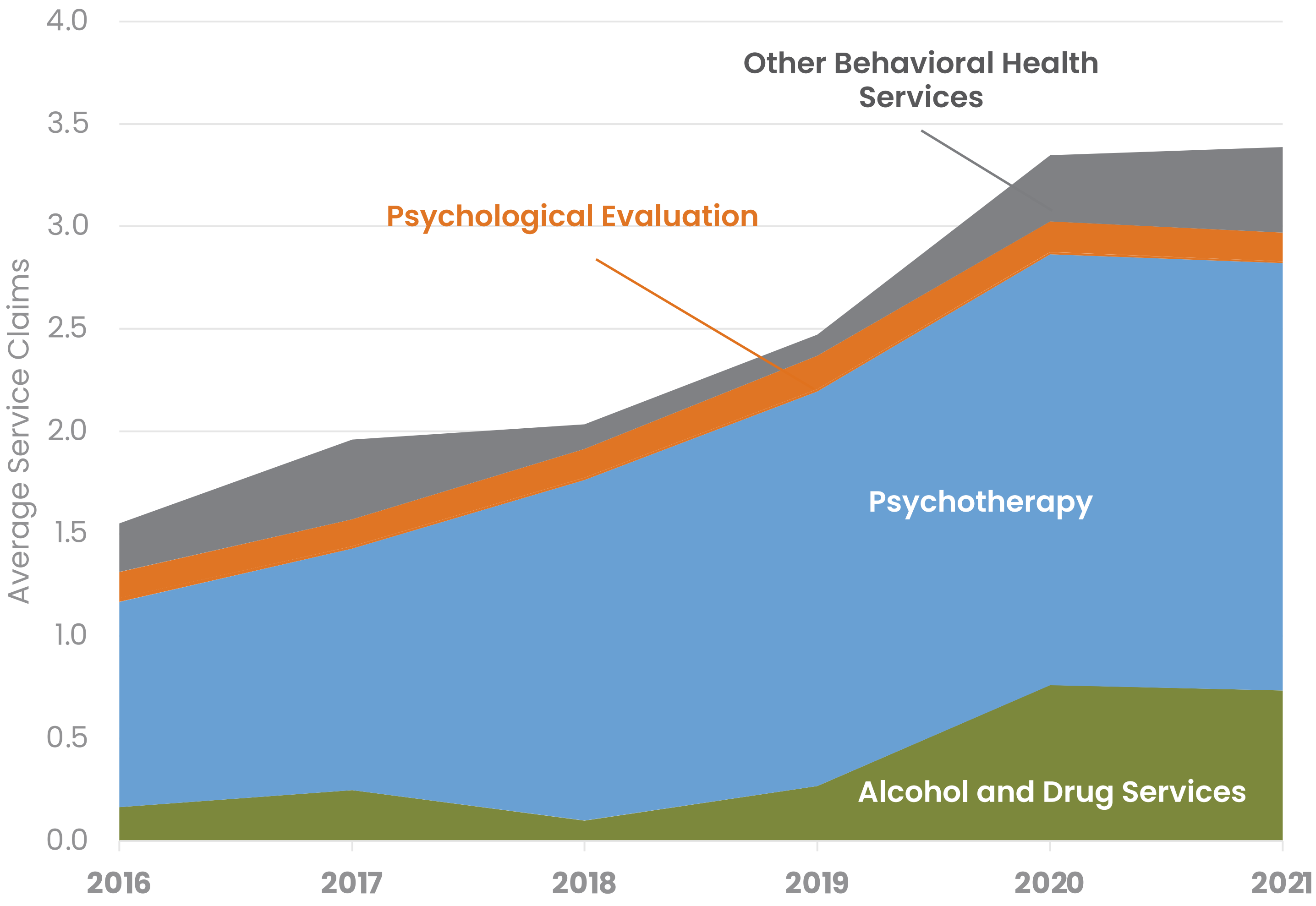
To further support coordinated physical and behavioral health care, Montana is investing in integrated behavioral health (IBH) clinics, where physical health and behavioral health providers work together to screen enrollees for anxiety, depression, and substance use disorders during primary care visits. If needed, they deliver mental health or SUD treatment as part of the same visit or at the same site, increasing access and reducing visitation stigma. The IBH model can improve health and patient experience while reducing unnecessary costs in time, money, and delays. **More than 70% of adult Medicaid enrollees receive care in primary care clinics implementing IBH.**

Utilization of behavioral health services has increased as Montanans connect with the treatment they need.

