

Department Updates

Children, Families, Health, and Human Services Interim Committee
January 13, 2026



DEPARTMENT OF
**PUBLIC HEALTH &
HUMAN SERVICES**

Agenda

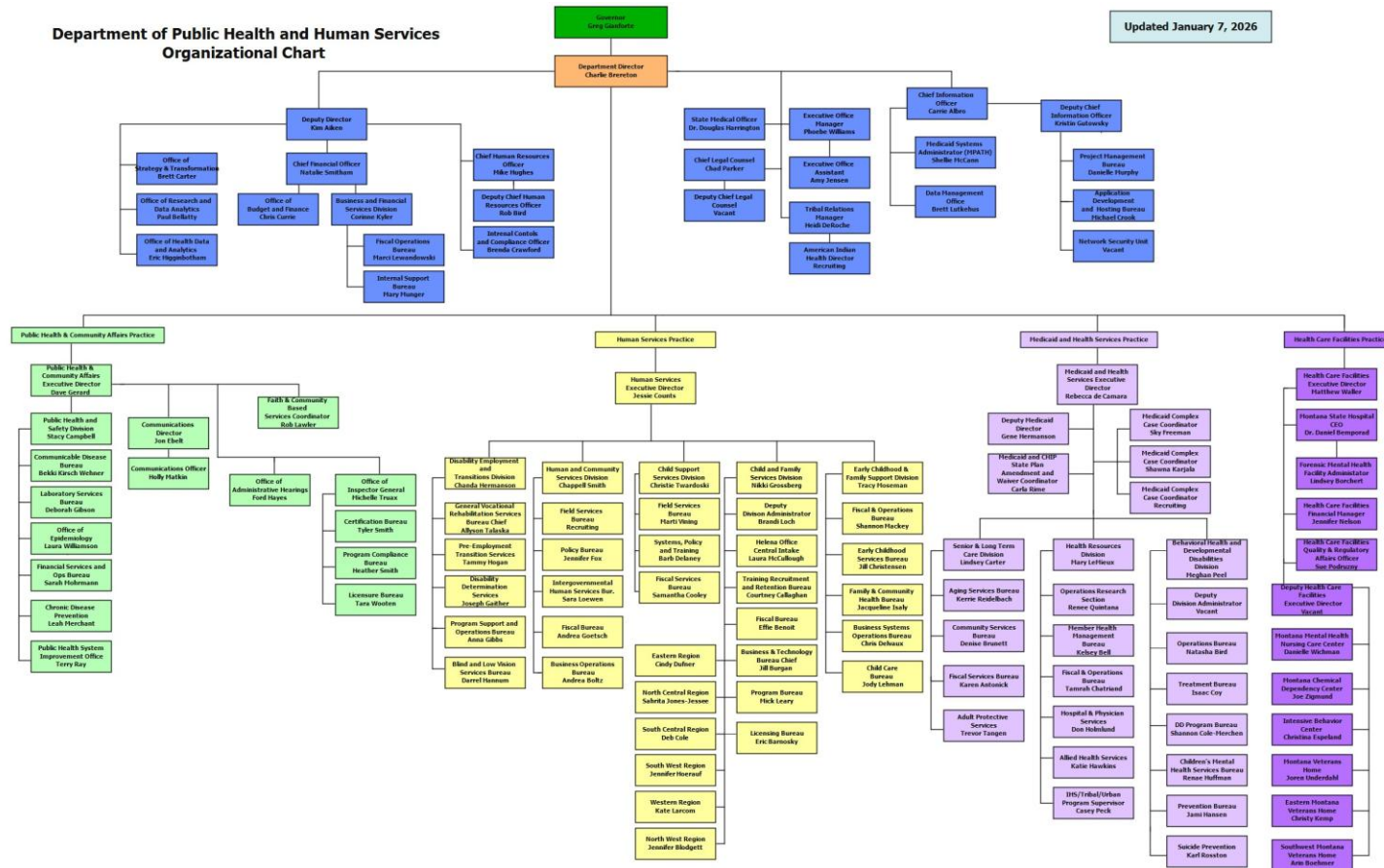
- Rural Health Transformation Program (RHTP)
- MSH Continuous Improvement and Recertification
- HELP Community Engagement and Cost Sharing
- Federal Child and Family Services Review (CFSR)



DPHHS Organizational Chart

Department of Public Health and Human Services
Organizational Chart

Updated January 7, 2026



Rural Health Transformation Program

Gene Hermanson, Deputy Medicaid Director



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Montana's Rural Health Transformation Plan (RHTP) Includes Five Integrated Initiatives

Montana's approved RHTP application includes five integrated initiatives that align with the State's priorities

- Develop **workforce** through recruitment, training, and retention
- Ensure **rural facility sustainability** and access through partnerships and restructuring
- Launch **innovative care** delivery and payment models
- Invest in **community health and preventive** infrastructure
- Deploy modern health care **technologies** to guide rural health interventions



Montana Received The Fourth-Highest RHTP Funding Award Among All 50 States

- On December 29th, CMS announced that **Montana received ~\$233M** for the first year of the five-year Rural Health Transformation Program
 - **Montana ranked fourth nationally**, behind Texas, Alaska, and California
 - Montana's neighboring states – Wyoming (~\$205M), North Dakota (~\$199M), South Dakota (~\$189M), and Idaho (~\$185M) – all received less funding
- CMS has requested that **states submit revised budgets that align with the announced awards by January 30th**. DPHHS is in the process of adjusting its budget, prioritizing programs with additional absorptive capacity and ability to create high-impact.

Source: Montana CMS RHTP Notice of Award, Montana Governor's press release



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Required Annual and Quarterly Reporting to CMS

Annual and Quarterly Report Timeline, project year 1 and 2

Report	Report Period Start Date	Reporting Period End Date	Due Date
Annual Report #1	December 29, 2025	July 31, 2026	August 30, 2026
Quarterly Report #1	August 1, 2026	October 30, 2026	November 29, 2026
Quarterly Report #2	October 31, 2026	January 30, 2027	March 1, 2027
Quarterly Report #3	January 31, 2027	April 30, 2027	May 30, 2027
Annual Report #2	August 1, 2026	July 31, 2027	August 30, 2027

- At the end of five years, CMS expects a cumulative final report for the entire program
- CMS may adjust future-year funding based on information provided in quarterly and annual reports

