Presentation to the 2017 Health and Human Services
Joint Appropriation Subcommittee

ADDICTIVE AND MENTAL DISORDERS DIVISION

Department of Public Health and Human Services (DPHHS)

DPHHS Mission: To improve and protect the health, well-being, and self-reliance of all Montanans.

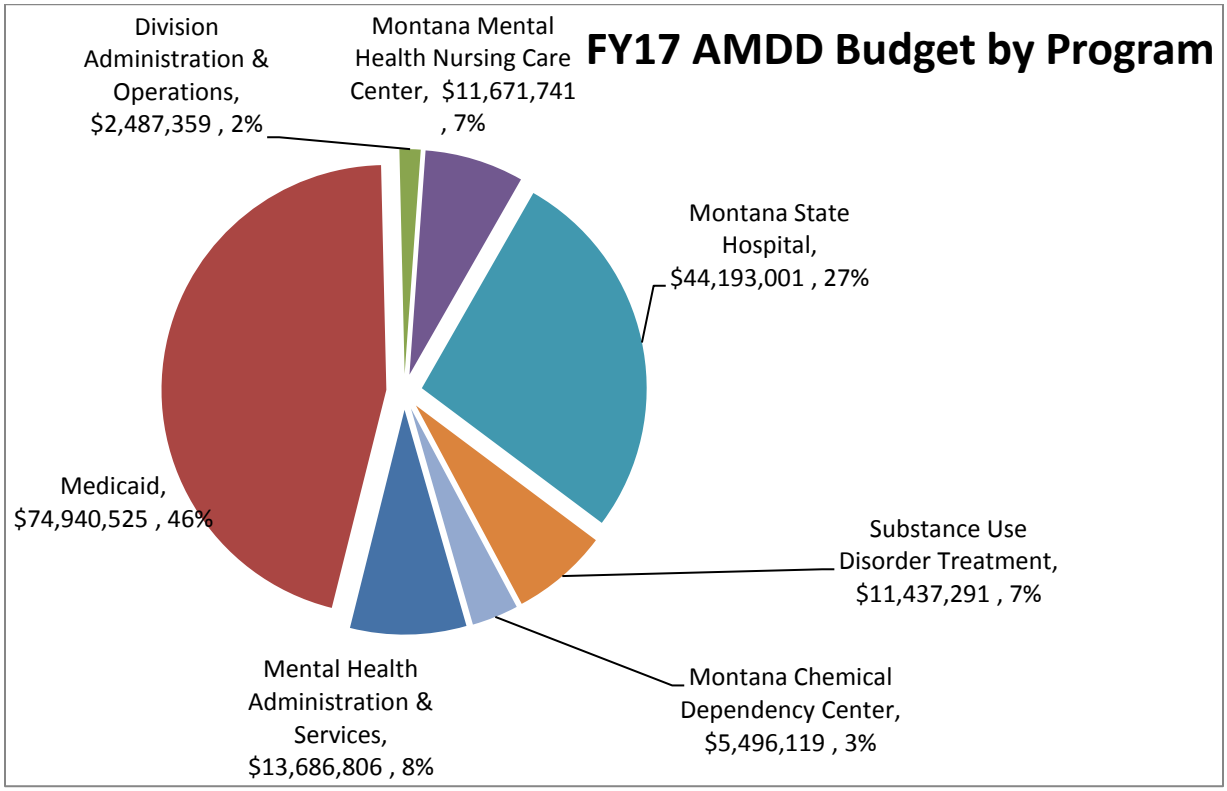
Addictive and Mental Disorders Division Mission: Implement and improve appropriate statewide systems of prevention, treatment, care and rehabilitation for addictive and mental disorders.

Title	Name	Phone Number	E-mail address
Administrator	Zoe Barnard	406-444-7044	zbarnard@mt.gov
Mental Health Bureau Chief	Jo Thompson	406-444-9657	jothompson@mt.gov
Montana State Hospital Administrator	Jay Pottenger	406-693-7010	jpottenger@mt.gov
Montana Mental Health Nursing Care Center Administrator	Dianne Scotten	406-535-6932	dscotten@mt.gov
Chemical Dependency Bureau Chief	Bobbi Perkins	406-444-6981	bperkins@mt.gov
Montana Chemical Dependency Center Administrator	Kyle Fouts	406-496-5402	kfouts@mt.gov
Operations & Finance Manager	Chris Currie	406-444-3969	chrisc@mt.gov

OVERVIEW

The Addictive and Mental Disorders Division manages program and payment for publicly funded adult mental health and chemical dependency programs, including the facilities that serve individuals in need of more serious care. The AMDD directly provides services in three facilities: the Montana State Hospital in Warm Springs, Mental Health Nursing Care Center in Lewistown, and Montana Chemical Dependency Center in Butte; and contracts with behavioral health providers statewide to provide community-based and inpatient services. 23,398 adults are served by Medicaid programs (both chemical dependency and mental health) that the Division oversees in Montana communities and more through additional funding streams. Services range from prevention and early intervention services to inpatient, residential, and rehabilitation services. The following pie chart illustrates the AMDD budget.

