



BHSFG Recommendation: Capital Expenditures Track 1 Montana State Hospital (MSH) Improvements

Project Overview

Purpose of Improvements at MSH

- Provide further essential repairs to MSH and modernize its infrastructure to improve the quality of patient care and outcomes
 - This includes repairs that department leadership believes to be important but were not included in HB 5, in part due to not being a requirement for CMS certification
- Enhance the facility design to improve quality, capacity, safety, and alignment with best practices

Estimated Project Budget and Timeline

Capital Expenditure Estimates: MSH Improvements

- The figures provided below reflect an estimated range of expenditures required for facility improvements. These figures were refined by the Department of Administration – Architecture & Engineering Division (A&E).

Project Timeline

- A&E projects that the project will take approximately three years to complete.

Assumptions	Estimate
Electrical Primary (High Voltage) Upgrades	\$2.1M
Electrical Generators, Main Hospital Building	\$0.85M
Group Home and Housing Roof Replacements	\$3.3M
Admission Unit & Infirmary	\$1.75M
Ancillary Buildings	\$6.5M
Guard House, Front Entrance	\$0.2M
Roads, Sidewalks, and Parking	\$2.8M
Total Estimated One-Time Costs:	\$17.5M

¹ **Disclaimer:** Expenditure estimates provided are preliminary ranges and are subject to change; funding is subject to approval by the Governor’s Office.



BHSFG Recommendation: Capital Expenditures Track 2 Intensive Behavior Center (IBC) Relocation

Project Overview

Purpose of Relocating IBC

- This project seeks to relocate the Intensive Behavior Center (IBC) from Boulder, MT, to a more populated area of the state.
- New locations for IBC under consideration include Helena and Butte.
- The relocated facility would have *up to* 12 beds spread across 2 or 3 settings on the property.
- Potentially, the new location could be co-located with a new Systemic, Therapeutic, Assessment, Resources, and Treatment (START) Resource Center (BHSFG Recommendation #3) to support staff resource sharing. The START resource center utilizes a clinical team to provide short term services and therapeutic support to people in crisis.

Estimated Project Budget and Timeline

Capital Expenditure Estimates: IBC Relocation

- The figures provided below reflect an estimated range of expenditures required for constructing a new facility to support the relocation of IBC. These figures were refined by the Department of Administration – Architecture & Engineering Division (A&E).
- Estimated ongoing operational costs of a relocated IBC are projected to range between \$13.4-14M per year. This assumes the current IBC per member per day cost would be consistent with current expenditures at the relocated facility and **not** require new operational funding.

Project Timeline

- A&E projects that the project will take approximately three years to complete.

Assumptions	Estimate
Estimated Square Footage for a 12-bed Facility	13,000 sq ft
Estimated Construction Cost	\$7.6M
Architect/Engineer Services	\$1.5M
Furniture, Fixtures, and Equipment / Startup Cost	\$2.3M
Land Acquisition Cost	\$3.3M
Escalation/inflation to Year Built Cost	\$1.1M
Contractor Support	\$1.0M
Total Estimated One-Time Costs:	\$16.8M

¹ **Disclaimer:** Expenditure estimates provided are preliminary ranges and are subject to change; funding is subject to approval by the Governor’s Office.
Notes: (*) Does not include: a) staffing or care costs, b) any specialty healthcare equipment systems, (**) Site development costs included and divided by the building square footage (earthwork, excavation, parking, perimeter, access, stormwater, utilities from property line, etc.)



BHSFG Recommendation: Capital Expenditures Track 3 Subacute Behavioral Health (BH) Step-Down Facility

Project Overview

Purpose of Investing in Alternative Care Settings for Transition from State Facilities

- This project seeks to invest in a subacute step-down facility that provides lower-acuity care for people with serious mental illness transitioning from state facilities, such as MSH.
- The proposed facility offers short-term services designed to support people who no longer require acute or crisis care but are not yet ready for independent living.
- Subacute BH step-down facilities provide a level of care that is less intensive than state psychiatric facilities but more intensive than mental health group homes or partial hospitalization programs.
- States increasingly use these facilities to transition people to less restrictive environments, promoting independent living skills while providing necessary care.
- These facilities can offer secure and non-secure care, or a combination, depending on the population's legal status and clinical needs.
- Specific services vary based on acuity and may include psychiatric care, nursing services, peer support, and other rehabilitative services tailored to meet the needs of individuals.

Estimated Project Budget¹ and Timeline

Operating Expenditures and Revenue Estimates: MSH Grasslands Step-Down Facility

- The figures below, developed by the Guidehouse Alternative Settings team, reflect an estimated range of operating expenditures for a 16-bed subacute step-down facility at MSH Grasslands. These figures were presented during the December BHSFG Commission meeting.

Assumption	Estimate
Cost per Patient Day (FY24)	\$780
Number of Beds	16
Occupancy Rate	95%
Producer Price Index Adjustment	4%
Estimated Total Costs based on Patient Days	\$4.7M
Total Ongoing Costs:	\$4.7M
FMAP	61.46%
Federal Share	\$2.2M
Other Share	\$351K
State Share:	\$2.1M

¹ **Disclaimer:** The expenditure estimates provided are preliminary ranges and are subject to change; funding is subject to approval by the Governor's Office.