



October 18, 2025

The Honorable Mehmet Oz, M.D.
Administrator
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244-1850

Submitted electronically via Medicaid.gov

RE: Montana Health and Economic Livelihood Partnership (HELP) Section 1115 Demonstration Waiver

On behalf of Families USA, thank you for the opportunity to comment on Montana's proposed Medicaid Section 1115 Demonstration Project, the *Health and Economic Livelihood Partnership (HELP) Demonstration Program* ("HELP Demonstration"). Families USA is the longtime national, non-partisan voice for health care consumers, dedicated to achieving high-quality, affordable health care and improved health for all by working closely with organizations on the ground in Montana and across the nation. In service to this mission, **Families USA urges the Centers for Medicare and Medicaid Services (CMS) to delay decision making on the proposed HELP Demonstration to provide time post-passage of Public Law 119–21 (H.R. 1) for the agency to do the proper analysis of the new community engagement requirements under § 71119 and promulgate regulations appropriately across states.**

As outlined in the new law and included in this waiver proposal, the Montana Department of Public Health and Human Services (DPHHS) will deny low-income Montanans access to Medicaid coverage if they cannot meet paperwork requirements to prove they are engaged in work or other qualifying community engagement activities for 80 hours per month. DPHHS projects that **17.5% of the eligible adult population will disenroll in 2026 and 2027 as a direct result of HELP Demonstration requirements, leading to over 13,500 low-income residents becoming uninsured.**¹ In addition, DPHHS proposes to require HELP Demonstration program enrollees to pay monthly premiums, with failure to pay leading to Medicaid disenrollment. The state estimates that an *additional* 1.5 to 2.5 percent of enrollees may disenroll due to this premium assessment.

While we are deeply alarmed about the impacts of new Medicaid work reporting requirements overall, we stand ready to work with CMS to ensure implementation of these provisions moves forward in a way that respects currently eligible beneficiaries and future applicants and minimizes health care coverage loss and other harms. To that end, **Families USA strongly urges CMS to delay decision-making on Montana's proposed HELP Demonstration—and all recently submitted and future state waivers proposing to implement work reporting or community engagement programs—until CMS puts thoughtful regulations in place to implement federal statutory requirements in a way that mitigates harms for people eligible for Medicaid.** We urge time, deliberation and due diligence, given that decisions related to § 71119 implementation will significantly impact the lives of millions of Americans, including over 79,500 Montanans aged 19-64 who will have to meet these new requirements.²

Additionally, we offer detailed comments on three specific areas related to the HELP Demonstration proposal:

- I. Underscoring the need for Montana to demonstrate it meets administrative readiness to implement a community engagement program *before* securing waiver approval.
- II. Applauding DPHHS' attention to the importance of allowing for short-term hardships to the community engagement requirement and further urging CMS to allow states to expand on the statutory definition of short-term hardship to allow for additional categories.
- III. Opposing DPHHS' proposal to add premium requirements for people enrolled in the state's ACA Medicaid expansion as these policies do not meet Medicaid objectives under the Social Security Act and run counter to cost sharing requirements under H.R. 1.

Given the major impact of work reporting requirements on state health care systems and the lives of people eligible for Medicaid, and given the major task at hand for CMS and states to put these programs in place, ***we respectfully ask that CMS delay any approvals of state waivers related to work reporting requirements until CMS has had the opportunity to put regulations and other guidance in place.*** Until regulations are in place, there is no way for CMS to fully evaluate whether Montana's proposal meets statutory and regulatory requirements.

- I. Families USA strongly urges CMS to delay decision-making on the proposed HELP Demonstration until Montana can demonstrate it meets administrative readiness to implement a community engagement program.

DPHHS requests operationalization of its state-specific community engagement program in advance of January 1, 2027 (the implementation date required by federal statute). While we acknowledge that § 71119 allows states to implement their community engagement program sooner than January 1, 2027, we are concerned that Montana has not adequately demonstrated readiness to put in place a program that will meet criteria under eventual CMS regulation.

We note that the state has never put Medicaid work reporting requirements in place (despite an earlier waiver aimed at doing so) and its application only makes aspirational statements about what DPHHS will be able to accomplish in a condensed time frame rather than proving it has or will have the infrastructure to achieve its goal. For example, DPHHS states it *will* partner with agencies in the state "to negotiate data-sharing agreements that will support enhanced data matching,"³ however it gives no evidence that it has any such data matching in place nor the technical capacity to achieve this.

