

Behavioral Health System for Future Generations (BHSFG)

HB 936 Long-Term Sustainability Study Committee

February 5, 2026



DEPARTMENT OF
PUBLIC HEALTH &
HUMAN SERVICES

Agenda

- Call to Order
- BSHFG Implementation Updates
 - Near-Term Initiatives
 - Financial update
 - Implementation update
 - Recommendations
 - Financial update
 - Implementation update
- Sustainability Considerations
- Committee Discussion
- Public Comment



Input from BHSFG Commissioners



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BHSFG Implementation Updates



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Near-Term Initiatives

Meghan Peel, Behavioral Health and Developmental Disabilities (BHDD) Division Administrator

Near-Term Initiatives- Financial Snapshot and Projections

Project / Initiative	Financial Details				Timeline Details	
	Commission Approved	Obligated	FY24/25 Spend	Biennium Projection	Start Date	End Date
#1: COEs	\$1,000,000	\$1,000,000	\$252,990	\$850,000	7/01/2024	6/30/2026*
#1: Stabilization Grants	\$6,500,000	-	-	-	-	-
#2: Residential Grants	\$15,800,000	\$15,674,650	\$7,961,152	\$7,713,498	9/16/2024	9/16/2026*
#3: MCR	\$3,500,000	\$3,500,00	\$1,598,277	\$854,289	1/22/2024	6/30/2026*
#3: Crisis Receiving & Stabilization Services	\$4,000,000	\$4,000,000	-	\$4,000,000	7/1/2024	6/30/2027
#4: Crisis Curriculum	\$500,000	\$439,126	\$179,546	\$259,580	8/1/2024	6/30/2026
#5: Developmental Disabilities Workforce	\$600,000	\$572,035	\$346,825	\$225,210	6/21/2024	9/30/2026
#6: Family Peer Support	\$700,000	\$675,750	\$178,171	\$497,579	1/6/2025	1/5/2027
#7: Tribal and Urban Indian Health Organizations	\$6,500,000	\$6,499,064	\$672,124	\$5,826,940	1/1/2025	6/30/2026*
#8: Fair Market Rent	\$315,727	\$315,727	\$315,727	-	9/1/2024	6/30/2025
#9: Wellness Kiosks	\$1,084,273	-	-	\$1,084,273	TBD	6/30/2027
#10: OT Doctorate and PA Programs	\$4,000,000	\$4,000,000	\$909,178	\$3,090,822	2/1/2025	2/1/2027
#11: Local Innovations	\$2,500,000	\$2,500,000	\$90,703	\$2,409,297	6/1/2025	5/31/2027
Total	\$47,000,000	\$40,363,615	\$12,504,693	\$26,811,488		

*Many of these contracts have or will be extended.



NTI #1: Incentivize Community-Based Court Ordered Evaluations

Fiscal Details and Considerations		
Commission Approved	Obligated	Biennium Projection
\$1,000,000	\$276,656	\$711,672
Status and Progress Update		
Key Accomplishments		Key Upcoming Tasks / Activities
<ul style="list-style-type: none">• 140 COE invoices paid to date• 9 providers have been providing COE services through this NTI• Services have been provided in 23 counties		<ul style="list-style-type: none">• Extension of contracts for existing COE providers to allow FY27 spending of the funds



