



DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

***Serving Montanans in their communities to improve health,
safety, well-being, and empower independence.***

ANNUAL PERFORMANCE REPORT

FY 2026

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES (DPHHS)

Director Charlie Brereton was appointed to lead DPHHS by Governor Greg Gianforte in June 2022 and confirmed by Montana's Senate in 2023 and 2025. Director Brereton leads the state's comprehensive health and human services agency to ensure an integrated, strategic, and transformative approach to **serving Montanans in their communities to improve health, safety, well-being, and empower independence**. In comparison to many other states, Montana is unique in that essential health and human services functions rest within one state agency; this allows for greater cross-program collaboration, innovation, and outcomes for those served by DPHHS.

Director Brereton, in partnership with his executive leadership team, is responsible for ensuring the provision of critical state and federal public assistance programs across Montana. The Director's executive leadership team is comprised of a Principal Deputy Director, Deputy Director for Human Services, Deputy Director of Medicaid and Health Services, Deputy Director of Public Health and Community Affairs, Deputy Director of Health Care Facilities, Chief Financial Officer, Chief Legal Counsel, Chief Information Officer, Chief Human Resources Officer, and State Medical Officer.

The Director's Office is further supported by the offices of Budget and Finance, Legal Affairs, Human Resources, Communications, Project Management Office, Research and Data Analytics, and American Indian Health.

Of DPHHS's 14 divisions, 10 are housed within its four core management areas: **Human Services, Medicaid and Health Services, Public Health, and Health Care Facilities**; the remaining four divisions exist within the Director's Office. Descriptions of DPHHS's budgeted programs are below. As of the date of publication of this plan, DPHHS has 2,752.62 HB2 positions budgeted and more than 70 offices statewide.

The goals in this Annual Plan are intentionally ambitious. DPHHS believes that setting high standards drives significant progress for Montanans. While not every metric may be met, the Department commits to transparently reporting progress, identifying factors influencing goal pursuit, and using shortfalls for learning and continuous improvement. In the development of the FY 2027 Annual Plan, DPHHS emphasized quality over quantity by selecting a single, meaningful initiative for each budgeted program.

Director's Office

Business and Financial Services Division (BFSD)

BFSD helps DPHHS meet its goals by efficiently managing financial resources and support services.

Technology Services Division (TSD)

TSD provides information technology (IT) solutions for DPHHS's health and human services programs. The division manages strategic IT investments to ensure access to reliable, secure, and high-quality data and technologies to address health and human services needs. TSD aims to offer secure, accessible, and responsive IT services to DPHHS.

Office of Inspector General (OIG)

OIG works to improve the efficiency, effectiveness, and integrity of DPHHS programs while ensuring the health and safety of Montanans served in health care facilities. OIG offers various services, including certifying and licensing different health care facilities, detecting and investigating public assistance program fraud and abuse, and recovering overpayment claims for the Supplemental Nutritional Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Medicaid, and Low Income Home Energy Assistance (LIHEAP).

Operations Services Division (OSD)

OSD manages DPHHS's budgeting, procurement, and internal controls and compliance processes and strengthens the Department's stewardship of public funds. The division develops and monitors the agency budget and provides centralized oversight of internal control, risk management, and audit resolution across all DPHHS programs.

Human Services Management Area

Disability Employment and Transitions Division (DETD)

DETD advances the independence and employment of Montanans with disabilities by promoting opportunities for them to pursue rewarding careers and to achieve maximum personal potential through informed choice. DETD programs include Vocational Rehabilitation Services, Pre-Employment Transition Services, Blind and Low Vision Services, Disability Determination Services, and the Montana Accessible Communication Program.

Human and Community Services Division (HCSD)

HCSD manages eligibility services, as well as the policies and processes related to program access for Montana's TANF program, SNAP, Medicaid programs, and Healthy Montana Kids (HMK) programs statewide. The division also administers the Community Services Block Grant, which is utilized by 10 Human Resource Development Councils across the state to deliver a variety of community-based human services programs, and oversees the Office of Faith and Community-Based Services.