Since Montana expanded Medicaid, utilization of mental health and SUD services, including alcohol and drug services, psychotherapy, and other behavioral health services, has steadily increased. Use of behavioral health services continued to rise during the COVID-19 pandemic, even while utilization of many other Medicaid services declined during the pandemic. On average, each expansion enrollee had more than three behavioral health service claims in 2021.

Expansion enrollees utilize individual and group counseling and therapy services more than any other behavioral health service. In 2021, service claims for psychotherapy comprised more than three of every five behavioral health claims. At the same time, the use of alcohol and drug services continues to rise among expansion enrollees

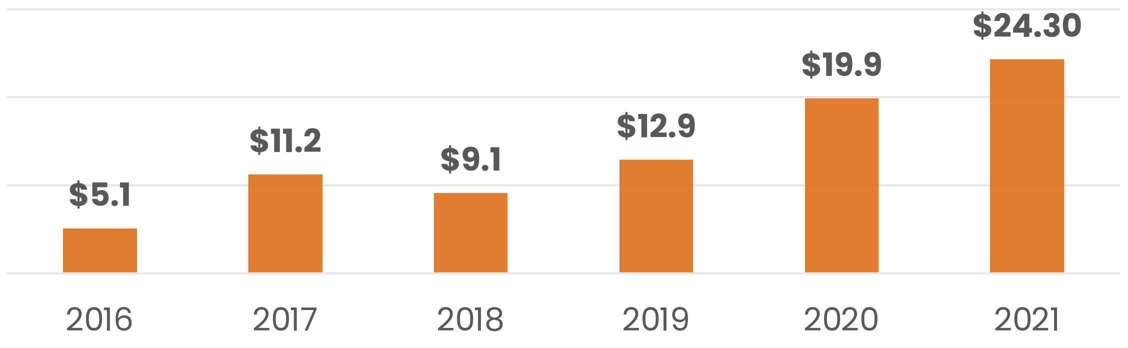
Behavioral Health Service Claims per Medicaid Expansion Enrollee (Average, CY 2016-2021)



Data & Sources

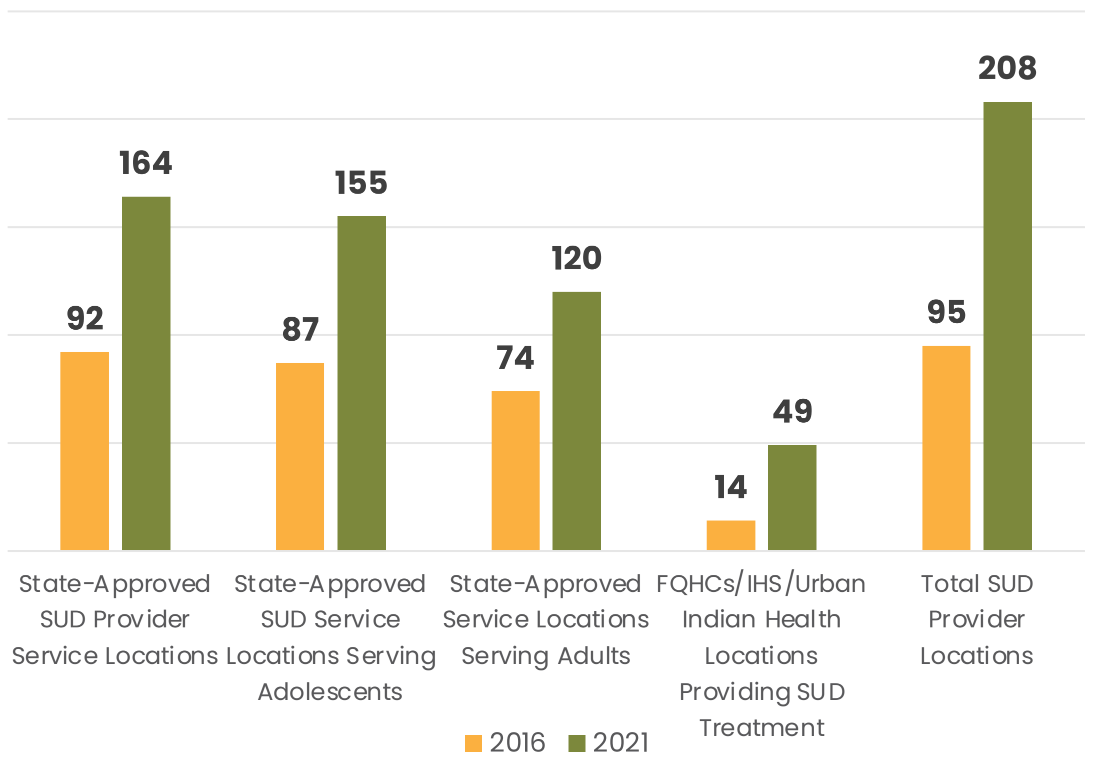
Medicaid expansion increased Montana's capacity to support the prevention and treatment of substance use disorders.

