

69010 - Department Of Public Health & Human Services 10-Behavioral Health & Dev Disability

Program Base Budget Comparison

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison						
Budget Item	Base Budget	Requested Budget		Biennium Change from Base		
	FY 2025	FY 2026	FY 2027	Amount	Percent	
PB	104.00	104.00	104.00	0.00	0.0%	
General Fund	139,528,384	153,479,833	161,713,362	36,136,427	12.9%	
State/Other Special Rev. Funds	40,409,848	64,495,293	57,976,304	41,651,901	51.5%	
Federal Spec. Rev. Funds	385,165,051	361,876,101	422,771,525	14,317,524	1.9%	
Total Funds	565,103,283	579,851,227	642,461,191	92,105,852	8.1%	
Personal Services	9,072,333	9,458,744	9,483,639	797,717	4.4%	
Operating Expenses	4,536,610	26,576,146	14,499,683	32,002,609	352.7%	
Grants	7,878,514	11,034,279	11,037,933	6,315,184	40.1%	
Benefits & Claims	543,257,862	532,424,094	607,081,972	52,990,342	4.9%	
Debt Service	357,964	357,964	357,964		0.0%	
Total Expenditures	565,103,283	579,851,227	642,461,191	92,105,852	8.1%	
Total Ongoing	565,103,283	579,851,227	642,461,191	92,105,852	8.1%	
Total One-Time-Only					0.0%	

Program Highlights

Behavioral Health and Developmental Disabilities Division (BHDD) Major Budget Highlights
<ul style="list-style-type: none"> • The BHDD 2027 biennium appropriations are approximately \$92.1 million or 8.1% higher than the FY 2025 base budget. • The executive proposal includes: <ul style="list-style-type: none"> ◦ Ten recommendations supported by the Behavioral Health System for Future Generations were brought forward in the executive’s initial request. In FY 2026, this amounts to \$30.0 million state special revenue funds from the account set up in the 2023 legislative session. In FY 2027, this amounts to \$23.5 million state special revenue funds and \$45.5 million federal funds ◦ Federal medical assistance percentage adjustments that increase state general fund obligations for traditional Medicaid by \$8.6 million in FY 2026 and \$9.1 million in FY 2027. State special revenue adjustments that increase obligations by \$2.5 million in FY 2026 and \$2.6 million in FY 2027 ◦ Traditional Medicaid caseload adjustments totaling a decrease of \$5.8 million in FY 2026 and an increase of \$12.8 million in FY 2027. If adopted, general fund obligations will increase by \$2.2 million in each year of the biennium ◦ Decrease in present law adjustments for Medicaid expansion adult mental health services of \$13.8 million all funds in FY 2026 and \$8.8 million all funds in FY 2027 ◦ An \$8.4 million dollar increase in federal funds to bring the State Opioid Response grant and the Food and Drug Administration Tobacco grant into HB 2. These programs are 100.0% federally funded and have historically been funded through budget amendment
Legislative Action Items
<ul style="list-style-type: none"> • Medicaid Expansion decision packages are contingent on legislative action. Currently, Medicaid Expansion is set to sunset on June 30th, 2025

Executive Request

The following table shows the total executive request with the base budget and the statewide present law adjustments, present law adjustments, and new proposals by source of funding.

69010 - Department Of Public Health & Human Services 10-Behavioral Health & Dev Disability

Behavioral Health & Dev Disability 2027 Biennium HB 2 Base Budget and Requested Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
Base Budget	139,528,384	40,409,848	385,165,051	565,103,283	97.5%	139,528,384	40,409,848	385,165,051	565,103,283	88.0%
Statewide PL										
Personal Services	107,213	116,513	(55,469)	168,257	0.0%	119,824	116,794	(43,466)	193,152	0.0%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	(1,591)	(15)	(1,823)	(3,429)	(0.0%)	(1,075)	(10)	(1,233)	(2,318)	(0.0%)
Total Statewide PL	105,622	116,498	(57,292)	164,828	0.0%	118,749	116,784	(44,699)	190,834	0.0%
Present Law (PL)	11,345,827	(3,559,082)	(27,450,513)	(19,663,768)	(3.4%)	19,066,229	(3,015,875)	(12,055,706)	3,994,648	0.6%
New Proposals	2,500,000	27,528,029	4,218,855	34,246,884	5.9%	3,000,000	20,465,547	49,706,879	73,172,426	11.4%
Total HB 2 Adjustments	13,951,449	24,085,445	(23,288,950)	14,747,944	2.5%	22,184,978	17,566,456	37,606,474	77,357,908	12.0%
Total Requested Budget	153,479,833	64,495,293	361,876,101	579,851,227		161,713,362	57,976,304	422,771,525	642,461,191	

The executive budget request is mainly base budget with adjustments accounting for 2.5% of the overall budget in FY 2026 and adjustments accounting for 12.0% of the overall budget in FY 2027.

After Medicaid redetermination this past interim and large federal fund surpluses in Medicaid, the present law request for FY 2026 includes large reductions in federal funds for both traditional Medicaid and Medicaid expansion. These FY 2026 requests also include shifts from federal funding sources to state special revenue sources and general fund due to further decreases in the Federal Medical Assistance Percentage (FMAP). In FY 2027, Medicaid expansion decreases partially offset increases in traditional Medicaid for a small overall increase in total funds. Though total funds decrease in FY 2026 and only slightly increase in FY 2027, across the biennium there is an increase of \$30.4 million general fund within the present law requests.

With respect to the executive request for new proposals, the largest driver of increases in this area is the governor requested adjustments for the Behavioral Health System for Future Generations (BHSFG) Commission recommendations that were studied and approved by the commission this interim. The \$53.5 million in state special revenue funds for these proposals come from the behavioral health system for future generations state special revenue fund created by HB 872 in the 2023 legislative session. These funds will go to short term start-up and operational costs for these requests. Long-term costs will need to be brought into the base and will be a mixture of state and federal resources. These recommendations will take different time and effort commitments on behalf of the department to be implemented leading to the variation in funding commitments across the biennium.

