BHSFG Commission Meeting

Capital Projects

October 24, 2024

DEPARTMENT OF
PUBLIC HEALTH &
HUMAN SERVICES

Meeting Agenda

1. General Department Updates
2. Updates on Near-Term Initiatives
3. Capital Expenditures Framework and Next Steps
4. Commission Discussion
5. Public Testimony

General Updates

General Updates | DPHHS

iCare Management Proposal

- 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.
  - This Montana-based nursing facility will serve difficult-to-place populations and permit appropriate placement of eligible medical parolees (DOC) and DPHHS patients.
  - iCare services are Medicaid reimbursable.
  - Services include:
    - Specialized behavioral health care to medical parolees (DOC) and patients with challenging behaviors;
    - Person-centered, skilled nursing facility level of care; and
    - Dedicated memory care units.

Montana State Hospital (MSH) Grasslands

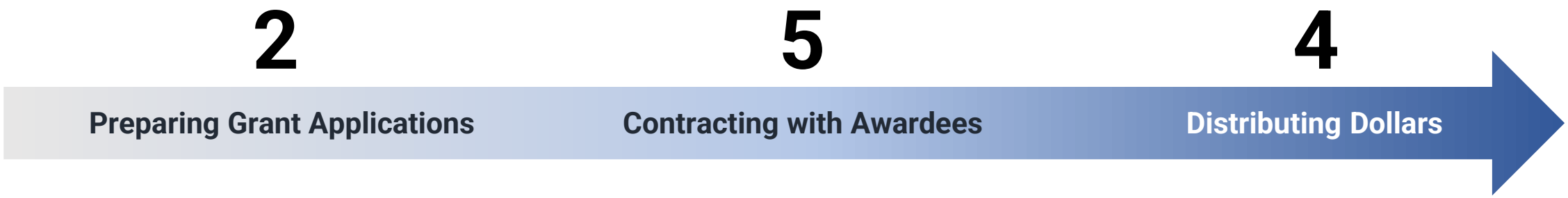
- MSH Grasslands is a satellite inpatient psychiatric facility that will temporarily serve some Montana State Hospital (MSH) patients to allow for continuation of construction at the main hospital.
- DPHHS's current work at Grasslands is unrelated to BHSFG.

Near-Term Initiatives

Near-Term Initiatives | Executive Summary

Overview of the NTI Process and Impact to Date

- To date, the Commission has passed **11 NTIs** — **all of which have been approved by the Governor** — that span the continua of care across the BH and DD systems; these initiatives focus on expanding residential capacity, enhancing crisis services, addressing workforce shortages, and providing services tailored to meet the needs of specific communities across Montana.
- The Department is shifting its focus to **performance monitoring** for initiatives that have already resulted in invoices from providers and community partners to assess the initial impact of these NTIs.
- For initiatives that do not require invoicing, the Department is monitoring performance through various measures and will report on initial success and lessons learned.



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 multiple COEs in community settings. This has started to reduce the waitlist at Galen.		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 majority of providers. Have begun receiving and paying invoices to awardees.		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.		Continue to distribute funds to providers.
3B	Crisis Receiving and Stabilization Grants	Yes	7/30/24	HB 872 funds are awarded to crisis receiving and stabilization providers to expand capacity.	RFP closed. Received nearly $29M in proposals. Selection committee has begun the reviewing and scoring process.		Select and notify awardees and execute contracts.
4	Crisis Curriculum	Yes	8/1/24	HB 872 funds are awarded to a university partner to develop and host a crisis curriculum for all crisis workers.	Finalized contract with University of Montana (UM).		Develop crisis curriculum with UM and community stakeholders.
5A	DD Healthcare Workforce Training	Yes	5/7/24	HB 872 funds are awarded to providers to train their workforce in supporting people with I/DD.	Program launched. More than 100 workers have already enrolled in the training.		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 I/DD.	Program launched. 28 DSPs have been enrolled.		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.	Grant application closed on 9/23/24. Received more than $3.4M in requests.		Select and notify awardees and execute contracts.
7	Tribal and UIO Supports	Yes	8/30/24	HB 872 funds are awarded to Tribal nations and Urban Indian Health Organizations to support BH and DD services in Native American Communities.	Grant application closed on 9/30/24. Received applications from all Tribes and UIOs in Montana.		Select and notify awardees and execute contracts.

