



2017 Budget Recommendations

Emily Piper | Commissioner

Our mission

The Minnesota Department of Human Services, working with many others, helps people meet their basic needs so they can live in dignity and **achieve their highest potential.**

Strengthen and reform human services

- Maintain ability to provide services
- Reform service delivery
- Returning issues



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Independent Living



- Reform Home and Community-Based Services
- Update rate setting for disability waivers
- Expand resources to enable adults with disabilities to live independently
- Expand Return to the Community
- Expand MN Adult Abuse Reporting Center
- Establish new payment rates for PCA workers
- Maintain deaf and hard-of-hearing services

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Health Care



- Reform the delivery of health care services
- Establish option to purchase health coverage through MinnesotaCare
- Increase MA and MinnesotaCare payment rates
- Increase payment rates to safety net providers
- Repeal the sunset on the health care provider tax

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Direct Care and Treatment



- Increase staffing at Minnesota Security Hospital
- stabilize financing for Minnesota State Operated Community Services
- Enact reforms to the Minnesota Sex Offender Program
- Maintain funding for the Child and Adolescent Behavioral Health Services
- Upgrade security systems and electronic monitoring

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Children and Families



- Expand access to affordable child care services and increase payment rates to providers
- Strengthen child care assistance program integrity measures
- Improve child protection, foster care and permanency for children
- Support tribal human services initiatives

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Behavioral Health



- Enable counties to strengthen infrastructure for community-based living
- Expand MA coverage for and reform the substance use disorder treatment
- Finance intensive residential mental health services for children

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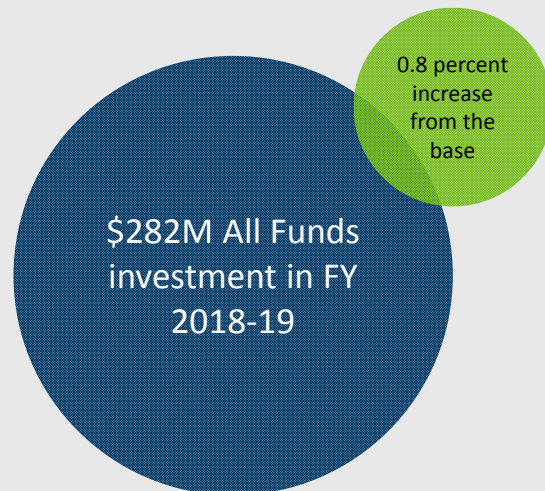
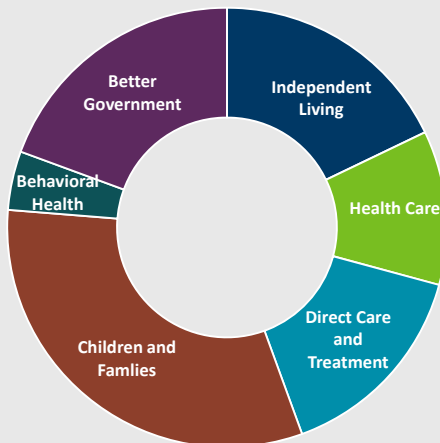
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Better Government



- Cover increasing labor costs while maintaining current staffing levels
- Upgrade and modernize aging computer systems
- Strengthen health and child care program fraud and abuse investigations
- Strengthen integrity in data practices

Budget overview



Independent Living

Loren Colman | Assistant Commissioner

The problem

- Current policies and payment structures do not adequately support individual choice, independent living and quality.

Our proposal

- Puts Minnesotans in the driver's seat to make choices about their lives
- Expands opportunities for people to explore their potential in employment and independent living

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- People are working and living independently, if possible.
- Stability and supports help individuals move into and maintain housing in their own homes and communities of choice.

Independent Living

All Funds investment
\$50.4 M in
FY 2018-19

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Update disability waiver service rates to reflect actual cost

Pg. 12-19

FY 2018-19:
\$4.1M
savings

9,490 people
will receive
employment
services by
FY 2020

3 FTEs

- Modifies Disability Waiver Rate System rates to reflect actual cost of providing care
- Establishes three new employment services for people with disabilities
- Eliminates duplicative inflation adjustments
- Prevents Day Treatment and Habilitation providers from billing for partial days when less time provided

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Expand access to community living opportunities

Pg. 20-27

FY 2018-19:
\$1.1M
investment
FY 2020-21:
\$449,000
savings

Helps 1,467
move or
stay home
in FY2021

9 FTEs

- Increases the number of adults with disabilities who are able to live independently
- Expands eligibility for Minnesota Supplemental Aid Housing Assistance and increases benefit
- Expands MA coverage for housing support services
- Funds community infrastructure to support people with disabilities who want to live in the community.