Aside from these requests, the executive is requesting certain federal grants be brought into HB 2 as well as some fund switches in the Medicaid programs, which do not increase total funds in this program.

Overall, the HB 2 biennial request includes an increase in general fund of \$36.1 million, or a 12.9% increase over the general fund base in BHDD.

Funding

The following table shows proposed program funding for all sources of authority.

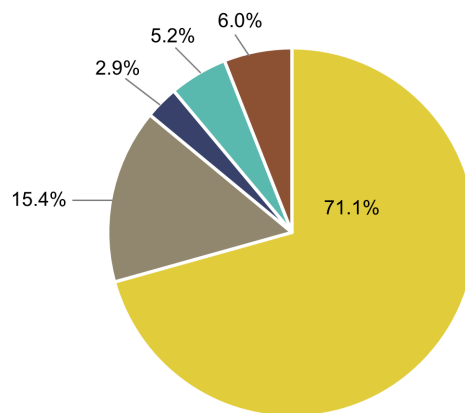
69010 - Department Of Public Health & Human Services 10-Behavioral Health & Dev Disability

Department of Public Health & Human Services, 10-Behavioral Health & Dev Disability Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	315,193,195	0	0	0	315,193,195	25.7%	
02034 Earmarked Alcohol Funds	6,986,760	0	0	4,860,884	11,847,644	9.3%	
02064 HEART-Healing RECOVERY TRTMT	14,516,128	0	0	0	14,516,128	11.4%	
02181 BHSFG	53,493,576	0	0	0	53,493,576	42.0%	
02338 CSCT OPI State Match	8,319,633	0	0	0	8,319,633	6.5%	
02517 02 Indirect Activity Prog 10	184,170	0	0	0	184,170	0.1%	
02597 Healthy Montana Kids Plan	6,552,586	0	0	0	6,552,586	5.1%	
02772 Tobacco Hlth and Medicaid Init	22,756,098	0	0	0	22,756,098	17.9%	
02987 Tobacco Interest	9,662,646	0	0	0	9,662,646	7.6%	
State Special Total	\$122,471,597	\$0	\$0	\$4,860,884	\$127,332,481	10.4%	
03171 Data Infrastructure Developmnt	338,771	0	0	0	338,771	0.0%	
03491 Tobacco Retail Inspctn Program	437,710	0	0	0	437,710	0.1%	
03505 93.150 - Mntal Hlth - Homeless	609,950	0	0	0	609,950	0.1%	
03507 93.958 - Mntal Hlth - Blk Grt	5,911,316	0	0	0	5,911,316	0.8%	
03508 93.959 - ADAD - Blk Grt 100%	15,081,737	0	0	0	15,081,737	1.9%	
03563 IVE Prevention Program	2,654,346	0	0	0	2,654,346	0.3%	
03579 93.667 - SSBG - Benefits	3,542,280	0	0	0	3,542,280	0.5%	
03580 6901-93.778 - Med Adm 50%	9,766,982	0	0	0	9,766,982	1.2%	
03583 93.778 - Med Ben FMAP	552,211,769	0	0	0	552,211,769	70.4%	
03599 03 Indirect Activity Prog 10	3,215,787	0	0	0	3,215,787	0.4%	
03684 State Opioid Response Grant	8,000,000	0	0	0	8,000,000	1.0%	
03975 Medicaid Exp HELP Act Benefit	182,876,978	0	0	0	182,876,978	23.3%	
Federal Special Total	\$784,647,626	\$0	\$0	\$0	\$784,647,626	63.9%	
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.0%	
Total All Funds	\$1,222,312,418	\$0	\$0	\$4,860,884	\$1,227,173,302		

Funding for BHDD is made up of a combination of general fund, state special revenue funds, and federal funds.

Biennial HB 2 Funding Request by Major Function

- Traditional Medicaid
- Medicaid Expansion
- BHSFG (Non-Medicaid Requests)
- BHSFG (Medicaid Requests)
- Other



About 63.9% of BHDD's funding is federal funds. The largest portion of this funding, 70.4%, is from Medicaid benefits and claims at the standard FMAP. Medicaid expansion benefits and claims contribute 23.3% of federal funding that BHDD receives. Medicaid administration costs are also matched by the federal government at a rate of 50.0%, which accounts for 1.2% of federal spending.

BHDD also receives and administers non-competitive federal block grants, which are applied for annually and must be approved, conditional on demonstration of statutory and regulatory compliance, to receive the formula-based funding.

Montana receives \$15.1 million dollars in block grant funding for substance use treatment and prevention; \$5.9 million in block grant funding to provide community-based mental health services; \$3.5 million for the Title XX Social Services block grant; and \$610,000 in block grant funding for Projects for Assistance in Transition from Homelessness (PATH) program.

State special revenue funds make up 10.4% of the executive's funding request. The Tobacco Health and Medicaid Initiative fund source makes up 17.9% of the funding request for BHDD and goes towards funding the home and community based services (HCBS) and the waiver for additional populations (WASP) Medicaid waivers. This has been supplanted as the largest fund source by the behavioral health system for future generations state special revenue fund which accounts for 42.0% of the executive's funding request. About 11.4% of state special revenues fund the Healing and Ending Addiction through Recovery and Treatment (HEART) Act initiative.

The earmarked alcohol funds, which make up 9.3% of state special revenues, are tax revenues from alcohol consumption taxes. These funds are given to DPHHS for state programs that target prevention and treatment related directly to the use or abuse of these products. Most of these funds go to the Prevention Bureau or the Montana Chemical Dependency Center. The rest of state special revenues come from Comprehensive School and Community-based treatment state match, Healthy Montana Kids (HMK), and the tobacco interest.

