Table of Contents

2016-17 Governor's Budget - Department of Human Services

http://www.mn.gov/dhs

AT A GLANCE

- Health care programs (Medical Assistance, Minnesota-Care) — 864,158 people on average enrolled per month in 2013
- Supplemental Nutrition Assistance Program (SNAP) — over 500,000 people received help each month in 2013
- Minnesota Family Investment Program and Diversionary Work Program — 40,000 families with low incomes assisted per month in 2013
- Child support — 398,000 custodial and noncustodial parents and their 270,000 children receive services
- Child care assistance — 31,219 children assisted in a month
- Adults receiving publicly funded mental health services — 51,916 people per month in 2013
- Children and youth receiving publicly funded mental health services — 22,647 per month in 2013
- DHS Direct Care and Treatment provided services to more than 12,000 individuals in fiscal year 2014
- FY 2013 all funds spending = $12.1 billion

PURPOSE

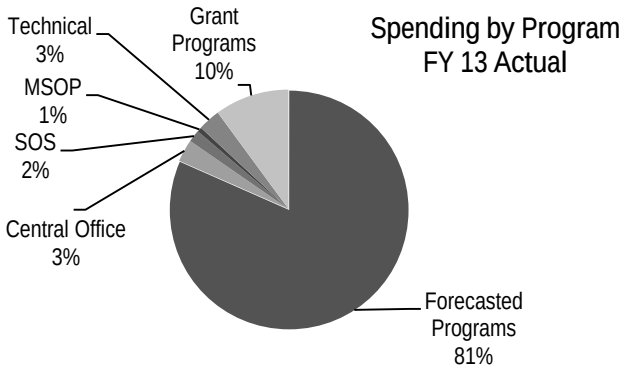
The Minnesota Department of Human Services (DHS), working with many others, helps people meet their basic needs so they can live in dignity and achieve their highest potential.

- We focus on people, not programs.
- We provide ladders up and safety nets for the people we serve.
- We work in partnership with others; we cannot do it alone.
- We are accountable for results, first to the people we serve and, ultimately, to all Minnesotans.

DHS contributes to the following statewide outcomes:

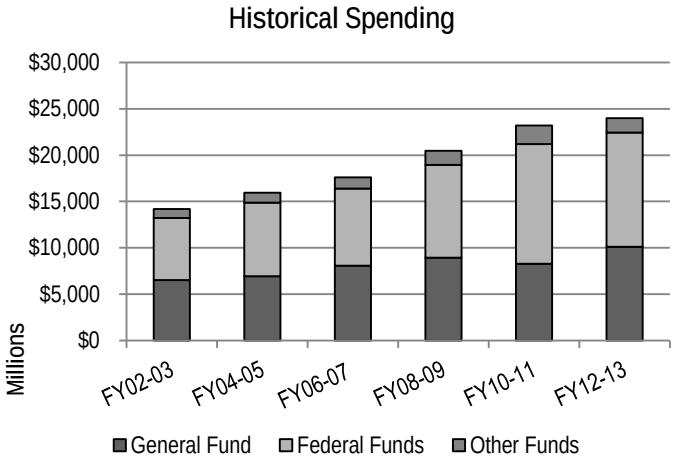
- All Minnesotans have optimal health.
- Strong and stable families and communities.
- People in Minnesota are safe.

BUDGET



Forecasted Programs includes: Medical Assistance 69%, MinnesotaCare 5%, Economic support programs 6%, and other health care programs 1 %.
MSOP = Minnesota Sex Offender Program; SOS = State-Operated Services

Source: SWIFT



Source: Consolidated Fund Statement

Minnesota has a strong tradition of providing human services for people in need so they can live as independently as possible, and of working to ensure that Minnesotans with disabilities are able to live, work and enjoy life in the most integrated setting desired. DHS provides oversight and direction for most health and human services programs, making sure providers meet service expectations. Most services are delivered directly to people by counties, tribes, health care providers or other community partners. Some DHS employees provide direct care and treatment to people with mental illness, chemical dependency and developmental disabilities as well as to individuals civilly committed for sex offender treatment.

Examples of our work include:

- Health care programs which purchase medical care and related home- and community-based services for children, seniors, people with disabilities and people with low incomes.
- Economic assistance programs which provide assistance to low-income Minnesotans to help them move toward greater independence.
- Services to children who have suffered abuse or neglect, to assure their safety and well-being, and early intervention services to children at-risk of abuse or neglect.
- Grant programs to support local delivery of human services for populations in need, including recent refugee immigrant populations, adults and children with mental illness or substance abuse problems, people who are deaf or hard of hearing, seniors and vulnerable adults.
- Direct care provided through a statewide array of institutional and community-based services. Services are targeted to people experiencing mental illness, chemical dependency, developmental disabilities and/or an acquired brain injury, some of whom are civilly committed by the court because they may pose a risk to themselves or others.
- Residential services and treatment to people who are committed by the court as a sexual psychopathic personality or a sexually dangerous person.

STRATEGIES

We emphasize several strategies across our budget activity and program areas to realize our mission and support the statewide outcomes listed above. We organize the strategies currently emphasized within DHS in four broad categories:

People: Provide smart care that keeps people healthy and in their homes and communities

- Improve access to affordable health care
- Better protect children and vulnerable adults in families and facilities, especially those directly in our care
- Keep more people fed and healthy by increasing nutrition assistance participation, especially for seniors
- Serve more people in their own homes, communities and integrated workplaces
- Reduce the rate of prenatal exposure to alcohol or drugs
- Enhance long-term care planning
- Integrate primary care, behavioral health and long-term care
- Implement a new autism benefit for children
- Increase access to prevention, outreach, shelter, and housing for at-risk and homeless youth
- Expand employee engagement efforts across the agency

Innovation: Redesign our care delivery systems

- Expand the number of providers and enrollees participating in Integrated Health Partnerships (Medicaid Accountable Care Organizations)
- Evaluate quality of life and care for people receiving services by using online report cards for home and community-based services and nursing facilities
- Decrease the amount of time it takes to determine disability status and eligibility for assistance
- Launch new Community First Services and Supports to support people in their communities
- Streamline the adult protection system
- Build new working partnerships and governance arrangements with counties and tribes to improve client services
- Modernize eligibility and enrollment systems

Equity: Increase equity and improve outcomes

- Lower the disproportionate number of children of color in out-of-home placements
- Decrease the number of children in foster care waiting for adoption
- Reduce the gap in access and outcomes for health care in cultural and ethnic communities
- Increase the number of children in underserved communities enrolled in quality child care settings
- Hold managed care plans accountable for health equity outcomes related to depression, diabetes and well child visits

Integrity: Reduce fraud, waste and abuse

- Reduce Supplemental Nutrition Assistance Program error rate
- Develop more accurate and efficient background study process
- Increase fraud investigations of Child Care Assistance providers
- Implement new regulatory oversight to support people living safely in homes and communities
- Implement onsite enrollment screening requirements for medium- and high-risk providers
- Expand provider investigations through Recovery Act contracts

---

The Department of Human Services' overall legal authority comes from Minnesota Statutes chapters 245 (https://www.revisor.mn.gov/statutes?id=245) and 256. (https://www.revisor.mn.gov/statutes/?id=256) We list additional program-specific legal authority at the end of each budget activity narrative.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	5,151,696	5,020,491	5,214,574	5,522,323	6,061,874	6,292,204	6,131,374	6,388,160
1200 - State Government Special Rev	3,379	3,453	4,011	4,598	4,514	4,274	4,514	4,274
2000 - Restricted Misc Special Rev	259,074	267,303	265,511	281,824	268,426	271,014	271,935	278,691
2001 - Other Misc Special Rev	203,814	214,111	221,363	251,453	202,365	196,834	210,646	201,714
2360 - Health Care Access	288,479	310,586	468,460	515,129	692,728	797,970	679,500	770,591
2403 - Gift	37	37	32	77	68	68	68	68
3000 - Federal	5,877,846	6,082,772	6,795,902	7,917,975	8,938,024	9,162,010	8,938,024	9,162,010
3001 - Federal TANF	252,137	275,670	257,695	261,173	276,756	275,719	276,756	275,719
4100 - Sos Tbi & Adol Ent Svcs	1,711	1,625	1,636	2,020	2,020	2,020	2,020	2,020
4101 - Dhs Chemical Dependency Servs	18,043	18,176	20,466	16,475	15,475	15,475	15,475	15,475
4350 - Mn State Operated Comm Svcs	83,082	88,793	95,418	99,200	99,200	99,200	99,200	99,200
4503 - Minnesota State Industries	1,733	833	1,767	1,850	1,850	1,850	1,850	1,850
4800 - Lottery Cash Flow	1,369	1,566	1,496	1,890	1,890	1,890	1,890	1,896
6000 - Miscellaneous Agency	35,336	32,545	34,939	215,372	215,172	215,172	215,172	215,172
6003 - Child Support Enforcement	623,179	620,167	624,394	640,336	640,336	640,336	640,336	640,336
Total	**12,800,916**	**12,938,130**	**14,007,663**	**15,731,694**	**17,420,696**	**17,976,035**	**17,488,758**	**18,057,175**
Biennial Change				4,000,311		5,657,374		5,806,576
Biennial % Change				16		19		20
Governor's Change from Base								149,202
Governor's % Change from Base								0

Expenditures by Program

Program: Central Office Operations	293,147	343,273	370,710	436,768	387,199	377,765	407,425	402,217
Program: Forecasted Programs	9,758,470	9,715,492	10,707,597	12,143,207	13,889,726	14,479,422	13,977,987	14,576,823
Program: Grant Programs	1,183,290	1,253,705	1,239,812	1,265,374	1,251,427	1,225,941	1,188,784	1,164,212
Program: State Operated Services	295,009	306,242	322,966	321,329	316,321	316,028	331,814	327,325
Program: Sex Offender Program	70,339	76,877	81,023	83,510	81,692	81,692	88,420	91,411
Program: Fiduciary Activities	654,638	650,877	657,709	854,302	854,102	854,102	854,102	854,102
Program: Technical Activities	546,023	591,664	627,846	627,204	640,229	641,085	640,229	641,085
Total	**12,800,916**	**12,938,130**	**14,007,663**	**15,731,694**	**17,420,696**	**17,976,035**	**17,488,761**	**18,057,175**

Expenditures by Category

Compensation	463,741	490,778	535,184	475,304	485,008	484,938	497,783	504,078
Operating Expenses	561,609	589,986	630,486	576,954	521,601	511,999	551,303	538,456

(Dollars in Thousands)

Expenditures by Category

Other Financial Transactions	659,129	662,427	666,627	663,209	663,116	663,116	665,576	665,576
Grants, Aids and Subsidies	11,115,855	11,192,792	12,175,200	14,016,186	15,750,929	16,315,940	15,774,057	16,349,023
Capital Outlay-Real Property	582	2,148	166	42	42	42	42	42
Total	**12,800,916**	**12,938,130**	**14,007,663**	**15,731,694**	**17,420,696**	**17,976,035**	**17,488,761**	**18,057,175**
Total Agency Expenditures	12,800,916	12,938,130	14,007,663	15,731,694	17,420,696	17,976,035	17,488,761	18,057,175
Internal Billing Expenditures	6,634	10,943	14,874	7,500	0	0	0	0
Expenditures Less Internal Billing	**12,794,281**	**12,927,187**	**13,992,789**	**15,724,194**	**17,420,696**	**17,976,035**	**17,488,761**	**18,057,175**
Full-Time Equivalents	**6,241.5**	**6,388.9**	**6,669.4**	**6,323.6**	**6,246.7**	**6,168.3**	**6,370.6**	**6,378.1**