Major Bureau Functions



Community Mental Health Services The ***Mental Health Services Bureau*** develops and pays for services that community mental health providers deliver in Montana's communities.

- 24,573 adults served in FY2016
- Community-based programs include Medicaid and other mental health services
- Provider network includes licensed mental health centers, hospitals, community health centers, licensed practitioners
- Funded with combination of General Fund, State Special Revenue, and Federal Funds

The ***Mental Health Services Bureau*** is responsible for delivery and reimbursement of Montana's publicly funded community-based mental health services for adults. The bureau administers prevention and early intervention programs, crisis services, core mental health treatment, and those programs that support transitions and recovery. These programs serve adults with severe disabling mental illness, co-occurring substance use disorders and those experiencing a psychiatric crisis. The bureau oversees a system of behavioral health services with community based providers. Over 24,000 individuals receive services through one of these programs, an increase of nearly 48% since 2003.

Mental Health Services	FY 2003	FY 2008	FY 2013	FY 2014	FY 2016
State-Funded Programs	6,456	5,068	6,277	5,854	3,250
Medicaid Programs	10,290	11,969	16,306	17,013	21,323
All	16,533	16,736	21,740	21,353	24,573

- ***Prevention and early intervention initiatives*** include community based Drop-in Centers, Peer Support Services, training and education, stakeholder engagement through Local Advisory Councils and Service Area Authority boards of directors. Investment in early intervention fosters recovery by engaging people in treatment in the least restrictive setting possible, prior to the escalation of symptoms that can often have long-term effects on wellness.

  ☆ In 2017, the AMDD will be contracting with Billings Clinic to provide First Episode Psychosis Treatment through our federal (Substance Abuse and Mental Health Services Administration) block grant. This program will provide a wide range of intensive services to youth and young adults suffering from their first psychotic episode. Groundbreaking research by the National Institute of Mental Health has shown that if left untreated, young adults experiencing psychosis are more likely to develop serious mental illness such as schizophrenia.

  The goal is to reach those age 16 to 25 who are experiencing this condition, and provide them with intensive wraparound services provided by a team of experts. The idea is to engage patients with these services before their condition worsens. A program delivered this way has not been available in Montana until now.

  ☆ In fall of 2016, the AMDD offered Perinatal Mood and Anxiety Disorder training to providers of maternal, paternal and infant/family health programs throughout Montana. The training was offered to 125 clinicians, including physicians, at a dramatically reduced rate. Special efforts were made to distribute the training information and invite contacts in Indian Country, Indian Health Services, Tribal WIC providers, and Tribal Health Departments/Clinics.

- ***Crisis Intervention Services*** include the 72-hour program for presumptive eligibility, county matching grants for crisis intervention and jail diversion, secure crisis beds, and local Crisis Intervention Team (CIT) programs for law enforcement. A psychiatric crisis exists when the symptoms are severe enough to require immediate care to avoid jeopardy to the life or health of the individual or others. These programs provide an alternative to placement at the Montana State Hospital (MSH) for short-term crisis intervention, emergency detention and court ordered detention. Enabling people to access crisis services closer to home allows them to use the natural support of friends, family, employers and community to more quickly return to a place of stability.

  ☆ New crisis intervention services created by bills passed in the 2015 Legislative session were implemented during the biennium. Funding was added to existing county matching grants for crisis intervention and jail diversion programs. The budget prior to the past biennium was $850,000; new funds included $250,000 through HB2 and $1,000,000 through HB 33. The Department signed 14 contracts for SFY 17. Feedback from local government officials has been positive and new programs are keeping law enforcement from having to transport people in acute mental health crisis where possible.

Average usage of available beds was about 40% in SFY16. Community secure crisis beds are having a discernible impact on short-term stays at Montana State Hospital as can be seen in the table below.

Month	MSH Placement	Local Hospital	Voluntary Crisis Beds	Local Community
July	11	0	6	9
August	13	1	3	3
September	6	1	6	10
October	7	0	2	12
November	7	1	4	5
December	7	0	4	12
January	7	2	7	13
February	9	2	6	4
March	5	1	5	8
April	7	0	12	2
May	10	0	7	5
June	7	3	4	8
Yearly Total	**96**	**11**	**66**	**91**

Short-term inpatient treatment is a program newly authorized in the 2015 Legislative Session through HB 35. This program has allowed for short-term inpatient treatment in group home and hospital settings. During SFY16, over 39 clients were served in four facilities, and only five of these ended up in MSH post placement.

- ***Core mental health services*** include Medicaid, the Mental Health Services Plan (MHSP), and two Medicaid Waivers. Medicaid mental health services are provided to those who meet both financial and disability criteria with a clinical diagnosis of severe, disabling mental illness. Under the Severe and Disabling Mental Illness (SDMI) waiver, individuals are able to receive services necessary to live in the community, including personal assistance, nursing, nutrition, habilitation, supported living and case management, in addition to other Medicaid mental health services. The Waiver for Additional Services and Populations (WASP) also serves individuals with schizophrenia, bipolar disorder, and major depressive disorder.

