

BEHAVIORAL HEALTH SYSTEM FOR FUTURE GENERATIONS RECOMMENDATION #8: IMPLEMENT A CARE TRANSITIONS PROGRAM

Recommendation Overview:

This recommendation addresses Montana’s readmission crisis, where people discharged from institutions do not have the necessary support to reintegrate into their communities. As a result, many people cycle repeatedly between emergency departments, inpatient settings, correctional settings, and homeless shelters. These readmissions lead to poor outcomes, increased costs, and a burden on limited health system resources.

Currently, some adults and youth enrolled in Medicaid in Montana can receive ongoing targeted case management services to ensure they are connected to all of the services necessary to function safely in the community. While this service exists for people residing in the community, there is a need to provide intensive short-term support for people transitioning from institutional and correctional settings. To address the gap, **this recommendation supports implementing a new dedicated care transition service aimed at improving outcomes for Montana residents.**

The department is considering the selection of an effective care transition program, such as Critical Time Intervention (CTI). This time-limited, evidence-based model facilitates community integration for people discharged from institutional and correctional settings. The model deploys trained workers who link people to appropriate wraparound community support, such as targeted case management and housing, while helping them gradually gain more independence. Importantly, CTI is not a substitute for comprehensive, long-term case management but is intended to complement existing programs that provide those services.

Intended Impact:

This recommendation proposes providing tailored care transition support to people discharged from institutional and correctional settings. Example performance measures for this recommendation may include:

- Decreased reliance on state-operated facilities.
- Decreased lengths of stay.
- Reduced readmissions to institutional settings.
- Increased bed capacity to admit new patients.
- Improved follow-up after hospitalization for mental illness.

Governor’s Budget Amounts:





Funding by Year ¹		Funding Sources ²	
SFY26	SFY27	State Special Revenue	Federal Funds
\$1.1M	\$990K	\$2.1M	\$0



This recommendation includes three care transition programs, each staffed with half a supervisor and two CTI coach FTEs. Together, they will serve approximately 120 clients. The BHSFG funding request will support one-time start-up costs and the first two years of operating expenses. Long-term sustainability funding will support ongoing program costs.³ This assumes federal Medicaid matching funds, which will require the submission of a state plan amendment (SPA) to CMS.

Implementation Considerations:

This Phase 1 foundational recommendation establishes the necessary infrastructure for subsequent recommendations to succeed and/or is critical to strengthening and sustaining system operations.⁴ It is designated to receive funding in both SFY26 and SFY27 in the Governor’s budget.

Project Requirements	Project Needs
<p>Staffing</p> 	<ul style="list-style-type: none"> Determine the staffing model for either hiring state staff or a contracted vendor. Conduct targeted staff training on the principles and practices of the CTI model.
<p>System / Infrastructure</p> 	<ul style="list-style-type: none"> Establish clear patient eligibility criteria and define specific metrics and reporting requirements to ensure efficient program management and effective evaluation.
<p>Legislative / Regulatory</p> 	<ul style="list-style-type: none"> Establish and update operating policies and the provider manual as well as revising the Medicaid Management Information System and Administrative Rules of Montana (ARMs). Submit a SPA to CMS.
<p>Finance / Sustainability</p> 	<ul style="list-style-type: none"> Establish updated rates and total start-up costs. Assess the feasibility of submitting a SPA to bill Medicaid long-term.

¹ In November 2024, Governor Gianforte authorized \$100M for SFY26 and SFY27 to implement 10 recommendations identified by the BHSFG Commission. The cost estimates for this recommendation in the BHSFG final report may vary due to the timing of projected expenditures and additional adjustments.

² Federal match is projected to cover part of ongoing costs but is not expected to begin immediately.

³ The long-term recurring program costs are assumed to be eligible for federal matching.

⁴ The BHSFG recommendations included in the Governor’s budget are all eight Phase 1 recommendations and two Phase 2 recommendations. Phase 2 BHSFG Commissioner Identified Focus Area Recommendations are those the Commission identified as a leading focus area that may be impacted by the completion of a foundational recommendation and/or are not foundational in nature.

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