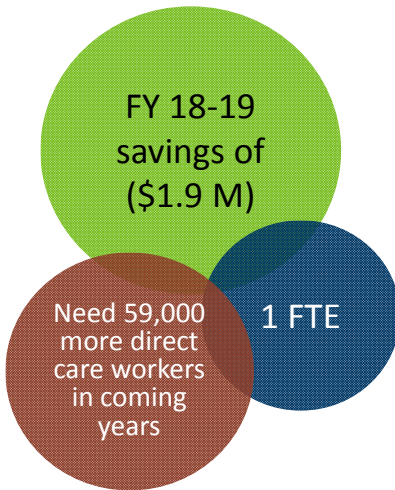
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Reform Home and Community Based Services

Pg. 28-30, 35-36, 33-34



- Better manages corporate foster care to meet housing needs
- Increases billable hours for personal care assistants
- Sets reasonable hourly limits for residential services

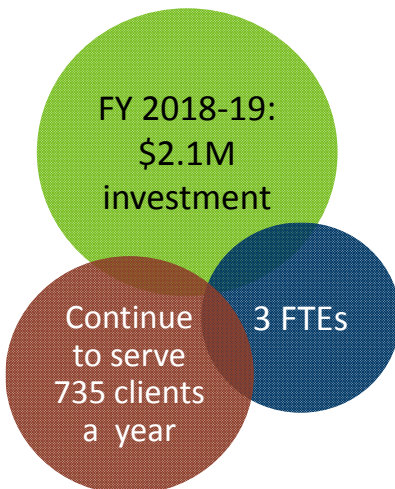
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Sustain Deaf and Hard of Hearing Services

Pg. 52-55



- Sustains children's and adult mental health and psychiatric services
- Modernizes services by adding flexibility to the service delivery system

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Establish fair payment rates for PCA workers

Pg. 49-51

FY 2018-19:
\$47.9M
investment

27,000
individual
providers

0 FTEs

- Meets contract obligation between the State of Minnesota and self-directed personal care assistants (PCAs) represented by SEIU
- Increases the minimum wage floor, paid time off accrual rate and establishes holiday pay at time and a half

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Expansion of Return to Community

Pg. 59-62

FY 2018-19:
\$1.2M
investment
FY 2020-21:
\$1.2M savings

Serves
4,200
more each
year

4 FTEs

- Expands eligibility for program that helps people move from nursing homes to less restrictive settings
- Includes those at risk for readmission to a hospital, persons wishing to return home from a nursing home and where caregivers are at risk of burn-out

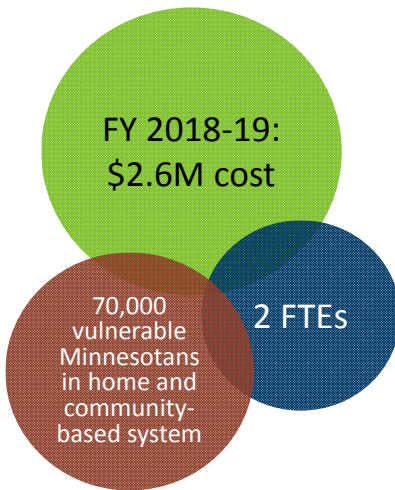
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Expand Minnesota Adult Abuse Reporting Center (MAARC)

Pg. 63-65



- Meets operational and technology needs of the MAARC
- Increases investigations of reports of suspected maltreatment of vulnerable adults

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Other proposals

Pg. 39-42, 45-46, 43-44, 31-34, 37-38, 47-48, 56-58, 66-70, 71-73

- Eliminate Home Care communicator
- Implement federal regulations
 - HCBS Rule, Home Health
- Study creating individual budgets, disability waiver consolidation
- Workforce data collection
- Protect vulnerable adults in health care settings
- Clarifications to the Value-Based Reimbursement System for nursing homes

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Health Care

Nathan Moracco | Assistant Commissioner

Coverage today

A black and white photograph showing a woman smiling as a doctor examines a patient in a hospital room. The woman is on the right, wearing a necklace and a cardigan. The patient is in the center, and the doctor is on the left, partially visible.

