Behavioral Health Administration Overview and Program Integrity

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mn DEPARTMENT OF HUMAN SERVICES

Current Behavioral Health Administration

Effective July 31, 2024, DHS established the **Behavioral Health Administration** with the following goals:

Strong Leadership:

- Build a dedicated leadership team.

- Focus on compliance with grants and contracts.

Addressing Needs:

- Respond to the increasing behavioral health needs post-pandemic.

Collaborative Efforts:

- Partner with OIG and the Central Grants and Contracts team for program integrity and process improvement.

- Work with the Health Care Administration on Medicaid waivers and State Plan Amendments.

Behavioral Health Administration: Functions and Programs

Key Functions

Policy Development & Oversight	**Data Collection & Reporting**	**Crisis Management**
Systems Transformation	**Community Engagement**	**Grant Management**
Funding & Resource Allocation	**Education & Technical Assistance**	**Contract Administration**

Programs

Mental Health

Substance Use Disorders

Those who struggle with mental health and substance use benefit greatly from the state and federal grant funding and Medicaid benefits related to behavioral health

25%
of all enrollees

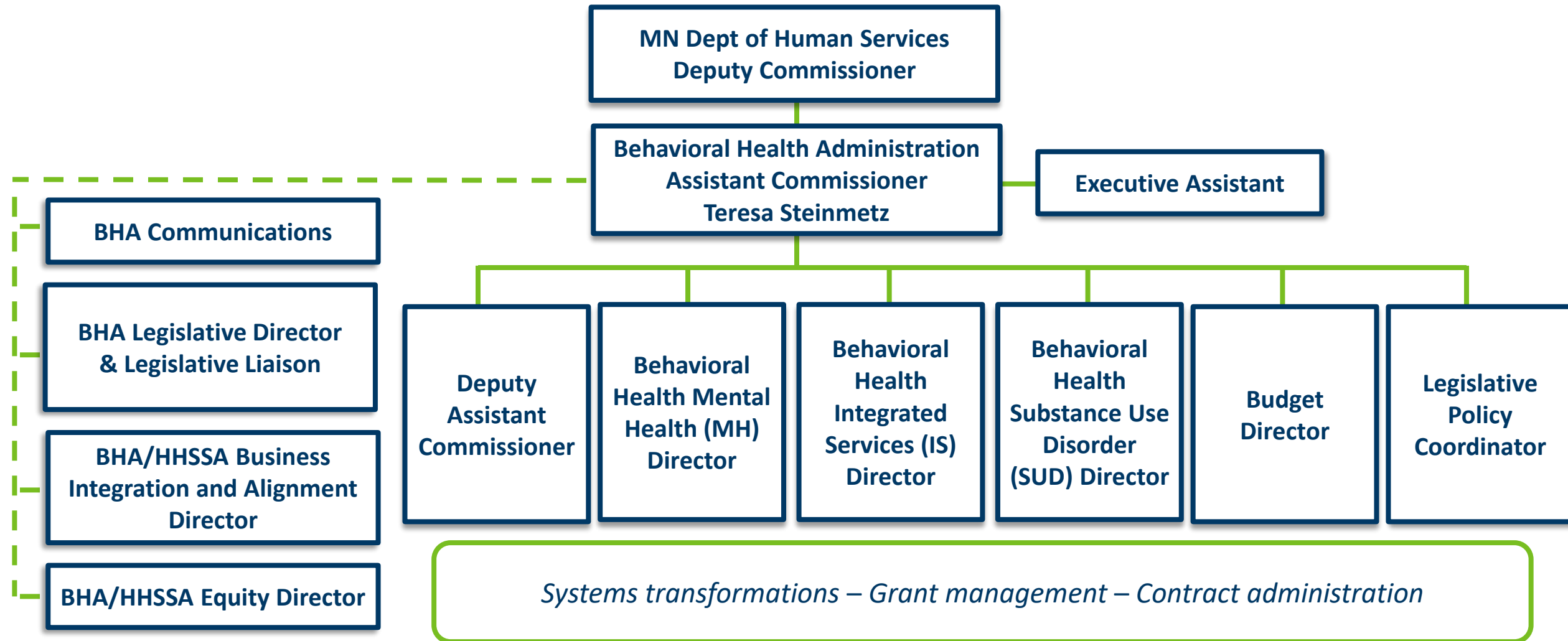Over **300,000** Minnesotans enrolled in Medicaid, receive some type of mental health or substance related service