A small portion of both state special revenue, and federal funds come to BHDD through a federally approved cost allocation formula that is generally referred to as indirect activity. The funding formula is derived from those funds expended on functions benefiting or serving other programs in the department.

The bulk of general fund in BHDD fund the state portion of Medicaid and Medicaid expansion benefits administered by the division including waivers, targeted case management, adult and child mental health services, case management services, suicide prevention efforts, and chemical dependency care.

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures requested for FY 2026 and FY 2027 by type of expenditure and source of funding.

69010 - Department Of Public Health & Human Services 10-Behavioral Health & Dev Disability

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Request Fiscal 2026	Request Fiscal 2027
PB	0.00	104.00	104.00	104.00	104.00
Personal Services	9,373,030	8,344,553	9,072,333	9,458,744	9,483,639
Operating Expenses	5,127,387	4,307,084	4,536,610	26,576,146	14,499,683
Grants	14,399,813	9,338,114	7,878,514	11,034,279	11,037,933
Benefits & Claims	434,016,733	498,880,593	543,257,862	532,424,094	607,081,972
Debt Service	258,353	357,964	357,964	357,964	357,964
Total Expenditures	\$463,175,316	\$521,228,308	\$565,103,283	\$579,851,227	\$642,461,191
General Fund	120,634,014	122,608,865	139,528,384	153,479,833	161,713,362
State/Other Special Rev. Funds	31,974,044	38,290,738	40,409,848	64,495,293	57,976,304
Federal Spec. Rev. Funds	310,567,258	360,328,705	385,165,051	361,876,101	422,771,525
Total Funds	\$463,175,316	\$521,228,308	\$565,103,283	\$579,851,227	\$642,461,191
Total Ongoing	\$463,175,316	\$521,228,308	\$565,103,283	\$579,851,227	\$642,461,191
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Description

The BHDD works to enhance the quality of life for individuals with behavioral health challenges and/or developmental disabilities by promoting recovery, resilience, and community integration. BHDD administers a wide range of services. The BHDD consists of four bureaus and two programs: Prevention Bureau, Mental Health Services Bureau, Children's Mental Health Bureau, Operations Bureau, Suicide Prevention Program, and Developmental Disabilities Program.

FY 2024 Appropriation Compared to FY 2024 Actual Expenditures

The BHDD expended 88.9% of the total FY 2024 appropriation with 98.4% of general funds, 83.5% of state special revenues, and 86.2% of federal special revenues expended.

The overall HB 2 budget is 95.7% benefits and claims, and this account was 87.0% expended in FY 2024. This difference is mostly attributable to surpluses in federal Medicaid funds. When budgeting last session, Medicaid benefits and claims faced the uncertainty of the public health emergency unwinding and its impact on enrollment as well as the FMAP.

Personal services, operating expenses, and grants partially offset this difference and are more than 100.0% expended but compared to benefits and claims, these are relatively small proportions of the overall HB 2 budget. Personal services were 112.3% expended. Historic utilization of total PB hours budgeted within this division averages around 90.9%, but FY 2024 saw marginally higher utilization of 93.0%. Operating expenses were 119.0% expended and grants were 154.2% primarily due to overages in the BHDD HB 2 grants in these categories, but this same subclass is under expended in benefits and claims, evening out those differences. These grants include the substance use block grant, mental health block grant, and the social services block grant.

FY 2024 Appropriations Compared to FY 2025 Appropriations

The FY 2025 HB 2 appropriation is 8.4% higher than the FY 2024 appropriation. Much of this increase can be attributed to additional provider rate increases in FY 2025 for both Medicaid and non-Medicaid providers. Additionally, previously anticipated Medicaid caseload increases in FY 2025 account for a significant portion of this increase.

Program Discussion

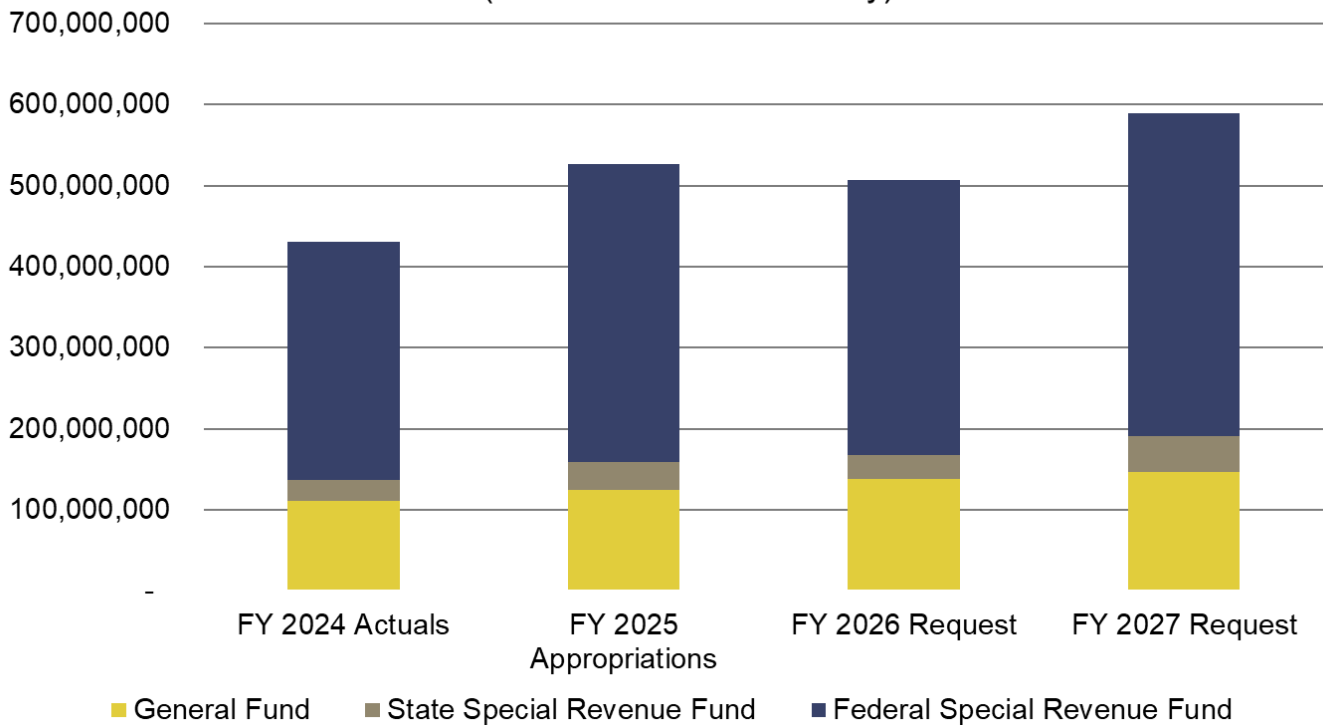
The BHDD was created in FY 2023 through the consolidation of the non-institutional functions of the former Developmental Services Division (DSD) and the former Addictive and Mental Disorders Division (AMDD).

