

Presentation to the 2025 Health and Human Services Joint Appropriations Subcommittee

Healthcare Facilities Practice



DEPARTMENT OF
**PUBLIC HEALTH &
HUMAN SERVICES**

Greg Gianforte, Governor | Charlie Brereton, Director

Overview

*Dr. Douglas Harrington,
State Medical Officer*

Overview

The Health Care Facilities Division (HFD) currently operates seven health care facilities across Montana, each serving populations with unique needs and challenges.

1. Montana State Hospital (MSH) and its Forensic Mental Health Facility (FMHF)
2. Montana Mental Health Nursing Care Center (MMHNCC)
3. Southwest Montana Veterans Home (SWMVH)
4. Montana Chemical Dependency Center (MCDC)
5. Intensive Behavior Center (IBC)
6. Montana Veterans Home (MVH)
7. Eastern Montana Veterans Home (EMVH)

The division is responsible for overseeing the state's safety net health system, which serves certain Montanans living with mental illness, developmental disabilities, aging-related health conditions, and/or substance use disorders. **All facilities have had successful CMS and VA surveys in SFY24 and first half of SFY25.**

Summary of Major Functions

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MSH Summary of Major Functions

- Montana State Hospital (MSH), located in Warm Springs, was founded in 1877.
- It serves both forensic and civilly committed patients with psychiatric disorders who are in acute crisis.
- MSH has 276 licensed beds including:
 - 189 at the main campus in Warm Springs divided between acute care and 34 in group homes
 - 53 beds at the Galen forensic facility.
- In SFY24 MSH admitted 765 patients, 84 more than in SFY23.
- Census on 1/14/2025 was 169/174; 3 admits pending-no waitlist; 53/53 at Galen

MMHNCC Summary of Major Functions

- The Montana Mental Health Nursing Care Center (MMHNCC), located in Lewistown, was opened in 1952 and is a licensed Long-Term Care Facility.
 - Residents must be diagnosed with a severe disabling mental illness (SDMI) and require a level of care that cannot be met in the community.
 - Most residents reside at the facility under civil commitment.
- The MMHNCC typically serves 70-80 residents who are unable to have their needs met outside of the structured and specialized environment that MMHNCC is able to offer.
 - The facility can serve up to 117 individuals through double occupancy (not often possible due to residents' challenging behavioral disturbances).
 - Census on 1/14/2025 was 66/117; 1 admit pending-no waitlist.

MCDC Summary of Major Functions

- The Montana Chemical Dependency Center (MCDC), located in Butte, opened in 1993 and is the only SUD primary mental health secondary treatment center sanctioned by the State of Montana.
- MCDC serves Montana residents, both male and female, 18 years and older.
- The facility has 40 (ASAM 3.5), and 8 (ASAM 3.7) treatment beds.
- Census on 1/14/2025 was 19/48

IBC Summary of Major Functions

- The original facility, called Montana Development Center, was opened in 1893 and subsequently closed in 2018 as mandated by Senate Bill 411.
- The Development Disabilities Program (DDP) community recognized the need for intensive therapeutic placement for individuals with developmental disabilities.
 - HB 387 addressed this need through the development of the Intensive Behavior Center (IBC) located in Boulder.
 - It is a 12- bed facility that serves as an option for individuals who are not able to be safely served in the community.
- IBC is the only secure treatment center in Montana available for individuals with developmental disabilities and co-occurring mental health issues.
- Census on 1/14/2025 was 12/12

MVH Summary of Major Functions

- The Montana Veterans' Home, located in Columbia Falls, is a CMS and VA certified facility.
 - It houses 105 intermediate/skilled-care beds and 12 domiciliary beds, including a 15-bed dementia care unit. Census has increased from approximately 60 to 80 over the last four months.
 - MVH has been providing services to veterans since 1896.
 - Construction of the current facility began in 1970 with additions in 1974, 1984, and 2002 and a remodel in 2009.
- The VA contributes toward the cost of care for each veteran; spouses do not qualify for this benefit.
- Census on 1/14/2025 was 83/117; 1 admit pending-17 in review

SWMVH Summary of Major Functions

- The Southwest Montana Veterans Home (SWMVH), located in Butte, opened in 2021 and is a 60-bed intermediate/skilled-care facility located on a 10-acre plot.
- SWMVH is State-owned and contractor-operated by Eduro Healthcare, a Salt Lake City-based corporation that manages seven other facilities across Montana.
- The facility is surveyed without notice yearly and certified by CMS and the Veterans' Administration (VA).
- Census on 1/14/2025 was 44 residents in cottages 1, 2, 3, and 4; Cottage 5 will begin accepting admissions this month.
- The most-utilized payor sources for residents are Medicaid and the VA.

