DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

BEHAVIORAL HEALTH SYSTEM FOR FUTURE GENERATIONS RECOMMENDATION #22: EXPAND AND SUSTAIN CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINICS

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference	FY 2030 Difference	FY 2031 Difference
Expenditures:						
General Fund						
State Special Revenue		$8,436,984	$11,110,377	$11,110,377	$11,277,033	$14,575,833
Federal Special Revenue		$31,924,371	$42,426,893	$42,426,893	$43,063,296	$40,579,601
Other						
Revenue:						
General Fund						
State Special Revenue						
Federal Special Revenue		$31,924,371	$42,426,893	$42,426,893	$43,063,296	$40,579,601
Other						
Net Impact - General Fund Balance:	$0	$0	$0	$0	$0	$0

Description of fiscal impact: (In a few short sentences, describe.)

This recommendation seeks to establish certified community behavioral health clinics (CCBHCs) to build a more integrated mental health and substance use treatment system with sustainable funding. Through this recommendation, the department would enhance the capacity and infrastructure of Montana's community-based behavioral health system to adopt and sustain the CCBHC model statewide. Four providers received CCBHC planning grants, and the department was awarded a CCBHC planning grant in December 2024. There will be costs associated with planning, implementation, and the ongoing CCBHC services that will be established in FY2027.

FISCAL ANALYSIS

Assumptions:

1. The department plans to submit its application to the Substance Abuse and Mental Health Services Administration (SAMHSA) in FY 2026 to become a CCBHC Medicaid Demonstration State in FY 2027.
2. The department assumes the implementation of Medicaid coverage of CCBHC services will take place on October 1, 2026. The department estimates that four providers will be certified by July 1, 2026.
3. The department estimates the need for two additional PBs to administer the CCBHC program. These staff members will be responsible for program management,

oversight, reporting, and ensuring compliance with federal rules. The estimated salary and benefits for two PBs in the Behavioral Health and Developmental Disabilities Division (BHDD) are $179,000 a year starting in FY 2027. These costs are eligible for Medicaid administrative Federal Medical Assistance Percentage (FMAP) of 50% split between Behavioral Health System for Future Generations (BHSFG) state special revenue and federal funds.

4. The department will contract with a grant writer and evaluator vendor to assist with the development of the CCBHC state demonstration grant proposal and associated evaluation activities. The department estimates the annual cost of these services will be $250,000 starting in FY 2027. These costs are eligible for Medicaid administrative FMAP of 50% split between state funds and federal funds.
5. The department will contract with a technology vendor to support technology upgrades, training, and technical assistance. The department anticipates annual costs of $404,609 starting in FY 2027. These costs are eligible for Medicaid administrative FMAP of 50% split between BHSFG state special revenue and federal funds.
6. The department anticipates CCBHC services will begin in October 2026, with partial implementation at 75% (aligned with the state fiscal year starting on July 1).
7. CCBHC uses a prospective payment system (PPS) methodology in accordance with Centers for Medicare and Medicaid Services (CMS) guidelines to pay clinics either a daily or monthly rate for provision of CCBHC services. PPS rates are based on a provider's cost report, using federal cost reporting rules. These include costs the CCBHC incurs to meet extensive service, quality, and reporting requirements as defined by SAMHSA in compliance with Section 223 of the Protecting Access to Medicare Act. Based on cost data analyzed for the anticipated four initial CCBHC providers, the department estimates the average PPS rate across providers will be $279.96.
8. DPHHS analyzed claims data of a selection of providers assumed to be CCBHC certified by October 2026. This analysis included the number of members who received services billed under the CCBHC PPS rate and the number of visits billed under the CCBHC PPS rate. The Department estimates approximately 7,155 individuals will receive CCBHC services, with an estimated number of annual visits of 238,933. As CCBHC services will begin in FY 2027, annual visits were prorated to 75% in FY 2027.
9. DPHHS assumes there will be an offset in benefit expenditures for any service included in the CCBHC PPS rate for providers that become CCBHCs. A provider enrolled as a CCBHC will no longer bill Medicaid fee for service (FFS) for services included in the CCBHC bundle. These services include outpatient behavioral health services such as psychotherapy, medication management, and evaluation and management, as well as intensive outpatient services such as Program for Assertive Community Treatment (PACT), Intensive Outpatient Therapy (IOP), Home Support

Services (HSS), and American Society of Addiction Medicine (ASAM) substance use disorder services — Level 1 (outpatient services) to Level 2.1 (intensive outpatient services). Mobile crisis response services recently added through the HEART initiative will also be included in the CCBHC required services.

10. Based on historical member utilization by providers most likely to receive CCBHC certification, DPHHS assumes benefits to be paid at a blended FMAP rate, with approximately 63% of members at the enhanced Demonstration Waiver FMAP for standard Medicaid members and 37% of members at the enhanced FMAP for Medicaid expansion). The enhanced FMAP (e-FMAP) for the Demonstration Waiver is assumed to be 73.66% federal funds/24.36% state funds for four years (October 2026-September 2030).
11. The resulting increase in net benefits will be eligible for a blended Medicaid FMAP of 20.29% state funding and 79.71% federal funding in FY 2027. This will result in a state share of $8,020,180 ($39,527,746*0.2029) and federal funding of $31,507,566 ($39,527,746*0.7971).
12. The department projects full implementation of CCBHC services will occur in FY 2028. The increase in benefits will continue to qualify for Medicaid e-FMAP, with 20.29% state funding and 79.71% federal funding in FY 2028. This will result in a state share of $10,693,573 ($52,703,661*0.2029) and federal funding of $42,010,0887 ($52,703,661*0.7971) in both FY 2028 and FY 2029.
13. Projected expenditures for FY 2030 and FY 2031 assume a 1.5% inflationary factor for state and federal funds.
14. The enhanced FMAP under the demonstration will be reduced to the standard FMAP effective October 2030. This will result in a change in the blended FMAP for FY 2031 with 26.05% state funding and 73.95% federal funding. This will result in a state share of $14,146,430 ($54,296,629*0.2605) and federal funding of $40,150,199 ($54,296,629*0.7971).

Technical Notes:

1. The department assumes that all state funds required for implementation and recurring costs will be allocated from the BHSFG state special revenue fund.
2. Any delay in procurement for contractors may push projected costs into future fiscal years.
3. Any delay or denial by SAMHSA of Montana as CCBHC Medicaid Demonstration State will delay increase in benefit expenditures.