Medicaid *in*MONTANA

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

MONTANA HEALTHCARE FOUNDATION | ANNUAL REPORT | 2022

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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: Heather O'Loughlin, Montana Budget and Policy Center; Rich Rasmussen, Duane Preshinger, and Roberta Yager, Montana Hospital Association; and Brenda Kneeland, Eastern Montana Community Mental Health Center.

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

In 2015, the Montana Legislature passed the HELP Act, which expanded Medicaid coverage to low-income adults. The HELP Act aimed to increase the availability of high-quality health care to Montanans and provide greater value for the tax dollars spent on Montana Medicaid.

A key to improving value is identifying and treating illnesses early, thereby reducing the need for higher-cost services such as emergency department visits. **In this second annual report on Medicaid, we provide data that demonstrates the impact of the program on emergency department use. Medicaid expansion enrollee use of the emergency department declined each year they were enrolled. These results offer a powerful validation of the Legislature's core reasons for expanding Medicaid.**

Medicaid currently insures more than 278,000 Montanans. Given Medicaid's importance in Montana's health system, the for the past five years the Montana Healthcare Foundation has conducted research and analysis about the program. These reports help the public, the press, government officials, and lawmakers better understand the program and identify opportunities to strengthen it.

Medicaid has been particularly important this past year, as the COVID-19 pandemic continued to pose major challenges for Montana's health care and public health systems. Throughout the pandemic, Medicaid has provided access to lifesaving care for many of Montana's most vulnerable citizens, served as a safety net for families that have lost income, and provided support to hospitals and providers working on the front lines.

We offer 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 Medicaid.

Executive Summary

Montana's Medicaid program provides low-income Montanans—from children to seniors to the disabled to the medically needy—access to health care services that support their health and well-being. In 2021, Medicaid provided coverage to approximately one in four Montanans. During the COVID-19 pandemic, Montana Medicaid has been an invaluable health care safety net for individuals impacted by economic instability and pandemic-related health needs. It preserved coverage for enrollees who might have been disenrolled, ensuring that they would be able to access essential health services during this difficult time.

In 2021, Medicaid provided coverage for 278,000 Montanans.

» Medicaid is jointly funded with the federal government, which reimbursed Montana for 80 cents of every dollar it spent on member care in state fiscal year 2021.

» Montana leverages a significantly lower proportion of its state general fund (12%) to finance its Medicaid program compared to peer states, including both Medicaid expansion and non-expansion states.

» While overall Medicaid spending increased during the COVID-19 public health emergency, from approximately $2 billion in 2019 to $2.2 billion in 2021, Montana's state Medicaid spending decreased, with the federal government picking up the difference.

» Medicaid enrollees accessed fewer preventive services during 2020 than in 2019, as individuals deferred care during the pandemic. The number of Medicaid-supported wellness exams fell by 11%, while condition-specific screenings—including breast cancer, cervical cancer, cholesterol, and STI screenings—declined by between 2% and 29%.

» Medicaid-covered telehealth utilization rose significantly from 2019 through 2020, with behavioral telehealth visits increasing by 2,817%.

Executive Summary (Continued)

The HELP Act expanded Medicaid in 2016 to cover more than 105,000 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 2020, more than 55,000 expansion enrollees received preventive services, more than 31,000 received mental health treatments, and more than 5,000 received substance use disorder (SUD) treatments.

» Medicaid expansion enrollee use of the emergency department (ED) declined each year they were enrolled.

- Of Montanans covered by Medicaid expansion for at least two full years between program launch in 2016 and 2020, more than a third had at least one ED visit during their first year. By their second year of enrollment, the proportion of enrollees visiting the ED declined by 14%.

- Medicaid expansion enrollees with chronic physical health conditions increasingly engaged specialists in their care the longer they had coverage.

- ED use among Medicaid expansion enrollees for preventable dental conditions such as tooth decay and gum disease declined by more than a third over three years.

» As of July 2021, expansion enrollees were contributing more than $430,000 in monthly premiums in exchange for coverage that was often not available to them through their employers.

» The HELP Act and Medicaid expansion generated state budget savings of nearly $27 million in state fiscal year 2021 by providing higher match rates for some existing Medicaid populations and by replacing existing state spending with new federal dollars.

Program Background

Montana Medicaid is a joint federal-state program that provides health care coverage to a spectrum of Montana residents – from children to individuals with disabilities to low-income adults.

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 provider of health insurance 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.

Report Purpose. This report provides foundational information and statistics about the Montana 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 the state budget and economy as new federal dollars are drawn back to Montana. This year's report also focuses on the role Medicaid plays in supporting the health and well-being of Montanans living in more rural communities.

Montana 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

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

Inpatient Hospitalization Services and Outpatient Services

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

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).

Behavioral Health Services

Medicaid covers a continuum of behavioral health services for individuals with mental health and substance use disorders, such as screening, initial assessments, outpatient treatment, crisis prevention, and inpatient treatment when needed.

Dental Services

Recognizing the importance of oral health, Medicaid covers necessary dental services, including exams, cleanings, fillings, and dentures. Montana is one of 32 states that choose to cover preventive dental services for adults.

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

Medicaid covers long-term care services at nursing facilities for individuals with disabilities. Under the Big Sky Waiver, Montanans can receive these services in their home or communities rather than a nursing home or institutional setting; other waivers allow Montana to cover more individuals.

Data & Sources

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

Medicaid services are paid for through a combination of federal and state funds. The federal government reimburses Montana Medicaid at varying rates—or Federal Medical Assistance Percentages (FMAP)—depending upon the expenditure type and the population. On average, **Montana receives more than two 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 "traditional" Medicaid populations (71%),* while services provided or received through Indian Health Services and tribal health facilities are fully reimbursed (100%).

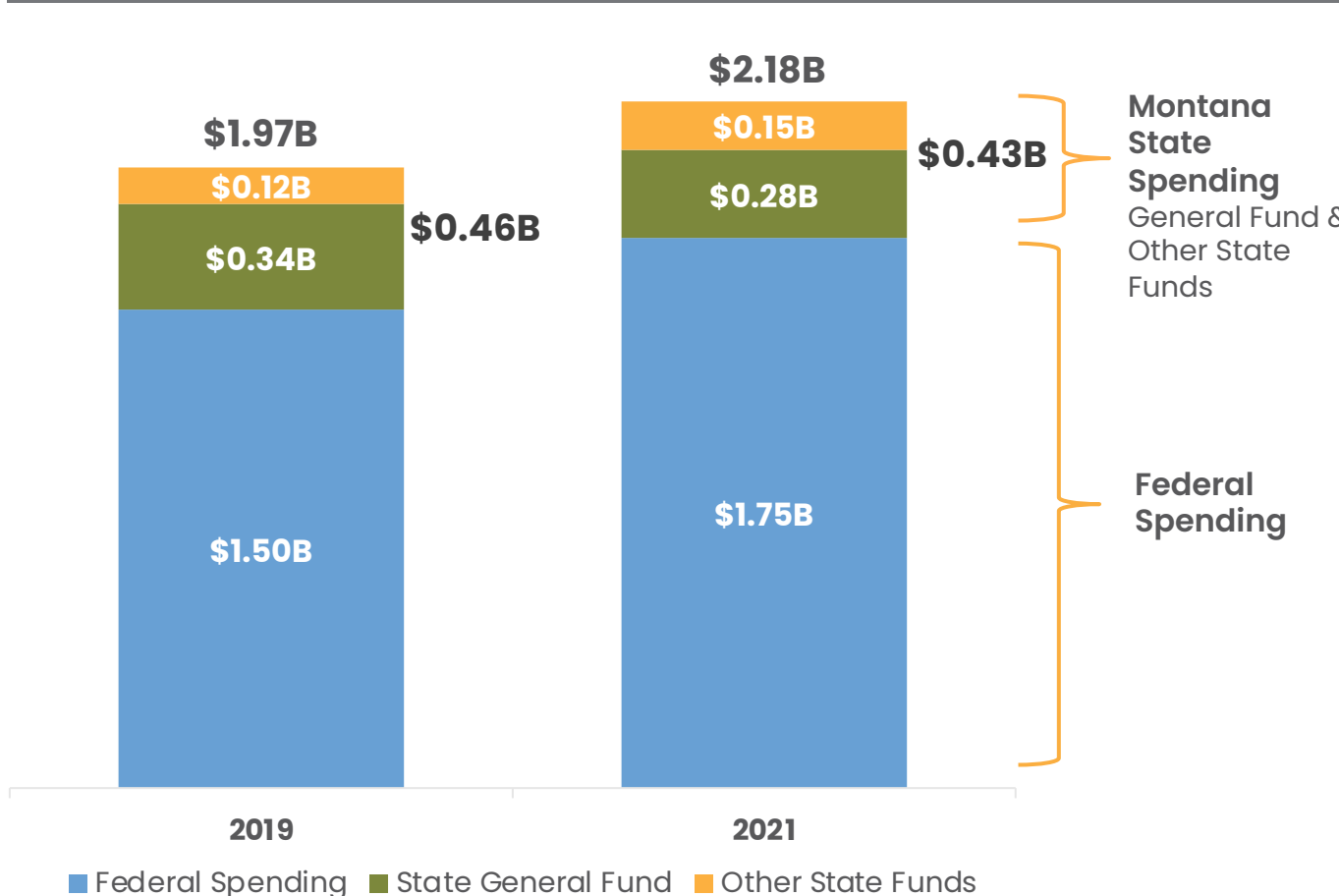| Montana Federal Medical Assistance Percentages Rates (February 2022)	
Expenditure Type (Selection)	**Federal / State Split**
Standard FMAP (services for most "traditional" enrollees)	Federal: 71%*
CHIP FMAP (services for most children)	80%*
Medicaid Expansion FMAP (services for expansion enrollees)	90%
Indian & Tribal Health (services provided by IHS/tribal facilities)	100%
Administration: Systems Development	75%
Administration: General Administration**	50%

*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 eligibility 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 Medicaid spent caring for its members in state fiscal year 2021.

Montana Medicaid Budget (SFY 2019, 2021)

2019
- $1.97B
- $0.12B
- $0.34B
- $1.50B
- $0.46B

2021
- $2.18B
- $0.15B
- $0.28B
- $1.75B
- $0.43B

Montana State Spending
General Fund & Other State Funds

Federal Spending

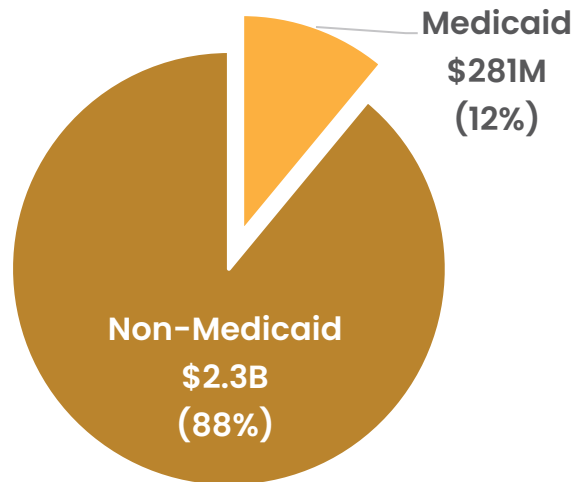■ Federal Spending ■ State General Fund ■ Other State Funds

In SFY 2021, Montana's Medicaid budget was $2.2 billion, approximately 80% of which was funded by the federal government. State spending totaled approximately $430 million: $280 million from Montana's general fund and $150 million from other state funds, which include an assessment on hospitals to support expansion, donations, and local funds.

The vast majority of Medicaid expenditures directly support patient care (95%) and are directed to health care hospitals and providers in urban and rural communities across Montana.
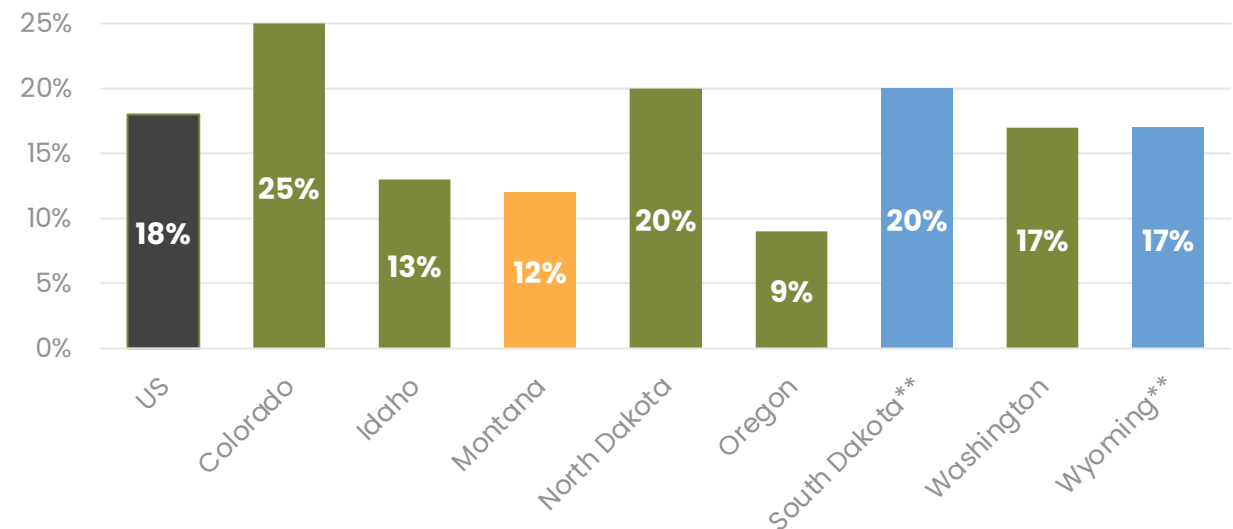
Like most other states, Montana's Medicaid spending increased during the pandemic. However, while total spending increased from approximately $2 billion in SFY 2019 to $2.2 billion in SFY 2021, Montana's state Medicaid spending decreased from approximately $460 million to $430 million. Federal spending, meanwhile, increased by $250 million as Montana benefited from more generous FMAPs.

Data & Sources

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

Montana Medicaid as Percentage of State General Fund Spending (SFY 2020)

Medicaid $281M (12%)

Non-Medicaid $2.3B (88%)

Medicaid as a Percentage of State General Fund Spending (SFY 2020)

US	Colorado	Idaho	Montana	North Dakota	Oregon	South Dakota**	Washington	Wyoming**
18%	25%	13%	12%	20%	9%	20%	17%	17%

Montana spends a low proportion of its state general fund on Medicaid compared to the national average and peer states. During SFY 2020, **Montana had the ninth lowest rate of state general fund spending on Medicaid, including neighboring states that have not expanded Medicaid.***

Montana supplements its state general fund spending with approximately $150 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 (e.g., assessment on hospitals and nursing home).

*Peer states were selected as comparators based on demographic, geographic, and Medicaid expansion characteristics.
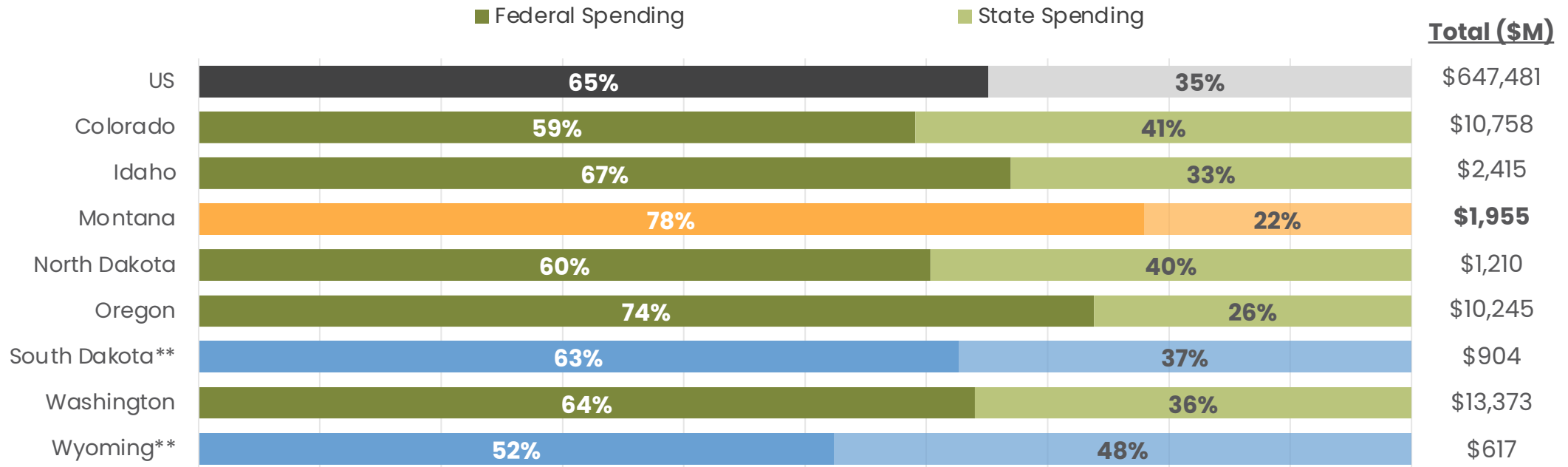
**States that have not expanded Medicaid.

Data & Sources

Montana pulls in more federal dollars than peer states for every state dollar spent.

Medicaid Spending by Funding Source (SFY 2020)

■ Federal Spending   ■ State Spending

Total ($M)

State	Federal Spending	State Spending	Total ($M)
US	65%	35%	$647,481
Colorado	59%	41%	$10,758
Idaho	67%	33%	$2,415
Montana	78%	22%	**$1,955**
North Dakota	60%	40%	$1,210
Oregon	74%	26%	$10,245
South Dakota**	63%	37%	$904
Washington	64%	36%	$13,373
Wyoming**	52%	48%	$617

Montana benefits from high federal match rates for its Medicaid program, with approximately 78% of its total Medicaid budget supported by federal spending in SFY 2020, significantly more than the national average and peer states.* Montana benefits from high FMAP rates for both its regular and expansion expenditures. **Montana leverages more than $3 of federal spending for every $1 of state spending,** compared with approximately $2 of federal spending for every $1 of state spending for states nationally.

