Department Updates

Interim Budget Committee – Section B

June 22, 2026

Agenda

- Agency Financial Update
- Federal Grants/Programs Update
- Federal Changes and Department Actions
- Rural Health Transformation Plan (RHTP) Update
- State-Run Health Care Facilities Update
- HB 5 Updates
- HB 10 Project Status Updates
- Behavioral Health System for Future Generations (BHSFG) Implementation Status
- Office of Research and Data Analytics Update
- Suicide Prevention
- Payment Error Rate
- Home Visiting
- Cost Reporting

Agency Financial Update

Natalie Smitham, Chief Financial Officer

Agency Financial Update

As Reported at March IBC					
Fund Type	FY 2025 EXPENSE	FY 2026 BUDGET	FY 2026 YTD EXPENSE	FY 2026 PROJECTIONS	FY 2026 PROJECTED REMAINING
General Fund	$ 752,552,740	$ 822,095,131	$ 456,550,974	$ 856,642,303	$ (34,547,172)
State Special Funds	$ 251,732,657	$ 298,353,934	$ 61,218,294	$ 277,184,992	$ 21,168,942
Federal Funds	$ 2,394,917,381	$ 2,431,307,183	$ 1,070,431,261	$ 2,522,006,739	$ (90,699,556)
Total	$ 3,399,202,779	$ 3,551,756,248	$ 1,588,200,529	$ 3,655,834,034	$ (104,077,786)

Current Projections					
Fund Type	FY 2025 EXPENSE	FY 2026 BUDGET	FY 2026 YTD EXPENSE	FY 2026 PROJECTIONS	FY 2026 PROJECTED REMAINING
General Fund	$ 752,552,740	$ 821,986,303	$ 628,464,068	$ 855,529,851	$ (33,543,548)
State Special Funds	$ 251,732,657	$ 298,537,378	$ 139,303,339	$ 273,767,210	$ 24,770,168
Federal Funds	$ 2,394,917,381	$ 2,431,426,548	$ 1,620,048,077	$ 2,521,900,702	$ (90,474,154)
	$ 3,399,202,779	$ 3,551,950,229	$ 2,387,815,485	$ 3,651,197,764	$ (99,247,535)

- Current projections remain similar to those presented at the March IBC.
- DPHHS is projecting a slight increase in the amount of state special appropriation remaining, which may reduce the supplemental request in the state special category (although much of this balance is restricted).

Agency Financial Update - Medicaid

Medicaid Projections

Summary - Traditional Medicaid - Includes Administration

Fund Type	FY 2025 EXPENSE	FY 2026 BUDGET	EXPENSE	PROJECTIONS	PROJECTED
General Fund	$ 427,561,627	$ 461,483,455	$374,462,872	$ 486,258,657	$ (24,775,202)
State Special Funds	$ 119,612,469	$ 122,443,051	$43,929,753	$ 123,237,101	$ (794,050)
Federal Funds	$ 1,009,346,416	$ 988,743,714	$739,240,474	$ 1,065,267,795	$ (76,524,081)
TOTAL	$ 1,556,520,511	$ 1,572,670,220	$1,157,633,099	$ 1,674,763,553	$ (102,093,333)

Summary - Expanded Medicaid - Includes Administration

Fund Type	FY 2025 EXPENSE	FY 2026 BUDGET	FY 2026 YTD EXPENSE	FY 2026 PROJECTIONS	FY 2026 PROJECTED REMAINING
General Fund	$ 36,401,291	$ 36,061,644	$22,900,614	$ 40,846,750	$ (4,785,106)
State Special Funds	$ 59,877,471	$ 59,480,079	$29,623,235	$ 61,764,720	$ (2,284,641)
Federal Funds	$ 899,175,367	$ 886,208,318	$506,035,389	$ 968,308,627	$ (82,100,309)
TOTAL	$ 995,454,129	$ 981,750,041	$558,559,238	$ 1,070,920,098	$ (89,170,057)

Summary - Total Medicaid - includes Administration

Fund Type	FY 2025 EXPENSE	FY 2026 BUDGET	FY 2026 YTD EXPENSE	FY 2026 PROJECTIONS	FY 2026 PROJECTED REMAINING
General Fund	$ 463,962,918	$ 497,545,099	$397,363,486	$ 527,105,407	$ (29,560,308)
State Special Funds	$ 179,489,940	$ 181,923,130	$73,552,988	$ 185,001,821	$ (3,078,691)
Federal Funds	$ 1,908,521,783	$ 1,874,952,032	$1,245,275,863	$ 2,033,576,423	$ (158,624,390)
TOTAL	$ 2,551,974,641	$ 2,554,420,262	$1,716,192,337	$ 2,745,683,651	$ (191,263,390)

Projecting shortfalls of:

- $29.5 million in General Fund
- $158.6 million in Federal Funds

Approximately $33.4 million of the federal shortfall is in the statutory appropriation category – related to Indian and Tribal Health Services.

Factors Leading to Budgetary Shortfall

- The Medicaid budget approved during 2025 session was insufficient at passage.
  - LFD and DPHHS both presented Medicaid projections. The Legislature adopted the projections presented by the LFD.
  - Medicaid Utilization is higher than anticipated in key service areas:
    - Hospital – Inpatient
    - Critical Access Hospital
    - Nursing Homes
- A last-minute HB 2 amendment on the Senate floor reduced the budget for the Health Care Facilities Division by $15M (FY 26) and $20M (FY 27), creating an insufficient budget to support 24/7/365 Montana State Hospital (MSH) operations.

Supplemental Needs – SFY 2026

The Department is planning for transfers of expenditures from the General Fund to two State Special Revenue funds (HELP Act Fund and Health Montana Kids Fund) to minimize the impact of budgetary shortfalls in the General Fund.

DPHHS will request a fiscal transfer (a move of appropriation from FY 2027 to FY 2026) to meet the supplemental need in the current fiscal year. This fiscal transfer will be in amounts up to the following:

- Up to $7 million in General Fund
- Up to $34.2 million in State Special funds
- Up to $146.3 million in Federal funds

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Supplemental Needs – SFY 2027

- DPHHS will start SFY 2027 with a reduced budget as a result of the fiscal transfers completed to meet the supplemental needs of SFY 2026.
- Potential budgetary shortfalls for Medicaid in SFY 2027 are unknown at this time.
- Health Care Facilities Division faced a budget reduction of $15 million in SFY 2026. This reduction will increase to $20 million in SFY 2027.
- H.R. 1 resulted in an increase to the state's share of administrative costs for the SNAP program, from 50% to 75%, effective October 1, 2026. The impact of this increased state share is expected to be $4.6 million in SFY 2027.
- FMAP for SFY 2027 was budgeted at 61.47%. The actual FMAP for SFY 2027 is 60.01%. The impact of this FMAP change is estimated to be $24.2 million in SFY 2027.

Provider Rate Adjustments

Due to budgetary pressures, DPHHS will forgo implementing additional Medicaid provider rate adjustments in SFY 2027.

Exceptions to this are as follows:

- Rate increases required by state statute
- Rate increases required by federal regulation:
  - Federally Qualified Health Centers
  - Rural Health Clinics
  - Indian Health Services
  - Hospice
- Rates implemented through a CMS-established fee schedule (i.e., Durable Medical Equipment and Ambulatory Surgery Centers)

Provider Rate Adjustments (cont.)

- Throughout this process, Department leadership prioritized approaches that preserved current rates and protected access to existing services.
- Maintaining Medicaid system stability was our top priority when considering mitigation options.
- The estimated general fund impact of this decision is approximately $10 million in savings. This will help to offset budgetary shortfalls anticipated in SFY 2026 and SFY 2027.

Contracted Staffing Report

Contracted Staffing Report - 07/01/2025 - 04/30/2026								
Division	Division Acronym	Contractor	Staffing Type	Purpose	Due to Vacancy Y/N	Calculated Hours	FTE Equivalent	Expense
01	DETD	EMPLOYBRIDGE HOLDING COMPANY	Administrative	Digitizing/Paperless		1,460	0.84	51,117
02	HCSD	GREAT FALLS INTERPRETING SERVICES LLC	Interpreter's	Work is adhoc		39	0.02	1,370
02	HCSD	CORPORATE TRANSLATION SERVICES LLC	Interpreter's	Work is adhoc		423	0.24	14,789
03	CFSD	EMPLOYBRIDGE HOLDING COMPANY	Administrative	Digitizing/Paperless		166	0.10	5,827
04	DO	BRADY CO INC	Administrative	Program Design - Pediatric complex care		2,591	1.49	90,696
04	DO	EMPLOYBRIDGE HOLDING COMPANY	Administrative	Administrative Hearings		1,116	0.64	39,070
04	DO	MICHAEL J SCOLATTI PHD PC	Administrative	Court Ordered Evaluations (872 Funds)		195	0.11	6,836
04	DO	MURPHEY JAMES P	Administrative	Court Ordered Evaluations (872 Funds)		540	0.31	18,900
04	DO	LAURA KIRSCH	Administrative	Court Ordered Evaluations (872 Funds)		38	0.02	1,313
04	DO	WASHINGTON UNIVERSITY	Administrative	Court Ordered Evaluations (872 Funds)		17	0.01	605
05	CSSD	CORPORATE TRANSLATION SERVICES LLC	Interpreter's	Work is adhoc		0	0.00	9
06	BFSD	EMPLOYBRIDGE HOLDING COMPANY	Adminstrative	Internal Support Services		2,952	1.69	103,321
07	PHSD	BRADY CO INC	Administrative	Env. Health and Food Safety Intern		1,764	1.01	61,749
07	PHSD	EMPLOYBRIDGE HOLDING COMPANY	Administrative	Epidemeology PM/Vital Records		6,782	3.89	237,359
09	TSD	EMPLOYBRIDGE HOLDING COMPANY	Administrative	Equipment Replacement/HCBS Data Work		692	0.40	24,223
09	TSD	BRADY CO INC	Administrative	Equipment Replacement/HCBS Data Work		181	0.10	6,338
10	BHDD	BRADY CO INC	Administrative	Administrative		776	0.45	27,177
10	BHDD	GREAT FALLS INTERPRETING SERVICES LLC	Interpreter's	Work is adhoc		18	0.01	615
11	HRD	FRONTIER PSYCHIATRY PLLC	Staff Augmentation	Program Management		4,286	2.46	150,000
22	SLTC	BRADY CO INC	Administrative	Administrative		1,397	0.80	48,889
25	ECFSD	EMPLOYBRIDGE HOLDING COMPANY	Administrative	Administrative		2,354	1.35	82,375
33	HFD	ALBEE PEGGY ANNE	Administrative	Court Ordered Evaluations		1,374	0.79	116,799
33	HFD	FRONTIER PSYCHIATRY PLLC	Direct Care	Locum		186	0.11	15,773
33	HFD	TRADITIONS PSYCHIATRY GROUP PC	Direct Care	Locum		32,042	18.37	2,723,551
33	HFD	SHC SERVICES INC	Direct Care	Staff 24/7 facilities		8,273	4.74	703,217
33	HFD	CIM M LEPROWSE	Direct Care	Staff 24/7 facilities		409	0.23	34,727
33	HFD	ADAPTIVE WORKFORCE SOLUTIONS LLC	Direct Care	Staff 24/7 facilities		10,139	5.81	861,820
33	HFD	AB STAFFING SOLUTIONS LLC	Direct Care	Staff 24/7 facilities		130,611	74.89	11,101,922
33	HFD	WHEELER ANNASTATIA S	Administrative	Court Ordered Evaluations		27	0.02	2,335
33	HFD	SUNBELT STAFFING LLC	Direct Care	Staff 24/7 facilities		33,094	18.98	2,812,963
33	HFD	WASHINGTON UNIVERSITY	Administrative	Court Ordered Evaluations		632	0.36	53,694
33	HFD	LAURA KIRSCH	Administrative	Court Ordered Evaluations		509	0.29	43,284
33	HFD	BARTON & ASSOCIATES INC	Direct Care	Locum		7,557	4.33	2,267,129
33	HFD	MURPHEY JAMES P	Administrative	Court Ordered Evaluations		803	0.46	68,250
33	HFD	ACI FEDERAL INC	Direct Care	Staff 24/7 facilities		621	0.36	52,806
33	HFD	22ND CENTURY TECHNOLOGIES INC	Direct Care	Staff 24/7 facilities		455	0.26	38,690
33	HFD	AYA HEALTHCARE INC	Direct Care	Staff 24/7 facilities		189,531	108.68	16,110,098
33	HFD	AMERGIS HEALTHCARE STAFFING INC	Direct Care	Staff 24/7 facilities		107,965	61.91	9,177,038
33	HFD	CAWDREY AVIS	Administrative	Court Ordered Evaluations		243	0.14	20,685
33	HFD	MICHAEL J SCOLATTI PHD PC	Administrative	Court Ordered Evaluations		366	0.21	31,100
			TOTAL			552,624	316.87	47,208,457