As discussed in the program description above, BHDD is made up of four bureaus and two programs that provide services to all age groups across the mental health continuums of care as well as those with developmental disabilities. These services include both federal grants and Medicaid state plan services. For a more detailed discussion of DPHHS's complete request please refer to the Medicaid discussion in the Agency summary.

Medicaid Request

The traditional Medicaid and Medicaid expansion request in BHDD totals \$1,141.9 million in benefits and claims over the biennium. The largest portion of the budget is traditional Medicaid which totals \$938.7 million dollars over the biennium. Though the benefits and claims request is slightly lower than the base budget for FY 2025, the FY 2026 request is \$76.0 million higher than the FY 2024 actual expenditures in BHDD.

**HB 2 Medicaid Request: Traditional and Expansion
(Benefits and Claims Only)**



Medicaid Waivers

There are 4 Medicaid waivers housed in the BHDD:

- The developmental disabilities waiver, also known as the 0208 waiver, provides home and community based (HCBS) services for individuals over the age of 8 with developmental disabilities who qualify for Medicaid and would otherwise need institutional care. It supports around 2,500 people across Montana, covering needs throughout their lives. Over 30 types of services are offered by both traditional provider agencies and family-directed hires. The program's individualized support costs average \$72,000 annually with a large range across individuals. This waiver is housed under the developmental disabilities program within the division
- The severe and disabling mental illness waiver provides long-term supports including but not limited to independent living supports and habilitative services. This waiver, managed by the treatment bureau, is meant to facilitate long-term care services being received in a community setting as opposed to a nursing home or other institutional setting
- The Healing and Ending Addiction through Recovery and Treatment (HEART) waiver requested federal approval

to use Medicaid funds for four services that were not reimbursable through Medicaid: evidence-based stimulant use disorder treatment, tenancy support services, reentry services for incarcerated individuals, and substance use disorder treatment for facilities with more than 16 beds. All four components have now been approved. State match for these services come out of the HEART state special revenue fund discussed in the HEART Initiative section below

- The Waiver for Additional Service Populations (WASP) serves two exclusive populations. The first population includes individuals with an SDMI who are enrolled in the state-funded mental health services plan (MHSP) but are otherwise ineligible for Medicaid benefits. Through this waiver they receive standard Medicaid benefits. The second population includes aged, blind, or disabled individuals already eligible for Medicaid and offers dental treatment services above the state plan dental treatment cap. The first population is served in BHDD whereas the second population falls under HRD.

HEART Initiative

In addition to the Medicaid waiver portion of the HEART initiative mentioned above, HB 701 in the 2021 Session set up a state special revenue fund that receives up to \$6.0 million dollars a year from the tax on recreational marijuana. This money can be used to provide statewide programs for substance use disorder prevention, youth suicide prevention, mental health promotion, crisis treatment, and recovery services for substance use and mental health disorders, per 16-12-122 MCA. Total spending for the HEART Initiative for the last two fiscal years is detailed below. These numbers include Medicaid match as well as non-Medicaid programs.

HEART Initiative Expenditures from All Sources of Authority				
<u>Funding Source</u>	<u>Program Type</u>	<u>FY 2023</u>		<u>FY 2024</u>
State Funding	Medicaid	\$	1,106,340	\$ 2,663,809
	Non-Medicaid		<u>2,982,891</u>	<u>4,017,946</u>
	Total		4,089,231	6,681,754
Federal Funding	Medicaid	\$	6,887,559	\$ 12,462,822
	Non-Medicaid		<u>12,121</u>	<u>5,953</u>
	Total		6,899,680	12,468,775
All funds	Total	\$	10,988,911	\$ 19,150,529

Behavioral Health System for Future Generations (BHSFG) State Special Revenue Fund

HB 872 of the 2023 Session created the behavioral health system for future generations fund and transferred \$225.0 million into the fund along with \$75.0 million into the capital development fund for the purpose of stabilizing, studying, and continuing to develop a viable and comprehensive statewide behavioral health and developmental disabilities care system, per 50-1-119 MCA.

The bill also created a commission to study and recommend how the funds are to be used. This commission does not dissolve until the end of FY 2025. Staffed by the DPHHS, the commission met 15 times between the start of the FY 2024 and the publishing of this report. Past meeting materials and recordings can be found on the [commission website](#).