Source: Montana CMS RHTP Notice of Award



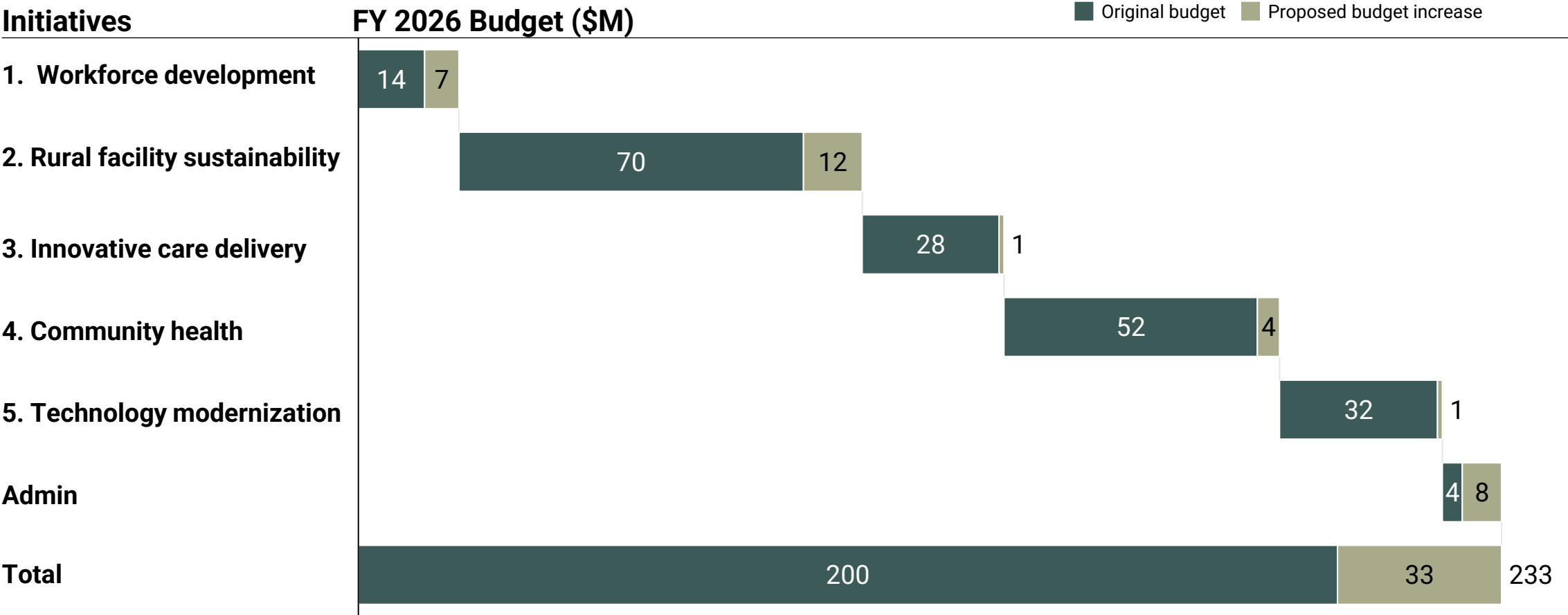
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CMS Award and Budget Adjustment Plan

- The State is **currently submitting** a **revised budget** matching the awarded amount of \$233M
- The State has identified the following principles to guide budget adjustment:
 - Prioritize **Initiative 1, Workforce**, for the largest proportional budget increase according to capacity to absorb and generate incremental impact
 - Allocate **remaining funding to initiatives** with potential to scale effectively in year 1 (e.g., EMS, incentive payments for rural providers, school-based care)

Planning for Budget Adjustment

FY 2026 Preliminary Updated Budget



Source: Montana RHTP Budget Narrative

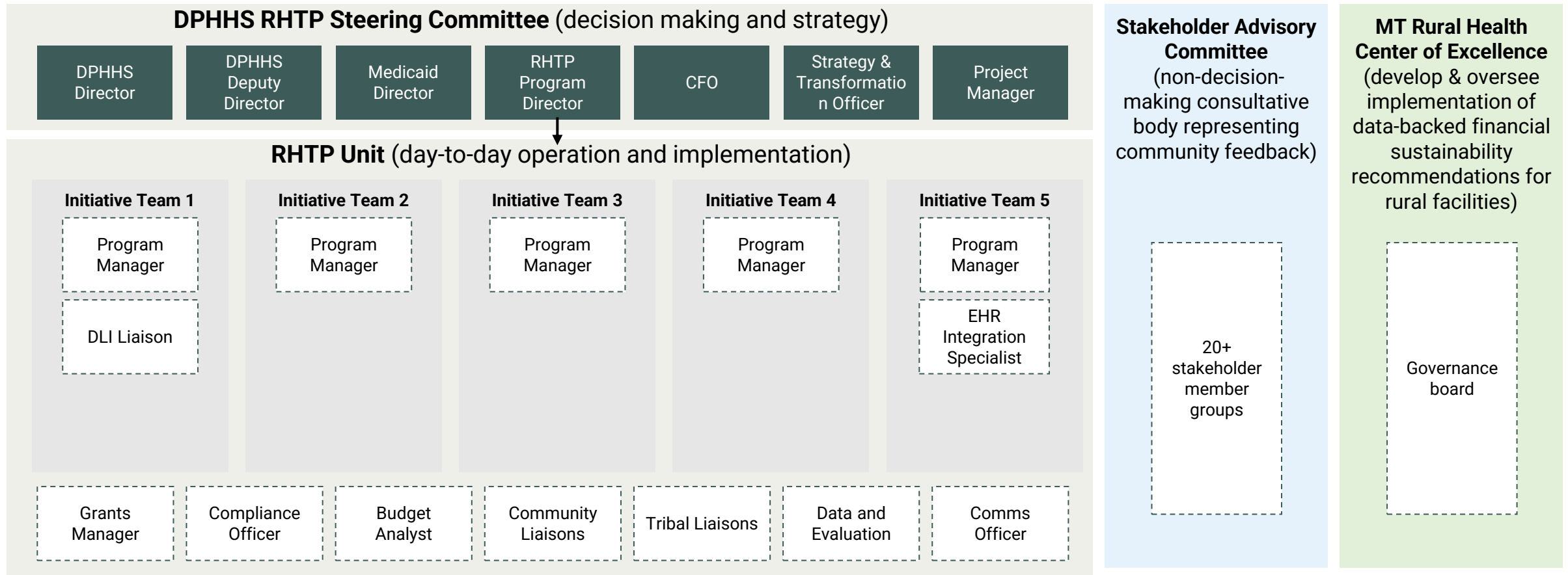
Emerging Priorities for the First Half of 2026