EMVH Summary of Major Functions

- Eastern Montana Veterans Home (EMVH), located in Glendive, opened in 1995 and is an 80-bed, Eduro Health Care-managed, intermediate/skilled-care facility.
- EMVH has certification from CMS and the VA and is surveyed by both entities yearly.
- Services include:
 - A 16-bed Special Care Unit which provides memory care services for those living with advanced dementia, the most needed service among the applications for admission
 - The VA Community Based Outpatient Clinic operated by the VA occupying 2,567.78 square feet of the building providing:
 - In-person services
 - Telehealth services
- The most-utilized payor sources for residents at EMVH are Medicaid and the VA.
- Census on 1/14/2025 was 55/80

Highlights and Accomplishments During the 2025 Biennium

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MSH Highlights and Accomplishments

- The Director's Office's continued investment in and focus on MSH leadership has helped MSH receive its **first multi-year state license renewal in the last several years** after the October 2024 survey.
- Surveyors commented on the quality of documentation, the noticeable team approach, the focus on patient life and safety, and the transparency.
- The transition of initiative and compliance ownership from A&M to MSH leaders represents a seismic shift in leadership and culture at MSH.
- DPHHS leadership continues to emphasize the importance of permanent, stable leadership at MSH for overall recruitment and retention and regulatory compliance.
- Overtime has been reduced by 50% from its highest month of SFY2025 saving \$660,000 so far.

MSH Leadership

Hiring the right people for the right position is critical to this work.
Permanent leadership now includes:

1. CEO-Kevin S. Flanigan, MD MBA
2. CMO-Dr. C Skotzko
3. COO-Jeremy Hoscheid
4. Director of Nursing-Ian Lux
5. Assistant Director of Nursing-Dale Androlia
6. Director of Social Services-Kaila Tamcke
7. Infection Prevention Specialist-Tonya Rolando
8. FMHF (Galen) Administrator-Lindsey Borchert

MSH Acuity Challenges

ADMISSIONS BY FISCAL YEAR FOR PRECEDING FIVE YEARS

FY19	FY20	FY21	FY22	FY23	FY24
649	649	717	680	681	765

MSH 1:1 AVERAGE BY FISCAL YEAR

Fiscal Year	Avg
2022	7.7
2023	12.6
2024	16.7
2025	24.1

Trends Impacting Access:

- 84 more admissions in FY24 compared to FY23
- 34 patients in FY24 spent 365+ days in MSH
- Gap between MSH discharge criteria and community facilities admission criteria
- 11,000 bed days of lost access for acute crisis patients
- One-on-ones have almost tripled since 2022
- Implemented the Behavioral Health Acuity Index (BHAi) in December 2024

MSH Grasslands

- 18 patients were transitioned from the main hospital to DPHHS's new MSH Grasslands facility in Helena in November 2024. The patients will reside at this location while MSH is upgraded.
- DPHHS has leased the facility from Shodair Children's Hospital for 12 months, with two 6-month extension options. The lease includes the building, utilities, external security, access control management, land maintenance, and parking.
 - Shodair Children's Hospital has been contracted to provide food services for MSH Grasslands.
 - To secure state licensure (as a satellite of MSH) through OIG, DPHHS made investments such as bringing the facility onto the state network, installing cameras and a nurse call system, and mitigating ligature risks.
- Staffing at MSH Grasslands is provided by a combination of MSH state FTE and contracted staff, many of whom reside in Helena.
- Construction at the main hospital in Warm Springs is expected to be completed in 12-18 months.

MSH Grasslands (cont.)



MSH CMS Compliance Progress

- There are 12 major categories of compliance for CMS licensure.
 - As of December 31,2024, we believe MSH is mostly compliant with all non-physical plant CoPs.
 - Physical plant deficiencies have existed for years, and in some cases, decades and are now being addressed by this administration with the support of the 2023 Legislature.
 - These complex construction projects are currently in process and require continuous relocation of patients as contractors move through the hospital.
- With a few 'qualified staff' exceptions, we are compliant from an operational standpoint.
 - Quality Assurance/Process Improvement (QAPI)
 - Health Information Management System (HIMS)/EHR
- Construction to bring facility into compliance has started and will be advancing to a second wing late February/early March.
- Construction in all wings of main hospital is slated to complete in Nov/Dec 25.