Overtime Report

HB 2 Overtime Hours by Division 07/01/2025 - 04/30/2026			
Division Name	**Hours**	**FTE Equivalent**	**Expense**
DETD	23	0.01	881
HCSD	9,827	5.63	437,792
CFSD	4,829	2.77	235,258
DO	1,356	0.78	100,168
CSSD	5	0.00	221
BFSD	174	0.10	9,971
PHSD	208	0.12	10,833
OIG	66	0.04	3,630
TSD	1,869	1.07	107,631
BHDD	400	0.23	22,274
HRD	11	0.01	559
OSD	84	0.05	5,111
SLTC	8	0.00	409
ECFSD	751	0.43	44,618
HFD	34,630	19.86	1,481,361
TOTAL	**54,241**	**31.10**	**2,460,717**

Overtime in concentrated in the following divisions:

- **HCSD** – overtime hours are primarily accrued by Client Service Coordinators serving clients applying for services
- **CFSD** – overtime hours are primarily accrued by Child Protection Specialists, with work related to their caseload
- **TSD** – overtime hours are primarily accrued by IT Systems Administrators, and are related to on-call work
- **HFD** – overtime hours are accrued by Psych Techs, Nursing Aides, Food Prep, and Security positions

Federal Grants/Programs Update

Natalie Smitham, Chief Financial Officer

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Update from Previous Meeting

Update from Previous Meeting					
Division	**Status last meeting**	**Grant**	**Budget Vehicle**	**Current Status**	**Final Award Amount**
07 PHSD	Awaiting Award	Environmental Health Program	Budget Amendment	Awarded	$ 357,131
07 OGSD	Awaiting Award	ADAP Shortfall	Budget Amendment	Awarded	$ 151,374
10 BHDD	Awarded	Montana Partnerships for Success	Budget Amendment	Awarded	$ 6,250,000
10 BHDD	Intend to Apply	Transformation Transfer Initiative Grant	Budget Amendment	Awarded	$ 500,000
07 PHSD	Intend to Apply	Core State Injury Prevention Program (Core SIPP)	Budget Amendment	Applied - awaiting award	
07 PHSD	Intend to Apply	National Violent Death Reporting System	Budget Amendment	Applied - awaiting award	
07 PHSD	Awaiting Award	Overdose Data to Action	Budget Amendment	Applied - awaiting award	
10 BHDD	Intend to Apply	988 Capacity Improvement Grant		Budget Amendment	No change, still intend to apply
10 BHDD	Intend to Apply	Post Partum Women aka Strengthening Families Initiative Montana		Budget Amendment	No change, still intend to apply
10 BHDD	Intend to Apply	Rural Communities Opioid Response Program - Overdose Response		Budget Amendment	We intend to apply if there is another grant available. Current award ends 8/31/26

DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

Anticipated Applications

Anticipated Actions through September 30th					
Division	**Status**	**Grant**	**Anticipated Award Amount**	**Budget Vehicle**	**Status as of June 1, 2026**
22 SLTCD	Intent to Apply	Lifespan Respite	$ 350,000	Budget Amendment	Application due 7/15
07 PHSD	Applied	National and State Tobacco Control Program Supplemental	$ 671,599	Budget Amendment	Application submitted 6/11
07 PHSD	Intend to Apply	HIV Prevention High Impact Supplemental	$ 326,779	Budget Amendment	Application due 6/24
07 PHSD	Intend to Apply	STD Prevention Syphilis Supplemental	$ 40,000	Budget Amendment	Application due 6/22
07 PHSD	Intend to Apply	CDC's Collaboration with Academia to Strengthen Public Health	$ 1,054,522	Budget Amendment	Application due 7/1
07 PHSD	Intend to Apply	Ryan White Part B Supplemental	$ 800,000	Budget Amendment	Application due 7/10

Federal Changes and Department Actions

Jessie Counts, Human Services Executive Director

Rebecca de Camara, Medicaid and Health Services Executive Director

Montana's Commitment to July 1 Implementation of Medicaid Expansion Community Engagement Requirements

Montana state leadership, including the Governor and Legislature, have long signaled their commitment to implementing work requirements (i.e., Community Engagement (CE) requirements)

- In 2019, the Montana Legislature passed House Bill (HB) 658, which established state support for CE requirements.
- In 2025, Montana submitted an 1115 Demonstration waiver to Center for Medicare & Medicaid Services (CMS) to align the state's Medicaid Expansion program with House Resolution 1 (H.R. 1) requirements, including CE, and gain authority to implement them as soon as possible.
    - Based on feedback from CMS, DPHHS now intends to pursue CE requirements in H.R. 1 through a State Plan Amendment (SPA), not the 1115 Demonstration waiver.
- **Montana intends to leverage these efforts to effectively implement CE requirements as a national "early adopter" with a go-live date of July 1, 2026**.

Review of CMS Interim Final Rule with Comment Period (IFC)

- **On June 1, 2026, the Centers for Medicare and Medicaid Services (CMS) released their anticipated IFC, providing more detail on CE requirements and implementation.**
- **DPHHS thoroughly reviewed the IFC upon its release**:
  - DPHHS intends to implement CE on July 1, 2026. The information in the IFC does not require material changes or updates to Montana's decision to implement CE as a national early adopter.
  - Assumptions and decisions the Department made while preparing operationally for early CE implementation (in close coordination with CMS) were aligned with information in the IFC.
  - Since the IFC's release on June 1, 2026, the Department has moved quickly to update external communications on our website, client forms, and operational materials (e.g., business processes, trainings) to align with the level of detail and information provided in the IFC.

Key Information from the IFC (1/2)

Category	Summary of Information
Demonstrating Community Engagement	• An individual meets CE in a month through any of the following activities (including a combination of activities): 80+ hours of work (paid, in-kind, or unpaid), 80+ hours of community service, 80+ hours in a qualifying work program, at-least-half-time education enrollment, or monthly income equal to or greater than federal minimum wage × 80 hours ($580 at $7.25); seasonal workers use a six-month income average.
Specified Excluded Individuals and Mandatory Exceptions	• Specified excluded individuals are excluded from needing to meet CE entirely: CE is not a condition of their eligibility. These groups include: former foster youth under age 26, American Indians/Alaska Natives, parents/guardians/caretakers/family caregivers, totally disabled veterans, individuals who are medically frail, individuals compliant with SNAP/TANF work requirements, those in substance-use treatment, current inmates, and pregnant/postpartum individuals • Mandatory excepted individuals still need to meet CE as a condition of eligibility, but are deemed compliant for the months in which they meet an exception (under 19, on Medicare, in a mandatory eligibility group, a specified excluded individual, recently incarcerated in the last three months, or experiencing a short-term hardship)
Assessing Compliance	• States elect a lookback: 1–3 consecutive months immediately before application, and one or more (state-elected, non-consecutive permitted) months between renewals (*Montana has selected a one-month lookback for application and a three-month lookback for renewals*) • Compliance must be assessed at application and renewal

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Key Information from the IFC (2/2)

Category	Summary of Information
Verifying Compliance	• States must attempt ex parte verification using reliable data before requesting documents • An exclusion always takes precedence over meeting CE through qualifying activities
Noncompliance Procedures	• When a state can not verify CE, it must send a noncompliance notice giving 30 calendar days to make a "satisfactory showing“ of compliance; coverage can't be terminated during that window, and the state must first check all other bases of eligibility
Outreach	• Notices should be sent to all adult-group and applicable 1115 enrollees (not just known applicable individuals), beginning 4–6 months before CE takes effect (*Montana began noticing in March 2026*)
Monitoring	• States must submit timely, complete, sufficient-quality data across five categories (enrollment, application/renewal processing, determination outcomes, populations subject to/compliant with CE, and other CMS-specified data), leveraging existing CMS reports when possible

Key Implementation Dates

2026						2027
July	August	September	October	November	December	January Onward
Hold Harmless Period: CE evaluated for new applications and redeterminations, but noncompliance is not enforced with disenrollment			**Full CE Operations**: CE evaluated for new applications and redeterminations, and noncompliance is enforced with disenrollment			
						6-Month Redeterminations Begin

- **July 1, 2026:** Montana CE go-live
- **July 1, 2026 – September 30, 2026:** *Hold Harmless Period*: CE evaluated for new applications and redeterminations, but noncompliance is not enforced with disenrollment
- **October 1, 2026:** CE evaluated for new applications and redeterminations, and noncompliance is enforced with disenrollment
- **January 1, 2027:** Six-month redeterminations for Medicaid Expansion clients begin (does not apply to American Indian or Alaska Native clients)

Benefits of the Hold Harmless Period

In coordination with CMS, DPHHS has elected to include a Hold Harmless Period as part of early CE implementation from July through September 2026. **DPHHS sees the following benefits for existing clients, new applicants, and the Department:**

- Additional time for new applicants and existing clients to become familiar with the requirements, with no adverse action taken.
- A three-month period for DPHHS to evaluate operational and systems processes and make small adjustments if needed before adverse actions are taken.
- Opportunity for DPHHS to collect data on implementation (e.g., use of exclusions, processing times) and make data-informed changes to policy decisions and the implementation approach, if needed.

Community Engagement Requirement Review Process

Step 1	*Step 2*	*Step 3*	*Step 4*	*Step 5*
Client receives CE forms from DPHHS	**Client submits forms to DPHHS for eligibility determination**	**Caseworker evaluates application or redetermination**	**Caseworker makes eligibility determination**	**Client receives notice of eligibility outcome**
Clients can access forms via: • Medicaid Changes Website • Self-Service Portal • Mailed redetermination packet or paper application • Local OPA	Clients can submit forms via: • Self-Service Portal • Mail • In-person drop off at local OPA	Caseworker evaluates information received from the client (e.g., forms, verification documents) along with additional data inputs from the CHIMES eligibility.	Caseworker processes case in CHIMES and makes an eligibility determination.	**During hold harmless**, clients **will not** be denied or disenrolled for CE noncompliance. **After hold harmless**, clients **will** be denied or disenrolled for CE noncompliance.