Today, 96 percent of Minnesotans have health coverage. We have work to do to reduce coverage gaps and improve access to care while getting better value and quality.

Our proposal

- Provides better value, improves access and health outcomes.

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- Proposal Highlights

- Modernizing purchasing
- Increasing provider rates
- Promoting continuity of coverage
- Improving dental access

Health Care

All Funds investment
\$32.0M in
FY 18-19

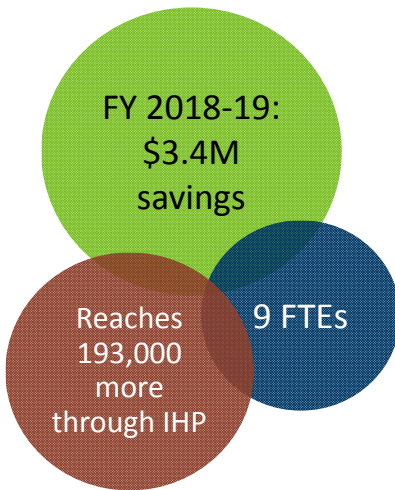
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Health Care Purchasing and Coverage Reform

Pg. 74-79



- Provides better value and improves health outcomes
- Improving dental access by increasing payments and simplifying how the state purchases these services
- Closing gaps in health care coverage
- Enhances Integrated Health Partnerships

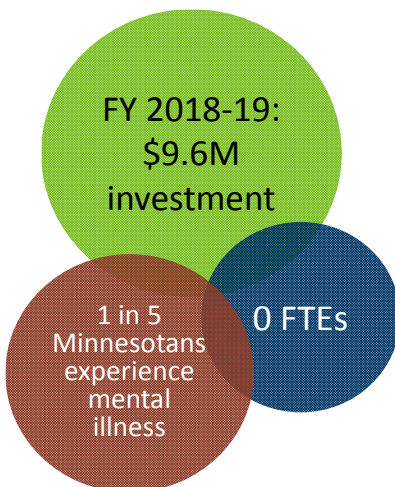
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Increase provider rates for preventative care and mental health

Pg. 107-108



- Increases provider payment rates for preventive medical care and outpatient mental health services in Medical Assistance fee-for-service by 5 percent

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Investing and modernizing payment to safety net providers

Pg. 92-94

FY 2018-19:
\$913,000
investment

175,000
served by
safety net
in 2014

0 FTEs

- Updates payment methodology for Federally Qualified Health Centers and Rural Health Clinics so that they reflect current health care costs and trends

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New MinnesotaCare-QHP Option

Pg. 80-82

FY 2018-19:
\$12.9M
investment

Impact
100,000+

Self-
funded
ongoing

- Provides access to an affordable and comprehensive coverage option for consumers in the private market through MNsure (200+ FPG)
- Allows Minnesotans eligible to purchase a qualified health plan on the individual market to purchase a MinnesotaCare product through MNsure

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Other proposals

Pg. 95-97, 98-99, 83-86, 87-88, 100-103, 89-91, 104-106, 109-111

- Hospital rebasing (Pg. 95-97)
- Asset reduction for MA (Pg. 98-99)
- Federal compliance for managed care and access (Pg. 83-86)
- Asset verification (Pg. 87-88)
- Updates to MinnesotaCare/MA statutes (Pg. 100-103)
- Provider enrollment updates (Pg. 89-91)
- MA benefit recoveries and special needs trust guidance (Pg. 104-106)
- Family home visiting and MA reimbursement (Pg. 109-111)

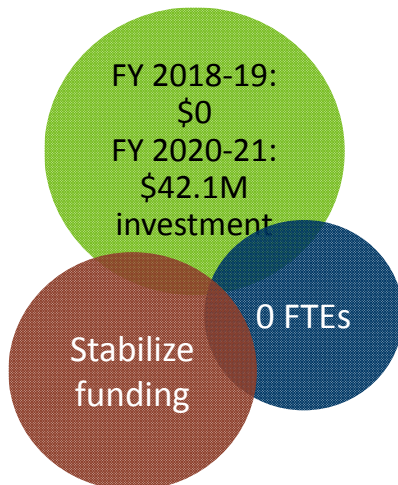
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Repeal sunset on health care provider tax