MSH CMS Compliance Categories

1. Governing Body
2. Patient's Rights
3. Emergency Preparedness
4. QA-QI Program
5. Medical Staff
6. Nursing Services
7. Medical Records Services
8. Clinical Nutrition
9. Utilization Review
10. Infection Prevention
11. Physical Environment
12. Social Service

MSH CMS Capital Projects 1

- New nurse call system throughout the hospital (all patient wings and intake area)
- Electrical systems will be upgraded to support new systems (all patient wings and intake area)
- Fixtures replaced with anti-ligature (AL) fixtures throughout the hospital (all patient wings and intake area)
- Flooring to be replaced (all patient wings)
- Cabinetry and wardrobes in patient rooms will be replaced with AL friendly system (all patient wings and intake area)
- Doors updated and repaired (all patient wings)
- AL door sets - handles, locks etc. (all patient wings and intake area)
- AL door hinge (all patient rooms, bathrooms and intake area)
- Seclusion doors will be updated to be AL - hinges, handles, pass-through plate (all patient wings)
- Plumbing fixtures (toilets, showers, sinks) upgraded to AL (all patient wings)
- Grab bars in bathrooms – AL (all patient wings)

MSH CMS Capital Projects 2

- Additional Fixtures to be replaced with AL friendly devices – (all patient wings)
- AL - Paper towel dispensers (all patient wings)
- AL - Soap dispensers (all patient wings)
- AL - Toilet tissue dispensers (all patient wings)
- AL - Shower head/control unit (all patient wings)
- AL - Shower splash panels (all patient wings)
- AL - Grab bars (all patient wings)
- AL – Mirrors (all patient wings)
- AL - Threshold/water stop/curb on all toilet/shower rooms (all patient bathrooms and tub rooms)
- Drain improvement (prevent clogging issues) (all patient bathrooms and tub rooms)
- Device covers and drain covers to be AL (all patient wings)
- Exit signs to be raised and/or AL (all patient wings)

MSH CMS Capital Projects 3

- Entertainment unit to be replaced for AL unit (all patient wings & common areas)
- Exterior outdoor spaces updated to include anti-climbing fences (all patient wings)
- Outdoor spaces include egress to muster points (all patient wings)
- Lighting updated throughout the hospital (all patient wings)
- Fire suppression system updated to AL (all patient wings)
- New handrails throughout the hospital (all patient wings & main common area)
- Diffusers and grills for HVAC updated (all patient wings and intake area)
- Signage throughout the hospital - directional, restrooms, laundry, storage, etc. (all patient wings)
- Ceiling tiles with security clips – (Echo, Delta wing)
- Painting will occur as needed by MSH Teamsters Crew (Main Hospital)
- Main Hospi+A1:C35tal Building to have a new roof including membrane (Main Hospital)
- Address Sally Port doors on Delta - relays, replacement cost (Delta Wing)

A&M Transition to MSH Staff

- The facilities-related contract with A&M ended on 12/31/2024.
- The goal of the transition was to have MSH staff accept responsibility for the various workstreams required to achieve CMS recertification.
 - Ongoing compliance/adherence to standards is built into daily work of leaders and staff
 - Risk management and QI auditing against past state and federal plans of corrections for continued adherence
 - Unannounced mock surveys with outside entities to continue checking compliance adherence with corrective actions taken for any issue identified
- Weekly progress checks
- Once we believe we have achieved compliance with all CoPs, we will seek CMS recertification.

iCare Health Network: Next Steps in MT

iCare is a management company and licensed skilled nursing facility operator with experience serving justice-involved and difficult-to-place patients on behalf of government clients.

- The new Montana-based nursing facility will permit more appropriate placement of some eligible medical parolees (DOC) and DPHHS patients.
 - iCare services may be Medicaid reimbursable.
- iCare services include:
 - Specialized behavioral health care to offenders and patients with challenging behaviors
 - Person-centered, skilled nursing facility level of care
 - Dedicated memory care units
- DPHHS and DOC are beginning contract negotiations with iCare.
 - This contract will likely support an exploratory (Phase One) engagement.