- ***Transitions Programs*** include housing and household needs through the Individual Specialized Services initiative such as, individualized supported employment, youth transition, and forensic housing alternatives, including prerelease and group homes. Transitional needs include moving from a higher level of care: the state hospital back to a community placement, or from children's services to the adult mental health system. It may also include transitions to a more restrictive setting; an aging population moving into assisted or nursing care facilities. Transitions from the criminal justice system to the community based mental health system can also be very difficult.

The Montana State Hospital (Warm Springs)

- 986 people were served in FY2016; average daily census 245
- State-operated inpatient psychiatric hospital, forensic mental health center, and 5 mental health group homes
- Licensed capacity as of July 1, 2016 was 270 including 174 acute psychiatric hospital beds, 54 forensic mental health facility beds, and 42 mental health group homes beds
- Funded with General Fund and State Special Revenue

Montana State Hospital is the state's *only public acute psychiatric hospital*. MSH serves both civil and forensic patients. Admissions come through courts, emergency rooms, county attorneys, detention centers, and community mental health facilities all across Montana. People committed to the hospital generally have been found to suffer from a serious mental illness, are a danger to self or others, and less restrictive services are not readily available to them. The hospital continues to address the primary issues that bring about a person's involuntary commitment. Common reasons for admission include: suicidal ideation and attempts to do self-harm; discontinuation of prescribed medication; illicit drug use and alcohol abuse; or other exacerbation of their severe and persistent mental illness. The Montana State Hospital provides the most intensive treatment of serious and disabling mental illness of any place in the State.

The Forensic Mental Health Facility. At the end of the last biennium, the MSH was facing major challenges with its census. As of September 22, 2015, the population was 208 in the state hospital and 40 in the group homes, greatly exceeding capacity. Most of this population was forensic, people who cannot be safely or legally served in the community. Often 60 people were forced to share a space licensed for 32 individuals. Public defenders, courts, and counties continued to push for more availability. Hospital staff were stretched thin trying to provide the level of acute care needed by these populations. As a solution to this problem, the State took the significant step of opening both another transitional group home on campus as well as a forensic mental health facility.

The new facility supports the safety of both patients and staff. Individuals with mental illness who have committed crimes are safely placed in private rooms. Men and women are on separate units. Court evaluations are done on a separate unit. This is important because the needs of evaluation patients are often different from a fully adjudicated patient and mixing these patients with the general population can offer significant risk to both staff and other patients.

Prior to its opening, the Residents Council at MSH (made up of existing patients) wrote a letter to Governor Bullock in which they noted that they wanted to see the State develop a separate facility for people with forensic commitments because the stress of overcrowded units and the transient nature of the evaluation population increases stress and impedes recovery from mental illness. NAMI, a major advocacy organization, was quoted as being in favor of the development of the facility to relieve overcrowding and increase safety for patients and staff.

Less than a year in to the implementation of the forensic facility, the MSH has not had the number of people within the facility be over licensed capacity in months. This has not happened for many years. The Medical Staff reports that clinical treatment is improved.

Montana Mental Health Nursing Care Center (Lewistown)

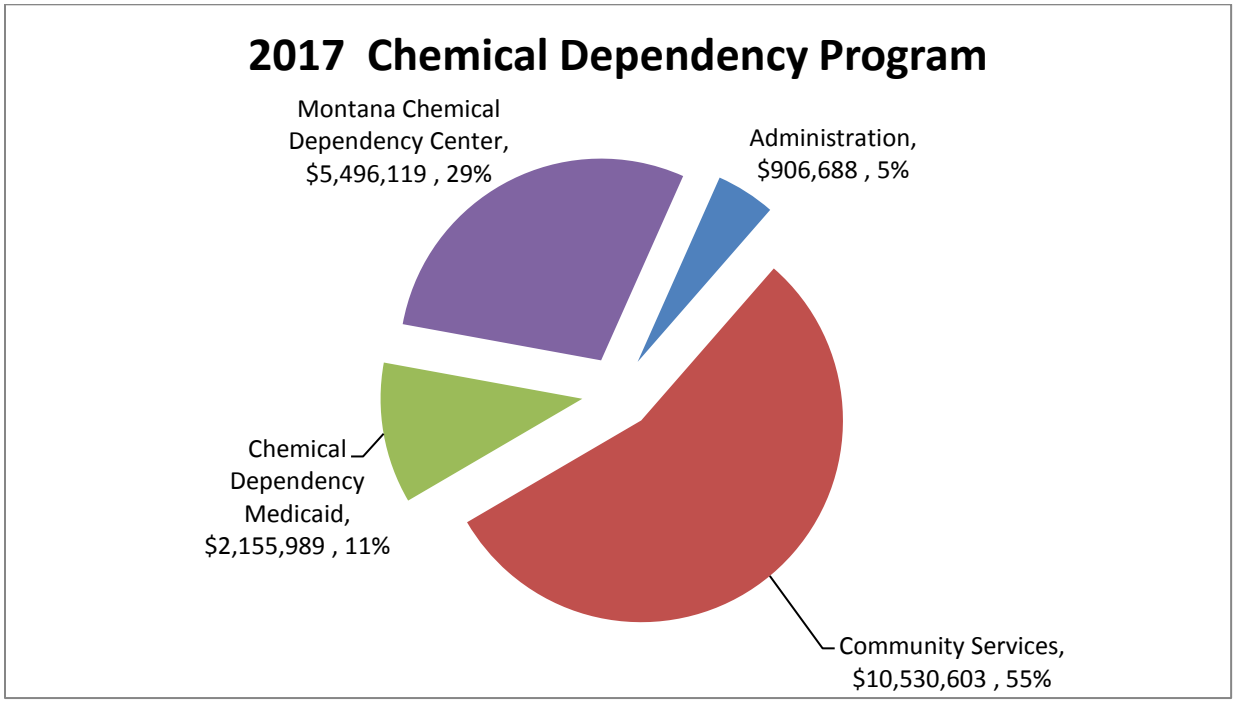
- 135 individuals served in 2016: average daily census 93
- State-operated nursing care facility
- Licensed capacity 117 beds
- Funded with General Fund