Status Key: On Track | At Risk | Behind Schedule | Initiative Launch Pending

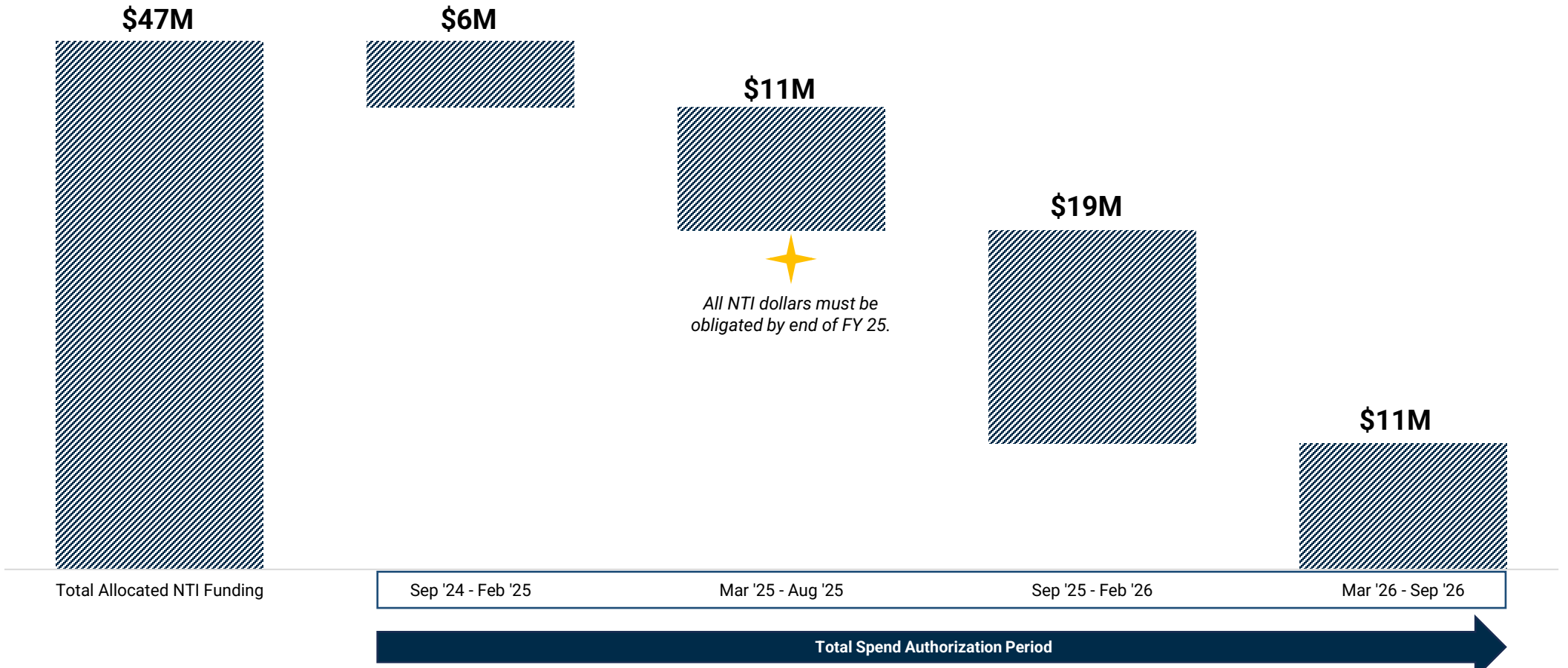
Near-Term Initiatives | Status Update

#	NTI	Approved (Governor)	Launch Date[1]	Goal	Progress to Date	Status	Next Milestone
8	Fair Market Rent Reevaluation Study	Yes	9/13/24	HB 872 funds are awarded to the MT Department of Commerce (Commerce) to conduct a Fair Market Rent (FMR) Reevaluation Study to determine the level of funding needed to help supplement housing costs for low-income Montanans.	MOU between Commerce and DPHHS has been signed. Commerce reviewed RFP applications and selected awardee.		Commerce deploys funds to awarded vendor to conduct FMR study.
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.	Selected a qualified vendor to build, distribute, and maintain wellness kiosks that distribute fentanyl test strips and naloxone.		Finalize contract with qualified provider.
10	Funding to Launch Occupational Therapy Doctorate and Physician Assistant Programs	Yes	TBD	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.	Created workplan to manage program. Begun drafting grant criteria, review process, and application.		Go live with Submittable application.