Child Support Services Division (CSSD)

CSSD improves family economic stability by establishing and enforcing child and medical support orders. Services include locating parents, establishing paternity, creating support orders, and enforcing or modifying support orders.

Child and Family Services Division (CFSD)

CFSD administers child protective services, child abuse and neglect services, prevention services, and other programs designed to keep children safe and families strong, with the overarching goal of improving safety, permanency, and well-being for children. CFSD is organized into six regions and a central office that manage child welfare programs across Montana. Local Family Services Advisory Councils advise CFSD regional offices, enhancing collaboration between communities and DPHHS.

Early Childhood and Family Support Division (ECFSD)

ECFSD offers services to enhance the well-being, health, and development of children, families, and communities. Programs include child care, home visits, food security, nutrition education, violence

prevention, family support, and preventive health care. The division aims for consistent, efficient, and coordinated services across Montana.

Medicaid and Health Services Management Area

Medicaid and Health Services Management Division (MHSM)

MHSM provides administrative and executive oversight for the three divisions in the Medicaid and Health Services Management Area. This oversight includes driving health system reforms directed at containing costs, maintaining program integrity and accountability, and providing quality care. The division also leads cross-divisional complex care coordination to secure specialized placements for children and adults with extraordinary medical, developmental, or behavioral needs.

Senior and Long-Term Care Division (SLTC)

SLTC plans, administers, and provides publicly funded long-term care services for Montana's senior citizens and persons with disabilities. Additionally, the division offers aging and long-term care education and support to Montanans of all ages, including Older Americans Act services, Medicaid community services, Big Sky Rx services, and Adult Protective Services.

Health Resources Division (HRD)

HRD oversees the administration of various components of Montana's Medicaid Program. This includes Medicaid primary care services, HMK (Medicaid and Children's Health Insurance Program services for children in low-income families), and the Medicaid Expansion Program. The division reimburses public and private providers for a range of preventative, primary, and acute care services.

Behavioral Health and Developmental Disabilities Division (BHDD)

BHDD provides Medicaid and grant-funded services for adults and children with behavioral health diagnoses and developmental disabilities. The division aims to help Montanans live independently in their communities and also supports Montana's Suicide Prevention Program.

Public Health Management Area

Public Health and Safety Division (PHSD)

PHSD provides a variety of public health services focused on disease prevention and promoting healthy lifestyles for Montanans. These services are available through both private and public providers, including local and tribal public health departments, clinics, hospitals, and community-based organizations. The division also offers epidemiology, scientific support, and laboratory services to assist clinicians in diagnosis and treatment. Additionally, PHSD supports responses to disease outbreaks or water contamination incidents.

Health Care Facilities Management

Health Care Facilities Division (HFD)

HFD currently operates nine safety-net health care facilities across Montana, each addressing distinct populations with varied needs and challenges. These facilities include the Montana State Hospital (MSH), MSH Grasslands (Helena), Forensic Mental Health Facility (Galen), Montana Mental Health Nursing Care Center (MMHNCC), Montana Chemical Dependency Center (MCDC), Montana Veterans

Home (MVH), Southwest Montana Veterans Home (SWMVH), Eastern Montana Veterans Home (EMVH), and the Intensive Behavior Center (IBC). The Department is in the process of adding a tenth facility to its portfolio in Laurel, Montana. Several of HFD's facilities serve individuals civilly or forensically committed to DPHHS.



Strategic Outcome

1

Improve Customer Service and Strengthen Public Trust

DPHHS aims to strengthen program integrity by reducing improper payments to public assistance clients.

DPHHS aims to enhance its responsiveness to clients by reducing the time required to answer calls regarding medically needy collections.

DPHHS aims to address child support arrears and promote sustainable payment solutions for families. This includes early intervention strategies and personalized support to help clients manage obligations more effectively, reducing long-term financial strain and increasing family stability and economic independence.