Pg. 112



- Continues payment of a 2 percent Medical Assistance and MinnesotaCare provider rate increase related to health care provider taxes
- Addresses provider tax sunset set for Dec. 2019
- Repeal of this sunset is under a separate budget item from the Minnesota Department of Revenue

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Refinance Medical Assistance to the Health Care Access Fund

Pg. 113

FY 2018-19:
\$716M
FY 2020-21:
\$1.147B
Refinancing

18.5%
increase in
health
care costs

0 FTEs

- Uses balance in the Health Care Access Fund to pay for rising health care costs
- In line with intent of the Health Care Access Fund as many people have moved to Medical Assistance due to the changes in the Affordable Care Act

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Direct Care and Treatment

Chuck Johnson | Deputy Commissioner

The problem

- The Direct Care and Treatment system does not have adequate resources to provide quality care, and safety of the people we serve, our staff and the public, and ensure compliance with regulations.

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Our proposal

- Provides responsible funding to ensure high quality care and focus on safety for the people we serve, our direct care staff and the public

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- Improve client care and staff safety at MSH
- Stabilize funding for Minnesota State-Operated Community Services
- Reform Minnesota Sex Offender Program
- Maintain Children and Adolescent Behavioral Health Services
- Update security system and electronic monitoring
- Other proposals
 - Oversight Response Teams
 - System Modernization (electronic health record)
 - Transfer of funding responsibility for Judicial Appeal Panel expenses from DHS to MJB

Direct Care and Treatment

All Funds investment
\$80.1M in
FY 18-19

\$28.7M is General Fund investments Legislature failed to enact in 2016

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Improve client care and staff safety at MSH

Pg. 114-118

FY 2018-19:
\$22.9M
investment

Provides
2.7 staff to
1 patient
ratio

124.5
FTEs

- Increase staffing levels to enhance safety, evaluation, and treatment
- Increase the number of mental health practitioners and medical staff to achieve a staff to patient ratio consistent with forensic psychiatric facilities across the nation
- Increase flexibility to meet dynamic staffing needs in order to reduce overtime and increase resources where needed

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Stabilize funding for Minnesota State Operated Community Services

Pg. 119-120

FY 2018-19:
\$10.3M
investment

Continues
to serve
2,000
people

Maintains
21.6 FTEs

- Continues work to mitigate current operating losses, including:
 - Increasing Crisis Residential Rates to cover the cost of providing services
 - Converting existing 6-bed Intermediate Care Facilities to 4-bed Adult Foster Care residences
 - Consolidating residential homes with long-term vacancies, and working with counties to fill vacancies in other MSOCS homes
 - Consolidating vocational services sites as more individuals seek community employment
 - Beginning targeted discharges of individuals that have rates that are substantially lower than the cost to serve them

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Reform Minnesota Sex Offender Program

Pg. 131-132

FY 2018-19:
\$3.9M
investment

Provides
more
appropriate
care

26 FTEs

- Provides Community Preparation Services (CPS) and reintegration services to the increased population of clients who have been transferred to a less secure setting or provisionally discharged into the community by the Judicial Appeals Panel
- Charges counties 25 percent for the cost of care for clients that are provisionally discharged from the MSOP
- Shifts the funding for the Minnesota State Industries Program from an Enterprise Fund to a Special Revenue Fund

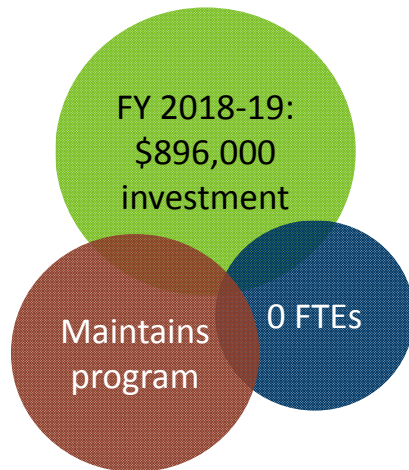
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Maintain Children and Adolescent Behavioral Health Services