*Peer states were selected to provide a diverse set of comparators by demographic, geographic, and Medicaid expansion characteristics.
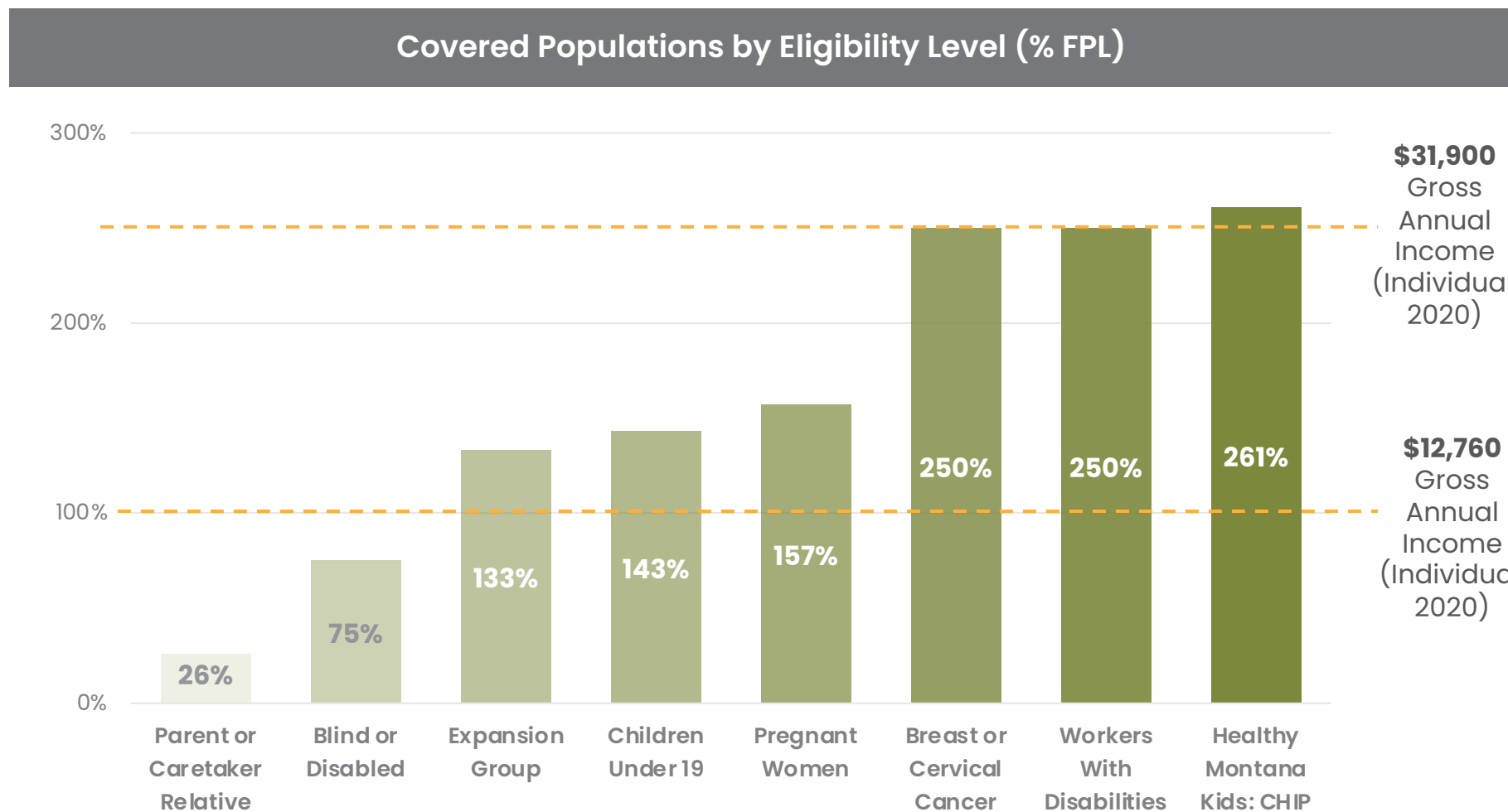
**States have not expanded Medicaid.

Data & Sources

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

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, populations covered under Medicaid expansion may be eligible for Medicaid if they earn up to 133% of the FPL or $17,609 for an individual in 2020.
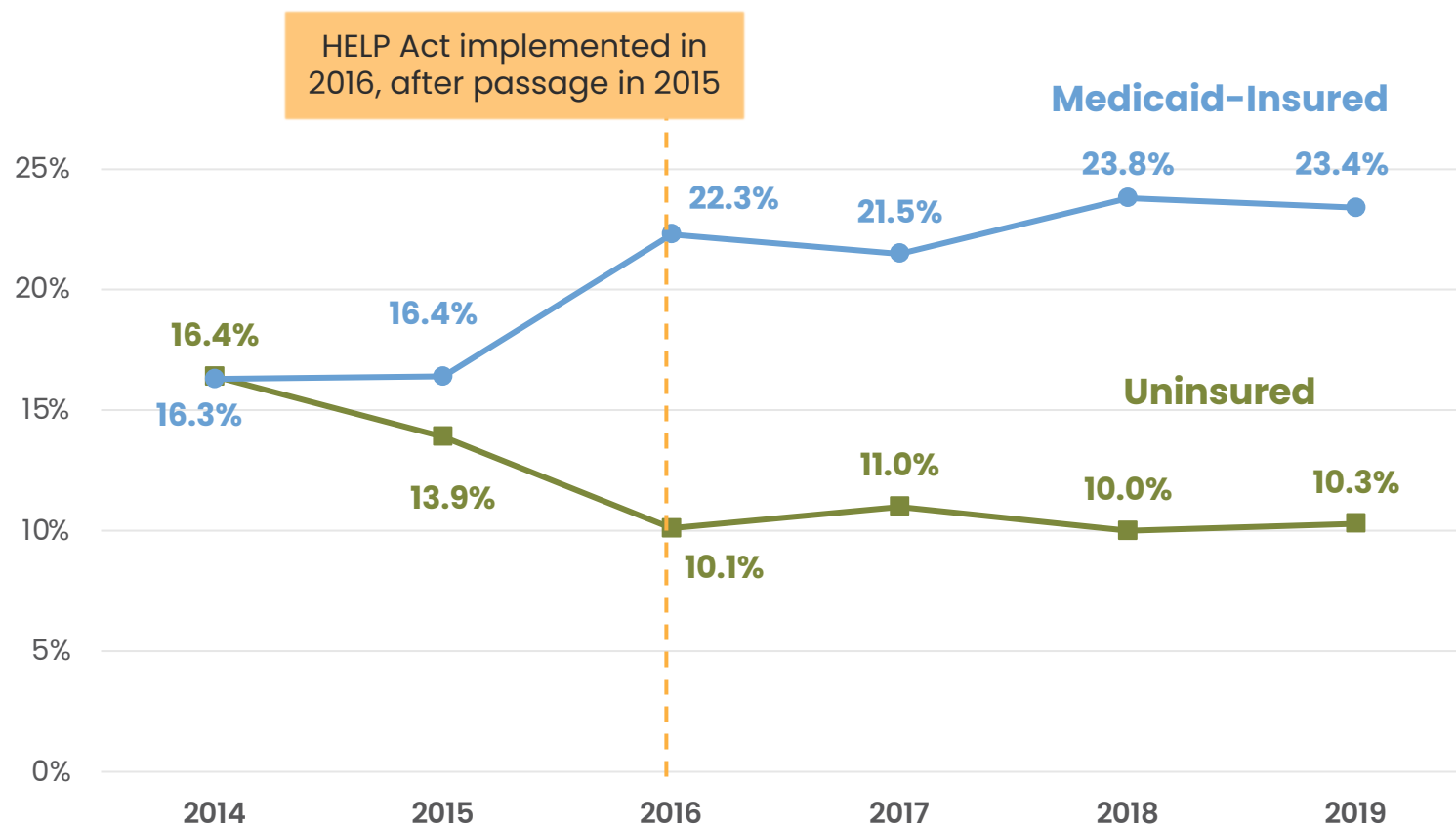
Covered Populations by Eligibility Level (% FPL)

$31,900 Gross Annual Income (Individual, 2020)

$12,760 Gross Annual Income (Individual, 2020)

Population	% FPL
Parent or Caretaker Relative	26%
Blind or Disabled	75%
Expansion Group	133%
Children Under 19	143%
Pregnant Women	157%
Breast or Cervical Cancer	250%
Workers With Disabilities	250%
Healthy Montana Kids: CHIP	261%

Data & Sources

Montana Medicaid Basics

Medicaid expansion has been central to reducing uninsured rates in Montana and ensuring Montanans have access to essential health services throughout the COVID-19 the public health emergency.

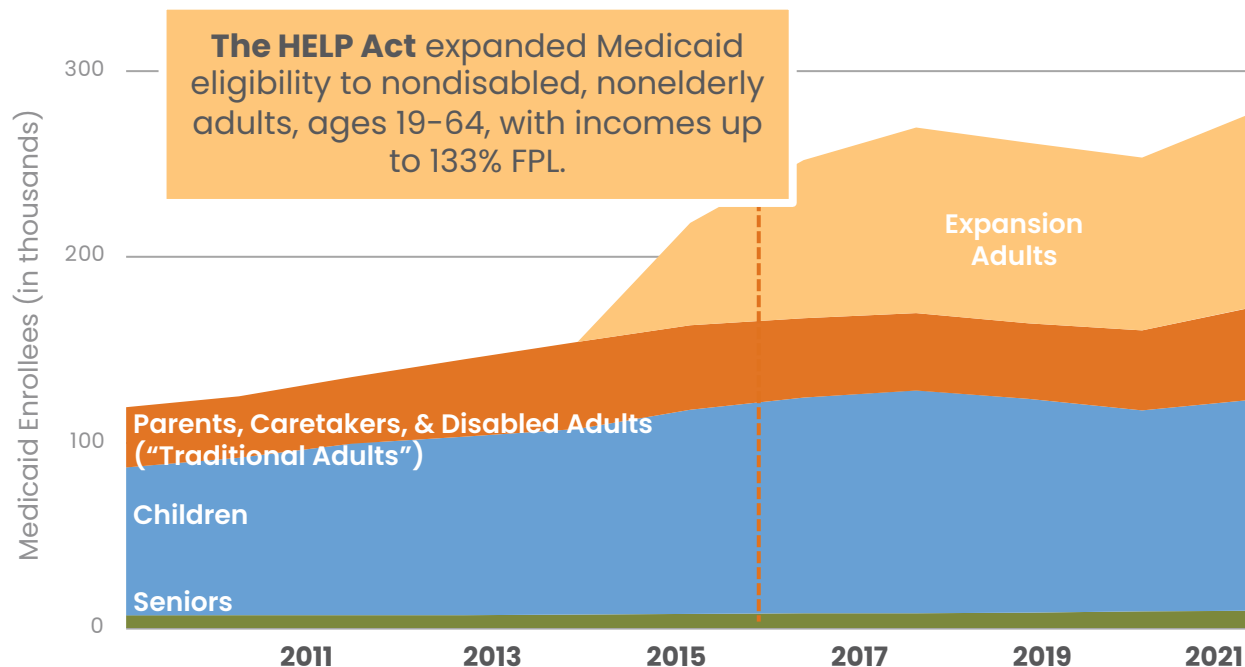## Montana Uninsured and Medicaid-Insured Rates for Nonelderly Individuals Ages 0-64 (2014-2019)

HELP Act implemented in 2016, after passage in 2015

Medicaid-Insured

- 22.3%
- 21.5%
- 23.8%
- 23.4%

Uninsured

- 16.4%
- 16.4%
- 16.3%
- 13.9%
- 10.1%
- 11.0%
- 10.0%
- 10.3%

2014 2015 2016 2017 2018 2019

The uninsured rate for nonelderly adults in Montana declined by more than 37% between 2014 and 2019 (16.4% to 10.3%), as the Health and Economic Livelihood Partnership (HELP) Act expanded Medicaid to nondisabled adults with incomes up to 133% of the federal poverty level (or $17,609 for an individual in 2020).

During the COVID-19 pandemic, many employers, particularly those in lower-wage service industries, confronted unprecedented economic uncertainty, laying off millions of workers nationally; some of these jobs have not yet been recovered. Medicaid provided individuals impacted by the economic instability with a health care safety net. During the public health emergency, Congress provided increased Medicaid funding to states that expanded "continuous coverage" flexibilities for Medicaid enrollees to minimize unintended disenrollment and barriers to accessing essential health services. In Montana, during the first year of the pandemic, Medicaid enrollment increased, likely preventing higher rates of uninsurance.

Data & Sources

Two-thirds of Montana Medicaid enrollees are children, seniors, low-income parents/caretakers, and disabled adults.

Montana Medicaid Enrollment* (2010–2021)

The HELP Act expanded Medicaid eligibility to nondisabled, nonelderly adults, ages 19-64, with incomes up to 133% FPL.

Expansion Adults

Parents, Caretakers, & Disabled Adults ("Traditional Adults")

Children

Seniors

	Enrollment (2021*)		Change (2020-21)	
	Total	Share	Total	Annual Growth
Total	278,035	–	+24,411	+9.6%
Expansion Adults	104,975	38%	+11,751	+12.6%
Parents/Caretakers	49,798	18%	+6,658	+15.4%
Children	113,705	41%	+5,836	+5.4%
Seniors	9,557	3%	+166	+1.8%

Montana's Medicaid enrollment has grown through bipartisan program expansions for children (2008) and adults (2016), and in relation to a growing state population. Medicaid expansion enrollment peaked at approximately 100,000 in 2018, decreased until 2020, and then increased as the pandemic created economic hardship for many families. Throughout the pandemic, Medicaid served as an important health care safety net for adults who may have been impacted by job losses (+18,409 enrollees between January 2020 and July 2021) and their children (+5,836 enrollees).

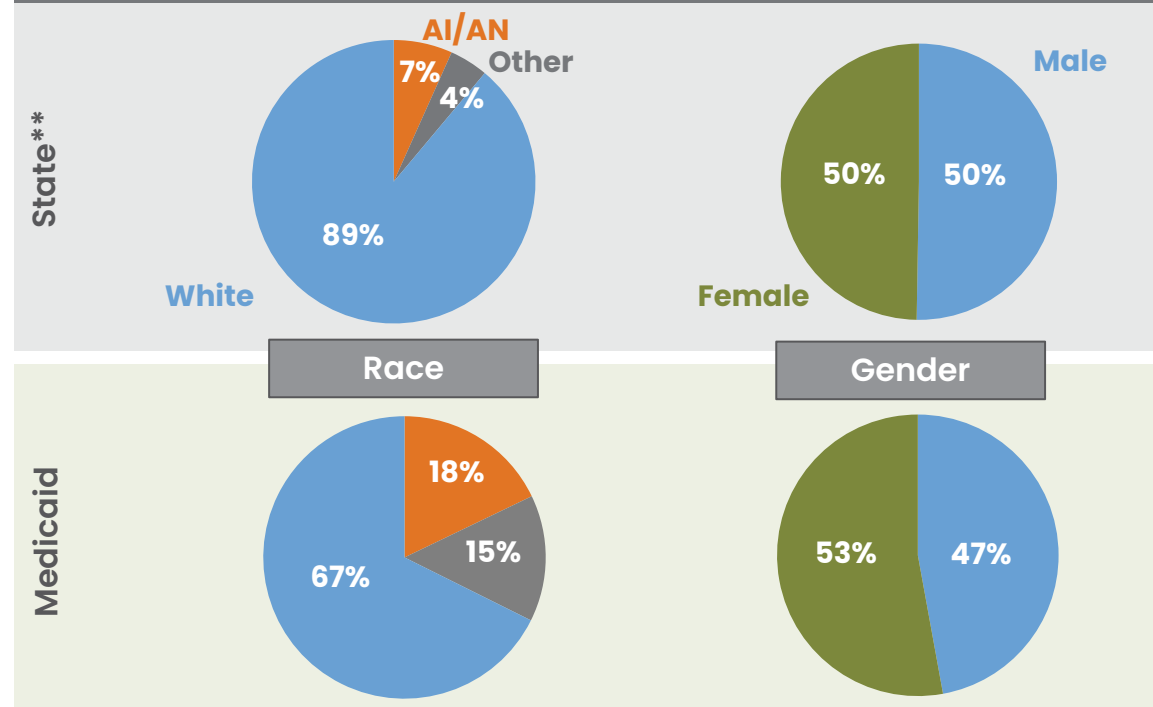*Average enrollment through July 2021.

[Data & Sources](#)

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

Medicaid Enrollment as Proportion of the Population (2021)

Population **1,104,000**

25%

Medicaid* **278,000**
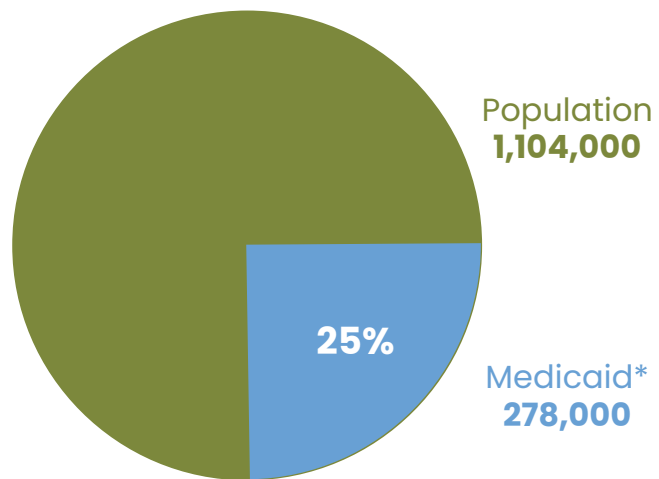
Medicaid Demographics in Comparison With State Population** (2021)

State**

AI/AN **7%**
Other **4%**
White **89%**

Male **50%**
Female **50%**

Race | Gender

Medicaid

18%
15%
67%

53% | **47%**

In 2021, Medicaid provided health care coverage for a quarter of Montanans (25%). Medicaid is an essential source of coverage for American Indian and Alaskan Native (AI/AN) populations, which comprise only 7% of the state's population but 18% of its Medicaid enrollment.