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.		Go live with Submittable application.

Status Key: On Track | At Risk | Behind Schedule | Initiative Launch Pending

Near-Term Initiatives | Projected Total Spend Over Time

DPHHS's currently planned NTI expenditures over a 24-month period:



***Figures reflect projected NTI expenditure timelines, not Period of Performance.**

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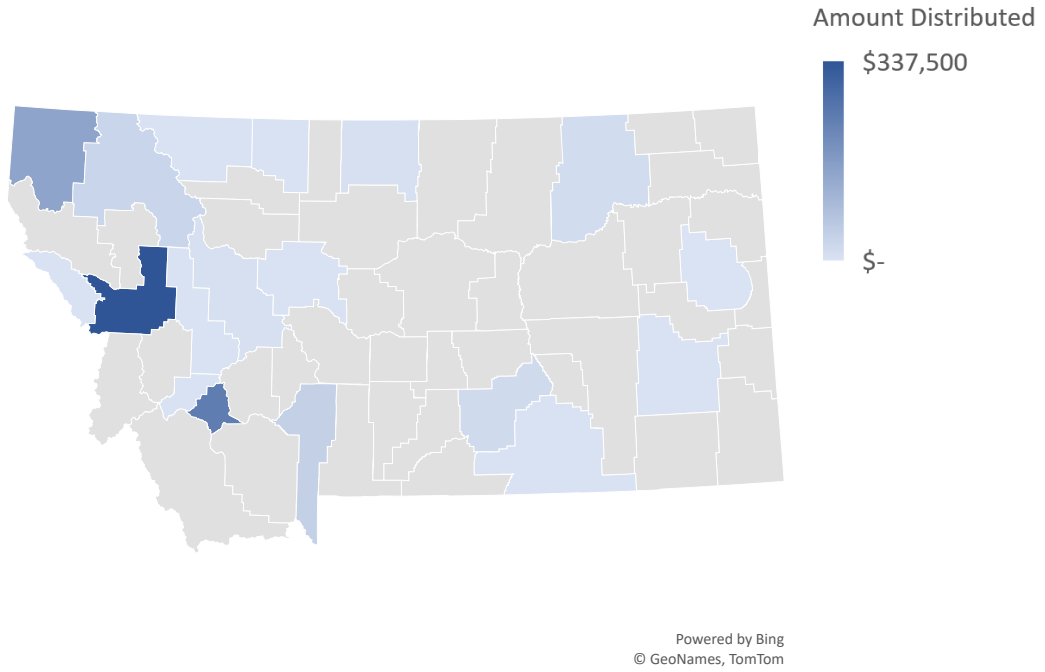
Near-Term Initiatives | All Performance Monitoring

Displays key figures and performance metrics as of October 2024:

Key Performance Highlights

- The Department has:
  - Received, processed, and paid nearly **$1.9M** in invoices to Residential Grants awardees.
  - Facilitated and paid for **28 Court Ordered Evaluations** that were conducted in **community-settings.**
  - Enrolled **more than 120 health care workers in a DD training and more than 25 DSPs** in a leading credentialing platform to help empower and stabilize the workforce.