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	3,432	147,114	4,444	13,033				
Direct Appropriation	5,400,553	5,203,386	5,530,458	5,654,264	6,209,422	6,436,959	6,288,309	6,544,082
Receipts	0	363	435	0	0	0	0	0
Net Transfers	(119,523)	(124,216)	(159,430)	(144,974)	(147,547)	(144,754)	(156,934)	(155,921)
Cancellations	7,290	202,111	148,297					
Expenditures	**5,151,696**	**5,020,491**	**5,214,574**	**5,522,323**	**6,061,874**	**6,292,204**	**6,131,374**	**6,388,160**
Balance Forward Out	125,474	4,046	13,033					
Biennial Change in Expenditures				564,710		1,617,181		1,782,637
Biennial % Change in Expenditures				6		15		17
Gov's Exp Change from Base								165,456
Gov's Exp % Change from Base								1
FTEs	3,186.8	3,242.2	3,428.4	3,618.3	3,547.5	3,475.5	3,666.0	3,674.2

1200 - State Government Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		196		88				
Direct Appropriation	3,565	3,565	4,099	4,510	4,514	4,274	4,514	4,274
Net Transfers			0					
Cancellations		307						
Expenditures	**3,379**	**3,453**	**4,011**	**4,598**	**4,514**	**4,274**	**4,514**	**4,274**
Balance Forward Out	186		88					
Biennial Change in Expenditures				1,776		179		179
Biennial % Change in Expenditures				26		2		2
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	39.7	36.7	41.6	39.7	38.9	38.2	38.9	38.2

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	62,646	50,775	54,471	46,774	15,026	13,704	15,026	13,704
Direct Appropriation	0	0	0	4,713	4,713	4,713	4,713	4,713
Receipts	175,004	181,958	191,134	165,711	182,793	183,441	183,376	183,921
Net Transfers	68,868	89,488	66,680	79,650	79,596	82,491	82,522	89,688
Expenditures	**259,074**	**267,303**	**265,511**	**281,824**	**268,426**	**271,014**	**271,935**	**278,691**

(Dollars in Thousands)

2000 - Restricted Misc Special Rev

Balance Forward Out	47,444	54,918	46,774	15,026	13,704	13,338	13,704	13,338
Biennial Change in Expenditures				20,958		(7,895)		3,291
Biennial % Change in Expenditures				4		(1)		1
Gov's Exp Change from Base								11,186
Gov's Exp % Change from Base								2
FTEs	216.8	217.1	208.9	210.4	210.4	210.4	210.4	210.4

2001 - Other Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	266	26,088	28,419	28,616	19,256	21,326	19,256	21,326
Receipts	144,756	149,168	140,622	170,522	129,551	128,974	129,551	128,974
Internal Billing Receipts			0	0	0	0	0	0
Net Transfers	74,157	64,375	80,938	71,568	74,885	69,971	83,166	74,851
Expenditures	**203,814**	**214,111**	**221,363**	**251,453**	**202,365**	**196,834**	**210,646**	**201,714**
Balance Forward Out	15,366	25,521	28,616	19,256	21,326	23,436	21,326	23,436
Biennial Change in Expenditures				54,890		(73,617)		(60,456)
Biennial % Change in Expenditures				13		(16)		(13)
Gov's Exp Change from Base								13,161
Gov's Exp % Change from Base								3
FTEs	838.2	873.4	900.7	406.0	406.0	406.0	406.0	406.0

2360 - Health Care Access

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		27,161		892				
Direct Appropriation	323,570	334,208	483,283	505,027	668,384	770,116	645,221	730,343
Receipts	0	0	15,679	19,517	33,072	37,091	44,827	50,395
Net Transfers	(8,016)	(8,795)	(11,727)	(9,416)	(9,101)	(9,238)	(10,921)	(10,148)
Cancellations	190	41,988	10,933					
Expenditures	**288,479**	**310,586**	**468,460**	**515,129**	**692,728**	**797,970**	**679,500**	**770,591**
Balance Forward Out	26,885		892					
Biennial Change in Expenditures				384,524		507,109		466,502
Biennial % Change in Expenditures				64		52		47
Gov's Exp Change from Base								(40,607)
Gov's Exp % Change from Base								(3)
FTEs	324.1	331.5	344.3	400.0	394.5	388.9	400.0	400.0

(Dollars in Thousands)

2400 - Endowment Fund

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	59	59	60	60	60	60	60	60
Receipts	0	0	0	0	0	0	0	0
Balance Forward Out	59	60	60	60	60	60	60	60

2403 - Gift

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	153	139	122	103	86	80	86	80
Receipts	20	19	12	63	63	63	63	63
Net Transfers	0	0						
Expenditures	**37**	**37**	**32**	**77**	**68**	**68**	**68**	**68**
Balance Forward Out	136	121	103	86	80	74	80	74
Biennial Change in Expenditures				34		28		28
Biennial % Change in Expenditures				45		25		25
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	8,539	55,384	42,846	3,082				
Receipts	5,897,605	6,061,620	6,756,138	7,914,893	8,938,024	9,162,011	8,938,024	9,162,011
Net Transfers	(206)	0	0					
Expenditures	**5,877,846**	**6,082,772**	**6,795,902**	**7,917,975**	**8,938,024**	**9,162,010**	**8,938,024**	**9,162,010**
Balance Forward Out	28,095	34,242	3,082					
Biennial Change in Expenditures				2,753,259		3,386,157		3,386,157
Biennial % Change in Expenditures				23		23		23
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	201.1	187.7	179.2	205.1	205.1	205.1	205.1	205.1

3001 - Federal TANF

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	27,461	690	0	3,655				
Direct Appropriation		0	0	249,662	266,920	264,194	266,920	264,194

(Dollars in Thousands)

3001 - Federal TANF

Receipts	257,404	274,982	261,351	262,458	261,482	261,482	261,482	261,482
Cancellations	1,458							
Expenditures	**252,137**	**275,670**	**257,695**	**261,173**	**276,756**	**275,719**	**276,756**	**275,719**
Balance Forward Out	31,271	0	3,655					
Biennial Change in Expenditures				(8,939)		33,606		33,606
Biennial % Change in Expenditures				(2)		6		6
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	14.8	13.0	14.7	15.8	15.8	15.8	15.8	15.8

4100 - Sos Tbi & Adol Ent Svcs

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	246	653	516	546	566	586	566	586
Receipts	2,110	1,622	1,740	2,040	2,040	2,040	2,040	2,040
Net Transfers		(150)	(75)					
Expenditures	**1,711**	**1,625**	**1,636**	**2,020**	**2,020**	**2,020**	**2,020**	**2,020**
Balance Forward Out	645	501	546	566	586	606	586	606
Biennial Change in Expenditures				320		385		385
Biennial % Change in Expenditures				10		11		11
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	32.3	30.2	29.4	32.5	32.5	32.5	32.5	32.5

4101 - Dhs Chemical Dependency Servs

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	407	1	3					
Receipts	17,637	14,977	15,464	15,475	15,475	15,475	15,475	15,475
Net Transfers		3,200	5,000	1,000				
Expenditures	**18,043**	**18,176**	**20,466**	**16,475**	**15,475**	**15,475**	**15,475**	**15,475**
Balance Forward Out	0	3						
Biennial Change in Expenditures				722		(5,991)		(5,991)
Biennial % Change in Expenditures				2		(16)		(16)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	201.5	202.2	209.5	187.6	187.6	187.6	187.6	187.6

(Dollars in Thousands)

4350 - Mn State Operated Comm Svcs

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	16,869	13,086	5,372					
Receipts	78,921	81,344	90,387	99,200	99,200	99,200	99,200	99,200
Net Transfers		(265)	(340)					
Expenditures	**83,082**	**88,793**	**95,418**	**99,200**	**99,200**	**99,200**	**99,200**	**99,200**
Balance Forward Out	12,706	5,372						
Biennial Change in Expenditures				22,743		3,782		3,782
Biennial % Change in Expenditures				13		2		2
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	1,185.2	1,252.4	1,309.0	1,205.9	1,205.9	1,205.9	1,205.9	1,205.9

4503 - Minnesota State Industries

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	820	1,034	1,674	1,642	1,542	1,442	1,542	1,442
Receipts	1,749	1,416	1,735	1,750	1,750	1,750	1,750	1,750
Expenditures	**1,733**	**833**	**1,767**	**1,850**	**1,850**	**1,850**	**1,850**	**1,850**
Balance Forward Out	835	1,617	1,642	1,542	1,442	1,342	1,442	1,342
Biennial Change in Expenditures				1,051		83		83
Biennial % Change in Expenditures				41		2		2
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs		0.1	2.0	1.0	1.0	1.0	1.0	1.0

4800 - Lottery Cash Flow

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		79		0				
Direct Appropriation	1,665	1,665	1,890	1,890	1,890	1,890	1,893	1,896
Cancellations	216	178	393					
Expenditures	**1,369**	**1,566**	**1,496**	**1,890**	**1,890**	**1,890**	**1,893**	**1,896**
Balance Forward Out	79		0					
Biennial Change in Expenditures				451		394		403
Biennial % Change in Expenditures				15		12		12
Gov's Exp Change from Base								9
Gov's Exp % Change from Base								0

(Dollars in Thousands)

4800 - Lottery Cash Flow

FTEs	1.0	1.9	1.5	1.5	1.5	1.5	1.5	1.5

6000 - Miscellaneous Agency

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	3,641	7,395	2,783	2,798	2,521	2,472	2,521	2,472
Receipts	38,839	31,665	35,096	215,095	215,122	215,122	215,122	215,122
Net Transfers	130	(3,745)	(142)					
Expenditures	**35,336**	**32,545**	**34,939**	**215,372**	**215,172**	**215,172**	**215,172**	**215,172**
Balance Forward Out	7,274	2,769	2,798	2,521	2,472	2,423	2,472	2,423
Biennial Change in Expenditures				182,430		180,033		180,033
Biennial % Change in Expenditures				269		72		72
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	0.2	0.6	0.2	0	0	0	0	0

6003 - Child Support Enforcement

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	9,756	11,052	9,709	9,811				
Receipts	624,475	618,825	624,495	630,525	640,336	640,336	640,336	640,336
Expenditures	**623,179**	**620,167**	**624,394**	**640,336**	**640,336**	**640,336**	**640,336**	**640,336**
Balance Forward Out	11,052	9,709	9,811					
Biennial Change in Expenditures				21,383		15,942		15,942
Biennial % Change in Expenditures				2		1		1
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Change Item: Simplify Child Care Assistance Requirements

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	386	1,169	1,310	1,330
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	386	1,169	1,310	1,330
FTEs	0	0	0	0

Recommendation:

Effective January 1, 2016, the Governor recommends simplifying program requirements for the Child Care Assistance Program. The net state cost for these changes is $1.55 million in the FY16-17 biennium and $2.64 million in the following biennium.

Rationale/Background:

The Child Care Assistance Program helps families with low incomes pay for child care so parents can work or go to school, and so children are well cared for and prepared for school. Minnesota counties provided Child Care Assistance for 31,219 children in an average month in state fiscal year 2013.

The goals of this proposal are to: (1) make the program easier for families to access quality child care; (2) support the developmental needs of children; and (3) reduce complexity in the program.

Proposal:

This proposal would support the developmental needs of children by disconnecting authorized hours for child care from the parent's work or education schedule. Currently all families must verify their activity schedule (employment, education or job search), with care authorized based on that schedule. Activity schedule verification for some families would be eliminated and verification of school schedules for children would be eliminated. Authorized hours would be tied to the number of hours care may be needed for a child, not specific times on a given day. An estimated 400 families would be impacted with a program cost of $1,000,000 per year when fully implemented.

This proposal would also make the program easier for families to access and reduce program complexity for counties by setting a threshold for overpayments, establishing a look-back period and eliminating overpayments due to agency error. The program cost for changes to the overpayment changes is estimated at $280,000 when fully implemented.

- Collection threshold: Family overpayments under $500 would not be assessed or collected, except in cases of fraud and when the family received benefits while an action was under appeal. An estimated 150 families would be impacted.
- Look back period: Family overpayments that occurred more than one year prior to discovery would not be assessed or collected, except in cases of fraud and when the family received benefits while an action was under appeal. An estimated 30 families would be impacted.
- Agency Error: Family and provider overpayments caused by agency error would not be assessed or collected. If any portion of overpayment was due to fraud, overpayment would be collected. An estimated 140 families would be impacted.