*During the COVID-19 public health emergency, Montana is maintaining continuous eligibility for those enrolled as of March 18, 2020, or at any time during the period thereafter, and who continue to reside in the state. Medicaid enrollment will like decrease as Montana conducts redeterminations following the public health emergency.

**State demographic data only available for 2019.

Data & Sources

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

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

State**

Urban **36%**

Rural **64%**

Medicaid

Urban **35%**

Rural **65%**
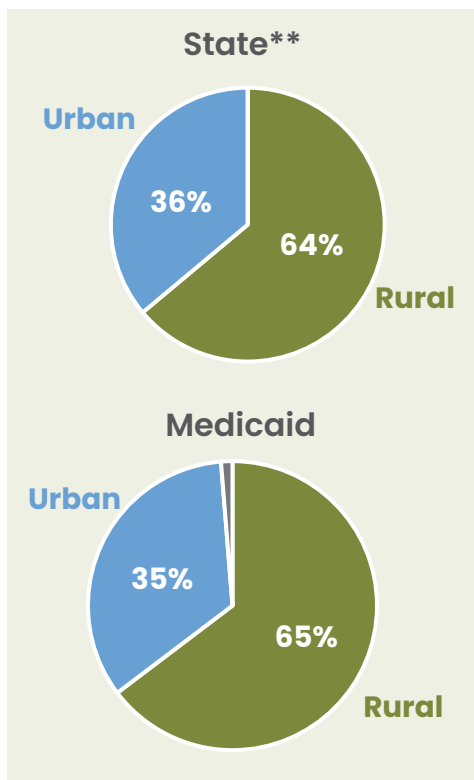
**State demographic data only available for 2019.

## Medicaid Enrollment as Percent of Population by County (2021)

14.0% - 17.3%	17.4% - 22.8%
22.9% - 26.8%	26.9% - 34.0%
> 34.1%	Highest Enrollment as a Percentage of the Population
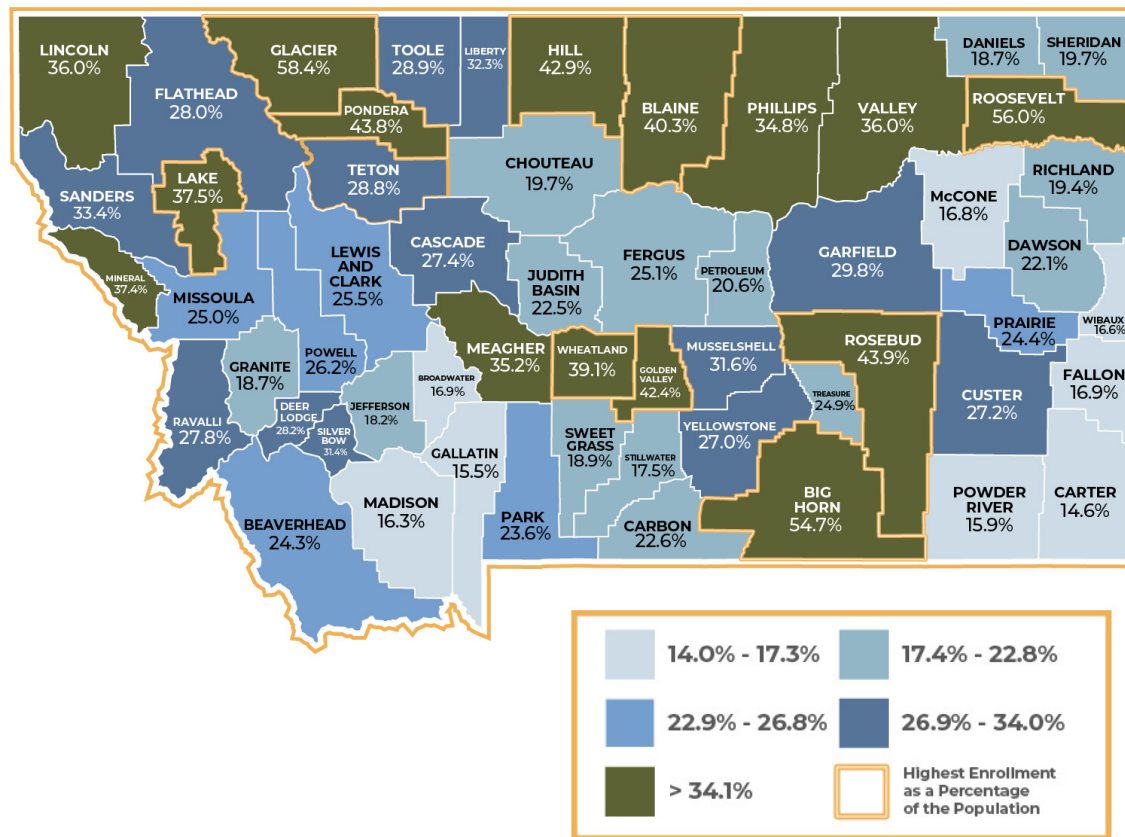
Counties with Highest Medicaid Enrollment as a Proportion of Population (2021)

| County	Population	Medicaid (est., %)
Glacier County	13,778	58.4%
Roosevelt County	10,794	56.0%
Big Horn County	13,124	54.7%
Rosebud County	8,329	43.9%
Pondera County	5,898	43.8%
Hill County	16,309	42.9%
Golden Valley County	823	42.4%
Blaine County	7,044	40.3%
Wheatland County	2,069	39.1%
Lake County	31,134	37.5%

Data & Sources

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

Average Number of Years on Medicaid (5-Year Period, January 2016 - December 2020)
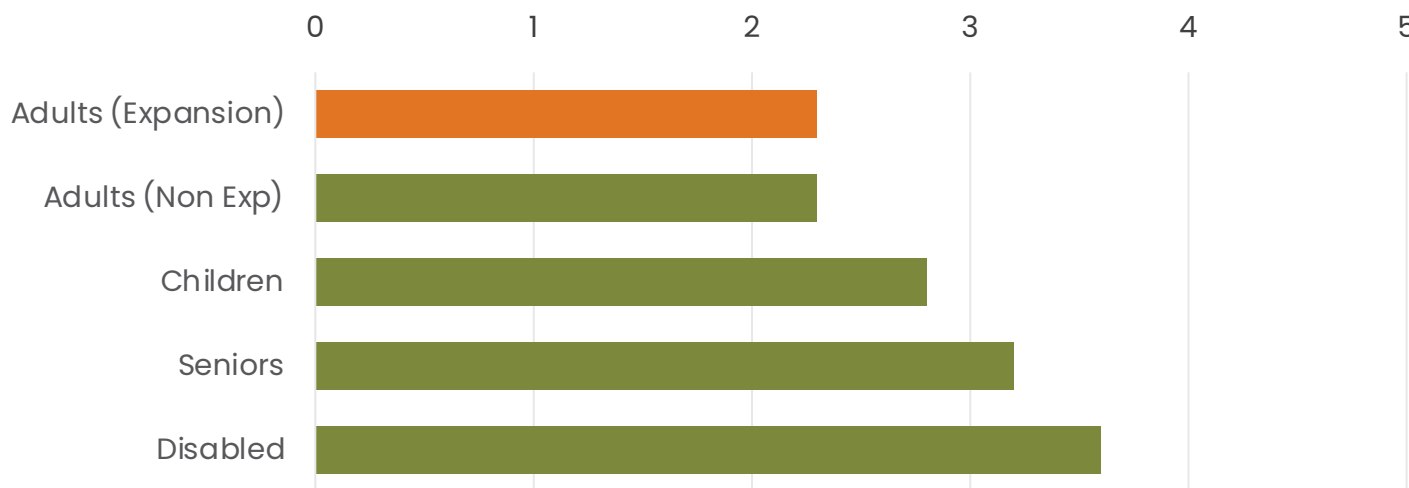
Average Duration of Medicaid Coverage For Expansion Adults (2020)
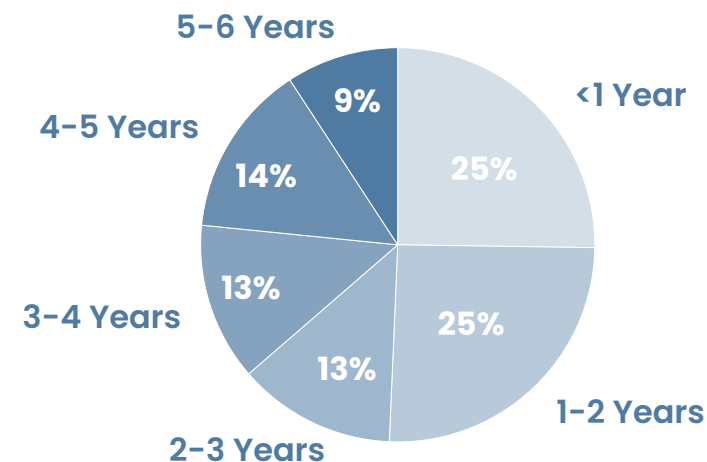
Medicaid provides low-income Montanans access to the care they need to support their long-term health, well-being, and productivity. Medicaid minimizes coverage gaps that could otherwise delay needed medical care and preventive services, such as chronic disease screenings, viral testing, and vaccinations. Populations with chronic medical needs (seniors, individuals with disabilities) and/or inherent 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 **half of the state's Medicaid expansion population (able-bodied adults) was enrolled for less than two years between 2016 and 2020.**

Data & Sources

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

Frequently Utilized Services by Population Group (CY 2020)

Children
Children utilize Montana Medicaid to access preventive screenings, outpatient services for low-acute conditions, and dental services. More than 36,000 children received a Medicaid-covered dental evaluation in 2020.

Adults (Traditional and Expansion)
Nonelderly adults frequently access outpatient care and lab services. In 2020, Medicaid covered more than 425,000 outpatient visits for adults.

Seniors
Older populations utilize Montana Medicaid for services that Medicare (with which they are often dually enrolled) does not cover, such as assisted living, personal care services, and habilitation services. In 2020, seniors had higher expenditures for habilitation services than any other, totaling approximately $9.8M.

Disabled
Like seniors, disabled individuals utilize Medicaid services that Medicare (with which they are often dually enrolled) does not cover, such as long-term care and personal care services. Montana Medicaid covered personal care services for approximately 2,600 individuals with disabilities, totaling nearly $34M.

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. Children, however, more frequently utilize dental services than other population groups; seniors and individuals living with disabilities rely upon Medicaid to cover long-term services and supports that Medicare may not cover.

Data & Sources

Montana Medicaid provides access to critical preventive services that help Montanans of all ages maintain their health.

Preventive Service Utilization By Population Group (2020)					
Service	**Children**	**Adults (Traditional)**	**Adults (Expansion)**	**Seniors**	**Disabled****
Preventive/Wellness Exams	**37,310**	**4,684**	**12,900**	**299**	**1,586**
Physical and Behavioral Health Screenings*					
Alcohol Abuse Screening	79	154	598	27	45
Breast Cancer Screening	–	1,026	3,803	127	555
Cervical Cancer Screening	13	3,145	7,541	20	408
Cholesterol Screening	2,149	5,678	16,552	671	3,144
Diabetes Screening	2,068	6,702	13,145	662	2,733
Hepatitis B Screening	230	1,700	3,418	38	348
Hepatitis C Screening	323	2,446	4,895	38	446
Sexually Transmitted Disease Screening	1,630	5,132	11,052	15	636
Tobacco Use Counseling & Interventions	20	437	1,137	19	227
Dental Preventive Services	**49,066**	**13,679**	**27,238**	**2,271**	**7,108**
Vaccines	**26,962**	**6,405**	**13,293**	**543**	**2,806**

In 2020, Medicaid supported the delivery of 47,000 vaccines (not including vaccines for COVID-19), 55,000 wellness exams, and 92,000 preventive dental services—all services that promote long-term health and well-being.

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

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

Data & Sources

Montana Medicaid enrollees accessed fewer preventive services during 2020 than in 2019 as individuals deferred care - and confronted new barriers to receiving care - during the pandemic.

Preventive Services Delivered (2019 vs. 2020)
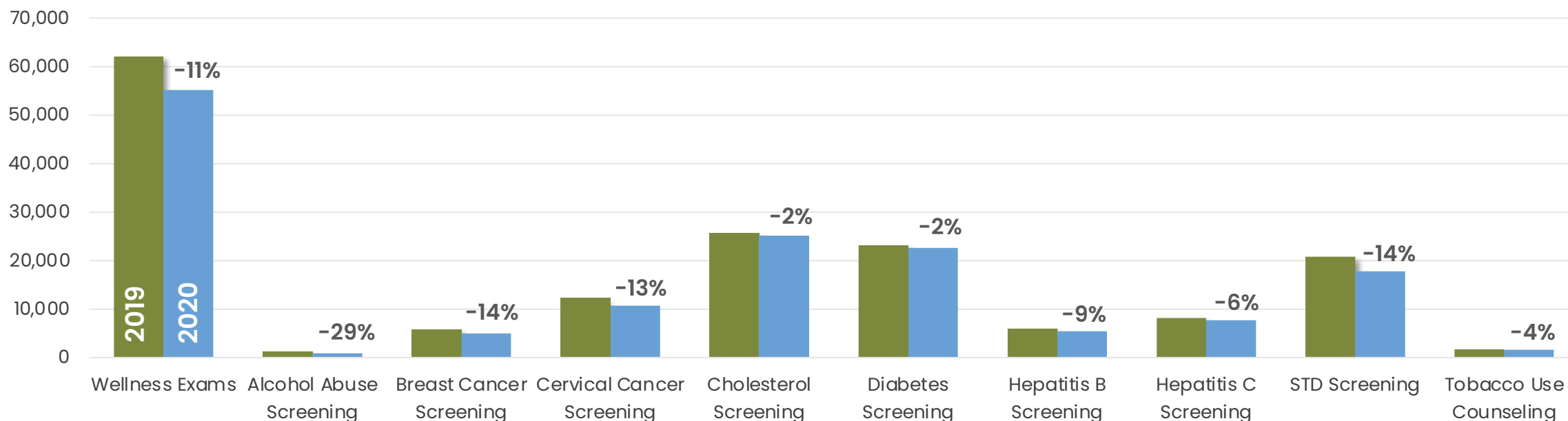
Nationally, 41% of adults delayed or avoided receiving care in 2020 due to COVID-19-related concerns, including the preventive services that promote long-term health and well-being. This holds true for Montana. In 2020, the number of Medicaid-supported wellness exams fell by 11%, while condition-specific screenings, including breast cancer, cervical cancer, cholesterol, and STD screenings, declined by between 2% and 29%. Vaccinations declined by 13%. Delayed preventive care could have long-term implications for the health of Montanans if chronic and acute conditions were undetected during the public health emergency.

Data & Sources

Telehealth service utilization increased dramatically through the COVID-19 pandemic, particularly for behavioral health services.

During the COVID-19 pandemic, access to telehealth services across Montana became more universally available. Montana Medicaid waived in-person service delivery requirements for many physical and behavioral health services to accommodate public health guidelines and authorized reimbursement for telehealth services at the same rate as in-person visits. Medicaid telehealth utilization rose significantly from 2019 to 2020, with behavioral health telehealth visits increasing by 2,817% and physical health telehealth visits increasing by 317%.

As greater access to in-person care resumed in 2021, overall telehealth utilization rates decreased from their 2020 peak. In April 2021, Montana made many of its pandemic telehealth flexibilities permanent, establishing these technology-enabled access opportunities for Medicaid enrollees across urban and rural Montana.

