

Presentation to the 2025 Health and Human Services Joint Appropriations Subcommittee

Behavioral Health System for Future Generations

HB 872



DEPARTMENT OF
**PUBLIC HEALTH &
HUMAN SERVICES**

Greg Gianforte, Governor | Charlie Brereton, Director

Overview

Charlie Brereton, Director

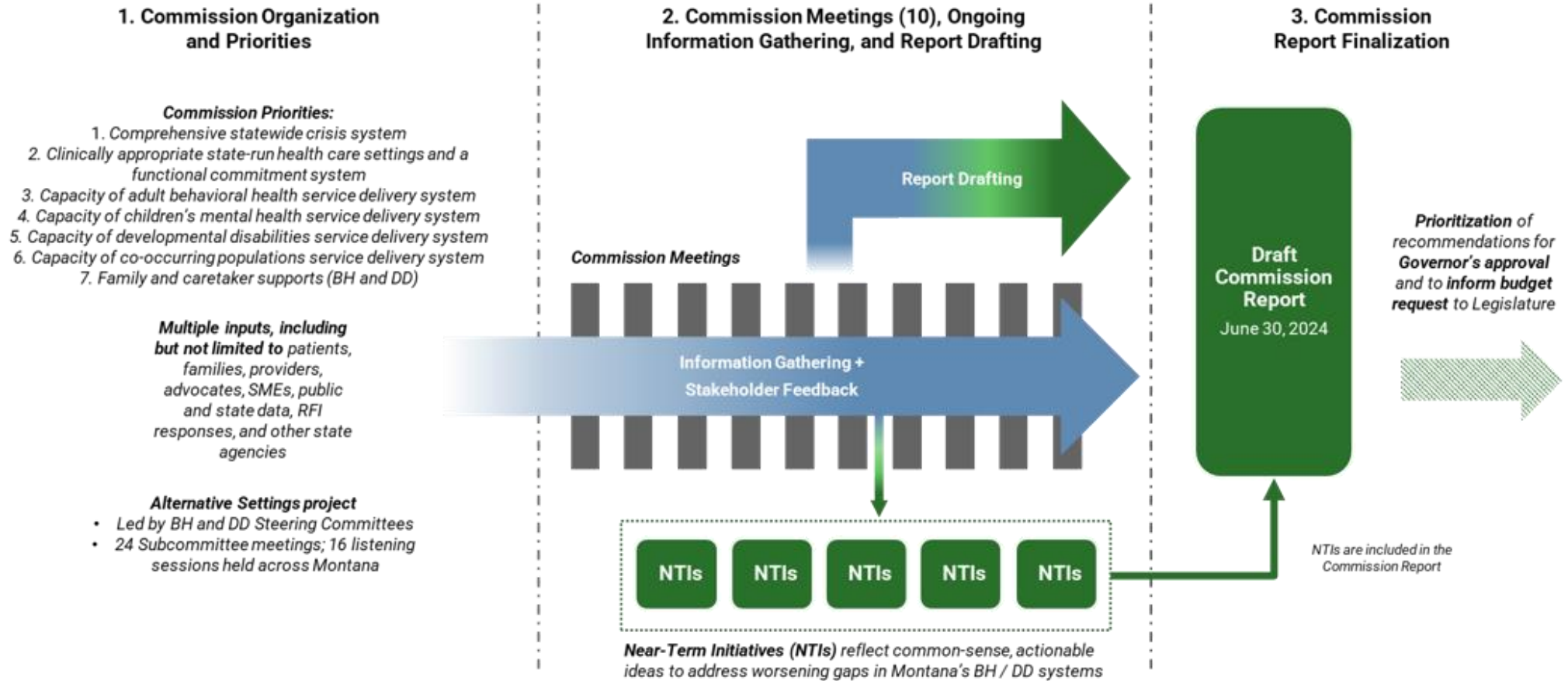


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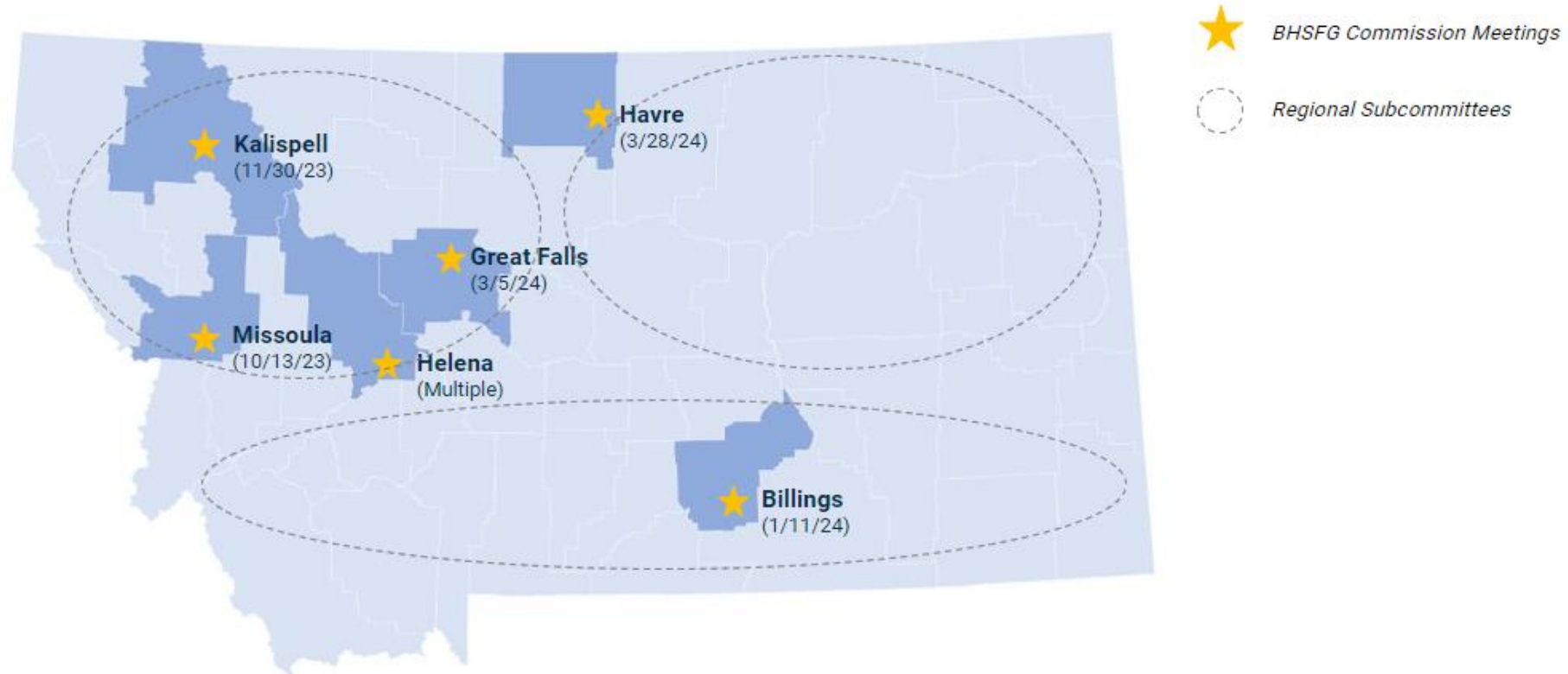
Behavioral Health System for Future Generations

- Governor Greg Gianforte signed House Bill 872 into law on May 22, 2023, providing a generational investment of \$300 million to reform and improve Montana's BH and DD service systems.
- The Behavioral Health System for Future Generations (BHSFG) Commission has worked in partnership with the DO and BHDD to improve the BH and DD systems of care.
- The Commission held 14 meetings in communities across Montana.
- The final [BHSFG Commission Report](#) was presented to Governor Gianforte on September 30, 2024.
 - 22 Recommendations
 - 11 Near-Term Initiatives