Key Measures

- Reduce the SNAP Payment Error Rate (PER) to less than 7%. (*Program 02/HCSO*)

DPHHS reduced the SNAP PER to 7.07%. The SNAP PER measures payment accuracy and reflects both agency- and client-caused errors. DPHHS will continue this effort in FY 2027 to reduce the SNAP PER to less than 6%.

- Decrease the wait time for the medically needy collections callback line by 30%. (*Program 06/BFSD*)

In July 2026, wait time had been reduced by 42.6% from the FY 2026 baseline.

- Increase the total number of payments collected on all active child support arrears cases by 5%. (*Program 05/CSSD*)

CSSD applies payments to open, active cases first and active arrears cases second. The overall collections on active child support cases increased by 3.07%, although the total number of payments collected on active arrears cases decreased .34%.



Strategic Outcome

2

Enhance Client Services and Community Well-Being

DPHHS aims to foster independence from public assistance programs, including by enhancing vocational training programs for high acuity individuals.

DPHHS aims to make community engagement and certain forms of cost-sharing conditions of eligibility for Medicaid Expansion coverage, thereby encouraging accountability, self-sufficiency, and positive outcomes for enrollees.

DPHHS aims to strengthen family relationships and community support networks for youth who have been in foster care for extended periods. Related efforts should accelerate pathways to lasting family connections and increase permanency outcomes.

DPHHS aims to improve cardiovascular health and reduce deaths and other chronic conditions associated with heart disease, ultimately improving the physical health of Montanans.

DPHHS aims to implement 10 long-term recommendations from the Behavioral Health System for Future Generations (BHSFG) Commission, which were advanced by Governor Gianforte and authorized by the 2025 Montana Legislature. The implementation of these recommendations will transform Montana's behavioral health and developmental disabilities systems, ultimately improving access to care and addressing Montana's high suicide rate.

DPHHS aims to modernize the Electronic Health Record (EHR) and billing systems at its state-run health care facilities to improve service delivery to patients, ease the administrative burden on providers, and assist facilities in maintaining regulatory compliance.

DPHHS aims to increase opportunities for eligible Medicaid members in institutional settings to transition to community-based services through the Money Follows the Person (MFP) program, promoting independence and an enhanced quality of life.

DPHHS aims to implement measures to increase public awareness of crisis services, which may lead to a greater willingness to seek help for mental health crises and prevent suicides.

DPHHS aims to expand access to quality child care for working families, including through performance-based resource-and-referral contracts. This effort acknowledges that the statewide workforce relies on a stable family support system and seeks to eliminate obstacles to employment while ensuring a strong foundation for children.

DPHHS aims to establish clear, consensus-driven value-based metrics in its

	core Medicaid primary care program to improve member health outcomes, hold providers accountable for quality, and ultimately contain Medicaid costs. DPHHS aims to continue its steadfast commitment to providing consistent, high-quality care to patients at (MSH and achieving federal recertification of the facility. The ongoing turnaround at MSH includes efforts to reduce reliance on contracted clinical staff, commonly referred to as “travelers,” for budgetary, quality, and workplace culture reasons.	
	Key Measures	• Increase the number of Vocational Rehabilitation participants who are employed one year after exiting the program by 10%. <i>(Program 01/DETD)</i> DPHHS achieved a 7.7% increase in the number of Vocational Rehabilitation participants employed one year after exiting the program.
		• Implement Medicaid Expansion community engagement and cost-sharing requirements pending federal approval. <i>(Program 04/DO)</i> DPHHS successfully implemented Medicaid Expansion community engagement and cost-sharing requirements on July 1, 2026.
		• Increase permanency for youth who have been in foster care for more than 24 months by 5%. <i>(Program 03/CFSD)</i> DPHHS achieved a 4.3% increase in the number of youth in the foster care system for more than 24 months who attained permanency. This is a variable number that changes each month and has a one-year lag. The baseline data from July 2025 showed 458 youth who had been in foster care for more than 24 months. By the end of FY 2026, that number decreased to 366, representing a 20% reduction in the number of youth in long-term foster care. The substantial reduction of youth in long-term foster care demonstrates the Department’s commitment to accelerating pathways to permanency.