*Shading indicates incomplete 2020-2021 data.
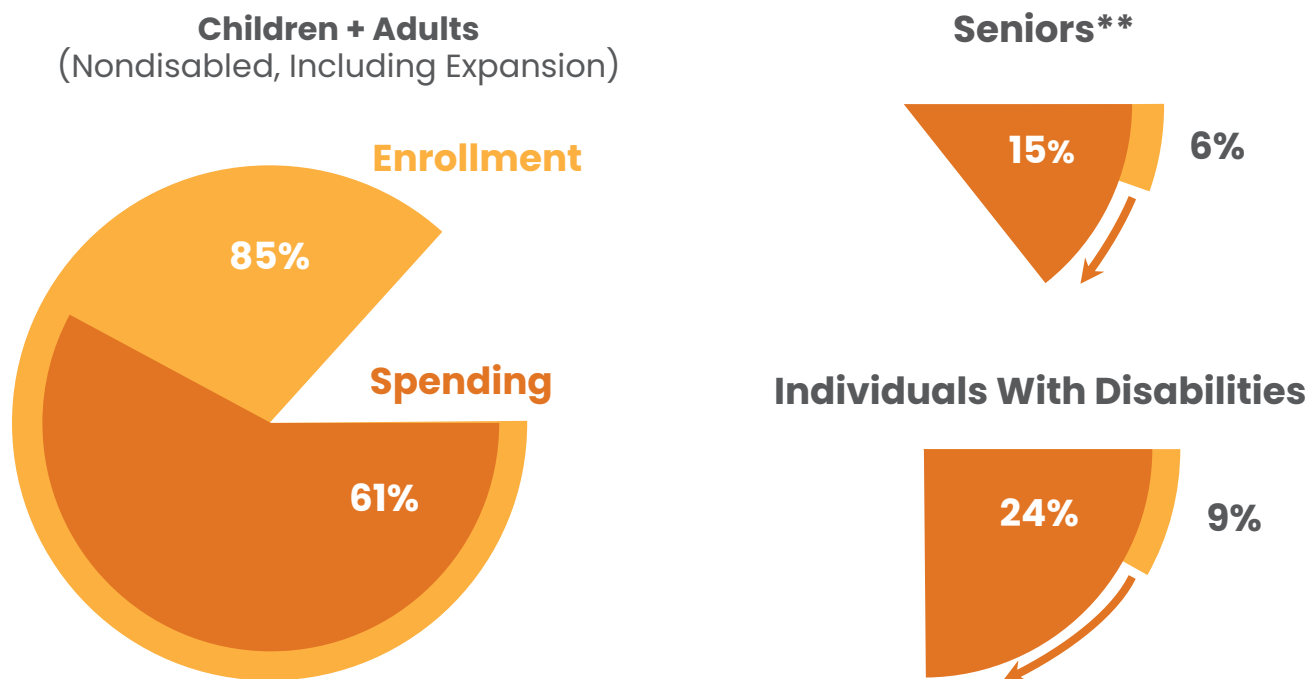
Telehealth Service Utilization (2015-2021)
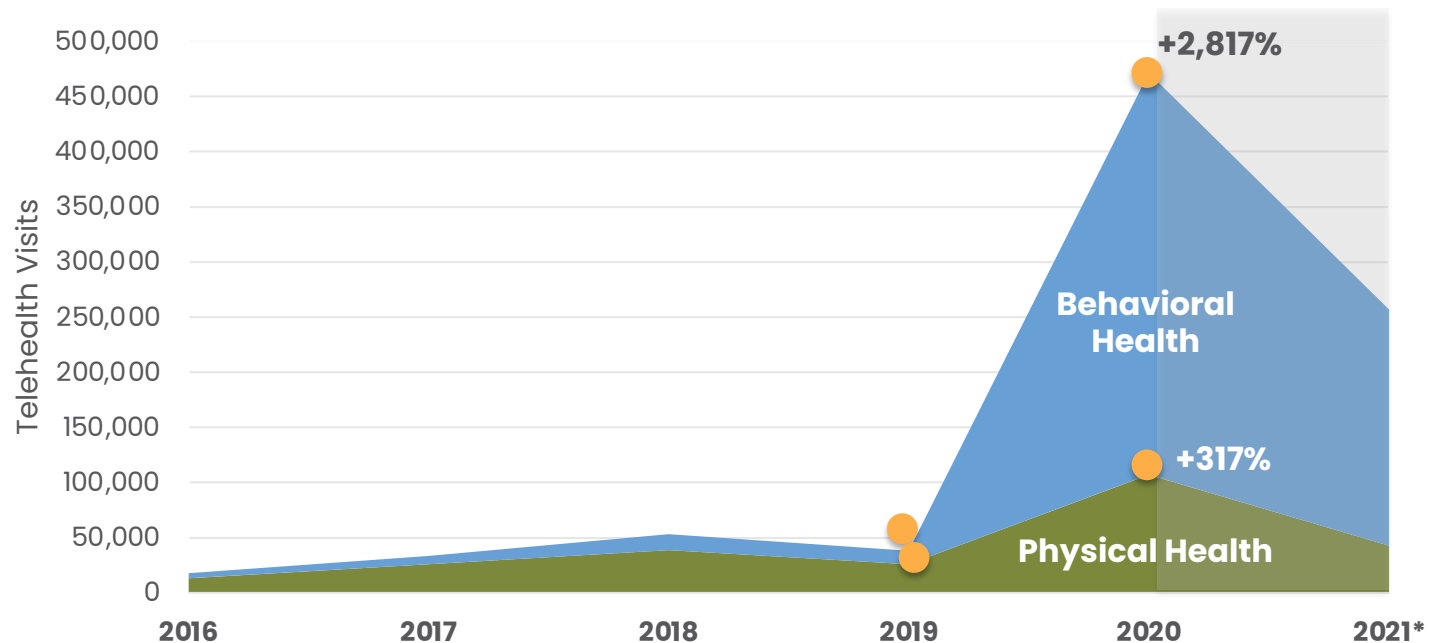
	2015	2016	2017	2018	2019	2020	2021 (Jan-Oct)
Physical Health	933	13,294	25,789	38,455	25,672	107,054	**42,757**
Behavioral Health	2,538	4,483	7,676	14,652	12,487	364,263	**214,022**

Data & Sources

Seniors and individuals with disabilities comprise only 13% of the Montana Medicaid population but account for nearly 40% of Medicaid expenditures.

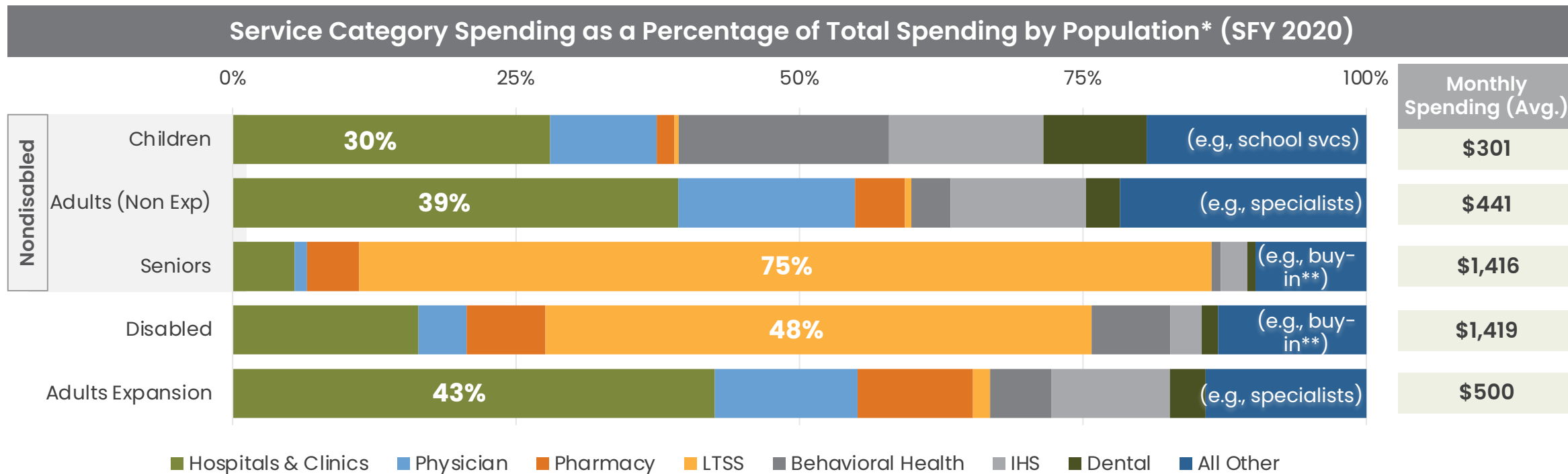## Medicaid Enrollment and Spending by Population Group* (SFY 2020)

Children + Adults
(Nondisabled, Including Expansion)

Enrollment

85%

Spending

61%

Seniors**

15%   **6%**

Individuals With Disabilities

24%   **9%**

Medicaid spending varies by age group and disability status. Nondisabled children and adults comprised the large majority of Medicaid enrollment (85%) but contributed to far less of its expenditures (61%). Conversely, seniors and individuals with disabilities, who often require high-intensity and high-cost services to support their daily living, comprised 15% of Medicaid enrollment but contributed to 39% of Medicaid expenditures. 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 exclude "disabled," who are otherwise captured by the individuals with disabilities category.

Data & Sources

Seniors and individuals with disabilities rely on Montana Medicaid to cover often expensive long-term services and supports that are not otherwise covered by Medicare.

Service Category Spending as a Percentage of Total Spending by Population* (SFY 2020)

Population		Chart	Monthly Spending (Avg.)
Nondisabled	Children	30% ... (e.g., school svcs)	$301
Nondisabled	Adults (Non Exp)	39% ... (e.g., specialists)	$441
Nondisabled	Seniors	75% ... (e.g., buy-in**)	$1,416
	Disabled	48% ... (e.g., buy-in**)	$1,419
	Adults Expansion	43% ... (e.g., specialists)	$500

Legend: ■ Hospitals & Clinics ■ Physician ■ Pharmacy ■ LTSS ■ Behavioral Health ■ IHS ■ Dental ■ All Other

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 2020, three-quarters of Medicaid spending on seniors and half of Medicaid spending on individuals with disabilities was for LTSS. Medicaid spending on children and adults remains more concentrated on hospital and clinic services, which increased as a proportion of each population's spending during the pandemic, as physician and dental services spending declined.

*Medicaid spending only (excludes Medicare and CHIP).

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

Data & Sources

Montana Medicaid spending increased for adults and children in 2020, driven by increased hospital and clinic spending during the pandemic.

## Montana Medicaid Average Monthly Spending per Enrollee (2019-2020)
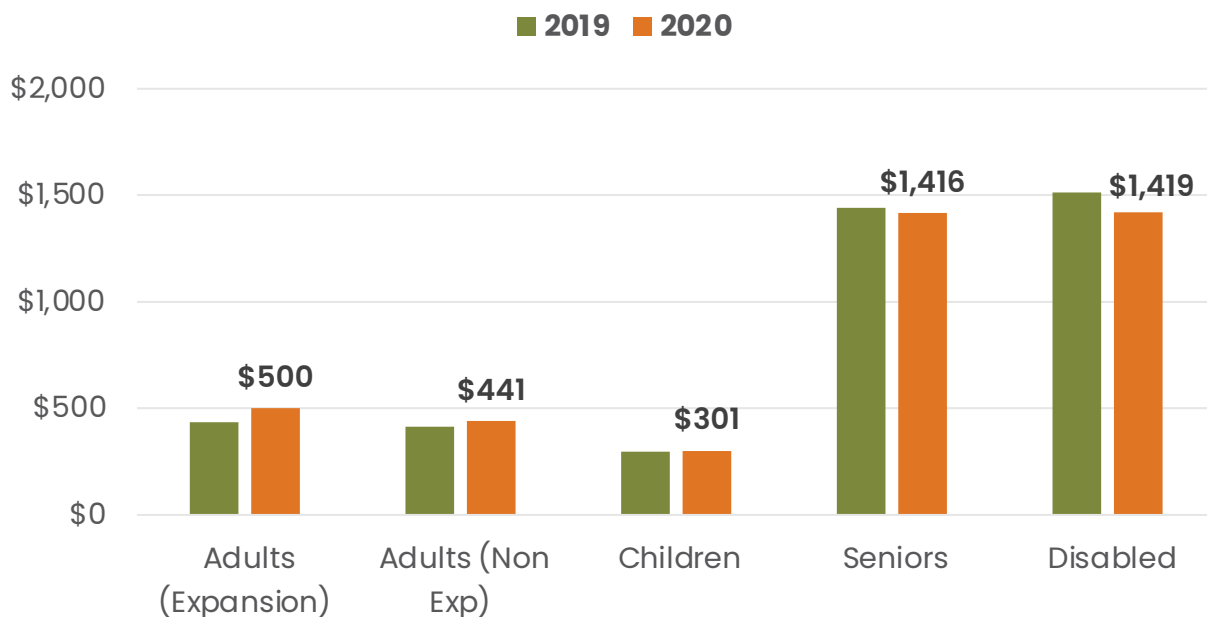
2019 **2020**

	Medicaid Spending (Average PMPM)		Change (2019-2020)	
	2019	**2020**	**Total**	**Change (%)**
Adults (Expansion)	**$434**	**$500**	+$66	+15%
Adults (Non-Expansion)	**$414**	**$441**	+$27	+7%
Children	**$297**	**$301**	+$4	+1%
Seniors	**$1,440**	**$1,416**	−$24	−2%
Disabled	**$1,514**	**$1,419**	−$95	−6%

Nationally, two-thirds of state Medicaid programs reported higher-than-expected expenditures during 2020, as Medicaid enrollment increased and enrollee spending shifted from preventive services to more costly and intensive acute care, which was sometimes related to COVID-19. Montana experienced similar trends. Average spending per enrollee increased for adults and children, especially for expansion adults, where hospital and clinic spending increased significantly. Average spending for expansion adults also increased as enrollment declined for generally healthier members throughout the year.

[Data & Sources](#)

Montana Medicaid leverages federal dollars to infuse Montana's health care system with more than $1.6 billion to support the delivery of inpatient and outpatient services.

Medicaid Payments by Provider Type (SFY 2020)
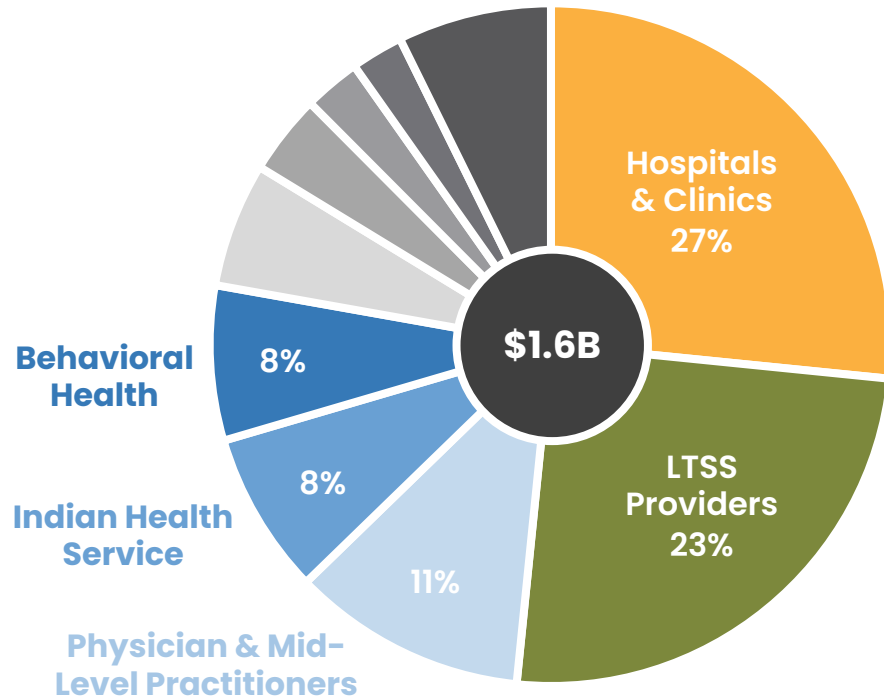
Provider Type	Medicaid Spending (% Change 2019–2020)	Proportion of Total Spend
Total	$1,639,230,137 (–1%)	100%
Hospitals & Clinics	$446,221,690 (+1%)	27%
LTSS	$384,892,539 (–7%)	23%
Physician & Mid-Level Practitioners	$179,009,491 (–3%)	11%
Indian Health Service	$132,624,233 (4%)	8%
Behavioral Health	$125,180,601 (3%)	8%
Other	$144,245,036 (19%)	9%
Pharmacy	$109,316,309 (12%)	7%
Dental	$59,914,405 (–5%)	4%
Medicare Buy-in	$28,413,434 (–36%)	2%
Schools	$29,412,399 (–28%)	2%

In 2020, Montana Medicaid spent approximately $1.6 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. Montana Medicaid paid more than $446 million to support patient care at hospitals and clinics in Montana, health care settings that were instrumental to responding to the COVID-19 pandemic. At the same time, Montana Medicaid saw spending decrease during the pandemic for some providers, particularly school-based health services and long-term services and supports.

Data & Sources

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

Objectives of the HELP Act

Expand health care coverage to additional individuals.
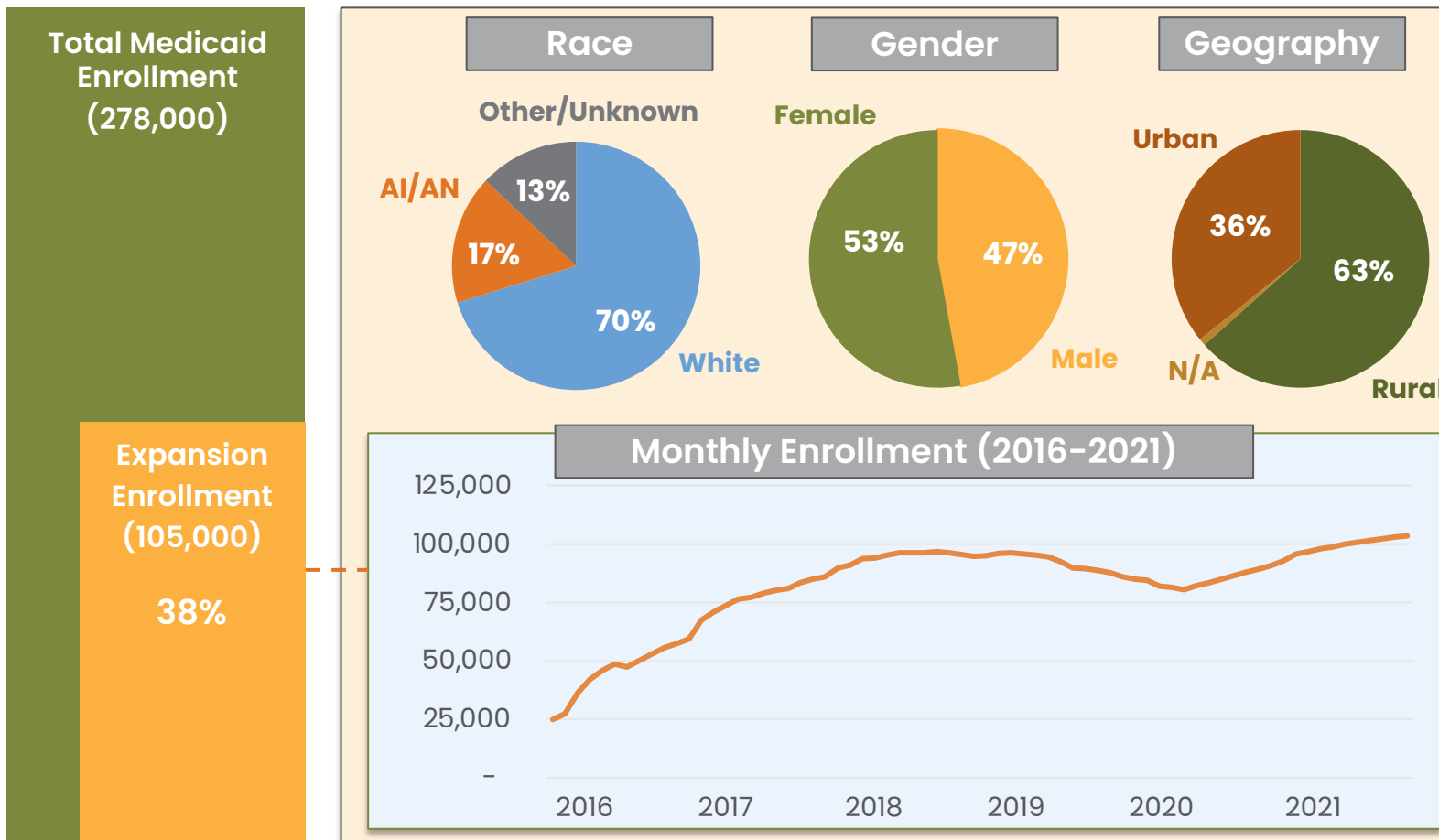
Improve access to health care services.