Results:

Measure 1: The percentage of children for whom a subsidy payment was made to a child care provider receiving higher rates because the provider is accredited or has an early childhood development credential.

Time Period	Percent of Children Served
Fiscal Year 2011	
Quarter 1	20%
Quarter 2	20%
Quarter 3	21%
Quarter 4	21%
Fiscal Year 2012	
Quarter 1	21%
Quarter 2	21%
Quarter 3	22%
Quarter 4	23%
Fiscal Year 2013	
Quarter 1	24%
Quarter 2	24%
Quarter 3	25%
Quarter 4	25%
Fiscal Year 2014	
Quarter 1	26%
Quarter 2	25%

Measure 2: The percent of prices charged by licensed child care providers in Minnesota that are fully covered by the Child Care Assistance Program maximum rates.

% of Statewide Provider Prices Covered by Maximum Rates

Year	Family Child Care	Child Care Centers
2004	68.4%	56.8%
2005	59.8%	52.1%
2006	65.3%	54.5%
2007	55.3%	40.4%
2008	48.4%	38.8%
2009	40.2%	32.9%
2010	38.4%	32.5%
2011 under 7-1-06 maximum	36.4%	31.6%
2011 under 11-28-11 maximum	27.6%	20.6%
2012 under 11-28-11 maximum	25.8%	23.2%
2012 under 2-3-14 maximum	34.8%	35.8%

Statutory Change(s):

Chapter 119B.

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund		386	1,169	1,555	1,310	1,330	2,640
HCAF							
Federal TANF							
Other Fund							
Total All Funds	$0	386	1,169	1,555	1,310	1,330	2,640

Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
100	22	MFIP Child Care Assistance Grants (authorized Hours)		154	568	722	661	678	1,339
100	42	BSF Child Care Assistance Grants (authorized hours)		96	328	424	373	373	746
100	22	MFIP Child Care Assistance Grants (overpayments)		59	123	182	126	129	255
100	42	BSF Child Care Assistance Grants (overpayments)		77	150	227	150	150	300
Requested FTE's									

Change Item: Reduce the Basic Sliding Fee Child Care Waiting List

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	6,000	6,500	10,000	10,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	6,000	6,500	10,000	10,000
FTEs	0	0	0	0

Recommendation:

The Governor recommends increasing funding for the Basic Sliding Fee Child Care Assistance program by $6 million in 2016, $6.5 million in 2017 and $10 million per year beginning in 2018. These changes would increase the amount of Basic Sliding Fee funds that are allocated to counties with the most demand for child care services.

Rationale/Background:

Child Care Assistance is paid for through two funding streams: Minnesota Family Investment Program/Transition Year Child Care Assistance and Basic Sliding Fee (BSF). Families who were recently or are currently participating in the Minnesota Family Investment Program (MFIP) or Diversionary Work Program receive assistance through MFIP/Transition Year Child Care Assistance, which is fully funded. Other low-income families receive assistance through the Basic Sliding Fee program. Basic Sliding Fee funds are allocated to counties. Basic Sliding Fee is a capped allocation, and some counties maintain a waiting list if demand for child care services exceeds available funds. As of November 2014, 6,157 families were on the waiting list statewide.

Proposal:

This proposal would provide additional funding for child care assistance to reduce the number of families who are on a waiting list for the Basic Sliding Fee Child Care Assistance program. The additional funding would be targeted to counties with waiting lists for Basic Sliding Fee that have recently spent a significant portion of their Basic Sliding Fee allocation. Most of the funds would benefit families with children under 5.

Under current law, each county is guaranteed a Basic Sliding Fee allocation that is at least 90 percent of the previous year's allocation as long as there are sufficient funds to do so. The updated allocations, which include the additional funds allocated under this proposal, will be the basis for the next year's allocation. This means that each county will receive at least 90 percent of the updated allocation in the next year, as long as there are sufficient funds to do so.

Currently, counties with significant waiting lists also have higher average costs per family than the statewide average. The higher cost per family will be considered when estimating the number of families served with the additional funds. These changes and additional funding are likely to reduce, but not eliminate, the total statewide waiting list.

The increased funding under this proposal will be added to 2016 allocations of eligible counties to provide sufficient time for those counties to move families off of the waiting list and into the Basic Sliding Fee Program.

Results:

Reduction in the statewide waiting list for Basic Sliding Fee Child Care

Statutory Change(s):

A budget implementation rider is needed to direct the additional funds to counties with waiting lists.

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				6,000	6,500	12,500	10,000	10,000	20,000
HCAF									
Federal TANF									
Other Fund									
Total All Funds				6,000	6,500	12,500	10,000	10,000	20,000
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
100	42	BSF Child Care Assistance Grants		6,000	6,500	12,500	10,000	10,000	20,000
Requested FTE's									

Change Item: Sustaining Parent Aware Quality Rating and Improvement System

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	$1,200	$2,300	$2,300	$2,300
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	$1,200	$2,300	$2,300	$2,300
FTEs	3	3	3	3

Recommendation:

Effective January 1, 2016, the Governor recommends an increase of $1.2 million in FY16 and $2.3 million in subsequent fiscal years to fund Parent Aware, Minnesota's quality rating and improvement system for child care and early education programs. This funding will enable approximately 40 percent of children ages 0-5 and receiving child care assistance (about 8,000 children) to be enrolled in highly rated Parent Aware programs.

Rationale/Background:

Decades of research support that children who participate in high quality child care and education are more likely to experience school success and positive lifelong outcomes. In fact, economists have demonstrated that investments in high quality child care and early education provide an enormous return on investment to not only growing children and their families but also to society in the form of reduced costs for special education and reduced reliance on public benefits later in life[1]. Because children in underserved communities are less likely to have access to these high quality early learning opportunities, they are less likely to arrive at Kindergarten ready to succeed. For this reason, the lack of high quality child care and early education has been identified as a major contributing factor to Minnesota's persistent achievement gap.

There are several challenges to overcome to increase access to high quality early childhood settings for children in underserved communities. Specifically, families' ability to access high quality programs is limited by:

- Availability of high quality programs;
- Availability of reliable information about quality that allows families to identify and choose high quality child care and early education programs; and
- Price of high quality care and education, which often exceeds what parents are able to pay.

To address this problem, Minnesota, like many other states, has created a Quality Rating and Improvement System (QRIS) called Parent Aware. Parent Aware is an initiative that uses a four-star scale to measure the quality of child care and early education programs, based on research that shows which program features and practices most impact children's school readiness. Licensed family child care providers, child care centers, school-based preschools, Head Start and Early Childhood Special Education programs can all choose to participate in Parent Aware. Programs are asked to document their practices and are assigned a star rating based on observed and documented quality. Participating programs that do not already meet the highest quality standards receive coaching and technical assistance to improve their quality (with specialized coaching available to programs serving a significant number of children with high needs). Ratings are then made publicly available to parents who are empowered to select settings where they know their child will receive quality care and education.

[1] James J. Heckman, Rob Grunewald and Arthur J. Reynolds. "The Dollars and Cents of Investing Early: Cost-Benefit Analysis in Early Care and Education." *Zero to Three*, July 2006, Vol. 26, No. 6., pp. 10–17.
Richard Chase, Brandon Coffee-Borden, Paul Anton, Christopher Moore, and Jennifer Valorose. The cost burden to Minnesota K-12 when children are unprepared for kindergarten. Wilder Research, December 2008.

Parent Aware is led by the Minnesota Department of Human Services in coordination with Minnesota Department of Education and the Minnesota Department of Health through the Minnesota Office of Early Learning. The Department of Human Services implements Parent Aware through a combination of grant and professional/technical contracts with state and local organizations as well as with administrative funds supporting state agency staff.

Parent Aware is designed to achieve these goals:

- Promote accountability for public and private investments by using program quality indicators linked to school readiness
- Increase the supply of high quality programs, thereby ensuring that more children are ready for kindergarten
- Provide parents with understandable consumer information about program quality so that they can choose the best option for their child.

In addition, Parent Aware provides a framework for other initiatives aimed at helping low-income parents afford high quality child care and early education. Specifically, Parent Aware is at the foundation of the Minnesota Department of Education's Early Learning Scholarships (which provides scholarships for children to attend programs participating in Parent Aware) and the Child Care Assistance Program's higher rates for quality (which provide a higher reimbursement rate to programs with a three or four-star rating in Parent Aware).

Parent Aware is a system for improving and rating the quality of child care and early education programs, and then providing that quality information to parents in an easy-to-use format. In 2011, Parent Aware successfully concluded a four-year pilot in five communities. Key findings from the pilot's evaluation[2] include:

- Children showed significant gains over the year in measures of expressive and receptive vocabulary, print knowledge, pre-math concepts, social competence and approaches to learning.
- Positive gains were larger for children from low-income families than for the full sample.

In 2012, with funding from a $45 million federal Race to the Top-Early Learning Challenge Grant, Parent Aware began a four-year statewide rollout as Minnesota's framework for quality child care and early education. Minnesota now has a system that establishes a single, shared definition of quality; provides a reliable tool for measuring quality; supports efforts of existing programs to improve quality; and shares information about the quality of programs with parents to empower them to make the best possible choice for their children.

A key indicator of success is the percentage of children ages 0 to 5 and not yet in Kindergarten served by the Child Care Assistance Program who are enrolled in a three- or four-star rated Parent Aware program. The federal Race to the Top-Early Learning Challenge Grant funding gave Minnesota a jump start to turn the curve on this indicator during the grant period. The percent of young children served by the Child Care Assistance Program in highly rated programs has more than doubled from 12 percent in 2012 to 28 percent in 2013. The percent of young children served by three- or four-star rated publicly funded early care and education programs increased from 14 percent in 2011 to 53 percent in 2013. Minnesota anticipates this upward trend will continue to increase due to additional state funding in the form of new incentives for families to choose higher rated programs via Early Learning Scholarships (Minnesota Statute124D.165) and higher rates through the Child Care Assistance Program for parents who choose a three- or four-star rated programs (Minnesota Statute 119B.13, Subd 3b).

Proposal:

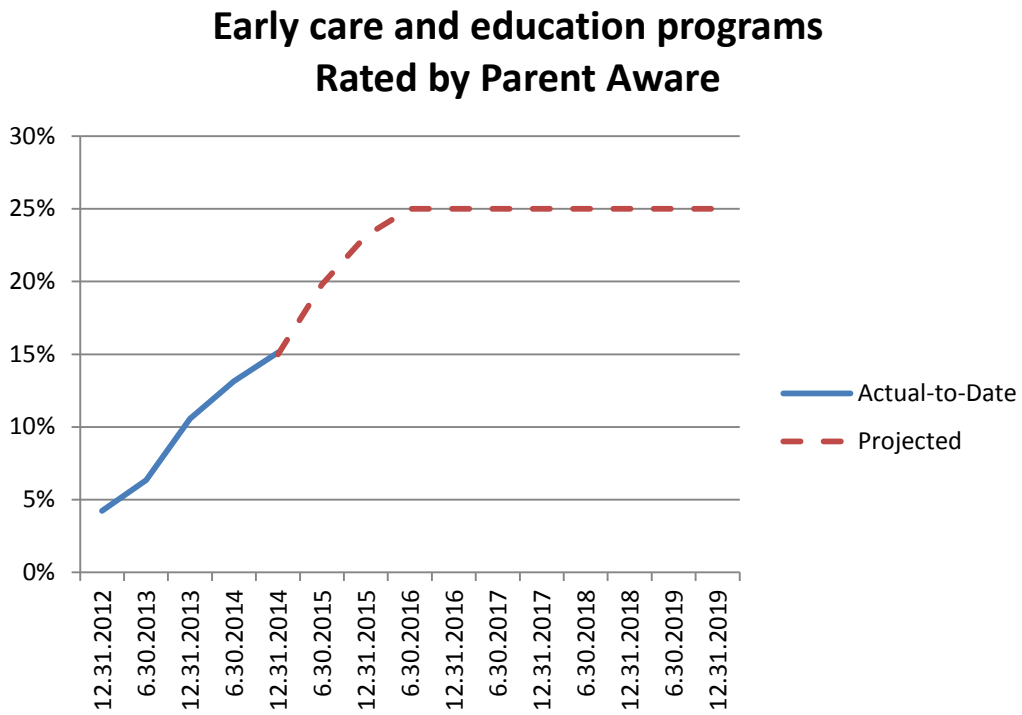
This proposal includes funding to continue the current rating process and to provide technical assistance and coaching to participating programs so that there is a supply of high quality child care and early education programs to meet the needs of children in underserved communities, including those receiving Child Care Assistance and Early Learning Scholarships.