Award Winning

Circle of Excellence Award – Scott County Coordinated Response

School Linked Behavioral Health- Public Service Award

Staff Roles and Responsibilities

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                    │  MN Dept of Human Services   │
                    │     Deputy Commissioner      │
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          ┌───────────────────────────────────────┐   ┌──────────────────────┐
          │  Behavioral Health Administration      │   │  Executive Assistant  │
          │     Assistant Commissioner             │   └──────────────────────┘
          │       Teresa Steinmetz                 │
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BHA Communications

BHA Legislative Director & Legislative Liaison

BHA/HHSSA Business Integration and Alignment Director

BHA/HHSSA Equity Director

Deputy Assistant Commissioner

Behavioral Health Mental Health (MH) Director

Behavioral Health Integrated Services (IS) Director

Behavioral Health Substance Use Disorder (SUD) Director

Budget Director

Legislative Policy Coordinator

Systems transformations – Grant management – Contract administration

Behavioral Health Programs: Operations

- Data and Evaluation Unit

  - Leads performance measurement, data analysis, and outcomes reporting to inform program decisions

- Contracts and Compliance Unit

  - Oversees grant and contract management, ensures regulatory compliance, and maintains quality assurance standards

- Budget and Finance Unit

  - Manages financial planning, fiscal oversight, and accounting operations

- Communications and External Relations Unit

  - Coordinates stakeholder engagement, manages public communication, and maintains partnership with community organizations

- Relationship manager with grantee, providing consultation & technical assistance, as needed

- Provide direction & coordination of all phases of the grant lifecycle from pre-award, award, post-award, monitoring and close out

- Grant monitoring including site visits, financial reconciliation, invoice oversight & approval, program and financial grantee reporting, and final close-out grantee evaluation
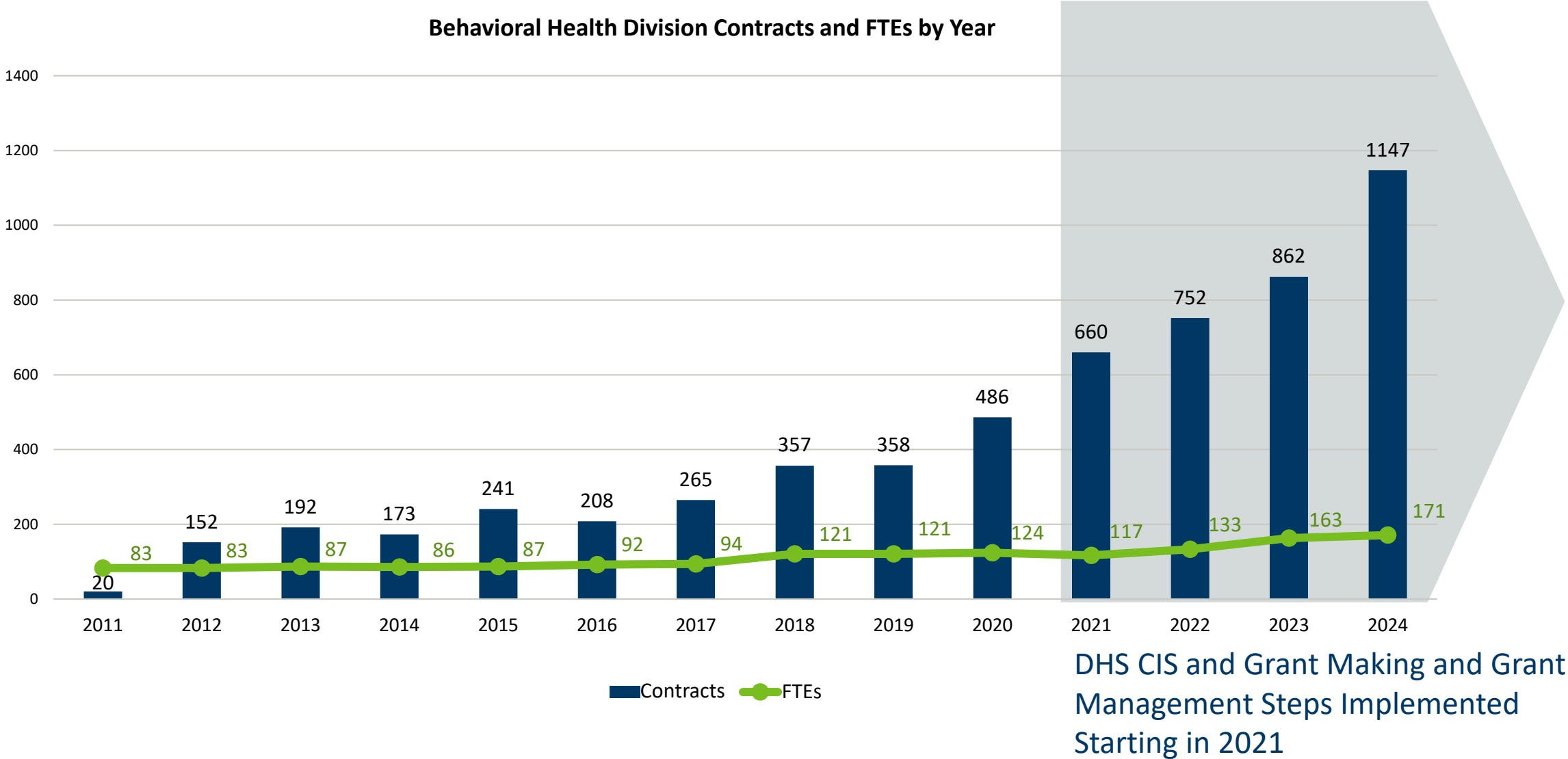
- Liaison with DHS Contracts and Legal Compliance Unit (CLC)