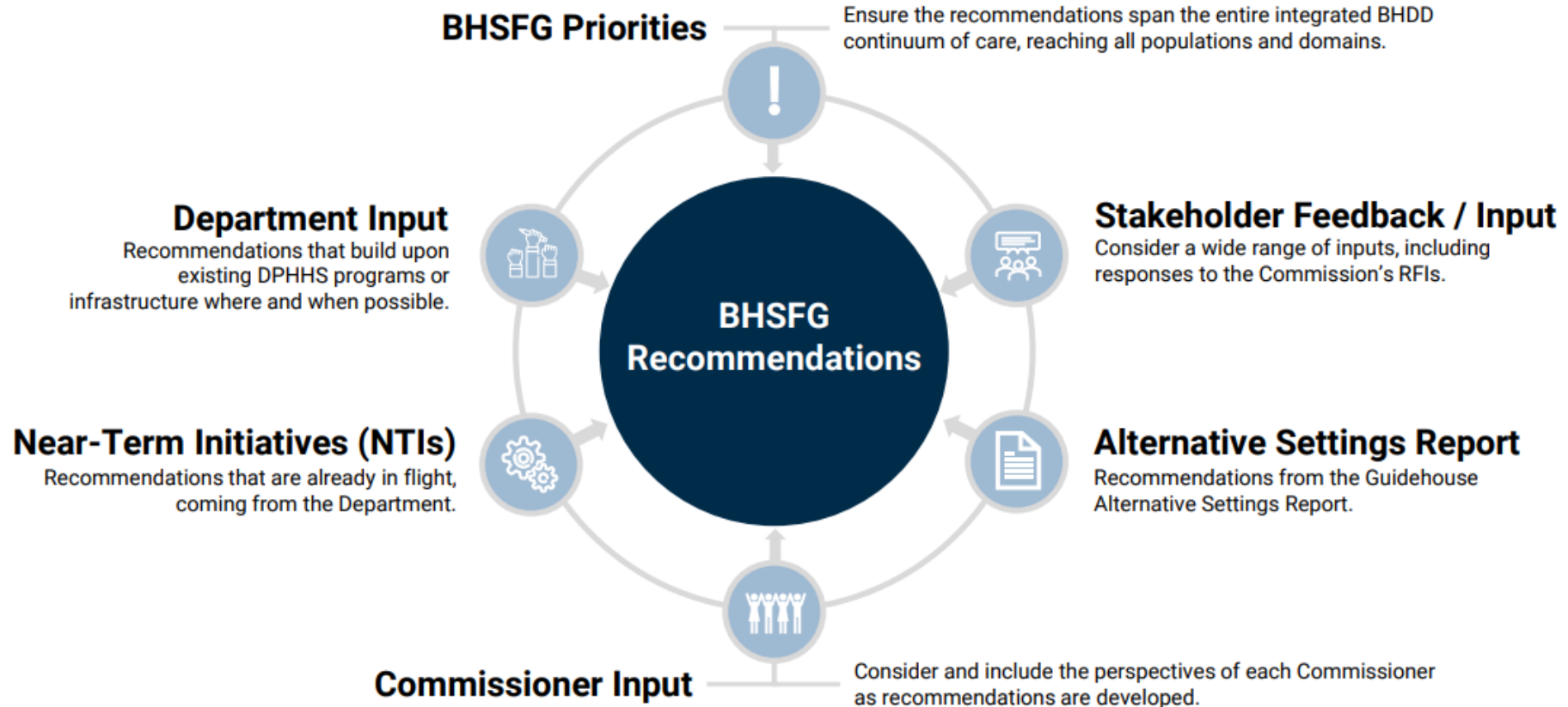
Commission Process



Commission Meetings Across Montana



Summary of Development



Near-Term Initiatives

Meghan Peel, Administrator

Behavioral Health and Developmental Disabilities Division



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Near-Term Initiatives | Status Update

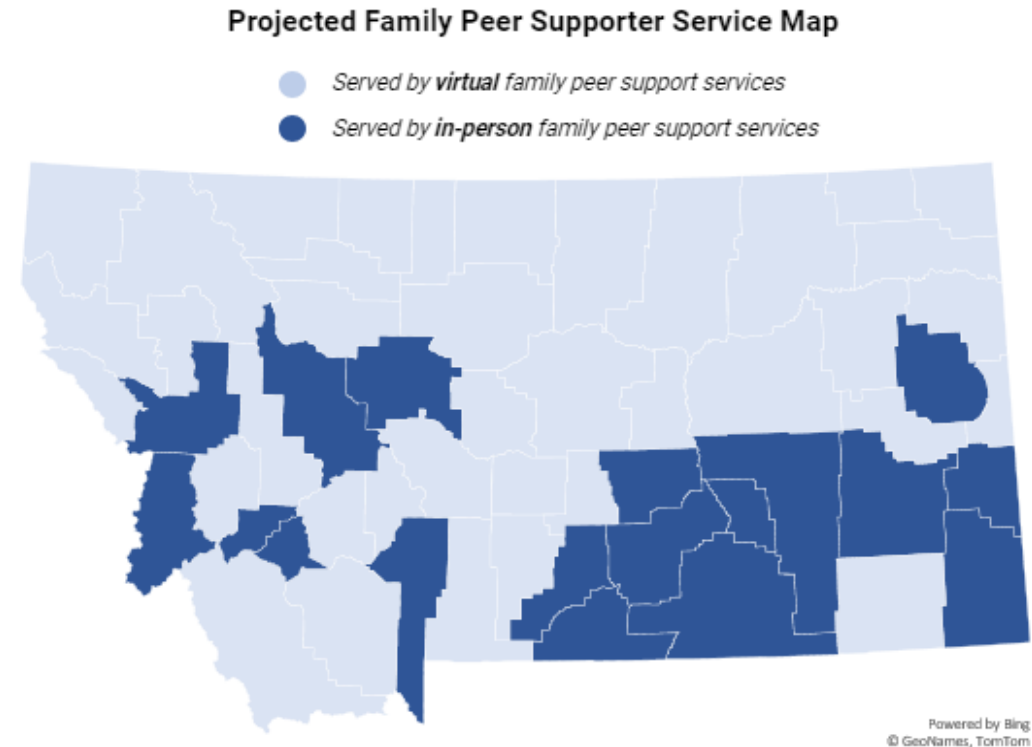
#	NTI	Approved (Governor)	Launch Date ¹	Goal	Progress to Date	Status	Next Milestone
1	Community COE and Stabilization Funds	Yes	3/8/24	HB 872 funds are available for providers to use for community-based COE and/or stabilization services.	Program launched. DPHHS has paid for 40 COEs in community settings. This has started to reduce the waitlist at Galen.	On Track	Continue to accept and pay invoices.
2	Residential Setting Grants	Yes	2/5/24	HB 872 funds are awarded to residential setting providers to increase capacity.	Received executed agreements with providers. Have begun receiving and paying invoices to awardees.	On Track	Continue to accept and pay invoices. Monitor and report on progress.
3A	Mobile Crisis Grants	Yes	5/31/24	HB 872 funds are awarded to existing mobile crisis providers to enhance financial stability.	Received executed agreements from six of seven providers. Have begun receiving invoices from providers.	On Track	Continue to distribute funds to providers and provide TA as needed.
3B	Crisis Receiving and Stabilization Grants	Yes	6/30/24	HB 872 funds are awarded to crisis receiving and stabilization providers to expand capacity.	Selected and notified awardees of their pending awards. Received executed agreements from some awardees.	On Track	Execute agreements with all awardees.
4	Crisis Curriculum	Yes	8/1/24	HB 872 funds are awarded to a university partner to develop (with DPHHS) and host a crisis curriculum for all crisis workers.	Finalized contract with University of Montana (UM).	On Track	Develop crisis curriculum with UM and community stakeholders. Continue to receive and process invoices.
5A	DD Healthcare Workforce Training	Yes	5/7/24	HB 872 funds are awarded to providers to train their workforce in supporting people with IDD.	Program launched. More than 120 workers have already enrolled in the training.	On Track	Analyze course enrollment and completion data and drive further enrollment.
5B	DSP Workforce Grants	Yes	4/18/24	HB 872 funds are awarded to providers to help DSPs obtain certification in providing services to people with IDD.	Program launched. More than 70 DSPs have been enrolled.	On Track	Awardees enroll DSPs into credentialing program.
6	Family Peer Supports	Yes	7/31/24	HB 872 funds are awarded to organizations with a proven track record of providing family peer support services in Montana.	Received executed agreements from all four awardees. Have begun to receive and process invoices.	On Track	Continue to receive and process invoices. Monitor and report on progress.
7	Tribal and UIO Supports	Yes	8/30/24	HB 872 funds are awarded to Tribal nations and Urban Indian Health Organizations to support and improve BH and DD services provided in Native American communities.	Received applications from all Tribes and UIOs in Montana. Notified awardees and received executed agreements from some Tribes and UIOs.	On Track	Execute agreements with all awardees. Begin to receive and process invoices.

Near-Term Initiatives | Status Update (cont.)

#	NTI	Approved (Governor)	Launch Date ¹	Goal	Progress to Date	Status	Next Milestone
8	Fair Market Rent Reevaluation Study	Yes	10/1/2024	HB 872 funds are awarded to the MT Department of Commerce to conduct a Fair Market Rent Reevaluation Study to determine the level of funding needed to help supplement housing costs for low-income Montanans.	DPHHS has received, processed, and paid invoices from Commerce. Commerce has received the report from Econometrica, Inc. and submitted it to HUD in early January 2025.	On Track	Receive, process, and pay final invoices to Commerce.
9	Access to Naloxone and Fentanyl Test Strips	Yes	TBD	HB 872 funds are awarded to distribute fentanyl test strips and naloxone through wellness kiosks.	Preparing to launch Submittable application to select a qualified vendor to build, install, and launch wellness kiosks.	On Track	Launch Submittable application.
10	Funding to Launch Occupational Therapy Doctorate and Physician Assistant Programs	Yes	11/8/2024	HB 872 funds are awarded to Montana-based Institutions of Higher Education to cover start-up costs associated with Occupational Therapy Doctorate (OTD) and Physician Assistant (PA) programs.	Selected and notified awardees. Agreements have been sent for review.	On Track	Execute agreements with awardees.
11	Funding to Pilot Local Innovations in Behavioral Health through Grants to Counties and Tribes	Yes	TBD	HB 872 funds are awarded to rural counties and Tribes across Montana to pilot innovative behavioral health solutions designed to meet the unique needs of these communities.	Created workplan to manage program. Begun drafting grant criteria, review process, and application.	On Track	Go live with Submittable Application.

Near-Term Initiatives | Recent Highlights

- The department reviewed, selected, and notified awardees for the **Support for Tribes and Urban Indian Health Organizations** NTI. Each Tribe and UIO across Montana will receive up to \$500K to expand or improve BH solutions tailored to meet individual community needs. Invoices will be processed, and technical assistance is being provided as of January 1st, 2025.
- The department also selected awardees to participate in the **Family Peer Support Pilot Program** NTI, which will provide \$700K to hire family peer supporters to help families of children with behavioral health needs across the state. Invoices are being processed, and technical assistance is underway as of January 6th, 2025. The map shows the projected service area of these peer supporters.