NTI #1: Community-Based Stabilization Services Pilot Grant

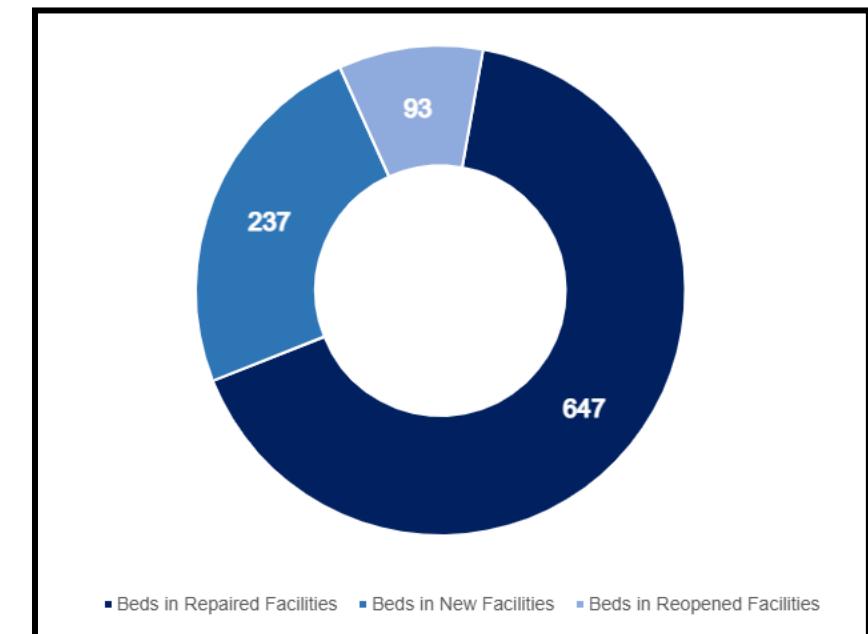
Fiscal Details and Considerations		
Commission Approved	Obligated	Biennium Projection
\$6,500,000	-	-
Status and Progress Update		
Key Accomplishments		Key Upcoming Tasks / Activities
<ul style="list-style-type: none">Based on initial limited response on initial grant, DPHHS restructured to focus grants on one time infrastructure needs for counties.DPHHS has drafted RFP and are in final review stages.		<ul style="list-style-type: none">Submit final RFP documents for review by 2/14/2026Launch RFP on eMACS by 4/1/2026



NTI #2: Increase Residential Bed Capacity

Fiscal Details and Considerations		
Commission Approved	Obligated	Biennium Projection
\$15,800,000	\$15,674,650	\$7,713,498
Status and Progress Update		
Key Accomplishments	Key Upcoming Tasks / Activities	
<ul style="list-style-type: none">62 projects have been billed to completionProjects have been completed or are close to completion in 18 counties291 invoices have been received	<ul style="list-style-type: none">Ongoing contract extensions to ensure project completionOngoing payments, program monitoring, and reporting activities	

Projected Impact: # of Beds



NTI #3: Mobile Crisis Response

Fiscal Details and Considerations		
Commission Approved	Obligated	Biennium Projection
\$3,500,000	\$3,500,000	\$854,289
Status and Progress Update		
Key Accomplishments		Key Upcoming Tasks / Activities
<ul style="list-style-type: none">Lewis and Clark County, Flathead County, and Missoula County have spent their full awardsConsistent engagement with existing mobile crisis response providersEngagement with MACo Leadership to explore state-county partnership improvements.		<ul style="list-style-type: none">Gallatin County to expend the rest of its full award by the end of SFY 26Ensure City of Billings has an operational MCR program by the end of SFY 26Coordination with CCBHC Crisis Response requirementsCollaboration with MACo and Counties at MACo Winter Conference Feb. 16-17



NTI #3: Crisis Receiving and Stabilization

Fiscal Details and Considerations		
Commission Approved	Obligated	Biennium Projection
\$4,000,000	\$4,000,000	\$4,000,000
Status and Progress Update		
Key Accomplishments		Key Upcoming Tasks / Activities
<ul style="list-style-type: none">• Journey Home in Lewis and Clark County is expected to open 2/1/2026• BHDD received updated scope of work and projected expenditures from each county		<ul style="list-style-type: none">• Continue to provide support to the Crisis Diversion Grant awardees with Crisis Receiving and Stabilization funds to maximize the likelihood that funds will be spent in the biennium• Request renewed letters of commitment from providers for operations of facilities• Collaboration with MACo and Counties at MACo Winter Conference Feb 16-17



NTI #4: Development and Deployment of a Comprehensive Crisis Worker Curriculum and Certification Course

Fiscal Details and Considerations		
Commission Approved	Obligated	Biennium Projection
\$500,000	\$439,126	\$259,580
Status and Progress Update		
Key Accomplishments		Key Upcoming Tasks / Activities
<ul style="list-style-type: none">Solicited feedback from a cohort of Department SMEs with representation from Indigenous, Veteran, Youth, and I/DD expertsPilot cohort for SMEs in the field of crisis response started on 1/13/2026		<ul style="list-style-type: none">Crisis response SMEs are expected to complete their review by the end of FebruaryIncorporate final feedbackLaunch the course and enroll the first official public cohort