- Provide direction, management, and coordination of all phases of <u>contracting process</u> (pre-award and award phases) in accordance with state and federal laws, regulations, and mandates

- Coordinate and manage request for proposal (RFP) processes

- Draft and execute contracts and amendments

- Provide technical assistance, training, monitoring, and general consultation to all divisional staff related to the contract processes

Grant Growth Outpaces Staff Resources

Behavioral Health Division Contracts and FTEs by Year

DHS CIS and Grant Making and Grant Management Steps Implemented Starting in 2021

Legend: Contracts (bars), FTEs (line)

Contracts values: 2011: 20, 2012: 152, 2013: 192, 2014: 173, 2015: 241, 2016: 208, 2017: 265, 2018: 357, 2019: 358, 2020: 486, 2021: 660, 2022: 752, 2023: 862, 2024: 1147

FTEs values: 2011: 83, 2012: 83, 2013: 87, 2014: 86, 2015: 87, 2016: 92, 2017: 94, 2018: 121, 2019: 121, 2020: 124, 2021: 117, 2022: 133, 2023: 163, 2024: 171

DHS Grant-Making and Grants Management Steps for Grants Requiring an RFP

RFP Created and Published

1. Establish RFP Administrator (Lead).
2. Initial planning meeting before RFP is created.
3. Initiate Electronic Interoffice Requisition (EIOR).
4. Create Pre-Award File in CIS.
5. Complete Conflict of Interest Forms for all parties involved in developing the RFP.
6. Draft RFP.
7. Develop Scoring Sheet.
8. Final Review of RFP.
9. RFP Accessibility Review.
10. Initiate Pre-award Workflow in CIS.
11. Create RFP community outreach communication.
12. Post final RFP.
13. Schedule and facilitate Responder's Conference.
14. Publish Q&A from Responder's Conference.

Responses Submitted and Selected

15. Select RFP reviewers.
16. Complete an initial review after RFP closes,
17. Send disqualification notices,
18. Provide RFP reviewer training.
19. Conflict of Interest Forms for RFP Reviewers are completed and uploaded in the CIS.
20. Provide documents to complete the RFP review process to reviewers.
21. Schedule and facilitate a Reviewer Committee Meeting.
22. Develop a Proposal Review Summary.
23. Develop Final Funding Recommendation.
24. Send Intent to Contract Notice.
25. Complete Pre-award Risk Assessment(s).
26. Schedule and conduct contract negotiation meeting(s).
27. Ensure all required RFP documentation has been uploaded in the CIS.
28. Send Official Non-Award Notifications.
29. Lessons Learned Meeting to improve the next RFP.

Grant Contract Initiated

30. Initial Planning Meeting before contract is created.
31. Request SharePoint Packets.
32. Create Contract File in CIS.
33. Obtain all required documents referenced in the RFP prior to contract execution.
34. Finalize Budget and Work Plan.
35. Obtain Certificate of Liability Insurance.
36. Draft Contract.
37. Workflow Contract for Review and Approvals.
38. Send final draft to grantee for review.
39. Workflow Contract for DocuSign.
40. Upload Fully Executed Contract into CIS.