The report published in September of 2024 includes 22 recommendations to bolster the behavioral health and developmental disabilities systems across the state. The cost estimates for each recommendation are broken out in the report. These estimates include initial investments needed to launch the recommendation as well as estimated recurring costs. Any initial costs would be covered by BHSFG state special revenue funds. Recurring costs would have to be integrated into the state’s base budget in future biennia. Many recommendations would be able to leverage federal funds so estimated federal share and estimated state share is included as well.

Of the 22 recommendations that were brought forth in the BHSFG Commission final report, ten were included in the executive request. Funding detail is broken out in the linked [appendix table](#) and further detail about each recommendation can be found in the [final report](#). Brief summaries can also be found in the "New Proposals" section of this division.

Overall, the executive has included \$99.0 million in funding requests for these initiatives; this includes \$63.0 million in Medicaid specific funding as well as \$36.0 million in programs outside of the Medicaid portion of the budget. This request includes \$53.5 million in state funding obligations across the biennium that would come out of the state special revenue fund created by HB 872 in the 2023 legislative session. This state special revenue fund does not have a revenue source in statute, nor does it retain its own interest so any ongoing costs will eventually require general fund. As requested, \$23.5 million in state obligation will be brought into the HB 2 budget in the 2027 biennium.

**LFD
COMMENT**

The legislature has several options for addressing the decision packages included in the executive request under HB 872. These decision packages may be approved as presented, modified in their entirety, or amended selectively. Potential options include:

- Adding restrictions to ensure funds are utilized for the purposes outlined in the proposals
- Categorizing the appropriations as one-time-only (OTO) to allow the legislature to evaluate the outcomes of these proposals before incorporating them into the base budget
- Including language to clarify or add legislative intent, providing guidance in the implementation of these funds
- Funding levels may be adjusted
- Other report recommendations may be considered, in lieu of or in addition to

In addition to the recommendations, over the course of the interim 11 near-term initiatives were approved by the commission and subsequently by the governor. DPHHS started implementing these initiatives upon approval. These near-term initiatives were meant to provide for short-term systemic stabilization efforts while the commission studied long-term solutions. Of the 11 approved initiatives, 6 initiatives are documented as one-time-only costs, 4 initiatives are pilot programs, and 1 initiative mentions potential future ongoing operation and maintenance costs. No decision packages are included at present to continue these pilot programs or provide for software operations and maintenance costs. The appropriation DPHHS has used to support these initiatives ends June 30th, 2025.

The commission has not yet issued recommendations for the capital development funding appropriated in the original bill, but \$1.6 million is included in DPHHS's base budget for future operation and maintenance costs. If this funding is not needed or used in this biennium, that amount reverts back to the general fund.

The BHSFG initiative is separate from the HEART initiative though they are tangentially related in their efforts.

Comprehensive School and Community Based Treatment

In addition to the commission and the recommendations, HB 872 also consolidated the funding mechanisms behind the Comprehensive School and Community Based Treatment (CSCT) program, moving all funding for the program back to DPHHS. This program is a Medicaid reimbursable mental health center service provided by a public school district designed and managed by the Children's Mental Health Bureau that primarily serves youth with serious emotional disturbance (SED) diagnosis(es). The services are provided by treatment teams of one licensed or supervised in-training practitioner and up to two behavioral aides. Youth admitted to the program may receive services in school, at home or in the community.

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the proposed budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

69010 - Department Of Public Health & Human Services 10-Behavioral Health & Dev Disability

Present Law Adjustments	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	107,213	116,513	(55,469)	168,257	0.00	119,824	116,794	(43,466)	193,152
DP 3 - Inflation Deflation	0.00	(1,591)	(15)	(1,823)	(3,429)	0.00	(1,075)	(10)	(1,233)	(2,318)
DP 10550 - Medicaid Core Services AMH - BHDD	0.00	737,128	(169,825)	910,435	1,477,738	0.00	1,946,557	(118,208)	2,916,911	4,745,260
DP 10551 - Medicaid Core Services DDP and CMH - BHDD	0.00	2,595,303	(5,602,063)	(4,825,384)	(7,832,144)	0.00	5,503,375	(5,375,819)	203,502	331,058
DP 10552 - Medicaid Core FMAP Adjustment AMH - BHDD	0.00	1,110,445	215,360	(1,325,805)	0	0.00	1,181,654	226,739	(1,408,393)	0
DP 10553 - Medicaid Core FMAP Adjustment DDP and CMH - BHDD	0.00	3,154,959	522,347	(3,677,306)	0	0.00	3,321,268	557,470	(3,878,738)	0
DP 10554 - Medicaid Waiver Services AMH - BHDD	0.00	1,580,789	333,485	3,072,113	4,986,387	0.00	3,255,238	430,510	5,880,168	9,565,916
DP 10555 - Medicaid Waiver Services DDP and CMH- BHDD	0.00	(1,111,917)	(600,000)	(2,747,360)	(4,459,277)	0.00	(97,109)	(600,000)	(1,112,155)	(1,809,264)
DP 10556 - Medicaid Waiver FMAP Adjustment AMH - BHDD	0.00	(258,695)	1,736,849	(1,478,154)	0	0.00	(258,695)	1,785,919	(1,527,224)	0
DP 10557 - Medicaid Waiver FMAP Adjustment DDP and CMH - BHDD	0.00	4,636,619	0	(4,636,619)	0	0.00	4,885,679	0	(4,885,679)	0
DP 10560 - Medicaid Expansion Services AMH - BHDD	0.00	(1,388,412)	4,765	(12,452,825)	(13,836,472)	0.00	(961,346)	77,514	(7,954,490)	(8,838,322)
DP 10564 - Medicaid Expansion FMAP AMH - BHDD	0.00	289,608	0	(289,608)	0	0.00	289,608	0	(289,608)	0
Grand Total All Present Law Adjustments	0.00	\$11,451,449	(\$3,442,584)	(\$27,507,805)	(\$19,498,940)	0.00	\$19,184,978	(\$2,899,091)	(\$12,100,405)	\$4,185,482

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Legislatively approved changes
- Management decisions
- Budget modifications made to the personal services budget in the 2025 biennium

Department of Public Health and Human Services Behavioral Health and Developmental Disabilities Division FY 2026 Statewide Present Law Adjustment for Personal Services	
Legislative Changes	\$ 187,171
Management Changes	(18,078)
Total Budget Modifications	(835)
Total	<u>\$ 168,258</u>

Legislative changes in DP 1 are driven by benefit increases while management changes are driven by decreases in vacancy savings.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include in-state state motor pool and motor pool leased vehicles.

