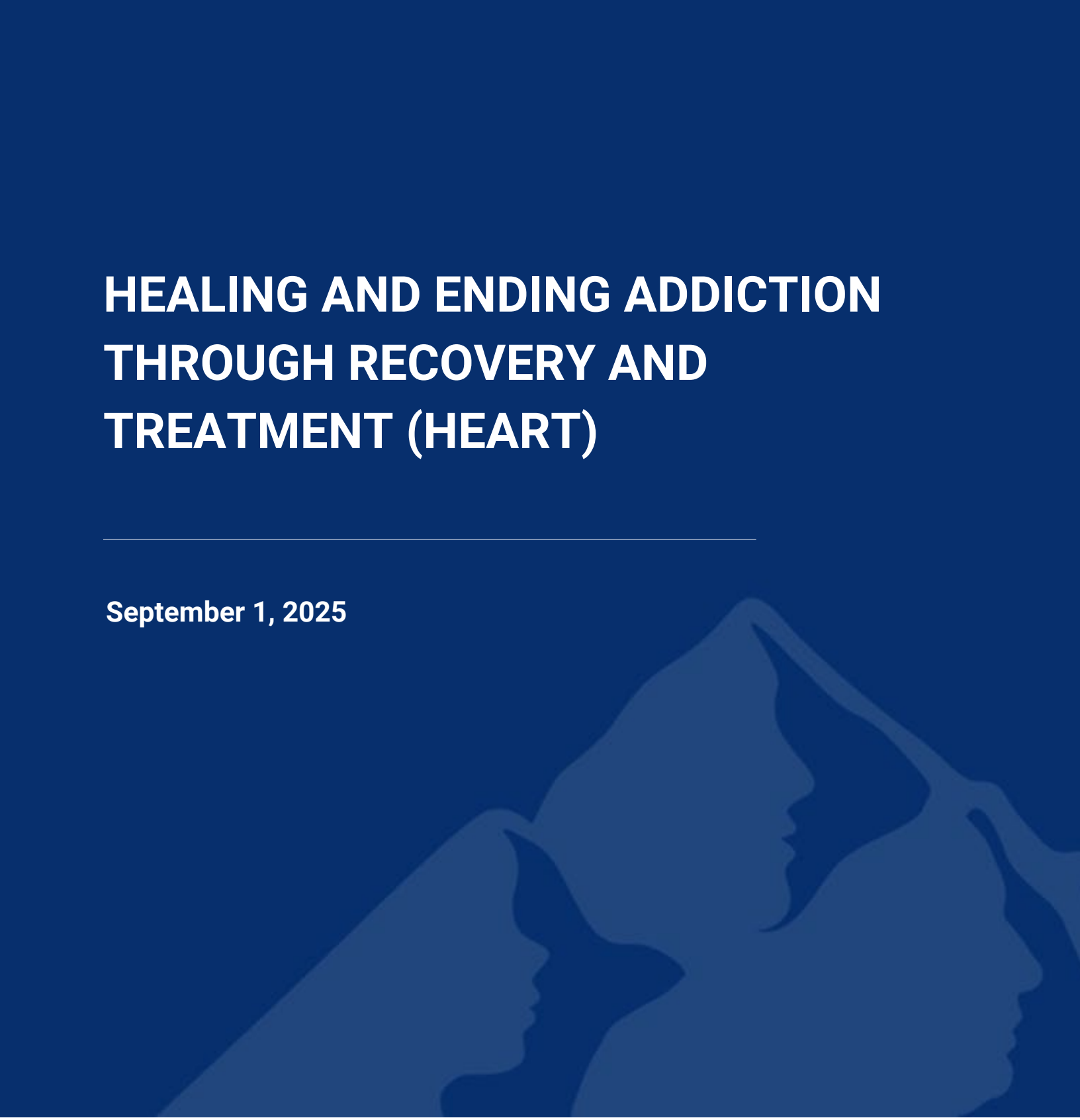
HEALING AND ENDING ADDICTION THROUGH RECOVERY AND TREATMENT (HEART)

September 1, 2025



MONTANA DPHHS

DEPARTMENT OF
PUBLIC HEALTH &
HUMAN SERVICES

Table of Contents

HEART INITIATIVE OVERVIEW

The 2021 Montana Legislature passed Governor Gianforte's Healing and Ending Addiction through Recovery and Treatment (HEART) Initiative, which seeks to strengthen the continuum of behavioral health services available to Montanans.