Medicaid Funding for SUD Treatment ($ in millions)



The national behavioral health crisis during and following the COVID-19 pandemic underscores the importance of early intervention, treatment, and recovery services to improve the health and well-being of Montanans. Medicaid funding for SUD treatment services has increased by a factor of five since the implementation of Medicaid expansion, increasing from $5.1 million in 2016 to more than $24 million in 2021. Funding increases, combined with the state's elimination of a restriction on the number of organizations authorized to bill Medicaid for SUD treatment in each county, has led to a significant increase in the number of state-authorized SUD treatment providers.

Number of Montana SUD Treatment Provider Service Locations (CY 2016, 2021)



Data & Sources

Conclusion

Conclusion

Medicaid is an essential safety net program that provides low-income Montanans access to essential physical and behavioral health care services. Its Healthy Montana Kids program is the largest provider of health care for children in the state, and the HELP Act expanded Medicaid to cover more Montana adults with incomes at or below 133% of the federal poverty level.

As the nation emerges from the COVID-19 pandemic, Medicaid has been a critical support for individuals who delayed treatment during the public health emergency. While Medicaid enrollment and spending grew between 2020 and 2022, increased federal funding and new flexibilities have resulted in the federal government continuing to cover four-fifths of Montana's Medicaid spending. Furthermore, Medicaid coverage remained uninterrupted for enrollees impacted by job loss and pandemic-related health needs.

Montana also continues to support the substantial number of Medicaid enrollees living with behavioral health conditions. Telehealth flexibilities have resulted in sustained access to services, particularly critical mental health and substance use treatment. Through the HEART Initiative, Montana has also expanded available behavioral health treatment for Medicaid enrollees, supporting a stronger continuum of outpatient care as well as crisis services. In July 2022, the state received approval of components of its Section 1115 demonstration application to expand inpatient and residential substance use treatment offered through Montana Medicaid.

Medicaid continues to strengthen its services and supports to meet the needs of Montana's lowest-income and most vulnerable residents.

Data & Sources

Page 8

"Montana Waiver Factsheet," Medicaid.gov. Available here.

Page 9

"Medicaid Coverage of Adult Dental Services," MACPAC. January 2021. Available here.

"Medicaid in Montana: 2021 Report," MT DPHHS. January 2021. Available here.

"Medicaid in Montana: The Critical Role of Medicaid Expansion in Supporting Montana's Behavioral Health System," MHCF and Manatt Health. June 2021. Available here.

Page 10

Data Source

DPHHS direct data request.

Technical Notes

Data for HMK children (CHIP expansion) not available.

Medicare-paid services may be included in utilization counts as crossover claims.

Outpatient visits counted by unique claims with outpatient procedure codes, not a count of unique individuals receiving outpatient services.

Page 11

FMAP/EFMAP (Regular), per Federal Register. Available here.

"Key Questions about the New Increase in Federal Medicaid Matching Funds for COVID-19," Kaiser Family Foundation. Available here.