DP 10550 - Medicaid Core Services AMH - BHDD -

The executive requests funding for caseload growth in the Adult Mental Health (AMH) Program in the Behavioral Health and Developmental Disabilities Division. This adjustment covers the projected change in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care. This adjustment does not include any changes in eligibility criteria or allowable plan services.

DP 10551 - Medicaid Core Services DDP and CMH - BHDD -

The executive proposes a decrease in caseload in the Developmental Disabilities Program (DDP) and Children's Mental Health (CMH) programs in the Behavioral Health and Developmental Disabilities Division which covers the projected change in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care. This adjustment does not include any changes in eligibility criteria or allowable plan services.

DP 10552 - Medicaid Core FMAP Adjustment AMH - BHDD -

The executive proposes an adjustment to maintain existing services for Adult Mental Health (AMH) services in the Behavioral Health and Developmental Disability Division. The biennial funding increases the general and state special revenue funds and includes an offsetting decrease in federal funds. The total cost for the program does not change.

DP 10553 - Medicaid Core FMAP Adjustment DDP and CMH - BHDD -

The executive requests an increase to maintain existing services for the Developmental Disabilities Program (DDP) and Children's Mental Health (CMH) programs in the Behavioral Health and Developmental Disabilities Division. The biennial funding increases the general and state special revenue funds and includes an offsetting decrease in federal funds. The total cost for the program does not change.

DP 10554 - Medicaid Waiver Services AMH - BHDD -

The executive requests an increase for caseload in the Adult Mental Health (AMH) Program in the Behavioral Health and Developmental Disabilities Division which covers the projected change in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care in the Severe and Disabling Mental Illness (SDMI) Waiver. This adjustment does not include any changes in eligibility criteria or allowable plan services.

DP 10555 - Medicaid Waiver Services DDP and CMH- BHDD -

The executive proposes decrease of caseload in the Developmental Disabilities Program (DDP) and Children's Mental Health (CMH) programs in the Behavioral Health and Developmental Disabilities Division which covers the projected change in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care in the Developmental Disabilities Waiver. This adjustment does not include any changes in eligibility criteria or allowable plan services.

DP 10556 - Medicaid Waiver FMAP Adjustment AMH - BHDD -

The executive requests adjustments to maintain existing services for the Adult Mental Health (AMH) Program in the Behavioral Health and Developmental Disabilities Division. The biennial funding increases the general and state special revenue funds and includes an offsetting decrease in federal funds. The total cost for the program does not change.

DP 10557 - Medicaid Waiver FMAP Adjustment DDP and CMH - BHDD -

The executive requests adjustments to maintain existing services for the Developmental Disabilities and Children's Mental Health Bureaus in the Behavioral Health and Developmental Disabilities Division. The biennial funding increases the general and state special revenue funds and includes an offsetting decrease in federal funds. The total cost for the program does not change.

DP 10560 - Medicaid Expansion Services AMH - BHDD -

The executive requests adjustments for the decrease of caseload in the Adult Mental Health (AMH) Program in the Behavioral Health & Developmental Disabilities Division which covers the projected change in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care for Medicaid Expansion. This adjustment does not include any changes in eligibility criteria or allowable plan services.

**LFD
COMMENT**

Medicaid expansion continuing into the 2027 biennium is contingent upon legislative action.

DP 10564 - Medicaid Expansion FMAP AMH - BHDD -

The executive requests adjustments to maintain existing services for the Adult Mental Health (AMH) Program in the Behavioral Health and Developmental Disabilities Division. The total cost for the program does not change.

**LFD
COMMENT**

Medicaid expansion continuing into the 2027 biennium is contingent upon legislative action.

New Proposals

The "New Proposals" table shows new proposals for spending.

69010 - Department Of Public Health & Human Services 10-Behavioral Health & Dev Disability