The Montana Mental Health Nursing Care Center is a Medicaid licensed residential facility for long-term placement and treatment of persons who have a mental disorder and who require a level of care not available in the community; and have been turned down by other nursing homes or community placements. These persons have been determined a danger to self and others; require long-term care; and cannot benefit from the intensive psychiatric treatment available at the Montana State Hospital.

The Nursing Care Center is dedicated in delivering the best possible care with courtesy, efficiency, and respect. The staff and administration are committed to providing high-quality resident care in a safe environment using the least restrictive methods that meets our resident's physical and emotional needs.

Admissions are received from the Montana State Hospital, and/or through community referrals. In FY 2016, 69% of our admissions came from the MSH; 8% from Yellowstone county; 10% from Fergus County; 2% from Jefferson County; 3% from Dawson County; 5% from Lewis & Clark County.

☆ The facility has maintained a 4 or 5 star rating from Centers for Medicare and Medicaid Services (CMS) during the last biennium.



Community Chemical Dependency Services: Services are provided for adolescents and adults across a continuum of care. Treatment services administered by the Chemical Dependency Bureau include prevention, intervention, inpatient and outpatient treatment, and residential

services through a provider network of state-approved programs in all 56 counties. For acute treatment needs, the Montana Chemical Dependency Center is a state-operated inpatient treatment facility. In FY2016, 10,023 people received treatment services through one or more programs.

The ***Chemical Dependency Bureau*** is responsible for promoting substance use prevention strategies among high risk populations and providing substance abuse treatment and recovery services to Montanans in need. Prevention efforts, treatment and recovery services for substance use disorders are essential components of a public health approach to ensure optimal behavioral health for Montanans.

- ***Chemical Dependency Bureau Promotion and Prevention Services*** focus on building infrastructure and capacity in communities to raise awareness of substance use risk factors and implement prevention programs addressing alcohol and drug abuse. These programs are 100% funded with federal funds.

  ☆ Data driven evidence-based prevention services are provided across all 56 counties. Services include community organizing around substance use to address local needs and services are offered at the individual, family, school, and community levels. Examples include school based programs and curriculum, alcohol free activities during high-risk times, media campaigns to raise awareness, and increased law enforcement.

- ***Chemical Dependency Bureau Early Intervention & Treatment Services***
  - 9557 individuals served in FY 2016
  - Levels of early intervention and treatment include: DUI education courses, screening and brief intervention, outpatient, residential, and inpatient treatment
  - Funded with General Fund, State Special Revenue, and Federal Funds

  ☆ The Chemical Dependency Bureau has experienced a marked increase in Medicaid claims post Medicaid expansion. Medicaid expansion is leading to a marked increase in access to care for substance abuse disorders. This is important because a recent analysis of Medicaid claims in the State showed that for adolescents with either mental health or chemical dependency claims, chemical dependency treatment accounted for only about 10% of total Medicaid claims. In an era where substance abuse is increasing across Montana with concominant social problems, it is imperative that there be access to good treatment.

  ☆ The Chemical Dependency Bureau is collaborating with the Montana Healthcare Foundation in an initiative led by Manatt Health to identify ways to improve access to effective prevention, screening, and treatment for substance use disorders (SUD) in Montana. To date, Manatt has met with key stakeholders and DPHHS leadership to identify the existing SUD infrastructure under Medicaid. We will begin to review these findings immediately. The goal of this project is to explore options for improving cost effectiveness of the MT Medicaid SUD-related programs.