Verifying Community Engagement Exclusions

- DPHHS carefully evaluated each category excluded from Community Engagement exclusion category and **avoided reliance on self-attestation wherever possible**, instead prioritizing available data sources and other forms of verification.
- Auditable **self-attestation is limited to select exclusion categories** and is permitted only when verification is not reasonably available or would create an undue burden for highly vulnerable populations.
- Where auditable self-attestation is accepted, the Department **generally verifies the information during the next redetermination**, using available data and other verification methods.

Exclusions Verification Matrix (1/2)

Name	Verification Types Accepted
American Indians and Alaska Natives / eligible for IHS services	Enrollment number, letter from IHS, or Auditable Self-Attestation Form
Former foster care children	Auditable Self-Attestation Form (MT verify with CFSD records)
Inmate of a public institution	Facility documentation (e.g., jail or prison records)
Medical condition or health needs that impact ability to work or do other community engagement activities	At application: Provider documentation or Auditable Self-Attestation Form At redetermination: Provider documentation required (future claims data)
Individuals compliant with TANF work requirements and individuals in a SNAP household and subject to SNAP work requirements	N/A – Evaluated using existing data
Parent, guardian, caretaker relative, or family caregiver of a dependent child under the age of 14 or an individual with a disability	Caregiver (dependent child under 14): Auditable Self-Attestation Caregiver (disabled individual): Medical documentation / individual attestation
Participant in a drug or alcohol treatment or rehabilitation program	Provider or facility documentation (enrollment or attendance letter)
Pregnant or entitled to postpartum coverage	Auditable Self-Attestation Form (required by CMS)
Veteran with a disability rated as total	Statement from the VA showing disability rating of 100%

Exclusions Verification Matrix (2/2)

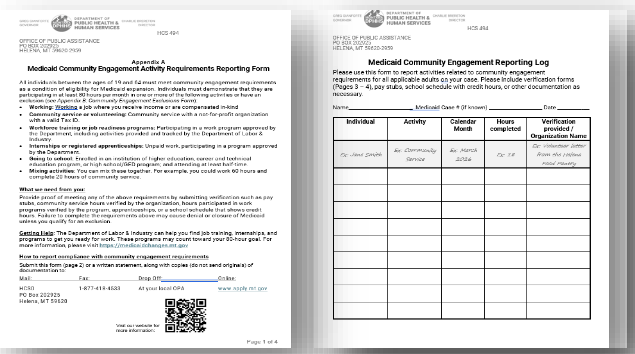
Name	Verification Required
Individual under the age of 19	N/A – Evaluated using existing data sources
Individual entitled to or enrolled in Medicare benefits under Part A or Part B	Letter from SSA or Medicare card
Eligible for Medicaid for any other eligibility group	N/A – Evaluated using existing data sources
Recently incarcerated in the last three months	Facility documentation (e.g., jail or prison records)
Individual receiving inpatient or institutional services	Provider or facility documentation
Living in a county with high unemployment and/or a disaster declaration	N/A – Evaluated using existing data sources
Applicable individual or dependent who must travel outside their community for an extended period to receive medical services necessary to treat a serious or complex medical condition	Provider documentation

Qualifying Activities Verification Matrix

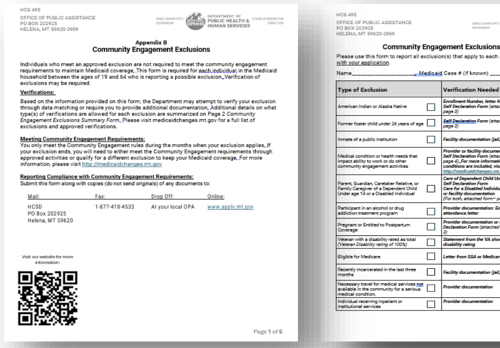
Name	Verification Types Accepted
Employment (including in-kind and/or unpaid work)	Medicaid Community Engagement Activity Requirements Reporting Form (with applicable verification, e.g., pay stubs)
Community Service	Community Service / Apprenticeship / Internship/ GED Verification Form (with signatures and documentation from authorizing official)
Workforce Training	Work Programs Participation Department of Labor and Industry (DLI) Form (signed by DLI representative)
Education	Medicaid Community Engagement Activity Requirements Reporting Form (with applicable verification, e.g., copy of school schedule)

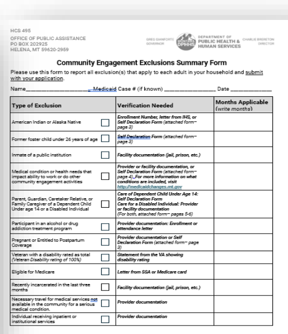
Explanation of Verification Process

Appendix A: Medicaid Community Engagement Activity Requirements Forms



Appendix B: Community Engagement Exclusions Forms





Caseworker screens case for Medicaid eligibility

- Through information that exists in the CHIMES eligibility system and provided in the client's application or redetermination packet, the client is identified as a Medicaid Expansion adult.

Caseworker evaluates for compliance with Community Engagement requirements

- The caseworker then **reviews Appendix A and Appendix B** to identify if the client is compliant with community engagement requirements or qualifies for an exclusion.
- The caseworker uses information across the application or redetermination packet, CE Appendices, and the CHIMES data interfaces to **verify compliance using established Department-wide definitions on qualifying activities, exclusions, and required documentation**
- The caseworker will capture any notable circumstances and considerations for each case in CHIMES.

Caseworker makes eligibility determination

- **Information Incomplete:** The caseworker sends a request for additional verification to the client.
- **CE Requirements not Met and Exclusion not Applicable:** Client is sent a notice of noncompliance and denied / disenrolled.*
- **CE Requirements Met or Exclusion Applicable:** Client is determined eligible and case is processed for Medicaid.

*no adverse action will be taken during the hold harmless period, July-September 2026, due to noncompliance with CE requirements.

Stakeholder Engagement and Readiness Activities

DPHHS has implemented a phased communications strategy in preparation for go-live. This approach is designed to deliver clear information early, reinforce it across channels, and educate clients, partners, and staff about the requirements and what actions are needed to maintain compliance.

Clients

- Public website
- Fact sheets
- Press releases
- Required member notices, including:
  - Overview of Community Engagement requirements
  - Action needed to maintain coverage
  - Where to find more information

Stakeholders

- Community partner webinars (4/28, 5/13)
- Provider education webinars (5/21)
- Department of Labor and Industry (DLI) staff training (5/20)
- Required public and tribal outreach related to MT administrative rulemaking and State Plan Amendment (SPA) changes
- Biweekly system demonstrations with CMS

Staff

- Business Process Documentation
- Training and call center script development
- Delivery of CE training, system demonstrations, and caseworker Q&A sessions

CMS Readiness Requirements and Demos

- CMS outlined **minimum viable product (MVP) requirements for states** that detail key eligibility system functions required to implement Community Engagement requirements.
- DPHHS has been meeting with CMS on a biweekly basis to demonstrate how Montana's implementation approach, including CHIMES eligibility system changes, meets the MVP requirements in preparation for our July 1, 2026 go-live. Recent demonstrations include:

Date	Demonstration Key Features
4/23/2026	**CMS Demo 1:** CHIMES Eligibility System Design Documentation
5/21/2026	**CMS Demo 2:** Notices and Forms
6/4/2026	**CMS Demo 3:** Review of Staff Training Materials and Business Processes
6/18/2026	**CMS Demo 4:** Full CHIMES Eligibility System Demonstration

Key Operational Progress for 7/1 Go-Live

DPHHS has made **significant progress across policy, systems, operations, and stakeholder readiness** to support CE implementation on July 1, 2026.

Highlights of Progress to Date

Policy and Program Design
- Defined approach for 7/1 implementation
- Initiated MT administrative rulemaking and SPA submission

Systems and Technology Enablement (CHIMES)
- Designed and developed eligibility systems changes to evaluate for CE
- Required noticing to existing Medicaid clients

Operations and Workforce Readiness
- Defined caseworker business processes to evaluate for CE
- Developed training approach and materials for eligibility staff

Communications Strategy and Outreach Activities
- Planned and executed multiple stakeholder webinars
- Developed public-facing communications (e.g., outreach, website resources)

June 2026

- Align program and policy to CMS Interim Final Rule
- Finalize system testing for CHIMES CE eligibility functionality
- Complete staff training and operational readiness activities
- Execute final readiness activities leading into go-live

Rural Health Transformation Program (RHTP) Update

Michelle McNamee, RHTP Director

Implementation Updates

Recent Accomplishments

- Onboarded **RHTP Program Director**
- **Completed first RHTP CMS site visit**
- Closed **first wave of RFPs on May 15 and 21**– CoE Strategy and Analytics and CoE Implementation
- Closed **RFI to solicit feedback on potential interventions for Medicare/Medicaid dual eligible** on June 5
- Signed MOU with DLI, kicking off **implementation of health care workforce Initiative 1**

Current priorities

- Posting **priority procurements,** including extensions to existing contracts – e.g., **school-based care, TA for providers participating in VBC**
- Developing **Wave 2 procurements and grant programs** (e.g., EMS infrastructure grants, EHR modernization grants)
- **Evaluating responses for CoE RFPs**
- Refining implementation approach for **tribal Community Health Aide Program**

Upcoming milestones

- Announcing Center of Excellence (CoE) **Advisory Council members**
- Refining next steps on **policy commitments** (e.g., EMS Compact, SPAs), *ongoing*
- Convening second **Stakeholder Advisory Committee,** August 6
- **Preparing for year 1 reporting and year 2 application**, due end August
- **Awarding** CoE strategy and analytics RFP and CoE implementation RFP

CoE Advisory Council

CoE Advisory Council Membership – 25 Members

- 1 Rural Health Care Consumer
- 1 Rural Primary Care Clinician
- 1 Tribal Health Representative
- 4 Prospective Payment System (PPS) Hospital Representatives
- 6 Critical Access Hospitals (CAH)/Rural Emergency Hospitals (REH) Representatives, including:
    - 2 owned by or affiliated with a PPS hospital
    - 4 independent, non-affiliated CAH or REH facilities
- 2 Federally Qualified Health Center Representatives
- 2 DPHHS representatives
- 3 legislators
- 1 Statewide hospital organization representative
- 1 Statewide primary care organization representative
- 1 Health care facility owned organization/professional network representative
- 2 health insurance carrier representatives

CMS Site Visit Debrief

CMS feedback	Key themes and takeaways	Potential follow-ups
"We're surprised at how much progress you've made…" "[Montana] has set a high bar…"	• **Site visits demonstrated to CMS the importance of flexible and locally-informed solutions** rather than a one-size-fits-all model to address the unique needs and challenges of communities • **CMS showed the strongest interest in the CoE initiative,** with rural providers discussing implications and past examples of rightsizing activities • **Workforce and technology** (e.g., interconnectivity) **were common challenges raised** across rural providers visited • **CSKT requested a simplified and streamlined RHTP process for tribes**, particularly for accessing funds and reporting on outcomes	• **Continue engagement with CMS:** provide regular briefings on CoE progress • **Assess opportunities to streamline provider access:** explore ways to reduce administrative burden and streamline access to funding for rural provides (e.g., not inundating strapped health care systems with 5 separate grant applications to complete)