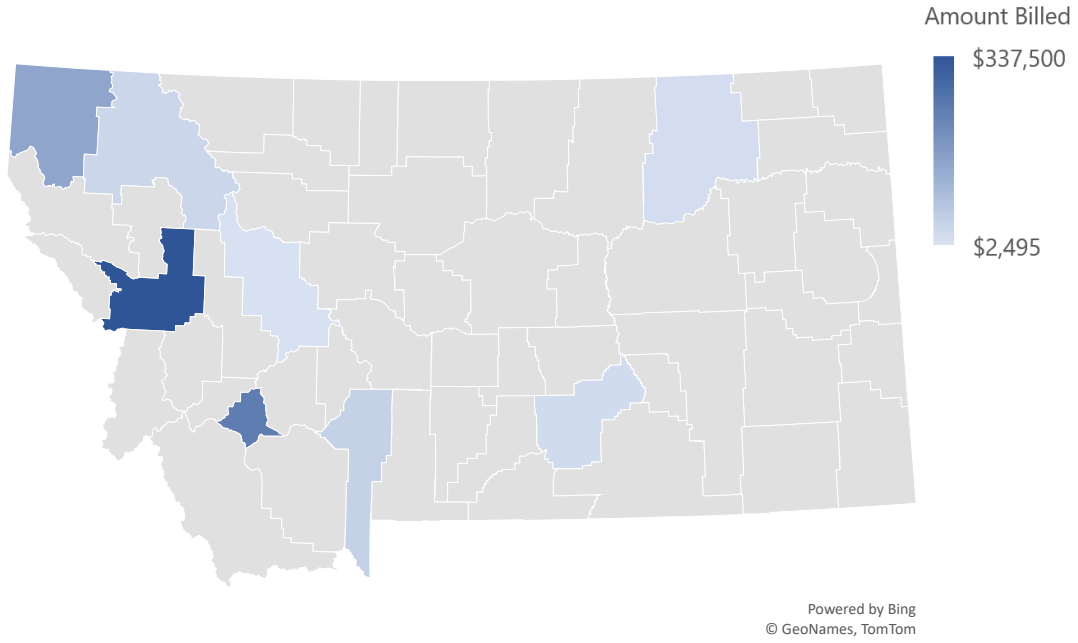
Total NTI Spend by County



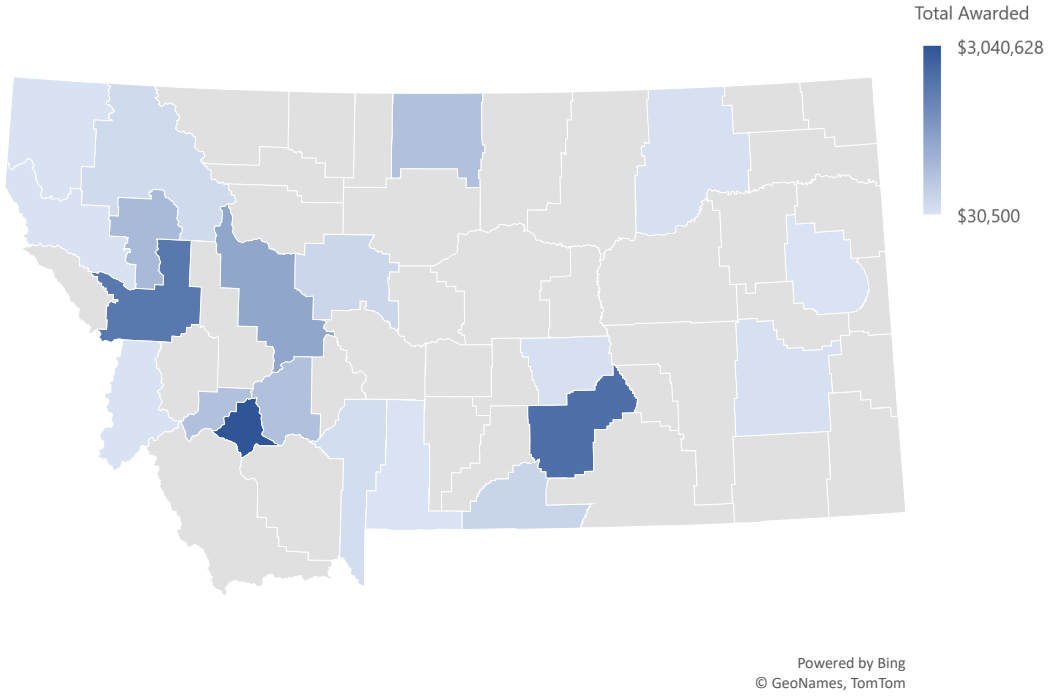
Near-Term Initiatives | Residential Grants Performance Monitoring