The HEART Initiative invests significant state and federal funding to expand promotion of mental health, prevention of substance use disorders (SUD), crisis services, and treatment and recovery services for individuals with mental health and substance use disorders. It includes behavioral health programs and services provided using HEART funding, Medicaid state plan, and the HEART 1115 demonstration waiver. It weaves these multiple funding streams and service authorities together to fill in gaps that existed along the continuum of care, from prevention to crisis intervention to treatment services and recovery supports.

HEART WAIVER SERVICES

TENANCY SUPPORT SERVICES

In June 2025, DPHHS launched Medicaid Tenancy Support Services (TSS), authorized under Montana's HEART 1115 waiver. This new benefit supports the state's goal of delivering preventive, whole-person, and community-based care by addressing housing instability, a key driver of poor health outcomes and high health care costs. TSS represents a strategic investment in both individual well-being and Medicaid cost containment.

The Need for Tenancy Supports in Montana

Montana faces serious challenges related to homelessness and housing insecurity. From 2007 to 2023, the number of individuals experiencing homelessness in the state rose by 89%, the second-largest increase in the nation. Between 2022 and 2023 alone, the rate increased by 45%, placing Montana third nationally for its annual growth in homelessness. Most strikingly, chronic homelessness surged by 551% between 2007 and 2023 — the highest increase in the country[1].

These trends reflect a growing and urgent need for targeted housing interventions, particularly for individuals with behavioral health conditions, who are more likely to face

[1] The U.S. Department of Housing and Urban Development's 2023 Annual Homelessness Assessment Report to Congress https://www.huduser.gov/portal/sites/default/files/pdf/2023-AHAR-Part-1.pdf

housing instability and are disproportionately impacted by its effects. Stable housing is a cornerstone of successful treatment and recovery for individuals with mental illness and substance use disorders.

TSS Services
TSS provides services in two key categories:

- Pre-tenancy supports: Assisting individuals in identifying housing, preparing applications, understanding rental responsibilities, and creating personalized housing support plans.
- Tenancy-sustaining services: Helping participants move in, maintain positive relationships with landlords, remain lease-compliant, and access ongoing support to remain housed.

TSS may also cover one-time costs like security deposits and application fees. While the program does not pay for rent or utilities, it is designed to complement existing housing programs by helping individuals access and retain safe, stable housing.

Eligibility and Access
TSS is available to eligible Medicaid members who are:

- Experiencing or at risk of homelessness, and
- Have a qualifying behavioral health condition (mental health and/or substance use disorder)

Eligibility is determined through an independent third-party process. Participants must be enrolled in Medicaid and meet both clinical and housing-related criteria.

Provider Network Development
DPHHS is building a statewide network of both traditional Medicaid providers (such as mental health centers) and non-traditional providers, including shelters and housing organizations. The Department is actively working with new organizations to support enrollment and ensure these services reach areas of highest need.

TSS also creates a new opportunity for housing service providers to receive Medicaid reimbursement for their work, strengthening the infrastructure needed to address housing insecurity as part of integrated health care.

SUD TREATMENT IN LARGER COMMUNITY FACILITIES (IMD WAIVER)

CMS's approval of the HEART 1115 waiver allows Montana to pay for SUD treatment in facilities with more than 16 beds (previously prohibited under the "Institutions for Mental Disease" exclusion). This closed a key gap in SUD treatment availability, alleviating waiting times. To date, 1,499 Montanans have received this newly approved SUD treatment in SFY25.[2]

UPCOMING: REENTRY SERVICES

DPHHS and the Department of Corrections (DOC) are preparing to launch Medicaid Reentry Services in Fall 2025, authorized through the HEART 1115 waiver. This initiative aims to improve health outcomes and reduce recidivism by supporting individuals transitioning from incarceration back into the community.