Status of RHTP Funds

Category	Amount
Obligated	$34.9M
In process for obligation[1]	$130.2M
Program planning underway [2]	
CHAP	$30.5M
EHR grants	$30.6M
Interventions for duals	$1.2M
Community Integrated Health	$1.5M
Pharmacy grants	$1.0M
Pre-hospital blood pilot	$0.5M
EMD	$0.8M
Admin	$2.3M
Total	**$233.5M**

1. Funds operationalized through active RFPs or existing contract amendments
2. Program design and associated budgets are being finalized and may vary

Upcoming RHTP Milestones

NOT EXHAUSTIVE

	Q2 (Apr-Jun)	Q3 (Jul-Sep)	Q4 (Oct-Dec)
Cross-cutting	• Refine **next steps for State policy commitments** • Refine RHTP **data and reporting mechanisms**, including external facing dashboards	• CMS **Annual Report 1** due • CMS **non-competing continuation application** due • Second **Stakeholder Advisory Committee** takes place	• **FFY27 funding** awarded by CMS • CMS **Quarterly Report 1** due
Initiative-specific	2 Begin data analysis for rural health profile 3 Launch EMS infrastructure grants 5 Conduct EHR readiness assessment and begin stakeholder consultations	1 Launch pre-apprenticeship pilot 2 Convene CoE advisory council and identify initial sites for transformation 4 Distribute CHAP award 5 Launch EHR modernization grants	1 Clinical training pilots launched 2 Begin transformation at initial CoE sites 3 Continue site identification and roll out of pharmacy grant program

Source: Montana RHTP Project Narrative, Budget Narrative, Implementation Plan as of April 2026

State-Run Health Care Facilities Update

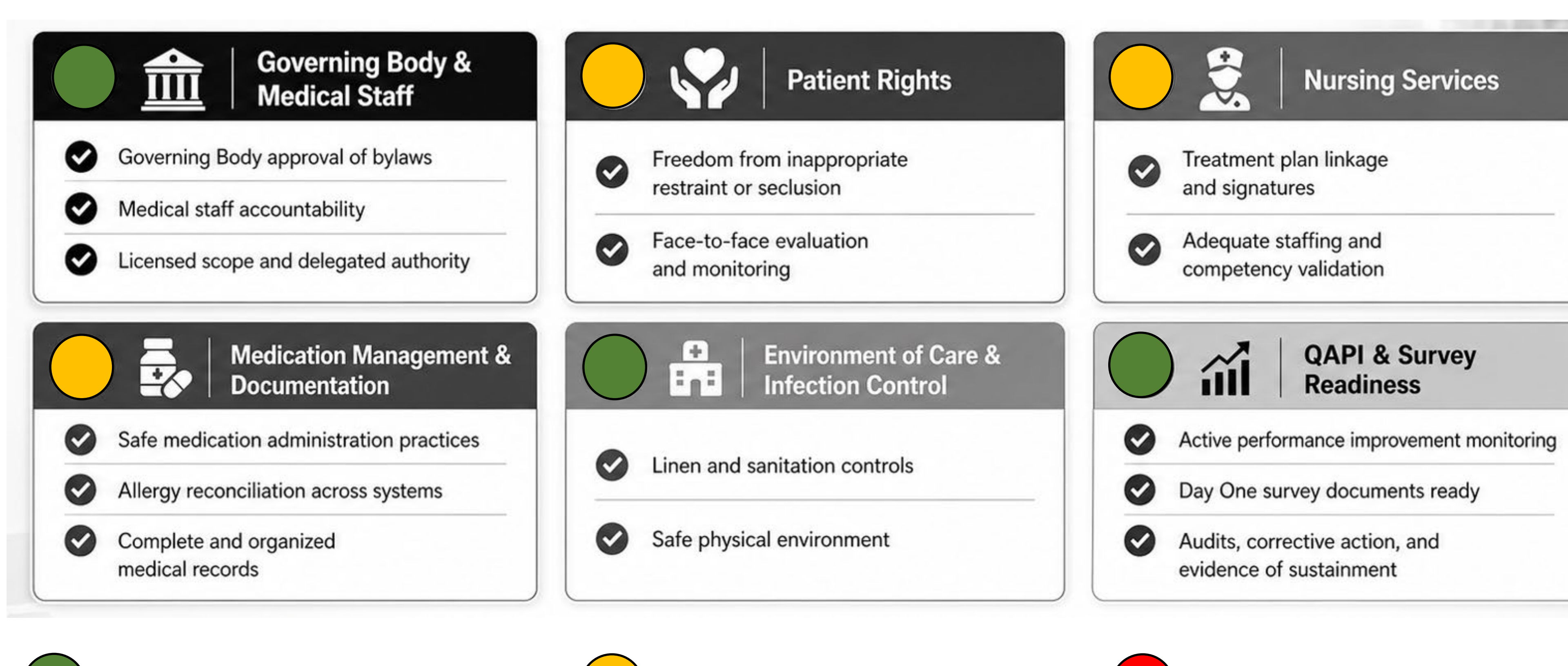
Matthew Waller, Health Care Facilities Executive Director

DEPARTMENT OF
PUBLIC HEALTH &
HUMAN SERVICES

Montana State Hospital (MSH) Overall Update

- **Governing Board Membership Expansion:**
  - The organization is actively engaging in discussions with prospective board members from across the state to expand board membership by including additional community representatives, with the intent of strengthening oversight of operations and enhancing governance
- **Expanding Traditional Recruitment Activities**
  - MSH recruitment team met Highlands College of MT Tech. Discussed the community CNA program and their new one-Year Behavioral Health Tech (BHT) program. MSH will be partnering with Highlands College for student clinicals and can offer enrollment for MSH employees to earn BHT certification.
  - The Recruitment and Retention Task Force convenes on a bi-weekly basis to direct strategic recruitment efforts toward mission-critical positions, with the aim of reinforcing workforce stability and improving financial performance
- Six NET New Nurses have been hired since the last update to IBC in March 2026.
- Awaiting onsite CMS recertification survey and continuing survey readiness preparation activities.

MSH: Survey Readiness Scorecard



On Plan / Ready

Area of Focus

Off Plan

MSH: Key Recertification Workstreams

People and Patients

Executive Leadership Stabilization

Leadership Engagement (hired medical director/stabilized executive team/QI engagement)

Deployed Surveyor Engagement Training

Developed training to educate leaders and staff on best practices for CMS surveys

Safe and Financially Responsible Staffing

Improving front office staffing operations, leveraging technology such as UKG for timekeeping, matching staffing to patient acuity

Clinical and Administrative Process

Continued Focus on Clinical Competency Development

Key areas of audits include medication administration, nursing care plans, FIT testing, seclusion and restraint, CPR training

Strengthening Clinical Documentation

Performing daily chart audits, to include daily nursing assessments, treatment plans, progress notes, and core patient-rights elements

Implementation of Processes to Manage Forms, Policies, Procedures

Key areas of focus include HR files, licenses, Day One survey binder for onsite

Facilities Update

- ALL HFD - Completed capital expenditure planning process across
  - Focus on deferred maintenance, updating critical safety systems such as integrated camera systems across facilities, as well as access control.
  - RFP for Electronic Health Record – currently in the process of scoring vendor submissions.
- MMHNCC – D-Wing Construction complete and certificate of occupancy received on May 28. Six (6) patients will transfer from MSH over the next three weeks.
- MSH – Spratt construction still on plan. Slated to be completed in October 2027.

HB 5 Updates

Matthew Waller, Health Care Facilities Executive Director

2025B HB5 Budget Summary (DPHHS Only)

Project	Location	Estimated Project Cost	Project Status	Budget Health
MHNCC Door Access Control Completion	MMHNCC	$255,000.00	Green	Green
MHNCC Additional Security Cameras	MMHNCC	$300,000.00	Green	Green
MSH Hospital Roof	MSH	$1,306,000.00	Green	Green
MSH Comprehensive Mechanical System	MSH	$11,200,000.00	Green	Green
MSH SPRATT Building Life/Safety/Compliance Upgrades	MSH	$20,660,000.00	Green	Green
MHNCC D-Wing Remodel	MMHNCC	$700,000.00	Green	Green
EMVH Water Infiltration & Exterior Envelope Repairs	EMVH	$1,900,000.00	Green	Green
Eastern Montana Behavioral Health Facility	FMHF	$26,500,000	Green	Green

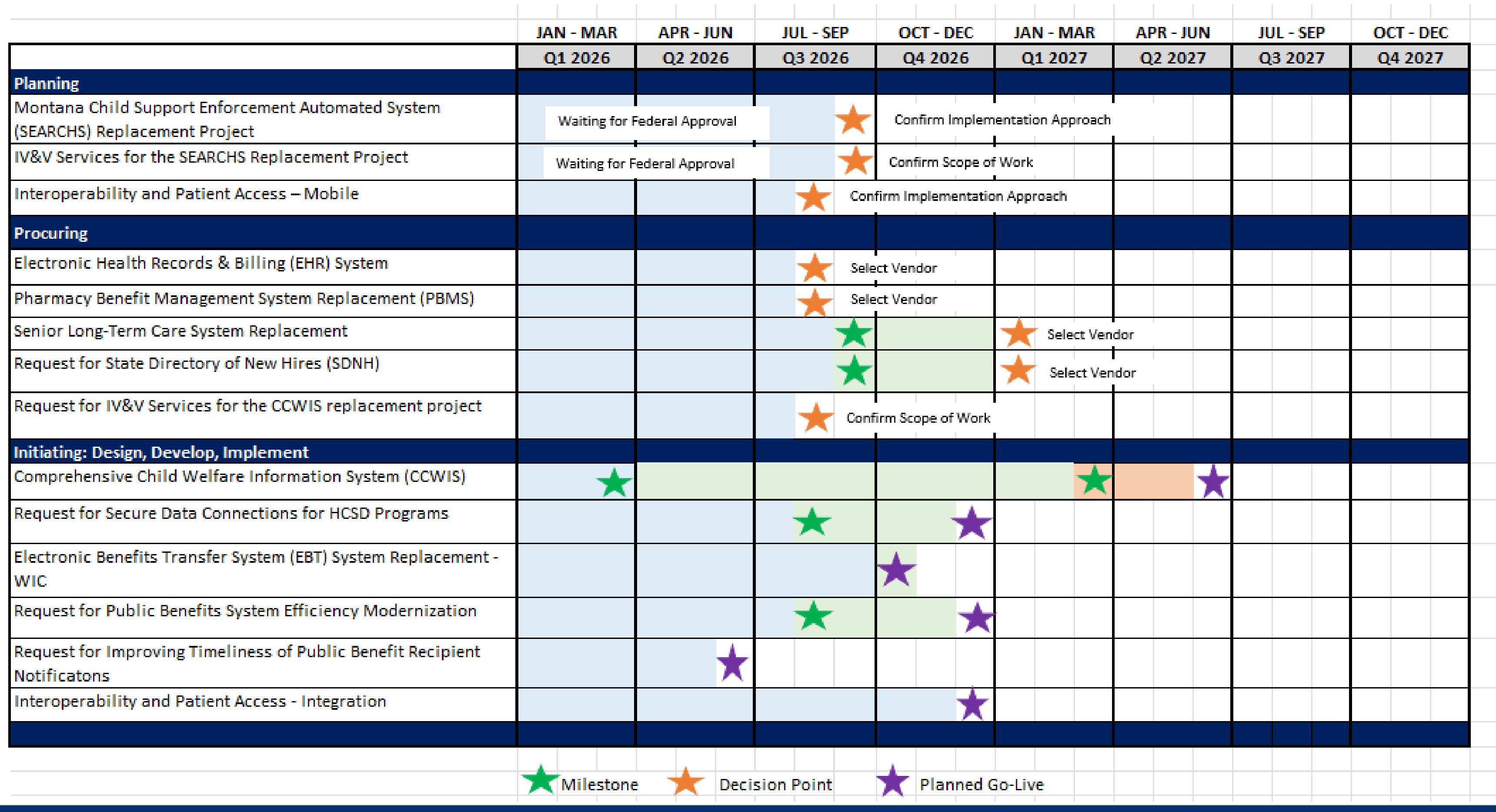
- **NOTE: No anticipated additional funding needs at this time**