Category	FFY Q2 (Jan – March)	FFY Q3 (April – June)
Stakeholder engagement	<ul style="list-style-type: none"> Operationalize RHTP governance Host first Stakeholder Advisory Council Finalize and launch stakeholder groups across every initiative 	<ul style="list-style-type: none"> Hold first quarterly performance review Continue steering committee cadence and initiative stakeholder input
Outputs / deliverables	<ul style="list-style-type: none"> Establish rural workforce financial assistance programs (rural health scholarship program, relocation assistance funds, etc.) Finalize contract amendment to expand rural intellectual & developmental disability services 	<ul style="list-style-type: none"> Begin data analysis for rural health profile Evaluate potential policy and payment model (e.g., rural VBC) implications based on public health analytics
Enabling activities	<ul style="list-style-type: none"> Finalize budget with CMS and receive initial funding no later than March 1 Advertise and hire RHTP modified positions Draft & post procurements 	<ul style="list-style-type: none"> Stand up measurement dashboards/platforms Onboard RHTP modified positions Draft additional procurements Begin awarding contracts

Source: Montana RHTP Implementation Plan



DPHHS RHTP Governance Overview



Source: Montana RHTP project narrative

Montana's RHTP Stakeholder Advisory Committee Membership

State government organization

- DPHHS (Medicaid, Human Services, PHSD)
- Department of Labor and Industry (DLI)
- Office of Public Instruction (OPI)
- Montana Area Health Education Center (AHEC)
- Office of the Commissioner of Higher Education (OCHE)
- MSU Extension
- EMS Advisory Committee¹
- Montana Trauma Advisory Committee¹

Tribal groups

- Montana Tribal Nations
- Urban Indian Consortium
- Rocky Mountain Tribal Leaders Council

Healthcare associations and NGOs

- Montana Hospital Association
- Montana Primary Care Association
- Montana Medical Association
- Montana Academy of Family Physicians
- Montana Academy of Pediatrics
- Montana Dental Association
- Montana Pharmacy Association
- School Administrators of Montana

- Montana EMS Association
- Confluence Public Health
- Public Health Institute
- Montana Healthcare Foundation
- Montana Health Network
- Montana Health Care Association
- Big Sky Care Connect
- Mountain Pacific Quality Health
- BHAM

Health systems and payors

- Blue Cross Blue Shield of Montana
- PacificSource
- Mountain Health Co-op

1. DPHHS sponsored advisory committee. Representative may not necessarily be a State employee.

Source: Montana DPHHS RHTP Unit discussions



Health Care Facilities Practice Update

Matt Waller, Health Care Facilities Executive Director



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General MSH Updates

Recruitment Updates

- Medical Director (non-contracted) offer accepted by a psychiatrist who has previous experience working at MSH. Anticipated March 2026 start date
- MSH Executive Leadership Team is staffed with permanent leadership (interim leadership in the Director of Nursing position)
- More senior Staffing Manager hired and onboarded who will oversee all functions of the MSH Staffing Office
- MSH Staffing Office targeted engagement to develop a robust clinical workforce strategy and better deploy human resources at MSH
 - Key component of ongoing cost containment and supplemental mitigation strategy
- OBPP has approved final conversion of MSH Grasslands temporary travel staff to modified state staff positions through June 30, 2027 to stabilize facility staffing and further mitigate financial labor pressures



General MSH Updates (cont.)

Recruitment Updates

- Implementing strategies for cost containment:
 - 24 state staff nurses (non-contracted) have been hired in CY25 (surpassing internal goal of 20 NET new nursing positions by the end of CY25)
 - Continued focus on RN recruitment, including efforts to convert traveling nurses to State PBs
 - 1:1 and 2:1 monitoring has continued to stabilize
 - Data is tracked weekly for variances
- The Department remains focused on attracting and hiring qualified personnel, particularly floor nurses:
 - Efforts are underway to connect with Montana nursing programs to create recruitment pipelines.
 - Agreements completed: Carroll College (Helena), MT Tech (Butte), MSU Bozeman
 - Pending agreements: Salish Kootenai College (SKC) (Pablo), Missoula College (Missoula), and MSU Northern (Havre)



MSH Recertification Survey Pathway

Certification Application to CMS

- DPHHS submitted the CMS certification application on December 23, 2025, ahead of the December 31 internal deadline.
- The standard application processing time per CMS is approximately 30 days.
- Based on CMS's guidance and tiered survey prioritization structure for enrollment and initial accreditation, DPHHS is planning for a spring to early summer 2026 survey.
- Survey preparedness progress and update meetings occur weekly among MSH leadership as well as DPHHS Executive Leadership.
- As with any CMS certification survey of this scope and breadth, there will likely be findings to resolve, and a cross-functional team will swiftly develop a Plan of Correction to mitigate those issues within the timeframes provided by CMS.



MSH Survey Readiness

- **Planned Executive Governing Board expansion starting in January 2026**
- **Focus Areas of Critical Importance**
 1. Medication Management and Administration: Ongoing training and education, including the implementation of a nursing task force with a focus on competency development, nursing engagement, and routine auditing
 2. Chart Documentation (provider and nursing): Additional training completed in December
 3. Patient Rights: Understanding and upholding patient dignity and autonomy
 4. Discharge Planning Documentation and Process: Audit and monitoring plan in place
 5. Infection Control Program: Proper hand hygiene techniques, surveillance data, and reporting



The “Spratt Sprint” and Construction Updates

Dedicated DPHHS Initiative to Discharge Remaining Spratt Patients and Close the Unit

- All remaining patients were safely discharged from the Spratt Unit to the main hospital Alpha wing on December 23, 2025.
- OIG has approved an updated MSH license with a bed count of 139, thus removing Spratt and Grasslands from the main hospital license.
- OIG also relicensed Grasslands as a 20-bed Mental Health Group Home (MHGH).
- Construction to convert the former Spratt Unit to a 32-bed Forensic Mental Health Facility (FMHF) is slated to start in January 2026, and the planned duration is 19 months.
 - Complete demolition of all finishes down to existing framing. This includes the terrazzo flooring, sheetrock ceilings, sheetrock walls, vinyl flooring, plumbing fixtures, light fixtures, and mechanical systems.
- The FMHF will be designed to accommodate Level 4-6 forensic residents; spaces should not need to be more restrictive than the current Delta Unit at MSH.