Near-Term Initiatives | Incentivize Community-Based Court Ordered Evaluations

- On March 26, 2024, there were 41 individuals statewide with a pending court-ordered fitness evaluation.
- Seven providers are currently providing COEs on a regular basis. Upon approval of the NTI, DPHHS took steps to amend existing contracts with community-based providers and put new providers under contract for these services. Prior to the implementation of this NTI, COEs took months to be done, and few were completed by community providers because County Attorneys, Courts, and Defense rarely, if ever, requested they be completed in the community.
- To date, DPHHS has arranged and paid for 41 court-ordered evaluations (COEs) and evaluation-related activities, in community settings, as an alternative to having them conducted solely at the Forensic Mental Health Facility (FMHF). This has resulted in these 41, as well as numerous other defendants from across Montana, avoiding the waitlist and/or having their wait time for an evaluation reduced. Since July, 15 Montana counties, including those from which the highest numbers of evaluations are ordered, have taken advantage of the NTI. This aligns directly with the Department's strategy to prioritize the onboarding of those counties with the greatest needs.
- As of January 16, 2025, there were 32 defendants statewide who had pending court orders for a fitness evaluation. Twenty-five (25) of those 32 have been scheduled to occur in the community. The remaining 7 COEs that have not been scheduled will be completed at FMHF due to the defendant's refusal to cooperate with the evaluation.

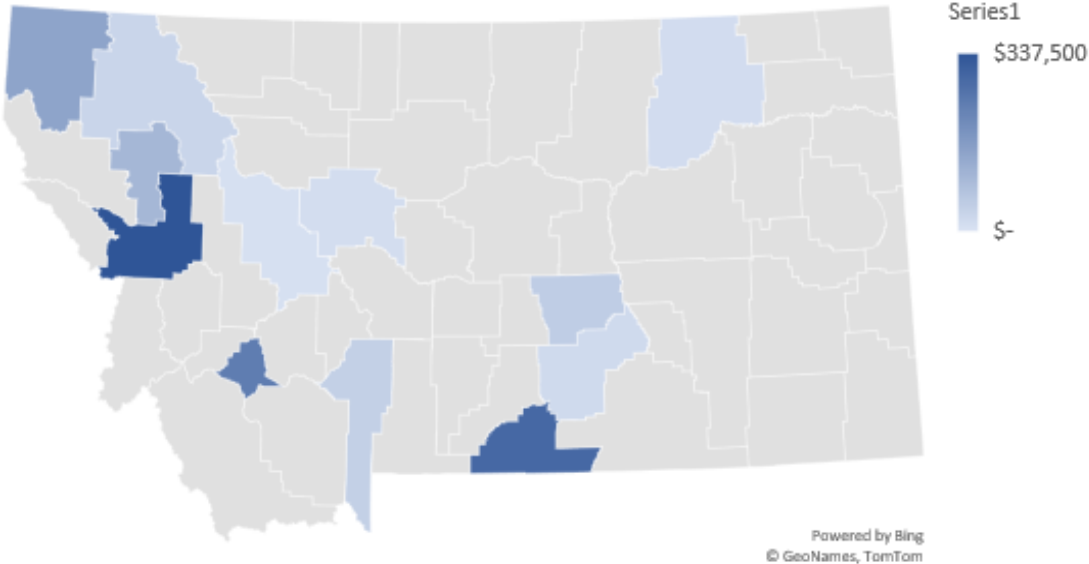
Near-Term Initiatives | Residential Grants

- Prior to the implementation of this NTI, data showed that timely access to residential care is insufficient in the adult mental health, developmental disabilities, and children's mental health service areas. This NTI was designed to address this gap in the continuum of care as a small, one-time investment that will provide a return in a short amount of time. This was the state of residential care at the time this NTI was presented to the BHSFG Commission in October 2023. At the time of NTI development, there were 1,708 community-based residential beds licensed by DPHHS's Office of Inspector General.
- **Developmental Disabilities Residential Care** - In-state care is difficult to find for individuals with intensive service needs resulting in 10-15 individuals with developmental disabilities receiving services at an out-of-state facility at any given time. In SFY 2021-2023, 389 individuals were selected off the DD waiver waitlist with 126, or 32%, of those individuals still waiting to receive those authorized services due to provider capacity.
- **Children's Mental Health** - In SFY 2021, 45 licensed Therapeutic Group Homes provided care to youth enrolled in Montana Medicaid. In SFY 2023, only 28 licensed homes remained, a reduction of approximately 37% in two years. In SFY 2024, 254 youth received treatment in an out-of-state residential treatment setting funded by Medicaid, CFSD, Youth Court, or a combination.

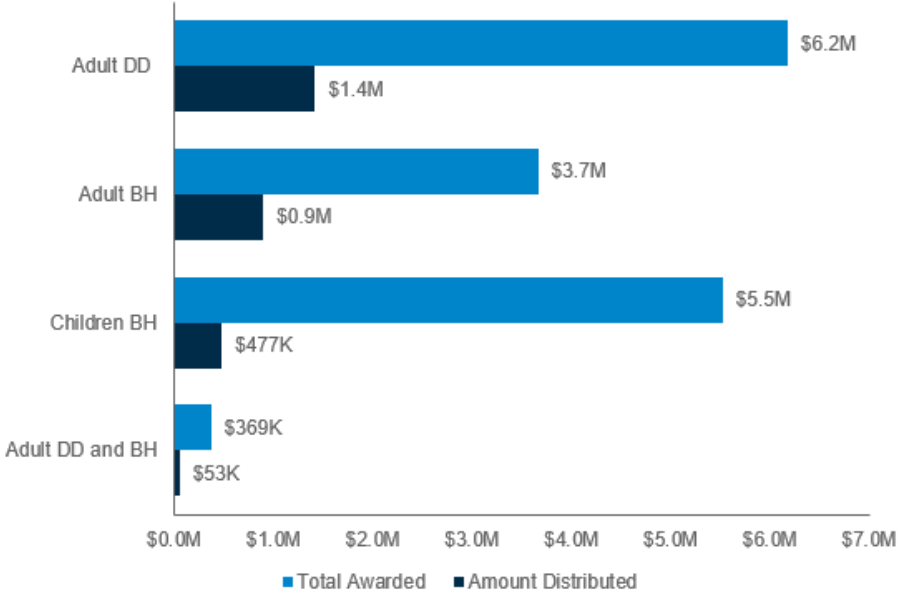
Near-Term Initiatives | Residential Grants (cont.)

The Residential Bed Capacity Grant has been receiving and paying invoices to providers since September 16th, 2024. A total of \$2.8M has been paid out through 41 invoices received, and eight projects have been billed to completion. From those eight completed projects, 62 new residential beds have been or will be created, and 30 existing residential beds have been maintained. Invoices have been received for residential facilities in 11 counties across the state of Montana.

Residential Grants Distribution by County



Total Awarded vs. Amount Distributed by Population Served



Near-Term Initiatives | Fair Market Rent Reevaluation Study

- DPHHS signed an MOU with the Department of Commerce to provide Commerce with funds to distribute to a vendor qualified to conduct a statewide FMR reevaluation study. The Department of Commerce issued an RFP, reviewed applications, and selected a qualified vendor capable of completing the study on time and underbudget.
- Econometrica, Inc. and M. Davis and Company, Inc. were hired to conduct the study, and the data has been recently received by Department of Commerce. It is anticipated that this Near-Term Initiative will be completed in January 2025.
- The FMR reevaluation study will provide critical information on current market rental rates throughout Montana to accurately reflect local market conditions and allow housing assistance programs to provide appropriate rental subsidies to low-income individuals.

Near-Term Initiatives | Funding to Launch OTD and PA Programs

- DPHHS successfully launched the grant application for the **Funding to Launch Occupational Therapy Doctorate (OTD) and Physician Assistant (PA) Programs** NTI in November 2024. Two institutions of higher education were awarded and notified in early January 2025: Office of the Commissioner of Higher Education (University of Montana) and Carroll College. This NTI will provide \$4M to cover start-up costs for these Montana-based institutions of higher education to launch OTD and PA programs, addressing critical workforce shortages.
- According to the 2022 Montana Post-Secondary Workforce report, there will be an estimated demand of 67 PA graduates annually through 2030. Historically, Montana has educated 36 annually. The estimated annual demand for OTD graduates is 33, and 0 had graduated at the time of the report.
- University of Montana intends to use the awarded funding to assist in launching their OTD and PA programs. It is anticipated that the first OTD cohort will enroll in Fall 2025 and graduate in Spring 2028. The first PA cohort will enroll in Fall 2026 and graduate in Spring 2028. The expected yearly enrollment number for the OTD program is 33 students and 25 students for the PA program.
- Carroll College intends to use the awarded funding to assist in launching their PA program. It is anticipated that their first cohort of students will enroll in Fall 2028 and graduate in Spring 2030. The expected enrollment number for this program is 34 students.