Displays where Residential Grants funds have been distributed to date. More than $2.1M out of $15.6M in total funding has been allocated to providers statewide (because of invoices). To date, this has created 14 new beds out of a projected total of 223 new beds across all grant awardees.

Residential Grant Distributions to Date by County



Projected Total Distributions by County



Near-Term Initiatives | Highlights

Notable Highlights of the Residential Grants NTI to date:

- Big Sky Life Support HCBS received **$337,500 to build a new residential facility that will serve 5 adults with BH needs** in Missoula.
- The North Tracy Apartments, operated by Reach Inc., in Bozeman has **received $50,000** to complete necessary repairs and upgrades to meet the needs of the **8 adults with developmental disabilities** who live in the complex.
- Coley's House in Eureka, MT, has already **received $150,000** in BHSFG funding to **build 3 new beds** for individuals with developmental disabilities—including adults with severe autism—in a rural area that lacks existing residential capacity.
- Partnership for Children has begun receiving funds to **reopen the Gallagher Children's Home in Missoula** to serve **7 children** ages 4-14 with severe behavioral health needs.
- AWARE has received **$240,000** to build a set of new town homes in Butte to provide supportive living spaces for **8 individuals** with developmental disabilities.

Note: The highlights presented in this slide represent a subset of the total dollars distributed to Residential Grants awardees to date.

BHSFG Capital Expenditures (CapEx)