"Medicaid in Montana, 2021," Montana DPHHS. Available here.

Page 12

"Federal and State Share of Medicaid Spending (FY 2021)," Kaiser Family Foundation. Available here." Medicaid Expenditures as a Percent of Total State Expenditures by Fund (SFY 2020)," Kaiser Family Foundation. Available here.

"Federal Medical Assistance Percentage (FMAP) for Medicaid and Multiplier (FY 2021)," Kaiser Family Foundation. Available here.

"State Medicaid Officials Anticipate the COVID-19 Public Health Emergency Will End During State FY 2023, Leading to Medicaid Enrollment Declines, Slower Total Medicaid Spending Growth and a Sharp Rise in States' Share of Costs," Kaiser Family Foundation. Available here.

Data Source

DPHHS direct data request.

Page 13

Data Source

"2022 State Expenditure Report: Fiscal 2020-22," National Association of State Budget Offices (NASBO). Available here.

Technical Notes

Peer states were selected to provide a diverse sample of states with both similar and disparate populations, geographies, political leanings, and Medicaid expansion action for ongoing reporting.

SFY 2021 Medicaid spending data from NASBO 2022 State Expenditures Report. Available here. Financial data will differ from that shared on slide 12 due to differing data source (DPHHS), specifications, and years.

Page 14

Data Source

"2022 State Expenditure Report: Fiscal 2020-22" National Association of State Budget Offices (NASBO). Available here.

Technical Notes

Peer states were selected to provide a diverse sample of states with both similar and disparate populations, geographies, political leanings, and Medicaid expansion action for ongoing reporting.

SFY 2021 Medicaid spending data from NASBO 2022 State Expenditures Report, available here. Financial data will differ from that shared on slide 12 due to differing data source (DPHHS), specifications, and years.

State spending includes both state general funds and other state funds. In addition to the general fund, states use a combination of revenue sources to provide the state match, including insurance premium taxes, cigarette taxes, pharmaceutical rebates, intergovernmental transfers, provider assessments, and local funds.

Page 15

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"Montana Medicaid Fraud Control Unit: 2019 Onsite Inspection," U.S. Department of Health and Human Services Office of Inspector General. March 2020. Available here.

Page 16

"Medicaid in Montana: 2021 Report," MT DPHHS. January 2021. Available here.

Data Source

"Eligibility for Montana's Public Assistance Programs," prepared for the Children, Families, Health and Human Services Interim Committee. December 2020.

Technical Notes

Blind/disabled income standards are set at the Social Security Supplemental Security Income (SSI) level, which is $794/month for an individual and $1,191/month for a couple. In 2020, $794/month equates to 75% FPL for a blind or disabled individual.

100% and 250% FPL levels are for an individual (family size of one).

Some eligibility categories have allowable asset levels in addition to income limits.

Page 18

"Health Insurance Coverage of Nonelderly 0-64 (CPS)," Kaiser Family Foundation. Available here.

"Health Insurance Coverage of Children 0-18 (CPS)," Kaiser Family Foundation. Available here.

"2020 Report on Health Coverage & Montana's Uninsured," Montana Health Care Foundation. October 2020. Available here.

"Federal Poverty Level (FPL)," Healthcare.gov. Available here.

Data Source

"Health Insurance Coverage of Nonelderly 0-64 (CPS)," Kaiser Family Foundation. Available here.

Technical Note

MHCF's "2020 Report on Health Coverage and Montana's Insured" found a similar decline in uninsured rates after Medicaid expansion: 20% in 2013; 17% in 2014; 15% in 2015; followed by a drop to 7.4% in 2016; 7.8% in 2018; 8.6% in 2019. The report also estimates an uninsured rate between 9.3% and 11.1% in 2020. Available here.

Page 19

Data Source

DPHHS direct data request.

Technical Note

Enrollment data excludes HK Expansion, Section 9, Mental Health Service Plan, and Medicare Savings Plan enrollees.

Page 20

Date Source

DPHHS direct data request.
"Quick Facts: Montana," U.S. Census Bureau. Available here.

Note

Race information is voluntarily reported.

Page 21

Forthcoming 2023 Report "Economic Effects of Medicaid Expansion in Montana," Bryce Ward.