Governor's Budget

Gene Hermanson, Chief Financial Manager

Medicaid and Health Services Management Practice

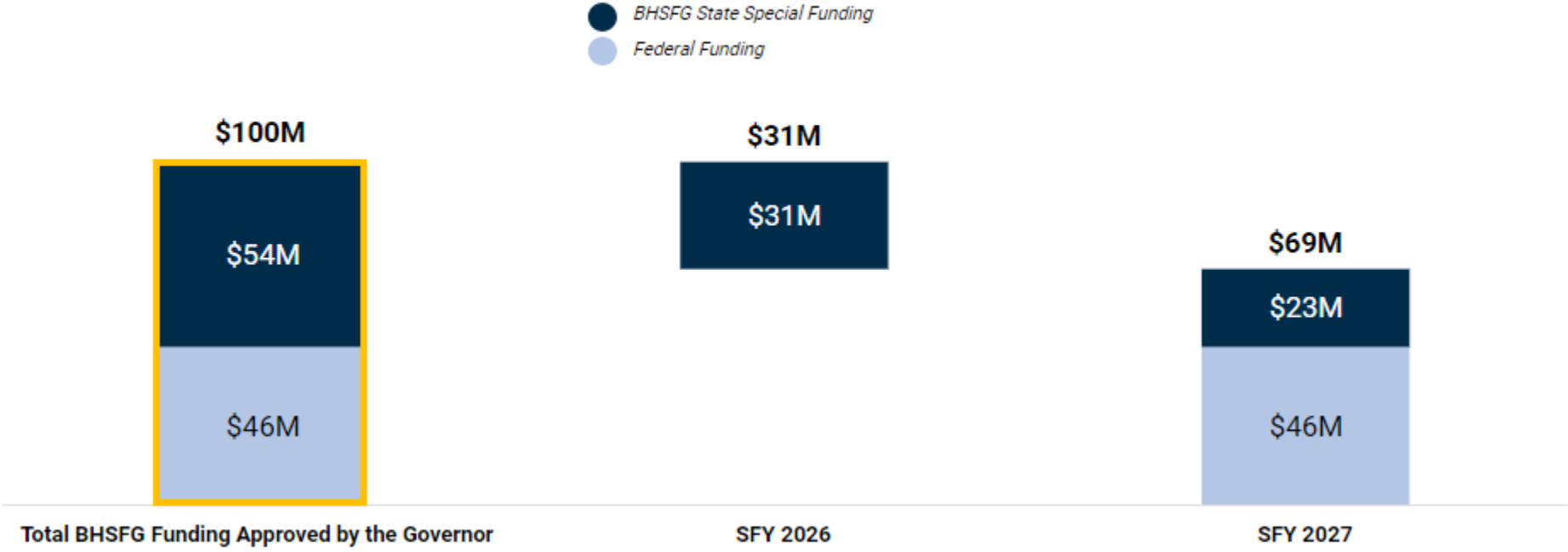


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Governor's Budget | HB 872 Recommendations

The Governor's Office has authorized \$100M for the implementation of 10 of the recommendations advanced by the Commission, including all eight Phase One recommendations and two Phase Two recommendations.

Governor-Approved BHSFG Recommendation Funding by State Fiscal Year (SFY) Allocation



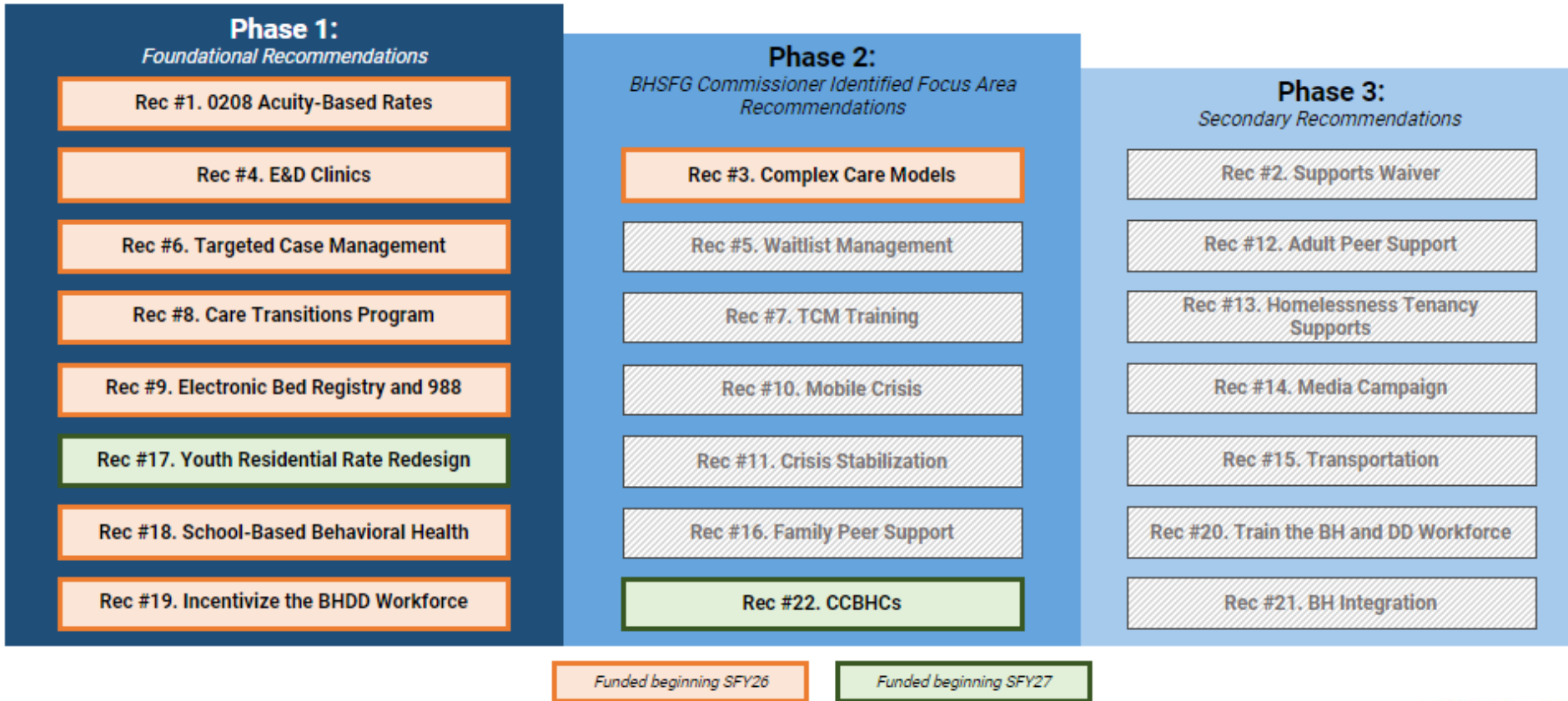
Governor's Budget | HB 872

Recommendations (cont.)

Recommendation and Purpose	SFY26	SFY27
Phase 1: Foundational Recommendations		
#1. Refine and Reconfigure the Current 0208 Comprehensive Waiver Services Rates: ➤ Implement a standardized assessment tool and redesign reimbursement models for support services based on acuity and complexity of needs.	\$950K	\$7.5M
#4. Redefine and Reopen Evaluation and Diagnostic Clinics to Support Families More Effectively: ➤ Engage stakeholders to redefine the role of Evaluation and Diagnostic (E&D) clinics and pilot the newly defined model to assess its effectiveness.	\$2.0M*	\$1.0M
#6. Enhance the Targeted Case Management Program: ➤ Re-evaluate the Targeted Case Management (TCM) reimbursement model, expand program availability to address service needs, and incentivize providers to measure outcomes for a shift toward value-based models.	\$1.3M	\$750K
#8. Implement a Care Transitions Program: ➤ Design and implement a care transitions service for individuals discharged from institutions that facilitates reintegration back into their communities.	\$1.1M	\$992K
#9. Adopt Electronic Bed Registry and Enhance 988: ➤ Develop a web-based system for real-time BH bed tracking, strengthen PSAP and 988 coordination, and enhance virtual tools for crisis teams.	\$4.2M	\$1.8M
#17. Redesign Rates to Improve In-State Youth Residential Services: ➤ Design an acuity-based rate structure and support smaller residences for high-acuity youth to meet their resource-intensive needs.	-	\$150K
#18. Invest in School-Based Behavioral Health Initiatives: ➤ Identify priority communities for school-based investments, enhance support through interprofessional training, and collaborate with OPI on policies and funding for sustainability.	\$2.7M	\$7.2M
#19. Incentivize Providers to Join the Behavioral Health Workforce: ➤ Develop a tuition reimbursement program for BH workers in Montana and dual enrollment programs for high school students pursuing BH and DD careers.	\$8.0M	\$250K
Phase 2: BHSFG Commissioner Identified Focus Area Recommendations		
#3. Expand the Service Delivery System to Support Individuals with Complex Needs: ➤ Pilot the START Program, provide specialized training for providers, and develop an Enhanced Community Living service in the 0208 Waiver for individuals with complex needs.	\$10.6M	\$8.8M
#22. Expand and Sustain Certified Community Behavioral Health Clinics: ➤ Enhance Montana's BH system to adopt the CCBHC model statewide and provide funding to support data, technology, and training for compliance with SAMHSA requirements.	-	\$40.4M
Total Governor-Approved BHSFG Recommendation Funding:	\$31M	\$69M

*This figure will be updated to ensure it more closely aligns with the budget presented in the BHSFG final report and will reflect the revised \$1M allocation for SFY 26.

Governor's Budget | HB 872 Recommendations (cont.)



Foundational Recommendations

*Meghan Peel, Administrator
Behavioral Health and Developmental Disabilities Division*