NTI #5: Healthcare and I/DD Workforce Training and Certification

Fiscal Details and Considerations		
Commission Approved	Obligated	Biennium Projection
\$600,000	\$572,035	\$225,210
Status and Progress Update		
Key Accomplishments		Key Upcoming Tasks / Activities
<ul style="list-style-type: none">• IntellectAbility• 128 individuals have registered for e-learning course• NADSP• 92 DSPs have enrolled in the credentialing program		<ul style="list-style-type: none">• Ensure that individuals continue to register for the IntellectAbility IDD Healthcare e-learning course. There are 244 seats total.• Continue to work with awarded providers to ensure that DSPs are completing the credentialing program



NTI #6: Family Peer Support Pilot Program

Fiscal Details and Considerations		
Commission Approved	Obligated	Biennium Projection
\$700,000	\$675,750	\$497,579
Status and Progress Update		
Key Accomplishments		Key Upcoming Tasks / Activities
<ul style="list-style-type: none">• Approximately 110 families served in year one• 54 pre-surveys completed• Anecdotal reports indicate Family Peer Support has increased connection between youth and families and allowed parents and caregivers to focus on stability and growth		<ul style="list-style-type: none">• Transfer remaining Montana Rescue Mission funds to another Family Peer Support Pilot provider• Ongoing payments, program monitoring, quarterly presentation, and reporting activities



NTI #7: Support for Tribes and Urban Indian Health Organizations

Fiscal Details and Considerations		
Commission Approved	Obligated	Biennium Projection
\$6,500,000	\$6,499,064	\$5,826,940
Status and Progress Update		
Key Accomplishments		Key Upcoming Tasks / Activities
<ul style="list-style-type: none">• 9 of the 13 tribes and UIHOs have invoiced the Department• Two awardees have completed their projects<ul style="list-style-type: none">○ All Nations○ Native American Development Corporation		<ul style="list-style-type: none">• Extend contracts into SFY 27 to ensure project completion• Ongoing payments, program monitoring, and reporting activities



NTI #8: Fair Market Rent

Fiscal Details and Considerations

Obligated

\$315,727

Spent

\$315,727

Biennium Projection

-

Status and Progress Update

Key Accomplishments

This initiative originally allocated up to \$1,000,000 for a statewide study to determine the necessary funding to supplement housing costs for low-income Montanans in the behavioral health system. DPHHS and the Department of Commerce partnered to complete the study, which collected data on current rental rates to secure critical funding from HUD for Montana housing vouchers. Econometrica, Inc. and M. Davis and Company, Inc. conducted the research. Completed on time and under budget, the study secured over \$20 million additional HUD funding for Montana housing vouchers, significantly supporting affordable housing efforts.



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NTI #9: Access to Naloxone and Fentanyl Testing Strips (Wellness Kiosks)

Fiscal Details and Considerations		
Commission Approved	Obligated	Biennium Projection
\$1,084,273	-	\$1,084,273
Status and Progress Update		
Key Accomplishments		Key Upcoming Tasks / Activities
<ul style="list-style-type: none">• RFP for Wellness Kiosk vendor opened on eMACS on 1/22/2026		<ul style="list-style-type: none">• RFP closes on 3/5/2026• Score RFP submissions by 4/1/2026• Award one vendor by 5/1/2026• Execute contract by 6/30/2026



NTI #10 Funding to Launch Occupational Therapy Doctorate and Physician Assistant Programs

Fiscal Details and Considerations		
Commission Approved	Obligated	Biennium Projection
\$4,000,000	\$4,000,000	\$3,090,822
Status and Progress Update		
Key Accomplishments		Key Upcoming Tasks / Activities
<ul style="list-style-type: none">• University of Montana (OCHE) contract executed• Carroll College contract executed• Invoicing has begun for both contracts		<ul style="list-style-type: none">• Ongoing payments, program monitoring, and reporting activities



NTI #11: Funding to Pilot Local Innovations in BH through Grants to Counties and Tribes