Montana has recently faced significant challenges conducting even the most basic eligibility verification processes. For example,

- During the Medicaid unwinding of the COVID-19 era continuous enrollment provisions, DPHHS was able to renew just 40% of enrollees *ex parte* using current data-matching systems, compared to the nationwide average of 55%.⁴
- A 2025 report scored Montana in the bottom three states based on various indicators of Medicaid enrollment capacity due to long call center wait times, high call abandonment rates, long application processing times and high procedural disenrollments rates.⁵ The authors conclude the state's underperforming system may lead to inappropriate coverage loss for eligible people.
- Public commenters to the state's open comment period pertaining to the HELP Demonstration proposal highlight the need for DPHHS to address long helpline wait times, inadequate staffing

levels, poor communication with enrollees about redeterminations and the considerable backlog of pending renewals (which lead to application processing times of more than 45 days).⁶

Eligibility verification and enrollment have become even more complex under new federal requirements, and states will need sufficient time to strengthen their Medicaid eligibility and enrollment systems to ensure they can go beyond basic eligibility assessments to account for the wide range of community engagement activities and exceptions and exclusions envisioned under § 71119. Given the historic and ongoing challenges the state has faced when it comes to eligibility and enrollment, it is clear that Montana has not yet demonstrated its readiness to implement these new federal requirements, let alone to do so on an expedited timeline. **We therefore urge CMS to either delay decision-making on the HELP Demonstration or deny it outright, as the state has clearly failed to demonstrate it is prepared to operate a community engagement program. Further, given that other states are similarly ill-prepared to implement these requirements, we urge CMS to establish clear protocols to ensure state systems are ready to implement § 71119 before CMS authorizes any early adoption.**

II. Families USA applauds DPHHS' attention to the importance of allowing for short-term hardships to the community engagement requirement; we urge CMS to allow states to expand on the statutory definition of short-term hardship to allow for additional categories.

While we think a delayed decision is entirely appropriate given both the sweeping changes put in place under § 71119 and Montana's lack of readiness for implementation, we do want to note and applaud aspects of the HELP Demonstration that are supportive of vulnerable enrollees and applicants.

Under § 71119, states have the option to allow individuals to claim a short-term hardship exception to community engagement requirements based on a set of enumerated hardships, including if the individual lives in a county where there is a declared emergency/disaster or where the unemployment rate is at or above 8%.⁷ Montana proposes to adopt the full spectrum of optional short-term hardship exception categories under the law, plus three additional categories for people who are (1) experiencing homelessness; (2) a victim of domestic violence; or (3) caring for an immediate family member who receives inpatient hospital services or nursing facility services (or other similar services in other settings).

Montana's proposed short-term hardship categories recognize additional circumstances for which eligible enrollees and applicants may need an exception to work reporting requirements. Here, DPHHS is following requirements under state law that set up the state's community engagement program in a way that responds to internal state needs.⁸ For example, compared to other states, from 2007 to 2023 Montana saw the second-largest percentage increase (89%) in the number of people experiencing homelessness, including high increases in homeless veterans and youth.⁹ **We support states in recognizing additional hardship circumstances that may be particularly important for their constituents and we urge CMS to allow Montana and other states to add additional short-term hardship exceptions to the list beyond what is specified under § 71119.**

III. Families USA urges CMS to deny DPHHS' proposal to add premium requirements for people enrolled in the state's ACA Medicaid expansion as these policies do not meet the objectives of the Medicaid program under the Social Security Act and run counter to cost sharing requirements under H.R. 1.

Montana proposes to require all HELP Demonstration program enrollees to pay monthly premiums of at least 2% of their gross income and up to 4% of gross income depending on the length of time they are enrolled in Medicaid (program enrollees who are exempt from community engagement requirements

are also exempt from premium *increases*, but not from the base 2% premium). Under the proposal, failure to pay premiums results in disenrollment from the program.

As it evaluates whether to approve of Montana's premium proposal, we call to CMS' attention that this aspect of the proposed HELP Demonstration stands in violation of two federal statutes: (i) the proposal is contrary to the primary statutory objective of the Medicaid program, rendering it ineligible for approval as a Section 1115 demonstration waiver; and (ii) the proposal is contrary to the new requirements for cost sharing established by Congress under H.R. 1 § 71120.