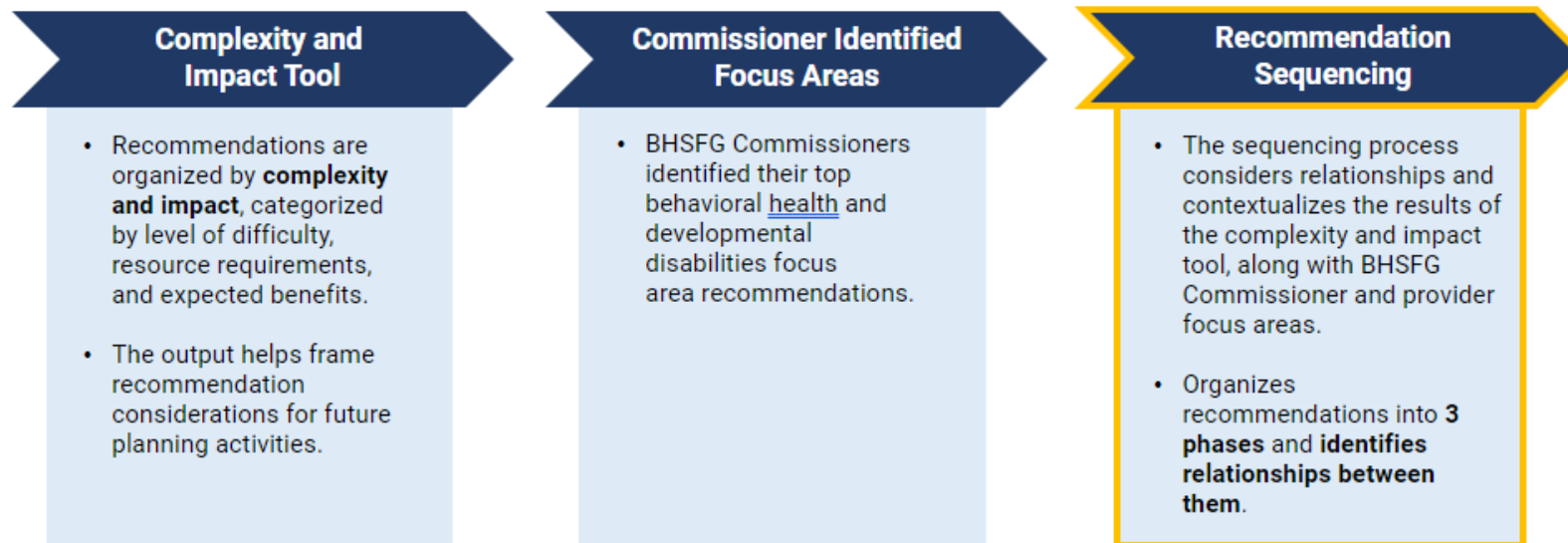


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Recommendation Sequencing | Summary

The graphic below depicts the step-wise progression the BHSFG Commission has utilized to refine a selection of recommendations to move forward for initial funding appropriated through HB 872. This progress, in which each step builds upon the others, seeks to provide a strategic starting point for the recommendation implementation and subsequent sequencing of remaining recommendations.

Recommendation Sequencing Process



Recommendation Sequencing | Definitions

The table below identifies relationships that should be considered in sequencing recommendation implementation activities. Recommendations are represented in phases to help identify the step-wise progression between recommendations, where applicable.

Phase	Recommendation Type	Definition
Phase 1	Foundational Recommendations	<ul style="list-style-type: none"> A foundational recommendation builds the needed infrastructure for subsequent recommendations to succeed AND/OR is critical to strengthening and sustaining system operations.
Phase 2	BHSFG Commissioner Identified Focus Area Recommendations	<ul style="list-style-type: none"> A BHSFG Commission Identified Focus Area recommendation is one in which the Commission identified, through polling, as a leading focus area which may be impacted by the completion of a foundational recommendation and/or is not foundational in nature.
Phase 3	Secondary Recommendations	<ul style="list-style-type: none"> A secondary recommendation is an area identified through the Commission as a value-add to the service delivery system in the future but less immediate of a need to impact service access, capacity or quality.



Developmental Disabilities

*Lindsey Carter, Administrator
Senior and Long-Term Care Division*



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Foundational Recommendations | Developmental Disabilities

Recommendation #1

Refine and Reconfigure the Current 0208 Comprehensive Waiver Services Rates

- Implement a standardized assessment tool that can measure level and complexity of support needs.
- Re-engineer the reimbursement model for Residential Habilitation, Day Habilitation, and other Personal Support services to account for level of acuity and support needs.

Recommendation Overview

The current reimbursement model for Montana’s 0208 Home and Community Based Services Comprehensive Waiver for people with developmental disabilities bases payment entirely on service hours and does not factor in the complexity of a person’s support needs. As a result, service providers are reimbursed the same amount per service unit for a person with relatively low support needs as someone with high support needs. This approach may discourage service providers from supporting people with more complex needs because there is not adequate reimbursement available to meet the person’s needs. This recommendation adjusts the 0208 Comprehensive Waiver rate methodology to account for each person’s level of support, better aligning their support needs with the resources they receive.

Governor’s Budget

Funding by Year ¹		Funding Sources ²	
SFY26	SFY27	State Special Revenue	Federal Funds
\$950K	\$7.5M	\$3.8M	\$4.6M

Implementation Considerations

Staffing

- Increased rate model complexity may increase staffing needs at the Developmental Disabilities Program (DDP) and DPHHS finance to ensure proper monitoring.
- Increased use of assessment data may increase the need for DDP clinical file reviews to ensure appropriate matching between need and funding is achieved.

System / Infrastructure

- Revise the Medicaid Management Information System service codes and modifiers.
- Establish data transfer protocols to automate the transmission of assessment data results to DDP and case management organizations.

Legislative / Regulatory

- Submit a waiver Amendment to CMS.
- Revised funding methods will require revisions to ARM.

Finance / Sustainability

- Establish updated rates and total start-up costs.
- A phased implementation plan may be needed to support the transition to the new rates, initially causing operating dual rate models.

Foundational Recommendations | Developmental Disabilities (cont.)

Recommendation #3

Expand the Service Delivery System to Support Individuals with Complex Needs

- Pilot the START Program to test a more comprehensive support model for those with the most complex needs.
- Procure training through a specialized vendor to provide comprehensive training and on-demand TA for supporting people with complex needs across the current provider network.
- Develop an Enhanced Community Living Service in the 0208 Waiver to provide specialized Residential Habilitation for people with complex medical and/or behavioral health needs; the service would be limited to no more than 4-person homes with higher staffing qualifications, lower staffing ratios, and specialized reimbursement rates.

Recommendation Overview

Traditional services like Residential Habilitation use a consistent reimbursement structure regardless of level of support. While this approach is appropriate for the general population of people utilizing the service, individuals with complex behavioral and/or medical support needs often require higher staffing ratios and higher staffing qualifications that may not be met in a standard group home model. Additionally, the current crisis response system does not specifically target supporting individuals with developmental disabilities given their unique needs. This leads to individuals continuing to be served at IBC, other state-run facilities, or through out-of-state placements. While developing acuity-based rates (as outlined in Recommendation #1) would help circumvent this, establishing this three-pronged approach (START Program, Intensive On-Site Provider Support, and Enhanced Community Living Service) would provide DDP with a more comprehensive array of specialized service capacity to support those in the top and middle tiers of the service continuum triangle. Building this community capacity also provides an opportunity to evaluate how IBC interfaces with the system and consider changes in scope or location, in alignment with the Alternative Settings recommendations.

Governor's Budget

Funding by Year ¹		Funding Sources ²	
SFY26	SFY27	State Special Revenue	Federal Funds
\$10.6M	\$8.8M	\$14.0M	\$5.4M

Implementation Considerations

Staffing

- Provide a part-time Project Manager.

System / Infrastructure

- Procure an NCSS contract and identify START pilot scope.
- Add Medicaid Management Information System service codes and modifiers.
- Revise the personal support planning process.

Legislative / Regulatory

- Establish and update DDP operating policies and the 0208 Comprehensive Waiver Provider Manual.
- Revise the Medicaid Management Information System if necessary.
- Establish new operating policies for new services and update the provider manual.
- Revise the Medicaid Management Information System and ARM.

Finance / Sustainability

- Establish updated rates and total start-up costs.
- A phased implementation plan may be needed to support transition to the new rates and services.

Foundational Recommendations | Developmental Disabilities (cont.)

Recommendation #4

Redefine and Reopen Evaluation and Diagnostic Clinics

- Engage with stakeholders (families, medical professionals, and service providers) to redefine the intent and scope of Evaluation and Diagnostic (E&D) Clinics to better meet family and state needs.
- Launch a pilot of E&D clinics operating under the newly defined role to evaluate effectiveness.

Recommendation Overview

Montana previously operated three Evaluation and Diagnostic (E&D) Clinics that provided evaluation and screening services as an initial access point to Developmental Disabilities Program (DDP) services, supporting roughly 600 families annually. These clinics had locations in Missoula, Bozeman and Miles City but also operated traveling clinics in other areas of the state. However, the closure of these clinics due to budget reductions created a significant bottleneck for families seeking critical evaluations. To address this gap and enhance support for families, this recommendation involves piloting a redesigned E&D Clinic model. It includes collaborating with stakeholders to identify best practices from the existing model, implementing improvements, and exploring ways to create a more accessible “No Wrong Door” system. While relatively low cost to operate, these clinics have a significant impact on families by providing opportunities to connect with professionals and improving navigation of the service system.

Governor’s Budget

Funding by Year ¹		Funding Sources ²	
SFY26	SFY27	State Special Revenue	Federal Funds
\$1.0M	\$1.0M	\$2.0M	\$0

Staffing

- DDP staff time will be needed to work with stakeholders to facilitate discussion on the revised model, draft contracts for selected vendors, and submit the funding request to CMS.
- Ongoing contract monitoring will be needed to ensure vendors can meet the demand for evaluation services.

System / Infrastructure

- The establishment and coordination of information collection systems across vendors are needed to ensure consistency in tracking.

Legislative / Regulatory

- Revisions to ARM and intake and eligibility requirements may be needed depending on identified needs from stakeholder engagement.
- A waiver amendment may be needed if significant changes to eligibility determination for Developmental Disability Program services occur.

Finance / Sustainability

- Ongoing funding will be needed to sustain E&D clinics in future years.
- Approval from CMS is required to receive a federal match on qualifying E&D clinic costs. Federal approval will require a cost allocation plan.

Behavioral Health

Meghan Peel, Administrator

Behavioral Health and Developmental Disabilities Division



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Foundational Recommendations | Behavioral Health

Recommendation #6

Enhance the Targeted Case Management Program

- Re-evaluate the current TCM reimbursement model (e.g., by population, quality, intensity, and outcomes) for all TCM services.
- Expand the TCM program, service availability, and current met and unmet service need.
- Support and incentivize providers to measure outcomes on a path toward more value-based models.