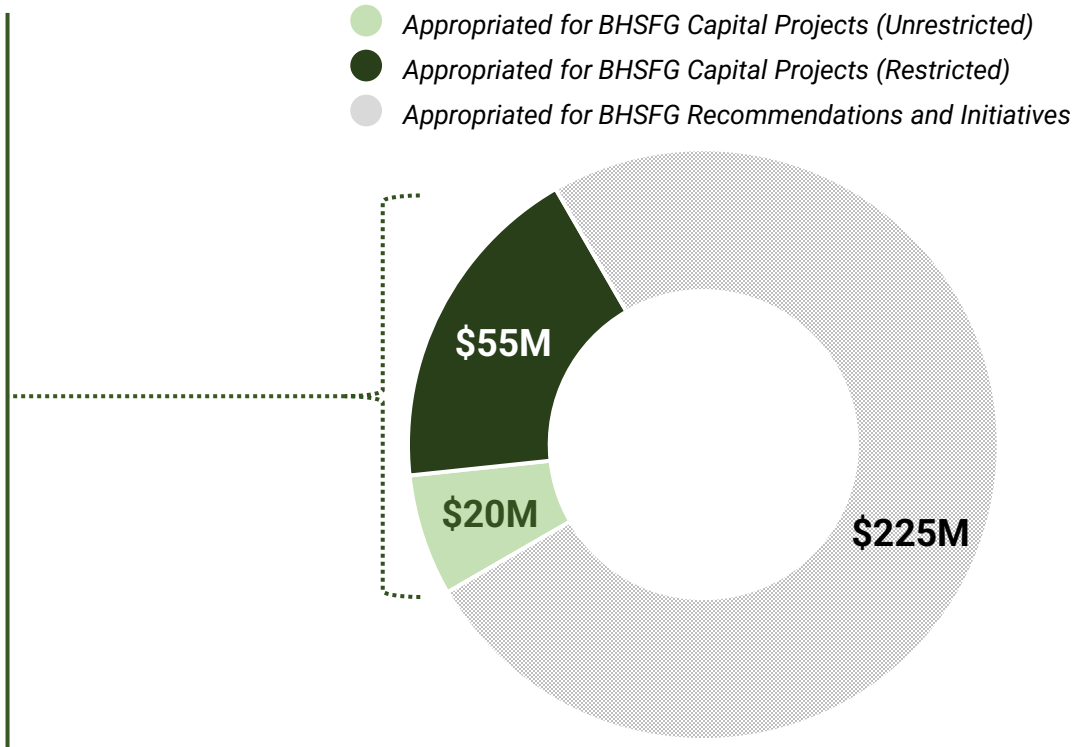
BHSFG Capital Expenditures | Summary

HB 872 represents a $300M generational investment to expand intensive and community-based behavioral health care and developmental disabilities services across Montana, of which **$75M has been appropriated for capital development projects.**

HB 872 Capital Appropriations and Authorizations Summary

- **State-Owned Facilities with Operational Flexibility**
  - Capital development fund appropriations are limited to new and existing state-owned facilities, but those facilities may be operated by providers.
  - Exceptions to this limitation require legislative approval.
- **Allowable Uses and Populations**
  - Acquisition of new or remodeling of infrastructure or property to support establishing behavioral health and developmental disabilities settings.
- **Appropriation Breakdown**
  - Unrestricted: $20M immediately available to Commission.
  - Restricted: $55M and subject to ARM 37.2.1201.
    - Final DPHHS ARM mirrors existing Commission process.

Total HB 872 Investment Fund



BHSFG Capital Expenditures | Framework Overview

DPHHS has identified and developed three “capital tracks” for Commission consideration:

Track #1

Investments in Existing State Facilities

- Montana State Hospital (MSH) upgrades

Track #2

Investments in New or Existing State-Owned Facilities Related to BHSFG Recommendations

- BHSFG Recommendation #3: Fund Systemic, Therapeutic, Assessment, Resources, and Treatment (START) Resource Center
- Intensive Behavior Center (IBC):
  - Option A: Relocate IBC operations to another location
  - Option B: Remodel the existing Boulder facility

Track #3

Investments in New State-Owned Facilities Identified as a Result of System Gaps

- Subacute step-down community facility

Track #1

Track #1: Existing State Facilities | Montana State Hospital

Place in Continuum

Treatment

BHSFG Population

Adult Behavioral Health

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.
  - 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. **Construction:** Demolition of buildings and other unoccupied units.
2. **Maintenance:** Routine upgrades (e.g., general painting, simple electrical repairs, and general facility upkeep/maintenance).
3. **Plant Operations:** Generators, boilers, and electrical systems.
4. **General requirements:** Contractor overhead, bonds, risk insurance.
5. **Other:** ADA compliant transportation vehicles.

Project Phases

Track #2

Track #2: BHSFG Recommendations | START (Rec #3)

Place in Continuum	BHSFG Population
Treatment	**Co-Occurring Populations**

Summary

Proposed Facility: Systemic, Therapeutic, Assessment, Resources, and Treatment (START) Resource Center (BHSFG Recommendation #3)

Purpose:

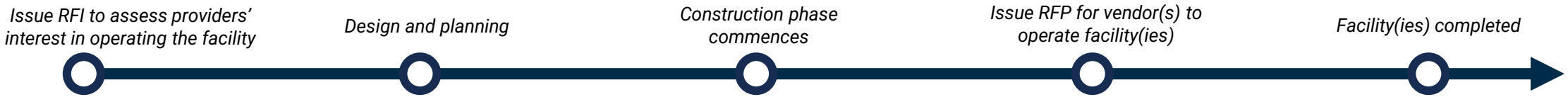
- Establish targeted crisis stabilization and respite services for individuals with co-occurring DD/BH needs.
- Ensure timely access to crisis assessment and referral services for people with DD.
- Build a START resource center in a higher populous area aligned with national best practices and standards, providing a more comprehensive model of care for people with complex support needs.

Project Expenditure Examples:

1. **Construction costs*:** Materials and labor.
2. **Planning costs**:** Architectural design, plan review, and building permits.