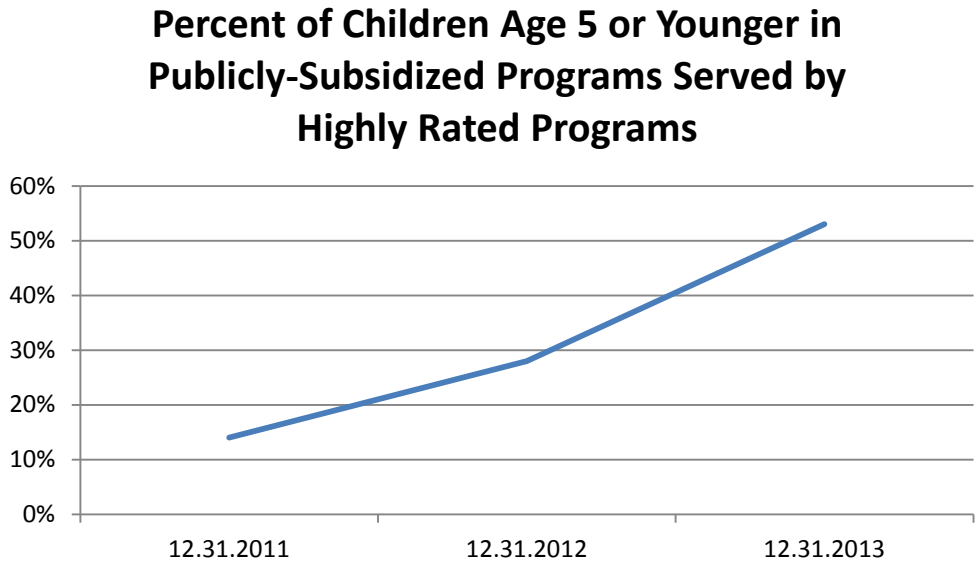
Parent Aware is a successful existing initiative funded primarily with federal grant dollars that end December, 2015, with additional support from the federal Child Care Development Fund and the philanthropic and business community. DHS is requesting state funding to ensure the continued operation of Parent Aware. Funding provided by this proposal would cover costs associated with the rating process, including technical assistance and coaching for participating programs. Specialized coaching of up to 30 hours is provided to programs that serve children with high needs. Ongoing support for Parent Aware is critical so that high-needs children maintain access to high quality child care and early education.

[2] Child Trends, *Evaluation of Parent Aware: Minnesota's Quality Rating and Improvement System, Pilot, Year 4*. Child Trends, December 2011.

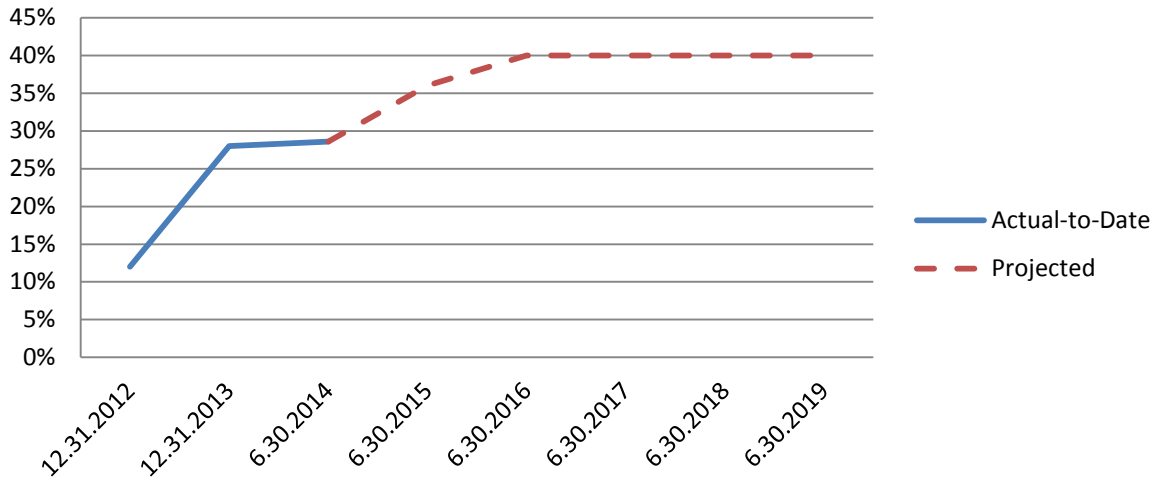
Results:
The following performance measures are being used to assess Parent Aware's effectiveness:

- Quantity::Percent of early care and education programs rated by Parent Aware
- Results: Percent of high-needs children ages 0 - 5 served in publicly funded programs including the Child Care Assistance Program, Head Start and school-based preschools in highly rated (three- and four-star Parent Aware rated) programs
- Results: Percent of children ages 0-5 not yet in kindergarten served by the Child Care Assistance Program in highly rated (three- and four-star Parent Aware rated) programs





Percent of Children Age 5 or Younger Receiving Child Care Assistance in Highly Rated Programs



Statutory Change(s):

This proposal will require new statute to implement Parent Aware. A new section 119B.27 is proposed.

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				1,200	2,300	3,500	2,300	2,300	4,600
HCAF									
Federal TANF									
Other Fund									
Total All Funds				1,200	2,300	3,500	2,300	2,300	4,600
Fund	**BACT #**	**Description**	**FY 15**	**FY 16**	**FY 17**	**FY 16-17**	**FY 18**	**FY 19**	**FY 18-19**
100	43	Child Care Development Grants		863	1,610	2,473	1,610	1,610	3,220
100	12	Children & Families Operations		518	1,062	1,580	1,062	1,062	2,124
100	REV1	35% FFP		(181)	(372)	(553)	(372)	(372)	(744)
Requested FTE's									
100	12	Children & Families Operations		3	3	3	3	3	3

Change Item: White Earth Nation Transfer Funding

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	$1,400	$1,400	$1,400	$1,400
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	$1,400	$1,400	$1,400	$1,400
FTEs	0	0	0	0

Recommendation:
Effective July 1, 2015, the Governor recommends that $1.4 million be provided annually to the White Earth Nation to pay for administrative costs associated with the implementation of the White Earth Transfer. These funds are needed to offset the absence of county fiscal support for public program recipients transferred to White Earth.

Rationale/Background:
Legislation passed in 2011 created the authority for the White Earth Nation (WEN) to assume responsibilities for providing human services for members of the White Earth tribe and their families who made the choice to receive services from the WEN. No funds have been made available from either the state or the counties to the WEN to assume the administrative responsibility being transferred to the White Earth Nation.

Proposal:
This proposal will provide the White Earth Nation with a capped amount of state support to assist the tribe in the implementation of the White Earth Transfer. These funds are needed to offset the absence of county fiscal support for public program recipients transferred to White Earth. WEN has hired 16 financial workers at their cost without any fiscal support from the state or counties from which the responsibility for providing services has been transferred. The transfer's goal is to provide members of the White Earth tribe and their families with access to culturally appropriate services. As a result, members of the WEN will have improved access to eligibility determinations for health care programs, economic support programs including Child Care Assistance and the Supplemental Nutrition Assistance Program, and multiple other programs currently administered by the county. Funding made available through the proposal will be passed through the Department of Human Services to the WEN on an annual basis.

The funding described in this proposal will be used to cover WEN's $1.4 million annual financial services budget. This budget includes about $1 million in salaries and benefits for financial services workers and about $400,000 in program operations costs.

Results:
- Quantity: As of September 2014, approximately 10,000 individuals (recipients of Health Care, MFIP, SNAP, and Child Care) have been transferred from Becker, Mahnomen, and Clearwater counties to the White Earth Nation. Administrative funding from these counties did not transfer with these cases
- Quality: White Earth Members and their families will have improved access to eligibility determination for health care, economic supports, and multiple other services currently administered by the county.
- Result: Tribal members and their families transferred to White Earth have improved access to eligibility determinations and coordination of services and programs previously offered separately between the Tribe and the counties.

Statutory Change(s):
None.

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				$1,400	$1,400	$2,800	$1,400	$1,400	$2,800
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	$1,400	$1,400	$2,800	$1,400	$1,400	$2,800
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	46	Transfer to White Earth Nation		$1,400	$1,400	$2,800	$1,400	$1,400	$2,800
Requested FTE's									

Change Item Title: Red Lake Tribal TANF Program

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	159	125	425	425
Revenues				
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	159	125	425	425
FTEs	0	0	1.0	1.0

Recommendation:

The Governor recommends spending $284,000 out of the General Fund in FY16-17 to assist Red Lake in operating a Tribal Temporary Assistance for Needy Families (TANF) program and support the transfer of other human services programs to the tribe.

Rationale/Background:

Red Lake recently received approval from the federal Department of Health & Human Services to operate a tribal TANF program. Under this proposal, Red Lake will receive a portion of the Minnesota TANF block grant to design and operate their program. In addition, Red Lake has expressed interest in transferring administration of other human services programs to the tribe, similar to the transfer of human services programs to the White Earth Nation.

Proposal:

This proposal would provide state funds to help Red Lake operate a Tribal TANF program. Included are systems costs for both the transfer provisions and the move to Tribal TANF. This proposal includes funding for one position at the Minnesota Department of Human Services to assist with the transfer beginning in 2018.

Results:

It is expected that Red Lake Nation members and their families would have improved access to eligibility determinations for income maintenance programs, health care, and Supplemental Nutrition Assistance. Tribal members and their families who are transferred to Red Lake administered human services programs under this proposal would receive improved access to eligibility determinations and coordination of services and programs previously offered separately between the Tribe and counties.

Statutory Change(s):

A budget implementation rider may be needed.

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				159	125	284	425	425	850
HCAF									
Federal TANF									
Other Fund									
Total All Funds				159	125	284	425	425	850
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
100	41	Support Services Grants		125	125	250	352	352	704
100	11	Finance & Mgmt (Office of Indian Policy)		0	0	0	112	112	224
100	REV1	FFP 35%		0	0	0	(39)	(39)	(78)
100	11	Operations (MAXIS) Tribal TANF		34	0	34	0	0	0
Requested FTE's									
100	11	Operations-Office of Indian Policy		0	0	0	1	1	1

Change Item: American Indian Family Early Intervention Program

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	$1,000	$1,000	$1,865	$1,865
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	$1,000	$1,000	$1,865	$1,865
FTEs	0	0	0	0

Recommendation:

Effective July 1, 2015, the Governor recommends establishing an American Indian Family Early Intervention Program. This program allocates funding to tribes and urban Indian programs to provide early intervention services to American Indian families who are at risk for possible child maltreatment. The net state cost of this proposal is $2 million in the FY16-17 biennium and $3.7 million in the following biennium.