Looking Ahead: 2026 and Beyond

- ***Full focus on MSH in first half of 2026.***
- Multi-year planning horizon for capital expenditures, construction, and deferred maintenance for all DPHHS health care facilities
 - Integrated quality plan
 - Recruitment and retention of qualified staff at all levels
 - Evaluating staffing needs across all facilities to compare with nationally recognized benchmarks



Montana State Hospital HB 5 Construction

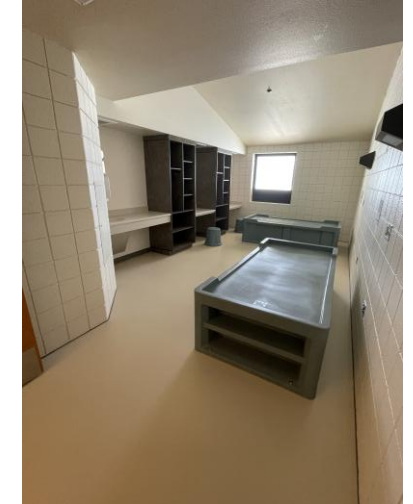
Complete

- **Compliance and Recertification Construction**

- Target completion: Dec. 2025
- Total project cost: \$21.3M

- **Percentage of Completion of Each Unit**

- Alpha Unit – **100% complete**
- Bravo Unit – **100% complete**
- Delta Unit – **100% complete**
- Med Clinic – **100% complete**
- Echo Unit – **100% complete**



HELP Community Engagement and Cost Sharing Update

Rebecca de Camara, Medicaid and Health Services Executive Director



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HELP Community Engagement and Cost Sharing

- 1115 waiver submitted to CMS on September 2, 2025, to align Montana's Medicaid Expansion program with both MCA and HR 1 requirements
- Recent Director's Office discussions with CMS suggest that CMS does not intend to approve community engagement (CE) through 1115 waiver authority
- DPHHS has signaled its intent to immediately shift CE authority request to a State Plan Amendment as soon as template is available; CMS remains supportive of Montana's early implementation along with other states
 - Currently, this has no effect on planned implementation timelines
- DPHHS intends to amend existing 1115 waiver to include premium authority only