Why Reentry Supports Matter

Justice-involved individuals face high risks for overdose, hospitalization, and crisis in the weeks following release. The HEART waiver authorizes Medicaid to cover a targeted set of services up to 30 days before release, providing critical support to bridge the transition between correctional and community-based care.

Eligibility and Services

The services will be available to individuals incarcerated at the Montana State Prison and Montana Women's Prison, including its satellite Riverside, who have a behavioral health condition (mental health or SUD), and are within 30 days of release.

Eligible individuals will receive services including case management, medication-assisted treatment (MAT), limited community-based clinical consultation services via telehealth, and medication at discharge.

Building Systems and Infrastructure

DPHHS and DOC are working together to build the infrastructure needed for implementation. This includes transferring Medicaid applications and conducting eligibility determinations, coordinating release dates with activation of full Medicaid benefits, and enrolling community-based providers and establishing billing systems.

To support this work, DOC will receive up to $860,675 in capacity-building funds, which are being used to purchase medical tablets for telehealth, procure privacy booths for

[2] Data throughout this report is based on claims and grant reports submitted by 8/4/25. Medicaid providers have 365 days to bill for services provided, so these numbers are an undercount of services delivered.

telehealth access, construct a billing system, and support project management and staffing.

The Departments are jointly certifying DOC readiness to implement the program in October 2025.

UPCOMING: CONTINGENCY MANAGEMENT

The final new service under the HEART waiver—Contingency Management (CM)—will launch in January 2026 for Medicaid members with Stimulant Use Disorders. This evidence-based intervention addresses one of Montana's most pressing behavioral health needs.

Montana's Stimulant Problem

Stimulant use—especially methamphetamine—remains a top behavioral health challenge in Montana. Unlike opioid use disorder, for which there are several approved medications, there are currently no FDA-approved medications for stimulant use. As a result, individuals with stimulant use disorder face high rates of relapse, hospitalization, and interaction with law enforcement.

Montana has experienced rising overdose deaths involving stimulants, increased emergency room visits and psychiatric hospitalizations, and heightened homelessness and child welfare involvement tied to methamphetamine use.

Existing treatment models have not adequately met the needs of this population, creating a critical gap in care.

What is CM?

CM is a behavioral therapy that uses structured incentives to encourage healthy behaviors like abstinence and treatment participation. It is proven to reduce stimulant use, increase retention in treatment, and improve long-term recovery outcomes.

CM addresses the way stimulants hijack the brain's reward systems by helping to "retrain" behavior through consistent, positive reinforcement.

Service Details and Implementation

CM will be available to adult Medicaid members diagnosed with stimulant use disorder, including those with co-occurring mental health conditions. Services will be delivered in outpatient settings.

DPHHS has contracted with two expert organizations to ensure the program is delivered with fidelity and effectiveness. The University of California, Los Angeles (UCLA) will lead

provider training and certification, and Contingency Management Innovations will operate a digital tracking system to monitor client progress and manage incentives.

Provider training will begin in December 2025, following approval of administrative rules, with full program launch expected in January 2026. Montana providers interested in offering CM to their patients will be required to complete extensive training and demonstrate that they meet stringent criteria to become approved providers.

HEART INITIATIVE SERVICES

CRISIS SERVICES

The Crisis Now Model is a national best practice framework that Montana has adopted to guide behavioral health crisis system development. This model outlines an ideal crisis system as having the availability of someone to call (988), someone to respond (Mobile Crisis Response Services), and somewhere to go (Crisis Receiving and Stabilization services) for individuals experiencing a behavioral health crisis. Fiscal support for two of the three service pillars in this model is provided by HEART state special revenue. These funds provide state match for both Mobile Crisis Response Services and Crisis Receiving and Stabilization Medicaid services. Additionally, these funds support reimbursement for the same services provided to qualifying individuals who are not Medicaid eligible, through the state's Non-Medicaid Service Manual. Funds through HEART state special revenue also continue to support one-time and start-up costs for Mobile Crisis Response programs through the Crisis Diversion Grant program.