Recommendation Overview

Montana’s Targeted Case Management (TCM) program, designed to assist people with complex behavioral health needs, currently operates under a reimbursement model that does not include patient and health care quality measures. This recommendation will evaluate the current reimbursement model and develop a value-based pilot program which will link financial incentives to performance on specific cost and quality metrics. This new model will ensure TCM providers are reimbursed based on the quality of care they deliver, not just the quantity of services provided. By implementing a value-based model, it will allow providers to be reimbursed at a higher rate for people with complex needs who require more staff attention, compared to those with lower acuity.

Governor’s Budget

Funding by Year ¹		Funding Sources ²	
SFY26	SFY27	State Special Revenue	Federal Funds
\$1.3M	\$750K	\$2M	\$0

Implementation Considerations

Staffing

- The enhanced TCM program will require hiring a state employee to oversee the program.

System / Infrastructure

- Develop a request for proposals for one-time funding to support development and implementation of the new model.
- Engage stakeholders on the new value-based model.

Legislative / Regulatory

- Establish and update operating policies and the provider manual and revise ARM.
- Submit SPAs to CMS.

Finance / Sustainability

- Establish updated rates and identify start-up costs.
- Establish an implementation plan for new assessment tools and transition to new rates.

Foundational Recommendations | Behavioral Health (cont.)

Recommendation #8

Implement a care transitions program

- Design and implement a care transitions service for individuals discharged from institutions that facilitates reintegration back into their communities.
- Provide culturally and linguistically responsive discharge planning that reflects the diversity of unique populations across Montana (i.e., American Indian / Tribal population).
- Identify and secure federal funding options for long-term program sustainability.

Recommendation Overview

This recommendation addresses Montana’s readmission crisis, where people discharged from institutions do not have the necessary support to reintegrate into their communities. As a result, many people cycle repeatedly between emergency departments, inpatient settings, correctional settings, and homeless shelters. These readmissions lead to poor outcomes, increased costs, and a burden on limited health system resources. Currently, adults and youth enrolled in Medicaid in Montana can receive ongoing targeted case management services to ensure they are connected to all the services necessary to function safely in the community. While this service exists for people residing in the community, there is a need to provide intensive short-term support for people transitioning from institutional and correctional settings. To address this gap, this recommendation supports implementing a new dedicated care transition service aimed at improving outcomes for Montana residents.

Governor’s Budget

Funding by Year ¹		Funding Sources ²	
SFY26	SFY27	State Special Revenue	Federal Funds
\$1.1M	\$990K	\$2.1M	\$0

Implementation Considerations

Staffing

- Determine the staffing model for either hiring state staff or a contracted vendor.
- Conduct targeted staff training on the principles and practices of the CTI model.

System / Infrastructure

- Establish clear patient eligibility criteria and define specific metrics and reporting requirements to ensure efficient program management and effective evaluation.

Legislative / Regulatory

- Establish and update operating policies and the provider manual as well as revising the Medicaid Management Information System and ARM.
- Submit a SPA to CMS.

Finance / Sustainability

- Establish updated rates and total start-up costs.
- Assess the feasibility of submitting a SPA to bill Medicaid long-term.

Foundational Recommendations | Behavioral Health (cont.)

Recommendation #9

Adopt Electronic Bed Registry and Enhance 988

- Formalize agreements with Public Safety Answering Points (PSAPs) to appropriately respond to individuals in crisis.
- Support 988 call centers' capacity to support real-time virtual coordination with first responders for de-escalation when mobile crisis response services are not locally available.
- Support virtual technology solutions for first responders and mobile crisis teams.
- Support a web-based system that monitors real-time BH bed availability and maintains an updated inventory of state-wide and community resources.

Recommendation Overview

Montana has underserved rural and frontier communities located hours from the nearest health care providers and services, often delaying critical support for people with behavioral health (BH) needs. This recommendation seeks to leverage technology to better connect people with providers and resources. Key components of the recommendation include implementing an electronic bed registry to help identify open beds and coordinate care for people with BH needs, providing first responders with tablet technology to connect people in crisis with mental health professionals, and enhancing the capacity of 988 call centers to provide support for people experiencing a behavioral health crisis.

Governor's Budget

Funding by Year ¹		Funding Sources ²	
SFY26	SFY27	State Special Revenue	Federal Funds
\$4.2M	\$1.8M	\$5.3M	\$800K

Implementation Considerations

Staffing

- Hiring additional staff or vendors will be needed for oversight, monitoring, and provider training of the bed registry.

System / Infrastructure

- Identify the necessary IT infrastructure and the type of bed registry (e.g., search engine, referral network).
- Identify the necessary enhancements, provider agreements, and support for the 988 call centers.
- Determine the necessary specifications to inform an RFP for a bed registry.

Legislative / Regulatory

- Establish bed registry operating policies and update the provider manual.

Finance / Sustainability

- Identify criteria and annual available funding for the provider incentives for registry and e-referral participation.

Foundational Recommendations | Behavioral Health (cont.)

Recommendation #17

Redesign Rates to Improve In-State Youth Residential Services

- Design an acuity-based rate structure to assist providers in meeting the resource-intensive needs of high-acuity youth.
- Support smaller residences for higher acuity youth, as part of the proposed acuity-based model.

Recommendation Overview

Montana, like many states, faces significant challenges due to the lack of in-state therapeutic residential services that meet the needs of its youth, resulting in out-of-state Psychiatric Residential Treatment Facility (PRTF) and Therapeutic Group Home placements. Implementing an acuity-based rate model will address this challenge by providing high-quality, in-state therapeutic residential services for youth that better align with their behavioral health needs. This model will establish levels or tiers of services, increasing as a person's level of support increases, ensuring that the resources provided match their needs. By aligning the level of need with the level offered, providers will be better prepared to serve people who require additional support. This will also better support smaller settings, such as four-bed models, which will provide more tailored support and staffing for youth with intensive needs than that is currently available in higher bed capacity settings.

Governor's Budget

Funding by Year ¹		Funding Sources ²	
SFY26	SFY27	State Special Revenue	Federal Funds
\$0	\$150K	\$75K	\$75K

Implementation Considerations

Staffing

- Assign department staff to solicit feedback from providers and stakeholders to ensure that resources and support align with needs.
- Assign department staff with knowledge of, or training in, the risk-adjusted rate-setting process to support its implementation.

System / Infrastructure

- Procure an actuary.
- Develop criteria focused on acuity and level of support.
- Incorporate acuity-based criteria into the assessment tool.
- Revise the Medicaid Management Information System service codes and modifiers.

Legislative / Regulatory

- Establish and update operating policies and the provider manual.
- Revise the Medicaid Management Information System and ARM.
- Submit a SPA to CMS.

Finance / Sustainability

- Establish updated rates and an updated Medicaid fee schedule to enable long-term sustainability.

Foundational Recommendations | Behavioral Health (cont.)

Recommendation #18

Invest in school-based behavioral health initiatives

- Identify priority communities for continued investments in existing school-based programs and release funding for one-time investments in school-based Multi-Tiered System of Support (MTSS), to include universal screening, referrals, and evidence-based interventions that support youth wellbeing.
- Enhance the supportive environment of schools through interprofessional training for school counselors, nurses, psychologists, social workers, administrators, and other professionals.
- Determine (1) the right policies in partnership with the Office of Public Instruction (OPI), and (2) funding sources to ensure sustainability, i.e., options like the reversal of the Medicaid free care rule.

Recommendation Overview

Approximately half (46%) of children and youth with behavioral health needs are unable to receive the necessary treatment. Schools can play a critical role in increasing access to early interventions and treatment for students who are struggling with behavioral health issues. School-based behavioral health (BH) initiatives have been proven to significantly improve academic performance and social well-being among youth, reduce stigma, and allow for better identification and treatment of BH needs. Under this recommendation, Montana would expand its existing school-based BH efforts by identifying priority communities for sustained investments in school-based programs and allocating one-time funding to launch school BH initiatives. This recommendation also includes training and coaching school personnel to implement BH interventions in alignment with Multi-Tiered System of Supports (MTSS) and implement selected evidence-based practices within school districts.

Governor's Budget

Funding by Year ²		Funding Sources ³	
SFY26	SFY27	State Special Revenue	Federal Funds
\$2.7M ⁴	\$7.3M ⁴	\$7.3M ⁴	\$2.7M ⁴

Implementation Considerations

Staffing

- Identify the department staff responsible for oversight and monitoring.

System / Infrastructure

- Identify contracting mechanisms for school behavioral health services and interprofessional training of school staff.
- Identify performance measures, reporting, and quality metrics.
- Expand existing infrastructure of training and coaching models for school-based evidence-based practices.

Legislative / Regulatory

- Establish and update operating policies and the provider manual and revise the Medicaid Management Information System and ARM to enable Medicaid billing for the delivery of school behavioral health services.
- Submit a SPA to CMS.

Finance / Sustainability

- Evaluate the cost of reversing the Free Care rule.
- Identify the funding source for ongoing interprofessional training for school staff.
- Identify ongoing sources of funding for long-term sustainability (e.g., Medicaid, grants, state-county funds, and local education agency funds).

Foundational Recommendations | Behavioral Health (cont.)

Recommendation #19

Incentivize Providers to Join the Behavioral Health and Developmental Disabilities Workforce

- Develop a tuition reimbursement program that encourages behavioral health workers to practice in Montana. This program targets workers that are (1) essential BHSFG initiatives, and (2) underrepresented in currently available tuition reimbursement programs.
- Create dual enrollment programs to offer tuition-free college-level courses to Montana high school students that prepare students to enter BH and DD professions.