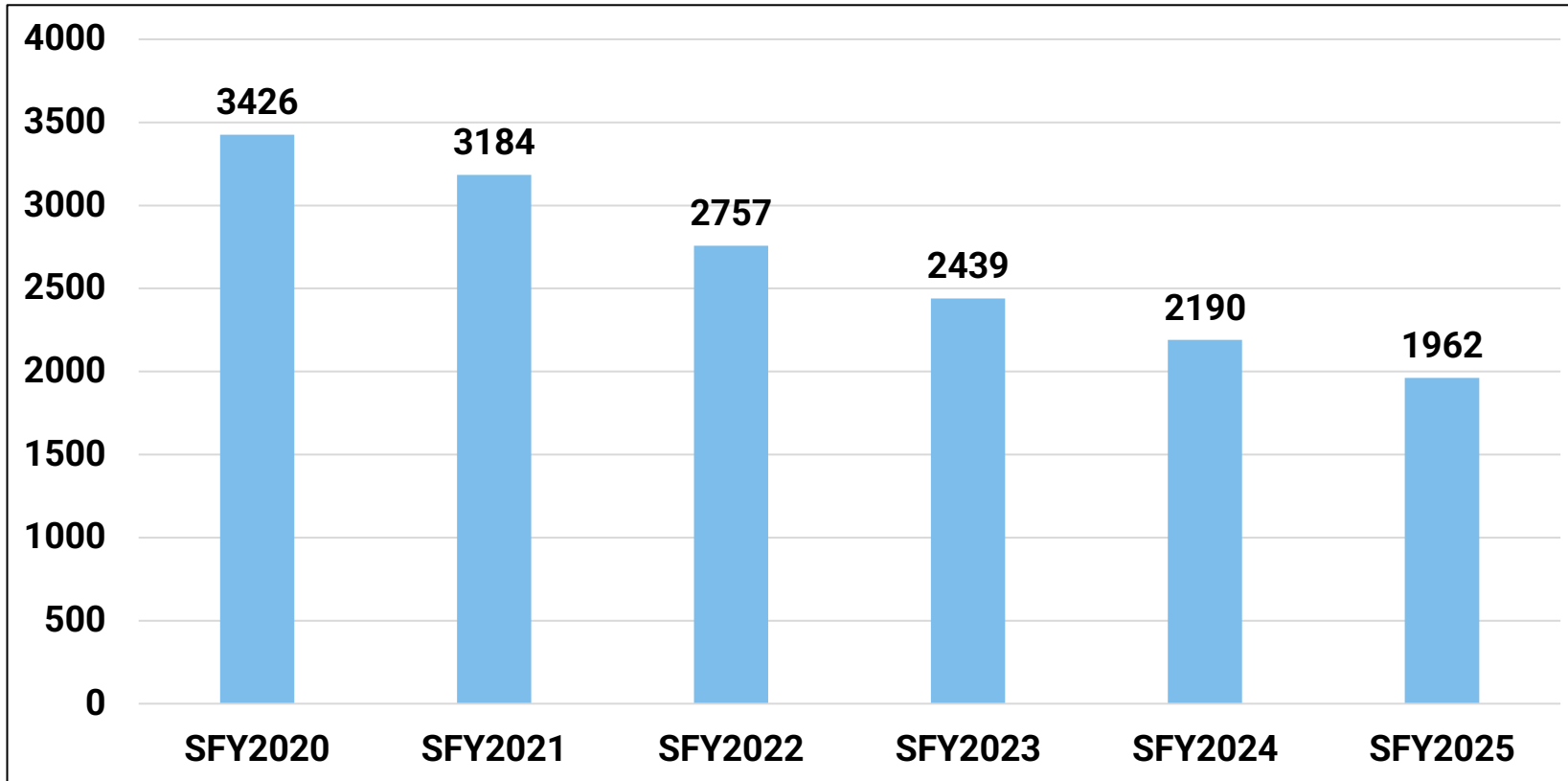
CFSR Update

Nikki Grossberg, Child and Family Services Division Administrator

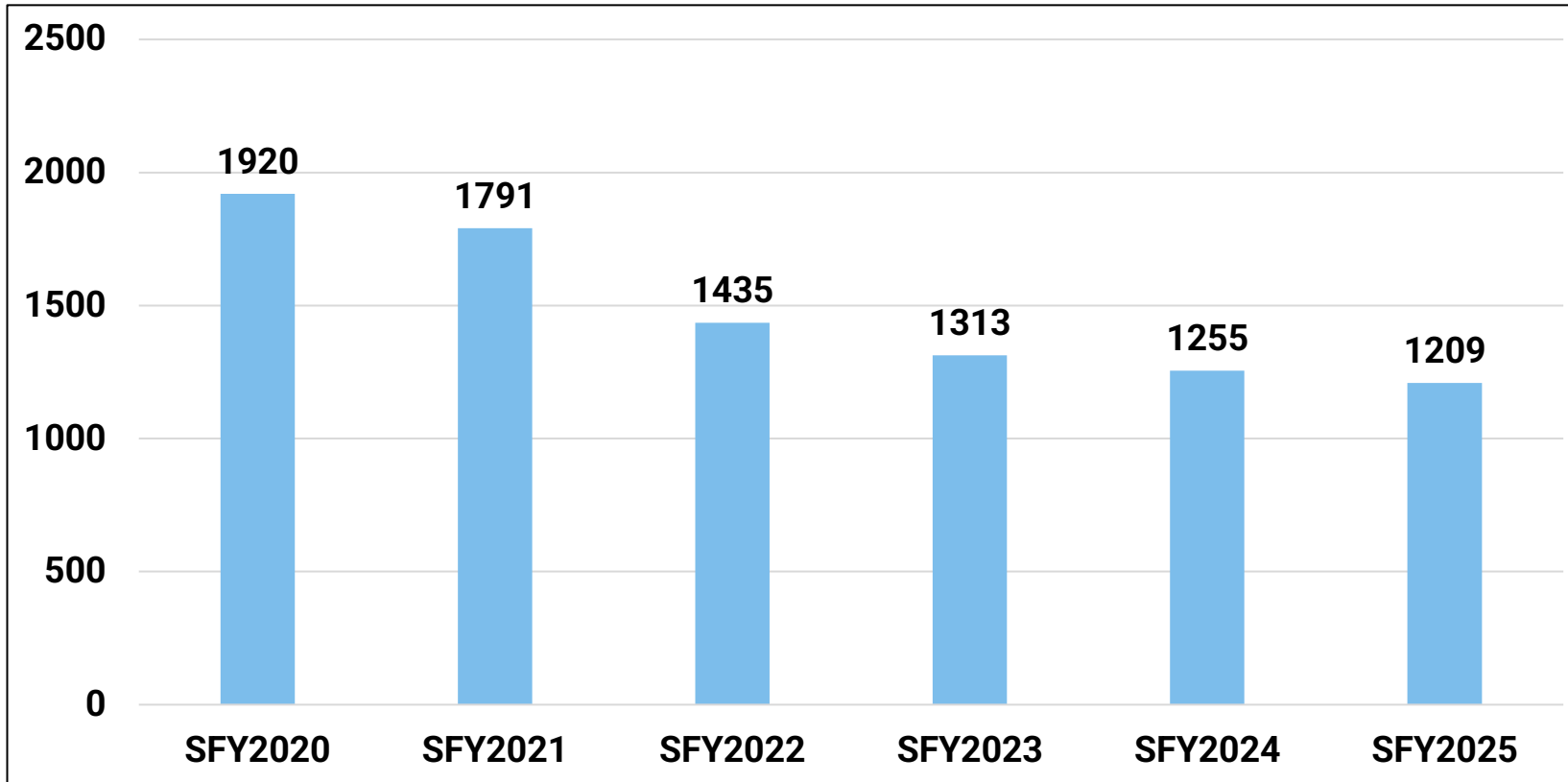


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Number of Children in Montana's Child Welfare System



Number of Children Entering Foster Care



Overview of the CFSR Round 4



Purpose of the CFSR

01

Determine conformity with federal child welfare requirements

02

Learn about the experiences of children, youth, and families receiving child welfare services

03

Assist states in enhancing their capacity to help children and families achieve positive outcomes



CFSR Round 4 Timeline



Planning

2024 through June 2025

- Case review team training
- Montana's CFSR review and sampling plan developed and approved by Children's Bureau
- Data gathering for Statewide Assessment
- Submission of Statewide Assessment

Evaluation

July 2025 through August 2025

- Stakeholder interviews by the Children's Bureau
- CFSR Case Review (August of 2025)
- Determination of Substantial Conformity for CFSR Items and proposed penalties by the Children's Bureau

Program Improvement

September 2025 through December 2028

- Program Improvement Plan (PIP) developed and submitted to Children's Bureau for approval
- Implementation of PIP plan
- Quality reviews commence to measure improvement
- Montana must successfully implement all strategies as well as meet the prescribed quality goals to avoid financial penalties



CFSR Case Audit Review

Safety, Permanency, and Well-Being

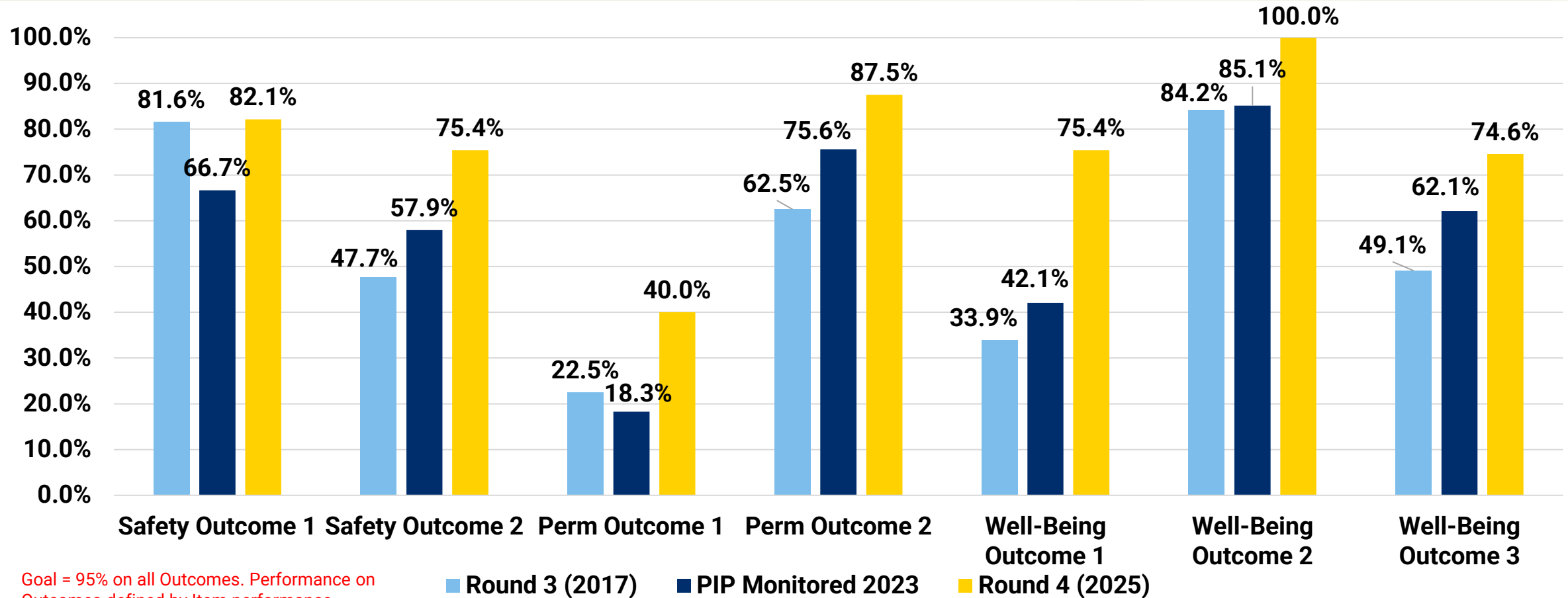
- 7 Outcomes
- 18 Items

Systemic Factors

- 7 Factors
- 18 Items



Statewide Outcomes Data Trends



CFSR Round 4 States Completed and Final Results in Comparison to Montana

CFSR Round 4 States Completed

- As of November 2025, 24 states have completed Round 4 of the CFSR, and the results are published on the *CFSR Information Portal*.
 - Note: Montana's results will be published upon the Children's Bureau finalizing the report