HB10 Project Status Updates

Carrie Albro, Chief Information Officer

MONTANA DPHHS
DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

HB Portfolio Gantt Chart



DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

MONTANA DPHHS

HB10 Project Status Overview

- DPHHS is actively managing 13 Long-Range Information Technology projects to modernize legacy systems, improve citizen services, and maintain federal compliance.
- Recent Milestones Achieved:
  - Two Go-live Events!
    1. Electronic Benefits Transfer (EBT) System Replacement for SNAP and TANF (May 10).
    2. Improving Timeliness of Public Benefit Recipient Notifications project (June 6).
- The Electronic Health Record (EHR) System project has progressed to the vendor evaluation workstream.

2025B Combine into One HB10 Initiatives by Delivery Phase

Planning	Procuring	Initiating Design, Develop, Implement	Completed Deployed
1. **CSSD**: Montana Systems for the Enforcement and Recovery of Child Support (SEARCHS) Replacement 2. **MES**: Interoperability and Patient Access – Mobile	1. **HCFP**: Electronic Health Records and Billing System Replacement (EHR) 2. **MES**: Pharmacy Benefit Management System (PBMS) Replacement	1. **ECFSD:** Electronic Benefits Transfer (EBT) System Replacement for WIC 2. **MES:** Interoperability and Patient Access – Integration 3. **CFSD:** Comprehensive Child Welfare Information System (CCWIS) Replacement	1. **HCSD**: Electronic Benefits Transfer (EBT) System Replacement for SNAP and TANF 2. **MES**: Electronic Visit Verification (EVV) System Implementation 3. **MES**: Medicaid Enterprise Systems Integration Platform Project

2027B
HB10 Initiatives by Delivery Phase

Planning

1. **CSSD**: Montana Systems for the Enforcement and Recovery of Child Support IV&V Services (HOLD)

Procuring

1. **SLTC**: Senior Long Term Care System Replacements
2. **CSSD**: State Directory of New Hires (SDNH)
3. **CFSD**: Comprehensive Child Welfare Information System (CCWIS) IV&V Services
4. **HCSD**: Request for Public Benefits System Efficiency Modernization

Initiating
Design, Develop, Implement

1. **HCSD**: Request for Secure Data Connections for HCSD Programs

Completed
Deployed

1. **HCSD**: Request for Improving Timeliness of Public Benefit Recipient Notifications

Current Budget Status and Oversight

Current Budget Status:

- All HB10 project budgets remain aligned to planned scope and deliverables.
- Spending, planned obligations, and remaining work are aligned to available funding.
- No projects currently require additional appropriations or budget action.

Budget Governance and Oversight:

- Budget performance is reviewed through established project governance processes.
- Executive Steering Committees provide oversight, which includes participation and guidance from Executive Directors, program leadership, and the DPHHS Office of Budget and Finance team.
- Budget status is regularly reviewed alongside project scope, schedule, and risk.

Budget Management Practices:

- Project teams actively monitor expenditures, obligations, and forecasts.
- If we were to request additional funding, project teams would first assess opportunities to manage within existing resources through scope or schedule adjustments, operational efficiencies, and available enhancement or support hours.
- Financial and project performance indicators are used to identify emerging risks.

Project Budget Health Indicators

- Green: On budget and low risk. Spending, planned obligations, and remaining work are aligned with available funding.
- Yellow: Requires attention. Scope changes and or schedule impacts may affect available funding and will be monitored closely.
- Red: Elevated budget risk. Spending is exceeding plan, available funding may be insufficient, and or corrective action is needed to address budget, scope, schedule, or funding concerns.

* Project health statuses are point-in-time assessments and may change throughout the life of the project as risks, scope, schedule, budget, and other factors evolve.

2025B
HB10 Projects in Motion

Comprehensive Child Welfare Information System (CCWIS) Replacement

- Development in progress.
- Completed Intake and Investigation Modules and started Case Management.
- PEAKS Road Show: visited local offices around the state to kick of Organizational Change Management.
- Target go-live: July 2027.

Project Budget Status

- Total Budget: $30,000,000
- SF: $15,000,000 FF: $15,000,000
- Budget Health: Green

Montana Systems for the Enforcement and Recovery of Child Support (SEARCHS) Replacement

- Kicked off Pre-DDI activities: March 19.
- Gap Analysis, Cost-Benefit Analysis, and Feasibility Study are in progress
- Feasibility Study target submission to OCSE: June 2026.

Project Budget Status

- Total Budget: $25,216,800
- SF: 4,412,940 FF: $20,803,860
- Budget Health: Green

Electronic Benefits Transfer (EBT) System Replacement for SNAP, TANF, and WIC

- SNAP/TANF Phase 1 go-live: MAY 10.
- SNAP/TANF Phase 2, system enhancements, are in planning.
- Multiple workstreams in progress for WIC: requirements review, system connectivity, and data conversion.
- WIC Phase 1 target go-live: September 2026.
- The difference in program go-lives is based on different programmatic and federal requirements.

Project Budget Status

- Total Budget: $2,500,00
- SF: $1,250,000 FF: $1,250,000
- Budget Health: Green

Electronic Health Records and Billing System Replacement (EHR)

- A Request for Proposal (RFP) was posted on March 6th and closed on May 6th.
- The selection committee is evaluating vendor responses. Planned vendor selection is August 2026

Project Budget Status

- Total Budget: $25,285,614
- SF: $25,000,000 FF: $285,614
- Budget Health: Green

Budget Health Key: On budget and low risk Needs attention Elevated budget risk

2025B
HB10 Projects in Motion (cont.)

Pharmacy Benefit Management System (PBMS) Replacement

- Participated in multi-state NASPO ValuePoint MES procurement with GA, MO, and AK.
- Completed contract refinement to support NASPO vendor selection; evaluated 5 vendors, down-selected to 3.
- Contract refinement on track for completion by August 2026.

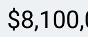
Interoperability and Patient Access – Integration

- 7 Application Programming Interfaces (APIs) will be developed.
- Project Kick-off October 2025
  - Provider Directory API Implemented March 2026
  - Patient Access API in User Acceptance Testing Phase May 2026
- Target completion: December 2026.

Interoperability and Patient Access – Mobile

- Assessing the feasibility of combining Mobile and Customer Care scopes to streamline procurement and technical integration.
- Decision on combined scope approach planned by August 2026.

Project Budget Status

- Total Budget: $9,000,000
- SF: $900,000 FF: $8,100,000
- Budget Health:  Green

Project Budget Status

- Total Budget: $3,500,000
- SF: SF: $349,500 FF: $3,150,500
- Budget Health: Green

Project Budget Status

- Total Budget: $3,750,000
- SF: $375,000 FF: $3,375,000
- Budget Health: Green

Budget Health Key: On budget and low risk Needs attention Elevated budget risk

2027B LRIT HB10 Status Update Projects in Motion

Comprehensive Child Welfare Information System (CCWIS) IV&V Services

- Reviewing the IV&V timeline and scope.
- Potential areas of focus are:
  - Integrations
  - Last 6-7 months of deployment
  - Testing
  - First 90-days of system shakeout
  - Providers and Okta

Project Budget Status

- Total Budget: $750,000
- SF: $375,000 FF: $375,000
- Budget Health: Green Green

Montana Systems for the Enforcement and Recovery of Child Support IV&V Services

- IV&V will be procured as a CEP in coordination with DOA procurement.
- Procurement next steps are on hold pending OCSE decision on the system replacement based on the Feasibility Study.

Project Budget Status

- Total Budget: $8,500,000
- SF: $289,000 FF: $561,000
- Budget Health: Green

State Directory of New Hires (SDNH)

- Request for Proposal (RFP) is drafted and in final review.
- Target posting: August 2026.

Project Budget Status

- Total Budget: $699,133
- SF: $237,704 FF: $461,426
- Budget Health: Green

Request for Secure Data Connections for HCSD Programs

- Project scope, requirements, and resources confirmed.
- In the procurement stage(s) of the project.
- Target implementation: October 2026.

Project Budget Status

- Total Budget: $694,827
- SF: $69,483 FF: $625,344
- Budget Health: Green

Budget Health Key: On budget and low risk Needs attention Elevated budget risk

2027B LRIT HB10 Status Update Projects in Motion (cont.)

Improving Timeliness of Public Benefit Recipient Notifications

- **Deployed to Production (Go-Live!) June 6th.**

Project Budget Status

- Total Budget: $910,656
- SF: $273,168 FF: $637,488
- Budget Health: Green

Public Benefits System Efficiency Modernization

- HCSD needs to migrate its benefits system, CHIMES, which supports Montana families through programs such as SNAP, TANF, Medicaid, and LIHEAP, to a modern and cost-effective technology platform.
- HCSD is working with the vendor to confirm final scope, requirements, resources, and project kick-off timeline.

Project Budget Status

- Total Budget: $1,491,233
- SF: $447,343 FF: $1,043,890
- Budget Health: Green

Senior Long-Term Care (SLTC) Legacy System Replacements

- Request for Proposal (RFP) is drafted and in final review.
- Target posting: September 2026.

Project Budget Status

- Total Budget: $2,500,000
- SF: $0 FF: $2,500,000
- Budget Health: Green

Budget Health Key: On budget and low risk Needs attention Elevated budget risk

Behavioral Health System for Future Generations (BHSFG) Implementation Status

Meghan Peel, Behavioral Health and Developmental Disabilities Division Administrator

MONTANA DPHHS DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

Recommendation #6 – Enhance Targeted Case Management (TCM)

- Access Grants for TCM for Youth with Serious Emotional Disturbance (SED) went live on May 1, 2026. Seven Children's Mental Health providers had fully executed contracts by June 8, 2026.
- The framework for Adult Mental Health Access Grants is in the final stages of review. Anticipated launch date for grants is early summer.
- A draft Value-Based Payment (VBP) framework has been developed for the Youth with SED TCM service line and has been initially presented to the Youth with SED Provider Workgroup. The planned go-live date is January 1, 2027.