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 10001 - State Opioid Response Grant - BHDD	0.00	0	0	4,000,000	4,000,000	0.00	0	0	4,000,000	4,000,000
DP 10002 - FDA Tobacco Grant - BHDD	0.00	0	0	218,855	218,855	0.00	0	0	218,855	218,855
DP 10701 - BHSFG 01. Refine and Reconfigure the Current 0208 Comprehen	0.00	0	950,000	0	950,000	0.00	0	2,894,836	4,558,764	7,453,600
DP 10703 - BHSFG 03. Expand the Service Delivery System to Support Ind	0.00	0	10,630,000	0	10,630,000	0.00	0	3,388,071	5,441,929	8,830,000
DP 10704 - BHSFG 04. Redefine and Reopen E&D Clinics to Support Famili	0.00	0	1,025,000	0	1,025,000	0.00	0	1,000,000	0	1,000,000
DP 10706 - BHSFG 06. Enhance the Targeted Case Management Program - BH	0.00	0	1,335,545	0	1,335,545	0.00	0	750,000	0	750,000
DP 10708 - BHSFG 08. Implement a Care Transitions Program - BHDD	0.00	0	1,115,619	0	1,115,619	0.00	0	991,661	0	991,661
DP 10709 - BHSFG 09. Adopt Electronic Bed Registry and Enhance 988 - B	0.00	0	4,216,850	0	4,216,850	0.00	0	1,046,275	796,275	1,842,550
DP 10717 - BHSFG 17. Redesign Rates to Improve In-State Youth Resident	0.00	0	0	0	0	0.00	0	75,000	75,000	150,000
DP 10718 - BHSFG 18. Invest in School-Based Behavioral Health Initiati	0.00	0	2,725,015	0	2,725,015	0.00	0	4,592,059	2,654,346	7,246,405
DP 10719 - BHSFG 19. Incentivize Providers to Join the BH and DD Workf	0.00	0	8,030,000	0	8,030,000	0.00	0	250,000	0	250,000
DP 10722 - BHSFG 22. Expand and Sustain Certified Community Behavioral	0.00	0	0	0	0	0.00	0	8,477,645	31,961,710	40,439,355
DP 10801 - Refinance MED CORE AMH I-149	0.00	0	0	0	0	0.00	0	0	0	0
DP 10802 - Realign Appropriation for HCBS MH Waiver	0.00	0	0	0	0	0.00	0	0	0	0
DP 10803 - Realign Appropriation for Med Waiver AMH	0.00	2,500,000	(2,500,000)	0	0	0.00	3,000,000	(3,000,000)	0	0
Total	0.00	\$2,500,000	\$27,528,029	\$4,218,855	\$34,246,884	0.00	\$3,000,000	\$20,465,547	\$49,706,879	\$73,172,426

***Total Funds** amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 10001 - State Opioid Response Grant - BHDD -

The executive requests adjustments to add the State Opioid Response grant to the prevention program budget in BHDD. The funding has been requested through the Office of Budget and Program Planning (OBPP) using the Budget Amendment process since 2018. The grant dollars are used to address the opioid crisis by providing resources to Montana communities to increase access to FDA-approved medications for the treatment of opioid use disorder (OUD), and to support the continuum of prevention, harm reduction, treatment, and recovery support services for OUD, and other concurrent substance use disorders. The State Opioid Response Program also supports the continuum of care for stimulant misuse and use disorders, including cocaine and methamphetamine. This service is funded with 100% federal funds.

DP 10002 - FDA Tobacco Grant - BHDD -

The executive requests adjustments to add the federal Food and Drug Administration (FDA) Tobacco grant to the prevention program budget in BHDD. The funding has been requested through the Office of Budget and Program Planning using the Budget Amendment process since 2018. The grant dollars are used to enforce retailer compliance with tobacco regulations. This service is funded with 100% federal funds.

DP 10701 - BHSFG 01. Refine and Reconfigure the Current 0208 Comprehen -

The executive requests adjustments to implement Behavioral Health System for Future Generations recommendation 01 - Refine and Reconfigure the Current 0208 Comprehensive Waiver Services Rates. This recommendation proposes an adjustment in tiered rate methodology from hours of support to an acuity and level of supports based mode. More detail can be found on page 16 of the [BHSFG Commission Final Report](#). This funding will cover start-up and initial operations costs for the recommendation during the biennium and includes a continuing Medicaid funding component.

DP		FY 2026		FY 2027		Biennial Total - All Funds
		State Special Revenue	Federal Special Revenue	State Special Revenue	Federal Special Revenue	
10701	Medicaid	\$ -	\$ -	\$ 2,894,836	\$ 4,558,764	\$ 7,453,600
	Non- medicaid	950,000	-	-	-	950,000
	Total	950,000	-	2,894,836	4,558,764	8,403,600

DP 10703 - BHSFG 03. Expand the Service Delivery System to Support Ind -

The executive requests adjustments to implement Behavioral Health System for Future Generations recommendation 03 - Expand the Service Delivery System to Support Individuals with Complex Needs. This recommendation proposes piloting the START program, procuring training for those in the workforce focused on individuals with complex needs and develop an additional community living service in the 0208 waiver for individuals with complex needs. More detail can be found on page 18 of the [BHSFG Commission Final Report](#). This funding will cover one-time only and initial operations costs for the recommendation during the biennium and includes a Medicaid and non-Medicaid funding component.

DP		FY 2026		FY 2027		Biennial Total - All Funds
		State Special Revenue	Federal Special Revenue	State Special Revenue	Federal Special Revenue	
10703	Medicaid	\$ -	\$ -	\$ 3,388,071	\$ 5,441,929	\$ 8,830,000
	Non- medicaid	10,630,000	-	-	-	10,630,000
	Total	10,630,000	-	3,388,071	5,441,929	19,460,000

DP 10704 - BHSFG 04. Redefine and Reopen E&D Clinics to Support Famili -

The executive requests adjustments to implement Behavioral Health System for Future Generations recommendation 04 - Redefine and Reopen Evaluation and Diagnostics (E&D) Clinics to Support Families More Effectively. This recommendation proposes redefining the intent and scope of E&D clinics as well as launching a pilot program of E&D clinics under these newly defined scope. More detail can be found on page 18 of the [BHSFG Commission Final Report](#). This funding will cover start-up and initial operations costs for the recommendation during the biennium.

LFD COMMENT In the BHSFG Commission's final report, this recommendation is proposed as a pilot program to give DPHHS an opportunity to "evaluate the effectiveness" of the newly redefined and launched E&D clinics. As requested, DP 10704 includes \$1.0 million dollars in state funding in FY 2026 for this pilot program as well as \$1.0 million in ongoing funding in FY 2027 that will bring this program immediately into the base budget in this biennium. This funding could be recategorized as one-time-only so that the legislature has the chance to consider the success of the pilot program before it becomes a part of the base budget going forward.