<u>Montana Chemical Dependency Center</u>

- Montana Chemical Dependency Center (Butte)
  - 762 individuals served in FY2016: average daily census 38
  - State operated inpatient treatment – licensed capacity 48 beds in three locations

- Inpatient treatment for adults with alcohol and drug addictions and those with co-occurring addictions and psychiatric disorders
- The Montana Chemical Dependency Center provides medically managed inpatient care for the disease of substance abuse and addiction
- Serves Montana's native American population with approximately 25% our clients referred by providers who assist tribal members

The **Montana Chemical Dependency Center (MCDC)** is the only State facility to provide intensive inpatient residential treatment to up to 48 high-needs clients. The building is a new facility leased by the state of Montana. The Center collaborates with more than 47 State-wide chemical dependency referents providing detoxification and treatment services to the residents of Montana.

MCDC provides the highest level of professional care, aligning treatment programs with the American Society of Addiction Medicine's nationally recognized standards. MCDC is the highest level of treatment in Montana for the disease of chronic addiction, providing detox/withdrawal services in addition to treatment. Treatment is concentrated and brief; usually with a length of stay around 23 days. Staff include physicians, nurses, licensed mental health therapists, addiction counselors and support staff. MCDC utilizes an interdisciplinary holistic approach to clinical treatment, with a focus on individualized patient care not only provides chemical dependency treatment, but also life skills training, AA, NA, Wellbriety, native ceremonies, multi-denominational religious services, and self-betterment classes. Patients transition to a less restrictive level of care such as a residential home, sober living, or outpatient therapy.


The Montana Chemical Dependency Center has begun to bill Medicaid under Medicaid expansion.

Section 2: Where do we want to be in 2 years?

The key focus for the Addictive and Mental Disorders Division is the breaking down of existing silos of chemical dependency and mental health in order to **redefine a publicly funded behavioral healthcare system**. This will take far more than two years, but the time is ripe to start this, especially in light of the implementation of Medicaid expansion.

In addition to this, but not to overshadow it, we seek to **make our system more trauma informed**.

Finally, **we seek to improve quality of and access to behavioral healthcare**.

All of these objectives feed into Governor Bullock's goal operating an efficient and cost-effective government. Health care in general is in a time of crisis, but none more so than behavioral health-care. Workforce shortages and budget limitations mean that we must coordinate patient care in a holistic manner that integrates physical and mental health, including substance abuse. We must provide the best quality care in the most efficient manner possible. And, since we know that mental health problems and substance abuse cost the state millions of dollars every year and that we have the dubious distinction of being the state with the highest suicide rate in the nation, and we must work towards a more trauma-informed, nimble system of care.

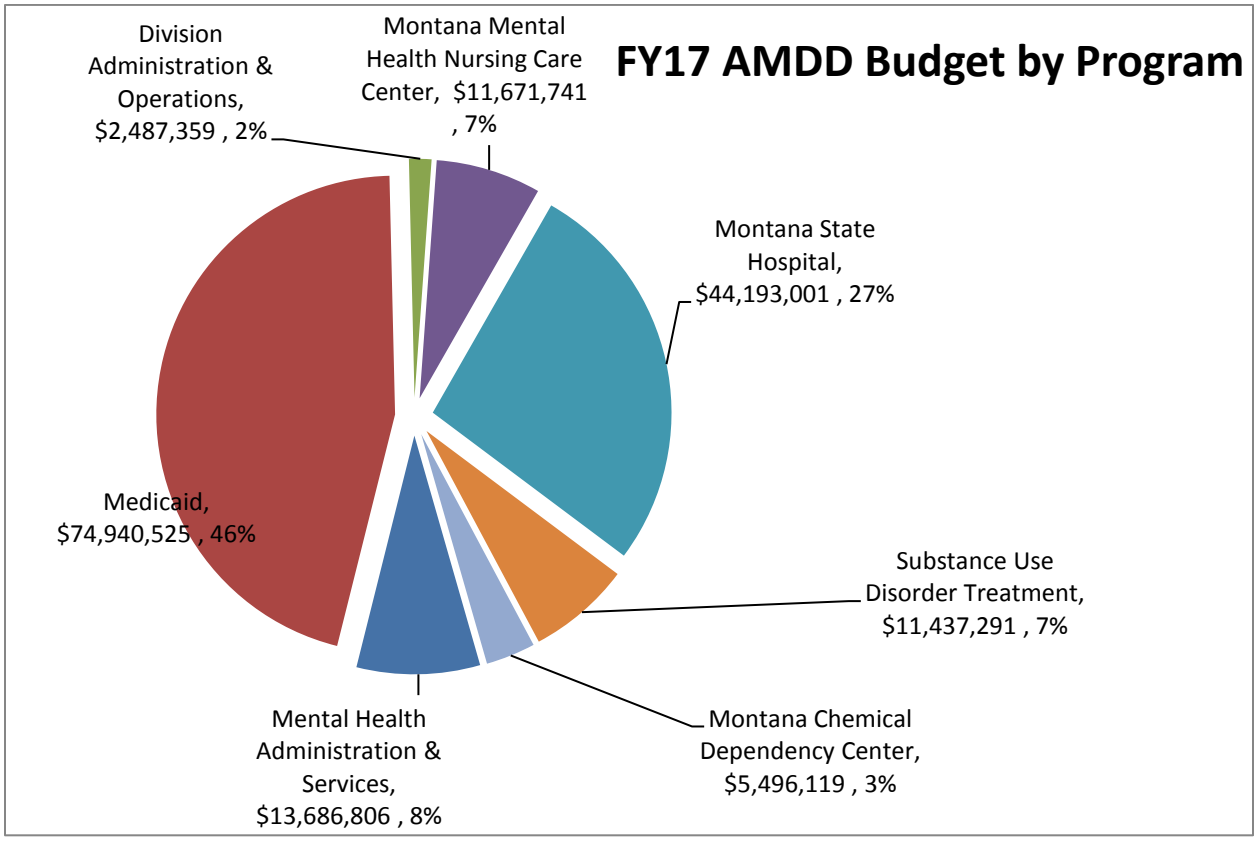
Never has this been more possible. Prior to the last session, mental health and substance abuse programs were patched together with state and federal funds in a catch-as-catch can manner, since few adults 18 to 64 were eligible for Medicaid.