Control health care costs.

The 2015 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, childless adults with incomes up to 133% FPL. The HELP Act also expanded Medicaid's coverage of services and care. 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 Montana Medicaid system, bringing in new federal dollars to supplement state funds.

Data & Sources

Montana's Medicaid expansion population grew between 2019 and 2021 as Montanans relied upon the program due to COVID-19-related job losses.

## Medicaid Expansion Enrollee Characteristics (2021)

Total Medicaid Enrollment (278,000)

Expansion Enrollment (105,000)

38%

Race

Other/Unknown **13%**

AI/AN **17%**

70% White

Gender

Female

53% **47%**

Male

Geography

Urban

36% **63%**

N/A

Rural

Monthly Enrollment (2016–2021)

The size of the expansion population has fluctuated with Montana's economy, decreasing from late 2018 into early 2020, before increasing up to 105,000 individuals in December 2021, during the public health emergency. Demographically, the expansion population is similar to the overall Medicaid population: expansion plays a critical role in supporting the state's Native American and rural communities.

A Montana Department of Labor and Industry analysis found that nearly three-quarters of expansion enrollees had low-wage, seasonal, or "gig" industry jobs where employer-sponsored coverage was either unavailable or unaffordable.
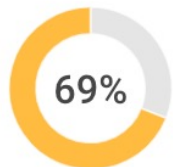
Medicaid expansion supports low-income adults and their employers by providing essential health care coverage.
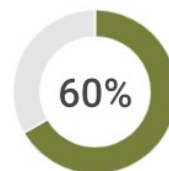
Medicaid Expansion Enrollees: Key Statistics
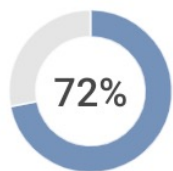
72% 72% of Medicaid expansion enrollees were employed in 2019.

69% 69% of Medicaid expansion enrollees in 2019 reported improved access to medical care since enrolling in Medicaid.

2/3 Two-thirds of HELP-Link participants involved in "intensive" training found employment in 2020.

60% 60% of all businesses in Montana had at least one employee enrolled in Medicaid between 2018 and 2019.

$1B It would have cost employers up to $1.1 billion (estimated) to provide private insurance to Medicaid-enrolled workers in 2019.

In 2019, the majority of Montana's 97,000 Medicaid expansion enrollees were working adults, many of whom were employed in low-wage industries that do not otherwise offer commercial insurance coverage. To support Montana's workforce, the HELP Act also created HELP-Link, a voluntary workforce program administered by the Department of Labor and Industry that helps expansion enrollees find more stable and higher-paying long-term employment and in some cases enhance their skills to match those jobs.

Medicaid expansion enrollees contribute toward the cost of their coverage through premium payments equal to 2% of household income, and those payments continue to increase.

Medicaid Expansion Enrollee Monthly Premiums Collected by the State (2016–2021)
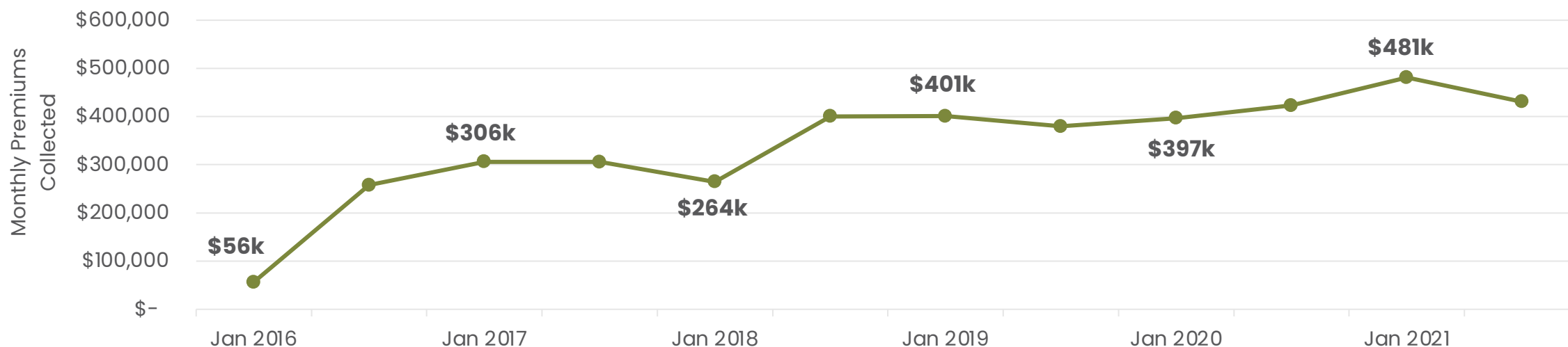
Medicaid expansion enrollees with incomes between 51% and 133% FPL are required to pay premiums equal to 2% of household income unless otherwise exempted (e.g., American Indians). Failure to pay premiums would usually result in disenrollment for enrollees with incomes exceeding 100% FPL. However, in March 2021, Montana waived the federal Medicaid continuous coverage requirements and disenrollment penalties during the pandemic. By July 2021, enrollees were contributing more than $430,000 in monthly premiums for coverage that is often not available to them through their employers.

In December 2021, CMS communicated to Montana that it would not authorize continued premium collection under a 1115 waiver, giving the state one year to phase out the collection of monthly premiums.
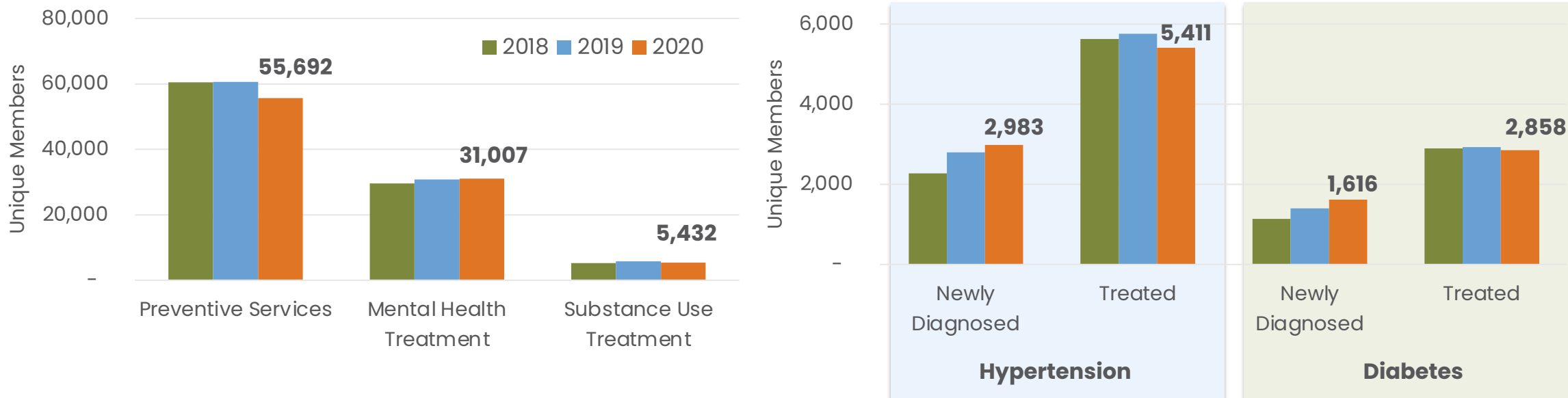
Data & Sources

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

Preventive Services. Preventive services allow for the early detection and treatment of physical and behavioral health concerns, supporting the long-term health of Montana's population and workforce. While physical health preventive service utilization declined for expansion enrollees in 2020, despite a growing expansion population (see page 23), the number of individuals newly diagnosed with hypertension and diabetes continued to increase.

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 30,000 expansion enrollees received mental health services in 2020, and more than 5,000 received support for substance use disorders.
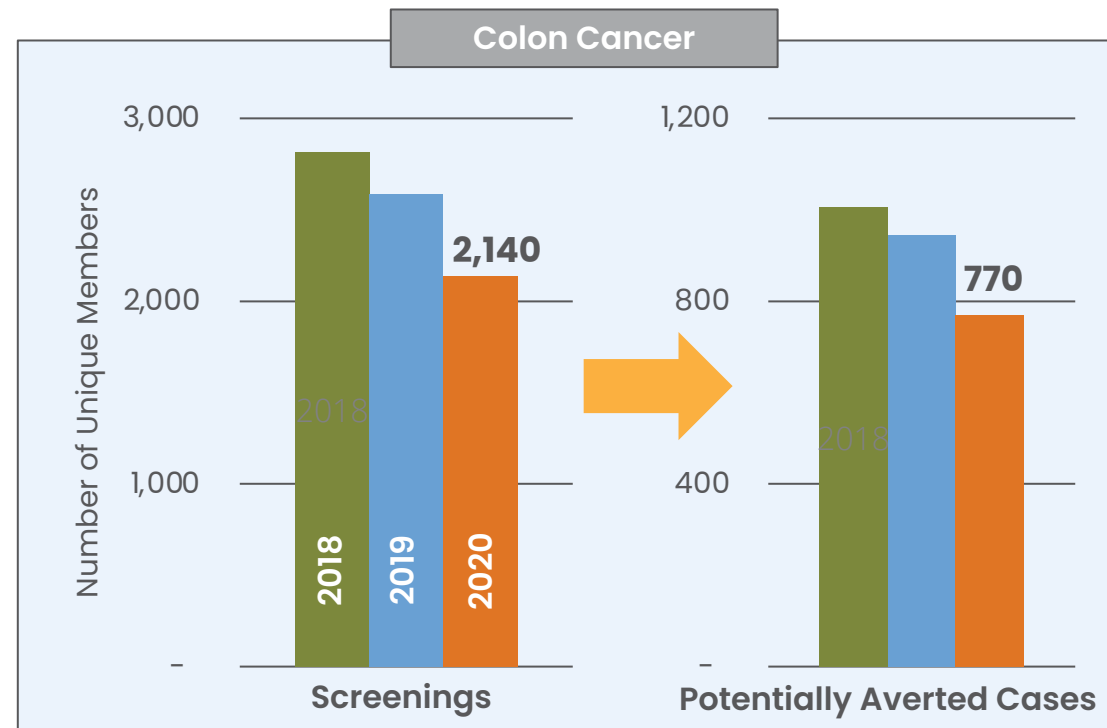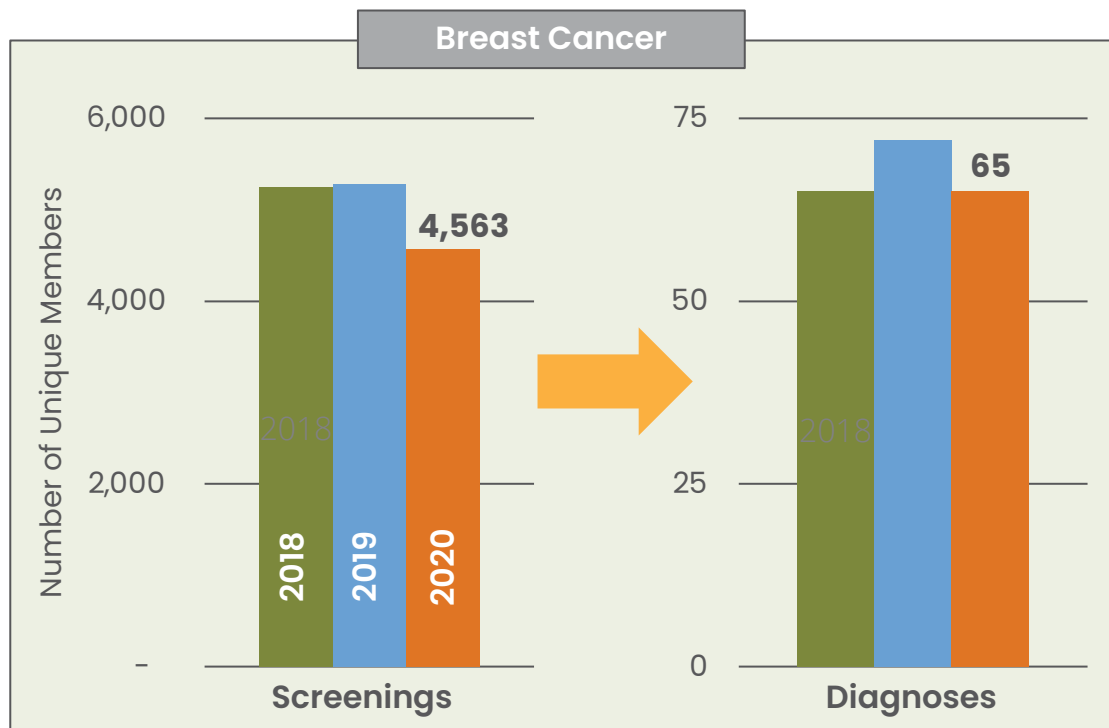
Expansion Diagnosis & Treatment Counts (2018-2020)

Data & Sources

Medicaid expansion facilitates early diagnosis and early treatment of cancer, promoting the long-term health of Montanans.

Expansion Enrollee Screenings Resulting in Early Diagnoses and Treatment (2018-2020)

Every year, more than 4,000 Medicaid expansion enrollees are screened for breast cancer and more than 2,000 for colon cancer. In 2020, these screenings resulted in the diagnosis of 65 cases of breast cancer and 770 potentially averted cases of colon cancer. Due to the pandemic, however, screening and diagnosis rates for breast cancer and colon cancer declined during 2020; this could result in an increase in the number of individuals with cancer left undetected.

Data & Sources

Medicaid expansion provided Montana with critical resources to support the diagnosis and treatment of behavioral health conditions in Montana.

Montana consistently has among the highest mortality rates in the nation due to drugs, alcohol, and suicide. In 2020, alcohol-related deaths in Montana surged, reaching more than 260 deaths—the most in the last 20 years. In the same year, **37% of Medicaid enrollees had a health care claim that included a behavioral health diagnosis, higher than reported national averages.** The national surge in behavioral health concerns associated with the pandemic underscores the importance of prevention, early intervention, treatment, and recovery services to improving the health and well-being of Montanans.

Montana Medicaid funding for substance use disorder (SUD) treatment services has quadrupled from 2016 to 2020 as a result of Medicaid expansion, incentivizing more providers to offer SUD treatment services statewide. That increase in funding, 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 the number of state-authorized substance use disorder treatment provider locations more than doubling between 2016 and 2021.

On October 1, 2021, DPHHS submitted an application for the Healing and Ending Addiction Through Recovery and Treatment (HEART) Section 1115 demonstration, which seeks federal authority to further invest in community-based treatment services as well as expanded inpatient and residential treatment for individuals living with SUD.

**Montana SUD Treatment Provider Service Locations Count (2016, 2021)**
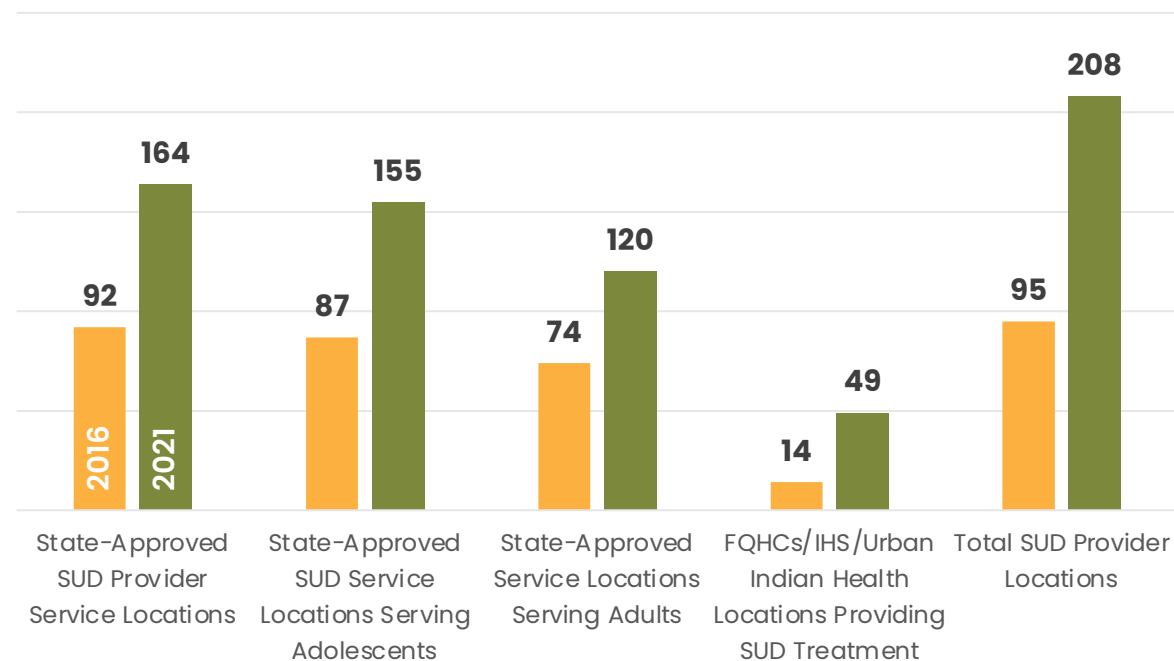
See the Montana Healthcare Foundation's issue brief on the role of Medicaid expansion in supporting Montana's behavioral health system and addressing enrollees' behavioral health needs for more detailed information.