Fiscal Details and Considerations		
Commission Approved	Obligated	Biennium Projection
\$2,500,000	\$2,500,000	\$2,409,297
Status and Progress Update		
Key Accomplishments		Key Upcoming Tasks / Activities
<ul style="list-style-type: none">Second round of reporting completeIn person kick-off event held on the Rocky Boy ReservationAll 7 MTPHI communities have hired a Dedicated Change Leader and have either joined or started a coalition to facilitate the workInnovative work taking place in communities, including: State of Mind, virtual mental health offerings, and MH conferences focused on the Agriculture community		<ul style="list-style-type: none">Quarter 3 Reporting and deliverablesMonthly Community of Practice meetings for MTPHI communitiesMTPHI communities plan to have strategic plan developed by next quarterMTPHI communities all completed community assessments and have either completed or are working on work plans



Recommendations

Meghan Peel, BHDD Division Administrator

Recommendations- Financial Snapshot and Projections

Financial Details				
Project / Initiative	Legislatively Approved	FY 26 Budget	FY 27 Budget	Biennium Projection
#1: 0208 Comprehensive Waiver Services Rates	\$5,026,803	\$437,503	\$4,589,300	\$1,450,003
#3: Expand Service Delivery (Complex Needs)	\$8,875,000	\$1,395,000	\$7,480,000	\$7,500,000
#4: Redefine and Reopen E&D Clinics	\$1,050,000	\$50,000	\$1,000,000	\$1,050,000
#6: Enhance Targeted Case Management	\$1,710,546	\$480,273	\$1,230,273	\$1,710,546
#8: Implement Care Transitions Program	\$1,239,576	\$41,650	\$1,197,926	\$1,239,576
#9: 988 Marketing Campaign	\$1,000,000	\$500,000	\$500,000	\$1,000,000
#17: Youth Residential Services	\$3,401,280	\$150,000	\$3,521,280	\$3,401,280
#18: School-Based Initiatives	\$3,528,290	\$1,764,145	\$1,764,145	\$3,528,290
#19: Workforce Incentives and Dual Enrollment	\$8,280,000	\$7,715,000	\$565,000	\$8,280,000
#22: CCBHCs	\$40,361,355	\$71,500	\$40,289,855	\$40,361,355
Total	\$74,472,850	\$12,605,071	\$61,867,779	\$69,521,050



Recommendation #1: Refine and Reconfigure the Current 0208 Comprehensive Waiver Services Rates

Fiscal Details and Considerations			
Commission Approved	FY 26 Budget	FY 27 Budget	Biennium Projection
\$5,026,803	\$437,503	\$4,589,300	\$1,450,003
Status and Progress Update			
Key Accomplishments		Key Upcoming Tasks / Activities	
<ul style="list-style-type: none">Internal staffing plan solidifiedOutreach to provider community has begunExecuted Guidehouse contract		<ul style="list-style-type: none">Risk analysis to be drafted by OLA and BHDD program staff will have the opportunity to respondLeadership will then make the final decision if we will move forward with a contract with AAIDDBegin stakeholder engagement activitiesScheduled a kickoff meeting with Guidehouse for Recommendation #1 on 1/29/2026	



Recommendation #3: Expand the Service Delivery System to Support Individuals with Complex Needs

Fiscal Details and Considerations			
Commission Approved	FY 26 Budget	FY 27 Budget	Biennium Projection
\$8,875,000	\$1,395,000	\$7,480,000	\$7,500,000
Status and Progress Update			
Key Accomplishments		Key Upcoming Tasks / Activities	
<ul style="list-style-type: none">• START program RFP submitted for internal Department review• CAA for IntellectAbility IDD Awareness and Crisis Support for Direct Service Professionals and First Responders has been submitted• RFI released for Technical Assistance/ Crisis Support services• Executed Guidehouse contract		<ul style="list-style-type: none">• Launch START program RFP• Confirm next steps for the START Resource Center• Awaiting final details from WMMHC• Analyze 24/7 Crisis Capabilities RFI responses after it closes on 2/28/2026	



Recommendation #4: Redefine and Reopen E&D Clinics to Support Families More Effectively

Fiscal Details and Considerations			
Commission Approved	FY 26 Budget	FY 27 Budget	Biennium Projection
\$1,050,000	\$50,000	\$1,000,000	\$1,050,000
Status and Progress Update			
Key Accomplishments		Key Upcoming Tasks / Activities	
<ul style="list-style-type: none">Extensive internal and external stakeholder engagementSix months of E&D Advisory Council meetingsE&D Clinic Grant RFP drafting has begun		<ul style="list-style-type: none">Submit the E&D Clinic Grant APIComplete and submit the E&D Clinic Grant RFPSubmit a proposal to leadership for an alternative path to spending the stakeholder meeting and administrative activities budget (\$50K)	