Page 22

"Montana Legislative Districts, 2014-2023," Montana State Library. Available here.

Date Source

DPHHS direct data request.

"Census and Economic Information Center," Montana Department of Commerce. Available here. Population data.

Technical Note

See Databook for additional enrollment information by county and legislative district. Population counts based on MT Department of Commerce estimates (based on ACS data). Medicaid enrollment based on address of enrollee, which may include P.O. boxes.

Note

Population counts based on MT Department of Commerce estimates (based on ACS data). Medicaid enrollment based on address of enrollee, which may include P.O. boxes.

Page 23

"Access to Affordable Care in Rural America: Current Trends and Key Challenges," ASPE, Office of Health Policy Research Report. July 2021. Available here.

Data Source

DPHHS direct data request.

"Quick Facts: Montana," U.S. Census Bureau. Available here.

Technical Note

Rural/urban definitions are from the University of Washington Rural Health Research Center's RUCA Census data crosswalk. Available here. RUCA was last updated in 2006. Rural/urban classifications have likely shifted in Montana since the last update, though distributions remain comparatively accurate.

Page 24

"Uninsured and unstably insured: The importance of continuous insurance coverage," Health Services Research. 2000. Available here.

Data Source

DPHHS direct data request.

Technical Note

Average duration for all population groups is likely inflated due to continuous coverage requirements.

Duration represents the average number of months of continuous enrollment. The time period for the study is January 2016 to December 2021. All individuals were enrolled in the month of December 2021. Durations represent continuous enrollment in the same enrollment category the individual was in in December 2021 (e.g., if a child switched into an "adult" enrollment category, their duration on the child plan would end and would begin on the adult plan).

Page 25

"Data Note: Medicaid's Role in Providing Access to Preventive Care for Adults," Kaiser Family Foundation. May 17, 2017. Available here.

"Delay or Avoidance of Medical Care Because of COVID-19-Related Concerns – United States, June 2020," Centers for Disease Control and Prevention (CDC). September 11, 2021. Available here.

Data Source

DPHHS direct data request.

Technical Note

Counts represent unique members receiving services within designated eligibility categories.

Page 26

"Delay or Avoidance of Medical Care Because of COVID-19-Related Concerns – United States, June 2020," CDC. September 11, 2020. Available here.

Data Source

DPHHS direct data request.

Page 27

"Suspension of Face-to-Face Requirements for Some Medicaid Programs," MT DPHHS. April 1, 2020. Available here.

"The 'State' of Telehealth: Montana," The National Law Review. May 2021. Available here.

Data Source

DPHHS direct data request.

Page 28

"State Variation in Medicaid Per Enrollee Spending for Seniors and People with Disabilities," Kaiser Family Foundation. May 1, 2017. Available here.

Data Source

DPHHS direct data request.

"Most Current MACStats Compiled: Exhibit 33: CHIP Spending by State, FY2020," MACPAC. December 2021. Available here.

Technical Note

Spending data for HMK children (CHIP expansion) is not available. Expenditures are estimated using MACPAC data. CHIP enrollment estimates are based on CY; spending is based on FY. Spending totals may not sum to previously reported expenditure totals due to exclusions (e.g., supplemental payments, service spending not attributed to members). The following payments were eliminated from spending and per member spending totals: hospital utilization fee; HUF (HRD) HELP SSR; Disproportionate Share Hospital payments; DSH (FMAP) payments. The "individuals with disabilities" category includes individuals from all age categories. "Seniors" excludes disabled people who are otherwise captured by "individuals with disabilities."

Page 29

Data Source

DPHHS direct data request.

Technical Note

Spending data for HMK children (CHIP expansion) is not available. Spending totals may not sum to previously reported expenditure totals due to exclusions (e.g., supplemental payments, service spending not attributed to members). The following payments were eliminated from spending and per member spending totals: hospital utilization fee; HUF (HRD) HELP SSR; Disproportionate Share Hospital payments; DSH (FMAP) payments. Indian Health Service (IHS) payments are not broken out by service category. Service categories are based on Manatt categorization.

The "individuals with disabilities" category includes individuals from all age categories. "Seniors" excludes disabled people who are otherwise captured by "individuals with disabilities."