Rec. #6 Children's Mental Health TCM Value-Based Pilot Framework

Design principles

- Utilization of existing rules, tools, data
- Clear, simple, and objective measures (auditable)
- Approvable by CMS for Medicaid Reimbursement
- Consideration of Department capacity

Key Elements/ Metrics

- Workforce Development
- Family Experience
- Clinical Fidelity
- Child and Family Outcomes
- Family Engagement Practice

Rec #6 SED Value-Based Pilot Metrics

Element	Purpose/Description	Metric
Workforce Training	Ensure case managers possess core competencies	Certificate from newly launched eLearning training and tele-coaching for all new TCMs
Family Experience Survey	Family voice and choice is paramount	Standardized, anonymous hybrid survey with scoring on action steps and responsiveness to identified concerns
The Right Services at the Right Time	Quality assessment linked to appropriate level of clinical care Incentivize care of most difficult to serve/ high acuity youth.	CASII assessment. Audit determines whether the child is receiving the appropriate level of care and whether the assessment findings are integrated into treatment planning and service implementation. HB583 template to include aggregate CASII scores. Providers will be scored based on serving youth with higher average acuity levels.
Child and Family Outcomes	Statutorily defined goals of keeping kids at home, in school and out of trouble. Administrative rule requires outcomes measures at an individual plan of care level.	Organizations to be scored on completing required assessments, increasing or maintain school attendance and reducing reliance on out of home care for clients in care with provider 6 months or more. Compliance, auditor checks on sharing individual plan of care outcomes with family every 90 days per ARM
Family Engagement	Ensure family engagement is embedded in day-to-day practice	Providers have been using a self-assessment tool for 2+ years. Portions of tool are extracted that focus on utilizing strengths, frequency of contact and promoting non-professional community connection.

Recommendation #17 – Children's Residential Acuity-Based Rates

- The model for the Montana High-Acuity Therapeutic Group Home will create a specialized, four-bed home model for high-risk youth with complex emotional, behavioral, or legal backgrounds, utilizing an "unconditional care" approach.
- Target Youth Profile
  - Severe Need: Youth with severe emotional disturbance who cannot be safely managed in standard environments
  - High-risk: Severe aggression, frequent running away (elopement), or histories of multiple failed placements
  - Complex Cases: Youth with dual diagnoses or recent juvenile justice involvement
  - Younger Children (Under 12)

Rec #17 – Children's Residential Acuity-Based Rates (cont.)

- The Department will introduce an Acuity-Enhancement modifier (a new monthly funding boost) to give existing facilities the extra resources needed to stabilize high-risk youth and prevent placement breakdowns. This will be available for existing eight-bed TGH and PRTF providers.
- Target Youth Profile
  - Younger Children (Under 12)
  - High-Risk Behaviors: Youth with recent severe aggression or a high risk of elopement involving law enforcement.
  - Transitioning Youth: Youth returning from psychiatric hospitals or out-of-state placements who need short-term help (up to 60 days) to stabilize.
  - Complex Medical Needs: Youth with chronic health conditions that directly impact their behavioral health care.

Rec #17 Children's Residential Continuum

	Therapeutic Group Home (TGH)	Intensive Therapeutic Group Home (IGTH)	Psychiatric Residential Treatment Facility (PRTF)	Acuity Enhancement Rate Modifier
Core Concept	Baseline 8 residential group home setting for youth who cannot be safely served with outpatient services.	**New Residential Model:** stand-alone, highly specialized 4-bed home designed for youth with complex needs.	Facility Model: provides 24/7 medically supervised intensive psychiatric care and medication management.	**New Funding Mechanism:** A premium monthly rate modifier applied to existing TGH and PRTF facilities to boost current capabilities.
Primary Goal	Improve daily functioning, teach life skills, and clinically stabilize youth so they can successfully return to a family setting.	Treat high-acuity youth while actively discovering, rebuilding, and embedding permanent family/kin connections so the youth do not exit care socially isolated.	Stabilize a youth's clinical condition and develop the essential adaptive, functional, and daily living skills required to prevent acute hospitalization and transition to a community setting, including TGH or IGTH.	Act as a rapid response tool to enhance staffing, prevent immediate placement disruptions, and avoid escalation to higher levels of care.
Facility Size and Staffing Model	8-bed model Direct care staff: 1:4 youth to staff awake hours and 1:8 nighttime. Program Manager and Clinician	4-bed model Direct care staff: 1:4 youth 24/7 Program manager, Family Engagement Specialist, and Clinician	Flexible Physician, psychiatric social worker, registered nurse, and occupational therapist	Additional supports based on individual needs; one staff member can serve up to 3 youth

DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

MONTANA DPHHS

Rec #17 Children's Residential Continuum (cont.)

	Therapeutic Group Home (TGH)	Intensive Therapeutic Group Home (IGTH)	Psychiatric Residential Treatment Facility (PRTF)	Acuity Enhancement Rate Modifier
Prior Authorization (PA) and Continued Stay Review (CSR)	PA: 120 days CSR: 90 days	PA: 180 days CSR: 90 days	PA: 30 days CSR: 30 days	Must maintain services for 30 days/goal is to prevent premature discharge. 30-day summaries are required.
Utilization	SFY 2025: 383	Projected SFY 27(1/1/27 - 6/30/26: 25 youth	SFY 2025: 441 youth	Projected SFY 27(1/1/27 - 6/30/26): 256 youth

MONTANA DPHHS DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

Recommendation #22 – Implement Certified Community-Based Health

- Montana was selected as one of the ten new states to participate in the next cohort of the Certified Community-Based Health (CCBHC) Medicaid Demonstration Program. SAMHSA indicated that Montana has done a comprehensive job of building the foundation for a sound demonstration program on CCBHCs, and the application received outstanding marks on all assessment areas.
- Two staff have been hired to support the CCBHC program within BHDD. Both have been onboarded and have immersed themselves in the work that is already underway. Site visits to pilot providers will begin this summer.
- The Department intends to finalize the Mobile Crisis Response (MCR) model and the PPS rates in the coming months.

Rec #22 – CCBHC PPS Rate Development Timeline

- There are 16 weeks until the go-live date. The Department has developed a timeline to guide the process of finalizing PPS rates by the go-live date:
  - **June 10:** Notified providers of PPS cost report timeline
  - **July 14, July 28, and Aug 11:** Revised cost reports will be due on the listed dates, with the final cost reports due on 8/11
  - **Aug 18:** Discussion with the Department and providers on the final cost reports
  - **Sept 1:** The goal is to have final rates by 9/1, giving a month to establish go-live processes with rates in the system by the October 1 start date

Office of Research and Data Analytics (ORDA) Update

Paul Bellatty, Chief Analytics Officer

MONTANA DPHHS
DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

Evaluating BHSFG Services - TCM

- What is TCM?
- Research Questions
  - Does TCM decrease visits to the Emergency Department?
  - Does TCM increase the numbers served in their communities?
  - Which community-based services improve outcomes?
  - Do the community-based services match community need?

Evaluating BHSFG Services – TCM (cont.)

- Research Methodology (example = ED visits as the outcome)
  - Identify demographics and history associated with individuals frequently accessing Emergency Departments.
  - For every TCM recipient, find an identical twin who did not receive TCM. Each pair has the same probability of using ED, considering their history and demographics.
  - Compare the TCM group outcome with the comparison group of identical twins.
  - The effectiveness of TCM services is recognized through the difference in ED visits between the TCM and comparison group of identical twins.

Evaluating BHSFG Services – TCM (cont.)

- Research methodology – aligning community-based services with community needs.
    - Identify TCM recipients receiving community services with negative outcomes (i.e., visited the ED).
    - Find an identical TCM recipient receiving community services with a successful outcome.
    - Identify the array of services needed to generate the best outcomes for all TCM recipients.

Evaluating BHSFG Services – TCM (cont.)

- Benefits of using this research methodology
  - This quasi-experimental design attempts to mimic a Randomized Control Design.
  - Is flexible and can adapt as service implementation evolves.
  - Allows for comparisons (i.e., identifying effectiveness) at any time.

Evaluating BHSFG Services – TCM (cont.)

- Statistical concerns
  - Creating algorithms requires reliable data to have predictive accuracy. Steps involved with the data:
    - Identify the data needed (i.e., date service started, demographic data, historical data).
    - Move data from a siloed system to a data lake.
    - Analyze to ensure there is adequate predictive accuracy.
    - If data are not reliable, combine with other data sources.

MONTANA DPHHS DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

Evaluating BHSFG Services – TCM (cont.)

- Summary
  - ORDA quantifies service effectiveness.
  - ORDA uses quasi-experimental designs.
  - ORDA uses modern statistical approaches to develop algorithms and quantify effectiveness.
  - The research designs and statistical approaches do not constrain service implementation.

MONTANA DPHHS
DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

Suicide Prevention

Karl Rosston, LCSW, Suicide Prevention Coordinator
Renae Novak, Children's Mental Health Bureau Chief

Current Suicide Prevention Spending

SUICIDE PREVENTION				
	Starting FY26 Budget	FY26 Expenditures	FY26 Projection	Projected Remaining FY26
01100 - State General Fund	$ 542,040.00	$ 405,884.38	$ 479,073.69	$ 62,966.31
02987 - Tobacco Interest	$ 500,000.00	$ 239,909.52	$ 485,111.00	$ 14,889.00
03319 - 988 SAMHSA Grant 9/29/26	$ 1,559,471.00	$ 679,149.25	$ 1,032,567.00	$ 526,904.00
01100 - State General Fund VA Safe Storage (RST/BIEN/OTO)	$ 150,000.00	$ -	$ -	$ 150,000.00
03507 - 93.958 Mntal Hlth Blk Grt	$ 285,744.99	$ 285,744.99	$ 285,744.99	$ -
Total	**$ 3,037,255.99**	**$ 1,610,688.14**	**$ 2,282,496.68**	**$ 754,759.31**

State General Fund

- Providing suicide prevention training and resources to communities.
- Training health care providers around the state and in our universities.
- Training educators and providing suicide prevention resources to schools
- Training and resources to tribal health and Urban Indian Health .
- Supports the Montana Warriors Forward program for Veteran suicide prevention.
- Radio campaigns with Northern Broadcasting System/Ag Network
- $200,000 of State General Fund goes to supporting the three Montana 988 call centers.

Tobacco Interest

- $500,000 in community grants are awarded to entities around the state that provide research-based interventions to identify risk, increase resiliency skills, and suicide awareness to high-risk populations.