- i. *The HELP Demonstration premium proposal does not meet Medicaid's primary statutory objective of furnishing medical assistance; the waiver is contrary to Medicaid goals in that it serves to prevent eligible people from maintaining Medicaid coverage.*

The Social Security Act permits the HHS Secretary to approve of demonstration projects under Section 1115 *only if* such project "is likely to assist in promoting the objectives" of Medicaid, that is, to "furnish medical assistance."¹⁰ DPHHS states its objective in implementing premiums is for individuals to have "skin in the game" so they can be prepared for a transition to commercial coverage options that often have cost sharing features.¹¹ While Medicaid enrollees may later gain private coverage if their financial circumstances change, the objective of Medicaid is to provide eligible people with health coverage, not to test them on their future ability to cover costs of coverage in the private health insurance market.

In fact, CMS has already found Montana's Medicaid premium demonstration to be against Medicaid program objectives. In 2016, CMS granted Montana a waiver to assess premiums of 2% of household income for adults in the Medicaid expansion with incomes between 50 and 133 percent of the federal poverty line (FPL).¹² Evaluations in 2017-2019 revealed that approximately 60% of enrollees in each month failed to pay a premium (with almost three-quarters of enrollees having an overdue premium for a prior month), 30% of enrollees were subject to debt collection as a consequence for premium nonpayment and nearly one-in-four of those who failed to pay premiums lost their Medicaid coverage.¹³ In short, Montana's experiment with premiums only served to push eligible people off Medicaid, proving that the effort runs counter to Medicaid program objectives and is clearly ineligible for approval under Section 1115. When it rescinded waiver authority for Montana's premium demonstration, CMS stated:¹⁴

"The intention not to approve such premium requirements in the future is based on CMS's determination that premiums can present a barrier to coverage, and therefore, charging premiums beyond those specifically permitted in the Medicaid statute are not likely to promote the objectives of Medicaid."

As proposed premium requirements in the current demonstration proposal go even further than Montana's first attempt – the current proposal is applicable to *all* Medicaid expansion enrollees, including those below 50% FPL, and increases premiums for many enrollees up to 4% of income – this effort is even more likely to prevent people from maintaining the Medicaid coverage for which they are eligible. So, while the state estimates that only 1.5% to 2.5% of enrollees may disenroll due to premium assessment, past demonstration program history would put this estimate much higher. **Because proposed premiums under the HELP Demonstration are against the objectives of Medicaid, CMS must reject this aspect of Montana's demonstration waiver.**

- ii. *The HELP Demonstration premium proposal is not permitted under the cost sharing requirements established by Congress under H.R. 1 § 71120.*

Montana's premium proposal is not allowed under the cost sharing requirements established by Congress under H.R. 1. While cost sharing "in an amount greater than \$0" is required under the law, § 71120 states: "Beginning October 1, 2028, ***the State plan shall provide that...no enrollment fee, premium, or similar charge will be imposed under the plan.***"¹⁵ In addition, unlike the blanket premium approach proposed by Montana, Congress explicitly limits the circumstances in which cost sharing would be appropriate, prohibiting cost sharing for a range of services, including primary care and prevention, behavioral health, emergency, inpatient hospital, nursing facility and other services. Finally, under § 71120, there is no disenrollment penalty for failure to pay.

Montana acquiesces that its premium proposal is deficient under the federal statute – "*Montana recognizes that HR 1 prevents the utilization of Medicaid premiums*"¹⁶ – but tries to get away with it by asking for approval, at first, only through September 30, 2028. However, the application also states that come October 1, 2028 (when the premium prohibition under § 71120 goes live) DPHHS "intends to continue utilizing premiums and will pursue a waiver of the new federal prohibition."¹⁷ Montana is clear with its intention to establish premiums and associated disenrollments despite their prohibition under the federal statute. CMS should not allow leeway for Montana or any state to increase eligibility hurdles beyond statutory requirements. **As CMS has a duty to scrutinize state demonstration proposals to ensure they meet *all* statutory provisions, we urge CMS to deny proposed premiums under the HELP Demonstration as they run counter to H.R. 1 cost sharing requirements and prohibitions.**

In summary, as CMS and states undergo monumental changes to state Medicaid programs under H.R. 1, we think CMS' only prudent path here is to delay assessment of Montana's proposed HELP Demonstration – and all other similar state work reporting requirement waivers – until the agency has put implementing regulations in place. Families USA stands ready to engage with CMS on the pathway forward to ensure implementation guidance both respects Congressional intent under Public Law 119–21 and mitigates harms for state health care systems and the people who must comply with new paperwork burdens under the law. In furtherance of these goals, we ask CMS to give careful consideration to individual state needs to expand upon the statutory framework where appropriate to ensure eligible individuals can remain covered (for example, Montana's request to expand on the category of short-term hardship). However, we caution CMS that it must also rein in states where they want to implement additional punitive requirements that are not permissible under federal statute (for example, Montana's proposal to add premiums).