MMHNCC Highlights and Accomplishments

- Danielle Wichman, MHA, is the **permanent Administrator**.
- Michael Sura, MD, is the **permanent Medical Director**.
- The facility has maintained a four-star quality measures rating through the Centers for Medicare and Medicaid Services (CMS) Care Compare website.
 - Star quality ratings impact the ability of organizations to bill CMS. Higher star ratings garner higher reimbursements.

SWMVH Highlights and Accomplishments

- Arin Boehmer is the **permanent Administrator**.
- Cottage 5 is complete and will go live after February VA survey.
- SWMVH and Veteran's Foundation have furthered their collaborative relationship.
- The annual VA survey was conducted in August with no major deficiencies found.

MCDC Highlights and Accomplishments

- Frank "Joe" Zigmund is the **permanent Administrator**.
- Cooper Baldwin is the **permanent Clinical Services Director**.
- **MCDC** has increased its census from 12 to 20 patients, thus helping the facility to become more financially sufficient.
- This includes expanded partnerships with related agencies and individuals including Montana State Hospital, DPHHS American Indian Health Director, Benefis Hospital, Butte Spirit Restorative Program, and other addiction services like AA.

IBC Highlights and Accomplishments

- Christina (Tina) Espeland is the **permanent Administrator**.
- Board of Visitors (BOV) inspection in late 2024 commented on the marked improvement in the facility operations, staff and patient focus.
- Infrastructure improvements continue.
- Implementation of transition services to ensure successful reintegration in the community is a priority.

MVH Highlights and Accomplishments

- Joren Underdahl is the **permanent Administrator**.
- Census has begun a steady increase over the last 4 months.
- The annual OIG Life Safety Code survey occurred in July 2024 with only minor corrective action required for facility repairs.

EMVH Highlights and Accomplishments

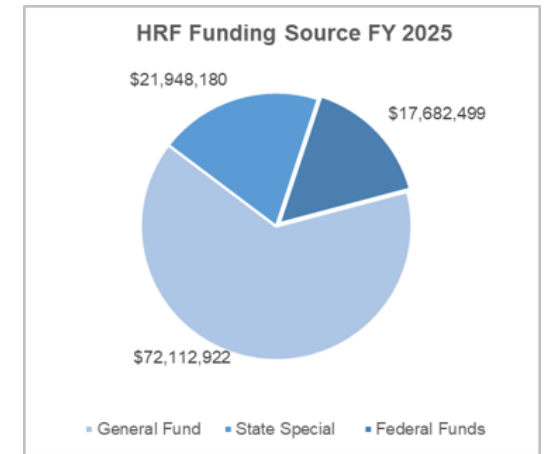
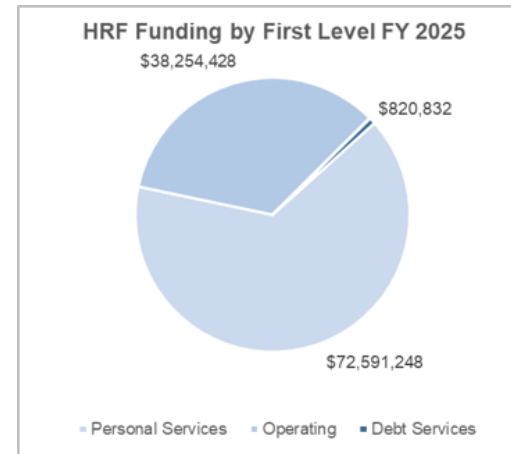
- Christy Kemp is the **permanent Administrator**.
- Census has been steady.
- A deficiency-free CMS annual survey occurred at EMVH in January 2024 followed by a second successful VA annual survey in September 2024.