Rationale/Background:

When compared to White children, American Indian children experience a higher rate of involvement in the child welfare system. According to 2013 child welfare data, American Indian children:

- Have the highest rates of contact with Minnesota's child protection system
- Are 6 times more likely to be reported as abused or neglected than White children
- Are 15.5 times more likely to be placed in foster care than White children

The comparable and existing Parent Support Outreach Program, delivered by counties, provides early intervention, outreach and supportive services to families. It has proven to be effective in engaging families and providing services that prevent future incidents of child maltreatment. The Parent Support Outreach Program expanded statewide July 2013. However, the Indian Child Welfare Act Advisory Council is concerned that tribes do not have equal access to such early intervention funding unless they participate in the American Indian Child Welfare Initiative and have access to the state social service information system. Funding for the American Indian Family Early Intervention Program would address these concerns, providing access to funding for tribes and urban Indian programs that are not currently participating in the American Indian Child Welfare Initiative.

Proposal:

The American Indian Family Early Intervention Program will be modeled after the existing Parent Support Outreach Program and grants will be provided to Minnesota tribes and urban Indian organizations. Through culturally-specific early intervention, outreach and supportive services to American Indian families, child maltreatment will be prevented and the number of American Indian children entering Minnesota's child protection system will be reduced.

The American Indian Family Early Intervention Program intends to serve approximately 1,800 families during the first two years at $1,000 per family and then 1,800 families annually, and allows funding for evaluation of the program. This program will be a significant expansion of the number of families served in the three-year Parent Support Outreach Program – American Indian Families pilot. Indian families living on tribal reservations and in urban areas in Minnesota will have access to culturally-appropriate, early intervention services and resources to assist them in addressing issues that place them at risk of entering Minnesota's child protection system. This program will be supported with new state funding for grants to tribes and urban Indian organizations serving American Indian families.

Results:

Data from the Parent Support Outreach Program – American Indian Families pilot indicates:

- American Indian children had a lower rate of increase of accepted child maltreatment reports (13 percent) than all children statewide (18 percent)
- Improvements occurred most often in:
    - Housing/environmental/physical needs – 43 percent
    - Family relationships – 39 percent
    - Social support systems – 32 percent

Program evaluation will be conducted by an outside research agency. Because the new program is based on the Parent Support Outreach Program, it is anticipated culturally-specific programming for American Indian families will show further improvements to reduce disparities for American Indian children in Minnesota's child welfare system.

Statutory Change(s):

Commissioner has existing authority to enter into agreements with tribal governments. Minn. Stat. 256.01, subdivision 2 (7).

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				$1,000	$1,000	$2,000	$1,865	$1,865	$3,730
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	$1,865	$1,865	$3,730	$1,865	$1,865	$3,730
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
100	12	Children and Families (Evaluation)		$100	$100	$200	$100	$100	$200
100	45	Children's Services Grants (Grants to Tribes)		$935	$935	$1,870	$1,800	$1,800	$3,600
100	REV1	FFP @35%		(35)	(35)	(70)	(35)	(35)	(70)
Requested FTE's									

Change Item: Tribal Customary Adoption Grants

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

Effective July 1, 2015, the Governor recommends a portion of the purchase of service program funds be designated to support tribal customary adoption programs.

There is no change in the base funding or the budget as a whole. The change is how the funds will be allocated and distributed to tribes. There will be no change to the remaining funds that are available to counties and licensed child-placing agencies through the purchase of service program.

Rationale/Background:

- Leech Lake Band of Ojibwe and White Earth Nation seek reimbursement for child-specific home studies, training, and adoption placement services through the purchase of service program. These funds are critical to tribal ability to achieve permanency for tribal children.
- The intent behind this program is to provide counties and tribes with an option to contract with a private licensed child-placing agency for these services for a specific child. However, in some cases, the tribal child welfare agency is contracting with its own adoption program. This is a potential audit issue, which is why this proposal requests a change in how funds are allocated.
- This proposal will remove a potential audit issue, reduce the amount of administrative work for state and tribal staff, and provide for improved fiscal management of funds.

Proposal:

- This is a change to an existing program.
- A portion of the $550,000 allocation will be designated for Leech Lake and White Earth based on consultation with tribal representatives and historical spending. Remaining funds will continue to be available to counties and licensed child-placing agencies for adoption services performed on behalf of children under state guardianship.
- State grant contracts will be utilized in place of tribal child-specific purchase of service agreements for tribal customary adoptions.
- This change will add a level of state oversight to sufficiently address the issue of tribes contracting with themselves to provide child-specific adoption services.

Results:

- Grant contracts are signed and tribal agencies provide adoption placement and child specific recruitment services for Indian children under the jurisdiction of tribal court.
- Performance measures will be identified in the grant contract with each entity.

Statutory Change(s):

Minn.Stat. 259.75

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund									
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	$0	$0	$0	$0	$0	$0
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
Requested FTE's									

Change Item: Integrated Care for High Risk Pregnant Women

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	71	201	(16)	(1,304)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	71	201	(16)	(1,304)
FTEs	.75	1.25	1.25	.25

Recommendation:

Effective January 1, 2016, the Governor recommends an intervention program to improve birth outcomes and strengthen early parental resilience for women at high risk for adverse outcomes of pregnancy. This program will provide integrated services for pregnant mothers who are at high risk of poor birth outcomes due to drug use or low birth weight in areas of high need using existing maternal health and substance abuse services through community and public health programs. These services are expected to improve birth outcomes, reducing the number of low birth weight infants and the use of costly neonatal intensive care (NICU) services in the Medical Assistance program within the target population.

Based on experience from similar interventions across the country, this proposal is expected to reduce the number of days infants stay in the NICU by nearly 600 in the affected areas starting in FY 2017. The proposal has a cost to the General Fund of $272 thousand in FY2016-17 but is expected to produce a general fund savings of $1.3 million during the FY2018-19 biennium.

Rationale/Background:

Adverse birth outcomes result in high care costs due to intensive treatment requirements for newborns, related to prematurity, low birth weight, and maternal substance abuse, especially opiates. This proposal targets resources for prenatal prevention of adverse birth outcomes in high risk geographic areas.

Minnesota's infant mortality rate of 5.4 per 1,000 live births is low relative to the national average of 6.6 per 1,000 births; however infant mortality to American born African American mothers in the State is 14.05 per 1000 live births. Estimates of the number of low birth weight infants in high risk geographic areas that have a prominence of African American and American Indian births are between 800 - 850 infants per year based on 2011 reporting of low birth weight by county in Hennepin, Ramsey, and Cass counties.

Medical Assistance claims data from 2013 show 348 infants were identified as opioid exposed at birth. Maternal opioid exposure for pregnant women covered by MA nearly doubled from 8.8 cases per 1000 live births in 2009 to 15.9 cases per 1000 live births in 2012. This issue disproportionately affects American Indian mothers and infants.

Hospital claims for the 348 infants identified as opioid exposed totaled $10,484,000 (managed care and fee for service). The average length of neonatal intensive care unit stay for these infants was 15 days with average paid claims of $30,125. While similar Minnesota data is not available for low birth weight infants, a 2007 study by the National Academies of Science put the national cost of preterm birth at $26 billion in 2005 with the average expense at that time for medical care at $31,571 per infant.

Research indicates that the lack of coordinated culturally-specific care for mothers at risk is as a barrier to supporting healthy pregnancy and birth. This proposal is in part a result of a dialogue the Department of Human Services has had with American Indian tribal nations. In this dialogue it has become clear that these communities seek to be directly involved in planning and implementation of efforts to improve birth outcomes. This proposal seeks to maintain and strengthen the dialogue that has begun to improve these results and to support these efforts with resources within the state's Medicaid program.

Proposal:

This proposal creates a grant program to provide targeted, integrated services for pregnant mothers who are at high risk of poor birth outcomes due to drug use or low birth weight in areas of high need. Participating mothers will be connected to existing maternal health

and substance abuse services through community and public health programs. The program will work with community organizations, lay and professional providers to develop local systems of care that are community held, community monitored and maintained with appropriate state oversight. Participating clinics will include tribal health providers and community clinics; local public health and social service agencies; substance abuse treatment providers.

This project is expected to serve nearly 1,200 pregnant mothers at risk of poor birth outcomes through the end of FY 2019.

This proposal supports planning, system development and initiation of integrated medical and support services for women at risk in the designated populations including:

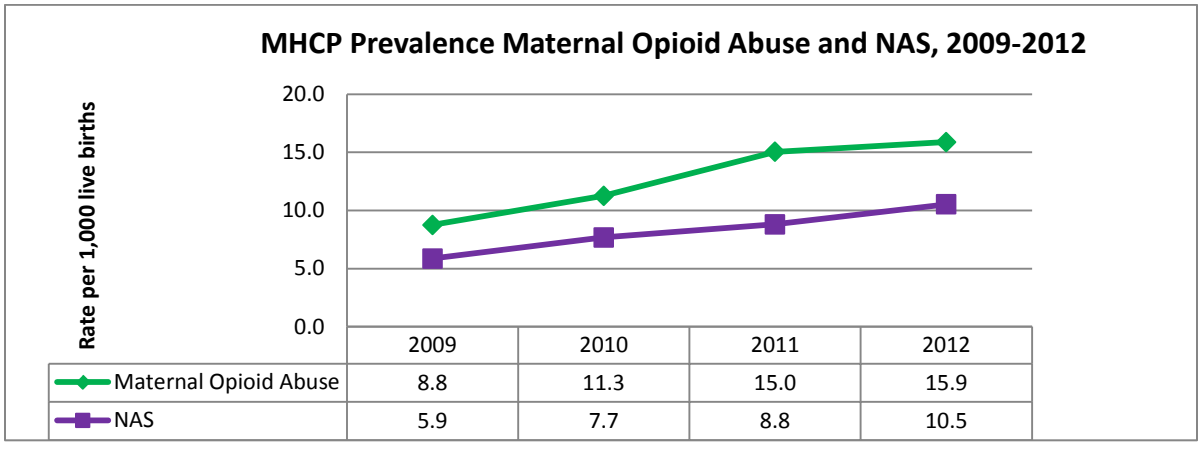
- early identification of opiate dependency and abuse during pregnancy, effectively coordinated referral and follow-up of identified patients to evidence-based treatment, and integrated perinatal care services with behavioral health and substance abuse services;
- access to, and effective use of, needed services by bridging cultural gaps within systems of care, through integration of community-based paraprofessionals such as doulas and community health workers, as a component of perinatal care;
- patient education about prenatal care, birthing, and postpartum care, including nutrition, reproductive life planning, breastfeeding, and parenting, and which includes documentation of the processes used to educate patients;
- systematized screening, care coordination, referral, and follow up for behavioral and social risks known to be associated with poor birth outcomes and be prevalent within the targeted populations, such as substance abuse, homelessness, domestic violence and abuse, chronic mental illness, and poorly developed self-care knowledge and skills;
- facilitated ongoing continuity of care, to include postpartum coordination and referral for interconception care, provision for ongoing substance abuse treatment, identification and referral for maternal depression, continued medical management of chronic diseases, and appropriate referral to tribal or county-based social and public health nursing services.

An application process for clinic participation and capacity building grants would begin on January 1, 2016. Clinics selected for participation would receive grant awards July 1, 2016 and could perform enhanced services after September 1, 2016. Initially care sites will be supported to develop effective programs through planning and implementation grants.

Results:

This proposal targets specifically identified geographic areas with the worst birth outcomes. Mothers in these areas are cared for by a relatively small number of providers making the potential to affect this population significant. When fully implemented we expect to have a reduction in low birth weight costs of 15% in the targeted areas and an improvement in outcomes for infants born to opioid exposed mothers that results in a 20% reduction in average hospital length of stay due to neonatal exposure.

The graph below shows the current trend in Minnesota Health Care Programs. The bottom line measures the incidence of NAS, or Neonatal Abstinence Syndrome, which is the term for infants in drug withdrawal from maternal use of opioids.



	2009	2010	2011	2012
Maternal Opioid Abuse	8.8	11.3	15.0	15.9
NAS	5.9	7.7	8.8	10.5

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Number of at risk MA enrollees receiving services			New measure
Results	Reduction in the number of NICU days per 1,000 births in the target population			New measure

Intended results include: Improved birth outcomes, reduced use of NICUs, lowered MA costs, lowered low birth weight rates, lowered length of stay for opioid exposed infants, improved identification of at risk mothers earlier in pregnancy, greater community engagement in supporting mothers at-risk for adverse outcomes.