Data & Sources

The proportion of Medicaid expansion enrollees visiting the emergency department declined each year they had access to preventive, specialist, and outpatient care.

Expansion Enrollees With an ED Visit by Year of Enrollment
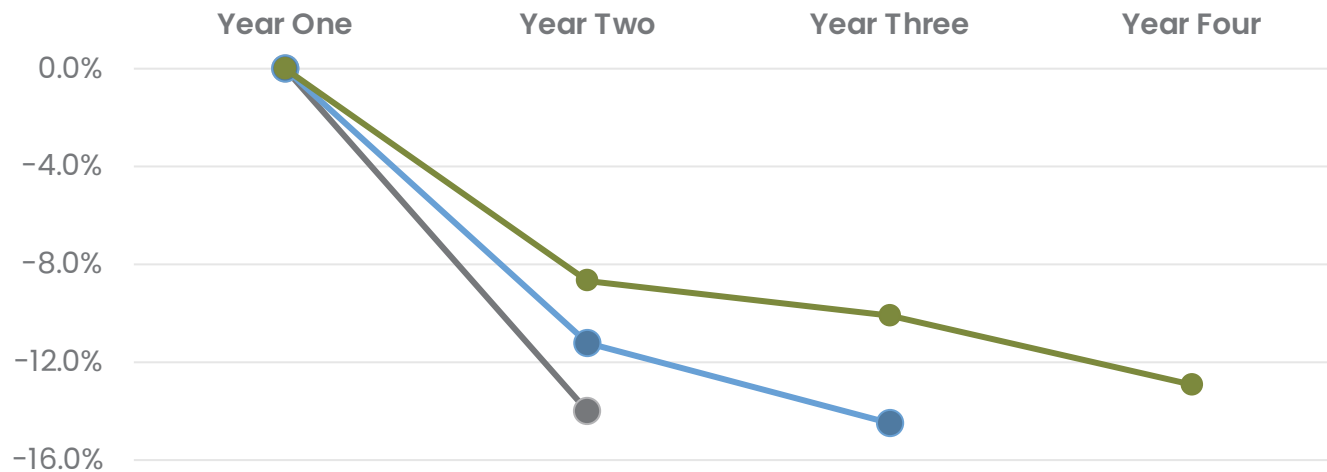
Enrollee Continuous Coverage Period	Total Pop.	Individuals Visiting ED				Percent Change (From Year 1)		
		Year One	Year Two	Year Three	Year Four	Year Two	Year Three	Year Four
Two Years Coverage +	65,953	23,031	19,807			-14.0%		
Three Years Coverage +	39,563	14,065	12,486	12,027		-11.2%	-14.5%	
Four Years Coverage +	21.889	7,956	7,266	7,152	6,928	-8.7%	-10.1%	-12.9%

Of the 65,953 Montanans covered by Medicaid expansion for at least two full years between program launch in 2016 and June 2021, 23,031 (around 35%) had at least one ED visit during their first year. **By their second year of enrollment, however, the proportion of enrollees visiting the ED declined by 14%.** 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 different health needs of the respective populations.

Nationally, studies remain mixed on the impact of Medicaid expansion on ED utilization by new enrollees. Several have suggested a decrease in lower acuity conditions as enrollees get greater access to preventive care, outpatient care, and specialist services and are able to better manage their health needs and have access to lower-cost alternative settings to seek medical attention.

Data & Sources

Medicaid expansion enrollees with chronic physical health conditions reduced their use of emergency department services and increasingly engaged specialists in their care the longer they had coverage.

Montanans covered by Medicaid expansion for longer periods of time were more likely to have a diagnosed* physical health condition that would benefit from specialist attention. For example, among individuals covered by expansion for at least three years (39,563), 11% were diagnosed with diabetes and 24% with respiratory disease.**

Use of specialist care services, such as from a podiatrist, ophthalmologist, and pulmonologist, increased for enrollees during their first three years of enrollment, while fewer visited the ED. Medicaid expansion provides individuals with access to specialist services that may otherwise be unattainable, supporting the long-term health and well-being of Montana's workforce.

Expansion Enrollees With a Specialist/ED Visit by Diagnosed Physical Health Condition and Year of Enrollment

Diabetes


Respiratory Disease
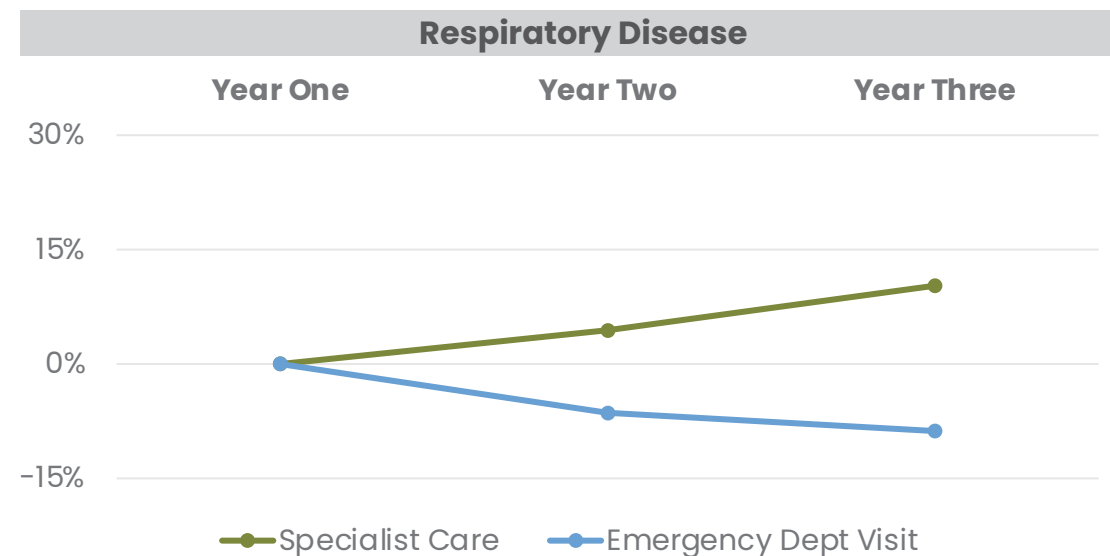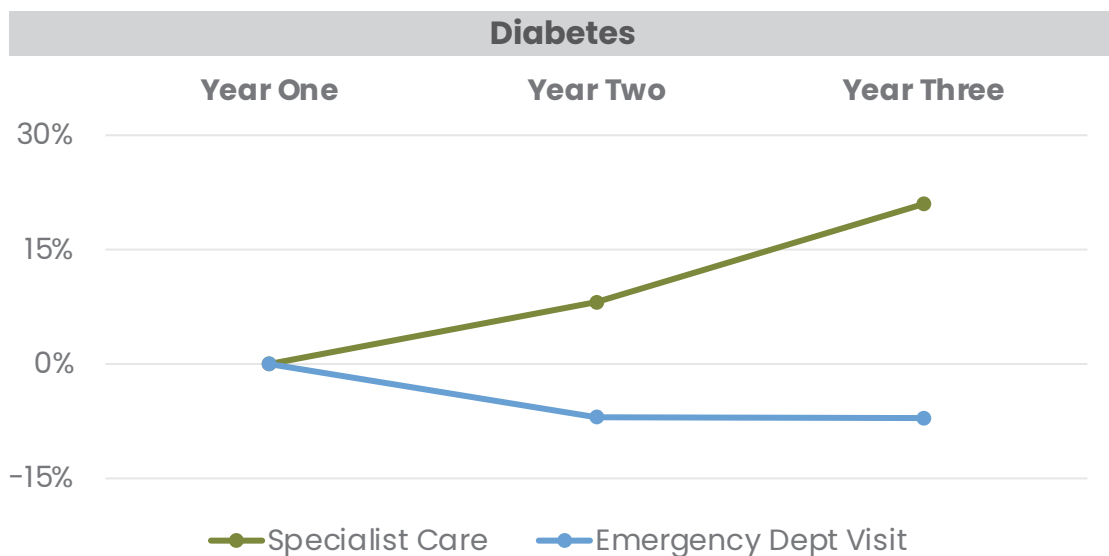
*Recorded diagnosis on claim.

**Compared with 8% (diabetes) and 16% (respiratory disease) for individuals who were covered by expansion for only two continuous years (26,390) between 2016 and June 2021.

Data & Sources

Medicaid expansion enrollees with mental health conditions and substance use disorders accessed emergency department services less frequently over time.

Medicaid expansion provides individuals confronting mental health conditions and SUD increased access to primary and specialist care. Among those individuals covered by expansion for at least three years (39,563), approximately half had a diagnosed* mental health condition and nearly a third (29%) had a diagnosed SUD. Emergency department visits declined for both populations the longer they were on Medicaid.

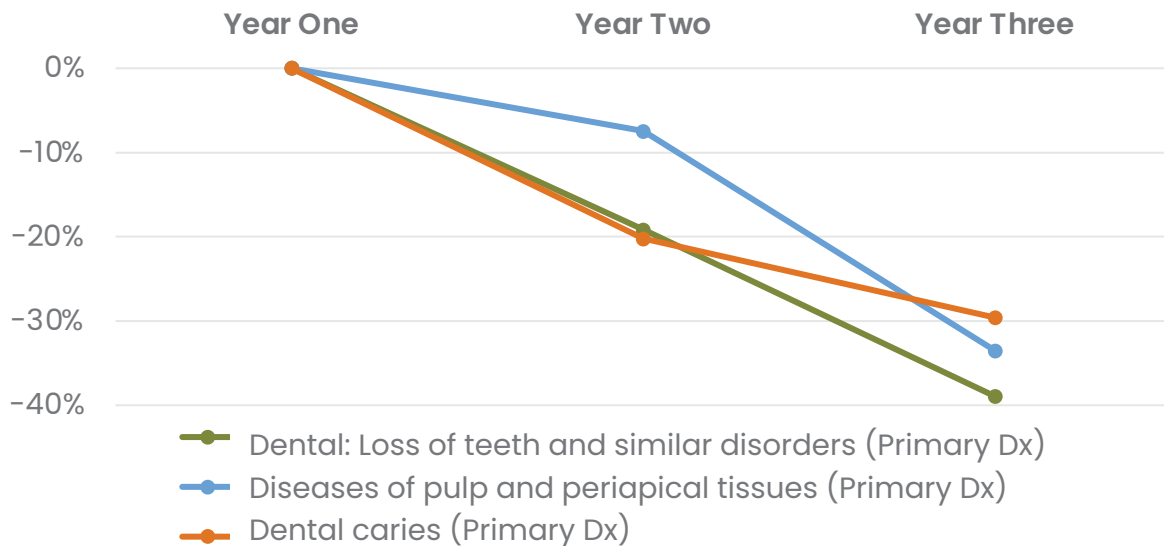## Expansion Enrollees With ED Visit by Diagnosed Behavioral Health Condition and Year of Enrollment

Substance Use Disorder

Mental Health

*Recorded diagnosis on claim.

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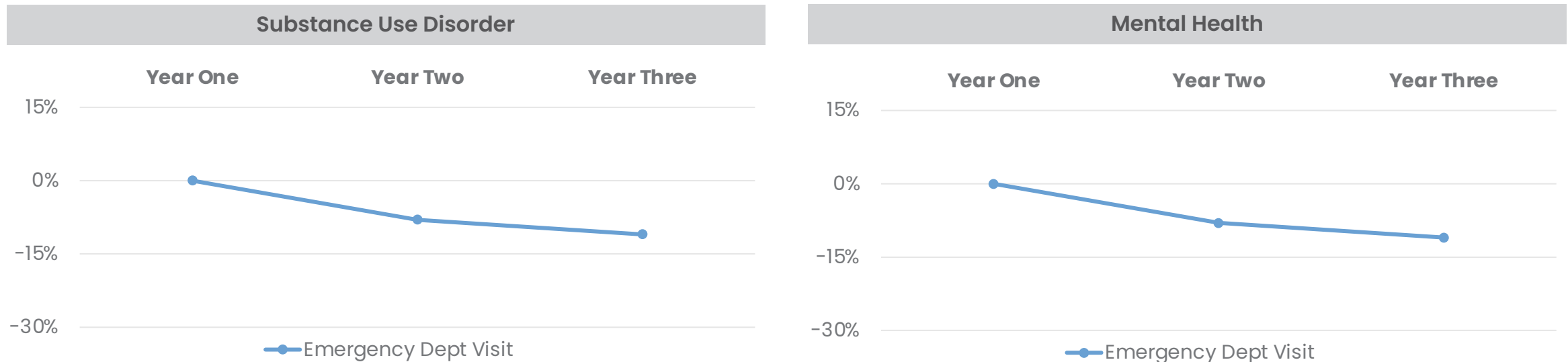
Emergency department use for preventable dental conditions declined by more than a third for Medicaid expansion enrollees with at least three years of coverage.

Medicaid Expansion Enrollee ED Visits for Preventable Dental Conditions

Year One   Year Two   Year Three

- ● Dental: Loss of teeth and similar disorders (Primary Dx)
- ● Diseases of pulp and periapical tissues (Primary Dx)
- ● Dental caries (Primary Dx)

	Individuals Visiting ED for Condition*			Change (Year 1–Year 3)	
	Year One	Year Two	Year Three	Total	Change (%)
Loss of Teeth	506	409	309	-197	-39%
Diseases of Pulp and Periapical Tissues	388	359	258	-130	-34%
Dental Caries	267	213	188	-79	-30%

Montana Medicaid expansion covers preventive dental services for adults, including exams, cleanings, fillings, and dentures, providing a pathway for dental treatment outside of expensive, often more acute, ED visits. Nationally, in states that expanded Medicaid and provided dental coverage, statewide dental ED visits decreased by 14.1% over a three-year period after expansion. For Montanans with coverage through Medicaid expansion,* ED use for preventable dental conditions, including tooth decay and gum disease, declined by more than a third over three years.

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%).

*Enrollees with at least three years of continuous Medicaid expansion enrollment between 2016 and June 2021 (39,563 individuals).

[Data & Sources](#)

The HELP Act and Medicaid expansion generated direct state budget savings of over $27 million in state fiscal year 2021.

State Budget Savings Pathways and Estimated Savings Amounts (SFY 2021)

1 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 (72%) are now covered in the expansion group at a higher federal match rate (90%), with Montana saving the difference.

Total State Savings (SFY 2021)   **+$13.3M**
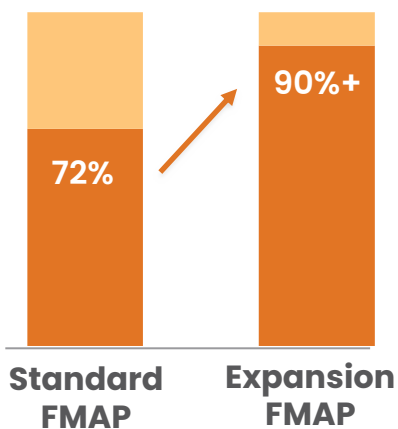
Enrollees with previous coverage under a waiver	+$4.3M
Some pregnant women	+$5.6M
Medically needy**	+$2.8M
Some individuals formerly eligible for breast & cervical cancer program	+$0.6M

Standard FMAP   **Expansion FMAP**

2 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 – at least partially – paid for through federal Medicaid dollars (or at Medicaid rates), allowing the state to allocate its limited budget to other priorities.

Total State Savings (SFY 2021)   **+$13.8M**

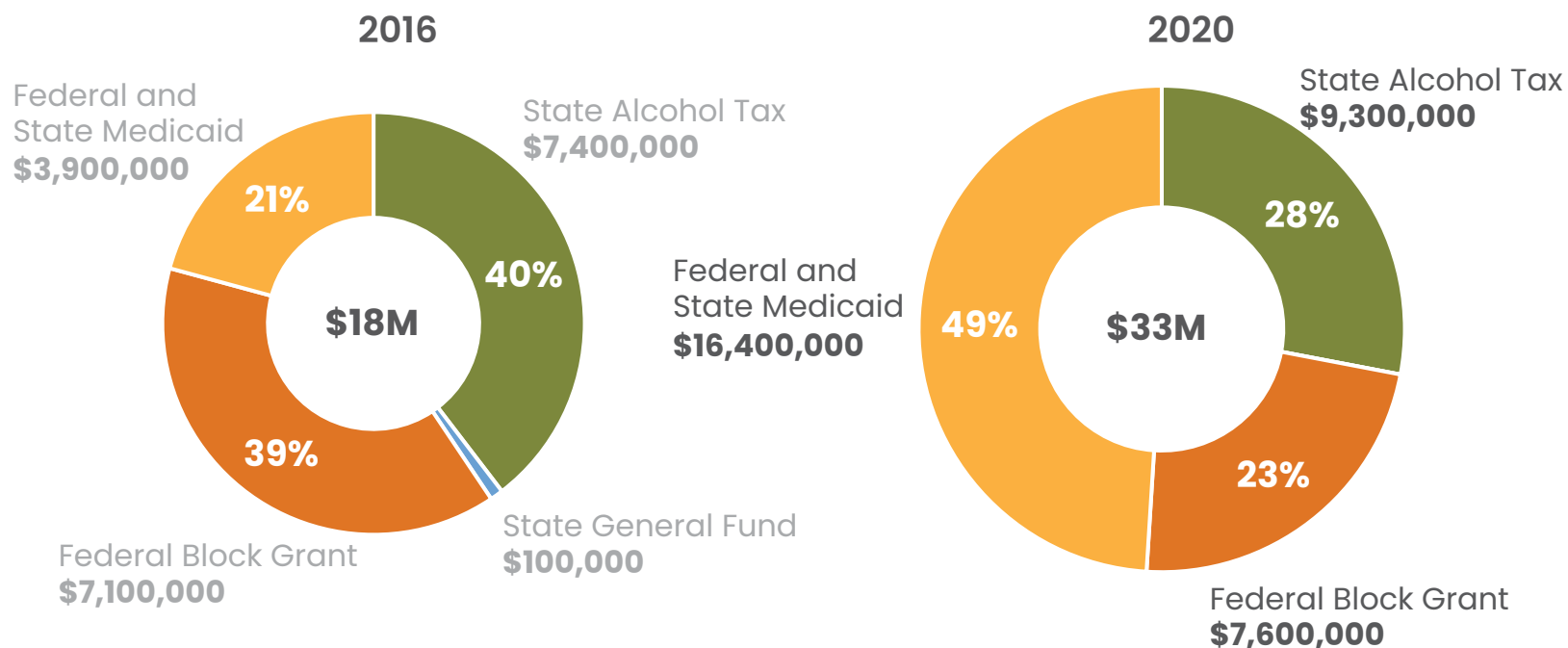|	
Mental health services program	+$1.6M
Substance use disorder treatment	+$0.7M*
Inmate treatment savings	+$11.5M

A [January 2021 report](#) from the Montana Healthcare Foundation and the Headwaters Foundation estimates that **direct and indirect savings from Medicaid expansion could cover between 62% and 85% of the expected state share of expansion costs.**

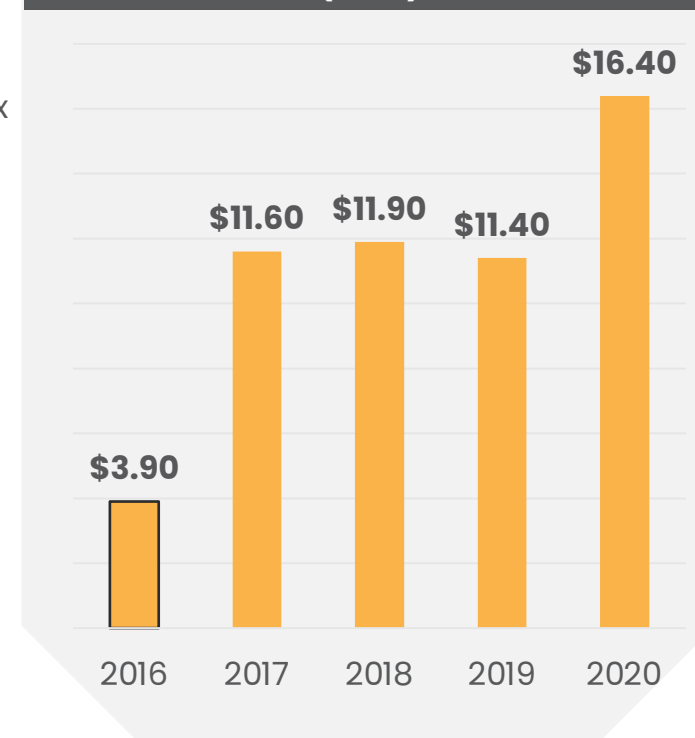*Held at SFY19 estimates though demand has risen. **2020 estimate.

