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Form Montana Licensing Reform Task Force
Matter Theresa Clearman - Rules
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Montana Licensing Reform Task Force

This Task Force was created pursuant to Executive Order 1-2026 on January 29, 2026.

Purpose of the Licensing Reform Task Force

The Task Force shall provide the Governor with recommendations and strategies for the State of Montana to reform the professional occupational licensing system for the purposes of:

- identifying and removing burdens and barriers faced by licensees that are not necessary to protect the public; and
- improving access to and availability of professional services for citizens across Montana, including rural communities.

In developing recommendations and strategies, the Task Force shall seek input from Montana citizens, legislators, Montana associations whose members are licensed occupational professionals, professional licensing boards, relevant state agencies, advisory groups and researchers focused on occupational licensing, and other appropriate stakeholders as determined by the Task Force.

Public Record

Please note that all information received through this form is public record.

Which committee would you like to receive your comment?

Full Task Force
Health Care Subcommittee
Barriers Subcommittee
Sunset Review Subcommittee

We want to hear from you!

We would like to receive any comments you would like the Task Force, or one of its subcommittees, to review. In addition, we are specifically looking for feedback for:

1. Specific topics a committee or the task force should consider, and
2. Specific people or organizations you think the task force should hear from.

Do you have a general comment or a specific person or topic for the Task Force to hear from?

General comment

What are your comments?

Note to Tribal Health Directors: I am submitting this testimony to highlight that while the Federal Government recognizes the true cost of clinical care through the All-Inclusive Rate, the State of Montana is attempting to bypass formal Tribal consultation to capture these funds for state-run infrastructure, while simultaneously deregulating professional clinical standards to accommodate out-of-state corporate providers.

To the Members of the Sunset Subcommittee: Please enter this letter into the official public record as formal testimony regarding the proposed restructuring of the Board of Behavioral Health. As a licensed professional, I am submitting this data to address significant fiscal disparities, the lack of Tribal consultation, and the administrative backlogs currently impacting the behavioral health workforce in Montana.

To: Commissioner Swanson and the members of the Sunset Subcommittee,

My name is Dr. Theresa Clearman. I hold a PhD in Community Psychology, a Master's degree in Counseling Psychology, and I am a licensed LCPC in Montana. My husband is also a licensed LCPC practicing in our state. I am writing today as a concerned professional to express my grave objections regarding the proposed "reforms" to the Board of Behavioral Health.

In the field of Community Psychology, we study the systems and infrastructures that support—or fail—the public. From a systemic perspective, the narrative being pushed to the public regarding a "workforce shortage" is fundamentally flawed. We do not have a shortage of qualified professionals; we have a manufactured administrative bottleneck within the State of Montana.

I. Data vs. Narrative: The Reality of Montana's Workforce

The public we serve deserves a functioning system, not lower standards. The data reveals that the "shortage" is an administrative myth being used to mask a collapse in state processing infrastructure:

Workforce Growth Outpacing Population: Montana's population growth has settled significantly since the peak of the COVID-19 pandemic. While the state saw a surge of 1.7% in 2021, that trend has stabilized. By 2025, Montana's annual growth settled to an estimated 0.3%–0.4% (roughly 7,137 people). In stark contrast, the number of counselors/clinical social workers graduating from the four state colleges and two private schools in Montana, are entering the workforce at an increased rate of 1.5% annually. Between 2020 and 2025, our employee growth rate hit 10.4%. We are expanding our provider pool at 3x the rate of the current population growth.

The 1,200 Candidate Backlog: We have over 1,200 graduates already in the pipeline. These individuals have completed their education and are providing services while acquiring their 3,000 hours, yet they are trapped by pervasive administrative processing failures.

Documented Systemic Failure: These failures are not isolated. A 2025 Legislative Audit (Report 25P-01) flagged "profound instability" and "systemic communication breakdowns" across monitoring programs for several fields of healthcare professionals. Furthermore, the Governor's 2026 Licensing Reform Task Force Briefing admitted that while the number of licenses in Montana has doubled in the last decade, the state's administrative processing capacity has failed to scale accordingly.

Digital Infrastructure: It is critical to note that healthcare professions including doctors, nurses, psychiatrists, pharmacists, as well as social workers and counselors, heavily utilize Telehealth to expand their reach; the failure to process these licenses is a failure to activate Montana's digital healthcare infrastructure. The state must not hold this infrastructure hostage until regulatory changes are made that specifically welcome out-of-state corporate Telehealth providers at the expense of our local workforce.