Funding and Positions Budgeted (PB) Information



Funding and PB Information

HEALTHCARE FACILITIES DIVISION	FY 2025 BUDGET	FY 2026 REQUEST	FY 2027 REQUEST
PB	871.36	774.06	774.06
Personal Services	\$72,591,248	\$69,761,446	\$70,710,093
Operating	\$38,254,428	\$75,876,163	\$76,104,319
Equipment	\$77,093	\$77,093	\$77,093
Local Assistance	\$0	\$0	\$0
Grants	\$0	\$0	\$0
Benefits and Claims	\$0	\$0	\$0
Transfers	\$0	\$0	\$0
Debt Services	\$820,832	\$820,832	\$820,832
TOTAL COSTS	\$111,743,601	\$146,535,534	\$147,712,337
	FY 2025 BUDGET	FY 2026 REQUEST	FY 2027 REQUEST
General Fund	\$72,112,922	\$112,360,895	\$112,683,420
State Special Fund	\$21,948,180	\$18,860,058	\$18,989,225
Federal Fund	\$17,682,499	\$15,314,581	\$16,039,692
TOTAL FUNDS	\$111,743,601	\$146,535,534	\$147,712,337



Change Packages



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Change Packages – Present Law (PL) Adjustments

SWPL 1 – PERSONAL SERVICES

The budget includes \$1,074,291 in FY 2026 and \$1,185,543 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	\$1,614,645	(\$432,199)	(\$108,155)	\$1,074,291
FY 2027	\$1,693,617	(\$404,365)	(\$103,709)	\$1,185,543
Biennium Total	\$3,308,262	(\$836,564)	(\$211,864)	\$2,259,834

SWPL 2 – FIXED COSTS

The request includes reductions of \$570,516 in FY 2026 and \$583,219 in FY 2027 to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	(\$426,141)	(\$119,816)	(\$24,559)	(\$570,516)
FY 2027	(\$435,628)	(\$122,485)	(\$25,106)	(\$583,219)
Biennium Total	(\$861,769)	(\$242,301)	(\$49,665)	(\$1,153,735)

Change Package – PL Continued

SWPL 3 – INFLATION DEFLATION

This change package includes a reduction of \$7,338 in FY 2026 and \$4,959 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	(\$6,212)	(\$1,126)	\$0	(\$7,338)
FY 2027	(\$4,199)	(\$760)	\$0	(\$4,959)
Biennium Total	(\$10,411)	(\$1,886)	\$0	(\$12,297)

PL 33001 – OVERTIME/HOLIDAY/DIFFERENTIAL - MSH

This present law adjustment is necessary to maintain existing services at the Montana State Hospital in the Healthcare Facilities Division. Overtime personal services expenses are removed from the adjusted base when the program's positions are funded. This package requests \$990,946 in general fund for the biennium. The increase is necessary to fully fund overtime to maintain required staffing levels at this 24/7 acute care facility in addition to what is funded in SWPL 1.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	\$495,473	\$0	\$0	\$495,473
FY 2027	\$495,473	\$0	\$0	\$495,473
Biennium Total	\$990,946	\$0	\$0	\$990,946

Change Package – PL Continued

PL 33002 – OVERTIME/HOLIDAY/DIFFERENTIAL - MVH

This present law adjustment is necessary to maintain existing services at the Montana Veterans Home in the Healthcare Facilities Division. Overtime personal services expenses are removed from the adjusted base when the program's positions are funded. The increase fully funds overtime to maintain required staffing levels at this 24/7 facility in addition to what is funded in SWPL 1. This package requests \$413,298 in total funds for the biennium, including, \$274,380 in state special revenue and \$138,918 of federal funds.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	\$0	\$137,190	\$69,459	\$206,649
FY 2027	\$0	\$137,190	\$69,459	\$206,649
Biennium Total	\$0	\$274,380	\$138,918	\$413,298

PL 33003 – OVERTIME/HOLIDAY/DIFFERENTIAL – IBC

This present law adjustment is necessary to maintain existing services at the Intensive Behavior Center in the Healthcare Facilities Division. Overtime personal services expenses are removed from the adjusted base when the program's positions are funded. This package requests \$270,406 in general fund for the biennium. The increase is necessary to fully fund overtime to maintain required staffing levels at this 24/7 facility in addition to what is funded in SWPL 1.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	\$135,203	\$0	\$0	\$135,203
FY 2027	\$135,203	\$0	\$0	\$135,203
Biennium Total	\$270,406	\$0	\$0	\$270,406

Change Packages – PL Continued

PL 33004 – OVERTIME/HOLIDAY/DIFFERENTIAL – MHNCC

This present law adjustment is necessary to maintain existing services at the Montana Mental Health Nursing Care Center in the Healthcare Facilities Division. Overtime personal services expenses are removed from the adjusted base when the program's positions are funded. This package requests \$354,082 in general fund for the biennium. The increase is necessary to fully fund overtime to maintain required staffing levels at this 24/7 facility in addition to what is funded in SWPL 1.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	\$177,041	\$0	\$0	\$177,041
FY 2027	\$177,041	\$0	\$0	\$177,041
Biennium Total	\$354,082	\$0	\$0	\$354,082