Department of Public Health and Human Services Addictive and Mental Disorders Division	
Goals and Objectives for the 2017 Biennium	
Goal: Redefine the publicly funded behavioral healthcare system.	
Objective(s) (by Division)	**Measures**
• Working with providers and advocates, refine the behavioral health continuum of care. As a part of the mapping process, determine which formerly State general funded programs can be migrated to Medicaid, in order maximize existing budget.	• Facilitated discussions with providers and other stakeholders • Completed map of continuum
• Pilot innovative Medicaid funding opportunities, such as Medicaid health homes.	• Data on pilots
• Identify opportunities for co-location, care coordination, and consultation.	• Identified sites
Goal: Make the behavioral health system more trauma informed.	
Objective(s) (by Division)	**Measures**
• Continue implementation of trauma-informed practices in all AMDD programs and facilities.	• # of trainings • Evaluation of effectiveness
Goal: Improve quality of and access to behavioral healthcare.	
Objective(s) (by Division)	**Measures**
• Continue existing work with other State agencies, court systems, and county governments to develop opportunities for adults with mental illness and substance abuse to be treated in the community as an alternative to commitment when possible.	• # of community commitments
• Pursue the use of peer supports across the behavioral healthcare system.	• # of innovative programs

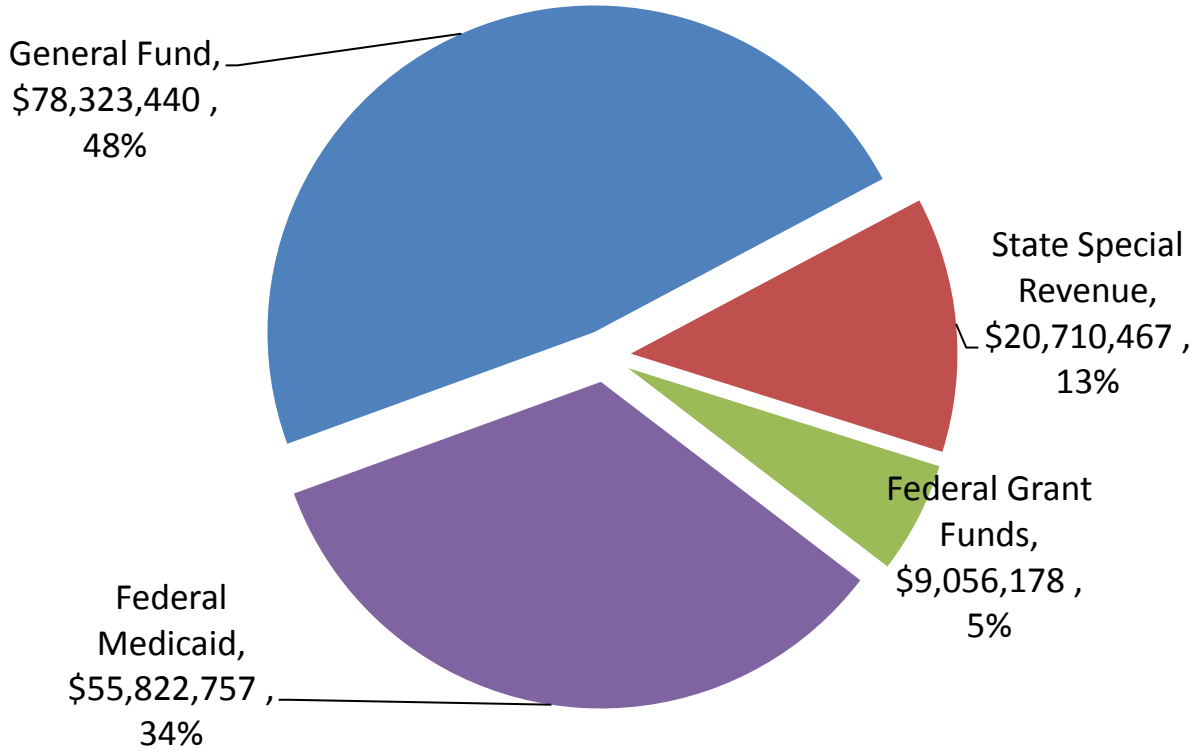
Funding and FTE Information			
	FY2017 Budget	FY2018 Request	FY2019 Request
Addictive and Mental Disorders Division			
FTE	718.06	718.06	718.06
Personal Services	48,823,291.00	48,639,090.00	48,772,149.00
Operating	17,165,710.00	17,412,227.00	17,482,383.00
Equipment	142,460.00	142,460.00	142,460.00
Local Assistance	2,340,442.00	2,340,442.00	2,340,442.00
Grants	4,998,873.00	3,798,873.00	3,798,873.00
Benefits and Claims	88,459,443.00	80,459,879.00	82,852,899.00
Transfers	1,865,000.00	1,865,000.00	1,865,000.00
Debt Services	117,623.00	117,623.00	117,623.00
Total Request	163,912,842.00	154,775,594.00	157,371,829.00