II. Reimbursement Inequity: Trade Interests vs. Clinical Reality

The Licensing Reform Task Force's push for deregulation is a "supply-side" economic tactic that ignores the actual financial and clinical landscape of Montana.

The Funding Gap: Tribal health facilities and Indian Health Service clinics utilize a federally mandated All-Inclusive Rate, which is currently \$826 per encounter for 2026. In contrast, private LCPCs and MSWs are reimbursed at the standard Montana Medicaid rate—typically near \$136 per session. The state is being hypocritical by acknowledging it costs \$826 to treat a person in a facility, but then claims it only costs \$136 to treat them in a private office.

The Profit Margin on Inexperience: Many large agencies are primarily staffed by unlicensed counselors-in-training who are often paid under \$50 per hour. This creates a massive profit margin for administrative trade interests, as they bill the high All-Inclusive Rate while exploiting pre-licensed candidates for profit. By lowering standards for licensing, more bodies can be added to this exploitative workforce, allowing agencies to maximize revenue while utilizing cheaper, pre-licensed, and untrained labor. The task force is also proposing a new tier of Behavioral Health Support Specialists who only have a high school diploma and a few months of training.

The Value of Experience: Private practice professionals represent the highest level of clinical experience and expertise in our state. Yet, the state's strategy seeks to maintain a system that prioritizes the use of a cheaper, unskilled labor pools rather than supporting the stability of the seasoned professionals who provide the highest quality of care.

III. Constitutional and Legal Obligations of the State

Right to Earn a Living: Article II, Section 3 of the Montana Constitution guarantees the right to "pursue life's basic

necessities." In *Wadsworth v. State* (1996), the Court ruled that this right must be protected under strict scrutiny, meaning the state must show a compelling justification for any law that interferes with livelihoods.

Anti-Competitive Barriers: In 2026, the Montana Supreme Court recognized in the *Noland* case that anti-competitive barriers are potential violations of constitutional economic liberty. Deregulation without safeguards devalues established professions and suppresses wages for current providers.

Fundamental Health Rights: The Montana Supreme Court reaffirmed in *Held v. Montana* that the right to "seeking safety, health and happiness" is a fundamental right. Lowering standards constitutes a state interference with this right.

The Myth of "Redundant Training": While the Governor's Task Force claims to look for "redundant" training, I must be clear: the 3,000 required clinical hours are not redundant—they are the bedrock of patient safety. Removing these is a reckless dismantling of clinical rigor.

Protection Against Unqualified Practice: Under MCA 37-3-101, the state has a mandate to ensure the public is "properly protected against unprofessional, improper, unauthorized, and unqualified practice."

The Mandatory Duty to Process: Per MCA 37-1-101, the state has a mandatory duty to provide clerical services and issue routine licenses within a 45-day window. This suggests they are currently in violation of this rule.

IV. Lack of Accountability and Exploitation of Tribal Nations

Montana has \$300 million earmarked for behavioral health. It is an affront to use this "generational investment" to build new facilities while dismantling the professional standards of the clinicians who serve our communities.

The goal of funneling these specialized funds primarily into physical buildings and "blended" general fund accounts is highly suspect. This infrastructure-heavy focus appears to be a tactical maneuver designed to access federal matching funds—which, as shown by the \$826 All-Inclusive Rate, are significantly higher for facility-based encounters.

While these rates are extraordinarily lopsided, this strategy directly exploits Tribal nations by using their identities to pull in 100% federal match funds while simultaneously stripping the professional standards from the clinicians who serve those very communities.

V. The Governor's Oath to Protect

Violating the Public Trust: Governor Gianforte took an oath to protect the citizens of Montana. That oath includes ensuring state resources benefit the people of this state, not corporate interests or unethical therapy farms. Two of multiple examples of consumer betrayal include BetterHelp that paid \$7.8 Million Dollars in an FTC Settlement (2023) for unethical practices and Cerebral, another therapy farm that was ordered to pay \$7 million (2024) for deceptive billing and aggressive prescribing of controlled substances.

The Lack of Accountability: We must oppose the practice of centralizing these specialized funds into a general fund. This administrative maneuver erodes transparency and removes the necessary oversight. Without dedicated fund accounting, there is zero accountability.