Change Packages – PL Continued

PL 33005 – OVERTIME/HOLIDAY/DIFFERENTIAL - MCDC

This present law adjustment is necessary to maintain existing services at the Montana Chemical Dependency Center in the Healthcare Facilities Division. Overtime personal services expenses are removed from the adjusted base when the program's positions are funded. This package requests \$131,928 in state special revenue funds over the biennium. The increase is necessary to fully fund overtime to maintain required staffing levels at this 24/7 facility in addition to what is funded in SWPL 1.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	\$0	\$65,964	\$0	\$65,964
FY 2027	\$0	\$65,964	\$0	\$65,964
Biennium Total	\$0	\$131,928	\$0	\$131,928

PL 33006 – PER DEIM REQUEST - EMVH

This present law adjustment is necessary to increase federal authority for the federal Veterans Administration (VA) per diem rates that will be reimbursed for the nursing facility days of care at the Eastern Montana Veterans Home (EMVH) in the Healthcare Facility Division in the 2027 Biennium. The VA per diem rate increases effective October 1st of each year. This package requests \$1,482,635 in federal funds over the biennium.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	\$0	\$0	\$590,263	\$590,263
FY 2027	\$0	\$0	\$892,372	\$892,372
Biennium Total	\$0	\$0	\$1,482,635	\$1,482,635

Change Packages – PL Continued

PL 33007 – PER DEIM REQUEST – SWMVH

This present law adjustment is necessary to increase federal authority for the federal Veterans Affairs (VA) per diem rates that will be reimbursed for the nursing facility days of care at the Southwest Montana Veterans Home in the Healthcare Facilities Division in the 2027 biennium. The VA per diem rate increases on October 1st of each year. This package requests \$859,741 of federal funds over the biennium.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	\$0	\$0	\$222,718	\$222,718
FY 2027	\$0	\$0	\$637,023	\$637,023
Biennium Total	\$0	\$0	\$859,741	\$859,741

PL 33008 – STATUTORY BOND MONTANA STATE HOSPITAL

This present law adjustment removes state funding authority for the improvements bond at Montana State Hospital, as it was paid in full in December 2022. This package requests a reduction of state special revenue funds of \$1,752,500 in FY2026 and \$1,752,500 in FY2027

	General Fund	State Special	Federal Funds	Total Request
FY 2026	\$0	(\$1,752,500)	\$0	(\$1,752,500)
FY 2027	\$0	(\$1,752,500)	\$0	(\$1,752,500)
Biennium Total	\$0	(\$3,505,000)	\$0	(\$3,505,000)

Change Packages – PL Continued

PL 33009 – FACILITIES CONTRACTED SERVICES RATE INCREASE

This present law adjustment is necessary to maintain essential operational contracted services at the state-run facilities within the Healthcare Facilities Division. Examples of this include food services, laundry services, provider services, etc. This package requests \$1,865,968 in total funds for the biennium, including \$1,762,913 in general fund, \$74,922 in state special revenue, and \$28,100 of federal funds.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	\$824,307	\$31,064	\$11,651	\$867,022
FY 2027	\$938,606	\$43,858	\$16,449	\$998,913
Biennium Total	\$1,762,913	\$74,922	\$28,100	\$1,865,935

MSH Contract Labor Costs

The Director's Office and MSH have implemented numerous strategies to reduce contract labor costs:

- Recruiting and retaining state FTE through incentives, statewide media campaign, and HR reforms
- Staffing more efficiently to benchmark, reducing OVT, and analyzing metrics daily using new UKG system
- Reprocurring contracts to increase competition & reduce rates

The Department's efforts have resulted in a reduction in contract labor costs on a per patient basis (excluding 1:1s) by approximately 25% since SFY 23.

- Total contract spend is declining while census and 1:1 needs are increasing (largely driven by required reduction in chemical restraints).
- FY 25 spend would otherwise be projected to be \$56 million, or more than \$11 million more than current projections.