Process measures:

- Grants awarded through this project will increase the number of clinics implementing the integrated care model and the number of at risk enrollees identified.

Outcomes measures

- Clinics offering care management services to the affected population should see changes in the rate of untreated maternal opiate use at birth, prematurity, infants with low birth weight, and NICU days. Data used to track these measures are included in claims and quality improvement reports from clinics; communications through the DHS website and legislative reports.

Statutory Change(s):

M.S. 256B.69, subd. 32

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund		71	201	272	(16)	(1,304)	(1,320)
HCAF							
Federal TANF							
Other Fund							
Total All Funds	$0	71	201	272	(16)	(1,304)	(1,320)

Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	33	MA Grants			(431)	(431)	(1,248)	(1,872)	(3,120)
GF	13	HCA Admin (FTE)		109	126	235	126	28	154
GF	REV1	FFP @ 35%		(38)	(44)	(82)	(44)	(10)	(54)
GF	51	Health Care Grants			550	550	1,150	550	1,700
Requested FTE's									
GF	13	HCA Admin (FTE)		.75	1.25		1.25	.25	

Change Item: Oral Health Initiative

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	2,455	5,928	6,464	6,888
Revenues				
Other Funds: Health Care Access				
Expenditures	(68)	1,630	1,670	1,553
Revenues				
Net Fiscal Impact = (Expenditures – Revenues)	$2,387	$7,558	$8,134	$8,441
FTEs	0	1	1	1

Recommendation:

The governor recommends several changes to the Minnesota Health Care Program's (MHCP) Dental Program. These changes would support efforts to increase access and better align payment of dental services to outcomes. The changes to the program include an increase to the base rate for dental services, a redesign of the critical access dental program to include quality metrics, and adding coverage of periodontics for adults.

These changes have a net cost of $10 million in the 2016-17 biennium and $16.7 million in the 2018-19 biennium.

Rationale/Background:

Enrollees in MHCP have significant difficulty accessing dental services. According to the Center for Medicare and Medicaid Services (CMS), Minnesota is below the national average in important measures of children's dental services. These measures are the percentage of children who receive a preventive service during a year and the percentage of 6-9 year olds that have at least one sealant on a permanent molar. Minnesota showed decreasing rates on both measures for 2012. In addition, the percentage of all enrollees who receive any dental service during a year lags behind the rates typically seen in a commercially insured population. A report by the Legislative Auditor in 2013 reviewed payment rates for Medical Assistance (MA) and found that the payment structure for dental services lacks coordination and that base rates were too low. A 2014 Legislative Report by DHS expanded on those findings, interviewing over 75 different stakeholders to gather input on what steps could be taken to improve access and simplify the administration of the program. These recommendations reflect many of the findings of that study. DHS is required by the legislature to recommend changes to the dental benefit which address issues around access, rates, quality, and administrative simplification. Stakeholders were consulted again to review the findings of the study and give additional feedback.

Proposal:

This recommendation addresses the issues associated with dental access, provider payments and rates in two phases. Effective January 1, 2016, this recommendation:

- increases the base rate for dental services by 15%
- updates the rate methodology to reflect the corresponding percentile of charges in 2012
- eliminates the CAD add-on for MN Care
- reduces the current add on payments for dental services to maintain the current levels of payment for eligible pproviders. Specifically, this proposal reduces the critical access dental (CAD) add-on for MA from 35% to 20% for all CAD providers except community health clinics. The CAD add-on for community health clinics would be reduced from 35% to 17.4% to account for the cumulative effect of the additional 20% add-on community clinics receive for dental services
- Adds coverage of periodontics for adults.

These changes help to better align payments reflecting more recent charge based data, decreases reliance on add-on payments, and improves payment rates for private dental clinics in an effort to increase their participation rates. DHS would also be required to work with the Dental Services Advisory Committee to recommend changes to the current CAD program during the 2017 legislative session so that by July 1, 2017 the payment system, which is currently only based on volume of services, is at least 50% based on measures of quality, that may include but is not limited to: provider ability to meet preventive and restorative needs of their patients, patient risk and risk reduction over time, and other dental outcome measures. This proposal also adds coverage

of periodontics for adults to address a gap in coverage for adult enrollees that dental providers have found to be particularly challenging in developing appropriate treatment plans.

Results:

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Percentage of enrollees under who receive at least one dental service in a year.	N/A	N/A	annual
Quality	Percentage of children enrolled for 90 continuous days who receive a preventive dental service.	29%	36%	FFY 2012-13
Quality	Percentage of children ages 6-9 enrolled for 90 continuous days who have at least one sealant on a permanent molar.	11%	15%	FFY 2012-13

Statutory Change(s):

- In chapter 256B, several sections related to covered services and rates for physician and dental services.
  M.S. 256L.11, subd. 7 – related to MinnesotaCare CAD add-on payments

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				2,455	5,928	8,383	6,464	6,488	13,352
HCAF				(68)	1,630	1,5621	1,670	1,553	3,223
Federal TANF									
Other Fund									
Total All Funds			$0	$2,387	$7,558	$9,945	$8,134	$8,441	$16,575
Fund	BACT#	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	33 ED	MA Grants		755	1,819	2,575	1,979	2,135	4,114
GF	33 AD	MA Grants		0	98	98	229	286	516
GF	33 FC	MA Grants		1,698	3,931	5,629	4,192	4,403	8,595
		MA Grants Subtotal		2,453	5,848	8,301	6,400	6,824	13,225
GF	13	HCA Admin			113	113	97	97	194
GF	REV1	FFP @ 35%			(40)	(40)	(34)	(34)	(68)
GF	11	Operations: Systems (MMIS)		2	7	9	1	1	2
HCAF	31	MNCare Grants		(68)	1,630	1,561	1,670	1,553	3,222
Requested FTE's									
GF	13			0	1.0		1.0	1.0	

Change Item Title: Child Protection Oversight

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	1,282	1,218	1,250	1,250
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,282	1,218	1,250	1,250
FTEs	11	11	11	11

Recommendation:

Effective July 1, 2015, the Governor recommends additional funding for oversight of the state's child protection system. This funding will support an oversight infrastructure that includes monitoring systems for child maltreatment screening and child mortality review; guideline and best practice development; training of child protection workers around intake and screening decisions; examinations of child fatalities and near fatalities; and recommendations made by the Governor's Task Force on the Protection of Children.

Rationale/Background:

The Governor signed Executive Order 14-15 on September 22, 2014. This order established the Task Force on the Protection of Children to advise the Governor on system and practice improvements in the child protection system. The task force provided initial recommendations to the Governor's Office, the Legislature and the public on December 31, 2014. Final recommendations are expected on March 31, 2015. Recommendations may include legislative changes.

Child protective services must intake, screen, and conduct Family Assessment and Family Investigations with fidelity to laws, standards and best practices. The upfront portion of the child protective system is when the least is known about a child and family, and critical child safety decisions are required.

Child protection screening is about assessing child safety. A review and monitoring system is critical to ensuring that counties and tribes are making sound screening decisions in accordance with Minnesota Statute. While DHS has established Child Protection Screening Guidelines, there is a lack of uniformity in their application across the state.

Monitoring child protection screening practices, and practices designed to prevent child fatalities and near fatalities, through a case review process will improve child safety by increasing the accountability of county and tribal child welfare agencies for decisions. It will also improve child safety and wellbeing by increasing adherence to established procedures and best practice strategies.

Proposal:

This proposal increases the Department of Human Services' oversight, capacity, and expertise in the following activities:

- Best practice protocols for child maltreatment screening and child mortality review inclusive of monitoring systems to ensure best practice implementation and fidelity to Minnesota Statute and guidelines.
- Best practices training to include curriculum development and delivery
- Real-time technical assistance to counties and tribes that can be delivered at the moment when and where the need is greatest to inform child safety decision-making
- Ongoing review of child maltreatment screening decision-making throughout the state
- Prompt and thorough review of child fatalities and or near fatalities with a specific focus on child welfare practice
- Review and monitoring of child protection front-end practice

Eleven full-time positions are needed to provide ongoing review and monitoring. This will improve child safety by increasing the accountability of county and tribal child welfare agencies. It will also support the use of best practice strategies at critical decision points

in the child protection continuum. Child safety is also improved through the review of child welfare practices in cases of child fatalities and near fatalities.

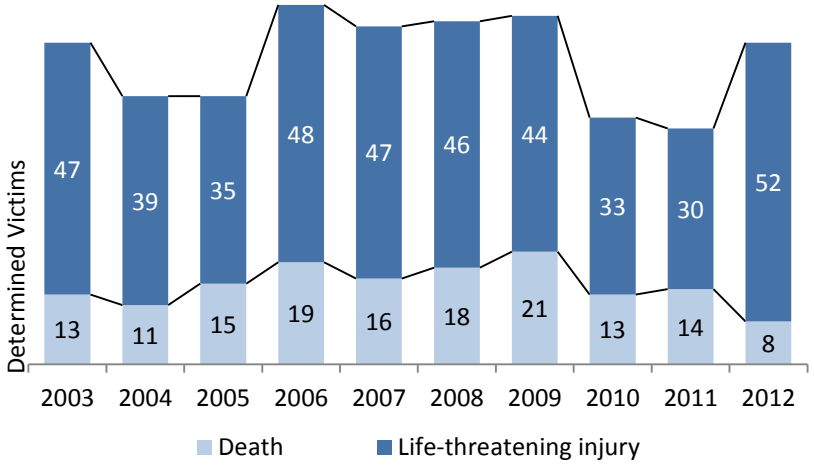
Positions funded through this proposal will:

- Develop and oversee child fatality and near fatality review process, conduct on-site fatality and near fatality reviews and work with local county and tribal child welfare agencies to improve practice (four positions)
- Review and monitor front-end practice and conduct reviews on screening decisions (three positions)
- Develop safety-focused guidelines and best practices to ensure child safety and provide ongoing program development and implementation throughout the state (two positions)
- Ensure guidance, best practice standards and bulletins are in accordance with state and federal requirements; provide consultation on all elements of Minnesota's child protection system; and work with counties to develop multi-disciplinary teams for screening, family investigation and family assessment (one position)
- Produce high quality practice guides, bulletins, technical assistance memos and other information (one position)

County and tribal child welfare agencies vary throughout the state in terms of available staff, resources, and social work supervision. Counties are currently responsible for about half of all child welfare expenditures. These agencies will also require adequate resources to implement changes recommended by the Governor's Task Force on the Protection of Children.

Results:

An average of 15 deaths and 42 life-threatening injuries to children occurred per year from 2003-2012.



Performance Measure	2010	2011	2012
Percent of Children Not Experiencing Repeated Abuse or Neglect Within 6 Months of a Prior Report	95.1%	95.6%	97.5%

- Quality: Monthly review of 240 screened-out child maltreatment allegations to determine if the screening decisions were made in accordance with statute, maltreatment screening guidelines, and that no current child safety concerns exist. The number of cases reviewed each month will vary slightly to ensure the sample size is statistically significant so that inferences can be related back to the entire pool of screened-out child maltreatment allegations. The sample will be stratified in age and race/ethnicity to ensure sufficient representation during randomization.
- Quality: Child fatalities and near fatalities will be reviewed as they occur. In the past 10 years, an average of 15 child fatalities due to maltreatment occurred each year. In the past 10 years, an average of 42 child near fatalities due to maltreatment occurred each year. Under this proposal, the department would conduct approximately five reviews monthly and provide training/technical assistance to counties or tribes involved. Results would be used to make program improvements at the policy level and practice improvements at a statewide level.

Statutory Change(s):

Specific statutory changes will be identified.