Grant Contract Management

41. Provide grantee with grant monitoring and management guidance (ex. progress report templates, EGMS guide).
42. Approve invoices and issue payments.
43. Complete monitoring visits.
44. Ensure grantee completes progress reports as indicated in contract.
45. Complete financial reconciliation (frequency based on contract amount).
46. Manage and track budget & purchase orders.
47. Manage transitions between budget years.
48. Adjust grantee budgets/workplan as needed.
49. Complete grantee closeout evaluation at the end of the contract.
50. Ensure all documentation related to grant contract requirements are uploaded in the CIS.

Behavioral Health Administration: Grant Management Process Improvement Progress

Since the last OLA report was published in April 2024, BHA has:

- ☑ Established quality control measures that require all RFP documentation, including conflict of interest forms, pre-award risk assessments, and scoring sheets, to be uploaded into the Contract Integration System (CIS) before any contract work can begin

- ☑ Created and deployed standardized tools & templates to help grant managers maintain compliance with all requirements

- ☑ Hired a contracts and compliance manager and will add quality assurance specialists to support compliance & quality assurance in the grant and contract processes

- ☑ Launched an extensive training program for grant managers - featuring more than 25 modules spanning all phases of grant management

- ☑ Monitored compliance with grant & contract requirements through monthly reports generated from CIS

- ☑ Implemented a streamlined closeout evaluation process using an integrated form within CIS & trained staff on assessing grantee performance

OLA Audit Findings and Current Status

DHS Behavioral Health Grants Management Internal Controls and Compliance Audit
(March 2021)

28
Recommendations for BHA

Grant Award Processes 2024 Evaluation Report
(April 2024)

4
Recommendations for BHA

As of February 2025

26
Recommendations successfully implemented

BHA Resolved audit recommendations

Internal Controls and Compliance

- Design and maintain effective internal controls to administer grants and ensure compliance.
- Implement controls to ensure financial reconciliations are done before final payment.
- Comply with state requirements for awarding competitive bid grants.
- Comply with state requirements and complete closeout evaluations of grantees.
- Ensure Conflict of Interest (COI) forms completed and retained.
- Comply with conflict-of-interest disclosure.
- Mitigate conflicts of interest; document and preserve required disclosures and resolutions.

Documentation and Record Keeping

- Make and preserve documentation.
- Properly review grantees' financial situations and document justification for advance payments.
- Conduct financial reconciliations before final payment.
- Conduct and document closeout evaluations.
- Document justification for single source contract.

BHA Resolved audit recommendations

Personnel and Training

- Update position descriptions/ensure necessary training related to grants management.
- Assign grant oversight responsibilities to employees who have adequate grant management training, skills, knowledge, and experience.

Grant Application and Award Process

- Use standard RFP templates.
- Include all required info in RFPs.
- Comply with requirements for evaluating competitive bid grant applications.
- Use a standardized scoring system with selection criteria that are published in a request for proposal.
- Implement controls to ensure review for financial stability of potential grantees before approving a grant award.
- Review for financial stability of potential grantees before approving a grant award.
- Award grants based on selection criteria.
- Use standardized scoring systems to match criteria for RFPs.
- Complete pre-award risk assessment.

Actions taken to resolve audit recommendations

 Using the Contracts Integration System (CIS) for document storage, tracking, monitoring, and quality control checks

 Providing training on the grants life cycle; policies, procedures, legislative updates and OGM policies, financial management, financial reconciliations, site visits, review and selection process, and conflicts of interest

 Continued development of policies/ processes/ standard operating procedures, sample templates, and tools

Internal Controls: Grant-Making and Grants Management

Administrations/Divisions	• Directs all phases of the grant lifecycle from pre-award, award, post-award, monitoring and close out
	• Conducts grant monitoring including site visits, financial reconciliation, invoice approval, program and financial grantee reporting, and final close-out grantee evaluation

Contracts and Legal Compliance Division	• Creates contract templates that comply with state and federal requirements
	• Maintains Contracts Manual to assist operational and program areas comply with state and federal contracting requirements
	• Reviews all contracts before they are finalized and sent for signature