Pg. 123-124



- Continues lease of current facility to operate the CABHS program until a more appropriate facility can be built

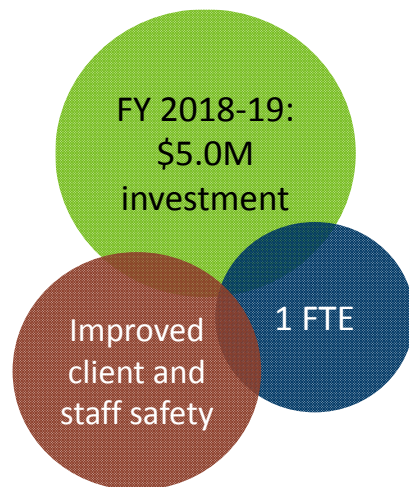
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Update security system and electronic monitoring

Pg. 125-126



- Upgrades current security access, communications, and monitoring systems at Direct Care and Treatment facilities
- Establishes a regular and routine replacement and maintenance program for essential security systems

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Other proposals

Pg. 129-130, 121-122, 127-128

FY 2018-19:
Net \$2.1M
to DCT

Coordination,
modernization,
and efficiency

5 FTEs

- Oversight Response Teams, FY 2018-19: \$1.0M investment, 5 FTEs
- System Modernization (electronic health record), FY 2018-19: \$2.0M investment, 0 FTEs
- Transfer of funding responsibility for Judicial Appeal Panel expenses from DHS to MJB, FY 2018-19: \$900,000 DCT savings, 0 FTEs

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Children and Families

Jim Koppel | Assistant Commissioner

The problem

- The outcomes we desire for our children, families, and workforce are not sufficiently supported by the services we offer.



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Our proposal

- Realigns our services for Minnesotans to achieve stability, safety and self-sufficiency outcomes

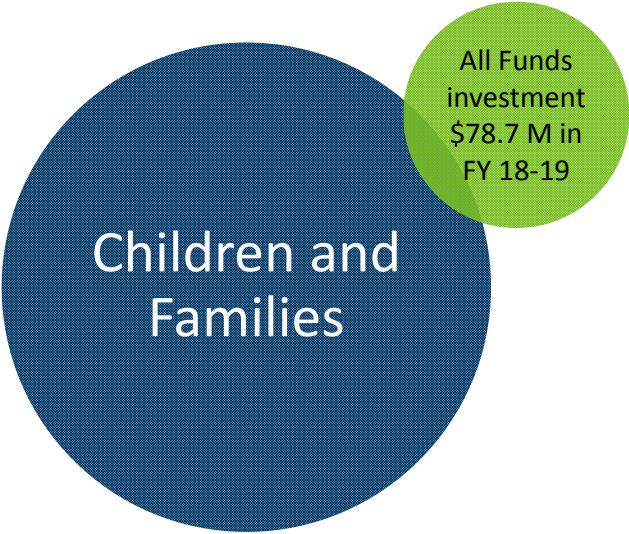


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- Improve child protection, foster care permanent homes for children and services for sexually exploited youth
- Supporting child welfare service expansion to tribes
- Ensuring quality, stability and integrity in child care



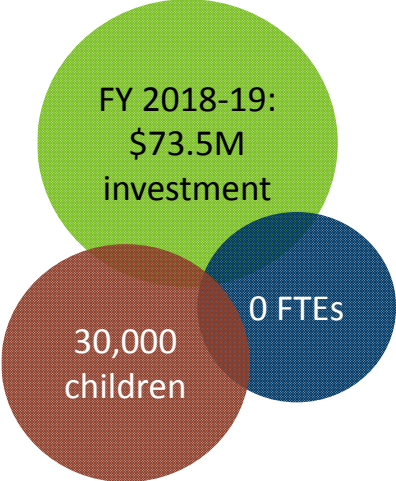
Children and Families

All Funds investment \$78.7 M in FY 18-19

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Expand access to affordable child care and increase rates