	FY2017 Budget	FY2018 Request	FY2019 Request
General Fund	78,323,440.00	76,208,826.00	76,780,839.00
State Special Fund	20,710,467.00	24,487,285.00	24,505,934.00
Federal Fund	64,878,935.00	54,079,483.00	56,085,056.00
Total Request	163,912,842.00	154,775,594.00	157,371,829.00

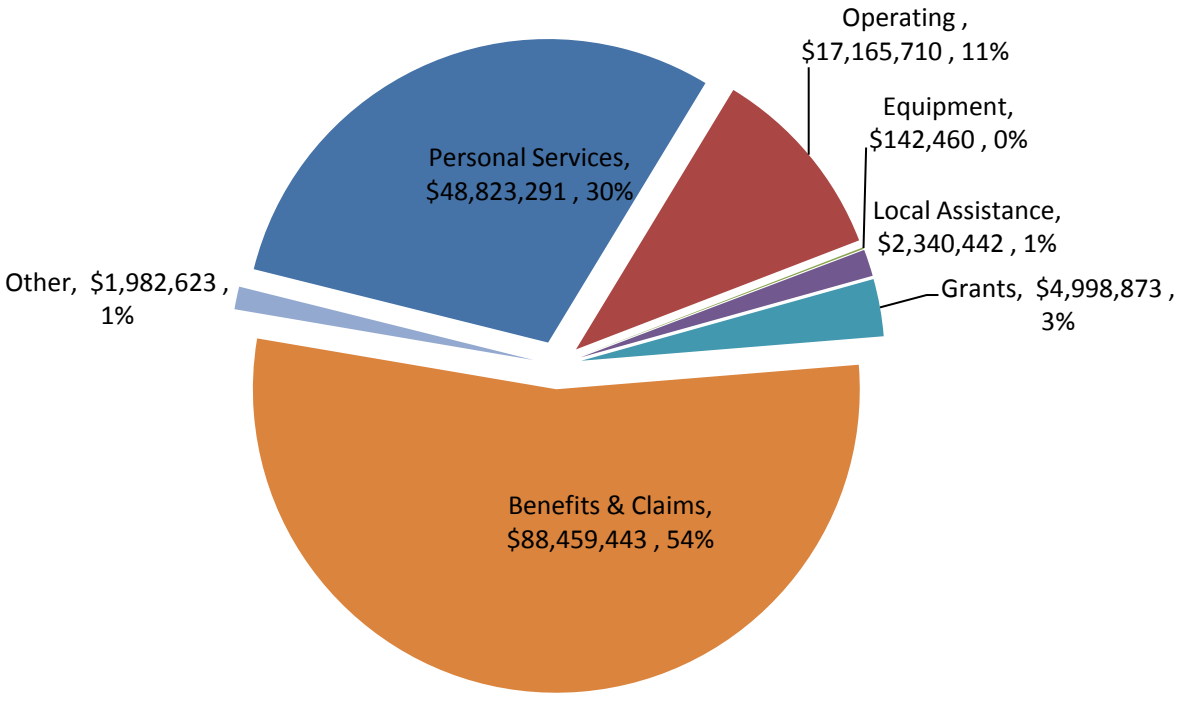
The following figures provide funding and expenditure information for FY 2017 for the Addictive and Mental Disorders Division.



AMDD FY17 BUDGET BY FUND TYPE



2017 AMDD Budget by Expenditure Category



Section 3: How are we going to get there?

a. Present Law Adjustments

CP 33891 HELP Core Services AMDD

This Statutory Appropriation present law adjustment for caseload growth in the Addictive and Mental Health Disorders Division covers the increase in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care. This change package requests $41,477,480 in total funds. The biennial funding is $3,743,795 in general fund, and $37,733,685 in federal funds.

