

Category D Assisted Living

A new community-based option between traditional assisted living and hospitalization.

Summary

DPHHS is expanding Montana's residential care continuum through the Senior and Long-Term Care (SLTCD) 1915(c) Big Sky Waiver (BSW) by introducing Category D services, established under Senate Bill (SB) 524 from the 2025 legislative session. SB 524 directs DPHHS to create this new option between traditional assisted living and inpatient psychiatric care by supporting facilities with technical assistance and a reimbursement model tailored to higher-acuity residents in smaller, 15-bed-or-fewer settings.

Category D is designed for BSW members with complex behavioral and neurocognitive needs who require 24-hour therapeutic supervision and may be at risk of involuntary psychiatric hospitalization. This new service aligns with Home and Community-Based Services principles and the BSW's goals of community integration, safety, and individualized support. Category D enhances Montana's ability to serve members with intensive behavioral needs in the least restrictive setting capable of meeting those needs, while promoting stability and reducing avoidable admissions to the Montana State Hospital.

Status Update

SLTCD partnered with Guidehouse and convened three focus group sessions with providers, associations, and advocacy stakeholders. Feedback from these sessions shaped the rate-setting methodology and informed the rates for Category D services. The Division submitted a 1915(c) waiver amendment for BSW to incorporate Category D services in February of 2026. The Office of Inspector General (OIG) proposed an administrative rule amendment to incorporate the changes from SB 524 to Category D Assisted Living Facilities (ALF).

These proposed rules are open for public comment until May 18, 2026. While awaiting federal approval from the Centers for Medicare & Medicaid Services, SLTCD continues to develop the operational elements needed for full implementation of Category D services.

Quick Facts

- Serves individuals who may pose a risk to self or others
- Supports individuals with neurocognitive or behavioral conditions, including traumatic brain injury, dementia, and Alzheimer's
- Intended to help members receive intensive behavioral care close to home and community
- Provides a diversion from involuntary commitment by offering care in a less-restrictive setting than the Montana State Hospital
- Maximum of 15 residents per facility for individualized care
- Members receive in-person visits from the BSW Case Management Team to review safety and needs
- No longer requires restraints or seclusion, instead requiring prior authorization if used



DEPARTMENT OF
**PUBLIC HEALTH &
HUMAN SERVICES**