[Data & Sources](#)

Federal and state Medicaid funds available to support substance use disorder prevention and treatment have quadrupled since Montana's Medicaid expansion.

Montana's Spending on SUD Prevention and Treatment by Funding Source (2016, 2020)

2016

Federal and State Medicaid
$3,900,000
21%

State Alcohol Tax
$7,400,000
40%

$18M

Federal Block Grant
$7,100,000
39%

State General Fund
$100,000

2020

State Alcohol Tax
$9,300,000
28%

Federal and State Medicaid
$16,400,000
49%

$33M

Federal Block Grant
$7,600,000
23%

Federal Medicaid SUD Funding ($,m)

2016	2017	2018	2019	2020
$3.90	$11.60	$11.90	$11.40	$16.40

Federal and state SUD prevention and treatment resources for Montanans nearly doubled between 2016 and 2020 as Medicaid expansion brought new federal resources to Montana and freed up federal Substance Abuse Prevention and Treatment Block Grant funding to support additional prevention activities. Funding for SUD prevention and treatment is expected to grow as the state implements the HEART demonstration, building upon the coverage expansion to further invest in community-based and residential treatment for Montanans living with SUD.

Data & Sources

Medicaid expansion brings more than $650 million into Montana annually, creating jobs and supporting new economic activity.

Each year, Montana Medicaid receives substantial funding from the federal government to spend on patient care. This funding, in turn, supports the health and well-being of Montana's residents and economy.

The $650 million of new federal spending on Montana's hospitals, clinics, and primary and specialty care helped create and sustain more than 6,000 new jobs in 2020. The spending also generated an estimated $700 million in new economic activity, as these new employees spend their paychecks on local goods and services.

Economic Impact of Medicaid Expansion Annually (est., 2020)

Montana Receives New Federal Health Care Dollars Each Year

+$650 million

Medicaid Expansion Benefits all Montanans

Marketplace premiums were found to be 11% higher in states that did not expand Medicaid.

Expansion is also linked to lower crime, lessened financial stress, and improved child support.

New Federal Dollars Support Jobs, Income, and Economic Growth

+6,000 new jobs
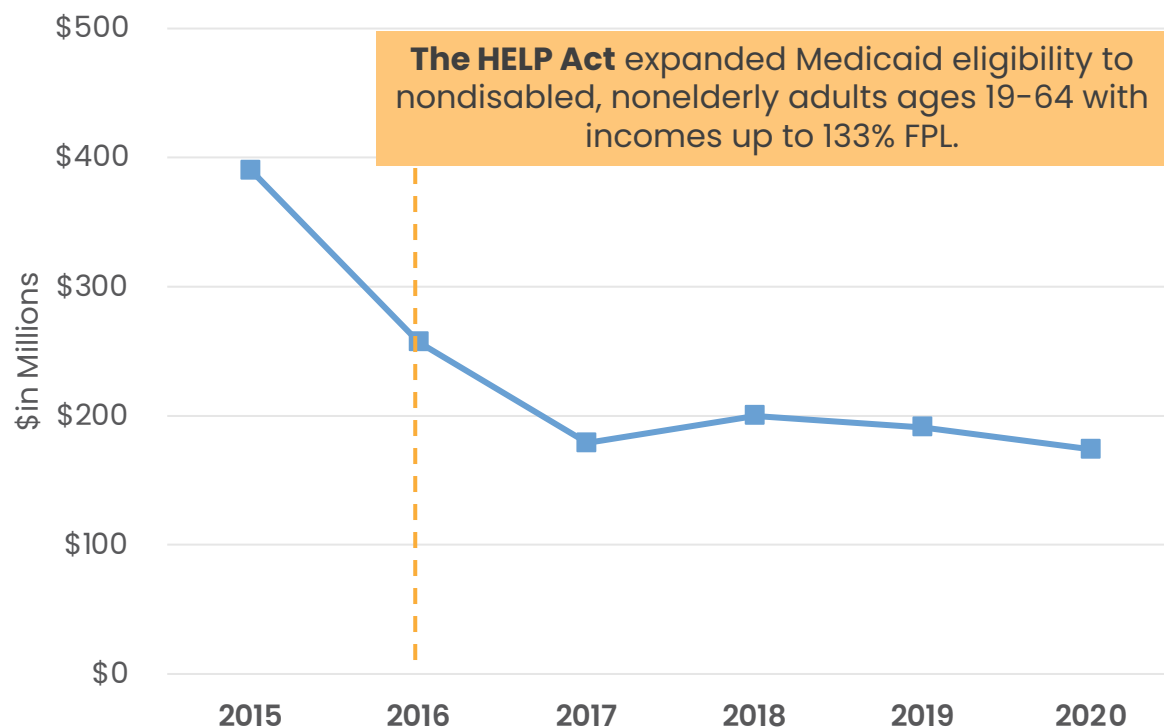across industries

+$350 million
in new personal income

+$700 million
in new economic activity

Data & Sources

Medicaid expansion reduced the financial burden of uncompensated care for Montana's hospitals.

Montana Hospital Uncompensated Care Costs (2015-2020)

The HELP Act expanded Medicaid eligibility to nondisabled, nonelderly adults ages 19-64 with incomes up to 133% FPL.

Montana's hospitals play a central role in supporting the state's Medicaid expansion, contributing to the state's payment share through an annual tax on outpatient revenues. In 2021, Montana hospitals paid nearly $20 million to a special revenue fund, which helped the state generate approximately $180 million in new federal matching funds to support all of Montana's health care providers.

Prior to Medicaid expansion, uninsured individuals might 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.

New research suggests that Medicaid expansion may put hospitals in a better position to recover financially from the COVID-19 pandemic. Hospitals in expansion states not only spend less on uncompensated care costs but also benefit from greater Medicaid revenue compared to non-expansion states.

[Data & Sources](#)

Medicaid expansion provided coverage to more than 16,000 American Indians and expanded health care access for all tribal members.

IHS Purchased or Referred Care: Change in Referrals since 2015 (2015-2020)
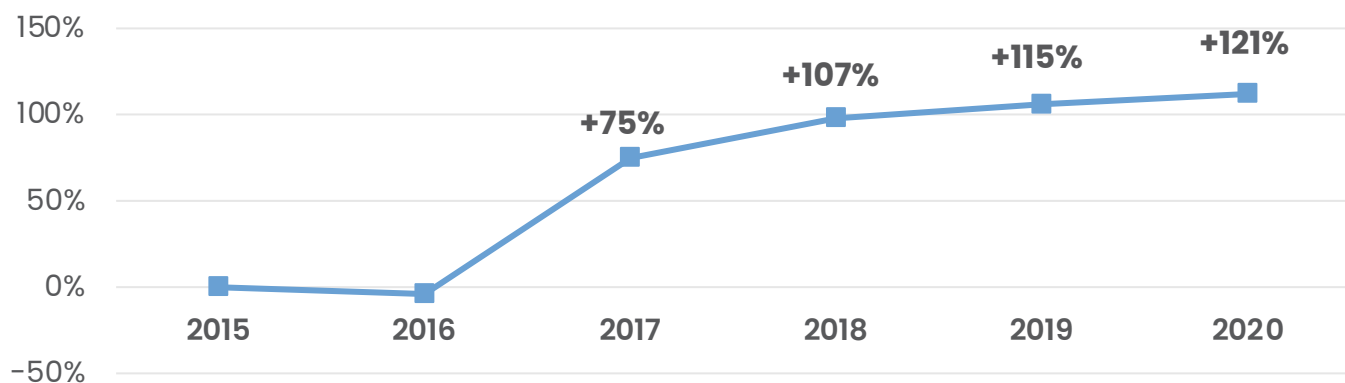
American Indians nationally and in Montana face significant health disparities stemming from structural disconnections from the health care system, health care service underfunding, extreme poverty, and discrimination. The median lifespan of AIs/ANs in Montana is roughly 19 years shorter than that for white Montanans.

The Indian Health Service (IHS) is a federal agency that provides health services to American Indian and Alaskan Native (AI/AN) populations in Montana through direct, tribally contracted and operated programs (e.g., tribal 638 programs), and indirectly through purchased and referred care (PRC), which reimburses services from private-sector providers. PRC referrals are funded by facilities 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 AI/AN individuals received coverage through Medicaid expansion—an increase of 16,000 AI/AN individuals, totaling nearly 50,000 on Montana Medicaid—it lightened demand on PRC funds and allowed all facilities to expand access to preventive, primary, secondary, and tertiary care services. The number of PRC referrals has increased by 121% between 2015 and 2020.

The federal government covers 100% of Medicaid costs for services delivered through IHS facilities. IHS also provides a limited amount of funding for Urban Indian Health Programs that serve AI/AN individuals who live off the reservation and other tribal-operated lands, though services provided by these programs and facilities may not universally qualify for 100% federal reimbursement.

Data & Sources

Medicaid expansion provided Montana's American Indian/Alaskan Native populations access to preventive services and treatment throughout the pandemic.

Preventive Services and Treatment Received by AI/AN Expansion Enrollees (2016–2020)
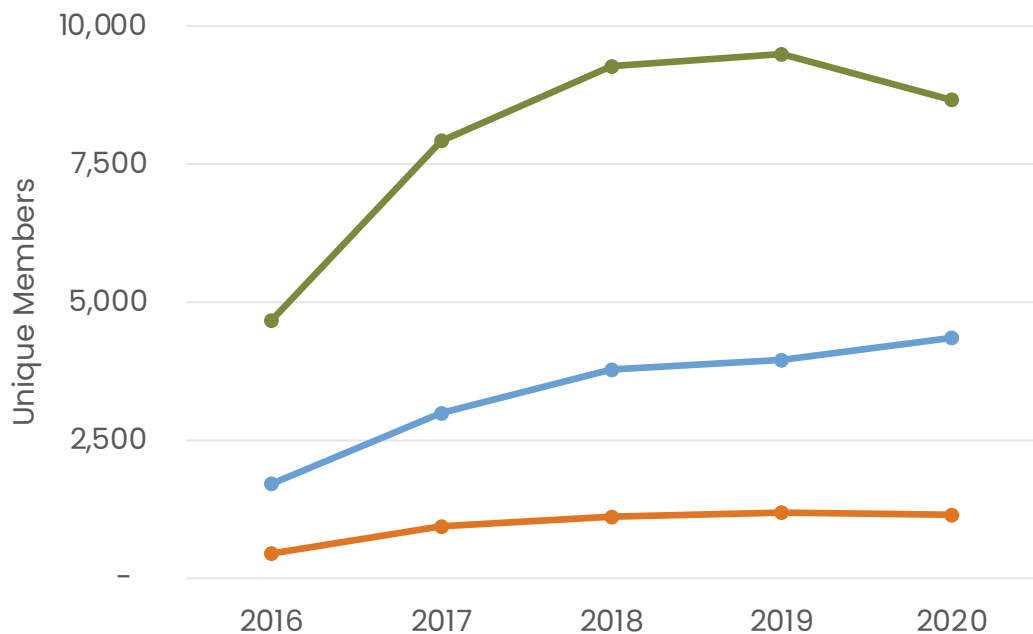

		2016	2017	2018	2019	2020
Preventive Services Delivered		**4,668**	**7,918**	**9,266**	**9,490**	**8,662**
Mental Health Treatment		**1,710**	**2,987**	**3,780**	**3,950**	**4,352**
Substance Use Treatment		**449**	**940**	**1,115**	**1,189**	**1,147**
Breast Cancer	Screenings	99	217	449	448	364
	Diagnoses	–	3	9	10	13
Colon Cancer	Screenings	189	286	303	305	221
	Potentially Averted	66	85	102	102	73
Diabetes	Newly Diagnosed	50	126	196	224	249
	Treatments	283	426	469	460	430
Hypertension	Newly Diagnosed	73	272	332	306	332
	Treatments	359	629	660	569	548

In 2020, Medicaid expansion helped more than 8,600 AI/AN in Montana receive preventive services, more than 4,300 receive mental health treatment, and more than 1,000 receive SUD treatment. However, like other population groups, preventive service utilization declined between 2019 and 2020, likely as a result of delayed care during the COVID-19 crisis.

Data & Sources

Medicaid expansion has brought new federal dollars to Montana to support historically underfunded Indian Health Service and tribal health organization facilities.

Medicaid Payments to IHS and Tribal Health Organization Facilities (2010-2021)
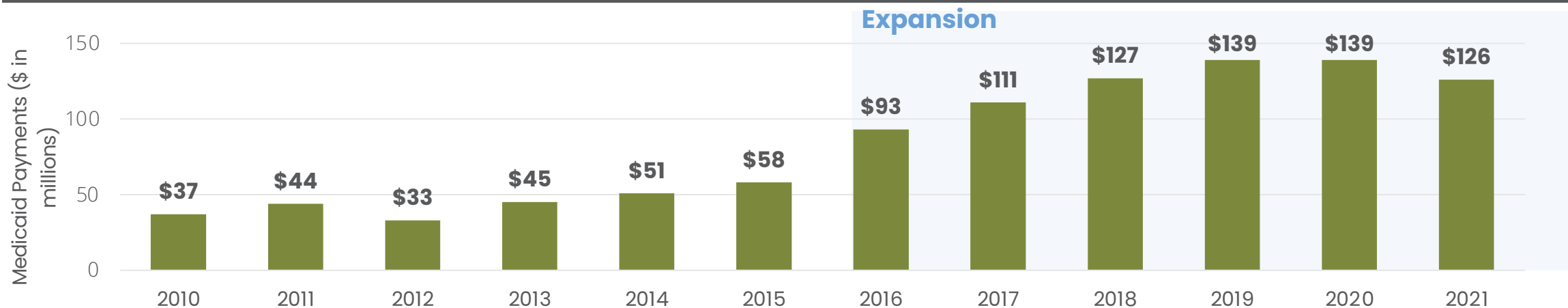
In 2021, Montana Medicaid made federally reimbursable payments of more than $126 million to IHS and tribal health organization facilities as they supported the health and well-being of American Indians on and off reservations in Montana; 36% of payments were for services provided to expansion enrollees. IHS and tribal health organization payments declined slightly, along with lower service utilization rates, throughout the pandemic. Medicaid payments are a critical annual source of revenue for resource-limited IHS and tribal health organization facilities. In 2017, the U.S. Government Accountability Office (GAO) noted that national IHS spending per capita was 60% lower than per capita spending by the Veterans Health Administration (VA) and half of that by Medicaid.* Medicaid expansion has helped mitigate decades of underfunding at IHS and tribal health organization 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.

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

Data & Sources

Special Topic:
Medicaid as a Critical Support in Rural Montana

Medicaid expansion is providing Montanans residing in rural areas with unprecedented access to behavioral health services.

Accessing health care services is a persistent challenge for rural Americans, often requiring significant travel to reach primary, specialty, and hospital care. For rural residents with access to broadband coverage, however, telehealth can be an effective tool to alleviate some health care access issues, and it is one that Montana Medicaid has a history of supporting. Montana Medicaid has traditionally allowed select services to be delivered via telehealth for eligible individuals, offering Montanans living in more rural parts of the state access to qualified physicians for medically necessary services.

Throughout the pandemic, Montana Medicaid significantly expanded access to telehealth services, waiving in-person service delivery requirements for services (e.g., primary care, therapy, and substance use disorder treatment) and authorizing reimbursement for telehealth services at the same rate as in-person visits. This telehealth expansion enabled more rural Montanans to access behavioral health services at a time when many needed it most, closing potential gaps in access to care for these populations.