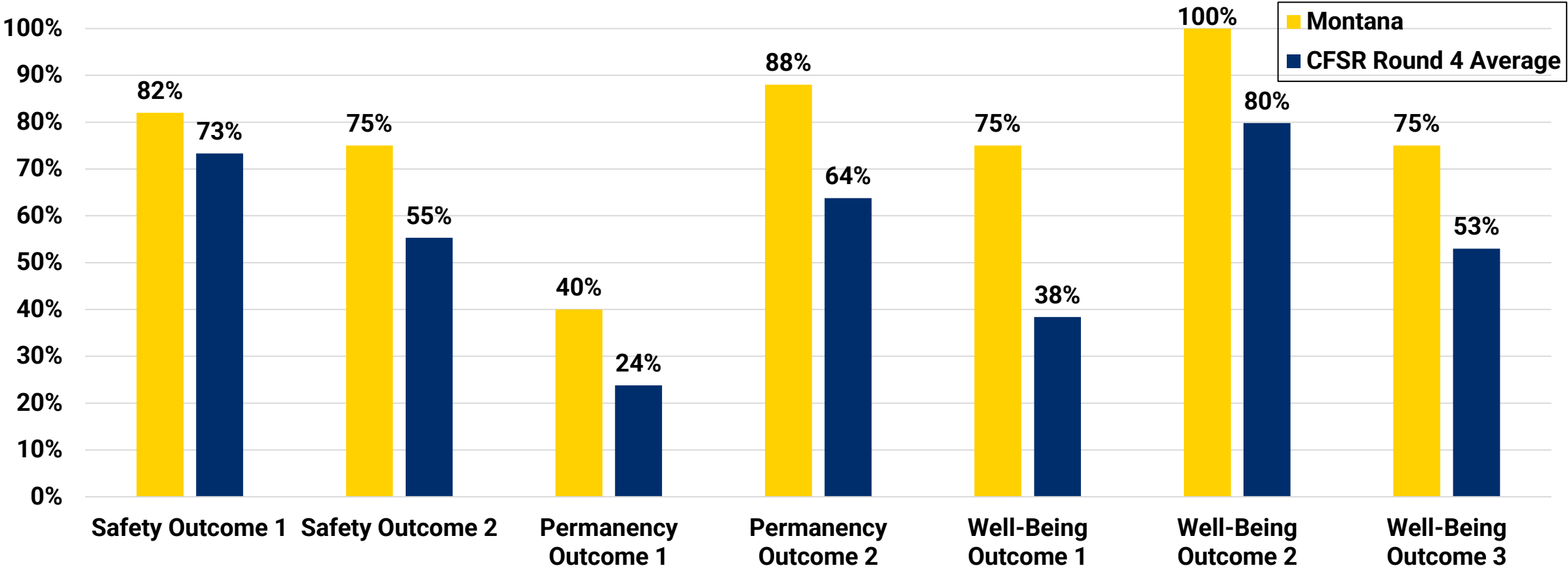
Child Welfare Systems

- 20 States are State Administered: AZ, CT, DC, DE, FL, GA, ID, IN, KS, MA, MO, MT, NM, OK, PR, SD, TN, TX, VT, and WY
- 4 States are County Administered: CA, NC, ND, and NY

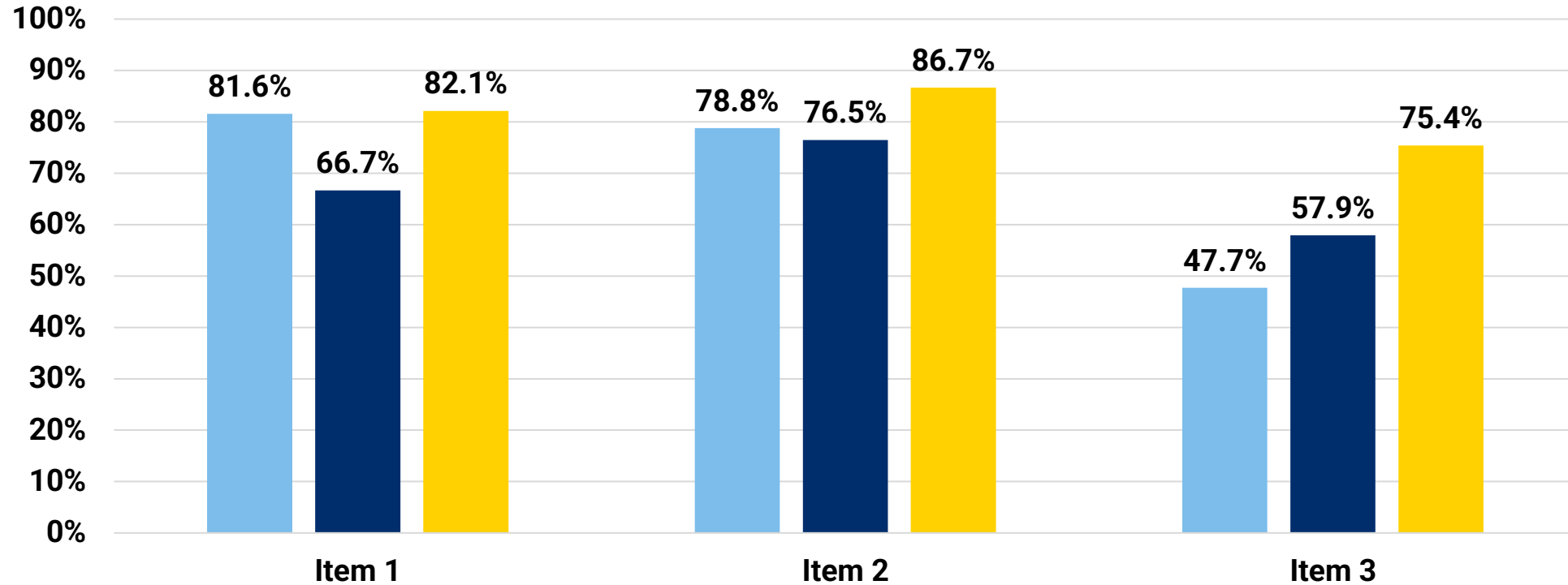
Montana Ranked #1 in 3 of the 7 Outcome Measures and 8 of the 18 in the individual outcome items.