With guidance from the Crisis Now Model framework, Montana continues to improve and expand access to its behavioral health crisis services. The state has three fully operational 988 call centers, leading the nation with a 97% in-state answering rate. Mobile Crisis Response programs of various staffing models utilize dedicated behavioral health staff responding, with and without law enforcement, to individuals in crisis in their community. Crisis Receiving facilities provide an appropriate alternative to overburdened emergency departments for individuals in crisis needing a safe place to stabilize and connect to services. Crisis Stabilization facilities provide a residential-like setting for those in crisis who do not require hospital-level care but would benefit from multiple days or weeks in a facility to stabilize.

The crisis system in Montana has faced challenges in the past, seeing both Mobile Crisis Response and Crisis Receiving and Stabilization program closures. During SFY25, the Mobile Crisis Response programs in both Lincoln and Yellowstone counties closed

their doors, though Yellowstone County is exploring options to reopen. The Crisis Receiving facility in Missoula also ceased operations in SFY25. However, at the same time, communities across the state have been working hard to develop new crisis services. Through this work, Montana will see two new Mobile Crisis Response programs opening in Park and Silver Bow counties in SFY26.

Service	Clients Served SFY25
Mobile Crisis Response	947
Crisis Receiving and Stabilization	1,132

SUBSTANCE USE DISORDER TREATMENT

The HEART-expanded Medicaid treatment services give Montana Medicaid members coverage of all levels of care recommended by the American Society of Addiction Medicine (ASAM). In SFY25, 1,849 members have received treatment through these expanded services. This includes ASAM 3.1: Clinically Managed Low Intensity Residential Services, ASAM 3.2 WM: Clinically Managed Residential Withdrawal Management, ASAM 3.3: Clinically Managed Population-Specific High Intensity Residential Services, and ASAM 3.5: Clinically Managed Residential Services. The addition of ASAM 3.5 services for substance use disorder (SUD) treatment was made possible through the HEART 1115 demonstration waiver.

ASAM Level	Number of Individuals Served SFY25
ASAM 3.1	250
ASAM 3.2	0
ASAM 3.3	100
ASAM 3.5 SUD IMD	1,499

HEART JAIL GRANTS

The HEART Initiative has committed $1.1 million of HEART state special revenue per year to behavioral health services in jail settings. Seven county jails currently provide these services through grant programs, and each has tailored service implementation to best meet the needs of its specific population. The funding helps deliver a range of services, including behavioral health therapy, certified behavioral health peer support,

care coordination, prescription drug management and monitoring, and medication for opioid use disorder.

During SFY26, funding for jail-based behavioral health services will shift from a grant model to a service reimbursement model that parallels Medicaid services. This transition will expand service funding access to any jail setting and avoid limiting access to the seven jails that are contracted under the current grant model.

Those in carceral settings have been shown to have higher rates of behavioral health issues, and those issues can be exacerbated by their experiences in jail. Many jails are unable to provide appropriate behavioral health services because of federal regulatory blocks on service reimbursement during incarceration. This, compounded with workforce shortages, contributes to a system with substantial barriers to jail-based service delivery. Without jail-based care, individuals are less equipped to reenter and reintegrate into their communities. These funds support individuals in accessing care in a timely manner and better prepare them to return to life in the community.