Page 30

"Medicaid Enrollment & Spending Growth: FY 2022 & 2023," Kaiser Family Foundation. October 2022. Available here.

"Medicaid Spending and Enrollment Trends Amid the COVID-19 Pandemic – Updated for FY 2021 & Looking Ahead to FY 2022," Kaiser Family Foundation. March 12, 2021. Available here.

"National Health Spending in 2020 Increases Due to Impact of COVID-19 Pandemic," CMS. December 2021. Available here.

Data Source

DPHHS direct data request.

Technical Note

Spending data for HMK children (CHIP expansion) is not available. Spending totals may not sum to previously reported expenditure totals due to exclusions (e.g., supplemental payments, service spending not attributed to members). The following payments were eliminated from spending and per member spending totals: hospital utilization fee; HUF (HRD) HELP SSR; Disproportionate Share Hospital payments; DSH (FMAP) payments. Indian Health Service (IHS) payments are not broken out by service category. Service categories are based on Manatt categorization.

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Page 31

"National Health Spending in 2020 Increases Due to Impact of COVID-19 Pandemic," CMS. December 2021. Available here.

Data Source

DPHHS direct data request.

Technical Note

Spending data for HMK children (CHIP expansion) is not available. Spending totals may not sum to previously reported expenditure totals due to exclusions (e.g., supplemental payments, service spending not attributed to members). The following payments were eliminated from spending and per member spending totals: hospital utilization fee; HUF (HRD) HELP SSR; Disproportionate Share Hospital payments; DSH (FMAP) payments. Indian Health Service (IHS) payments are not broken out by service category. Service categories are based on Manatt categorization.

Page 33

Senate Bill 405," Montana Legislature. 2015. Available here.

Page 34

Data Source

DPHHS direct data request.

Manatt analysis of "Montana Medicaid Expansion Dashboard," DPHHS. Available here.

Pages 35

Data Source

DPHHS direct data request.

Technical Note

Service counts of unique expansion enrollees at any point during the CY.

Page 36

Association of Medicaid Expansion Under the Affordable Care Act With Insurance Status, Cancer Stage, and Timely Treatment Among Patients With Breast, Colon, and Lung Cancer," Health Policy. February 2020. Available here.

"Screening and Surveillance Colonoscopy and COVID-19: Avoiding More Casualties." Available here.

"Sharp Declines in Breast and Cervical Cancer Screening," CDC. June 2021. Available here.

Data Source

DPHHS direct data request.

Technical Note

Service counts of unique expansion enrollees at any point during the CY.

Page 37

Data Source

DPHHS direct data request.

Technical Note

Service counts of unique expansion enrollees at any point during the CY.

Page 38

Ladhania, Rahul et al., "The Effect of Medicaid Expansion on the Nature of New Enrollees' Emergency Department Use." May 2019. Available here.

Shih-Chuan, Chou et al., "Medicaid Expansion Reduced Emergency Department Visits by Low-income Adults Due to Barriers to Outpatient Care." June 2020. Available here.

"The Effects of Medicaid Expansion under the ACA: Studies from January 2014 to January 2020," Kaiser Family Foundation. March 2020. Available here.

Data Source

DPHHS direct data request.

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Rosland et al., "Diagnosis and Care of Chronic Health Conditions Among Medicaid Expansion Enrollees," Journal of General Internal Medicine. September 2019. Available here.

Winkelman, Tyler and Chang, Virginia, "Medicaid Expansion, Mental Health, and Access to Care among Childless Adults with and without Chronic Conditions," Journal of General Internal Medicine. March 2018. Available here.

Data Source

DPHHS direct data request.

Note

Analysis includes enrollees with at least three years of continuous enrollment between 2016 and April 1, 2020.

Page 40

Elandi, Hawazin et al., "Changes in emergency department dental visits after Medicaid expansion." June 2020. Available here.

"Making the Case for Dental Coverage for Adults in All State Medicaid Programs," Families USA. July 2021. Available here.

"Medicaid Expansion: Effects on Hospital Finances and Implications for Hospitals Facing COVID-19 Challenges," Health Affairs. January 2021. Available here.