DP 10706 - BHSFG 06. Enhance the Targeted Case Management Program - BH -

The executive requests adjustments to implement Behavioral Health System for Future Generations recommendation 06 - Enhance the Targeted Case Management (TCM) Program. This recommendation proposes a reevaluation of the TCM for certain service populations, an expansion of the TCM program as well as incentivization of TCM providers to measure outcomes. More detail can be found on page 21 of the [BHSFG Commission Final Report](#). This funding will cover start-up and initial operations costs for the recommendation during the biennium.

69010 - Department Of Public Health & Human Services 10-Behavioral Health & Dev Disability

DP 10708 - BHSFG 08. Implement a Care Transitions Program - BHDD -

The executive requests adjustments to implement Behavioral Health System for Future Generations recommendation 08 - Implement a Care Transitions Program. This recommendation proposes the initiation of a new case management program for people transitioning from certain settings. More detail can be found on page 23 of the [BHSFG Commission Final Report](#). This funding will cover start-up and initial operations costs for the recommendation during the biennium.

DP 10709 - BHSFG 09. Adopt Electronic Bed Registry and Enhance 988 - B -

The executive requests adjustments to implement Behavioral Health System for Future Generations recommendation 09 - Adopt Electronic Bed Registry and Enhance 988. The recommendation proposes the implementation of a web-based system to monitor real-time bed availability and inventory statewide resources. This recommendation also proposes formalized agreements with local dispatch centers to facilitate crisis response, as well as provide support for 988 call centers and first responders answering crisis situations. More detail can be found on page 24 of the [BHSFG Commission Final Report](#). This funding will cover one-time only and initial operations costs for the recommendation during the biennium. This funding will cover start-up and initial operations costs for the recommendation during the biennium and includes a continuing Medicaid administration funding component.

DP		FY 2026		FY 2027		Biennial Total - All Funds
		State Special Revenue	Federal Special Revenue	State Special Revenue	Federal Special Revenue	
10709	Medicaid	\$ -	\$ -	\$ 1,046,275	\$ 796,275	\$ 1,842,550
	Non- medicaid	4,216,850	-	-	-	4,216,850
	Total	4,216,850	-	1,046,275	796,275	6,059,400

DP 10717 - BHSFG 17. Redesign Rates to Improve In-State Youth Resident -

The executive requests adjustments to implement Behavioral Health System for Future Generations recommendation 17 - Redesign Rates to Improve In-State Youth Residential Services. This recommendation proposes redefining the rate structure for high acuity youth at in-state youth residential homes as well as provide for smaller residence options for higher acuity youth. More detail can be found on page 32 of the [BHSFG Commission Final Report](#). This funding will cover start-up and initial operations costs for the recommendation during the biennium.

DP 10718 - BHSFG 18. Invest in School-Based Behavioral Health Initiati -

The executive requests adjustments to implement Behavioral Health System for Future Generations recommendation 18 - Invest in School-Based Behavioral Health Initiatives. This recommendation proposes additional investments in school based behavioral health efforts such as one-time investments in school-based multi-tiered system of supports (MTSS) and provide interprofessional training for school staff. More detail can be found on page 33 of the [BHSFG Commission Final Report](#). This funding will cover start-up and initial operations costs for the recommendation during the biennium and includes a continuing Medicaid funding component.

DP		FY 2026		FY 2027		Biennial Total - All Funds
		State Special Revenue	Federal Special Revenue	State Special Revenue	Federal Special Revenue	
10718	Medicaid	\$ -	\$ -	\$ 1,663,770	\$ 2,654,346	\$ 4,318,116
	Non- medicaid	2,725,015	-	2,928,289	-	5,653,304
	Total	2,725,015	-	4,592,059	2,654,346	9,971,420

DP 10719 - BHSFG 19. Incentivize Providers to Join the BH and DD Workf -

The executive requests adjustments to implement Behavioral Health System for Future Generations (BHSFG) recommendation 19 - Incentivize Providers to Join the Behavioral Health (BH) and Developmental Disabilities (DD) Workforce. This recommendation proposes a tuition reimbursement program targeting the BH workforce and a dual enrollment program for tuition-free college level courses to high school students aimed at preparing students to enter BH and DD professions. More detail can be found on page 34 of the [BHSFG Commission Final Report](#). This funding will cover start-up and initial operations costs for the recommendation during the biennium.

DP 10722 - BHSFG 22. Expand and Sustain Certified Community Behavioral -

The executive requests adjustments to implement Behavioral Health System for Future Generations recommendation 22 - Expand and Sustain Certified Community Behavioral Health Clinics (CCBHC). This recommendation proposes infrastructure and capacity investments for a statewide CCBHC model statewide and provide funding to CCBHC providers to support adherence to SAMHSA CCBHC requirements. More detail can be found on page 37 of the [BHSFG Commission Final Report](#). This funding is all Medicaid funding.

DP 10801 - Refinance MED CORE AMH I-149 -

The executive requests adjustments to refinance Medicaid Core Adult Mental Health in BHDD. This change package requests a reduction of \$2.0 million from I-149 state special revenue fund paired with an offsetting increase in state special tobacco trust interest funds. The total cost for the program is not impacted by this change package.

DP 10802 - Realign Appropriation for HCBS MH Waiver -

The executive requests adjustments to state special revenue funds in the Home and Community Based Services Mental Health Waiver program to align appropriation with anticipated expenditures. This change package requests a reduction of \$1.6 million from I-149 state special revenue fund paired with an offsetting increase in state special tobacco trust interest funds. The total cost for the program is not impacted by this change package.

DP 10803 - Realign Appropriation for Med Waiver AMH -

The executive requests a fund switch in the Medicaid Waiver Adult Mental Health program reduces the state special appropriation for I-149 tobacco and increases general fund support. This change package requests a reduction of state special revenue over the biennium and includes an offsetting increase in general funds. The total cost for the program does not change.