Pg. 133-137

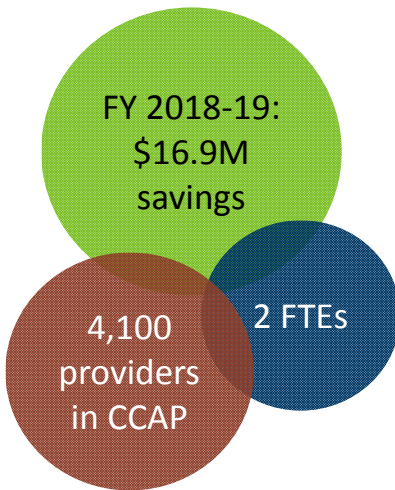


- Improves school readiness and helps ensure children are safe
- Makes it easier for families to receive assistance
- Encourages parents to pursue career advancement
- Makes child care available to more families who are homeless
- Updates the rates paid to child care providers

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Strengthen Child Care Assistance Program integrity

Pg. 138-140



- Limits care when children use multiple providers
- Limits payments to child care centers that care for a large number of their employees' children
- Increases fraud disqualification periods

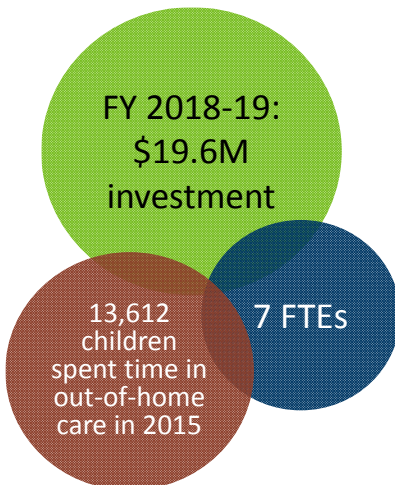
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Improve child protection, foster care and permanency

Pg. 145-150



- Increases Northstar Care for Children benefits for children under age six
- Increases oversight of county child protection activities
- Develops policy and practice to support better outcomes for children
- Pilots response system to meet needs of older minor youth who are homeless

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Supports tribal human services initiatives

Pg. 165-167, 168-170

FY 2018-19:
\$1.9M
investment

American Indian
children are 17
times more likely
to experience
foster care than
white children

1 FTE

- Funds grants to Mille Lakes Band of Ojibwe and Red Lake Nation to prepare for participation in the American Indian Child Welfare Initiative
- Supports culturally meaningful child welfare services provided by White Earth Nation under the American Indian Child Welfare Initiative

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Other proposals

Pg. 141-144, 151-154, 155-156, 157-160, 161-164, 171-173

- Pg. 141-144 – Protects child care assistance funding by meeting new health and safety, annual licensing inspection, and background study standards
- Pg. 151-154 – Provides a more comprehensive service model for children who are victims of sex trafficking
- Pg. 155-156 – Maximizes federal funding to offset costs for foster parent liability insurance
- Pg. 157-160 – Ensures birth records for Minnesota's children are updated following paternity adjudications
- Pg. 161-164 – Ensures child support obligations better reflect the circumstances of families when child care is no longer needed
- Pg. 171-173 – Receives funding to support the Department of Education's Help Me Grow

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Behavioral Health

Claire Wilson | Assistant Commissioner

The problem

- Minnesotans who need behavioral health services too often struggle to achieve recovery because the current system of care is disjointed, inequitable, and fails to support the whole person.



Our proposal

- Streamlines and simplifies access to behavioral health care for Minnesotans, making it easier to get the care individuals need in a timely fashion, while maximizing limited resources



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- Transform Minnesota's substance use disorder (SUD) treatment system
- Support counties to build and expand community-based mental health infrastructure to help people with serious mental illnesses avoid unnecessary stays in state-operated facilities.
- Ensure continued access to children's residential mental health treatment and analyze how to sustain the mental health service continuum for children and adolescents.

Behavioral Health

All Funds investment
\$12.2M in
FY 18-19

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Reform substance use disorder treatment system

Pg. 177-185

FY 2018-19:
\$561,000
savings

1 in 10 in
MN meet
substance
use disorder
criteria

3 FTEs

- Streamlines process for accessing treatment by allowing individuals to go directly to providers to receive an assessment
- Allows licensed providers to be directly reimbursed for services and provide services outside of site-based treatment programs
- Expands continuum of care by adding care coordination, peer support services, and withdrawal management to MA benefit set

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Strengthen infrastructure for community-based living