988 SAMHSA Grant

- Supports Montana's three 988 call centers

VA Safe Storage Initiative

Montana Safe Storage Initiative - $300,000 for the biennium was allocated to Montana Veteran Affairs Division (MVAD) and then transferred to DPHHS through an MOA for the safe storage of lethal means in House Bill 2. Lewis and Clark County Public Health was tasked with expanding the **Safer Communities Montana** program statewide during 2026-2027. Three tasks were identified:

- Establish safe storage sites across Montana and connect them with 211 and 988
- Conduct safe storage training in accordance with best practices
- Promote safe storage through media and engagement with stakeholders

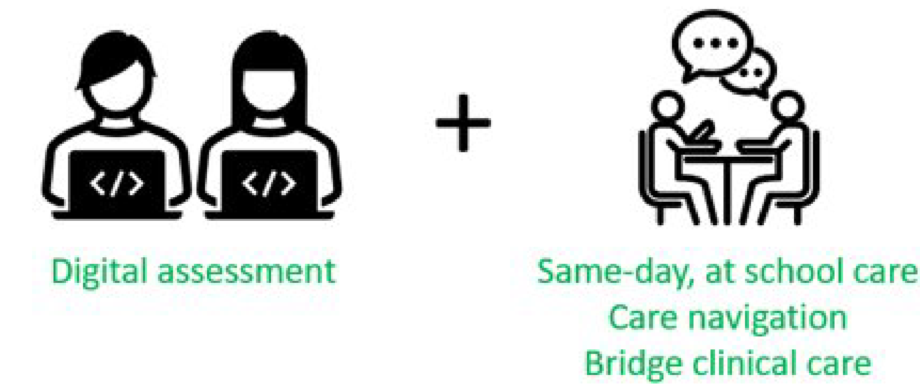
The contract was executed in June of 2026.

Federal Mental Health Block Grant

- Supports Montana's three 988 call centers
- Provide consultation with the National Council for Mental Wellbeing

Screening Linked to Care (SLTC)

- Partnership with Rural Behavioral Health Institute (RBHI)
- Symptom-based, not diagnostic
- Students complete all on a web-based platform (three to six minutes average)
- Suicide risk, recent depression symptoms, and recent anxiety symptoms
- Evidence-based
- Same-day care when indicated



SLTC Continued

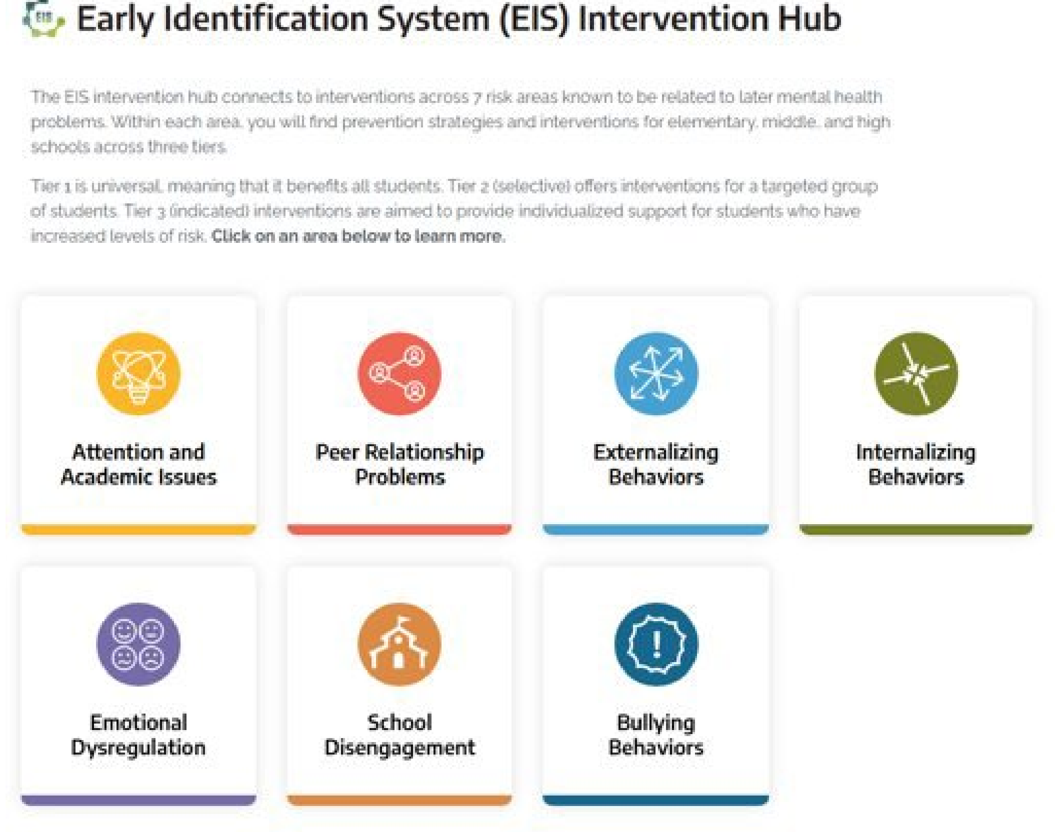
- Reduced new student suicidality by 70% between Fall 2025 and Spring 2026
- Students with severe depression or anxiety symptoms in the fall reported major improvements in the spring
  - Depression down 31%
  - Anxiety down 33%
- 100% of youth with the highest risk of suicide received same-day follow-up care
- Supporting 151 schools in 38 counties in school year 2025-2026

Peace, Productivity, Health, and Happiness (PAX) Good Behavior Game (GBG)

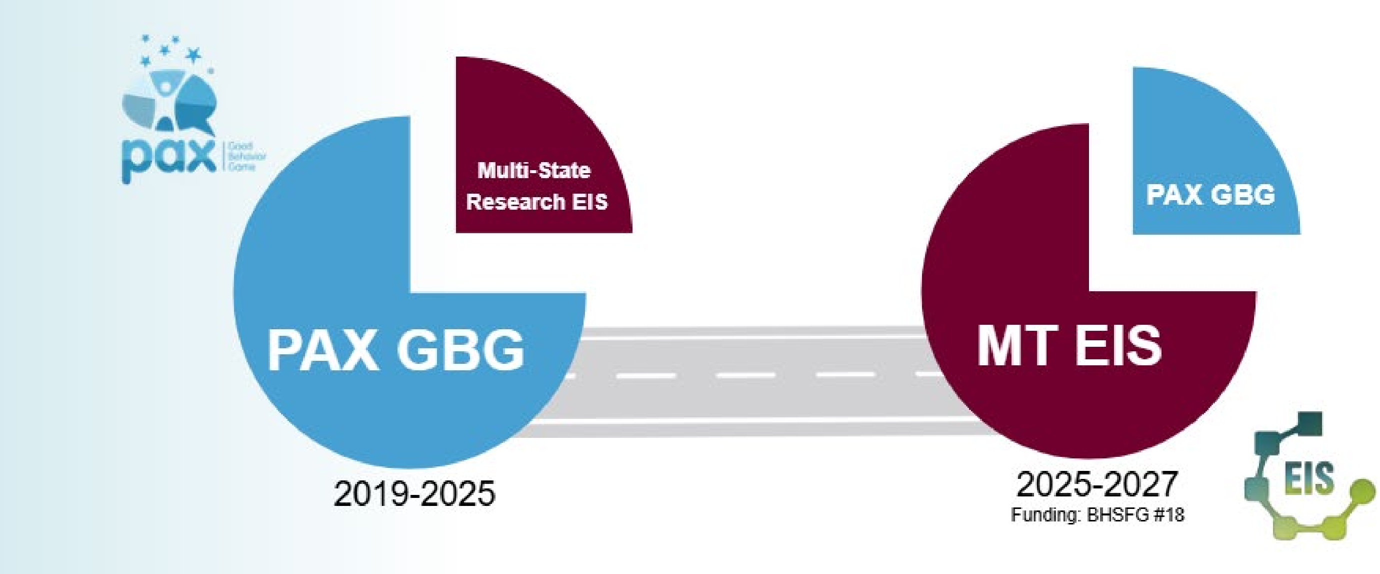
- PAX GBR: A universal, school-wide program utilizing 10 instructional strategies alongside the Good Behavior Game.
- Collaborative Partnership: Managed between BHDD and the University of Montana Center for Children, Families, and Workforce Development (UM Center).
- Statewide Impact: Sustaining 70 schools across 36 districts, spanning 22 Montana counties.

Early Identification System (EIS)

- A universal screening and data-driven tool (K-12)
- Uses student and teacher input
- Identifies area(s) of need and implement interventions
- Intervention hub with strategies tailored specifically for rural schools



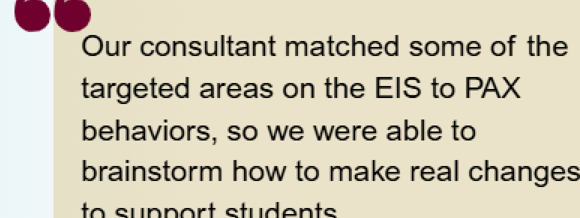
PAX GBR Transition



PAX and EIS Alignment

Strategy Alignment

PAX & EIS Hub Crosswalk



PAX Strategies	EIS Hub Strategies
PAX Vision	Establishing Routines, Precorrection (CCU)
PAX Quiet	Attention Signals
Wacky Prizes	Mystery Motivators
PAX Stix	Opportunties to Respond
Tootles	Positive Peer Reporting
PAX Leader	Behavior Specific Praise
PAX Hands, Pax Voices	Defining and Teaching Expectations
Good Behavior Game	Good Behavior Game

Budget PAX, EIS, and SLTC

- Current Biennium Funding: Supported by BHSFG Recommendation #18 (Invest in School-Based Behavioral Health Initiatives).

Program	SFY26 Allocation	SFY 26 Expenditures	SFY27 Allocation
RBHI SLTC	$875,015	$500,175	$875,015
UM Center EIS and PAX GBR	$889,130	$400,914	$889,130

*Total allocation to sustain PAX: $40,000 per year.

DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

MONTANA DPHHS

Payment Error Rate (PER)

Jessie Counts, Human Services Executive Director

MONTANA DPHHS
DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

Supplemental Nutrition Assistance Program (SNAP) Payment Error Rate

SNAP FMAP Changes

- **Administrative Match Reduction**: H.R. 1 Section 10007 reduces federal reimbursement for SNAP administrative costs from 50% to 25%, increasing Montana's share to 75%.
  - Effective date is 10/01/2026.
- **Benefit Match Requirement**: H.R. 1 Section 10006 introduces a state match for SNAP benefits starting FFY2028.
  - The benefit cost share will be based on the PER from the third preceding fiscal year – except for FFY 2028, when states may choose either FFY 2025 or FFY 2026.

SNAP Payment Error Rate	State Match
Less than 6%	0%
6% to 7.99%	5%
8% to 9.99%	10%
10% or higher	15%

SNAP Benefits Changes [1]	State	Federal
Average SNAP Benefit 24/25	$ -	$168,092,180
Projected Change for SFY 2028 at 5%	$6,303,457	$161,788,723
Projected Change for SFY 2028 at 10%	$12,606,914	$155,485,267
SNAP Admin Changes [2,3]	**State**	**Federal**
Average Expense at 50/50	$12,373,791	$12,373,791
SFY 2027 Expense at 75/25	$18,560,686	$6,186,895
Potential annual net increase based on Average Expense	$6,186,895	($6,186,895)
Net increase for 75% of SFY 2027	$4,640,171	($4,640,171)

1. Implementation is 10/01/2027; no effect this biennium
2. Implementation is 10/01/2026; 75% impact for SFY 2027
3. Does not include SNAP E&T

MONTANA DPHHS DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

SNAP Error Rate (cont.)

SNAP Error Rate Calculation

- The SNAP error rate is a measure of payment accuracy, either dollars overpaid or dollars underpaid, to an eligible individual
- The error could be client-caused (i.e., failure to report change in job/income) or staff-caused (i.e., miscalculation)
- (Total Dollar Value of Errors/Total Dollar Value of Benefits Sampled) X 100 = SNAP Error Rate (%)

Current Payment Error Rate

- Anticipated FFY25 PER approximately 8.8% (will be released June 2026)
- FFY25 Oct-Jan cumulative – 7.96%
- FFY26 Oct-Jan cumulative - 5.59%
- National average: 9.4% (typically floats between 9-10%)

SNAP Error Rate (cont.)