CFSR Round 4 State Comparison Results



Safety Outcomes 1 and 2 Data Trends



Goal = 95% on Items 1 and 16,
90% on all other Items

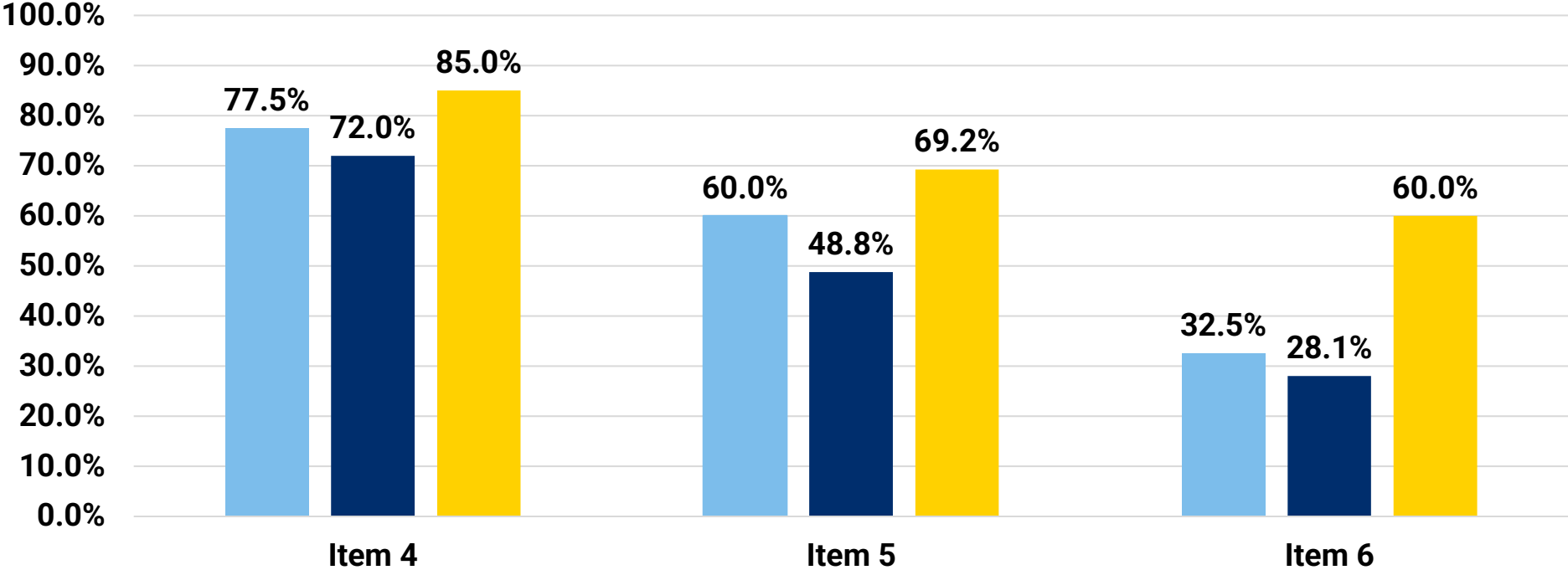
■ Round 3 (2017)

■ PIP Monitored 2023

■ Round 4 (2025)