Recommendation #6: Enhance Targeted Case Management (TCM)

Fiscal Details and Considerations			
Commission Approved	FY 26 Budget	FY 27 Budget	Biennium Projection
\$1,710,546	\$480,273	\$1,230,273	\$1,710,546
Status and Progress Update			
Key Accomplishments		Key Upcoming Tasks / Activities	
<ul style="list-style-type: none">Completed Journey Maps of TCM for all populationsDesigned start-up grants for new TCMsStakeholder engagement across all populationsIdentification of short-term fixes across populations		<ul style="list-style-type: none">Implementation of identified short-term fixesPosting of start-up grant RFP/Submittable grant applicationFinalize design of outcomes for VBP Model	



Recommendation #8: Implement a Care Transitions Program-Critical Time Intervention

Fiscal Details and Considerations			
Commission Approved	FY 26 Budget	FY 27 Budget	Biennium Projection
\$1,239,576	\$41,650	\$1,197,926	\$1,239,576
Status and Progress Update			
Key Accomplishments		Key Upcoming Tasks / Activities	
<ul style="list-style-type: none">Program design for Montana, identification of communities for pilot<ul style="list-style-type: none">Missoula, Yellowstone, Silver Bow and Gallatin CountiesFinalized CTI job specs for classification and postingProcess mapping with MSH discharge teamIdentification of target MSH population with MSH discharge team<ul style="list-style-type: none">Individuals with multiple MSH admissions in the last two years with a length of stay less than 90 days discharging homeless or housing insecure		<ul style="list-style-type: none">Execute CACTI contract for Training and Technical AssistanceLaunch stakeholder engagement activitiesPost the CTI Clinical Supervisor position by 3/1/2026, CTI positions to followMap detailed workflows and data capture processes	



Recommendation #9: 988 Marketing Campaign

Fiscal Details and Considerations			
Commission Approved	FY 26 Budget	FY 27 Budget	Biennium Projection
\$1,000,000	\$500,000	\$500,000	\$1,000,000
Status and Progress Update			
Key Accomplishments		Key Upcoming Tasks / Activities	
<ul style="list-style-type: none">Launched statewide Media and Marketing MSA on 1/22/2026Selected inter-agency RFP evaluation committee, including representatives from MDT and CommerceMet with peer states to learn more about similar 988 media and marketing campaigns' successes and pitfalls		<ul style="list-style-type: none">Statewide Marketing and Media MSA RFP to close on 3/5/2026Inter-agency RFP evaluation to occur by the end of MarchMSA contractingRelease of Contractor Engagement Proposal (CEP) for 988 Marketing Campaign	



Recommendation #17: Redesign Rates to Improve In-State Youth Residential Services

Fiscal Details and Considerations			
Commission Approved	FY 26 Budget	FY 27 Budget	Biennium Projection
\$3,401,280	\$150,000	\$3,521,280	\$3,401,280
Status and Progress Update			
Key Accomplishments		Key Upcoming Tasks / Activities	
<ul style="list-style-type: none">Executed Guidehouse contract and kick-off meeting on 1/23/2026Posted No Eject No Reject (NENR) RFI to inform policies; RFI closed on 2/3/2026HB 2 PRTF grant application to be submitted for internal review by 1/31/2026Draft 4-bed TGH model draft proposal for high acuity youth and youth under 12		<ul style="list-style-type: none">Release HB2 PRTF Grant application in Submittable by mid-FebruaryAnalyze NENR RFI responses by mid-FebruaryDevelop acuity rate structure with Guidehouse by 06/30/2026State Plan Amendment and Administrative Rules for Acuity-based rate structures	