For any questions or comments regarding the recommendations made in this letter, please reach out to Mary-Beth Malcarney, Senior Advisor on Medicaid Policy, Families USA at: mmalcarney@familiesusa.org

Thank you for your consideration.

Sincerely,



Sophia Tripoli
Senior Director of Health Policy

¹ “Health and Economic Livelihood Partnership (HELP) Section 1115 Demonstration Waiver Application,” Montana Department of Public Health and Human Services, September 2, 2025, at page 26, <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/mt-he-lvhd-prtnrsp-pndg-help-aplctn-pa.pdf>.

² HELP Section 1115 Demonstration Waiver Application, at page 26.

³ HELP Section 1115 Demonstration Waiver Application, at page 24.

⁴ Bradley Corallo and Jennifer Tolbert, “Understanding Medicaid Ex Parte Renewals During the Unwinding,” KFF, October 2, 2023, <https://www.kff.org/medicaid/understanding-medicaid-ex-parte-renewals-during-the-unwinding/>.

⁵ Tricia Brooks, Joan Alker, Hannah Green, Yuliya Yafimenka and Antony Lin, “Are States Ready to Implement HR 1 and Medicaid Work Reporting Requirements?” Georgetown University McCourt School of Public Policy, Center for Children and Families, September 4, 2025, <https://ccf.georgetown.edu/2025/09/04/are-states-ready-to-implement-hr-1-and-medicaid-work-reporting-requirements/>.

⁶ HELP Section 1115 Demonstration Waiver Application, at page 37-38.

⁷ Public Law 119–21 § 71119(a), adding new section 42 U.S.C. 1396a(XX)(3)(B).

⁸ Montana Health and Economic Livelihood Partnership (HELP) Act, MCA 53-6-1306 (2019). https://archive.legmt.gov/bills/mca/title_0530/chapter_0060/part_0130/section_0060/0530-0060-0130-0060.html.

⁹ Tanya de Sousa, Alyssa Andrichik, Ed Prestera, Katherine Rush, Colette Tano, and Micaiah Wheeler, “The 2023 Annual Homelessness Assessment Report (AHAR) to Congress: Part 1: Point-in-Time Estimates of Homelessness,” US Department of Housing and Urban Development, December 2023, <https://www.huduser.gov/portal/sites/default/files/pdf/2023-AHAR-Part-1.pdf>.

¹⁰ 42 U.S.C. § 1396-1(1) (2025), <https://www.law.cornell.edu/uscode/text/42/1396-1>; 42 U.S.C. § 1315(a) (2025), <https://www.law.cornell.edu/uscode/text/42/1315>.

¹¹ HELP Section 1115 Demonstration Waiver Application, at page 10.

¹² “Montana Health and Economic Livelihood Partnership (HELP) Program: Project No. 11-W-00300/8,” Centers for Medicare and Medicaid Services, December 7, 2016, <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/mt/HELP-program/mt-HELP-program-demo-appvrl-11022015.pdf>.

¹³ “Montana Health and Economic Livelihood Partnership (HELP) Program, also known as the Medicaid Expansion Demonstration,” State of Montana, May 27, 2020, <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/mt-HELP-program-annl-rpt-jan-dec-2019.pdf>; Madeline Guth, Meghana Ammula, and Elizabeth Hinton, “Understanding the Impact of Medicaid Premiums & Cost-Sharing: Updated Evidence from the Literature and Section 1115 Waivers,” KFF, September 9, 2021, <https://www.kff.org/medicaid/understanding-the-impact-of-medicaid-premiums-cost-sharing-updated-evidence-from-the-literature-and-section-1115-waivers/>.

¹⁴ “Approving an amendment and one-year temporary extension of Montana’s section 1115 demonstration (Project Number 11-W-00300/8), titled Montana Health and Economic Livelihood Partnership (HELP),” Centers for Medicare and Medicaid Services, December 21, 2021, <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/mt/mt-HELP-program-ca.pdf>.

¹⁵ Public Law 119–21 § 71120, adding new section 42 U.S.C. § 1396o(k)(1).

¹⁶ HELP Section 1115 Demonstration Waiver Application, at page 9.

¹⁷ HELP Section 1115 Demonstration Waiver Application, at page 10.