Ongoing Efforts to Reduce PER:

- Department of Innovative Government (DOIG) project
  - Quality assurance/improvement effort supported by OBPP
  - Understand root causes and develop solutions
  - Increased policy communication and feedback loops
- Operations:
  - Error-specific training (i.e., detailed training on household composition, income)
  - Updated interview strategies for open-ended interview questions
  - Increased communication between OIG and HCSD
  - Alignment of processing policies with review guide

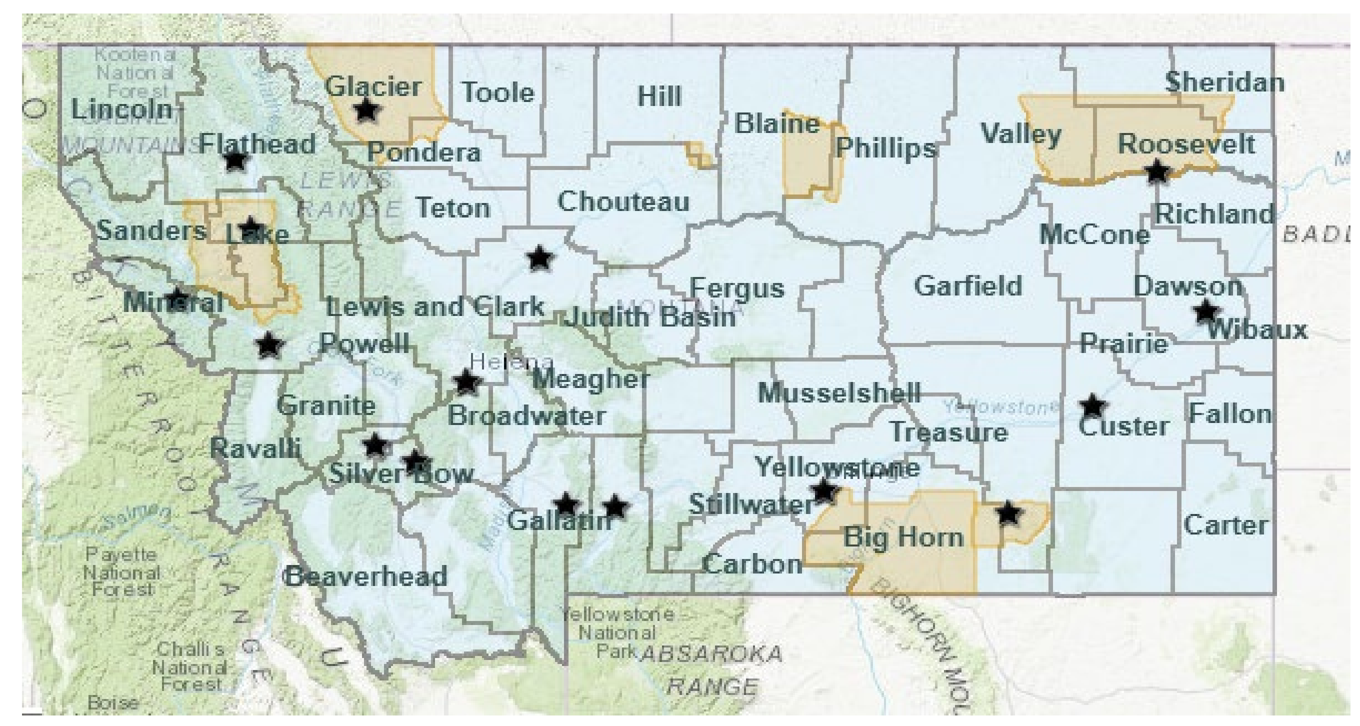
Home Visiting

Jessie Counts, Human Services Executive Director
Tracy Moseman, Early Childhood and Family Support Division Administrator

Healthy Montana Families Home Visiting

Current Site Map

- 16 counties
- 3 tribal reservations
- FFY 2024: 948 households served



Financial Status: Healthy Montana Families Home Visiting

- The Maternal, Infant, and Early Childhood Home Visiting (MIECHV) funds were re-authorized in 2023 for five years.
- Current re-authorization of the funds increased base awards and added an additional available match to be drawn down with non-federal match, at a 3:1 ratio, increasing incrementally year over year.
  - An EPP request in the 2027 session addresses this increased match requirement in order to maximize the use of federal funds.
- Funding is awarded annually, with two years to spend.
- MIECHV is subject to sequestration; thus, annual totals may differ slightly from projections.

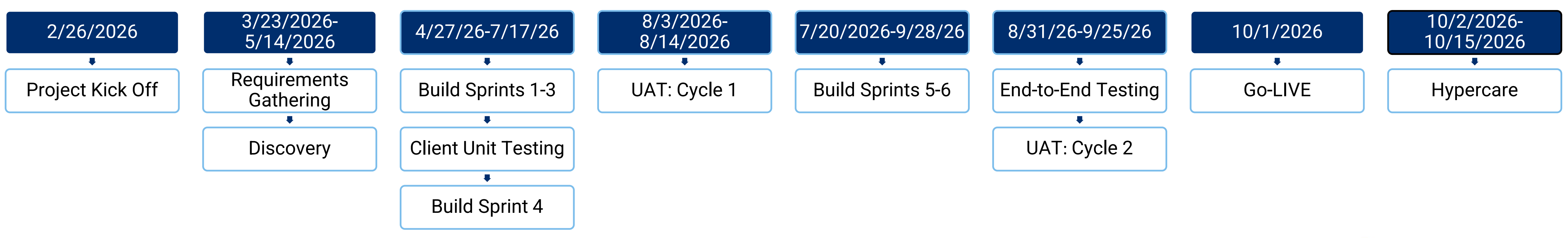
F23 (9/30/23 - 9/29/25)				
Base Award	Federal Match	State Req. Match (SSR & GF)	Maintenance of Effort (GF)	F23 Total
5,044,814	-	-	243,610	**5,288,424**
F24 (9/30/24 - 9/29/26)				
Base Award	Federal Match	State Req. Match (SSR & GF)	Maintenance of Effort (GF)	F24 Total
4,754,493	725,893	241,964	243,610	**5,965,960**
F25 (9/30/25 - 9/29/27)				
Base Award	Federal Match	State Req. Match (SSR & GF)	Maintenance of Effort (GF)	F25 Total
4,754,493	1,065,318	355,106	243,610	**6,418,527**
F26 (9/30/26 - 9/29/28)				
Base Award	Federal Match	State Req. Match (SSR & GF)	Maintenance of Effort (GF)	F26 Total
5,044,814	1,639,000	546,333	243,610	**7,473,757**
F27 (9/30/27 - 9/29/29)				
Base Award	Federal Match	State Req. Match (SSR & GF)	Maintenance of Effort (GF)	F27 Total
5,044,814	2,446,000	815,333	243,610	**8,549,757**

System Replacement: Healthy Montana Families Home Visiting

The original HMF data system was procured in 2013; it has become outdated, inefficient, and no longer meets the program's needs.

The new system is built on a cloud platform and will:

- Improve flow of data entry and reporting, decreasing administrative burden on local Home Visitors and state staff.
- Improve data quality, improve performance management, and monitor achievement of program outcome measures commonly referred to as benchmarks and constructs in MIECHV.
- Increase security and management of user access.
- Align with agency and division data modernization goals.



Program Changes and RFP: Healthy Montana Families Home Visiting

Services will be reprocured with contracts to begin 9/30/26.

Changes to the RFP:

- Based on information in the MIECHV Model 2024 Review Report Comprehensive Fiscal Analysis, Updated Needs Assessment to include all Montana counties as eligible service areas, as well as engaging in the Early Childhood Needs Assessment and Strategic Planning and State Health Improvement Plan process
- Increases in federal funding will change the funding formula and likely increase the number of sites awarded
- Include Pay for Performance Metrics
- Will use the new HMF data system set to launch 10/1/26

Medicaid Cost Reporting

Rebecca de Camara, Medicaid and Health Services Executive Director

Services Being Evaluated in Cost Study

Project scope across HCBS, behavioral health, transportation, facility, and related service categories. Similar to the set of services included in the 2022 rate study, with the addition of ambulance and air ambulance services.

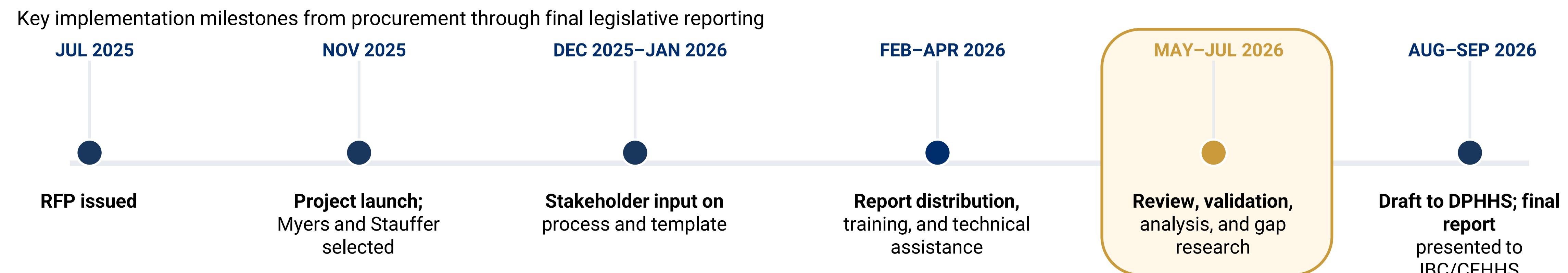
- Applied Behavior Analysis (ABA)
- Adult Day Care
- Air Ambulance
- Ambulance
- ASAM Services
- Behavioral Health Services
- Behavioral Intervention Assistant
- Case Management
- Consultative Clinical and Therapeutic Services
- Crisis Stabilization Services
- Day Services
- Employment Services
- Homemaker Chores
- In-Home Services
- Life Coach
- Nursing Facilities
- Nursing Services
- Nutrition/Meals Services
- TSI Psychological Services
- Personal Supports
- Children's Mental Health Outpatient
- PACT and MACT Services
- Peer Support Services
- Personal Assistance Attendant
- Psychiatric Residential Treatment Facility
- Residential Habilitation
- Residential Services
- Respite Services
- SDMI Waiver Services
- Self-Directed Support Services
- Transportation Services
- Community Transition Services
- Health and Wellness
- Medication-Assisted Therapy (MAT)
- Nutrition Classes/Counseling
- Pain and Symptom Management
- Personal Emergency Response Systems
- Specialized Medical Equipment

38 service categories

Includes services reviewed through cost report data and supplemental research.

Medicaid Cost Reporting Project Timeline

Key implementation milestones from procurement through final legislative reporting



Provider reporting snapshot

$226.8M
SFY25 Medicaid reimbursement for providers requested to complete cost report

$193.9M
SFY25 Medicaid reimbursement for providers who submitted cost reports.

85.5%
Mandatory reports received by April 2026

Conclusion

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