	Avg Census	Contract Spend	Spend/Patient	Avg. 1:1s	1:1s Spend	Spend (excluding 1:1s)	Spend/Client (excluding 1:1s)
FY23	218.4	\$ 46,501,043.00	\$ 212,916.86	12.6	\$ 6,806,887.92	\$ 39,694,155.08	\$ 181,749.79
FY25	240.6	\$ 45,725,111.00	\$ 190,046.18	24.1	\$ 12,730,294.80	\$ 32,994,816.20	\$ 137,135.56
Difference (FY25 to FY23)	10.2%	-1.7%	-10.7%	91.3%	87.0%	-16.9%	-24.5%

Change Packages – New Proposals (NP) Adjustments

NP 33104 – FACILITY WAGE AND OPERATIONAL STANDARDIZATION (OTO)

This new proposal adjusts wages for targeted clinical positions among all facilities and adjusts ongoing operational costs, including contracted clinical labor in the Healthcare Facilities Division. The adjusted funding request reflects the current operating environment at 24/7 state health care facilities tasked with serving vulnerable populations. These facilities continue to experience significant authorized PB vacancy rates, requiring the contracting of certain clinical positions to ensure patient and staff safety and the mandatory admission of patients, as well as maintain facility licensure. Funding associated with contracted clinical labor is requested as one-time-only and will not be included in the base budget, allowing DPHHS to continue reevaluating and reforming facilities operations in subsequent biennia. This package requests \$70,328,046 in total funds for the biennium, including \$69,918,166 in general fund and \$409,880 in state special funds.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	\$34,890,719	\$159,519	\$0	\$35,050,238
FY 2027	\$35,027,447	\$250,361	\$0	\$35,277,808
Biennium Total	\$69,918,166	\$409,880	\$0	\$70,328,046

Change Packages –NP Continued

NP 33107 – STATE SPECIAL REVENUE FUNDING SWITCH – MCDC

This new proposal is necessary to align Medicaid Cost Recovery funds in the Healthcare Facilities Division. This fund switch increases state special revenue funds for alcohol tax and decrease state special revenue funds for Medicaid Cost Recovery revenue by \$500,000 in each year of the biennium. The total cost for the program is not impacted by this package.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	\$0	\$0	\$0	\$0
FY 2027	\$0	\$0	\$0	\$0
Biennium Total	\$0	\$0	\$0	\$0

NP 33108 – STATE SPECIAL REVENUE FUND SWITCH – MSH

This new proposal is necessary to align cigarette tax revenue in the Healthcare Facilities Division. This fund switch increases state special revenue funds for alcohol tax and decrease state special revenue funds for cigarette tax revenue by \$204,851 in each year of the biennium. The total cost for the program is not impacted by this package.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	\$0	\$0	\$0	\$0
FY 2027	\$0	\$0	\$0	\$0
Biennium Total	\$0	\$0	\$0	\$0

Change Packages –NP Continued

NP 33109 – REALIGN APPROPRIATION FOR SWMVH VA REIMBURSEMENT

This new proposal reduces the appropriation of federal funds to the Southwest Montana Veterans Home to align appropriation with anticipated expenditures. This change package requests a reduction of \$2,067,833 in federal funds in each year of the biennium.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	\$0	\$0	(\$2,067,833)	(\$2,067,833)
FY 2027	\$0	\$0	(\$2,067,833)	(\$2,067,833)
Biennium Total	\$0	\$0	(\$4,135,666)	(\$4,135,666)

NP 33201 – FUND SWITCH AND REALIGNMENT FOR MONTANA VETERANS' HOME

This new proposal is necessary to realign funding for the Montana Veterans' Home programs. Included in the realignment is a fund switch reducing the use of state special revenue cigarette taxes and federal funds, while increasing general funds. This change package requests a reduction of \$2,894,484 in total funds for the biennium, including an increase of \$5,085,876 in general funds, a decrease of \$5,857,436 in state special revenue, and a decrease of \$2,122,924 in federal funds.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	\$2,542,938	(\$2,928,718)	(\$1,061,462)	(\$1,447,242)
FY 2027	\$2,542,938	(\$2,928,718)	(\$1,061,462)	(\$1,447,242)
Biennium Total	\$5,085,876	(\$5,857,436)	(\$2,122,924)	(\$2,894,484)

Conclusion



DEPARTMENT OF
**PUBLIC HEALTH &
HUMAN SERVICES**