Recommendation #18: Invest in School-Based Behavioral Health Initiatives

Fiscal Details and Considerations			
Commission Approved	FY 26 Budget	FY 27 Budget	Biennium Projection
\$3,528,290	\$1,764,145	\$1,764,145	\$3,528,290
Status and Progress Update			
Key Accomplishments		Key Upcoming Tasks / Activities	
<ul style="list-style-type: none">Executed RBHI contractExecuted UM contractDispersal of funds to both RBHI and UM		<ul style="list-style-type: none">Montana EIS Spring 2026: Developing core foundations, forecasting potential schools and coaching needs, and creating admin toolkits (consent forms/training videos)Montana EIS: Develop a statewide evaluation plan with the Missouri Prevention Science Institute to address impacts such as whether the EIS initiative reduces student reports of suicidal ideation, improves student attendance, and student mental health indicators	



Recommendation #19: Incentivize Providers to Join the BH and DD Workforce

Fiscal Details and Considerations			
Commission Approved	FY 26 Budget	FY 27 Budget	Biennium Projection
\$8,280,000	\$7,715,000	\$565,000	\$8,280,000
Status and Progress Update			
Key Accomplishments		Key Upcoming Tasks / Activities	
<ul style="list-style-type: none">Executed WICHE Needs Assessment contractExecuted OCHE dual enrollment and micro credentials contract50% of the dual enrollment funding has been dispersedWICHE Needs Assessment kick-off meeting		<ul style="list-style-type: none">WICHE to conduct the community needs assessment, including surveys and key informant interviews. This portion of the needs assessment is anticipated to wrap up by July 2026Regular meetings with OCHE to monitor progress of the dual enrollment and micro credentials component of this recommendation	



Recommendation #22: Expand and Sustain Certified Community Behavioral Health Clinics (CCBHCs)

Fiscal Details and Considerations			
Commission Approved	FY 26 Budget	FY 27 Budget	Biennium Projection
\$8,280,000	\$7,715,000	\$565,000	\$8,280,000
Status and Progress Update			
Key Accomplishments		Key Upcoming Tasks / Activities	
<ul style="list-style-type: none">CCBHC Program Specialist position specs have been submitted to HRMPATH/BHDD Kick-Off Meeting held 1/9/2026SAMHSA CCBHC Planning Grant No-Cost Extension awarded 12/23/2026		<ul style="list-style-type: none">Finalize PPS ratesFinalize Crisis Response ModelsSubmit Demonstration Grant application by 4/1/2026	



Long-Term Financial Snapshot and Projections

Gene Hermanson, Deputy Medicaid Director

Long-Term Financial Snapshot and Projections

Beginning Fund Balance (Non Capital)**	\$	\$185,000,000	\$175,798,661	\$131,142,831	\$93,370,128	\$66,913,619	\$42,848,552	\$18,422,509	(\$9,499,571)
2025 Biennium Transfer of Funds	2024 Amount	2025 Amount	2026	2027	2028	2029	2030	2031	Future Years
To BHSFG Fund	\$225,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ongoing Revenue			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$225,000,000	\$0	\$0						
Appropriations									
Systemwide Improvements & Planning	\$10,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Community-Based Investments (Commission Recommendations)	\$30,000,000	\$30,000,000	\$12,073,171	\$22,040,012	\$26,456,509	\$24,065,067	\$24,426,044	\$27,922,080	\$0
Other Legislative items			\$32,582,659	\$15,732,692					
Total	\$40,000,000	\$30,000,000	\$44,655,830	\$37,772,704	\$26,456,509	\$24,065,067	\$24,426,044	\$27,922,080	\$0
Remaining Funds and/or Appropriation Authority	\$185,000,000	\$155,000,000							
Underspent Authority		\$20,798,661							
Subject to appropriation by the future legislatures	\$0	\$175,798,661	\$131,142,831	\$93,370,128	\$66,913,619	\$42,848,552	\$18,422,509	(\$9,499,571)	



Capital Developments

BHSFG- Capital Development		
Appropriations in HB 872	Millions	Notes
Section 9	55.0	Capital Development appropriated to A&E
Section 12	20.0	For uses outlined in Section 3(3)(d)
Total	75.0	
Reappropriations or Obligations		
Section 9- Reappropriated in 2025 HB 5 for BH facility	26.5	Cash transfer to BOI
Section 12- allocated to BH facility project	28.5	Cash transfer to BOI
Section 12- allocated to Spratt remodel and MSH roof replacement	6.5	Transfer to A&E
Total	61.5	
Remaining Section 9	13.5	
TOTAL Remaining Unallocated	13.5	



Sustainability Considerations



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Committee Discussion

Public Comment

Conclusion