Data Source

DPHHS direct data request.

Note

Analysis includes enrollees with at least three years of continuous enrollment between 2016 and April 1, 2020.

Page 41

Jacobs et al., "Newly Eligible Enrollees in Medicaid Spend Less and Use Less Care Than Those Previously Eligible," Health Affairs. September 2017. Available here.

Snyder et al., "Medicaid Expansion Spending and Enrollment in Context: An Early Look at CMS Claims Data for 2014," Kaiser Family Foundation. January 2016. Available here.

Data Source

DPHHS direct data request.

Note

Analysis includes enrollees with at least three years of continuous enrollment between 2016 and April 1, 2020.

Page 42

"The Effects of Medicaid Expansion under the ACA: Studies from January 2014 to January 2020," Kaiser Family Foundation. March 2020. Available here.

Data Source

DPHHS direct data request.

Note

Analysis includes enrollees with at least three years of continuous enrollment between 2016 and April 1, 2020.

Page 43

"How and When Medicaid Covers People Under Correctional Supervision," Pew. August 2, 2016. Available here.

"Medicaid expansion has saved Montana $30 million," Modern Healthcare. October 2, 2017. Available here.

"The Impact of Medicaid Expansion on States' Budgets," The Commonwealth Fund. May 5, 2020. Available here.

2023 Report "Economic Effects of Medicaid Expansion in Montana," Bryce Ward. Available here.

Data Source

DPHHS direct data request.

Manatt analysis of Montana Medicaid enrollment and spending data, SFY13-22.

Technical Note

Women enrolled in the expansion group who become pregnant may stay enrolled during the coverage year. The state receives the enhanced FMAP. Another mechanism where expansion generates savings to traditional Medicaid is behavior change, such as when individuals reduce their income/assets or apply for disability in order to qualify for traditional Medicaid. With the expansion, these individuals no longer need to change their situation to be eligible for Medicaid.

Page 44

Forthcoming 2023 Report "Economic Effects of Medicaid Expansion in Montana," Bryce Ward. Available here.

Page 45

"Medicaid Expansion: Effects on Hospital Finances and Implications for Hospitals Facing COVID-19 Challenges," Health Affairs. January 2021. Available here.

"Medicaid Expansion: How It Affects Montana's State Budget, Economy, and Residents," Montana Health Care Foundation. June 2018. Available here.

The Cecil G. Sheps Center for Health Services Research, NC Rural Health Research Program, Rural Hospital Closures. Available here.

"Understanding the Relationship Between Medicaid Expansions and Hospital Closures," Health Affairs. January 2018. Available here.

Data Source

American Hospital Association Annual Hospital Survey via Montana Hospital Association.

Page 46

Data Source

IHS direct data request.

Note

Data is not available for the Confederated Salish and Kootenai Tribes of the Flathead Reservation and the Chippewa Cree Indians of the Rocky Boy Reservation, which have assumed management of the PRC program for the IHS.

Page 47

Data Source

DPHHS direct data request.

Page 48

"Indian Health Service: Spending Levels and Characteristics of IHS and Three Other Federal Health Care Programs," U.S. Government Accountability Office. December 2018. Available here.

Data Source

DPHHS direct data request.

Note

The federal government covers 100% of Medicaid costs for services delivered through IHS.

Page 50

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Data Source

DPHHS direct data request.

Page 51

"Medicaid in Montana: Issue Spotlight," Montana Healthcare Foundation. June 2021. Available here.

"Montana Waiver Factsheet," Medicaid.gov. Available here.

Page 52

"Integrated Behavioral Health," Montana Healthcare Foundation. Available here.

Page 53

Data Source

DPHHS direct data request.

Page 54

"Medicaid's Role in the Delivery and Payment of Substance Use Disorder Services in Montana," prepared by Manatt Health for Montana Healthcare Foundation. March 2017. Available here.

"Presentation to the 2019 Health and Human Services Joint Appropriations Committee," Addictive and Mental Disorders Division, Medicaid and Health Services Branch, MT DPHHS. 2019. Available here.

Data Source

DPHHS direct data request.

Note

FQHC locations are defined as main FQHC local and satellite sites.