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2018	$1,622,626	$0	$15,366,620	$16,989,246
FY 2019	$2,121,169	$0	$22,367,064	$24,488,233
Biennium Total	$3,743,795	$0	$37,733,684	$41,477,479

CP 33991 Medicaid Services AMDD

This present law adjustment for caseload growth in the Addictive and Mental Disorders Division covers the increase in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care. This change package requests a reduction in total funds of $17,361,739. The biennial funding is an increase of $5,801,249 in general fund and a reduction of $23,162,987 in federal funds.

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2018	$ 2,691,711	$0	($12,507,696)	($9,815,985)
FY 2019	$ 3,109,537	$0	($10,655,290)	($7,545,753)
Biennium Total	$5,801,248	$0	($23,162,986)	($17,361,738)

CP33993 Medicaid Federal Services AMDD

This present law adjustment requests federal funds of $1,884,455 in FY 2018 and $2,077,771 in FY 2019 to fund growth for federally funded Medicaid services within the Addictive and Mental Disorders Division. Funding is 100% federal funds.

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2018	$0	$0	$1,884,455	$1,884,455
FY 2019	$0	$0	$2,077,771	$2,077,771
Biennium Total	$0	$0	$3,962,226	$3,962,226

b. New Proposals

NP 555 Appropriation Rebase

The Executive Budget includes targeted budget restrictions across most agencies. The Executive proposes Addictive and Mental Disorders Division Appropriation Rebase totaling $1,200,000 each year and was included in the agency reduction plan submitted in compliance with 17-7-111, MCA.

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2018	($1,200,000)	$0	$0	($1,200,000)
FY 2019	($1,200,000)	$0	$0	($1,200,000)
Biennium Total	($2,400,000)	$0	$0	($2,400,000)

NP 11895 Physician CPI Adjustment - HELP

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2018	($4,722)	$0	($10,882)	($15,604)
FY 2019	($12,861)	$0	($185,002)	($197,863)
Biennium Total	($17,583)	$0	($195,884)	($213,467)

NP 11997 Physician CPI Adjustment - Medicaid

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2018	($20,175)	$0	($47,859))	($68,034)
FY 2019	($47,083)	$0	($91,479)	($138,562)
Biennium Total	($67,258)	$0	($139,338)	($206,596)

NP 33100 Alcohol Tax Reinvestment in Mental Health

This budget request proposes a refinance for mental health treatment at the Montana State Hospital in the Addictive and Mental Disorders Division. This fund switch will increase state special revenue funds (Earmarked Alcohol Tax) and decrease general fund by $1,141,000 in FY 2018 and $1,172,000 in FY 2019. The total cost for the program does not change. This change package is contingent upon the passage and approval of LC # 895.

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2018	($1,141,000)	$1,141,000	$0	$0
FY 2019	($1,172,000)	$1,172,000	$0	$0
Biennium Total	($2,313,000)	$2,313,000	$0	$0

NP 33300 Substance Abuse Treatment Refinance

This new proposal requests a realignment of funding for substance abuse treatment programs in the Addictive and Mental Disorders Division. At the Montana Chemical Dependency Center, this change package proposes a reduction in state special revenue (alcohol tax) and an increase in state special revenue (facility reimbursement) of $2,764,154 in FY 2018 and $2,739,444 in FY 2019. Additionally, at the community service level for residential treatment contracts and at the Montana State Hospital, this change package proposes a reduction in general fund and a like increase in state special revenue (alcohol tax) of $2,764,154 in FY 2018 and $2,739,444 in FY 2019. The total costs for these programs do not change.

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2018	($2,764,154)	$2,764,154	$0	$0
FY 2019	($2,739,444))	$2,739,444	$0	$0
Biennium Total	($5,503,598)	$5,503,598	$0	$0

c. Proposed Legislation

Behavioral Health Care Act

- Remove the arbitrary limitation of the number of allowed service providers to improve behavioral health care access and reduce provider shortages. This legislation would allow the Department to approve more than one provider serving a given area. These statutes need to be updated to allow increased providers, competition and jobs and to ensure the delivery system can match patient need.

Remove the Requirement that County Matching Grants be Made on an Annual Basis

- Per current statute, grants must be made on an annual basis as soon as possible after July 1 of each year. Unfortunately, the annual nature of these grants puts an undue strain on county governments, whose planning periods do not necessarily follow the state fiscal year planning cycle. The purpose of this legislation is to ease the strain on county governments and allow for flexible contracts.

Make Minor in Possession Data Report Available from Office of Court Administrator

- Update statute to reflect current practices and provide that MIP data is available directly from the Office of the Court Administrator. The data system at Office of the Court Administrator has the ability to accurately track MIP convictions and is able to report MIP data directly, improving efficiency and reducing duplication. The Office of the Court Administrator supports this change.