Recommendation Overview

Workforce shortages have significantly impacted Montana's behavioral health (BH) and developmental disabilities (DD) systems, particularly in rural and frontier communities, leading to reduced service delivery. These shortages have a ripple effect throughout the system, as staffing shortfalls hinder providers' ability to offer necessary services, limit access to quality health care, and contribute to issues like longer wait times. Economic factors, such as the high cost of tuition for relevant education and credentials, further complicate efforts to address workforce shortages. While tuition reimbursement programs exist for various health care professions, this recommendation provides tuition reimbursement opportunities for the BH and DD workforce, including positions such as case management staff and direct care workers. Additionally, this recommendation will create a dual enrollment program with the Montana Office of Public Instruction and the Montana University System, enabling Montana high school students to earn tuition-free college-level credits in BH and DD professions. Tuition-free courses allow high school students to gain insight into potential careers in these professions, broadening their horizons and helping them earn college credit. Dual enrollment programs allow states to create a pipeline for the workforce, improving the ability to recruit and retain workers.

Governor's Budget

Funding by Year ¹		Funding Sources	
SFY26	SFY27	State Special Revenue	Federal Funds
\$8.0M	\$250K	\$8.3M	\$0

Implementation Considerations

Staffing

- Designate staff for oversight and monitoring.

System / Infrastructure

- Determine the appropriate payment mechanism and payment intervals.
- Identify the types of degrees and those under-represented in current tuition programs.

Legislative / Regulatory

- Secure legislative approval for funding ongoing tuition reimbursement.

Finance / Sustainability

- Determine whether funds outside of BHSFG will be used for the state share post-BHSFG funding.

Foundational Recommendations | Behavioral Health (cont.)

Recommendation #22

Expand and Sustain Certified Community Behavioral Health Clinics

- Enhance the capacity and infrastructure of Montana’s BH system to adopt and sustain the CCBHC model statewide.
- Provide funding to CCBHC providers to support data, technology, and training capabilities that adhere to the SAMHSA and CMS CCBHC requirements.

Recommendation Overview

Montana is working to build an integrated mental health and substance use treatment system with sustainable funding. The state has made significant strides in addressing its behavioral health (BH) challenges by improving access to mental health and substance use services. The department has identified the Certified Community Behavioral Health Clinic (CCBHC) model as a key component in its strategy for building a more integrated system and increasing access to community-based behavioral health care. CCBHCs are specially designated clinics that provide coordinated BH and physical health care to anyone needing mental health or substance use services, regardless of their ability to pay, place of residence, age, or diagnosis. In 2023 and 2025, DPHHS received SAMHSA state planning grants to support infrastructure development and reimbursement methodology for a future statewide CCBHC model. Four providers have received SAMHSA CCBHC community grants for two or more years and are actively working with the department to meet the full requirements. This recommendation aims to enhance the capacity and infrastructure of Montana’s BH system to adopt and sustain the CCBHC model statewide. The department plans to submit its application in SFY26 to SAMHSA to become a CCBHC Medicaid demonstration state in SFY27.

Governor’s Budget

Funding by Year ¹		Funding Sources ²	
SFY26	SFY27	State Special Revenue	Federal Funds
\$0 ³	\$40.4M ³	\$8.5M ³	\$32.0M ³

Implementation Considerations

Staffing

- Hire two department staff for oversight and monitoring.
- Engage a vendor or contractor support for grant writing, cost reporting, and evaluation activities.

System / Infrastructure

- Implement state technology upgrades to enhance data management and reporting capabilities to support the CCBHC model effectively.
- Adopt necessary Medicaid Management Information System changes, such as MMIS service codes and modifiers.

Legislative / Regulatory

- Revise the ARM.
- Create operating policies and a provider manual and revise the Medicaid Management Information System and ARM.

Finance / Sustainability

- Establish prospective payment system (PPS) rate for CCBHC services.
- Allocate state funds and develop financial oversight mechanisms to support the demonstration program, including securing enhanced Medicaid match.

Evaluation of Recommendations

*Paul Bellatty, Chief Analytics Officer
Office of Research and Data Analytics (ORDA)*



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DPHHS's Ongoing Data and Analytics Transformation



Data

Analytics

Implementation

Data Office (DMO)

- Retrieves data, merges data, catalogs data, governs data, and develops reports/dashboards

ORDA

- Identifies embedded patterns used to improve services and family outcomes

Strategy and Transformation Office (Implementation)

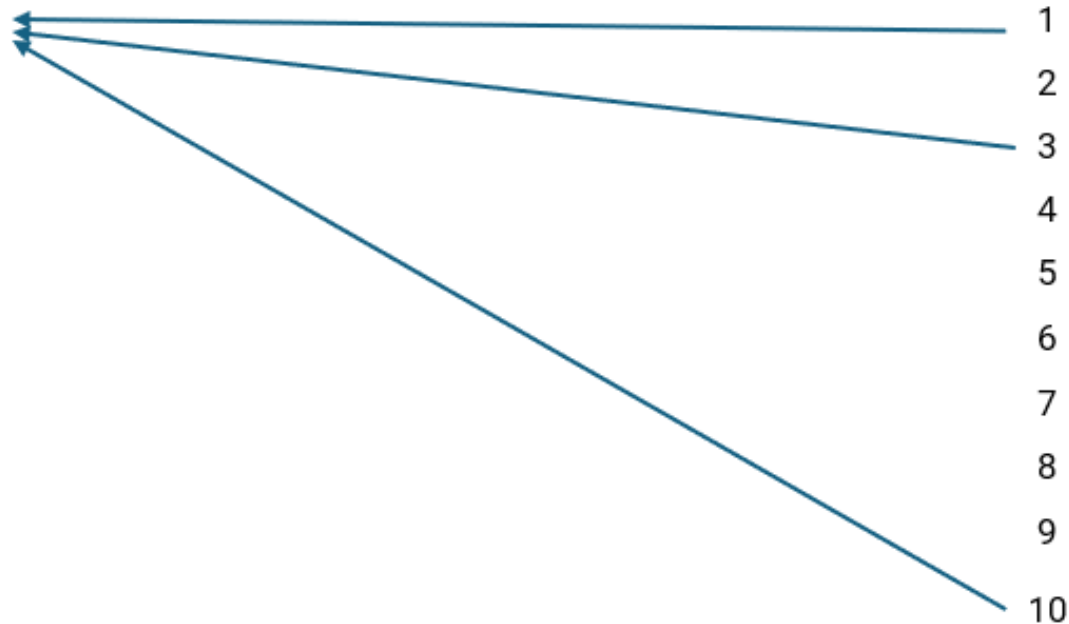
- Combines project management with analytics to operationalize new information derived from research/analyses

BHSFG Evaluation | Performance Measures and Recommendations

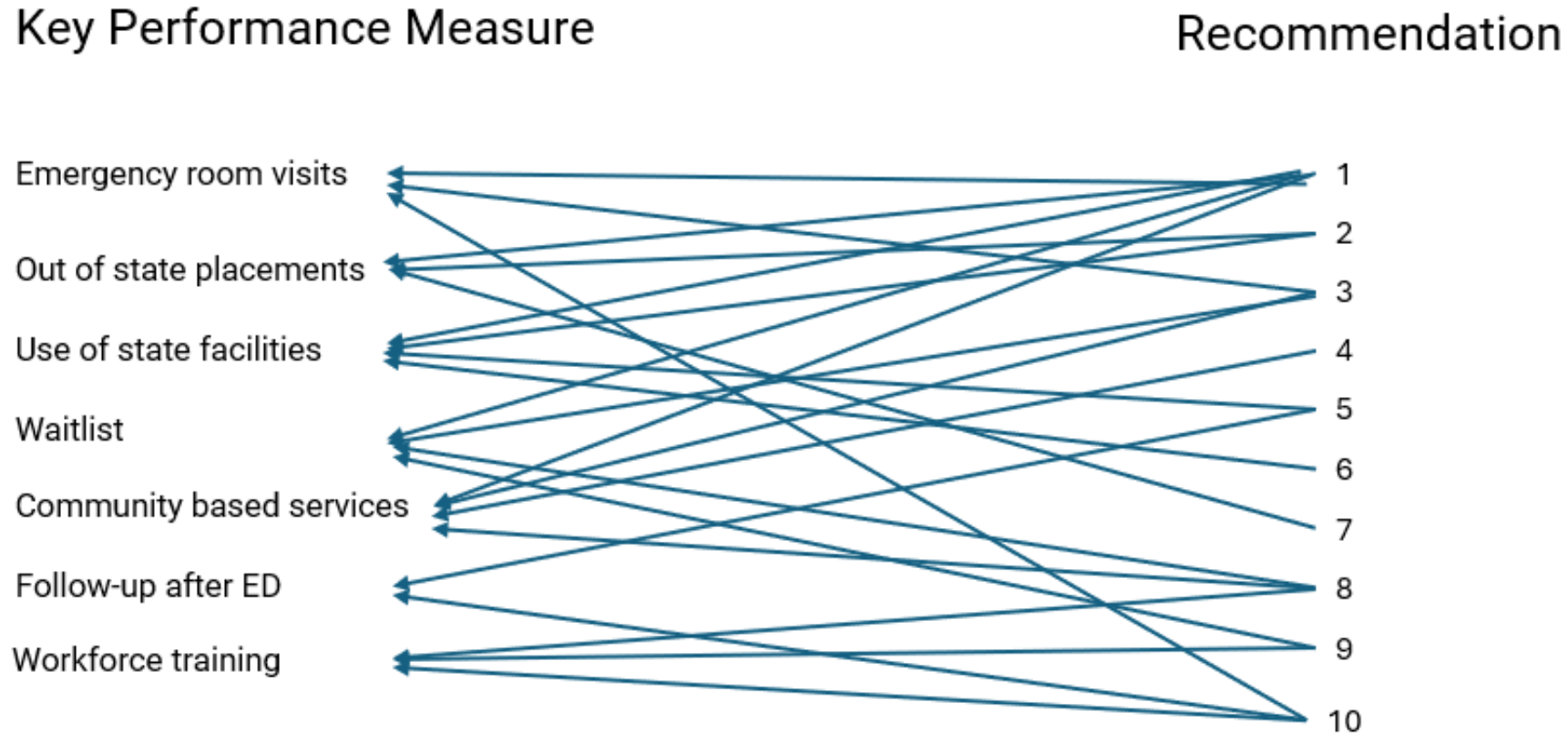
Key Performance Measure

Recommendation Number

Emergency room visits



BHSFG Evaluation | Performance Measures and Recommendations (cont.)