(*) Assumes resource center would be co-located on the grounds of a relocated IBC facility and no additional property acquisition costs are needed.
(**) Assumes contract with National START Center is established through other funding and not included in capital investment funds.

Project Phases



Track #2: BHSFG Recommendations | IBC Option A – Relocation

Place in Continuum

Treatment

BHSFG Population

Developmental Disabilities

Summary

Impacted Facility: Intensive Behavior Center (IBC)

Purpose:

- Transition current IBC operations from Boulder to a new 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 the START resource center.
- Reevaluate and reduce licensed bed count to align with current and forecasted demand.

Project Expenditure Examples:

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

Project Phases

Design and planning

Construction phase commences

Transition IBC operations to the new location

Track #2: BHSFG Recommendations | IBC Option B – Upgrade Existing Facility

Place in Continuum

Treatment

BHSFG Population

Developmental Disabilities

Summary

Impacted Facility: Intensive Behavior Center (IBC)

Purpose:

- Upgrade the existing Boulder facility to enhance delivery of high-quality care.
- Improve residential homes and common spaces to provide a more home-like setting appearance.
- Provide enhanced opportunities for skill development related to community engagement through mock environments which help support readiness for transitions back to community-services.
- Improve environment while maintaining operating relationship with DOJ, helping to reduce M&O costs to DPHHS.

Project Expenditure Examples:

1. **Construction costs:** Material and labor for facility upgrades.
2. **Planning costs:** Architectural and engineering plans for the facility upgrades.
3. **Supplies/Equipment**: Assistive devices and adaptive equipment and sensory and skill building supplies.

Project Phases

Design and planning

Facility enhancement and maintenance activities commence

Facility enhancement and maintenance activities are completed

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IBC Options | Benefits and Other Considerations

There are several benefits and other considerations associated with relocating or upgrading IBC, as detailed below.

	Benefits	Other Considerations
Option A: Relocate IBC	• More community-based, home-like setting for residents. • Enhanced access to community-based services and resources. • Possibility of improved resource sharing and efficiencies. • Possibility of improved access to a larger pool of highly qualified clinical and direct support staff resources if located in a more populous area. • Reduction in reliance on contracted staff to fill gaps in staffing. • Re-evaluation and reduction of licensed bed count.	• Development and implementation of individualized transition planning for existing residents. ○ Costs associated with transition planning. • Possibility that communities may be less willing to accept a new facility for people with complex dual diagnoses in their area. • Overall cost of new facility.
Option B: Upgrade Existing IBC Facility	• Establish a more home-like environment. • Avoid potential disruption of clients. • Leverage existing relationship with DOJ to reduce M&O costs to DPHHS. • Maintain long-standing community relations. • Maintain existing staff pool.	• Risk keeping residents in an institutional-like setting with limited access to community resources. • Due to a more remote location, access to highly-qualified clinical and direct support staff is limited and continued focus on expanding the staff pool will be needed.

Track #3

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

Place in Continuum

Treatment

BHSFG Population

Adult Behavioral Health

Summary

Proposed Facility: Subacute Step-Down Facility

Purpose:

- Align with BHSFG Recommendation #8 (Critical Time Intervention (CTI)). CTI provides patients with intensive community-based transition support that "links" people to the services they need in their community and assists in developing their independence.
- Transition certain inpatient psychiatric patients to subacute step-down facility(ies) or home-like settings whose admission standards mirror hospital discharge criteria.
- Improve the patient's progression through recovery from an acute crisis.
- Provide patients with opportunities to maximize their ability to live, rehabilitate, and refine daily living skills in a less-restrictive setting and in advance of full discharge.
- Prevent "cycling" and readmission to MSH and other non-state inpatient facilities.

Project Expenditure Examples:

1. **Acquisition/renovation costs:** Material and labor for facility acquisition and renovation.
2. **Construction costs:** Material and labor for facility construction.
3. **Planning costs:** Zoning, architectural, and engineering plans for the new facility design.
4. **Moving costs:** Transitioning residents from existing MSH location.