Central Grants Office	• Develops standardized policies, procedures and tools to support compliance with regulatory, statutory, state, federal, and other requirements
	• Provides agency-wide training (e.g., Pre-Award Risk Assessment, Financial Reconciliation)
	• Offers technical assistance to DHS staff involved in grantmaking and grant management
	• Oversees the Contracts Integration System (CIS)

Office of Internal Controls and Accountability	• Conducts internal audits and coordinates External Audits (OLA, OSA, HHS, FBI. Etc.), and tracks findings to resolution
	• Audits internal grants processes and grantees through a new dedicated Grant Audit Division
	• Consults on implementation of new internal controls to address risks and audit findings

Compliance Office	• Coordinates enterprise-wide risk assessment with operations and administrations
	• Monitors risk mitigation efforts to address high priority risks

DHS Progress on New Grant Requirements from 2023

2023 Grant Oversight Legislative Requirements	DHS Implementation	Status
1. Contract/amendment review by ADM Commissioner	Implemented the DHS Grants Annual Plan Memo approved by ADM.	COMPLETED
2. Solicitation review by ADM Commissioner 3. Status of grant 4. Debar grantees	Guidance provided by ADM, case-by-case basis.	COMPLETED
5. Financial Review: Enhanced Oversight 6. Technical assistance and oversight 7. Authority not to award a grant	Revised the Pre-Award Risk Assessment (PARA) forms, training materials, and resources to incorporate new requirements. Updated PARA and Financial Reconciliation Trainings for grants management staff are now offered regularly.	COMPLETED
9. Termination of grant	Termination language updated in grant contract templates.	COMPLETED
10. Grant outcome and evaluation	A final list of qualifying grant programs and schedules for 2025 -2026 established in collaboration with MMB, DHS Central Grants Office and Administration leaders. Starting in March 2025, the MMB Results Management team will work directly with identified program leads to initiate consultations throughout the year.	COMPLETED
11. Grantee evaluation	The Central Grants Office (CGO) has communicated the new requirements agency-wide. Currently CGO is working to integrate the process into the Contracts Integration System. Implementation of the new process will begin in April 2025.	IN PROCESS
12. Administrative costs	Unable to implement.	ON HOLD

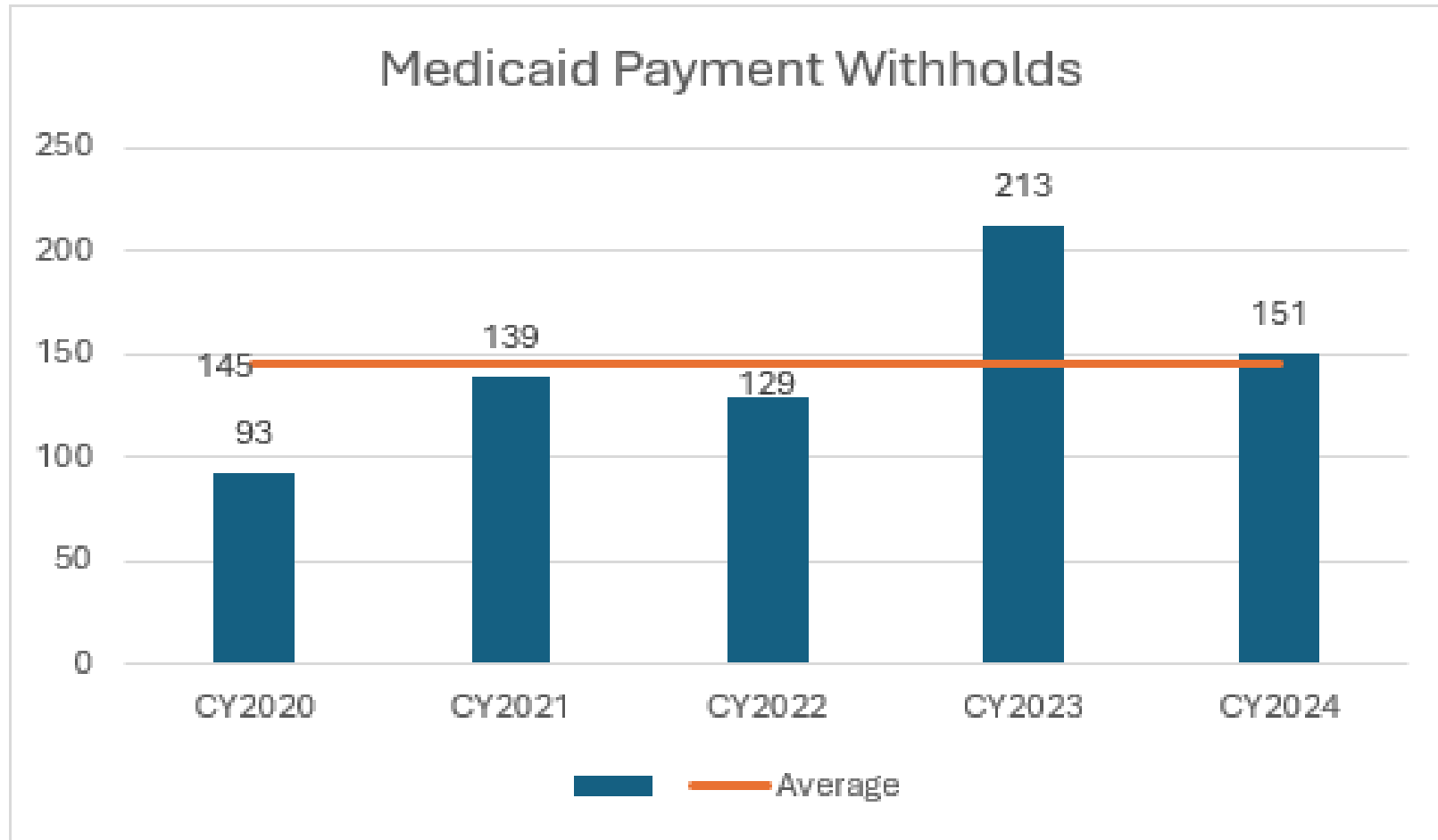**A temporary action to stop payments to providers during an investigation**