Direct Care for the Uninsured: HB 872 funds should provide grants directly to uninsured Montanans, allowing them to seek care from qualified clinicians without degrading the quality of service.

VI. Missing Clinical and Tribal Representation

It is unacceptable that the "behavioral health" voice on this task force is held by an unlicensed administrative executive representing trade interests from the Behavioral Health Alliance of Montana. It is a systemic failure to have an individual representing dozens of distinct clinical fields while holding zero experience or licensure in any of them.

Furthermore, there is a glaring absence of Tribal consultation. The Governor has excluded representatives from Montana's eight federally recognized Tribal Nations from this task force, despite the fact that these nations are primary stakeholders in the state's healthcare delivery and federal funding models.

VII. Montana's Approach in National Context

While several states have recently implemented licensing reforms to address workforce needs, none have pursued Montana's specific strategy of reducing core clinical standards. The national trend is focused on investment in clinicians, not deregulation:

Utah created new support roles with reduced exam requirements but preserved an additional 500 clinical hours to ensure patient safety.

Oklahoma removed certain onsite supervisor mandates to help rural areas but strictly maintained the 3,000-hour clinical requirement for licensure.

Texas addressed its workforce needs by expanding loan repayment programs up to \$180,000 for psychiatrists and mental health professionals.

Montana's current focus on infrastructure over licensure support—while simultaneously cutting standards—stands in direct contrast to evidence-based efforts in other states which focus on professional sustainability, equity, and public protection.

VIII. A Better Investment: Supporting Clinicians, Not Just Infrastructure

A. Strengthening the Workforce Pipeline

The state should prioritize the 1,200 candidates already in-state by removing administrative and financial barriers to licensure. The clinicians have done their work. The state should follow suit.

Clear the Backlog: Utilize funds to hire additional licensing clerks to accelerate the credentialing process. This does not mean lowering requirements or standards.

Facilitate Mentorship: Provide supervision grants to licensed counselors. Supervision is a vital professional duty; the state should subsidize this mentorship to ensure a steady flow of new clinicians rather than bypassing existing professional structures.

B. Expanding Access through Direct Care & Sustainability

Investment must reach the patient-provider level to be effective.

Direct-to-Uninsured Grants: Use HB 872 funds to provide care grants directly to uninsured Montanans, allowing them to access qualified clinicians without compromising the quality of service.

Private Practice Sustainability: To offset rising operational costs and high rent, the state should:

Expand operational support grants for practices serving low-income or uninsured populations.

Enact tax incentives for property owners who lease space to mental health providers at reduced rates.

Fund Behavioral Health Hubs, providing low-cost, state-affiliated shared spaces where Montana clinicians and not corporations can practice and hire associates.

C. Modernizing Financial Incentives (SLRP Expansion)

With student debt for mental health professionals often exceeding \$78,000 to \$200,000 or more, Montana must offer incentives that reflect the true cost of education. I propose expanding the Montana State Loan Repayment Program (SLRP) to:

Increase Awards: Offer up to \$60,000 per year for clinicians serving recipients of Medicaid, Medicare, or sliding-scale cash agreements.

Set ethical standards for loan repayment eligibility based on reasonable client loads.

Inclusive Eligibility: Open SLRP participation to private group and solo practices that offer services to low-income clients.

Prioritize Mentorship: Focus award distribution on clinicians who supervise pre-licensed candidates, doubling the impact on the state's workforce.

Support funding for more robust associations and in-state annual CEU trainings for Counselors and Social Workers.

Assist with affordable group health insurance programs for professionals.

Conclusion

I urge this subcommittee to fulfill its mandate to the citizens of Montana by protecting the integrity of the Board of Behavioral Health. We are at a critical crossroads: we can either choose a path of administrative convenience that exploits pre-licensed labor and tribal funding for the sake of facility-based profit, or we can choose a path of clinical excellence by restoring the administrative systems that support our existing workforce.

Lowering standards is not a "reform"—it is a dangerous dismantling of the clinical rigor that ensures patient safety. I ask you to reject these deregulatory measures and instead prioritize the transparency, accountability, and high professional standards that Montana's families deserve. Let us support the human infrastructure of our state by investing in the clinicians who have dedicated their lives to Montana's health, rather than clearing a path for corporate interests to profit from a race to the bottom.

Respectfully,

*Dr. Theresa Clearman, PhD, LCPC
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House Bill 872 (2023): Behavioral Health System for Future Generations Fund (\$300M investment).
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