- Decrease the mortality rate for heart disease as reported in the death registry by 5%. (*Program 07/PHSD*)

The five-year rolling average mortality rate for heart disease rose 9.7%. DPHHS collects and analyzes many data points related to public health. While there is no clear causal connection between heart disease mortality and any specific variable, changes in demographics and factors like diet, lifestyle, and access to health care impact heart disease outcomes.

- Complete the first phase of implementation within the discrete workplans for each of the ten authorized BHSFG recommendations.

DPHHS has completed the first phase of implementation under the discrete work plans for each of the ten authorized BHSFG recommendations.

- Complete vendor onboarding, EHR implementation project kickoff, and MSH and MCDC stakeholder engagement sessions.

The EHR Request for Proposal (RFP) package was initially submitted in August 2025. The State Procurement Services Division (SPSD) and Office of Budget and Program Planning (OBPP) conducted extensive reviews of the RFP package through January 2026, resulting in substantive updates by DPHHS and an RFP bid opening in March 2026. The RFP closed in May 2026, and DPHHS anticipates issuing a Notice of Intent to Award (NOIA) by November 2026.

- Increase the number of successful transitions of Medicaid members from institutional settings to community-based settings through MFP by 10%.

DPHHS achieved a 34% increase in the number of successful transitions of Medicaid members from institutional settings to community-based settings through MFP.

- Increase statewide calls to 988 Suicide and Crisis Lifeline by 5%.

DPHHS achieved a 24% increase in the number of statewide calls to the 988 Suicide and Crisis Lifeline.

- Increase the number of child care providers registered or licensed by DPHHS by 5%.

The number of registered or licensed child care providers decreased by 2.2%, while the number of available child care slots increased by 0.4%, mirroring a national trend of smaller, in-home settings closing and larger providers increasing available child care slots.

- Implement a single Primary Care Case Management (PCCM) model within the Medicaid primary care program.

DPHHS successfully implemented its Primary Care Montana (PCMT) program within Medicaid.

- Reduce the vacancy rate for authorized/budgeted Registered Nurse positions at MSH to 20%.

DPHHS achieved a 0% vacancy rate for authorized/budgeted Registered Nurse positions as of June 2026.



Strategic Outcome

#3

Improve Administrative Efficiency and Responsiveness

DPHHS aims to take a more proactive approach to public assistance fraud investigations and will use its recently granted administrative subpoena authority to acquire pertinent case information more rapidly. Using its subpoena authority, DPHHS will conduct more fraud investigations by ensuring the cooperation of investigation subjects. This effort reflects the Department's commitment to safeguarding public resources and programs from misuse.

DPHHS aims to reduce the average time to complete corrective action plans for the federal Single Audit. The Single Audit is an organization-wide audit that covers a non-federal entity's financial statements and federal award expenditures, ensuring accountability for how public money is spent. This effort demonstrates the Department's dedication to swiftly resolving audit findings, reducing repeat audit findings, and ensuring responsible stewardship of public funds.

Key Measures

- Decrease the rate of recipient fraud investigations in SNAP, TANF, Medicaid/CHIP, and LIHEAP that are discontinued due to non-responsiveness by 15%.

The administrative rules granting the Department subpoena authority became effective on July 25, 2026. This measure is continued in the FY 2027 Annual Plan.

- Decrease the average time to implement Single Audit corrective action plans by 15%

DPHHS is engaged in ongoing discussions with the federal agency regarding two Single Audit findings. For all other findings, DPHHS achieved an 86% reduction in the average time to implement Single Audit corrective action plans.