DHS may issue when:

There is a credible allegation of fraud;

A provider fails to provide access to the program and/or records;

A provider gives false and misleading information;

To protect the public welfare

Medicaid Payment Withholds

Year	Withholds
CY2020	93
CY2021	139
CY2022	129
CY2023	213
CY2024	151

Average: 145

Payment Withhold Proposal

Current law limits DHS' authority to issue a payment withhold when there is an active/pending investigation

There are situations outside of an active investigation that would warrant stopping payments to a provider

- The governor's proposal would expand DHS' authority to implement a payment withhold:

When there is a criminal conviction related to fraud involving another state or federal agency	**To the extent permitted by federal law, for credible allegations of fraud**
When a license is revoked or suspended, by DHS or any other state/federal agency	**When someone has a background study disqualification**

Transparent Payment Withhold Information

Current law classifies information about payment withholds as investigative data and cannot be disclosed pursuant to the Minnesota Data Practice Act.

This inhibits DHS's ability to publicize when the agency is taking action to address serious concerns to legislators and the general public.

The Governor's proposal makes statutory changes to expand current authority regarding the sharing of payment withhold information.

- **Kickbacks are federally illegal**. Existing federal law prohibits any use of kickbacks, which includes providing any incentive to receive Medicaid-funded services from a provider.

- DHS and state law enforcement partners can still act related to a kickback, but there must also be **evidence** of **fraud**, **waste**, or **abuse** to do so.

- This proposal **fills current gaps** that prohibit the state from taking an action based only on a kickback.
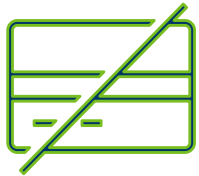
Explicit prohibition on duplicative billing

Disqualifying fraud suspects

Improving data analytics, including use of Artificial Intelligence (AI)

Cross agency data sharing to prevent fraudsters from targeting multiple programs

Minnesota Department of Public Safety

Bureau of Criminal Apprehension's Financial Crimes and Fraud Section

DPS – BCA Financial Crimes and Fraud Section

- Commerce Fraud Bureau and BCA Financial Crimes Section combined to create new Financial Crimes and Fraud Section at BCA

- Transfer complete as of February 7, 2025

- Ensures a coordinated approach & focused resources to identify, disrupt & hold offenders accountable

- Improves consistency, transparency & efficiencies

BCA and DHS Partnership

- New expanded contract between BCA and DHS

- Partnership between DHS OIG and BCA

- BCA takes on criminal cases

- MN AGO has primary jurisdiction on Medicaid

  - Minnesota Medicaid Fraud Control Unit (MFCU)

  - BCA assist at the request MFCU