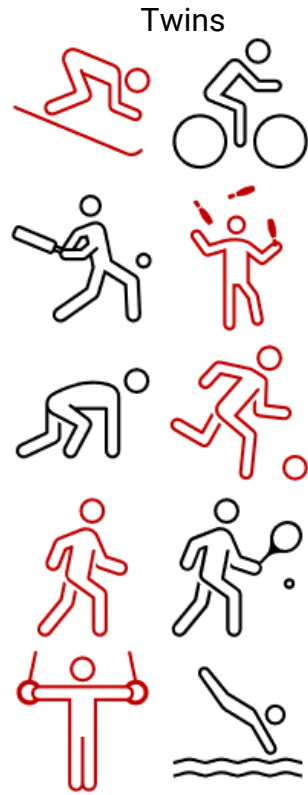
BHSFG Evaluation | Performance Measures and Recommendations (cont.)

Those provided service



Finding the "twin" →

Those not provided the service



Not used in analysis



● Red indicates negative outcome

BHSFG Evaluation Summary

- Any outcome can be used- those prescribed in the report, any patient-centered health outcome, or other measures.
- Need
 - Data correlated with the outcome
 - The outcome
 - Sufficient predictive accuracy to match treatment individuals with their “twins” to create a comparison group

BHSFG Capital Projects

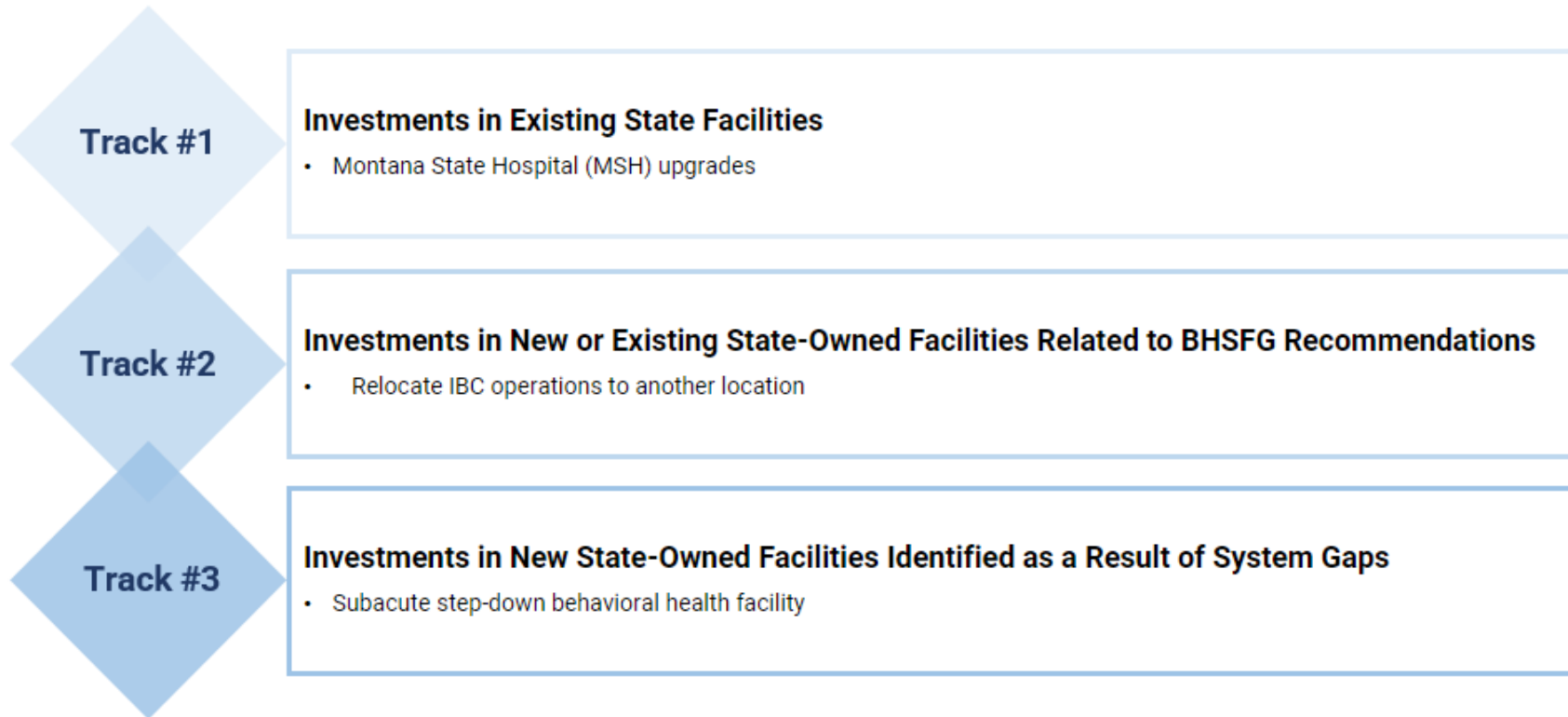
Senator John Esp



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BHSFG Capital Expenditures | Framework

DPHHS has identified and developed three “capital tracks.”



BHSFG Capital Expenditures | Summary of Current Estimates by Track

Summary of Current Capital and Operating Expenditure Estimates by Track

	Capital Expenditures	Annual Operating Expenditures	Total by Track
Track 1: Montana State Hospital (MSH) Upgrades	\$17.5M	-	\$17.5M
Track 2: Relocation of IBC	\$16.8M	\$14.0M*	\$30.8M
Track 3: Subacute Step-down Behavioral Health Facility	-	\$4.7M	\$4.7M
Total by Type of Expenditure	\$34.3M	\$18.7M	\$53M

*Assumes current IBC operating costs would resume at the same per member per day rate. These funds do not reflect net new dollars.

Disclaimer: The expenditure estimates provided are preliminary ranges and are subject to change; funding is subject to approval by the Governor’s Office and appropriation (for operations) by the Legislature. The estimates for Tracks 1 and 2 were developed with the Architecture and Engineering Division (A&E) of the Department of Administration and the estimates for Track 3 were developed with subject matter experts from Guidehouse.

Track #1: Existing State Facilities | Montana State Hospital

Place in Continuum

Treatment

Projected Total Funding

\$17.5M

Projected State Funding

\$17.5M

Summary

Impacted Facility: Montana State Hospital (MSH)

Purpose:

- Provide further essential repairs to MSH and modernize its infrastructure to improve the quality of patient care and outcomes.
 - This includes repairs that department leadership believes to be important but were not included in HB 5 (2023 Legislature), in part due to not being a requirement for CMS certification.
- Enhance the facility design to improve quality, capacity, safety, and alignment with best practices.

Project Expenditure Examples:

1. **Ancillary Buildings:** Construct a new maintenance building and address other needs.
2. **Electrical and Generators:** Replace end-of-life electrical infrastructure and outdated generators.
3. **Roof Replacement:** Replace roofs on MSH group homes and housing.
4. **Miscellaneous:** Other projects such as road and sidewalk improvements.

Project Phases

Design and planning

Facility enhancement and maintenance activities commence

Facility enhancement and maintenance activities are completed

Track #2: BHSFG Recommendations | IBC Relocation

Place in Continuum

Treatment

Projected Total Funding

\$30.8M

Projected State Funding

Capital Expenditures	\$16.8M
Operating Expenditures	\$14.0M*

Summary

Impacted Facility: Intensive Behavior Center (IBC)

Purpose:

- Transition current IBC operations from Boulder to a new modern location in Montana with greater access to staffing (including direct support staff and clinical staff) and community-based opportunities for clients.
- Provide high-quality, person-centered, home-like environments to promote skill development and support greater independence of clients (when possible).
- To the degree possible, establish a shared staffing model between IBC and a START resource center.
- Reevaluate and reduce licensed bed count to align with current and forecasted demand.

Project Expenditure Examples:

1. **Planning costs:** Zoning, architectural, and engineering plans for the new facility design.
2. **Construction costs:** Land purchase, material, and labor for facility construction.
3. **Supplies/Equipment:** Assistive devices, adaptive equipment, and sensory and skill building supplies.

Project Phases

Design and planning

Construction phase commences

Transition IBC operations to the new location

Track #3: System Gaps | Subacute Behavioral Health Step-Down Facility

Place in Continuum
Treatment

Projected Total Funding
\$4.7M

	Low	High
Capital Expenditures	-	-
Operating Expenditures	\$1.1M	\$2.1M
State Share of Medicaid Costs*	(10%)	(37.63%)

Summary

Proposed Facility: Subacute Step-Down Facility

Purpose:

- Reduce the waitlist at Montana State Hospital (MSH) and facilitate the transition of stable patients to appropriate subacute behavioral health step-down settings.
- Prevent “cycling” and readmission to MSH.
- Fill a gap in the behavioral health continuum by offering a less intensive intervention than the state psychiatric hospital but more intensive than partial hospitalization.
- Provide psychiatric care, nursing care, and psychosocial rehabilitation services that are determined based on the needs of patients with serious mental illness to foster independence and client autonomy.

Project Expenditure Examples:

- Staffing:** Clinical, behavioral health, and care managers.
- Health Information Technology:** Computers, electronic health record (EHR) software.
- Utilities:** Electricity, gas, sewer, water.
- Miscellaneous:** Pharmacy, lab services, security, transportation, janitorial.

Project Phases



Conclusion



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