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				1,282	1,218	2,500	1,250	1,250	2,500
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	1,282	1,218	2,500	1,250	1,250	2,500
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	12	Children & Families (sal/fringe)		1,298	1,142	2,440	1,141	1,141	2,282
GF	12	Children & Families (other admin operating)		438	476	914	508	508	1016
GF	REV1	Admin FFP @ 35%		(454)	(400)	(854)	(399)	(399)	(798)
Requested FTE's									
GF	12	Children & Families Operations		11	11		11	11	

Change Item: Eliminate Application Fee for Child Support Services

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	34	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	34	0	0	0
FTEs	0	0	0	0

Recommendation:

Effective July 1, 2015, the Governor recommends that families no longer be required to pay a $25 application fee before receiving child support services.

Rationale/Background:

Minnesota's child support system provides 398,000 families with help in establishing paternity, getting and modifying child support orders, and collecting child support. Child support keeps families out of poverty, especially low-income families who do not qualify for public assistance. Minnesota currently charges these families a $25 application fee to receive child support services. The fee may be a barrier to services for low- to moderate-income Minnesotans. Removing the fee will make the child support program more accessible to many of the 12,000-plus Minnesota families newly eligible for child support services each year.

Eliminating the application fee is expected to increase the number of low- to moderate-income families applying for child support services, and create a shorter wait time between application and services

Proposal:

Federal regulations allow states to waive an application fee for child support services. If the state waives the fee it must continue to pay the federal share (66 percent) of the fee. The fee can be as little as 1¢. Under current state law, Minnesota charges all applicants who are not currently receiving public assistance for child support services a $25 application fee. Individuals receiving public assistance have the fee waived, but there are many Minnesotans with near poverty-level incomes who are required to pay the fee before they can receive services.

To make their programs accessible to low- to moderate-income families, more than half of states waive the application fee for participants or charge only a nominal fee. This proposal will reduce the fee to 1¢ and waive the application fee for participants. The state will be required to pay the federal share of the 1¢ fee.

This proposal has a minimal total cost of less than $100 per year for the state to pay the federal share of the fee. Counties administer the child support program and are currently responsible for charging and collecting these fees, which is administratively burdensome. It is expected that the annual cost of charging and processing the application fee is greater than the cost for the state to reduce the fee and pay the federal share. Counties currently receive 34 percent of the fee in child support revenues which helps administer the program. State-wide, the county share from child support application fees in state fiscal year 2014 was approximately $53,000.

One-time systems costs are required to make changes to PRISM, the states' child support computer system, to implement the change in the application fee.

Results:

The federal government funds the child support program at the state level in part through performance incentives. Incentives are calculated by measuring the state program's performance in core program activities: Paternity establishment, order establishment, and collection of current and past due support. States are ranked by their scores on the performance measures. Minnesota ranks among the top five states on the collections measures, and among the top 20 on paternity and order establishment measures.

The current trend reflects continuous improvement in the child support program.

Performance Measures	FFY 2009	FFY 2010	FFY 2011	FFY 2012	FFY 2013
Paternities established: Percent of children who were born outside of marriage for whom paternity was established in open child support cases for the year	99%	100%	101%	102%	102%
Orders established: Percent of cases open at the end of the year with orders established	84%	85%	86%	86%	86%
Collections on current support: Percent of cases with current support due within the year that had a collection on current support	70%	69%	70%	71%	71%
Collections on arrears: Percent of cases with arrears due within the year that had a collection on arrears	67%	70%	70%	70%	70%
Cost effectiveness: Dollars collected per each dollar spent	$3.71	$3.70	$3.59	$3.51	$3.63

Performance Measures Notes:

Measurements compare data trends over the last five years. Each percentage measurement has a threshold of 80 percent to maximize federal incentives. The threshold for cost effectiveness is $5 to maximize.

Federal measures are found in the 2013 Minnesota Child Support Performance Report, https://edocs.dhs.state.mn.us/lfserver/Public/DHS-4252N-ENG.

Statutory Change(s):

Minn. Stat. §518A.51
Minn. Stat. §518A.53

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				34	0	34	0	0	0
HCAF									
Federal TANF									
Other Fund									
Total All Funds				$34	$0	$34	$0	$0	$0
Fund	BACT#	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	11	Operations (PRISM)		34	0	34	0	0	0
Requested FTE's									

Change Item Title: Northstar Care Foster Residence Settings and Funding Clarification

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:
The Governor recommends adding foster residence settings to those eligible for a difficulty of care supplement under Northstar Care for Children, eliminating obsolete language related to the transfer of state funds within Northstar, and adding Northstar to the uncoded provision that allows funding to be moved among forecast programs, allowing for cash flow between programs.

Rationale/Background:
Northstar Care for Children is a unified benefit program designed to reduce the length of time children spend in foster care by finding them families through adoption or legal guardianship.

Under Northstar Care for Children, the type of foster care settings that are eligible to receive basic foster care benefits are: foster family settings, foster residence settings or treatment foster care settings. For children who have significant physical or mental health care needs, there are extraordinary levels of care that may be required and the basic foster care payment is supplemented by a difficulty of care rate.

Current Minnesota Statute does not include foster residence settings among those eligible for the extraordinary level of care supplemental payment. 2013 legislation included an appropriation for Northstar Care that assumed these foster settings were eligible for this payment, therefore there is no cost to add this provision.

Language related to the transfer of state funds across programs prior to passage of the Northstar Care program was required to allow flexibility for state-funded adoption assistance and relative custody assistance programs. Northstar Care unified benefits for these programs as well as foster care. All children who meet eligibility requirements under Northstar Care receive benefits. Deleting this reference will eliminate confusion about state funding for the program.

The commissioner of the Department of Human Services, with approval of the commissioner of Minnesota Management and Budget, has authority in an uncoded provision to move funds among forecasted programs, allowing for cash flow between programs. This proposal adds Northstar Care to the list of programs included in this transfer provision.

Proposal:
This proposal:

- Adds “foster residence setting” to those settings eligible for a difficulty of care supplemental rate due to the extraordinary level of care required for children who have significant physical or mental health care needs;
- Removes obsolete language regarding the transfer of state funds within Northstar Care; and
- Adds Northstar Care to the list of forecast programs that allow cash flow between programs upon approval from Minnesota Management and Budget.

Results:

Type of Measure	Description of Measure	2010	2011	2012	2013	Trend
Quality	Percent of children not experiencing repeated abuse or neglect within six months of a prior report	95.1%	95.6%	97.5%	97.2%	Improving
Quality	Percent of children reunified with parents or living with relatives in fewer than 12 months from latest removal from home	84.5%	85.7%	85.9%	85.1%	Stable
Quality	Percent of children adopted in fewer than 24 months from latest removal from home	48.2%	48.1%	49.4%	54.7%	Improving

Statutory Change(s):
Provisions in M.S. Chapter 256N and rider

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				$0	$0	$0	$0	$0	$0
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	$0	$0	$0	$0	$0	$0
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	49	Northstar Care – Grant program		(45,206)	(49,599)	(94,805)	(49,599)	(49,599)	(94,805)
GF	26	Northstar Care – Forecast program		45,206	49,599	94,805	49,599	49,599	94,805
Requested FTE's									

Change Item: Increase Funding for the Minnesota Food Assistance Program

Fiscal Impact ($000s)	FY2015	FY 2016	FY 2017	FY 2018	FY 2019
General Fund					
Expenditures	$246	$462	$645	$854	$1,092
Revenues	0	0	0	0	0
Other Funds					
Expenditures	0	0	0	0	0
Revenues	0	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	$246	$462	$645	$854	$1,092
FTEs	0	0	0	0	0

Recommendation:

The Governor recommends an increase in funding of $246,000 in 2015, $462,000 in 2016 and $645,000 in 2017 to meet projected need for food support under the Minnesota Food Assistance Program (MFAP).

Rationale/Background:

This program was first established July 1, 1998, under Minnesota Statutes, 256D.053. MFAP provides state-funded food assistance for legal non-citizens who do not qualify for federal food benefits because of their citizenship status. The program uses all of the policies, procedures, benefit rates, and eligibility criteria as the federal Supplemental Nutrition Assistance Program. MFAP benefits are limited to those eligible non-citizens who are 50 years of age or older. The age limit was established in legislation passed in 2003. Children under the age of 18 who are legal non-citizens are eligible for federal food benefits.

MFAP operates on a fixed appropriation, so the budget for the program is not adjusted when the number of eligible participants increases. The Minnesota Legislature increased funding for the program in the 2003, 2010 and 2011 sessions to meet increased growth in the program. Current base funding for the program is $816,000 per year. It is expected that about 500 people in a month will receive these benefits in 2015, increasing to over 700 in 2019. Additional funding is needed beginning in 2015 to meet projected increased demand for the program.

Proposal:

Effective upon enactment, this proposal would increase funding for MFAP by $246,000 in 2015, $462,000 in 2016 and $645,000 in 2017. In 2018 and 2019, it is anticipated that the program will require increases of $854,000 and $1,092,000 respectively. These increases are needed to meet the projected increase in the number of individuals eligible for benefits.

Results:

The percentage of potentially eligible people and seniors who access the Supplemental Nutrition Assistance Program (SNAP) will serve as a performance measurement.

Statutory Change(s):

Budget Rider

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund	246	462	645	1,107	854	1,092	1,946
HCAF							
Federal TANF							
Other Fund							
Total All Funds	246	462	645	1,107	854	1,092	1,946

Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
100	47	Children & Economic Support Grants	246	462	645	1,107	854	1,092	1,946
Requested FTE's									

Change Item: Behavioral Health Homes

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	2,173	4,744	8,077	15,733
Revenues				
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,173	4,744	8,077	15,733
FTEs	4.25	6	6	6

Recommendation:
The Governor recommends implementation of behavioral health homes as a first step in development of a framework to provide services in a person-centered system of care. This framework facilitates access to and coordination of the full array of primary, acute, and behavioral health care. The population of Medical Assistance recipients to be served under this model is adults and children with serious mental illness (SMI). This proposal leverages enhanced federal funding for a period of 2 years, developing provider capacity to improve care management and further integrate primary and behavioral health services for the complex needs of this population.

This proposal has an effective date of January 1, 2016, and has a net cost to the General Fund of $6.9 million in the FY2016-17 biennium and $23.8 million in the FY2018-19 biennium.

Rationale/Background:
A number of recent multi-state studies demonstrate that people served by the public mental health system die, on average, 25 years earlier than the general population. While 30% of the excess mortality burden can be attributed to suicides, 60% of the excess mortality is due to physical causes such as heart disease, cancer, and lung diseases. These conditions are generally associated with modifiable risk factors more prevalent in the adult SMI population including smoking, chemical dependency, and poor nutrition. Children who are exposed to psychological trauma are proven to have a significant risk of poorer physical health as adults and also much more likely to have serious emotional disturbance.

People with serious mental illness often lack access to adequate health care and those with access are less likely to receive care for comorbid chronic conditions that meets clinical practice guidelines. Quality care for people with serious mental illness requires coordination between health care and behavioral health systems and integrated treatment for co-occurring mental health and substance abuse disorders. Various completed studies have found that coordinated care is significantly beneficial for both mental health and physical health outcomes.i

Health homes expand upon the concept of the more commonly used term, medical homes (in Minnesota referred to as Health Care Homes) by serving the whole person across the primary care, long-term services and supports, and mental health and substance use disorder treatment components of the health care delivery system. Health homes have a strong focus on behavioral health, social support and other services. Health homes coordinate a variety of services including primary care and specialty care, and ensure referrals to community supports and services are effectively managed. The key feature of health homes, comprehensive care management, supports the person in managing chronic conditions and achieving their self-management goals by facilitating the provision of clinical services that contribute to improved health outcomes.