In 2021, the Montana Legislature passed and the governor signed a bill to make these temporary telehealth measures permanent, institutionalizing new access to services for rural Montanans. "Telehealth services are transforming how care is delivered in Montana, particularly in our frontier and rural communities," Governor Greg Gianforte noted.

"Telehealth services are transforming how care is delivered in Montana, particularly in our frontier and rural communities."
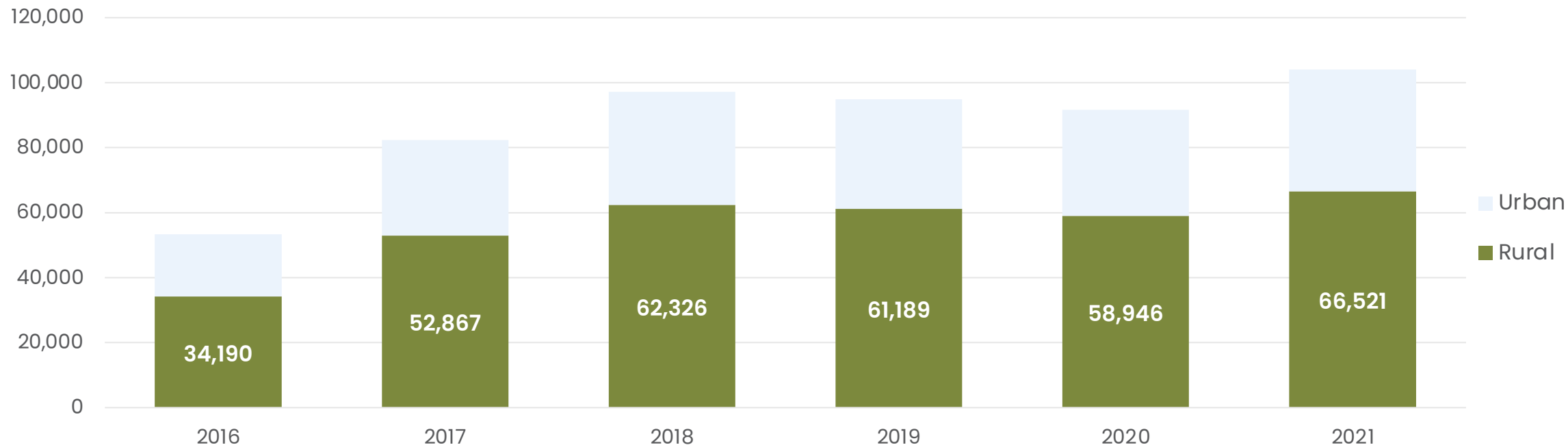
Governor Greg Gianforte

A majority of surveyed providers (59%) reported increases in rural resident service utilization with their adoption of telehealth capabilities.

Behavioral Health Alliance of Montana, 2021 Survey

Data & Sources

Medicaid expansion is a critical source of coverage for rural Montanans.

Medicaid Expansion Enrollees Residing in Rural Areas (2016-2021)

| Year	Rural
2016	34,190
2017	52,867
2018	62,326
2019	61,189
2020	58,946
2021	66,521

Legend: Urban, Rural

Nationally, individuals living in rural areas experience higher rates of chronic and behavioral health conditions and higher mortality rates, making access to coverage particularly critical to their health. Medicaid expansion has had a significant impact on insurance rates in rural areas across America. In 2019, the rural uninsured rate in non-expansion states was nearly twice as high as the rate in expansion states. Medicaid expansion in Montana provided health coverage and increased health care access to many previously uninsured Montanans. **In 2021, 64% of Medicaid expansion enrollees resided in rural areas, while only 35% resided in urban centers.**

Data & Sources

Medicaid in Montana – March 2022

Medicaid expansion supports the financial viability of essential rural health care facilities.

Montana Critical Access Hospitals and Rural Health Clinics Uncompensated Care Costs* (2016–2020)

$ in Millions

- 2016: **$64M**
- 2017: **$37M**
- 2018: **$38M**
- 2019: **$38M**
- 2020: **$35M**
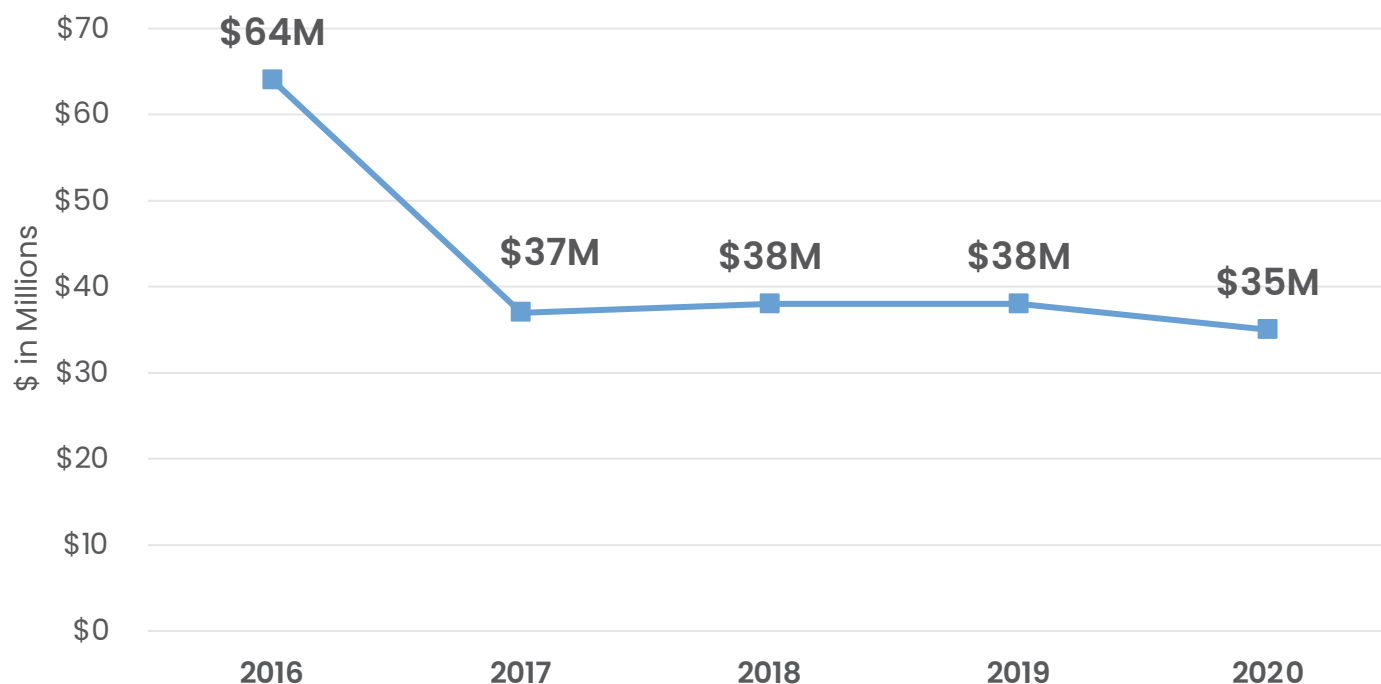
Rural hospital closures significantly impact access to care for rural communities. Nationally, rural hospitals located in non-expansion states have lower median operating margins than those in expansion states. Between 2016 and 2020, 72 rural hospitals closed nationwide.

Since expansion, Montana's rural health facilities, including critical access hospitals (CAHs) and rural health clinics (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, as well as important anchor institutions for local economies. **No rural hospitals in Montana have closed after expansion passed, and uncompensated care costs for Montana CAHs and RHCs declined by more than 40% ($27 million) between 2016 and 2020.**

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

Data & Sources

Conclusion

Conclusion

Montana Medicaid is an essential safety net program that provides low-income Montanans access to essential health care benefits and 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 than 105,000 Montana adults with incomes at or below 133% of the federal poverty level.

During the pandemic, Montana Medicaid has been a critical support for individuals impacted by job loss and COVID-19-related illnesses. While Montana Medicaid enrollment and spending grew between 2019 and 2021, increased federal funding and new flexibilities have resulted in the federal government covering a greater share of Montana's Medicaid spending. Furthermore, Medicaid coverage remained uninterrupted for enrollees, and new telehealth reimbursement rates brought service access to more rural and frontier communities.

Montana also continues to strengthen services and supports for Medicaid enrollees struggling with substance use disorder. In October 2021, the state submitted a Section 1115 demonstration application to expand behavioral health treatment offered through Montana Medicaid. The Healing and Ending Addiction Through Recovery and Treatment demonstration seeks federal authority to pay for new community-based services, as well as expanded inpatient and residential treatment.

Montana Medicaid continues to evolve and innovate to meet the needs of Montana's lowest income and most vulnerable residents.

Data & Sources

Data & Sources: Page 9

Sources:

- "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](#).

- "Medicaid Coverage of Adult Dental Services," MACPAC. January 2021. Available [here](#).

Data & Sources: Page 10

Sources:

- 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.

Data & Sources: Page 11

Sources:

- "Federal and State Share of Medicaid Spending (FY 2020)," Kaiser Family Foundation. Available [here.](#)

- "Federal Medical Assistance Percentage (FMAP) for Medicaid and Multiplier (FY 2020)," Kaiser Family Foundation. Available [here.](#)

- "The Impact of Medicaid Expansion on States' Budgets," Commonwealth Fund. Available [here.](#)

- "2021 State Expenditure Report: Fiscal Years 2019-21," National Association of State Budget Offices (NASBO). Available [here.](#)

Data Sources:

- DPHHS direct data request.

- Urban Institute estimates are based on data from CMS (Form 64), as of September 2021, via KFF.

Data & Sources: Page 12

Note:

- SFY 2020 Medicaid spending data from NASBO 2021 State Expenditures Report. Available here.

Sources:

- "Total State Expenditures (SFY 2019)," Kaiser Family Foundation. Available here.

- "Medicaid Expenditures as a Percent of Total State Expenditures by Fund (SFY 2019)," Kaiser Family Foundation. Available here.

Data Source:

- "2021 State Expenditure Report: Fiscal Years 2019-21," National Association of State Budget Offices (NASBO). Available here.

Technical Notes:

- The 2021 report illustrated Montana Medicaid expenditures as a percentage of the total state budget. This year, we are using Montana Medicaid as a percentage of state general fund spending and comparing that percentage to peer states.

- 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.

Data & Sources: Page 13

Note:

- SFY 2020 Medicaid spending data from NASBO 2021 State Expenditures Report, available [here](#). Financial data will differ from that shared on the previous slide due to differing data source (DPHHS), specifications, and years.

Source:

- "2021 State Expenditure Report: Fiscal Years 2019-21," National Association of State Budget Offices (NASBO). Available [here](#).

Data Source:

- "2020 State Expenditure Report: Fiscal 2018-20," National Association of State Budget Offices (NASBO). Available [here](#). Montana state budget estimate only.

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.

- 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.

Data & Sources: Page 14

Note:

- Eligibility levels as representative of December 2021 eligibility rules.

Source:

- "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:

- Enrollment numbers are estimates and provided for contextual purposes only.

- Pregnant women enrollment counts are sourced from the DPHHS Medicaid Enrollment Dashboard and may undercount pregnant women. Direct data was not available from DPHHS for pregnant women. The count represents only those women who are enrolled in the pregnant women eligibility category; it does not include individuals who may be enrolled in another eligibility category and who may have become pregnant during their plan year.

- Income thresholds incorporate a 5% disregard.

- 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 1).

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

Data & Sources: Page 16

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.

Sources:

- "Employment Recovery in the Wake of the COVID-19 Pandemic," U.S. Bureau of Labor Statistics. December 2020. Available here.

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

Data Source:

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

Data & Sources: Page 17

Note:

- Enrollment data excludes Healthy Montana Kids: CHIP, Section 9, Mental Health Service Plan and Medicare Savings Plan enrollees.

Data Sources:

- "Federal Poverty Level (FPL)," Healthcare.gov. Available [here](#).

- DPHHS direct data request.

Note:

- Race information is voluntarily reported.

Data Sources:

- 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.

Data & Sources: Page 19

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.

Source:

- "Montana Legislative Districts, 2014–2023," Montana State Library. Available [here](#).

Data Sources:

- 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.

- County map built using Tableau.

Data & Sources: Page 20

Source:

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

Data Sources:

- 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 2020. All individuals were enrolled in the month of December 2020. Durations represent continuous enrollment in the same enrollment category the individual was in in December 2020 (i.e., if a child switched into an "adult" enrollment category, their duration on the child plan would end and would begin on the adult plan).

Data & Sources: Page 21

Data Sources:

- DPHHS direct data request.

Technical Note:

- 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.

Data & Sources: Page 22

Sources:

- "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," CDC. September 11, 2021. Available here.

Data Source:

- DPHHS direct data request.

Technical Notes:

- *Unique counts not available.

- Counts represent unique members receiving services within designated eligibility categories.

Data & Sources: Page 23

Source:

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

Data Source:

- DPHHS direct data request.

Data & Sources: Page 24

Source:

- "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.

Technical Note:

- CY2020 counts through October 2021.

Data & Sources: Page 25

Source:

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

Data Sources:

- 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 "Disabled" category includes individuals from all age categories. Seniors exclude "disabled" who are otherwise captured by "individuals with disabilities."

Data & Sources: Page 26

Data Sources:

- DPHHS direct data request.

Technical Notes:

- 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 "disabled" category includes individuals from all age categories. Seniors exclude "disabled" who are otherwise captured by "individuals with disabilities."

Data & Sources: Page 27

Sources:

- "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 Notes:

- 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. IHS payments are not broken out by service category. Service categories are based on Manatt categorization.

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

Data & Sources: Page 28

Source:

- "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. IHS payments are not broken out by service category. Service categories are based on Manatt categorization.

Data & Sources: Page 30

Source:

- "Senate Bill 405," Montana Legislature. 2015. Available [here](#).

Data & Sources: Page 31

Sources:

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

- "Montana Medicaid and Healthy Montana Kids Plus Member Guide," DPHHS. Available here.

Data Sources:

- DPHHS direct data request.

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

Data & Sources: Page 33

Source:

- "HELP Premiums," DPHHS. Available [here](#).

Data Sources:

- Manatt analysis of "Montana Medicaid Expansion Dashboard," DPHHS. Available [here](#).

Technical Note:

- Premium collections vary significantly over the course of a CY, with peaks between February and April annually.

Data & Sources: Page 34

Data Source:

- DPHHS direct data request.

Technical Note:

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

Data & Sources: Page 35

Sources:

- "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.

Note:

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

Source:

- "Presentation to the 2019 Health and Human Services Joint Appropriation Committee," Addictive and Mental Disorders Division, Medicaid and Health Services Branch, MT DPHHS. 2019. Available [here](#).

Data Source:

- DPHHS direct data request.

Data & Sources: Page 37

Source:

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

- 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.

Data Source:

- DPHHS direct data request.

Data & Sources: Page 38

Note:

- Analysis includes enrollees with at least three years of continuous enrollment between 2016 and June 2021.

Source:

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

Data Source:

- DPHHS direct data request.

Data & Sources: Page 39

Note:

- Analysis includes enrollees with at least three years of continuous enrollment between 2016 and June 2021.

Source:

- Winkelman, Tyler and Virginia Chang, "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.

Data & Sources: Page 40

Sources:

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

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

Data Source:

- DPHHS direct data request.

Data & Sources: Page 41

Sources:

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

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

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

Data Source:

- Manatt analysis of Montana Medicaid enrollment and spending data, SFY13-21.

- DPHHS direct data request.

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. For example, when individuals who 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.

Data & Sources: Page 42

Source:

- "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](#).

Data Source:

- DPHHS direct data request.

Technical Note:

- Federal block grant awards were recalculated to be shown on a state fiscal year basis. SFY2019 federal block grant data is shown; block grant funding for SFY2020 is not representative of recent distributions due to the pandemic; and SFY2021 data is not yet available.

Data & Sources: Page 43

Note:

- Analysis based on findings from a January 2021 report from the Montana Healthcare Foundation and the Headwaters Foundation.

Sources:

- "Individual Market Stabilization – Medicaid Expansion Analysis," Montana Healthcare Foundation and Wakely. August 2018. Available [here](#).

- Beland, Louis-Philippe et al., "The effect of Affordable Care Act Medicaid expansions on foster care admissions," August 2021. Available [here](#).

Data Source:

- "The Economic Impact of Medicaid Expansion in Montana: Updated Findings," University of Montana Bureau of Business and Economic Research. January 2019. Available [here](#).

- "The Economic Impact of Medicaid Expansion in Montana: Updated Findings (2021)," Montana Health Care Foundation and Headwaters Foundation. January 2021.

Technical Note:

- Income and sales are in 2018 dollars.

Data & Sources: Page 44

Note:

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

Sources:

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

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

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

Data Source:

- American Hospital Association Annual Hospital Survey via Montana Hospital Association.

Data & Sources: Page 45

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.

Data & Sources: Page 46

Data Source:

- DPHHS direct data request.

Data & Sources: Page 47

Note:

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

Source:

- "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.

Data & Sources: Page 49

Sources:

- "Behavioral Health Alliance Telehealth/Phone Survey," Behavioral Health Alliance of Montana. 2021.

- "Governor Gianforte Signs Bill Expanding Telehealth," Governor's Office. April 19, 2021. Available here.

- "Montana's Rural Health Plan 2021," DPHHS. Available here.

Data & Sources: Page 50

Source:

- "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.

Data & Sources: Page 51

Sources:

- "The Rural Health Safety Net Under Pressure: Rural Hospital Vulnerability," the Charter Center for Rural Health. February 2020. Available [here](#).

- Bai, G., et al., "Varying Trends in the Financial Viability of US Rural Hospitals, 2011–17," Health Affairs. June 2020. Available [here](#).

- The Cecil G. Sheps Center for Health Services Research, NC Rural Health Research Program, Rural Hospital Closures. Available [here](#).

Data Source:

- American Hospital Association Annual Hospital Survey via Montana Hospital Association.