Permanency Outcome 1 Data Trends

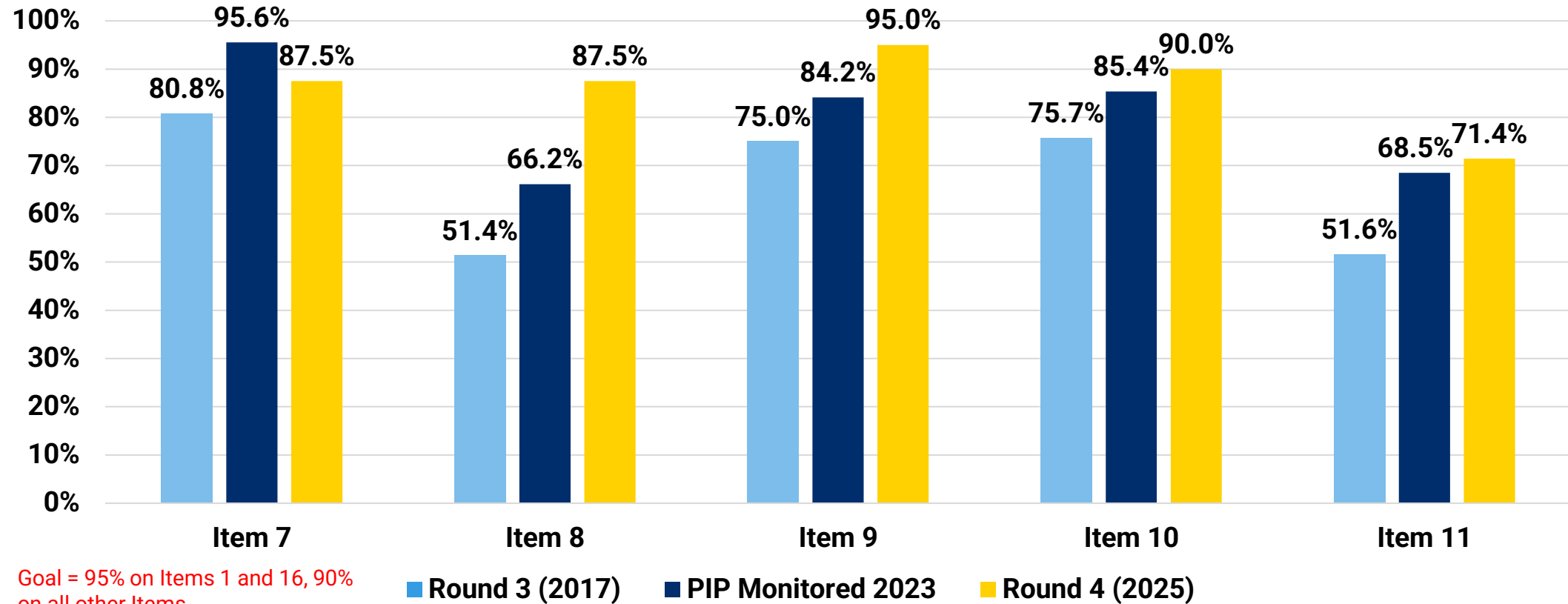


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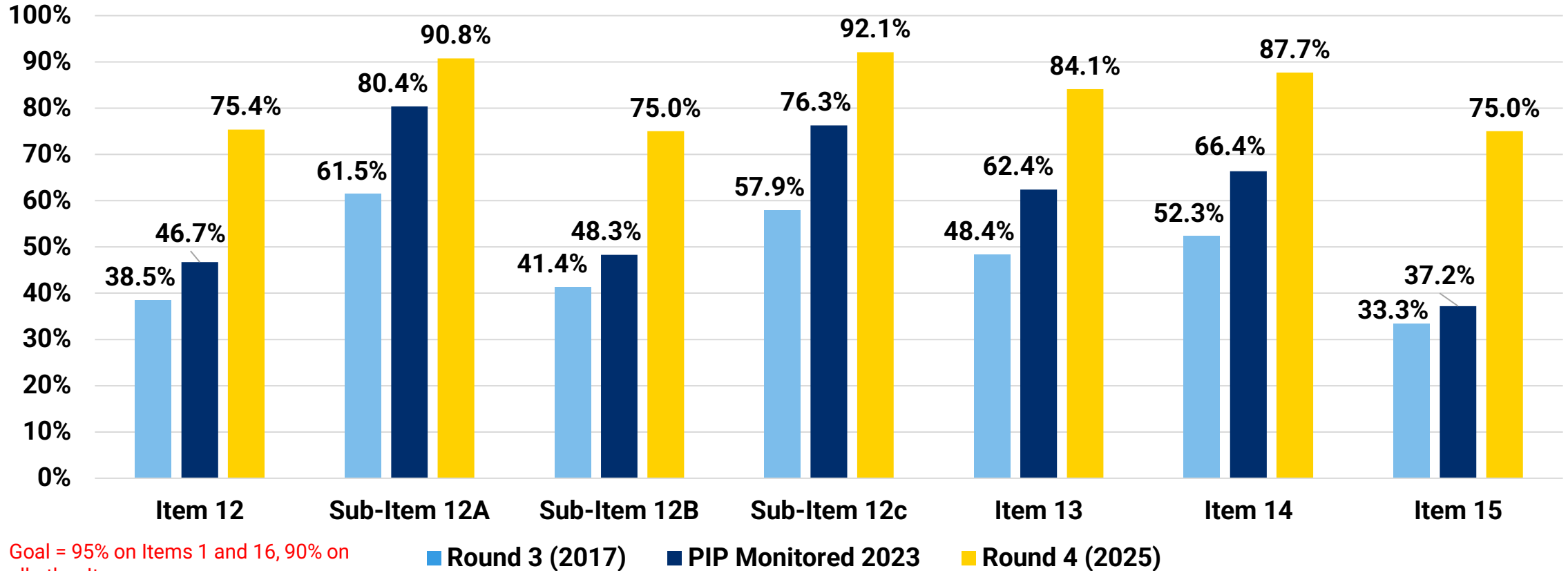
■ Round 3 (2017) ■ PIP Monitored 2023 ■ Round 4 (2025)



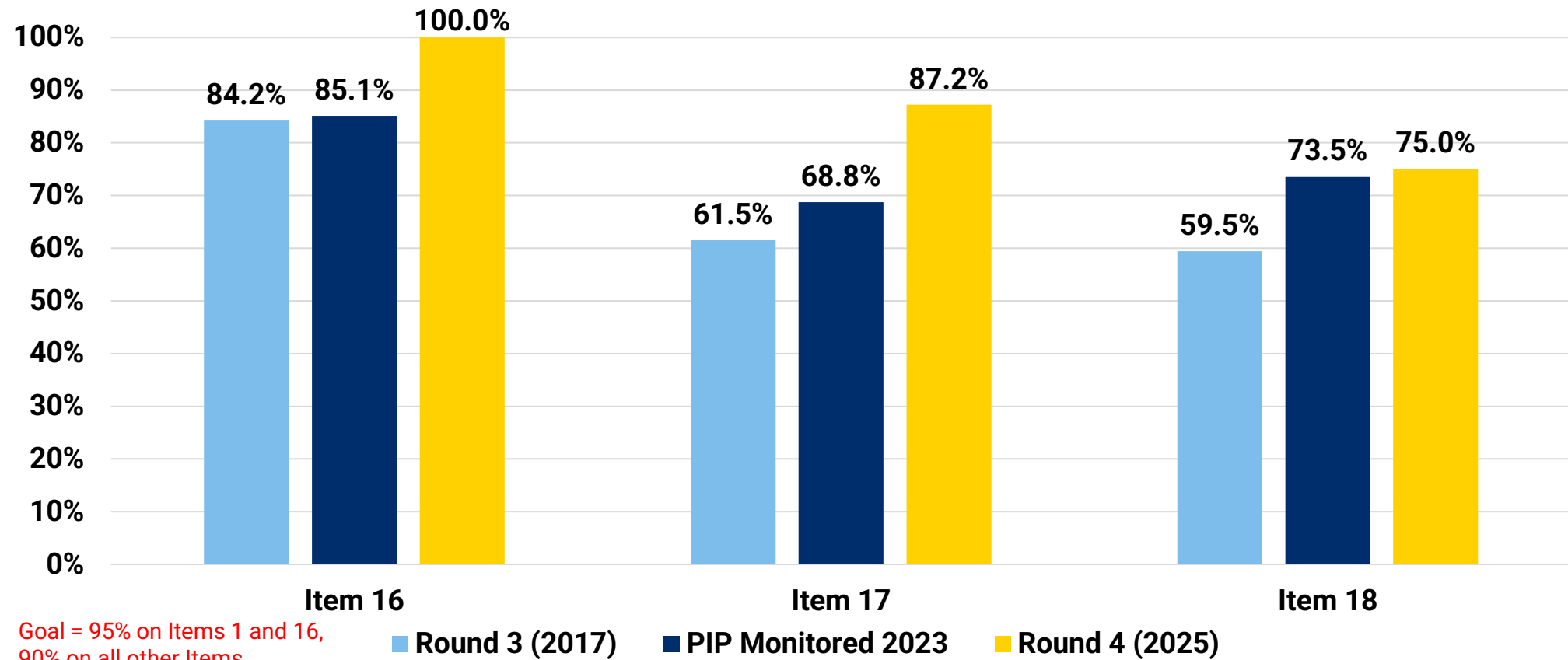
Permanency Outcome 2 Data Trends



Well-Being Outcome 1 Data Trends



Well-Being Outcomes 2 and 3 Data Trends



Next Steps

- Receive Montana's final Child and Family Services Review (CFSR) Report from the Administration for Children and Families (ACF)
- Identify areas to continue improvements
 - Achieve timely permanency
 - Safely prevent removal
 - Address required systemic factors
- 90 days to submit the Program Improvement Plan



Conclusion