Project Phases

Issue RFI to assess providers' interest in operating the facility

Identify patient population to transition

Design and planning

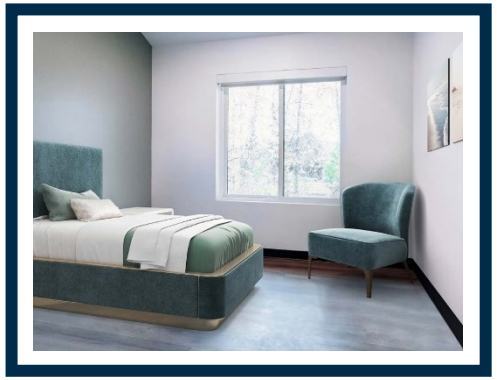
Construction/renovation phase commences

Issue RFP for vendor(s) to operate facility

Case Study: WA | Subacute Community Facilities

In Washington, subacute facilities help transition patients from state institutions by providing less intensive rehabilitation and ongoing medical care. This support facilitates a smoother reintegration into the community and lowers the risk of readmission.

Washington – Enhanced Services Facilities (ESFs)	
Overview	• An ESF is a small community-based residential setting with up to 16 beds, providing behavioral health, personal care, and nursing services. • Providers must be licensed to operate ESFs and be contracted through the State Department of Social and Health Services' Home and Community Services Division. • There are 11 ESFs in Washington, 5 of which are in Eastern Washington.
Eligibility Criteria	• Be at least 18 years old. • Have a serious mental illness, substance use disorder, acquired or traumatic brain injury, or cognitive impairment. • Require daily care from a mental health professional, chemical dependency professional, or nurse. • Require assistance with at least three activities of daily living.
Facility Characteristics	• Residents must have individual bedrooms and the ESF must have one bathroom for every four residents. • ESFs are not required to have their own commercial kitchen.
Staffing	• ESFs maintain high staffing ratios and must have sufficient staff with credentials in each of the different services they provide such as behavioral health support, skilled nursing, and dietary services.



Case Study: TX | State Hospital Step-Down Program – Community

In Texas, the State Hospital Step-Down (SHSD) program is designed to transition psychiatrically or medically fragile individuals from state hospitals to community-based settings, providing intensive psychiatric support to prevent relapse or jail readmission, while promoting independence and client autonomy.

Texas – State Hospital Step-Down (SHSD) Program	
Overview	• This model bridges inpatient psychiatric care and independent living, offering a structured environment with more support than typical community settings but less intensive and expensive than hospitalization. • The program has 5 locations in Texas: two in Georgetown (one location with 4 beds and the other with 6 beds), one in Seguin (6 beds), one in Wichita Falls (6 beds), and one in Houston (8 beds). • The State contracts with the local mental health authorities (LMHAs) and local behavioral health authorities (LBHAs) to support individuals transitioning out of state hospitals.
Eligibility Criteria	• Be at least 18 years old. • History of serious mental illness (SMI). • Goal and capability to secure or maintain income for independent living. • Resided in a state hospital for over 365 days.
Facility Characteristics	• Provide a home-like environment that promotes a sense of community with shared living spaces, private or semi-private bedrooms, and common areas for social activities.
Staffing	• Facilities offer on-site access to clinical services, such as psychiatric care, counseling, medication management, and substance use support. • Facilities often maintain a low staff-to-resident ratio to ensure personalized support and intensive case management. • Staff may include mental health professionals, social workers, and peer support specialists.

Next Steps

BHSFG Capital Expenditures | Next Steps

Primary Discussion Points for the Commission

- Which capital projects should DPHHS pursue?
- Which of the identified capital expenditure tracks should DPHHS prioritize?
- Are there any projects outside of those already identified that DPHHS should consider?
- Does the Commission still believe that it needs $75M for capital projects, or should it advocate for some of this funding to be reallocated for operational expenses and further community-based investments and infrastructure during the 2025 session?
- When would the Commission expect true cost estimates for capital projects that it would like DPHHS to pursue?
    - HB 872 and related ARM provide the existing appropriation and authority for certain types of capital projects with no need for inclusion in HB 5/LRBP.

Commission Discussion

Public Comment