Senior and Long-Term Care Provider Notice
November 13, 2026

Informational

Date: October 15, 2026

To: Montana Medicaid Hospice Providers

From: Community Services Bureau, Senior and Long Term Care Division

RE: Montana Medicaid Hospice Reimbursement Rate Updates

Montana Medicaid has updated its process for adopting annual hospice reimbursement rates following the passage of House Bill 473 (HB 473) in 2025. This legislation allows the Department to adopt and implement federal Medicare hospice rates and payment methodologies established by the Centers for Medicare & Medicaid Services (CMS) without completing a separate state rulemaking process each year. This change will streamline annual rate updates and help Montana Medicaid align reimbursement with the federal fiscal year beginning October 1.

What Is Changing?

Historically, Montana Medicaid adopted annual hospice reimbursement rates through the Administrative Rules of Montana (ARM), including ARM 37.40.830. This requires the Department to complete a separate state rulemaking process each year to adopt updated rates.

CMS publishes updated Medicare hospice reimbursement rates annually, including applicable wage index and geographic adjustments. These rates are generally published in September and take effect October 1 of each year.

Under the previous process, the Department had a limited timeframe to complete state rulemaking after CMS published the updated rates. This could delay implementation of the annual Montana Medicaid hospice rate update.

HB 473 changed this process by authorizing the Department to adopt and implement CMS-established Medicare fee schedules and payment methodologies without completing a separate state rulemaking process each year.

What Does This Mean for Hospice Providers?

Beginning October 1, 2026 (FFY 2027), Montana Medicaid will:

- Implement the applicable annual CMS Medicare hospice rates.
- Apply the applicable CMS wage index and geographic adjustments for Montana counties.
- Align annual rate updates with the federal fiscal year, which begins October 1.
- Implement rate updates without a separate annual state rulemaking process to adopt the updated rates.

Montana Medicaid will continue to use the federal Medicare hospice payment methodology adopted by the Department. This change is intended to support more timely and efficient implementation of annual rate updates.

Wage Index and Geographic Adjustments

CMS adjusts hospice reimbursement rates to account for differences in labor costs across geographic areas. Montana Medicaid will apply the applicable CMS wage index and geographic adjustments to hospice rates for Montana counties. As a result, reimbursement rates may vary by county.

What Is Not Changing?

This change affects only the process for adopting and updating annual hospice reimbursement rates. It does not change:

- The Medicaid hospice benefit;
- Covered hospice services;
- Member eligibility requirements;
- Hospice election requirements;
- Provider requirements; or
- Other hospice program requirements.

Any additional changes to the Montana Medicaid hospice program policy will be communicated separately.

Where Can Providers Find the Rates?

Montana Medicaid will publish current hospice reimbursement rates and related information through its provider resources. Providers can access the Montana Medicaid hospice rate schedule for applicable rates and updates.

Questions

Questions regarding Montana Medicaid hospice reimbursement rates may be directed to the Montana Medicaid Hospice Program:

Montana State Medicaid Hospice Program

Senior and Long-Term Care Division
111 N. Sanders St., Suite 204
Helena, MT 59601-4520
Phone: (406) 444-4077
Fax: (406) 444-7743