Service	Clients Served SFY25
Jail-based BH Services	2,751

HEART TRIBAL GRANTS

HEART tribal grants provided $62,500 to each of Montana's eight tribes in SFY 25 to fill gaps in services related to SUD prevention, mental health promotion, and crisis, treatment, and recovery services for mental health and SUD. These funds, which may not be used to pay for services reimbursable through other means, allow tribes to innovate in ways that are not possible through most other funding sources. Tribes have used most funds for prevention efforts that build and strengthen their members' ties to their culture and community, which research shows are protective against mental health and substance use disorders. Key activities included cultural events, traditional dances, storytelling, holiday celebrations, horsemanship clinics, buffalo harvests, and cultural arts workshops, such as traditional clothing, jewelry, and drum making. These activities promote trust, healthy relationships, and cultural identity. One tribe constructed a dedicated ceremony building as a sacred space for cultural gatherings and spiritual healing, reinforcing cultural identity. These culturally rooted approaches fill long-standing gaps in prevention services by offering alternative, appropriate methods of support.

Beyond prevention, the grants supported crisis services, treatment, and recovery efforts. Crisis support included 24/7 on-call services and facilitating transportation for residential treatment, as well as providing direct assistance for barriers like food vouchers and transportation. Treatment services encompassed helping individuals access care, providing transportation to therapy, and providing culturally relevant literature for group therapy. Recovery efforts were deeply rooted in cultural practices, offering operational support for alternative court systems, and maintaining active weekly Medicine Wheel groups and Sweat Lodge ceremonies to foster social and ceremonial support for recovery. One tribe used its grant to fund the operational expenses of its new Healing to Wellness Court, a tribally-run drug court that brings together alcohol and drug treatment, community healing resources, and the tribal justice process to achieve the physical and spiritual healing of the individual participant and to promote the well-being of the community.

HEART SFY25 EXPENDITURE REPORT

		State Fiscal Year 2025*		State Fiscal Year 2026	
Service Category	**Anticipated Effective Date**	**Total Expenditures**	**State Share**	**Est. Total Expenditures**	**State Share**
ASAM 3.1	October 1, 2022	$3,148,164	$477,354	$3,522,600	$532,281
ASAM 3.2	Pending	$0	$0	$0	$0
ASAM 3.3	January 1, 2024	$1,492,298	$244,216	$1,854,000	$422,269
ASAM 3.5 SUD IMD	July 1, 2022	$9,586,921	$1,363,464	$10,320,000	$1,618,539
Crisis Receiving & Stabilization (Medicaid)	July 1, 2023	$1,607,288	$291,012	$2,136,271	$392,724
Crisis Receiving & Stabilization (State Only)	July 1, 2023	$315,294	$315,294	$419,062	$419,062
Mobile Crisis Services (Medicaid)	January 1, 2024	$193,764	$53,735	$5,483,526	$1,327,495
Mobile Crisis Services (State Only)	January 1, 2024	$161,703	$161,703	$0	$0
Mobile Crisis Start-Up Expenses in Crisis Diversion Contracts	7/1/24-6/30/27	$602,464	$602,464	$263,681	$263,681
Reentry Pre-Release (Medicaid)	October 1, 2025	$0	$0	$374,330	$66,128
Tenancy Supports (Medicaid)	June 1, 2025	$0	$0	$6,376,635	$1,180,788
Contingency Management (Medicaid)	January 1, 2026	$0	$0	$271,963	$46,500
Contingency Management Training Contract	August 1, 2024	$157,626	$78,813	$157,626	$78,813
SUD Vouchers HB311	October 1, 2023	$239,555	$239,555	$275,000	$275,000
Tribal Grants	July 1, 2022	$534,477	$534,477	$500,000	$500,000
HEART Funds to Counties Local Detention / Jail Diversion	July 1, 2022	$1,385,847	$1,385,847	$280,000	$280,000

Dept of Corrections Capacity Building	June 1, 2024	$485,846	$242,923	$1,235,505	$617,752
HEART Waiver Evaluation, Crisis Assessment, and HMA Study	July 1, 2022	$155,769	$77,885	$204,388	$102,194
Administrative and Indirect Expenses	July 1, 2023	$123,335	$76,804	$218,088	$126,544
Estimated HEART Expenditures		$20,530,908	$6,486,103	$33,892,675	$8,249,771

*Includes claims and reporting through 8/4/25