Pg. 174-176

FY 2018-19:
\$6.0M
investment

Reduce
unnecessary
stays in state-
operated
programs

2 FTEs

- Counties are responsible for the full cost of care in state operated facilities when people don't need this level of care.
- Provides counties resources to build community mental health infrastructure
- Supports county initiatives such as discharge planning, and development of intensive mental health services and supportive housing

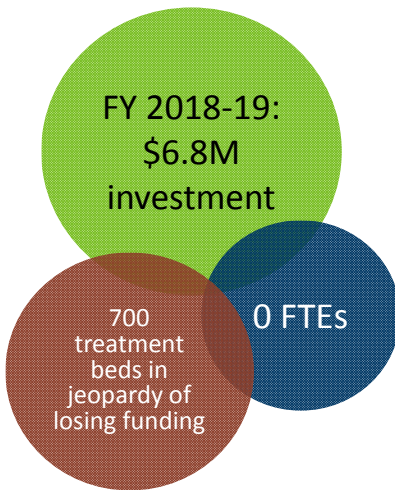
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Redesign intensive mental health services for children

Pg. 186-189



- Provides time-limited state funding to ensure continued access to children's residential mental health treatment programs expected to become ineligible for federal funding due to designation as Institutions of Mental Disease (IMD)
- Develops recommendations for creating a more sustainable and community-driven continuum of care for children with serious mental health needs

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Better Government

Chuck Johnson | Deputy Commissioner

The problem

- Gaps exist in program oversight and integrity, IT systems, service accessibility, and workforce stability and sustainability.



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Our proposal

- Provides an opportunity to transform member service interactions and at the same time strengthen the integrity of those programs and our IT systems



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Minnesotans expect:

- Programs that are responsive to their needs, which require IT systems that are efficient, intuitive, and equivalent to those utilized by service providers in the private sector
- DHS recruits and retains the best and brightest people, committed to ensuring they receive the services and service experience they deserve
- Continued focus on efforts to strengthen program integrity through detection and prevention

Better Government

All Funds investment \$54.7M in FY 18-19

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Operating adjustment for central office and DCT

Pg. 190-194

- Covers increasing labor costs
- Maintains current staffing levels

FY 2018-19: \$44.7M investment

Maintain 350.84 FTEs

85% of DCT costs are personnel

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Upgrade and modernize aging technology

Pg. 195-198

FY 2018-19:
\$9.0M
investment

Leverages
\$50M in
federal
funds in
FY2018-19

0 FTEs

- Continues efforts underway to modernize several major DHS technology systems
- Develops an Integrated Service Delivery System (ISDS) to support person-centered human services
- Modernizes the Medicaid Management Information System (MMIS)

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Strengthen health and child care fraud investigations

Pg. 209-210

FY 2018-19:
\$464,000
net
recoveries to
GF

\$3.5 million
MA dollars
recovered
per
biennium

18 FTEs

- Expands investigative sections of the Office of the Inspector General that investigate Medical Assistance providers and child care providers to prevent and intervene in fraud and abuse

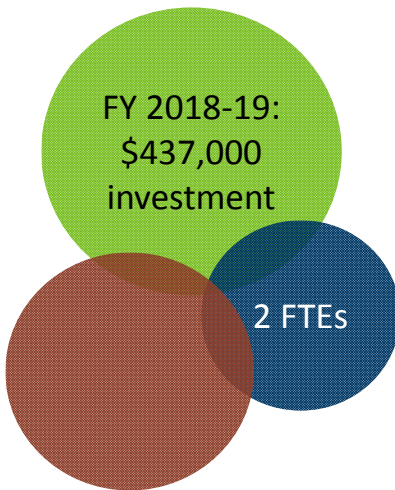
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Strengthen integrity in data practices

Pg. 205-206



- Invests in data practices efforts
- Begins to address a rapid growth in data privacy obligations, regulations, and expectations that DHS faces

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Other proposals

Pg. 207-208, 199-201, 202-204, 211-214

- Ensure the continued efficient processing of digital evidence secured as part of MA and Child Care provider fraud investigations
- Increase fines for the most serious maltreatment and ensure maltreatment alleged to have occurred in Children's Residential facilities across the state are consistently assessed and investigated
- Implement a new fee structure for the licensure of Home & Community Based Services (HCBS) providers in order to adequately fund the state's cost of licensing and maltreatment-related activities
- Eliminate obsolete transfer to the Office of the Legislative Auditor

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Thank you!