New York's Chronic Illness Demonstration Project was created to strengthen the connection between primary care, preventative care, mental health, and substance abuse services through care coordination for its chronically ill adult Medicaid recipients. Preliminary evaluations found that clients in the program for at least two years experienced a 45 percent reduction in the number of hospital admissions and a 15 percent decrease in ER visits, compared with two years prior to enrollment.ii

Other research findings suggest that states must also be willing to invest more funding in care coordination for children with mental illness in order to gain the significant per capita cost savings found in reduced use of expensive facility-based care such as inpatient psychiatric hospitalization, residential treatment, and emergency department admissions. Data from the CMS Psychiatric Residential

Treatment Facility Waiver Demonstration focusing on these children found that states in the demonstration that were using a high quality wraparound approach experienced an average per capita savings ranging from $20,000 to $40,000 per yeariii.

The 2010 Patient Protection and Affordable Care Act (ACA) established the "State Option to Provide Coordinated Care through a Health Home for Individuals with Chronic Conditions", which provides funding for a two-year enhanced (90-percent) federal match for health home services for eligible Medicaid enrollees. This enhanced federal funding gives states critical resources to build provider capacity and provide an additional window of time needed to realize a return on their investment.

Proposal:

The Chemical and Mental Health Services and Health Care Administrations of the Department of Human Services (DHS) are working together to design a behavioral health home model which will assure access to and coordinated delivery of primary care and behavioral health services for adults and children with serious mental illness. DHS is developing a framework for health homes to serve the needs of complex populations covered by Medical Assistance. DHS is starting with the population with serious mental illness because of the known barriers of health care access, high co-occurrence of chronic health conditions, and early mortality.

Behavioral health homes will emphasize a person-centered approach, and will offer an array of services and referrals to individuals and their families seeking care. "Health Home Services" as articulated by the Affordable Care Act, Section 2703 and in Minnesota State law (256B.0757) requires:

1. Comprehensive care management, using team-based strategies
2. Care coordination and health promotion
3. Comprehensive transitional care between health care and community settings
4. Individual and family support, including authorized representatives
5. Referral to community and social support services, and
6. The use of health information technology to link services, as feasible and appropriate

In a behavioral health home, recipients identified with serious mental illness will have their comprehensive physical and behavioral health needs addressed in a coordinated manner. This includes care planning to address chronic conditions (e.g. addressing steps to meet the recipients health goals), ongoing coordination of care between behavioral and physical health (e.g. comprehensive review of all prescribed medications), and also coordination with medical and behavioral specialists not at the BHH site (e.g. appropriate use and timing of elective surgery). Where appropriate non-clinical service coordination will be added so that individuals in this model will have health care coordinated with social supports. Appropriate family and patient support includes education to improve self-management.

The original Health Care Home program design and behavioral health homes are based on savings on complex patients to justify per member per month (PMPM) rates. Our Minnesota experience and the literature show significant reductions in cost, much through reductions in inpatient hospitalizations. In Minnesota the intensive Health Care Homes services provided at Courage Center produced an over 75% decrease in hospital days.

MHCP claims data indicate that persons meeting the criteria to be served in a behavioral health home are very expensive relative to other recipients. Even after removing costs for behavioral health and chemical dependency services, long term care services, and access services, those meeting the criteria for behavioral health homes have an additional $4,100 in annual professional, inpatient hospital, and pharmacy claims when compared with other recipients. The services offered under this proposal are expected to reduce this difference in cost.

Under this proposal, behavioral health home services are voluntary and may not duplicate services or payments under Targeted Case Management or Home and Community-Based Waivers where there is case management services provided. Individuals will need information on the various case management options to determine where their needs are best met.

A concerted population analysis was conducted on persons meeting the criteria with data available years of 2011 and 2012, which display very similar trends. The behavioral health home focuses on children with Serious Emotional Disorders (SED), youth with SED, adults with Serious Mental Illness (SMI), and Enrollees with Serious and Persistent Mental Illness (SPMI). There are an estimated 105,000 individuals from this population, located around the state of Minnesota, that have been identified as potential participants that are deeply in need of an intervention that will focus on both their behavioral and physical health. In 2012, 10 percent of children with SED and 14 percent of youth with SED had at least one chronic physical health condition. Of adults with SPMI, 23 percent had at least one chronic physical health condition and 13 percent had two chronic physical health conditions. And of adults with SMI, 25 percent had at least one chronic physical health condition and 13 percent of them had two chronic physical health conditions.

DHS will build on this care coordination framework to serve other complex populations in the future. The Minnesota Olmstead Plan currently includes a commitment to implement behavioral health homes in 2015. The Plan requires DHS to develop all the reporting

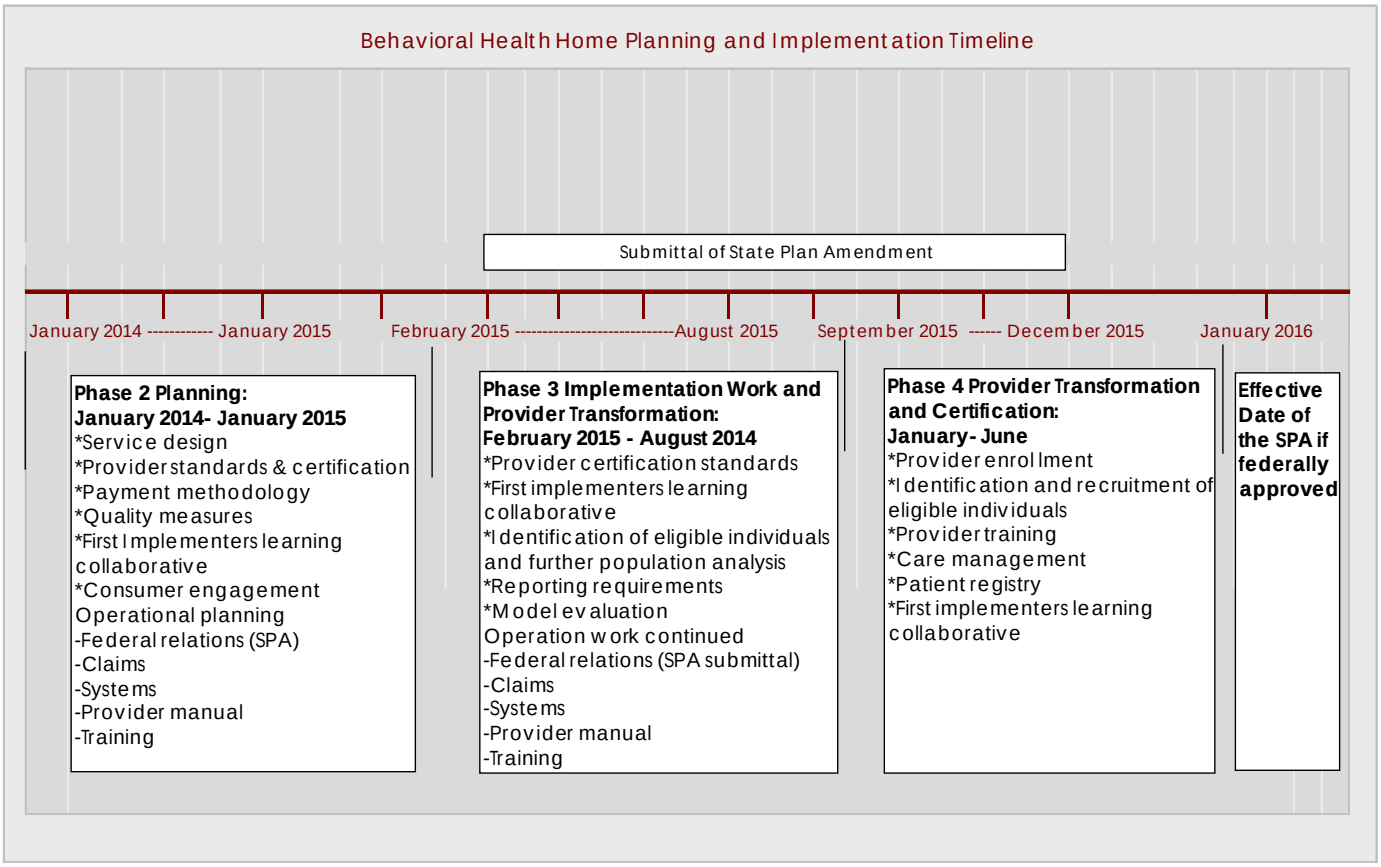
mechanism's necessary to require designated providers to report on all federally mandated quality measures and align these with other quality measures within the Plan. It also requires DHS to develop a sustainable funding source for the health home framework and utilize findings from the implementation of behavioral health homes to determine populations to serve under subsequent models by 2018.

This cross-agency work will require a new staffing structure to ensure the successful implementation of the behavioral health home model and subsequent development of other integration models such as disability services (e.g. home and community based services) and long term care with health care. Oversight of the integration activities and planning for additional models will be housed in the HCA, with the behavioral health home policy staff residing in Chemical and Mental Health Services. There are significant federal quality, outcome, and performance measurement reporting requirements under the health home model. DHS will need to contract to assist in implementing the quality indicators reporting to facilitate data collection and management of information collected from behavioral health homes. This would include education and customer service support to assist providers with data collection and summit data collected to DHS.

This proposal leverages the enhanced federal funding to establish care coordination services for the SMI/SPMI populations and provides staff resources needed to establish the project and ensure its success.

DHS is currently in the midst of an 18 month planning period and plans to submit a state plan amendment to the federal Centers for Medicare and Medicaid Services (CMS) in the last quarter of 2014. DHS will begin certifying providers in the summer of 2015. Effective date of the services will be January 2016, pending federal approval.

Below is a timeline containing specific milestones as DHS works toward the effective date of services.



Results:

In authorizing the option for States to create health homes to target services for Medicaid enrollees with chronic health conditions, federal law requires a State to monitor avoidable hospital readmissions, cost savings, and the use of health information technology to improve service delivery and care management. It also requires a State to develop a continuous quality improvement process as a requirement of certification.

As part of the continuous quality improvement process, States are required to report on a set of CMS quality measures including:

- Reduction in hospital admissions,

- Emergency room visits, and
- Skilled nursing facility admissions.

The State's Olmsted Plan also identifies measures that will be developed by DHS and used across State health programs. These measures will include:

- Use of routine and preventative primary care,
- Use of dental care,
- Well-child physician visits,
- Screening for alcohol and other drug use, and
- Depression remission using PHQ-9 for adults.

Finally, DHS will create a set of performance measures specific to the targeted populations of adults and children with serious mental illness. These measures include:

- Follow up after hospitalization for mental illness and
- Patient experience of care.

Statutory Change(s):

M.S. section 256B.0757

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				2,173	4,744	6,917	8,077	15,733	23,810
HCAF									
Federal TANF									
Other Fund									
Total All Funds				2,173	4,744	6,917	8,077	15,733	23,810
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	33	MA Grants		1,535	3,785	5,320	7,118	14,774	21,892
GF	13	HCA Admin		794	1,276	2,070	1,276	1,276	2,552
GF	15	CMH Admin		184	198	382	198	198	396
GF	REV1	FFP @ 35%		(344)	(516)	(860)	(516)	(516)	(1,032)
GF	11	Systems (MMIS)		4	1	5	1	1	2
Requested FTE's									
GF	13	HCA		3	4		4	4	
GF	15	CMH		1.25	2		2	2	
		Total FTEs		4.25	6		6	6	

[i] Woltmann, Emily; Grogan-Kaylor, Andrew; Perron, Brian; Georges, Herbert; Kilbourne, Amy M. ; Bauer, Mark S. (2012). Comparative Effectiveness of Collaborative Chronic Care Models for Mental Health Conditions Across Primary, Specialty, and Behavioral Health Care Settings: Systematic Review and Meta-Analysis. American Journal of Psychiatry. 169:790-804.

Liu, Chaun-Fen; Hendrick, Susan C.; Chaney, Edmund; Heagerty, Patrick; Felker, Bradford; Hasenberg, Nicole; Fihn, Stephan; Katon, Wayne. (2003).Cost-Effectiveness of Collaborative Care for Depression in a Primary Care Veteran Population. Psychiatric Services.54(5).

Voot, Trijntje YG van der; Meijel, Berno van; Goossens, Peter JJ; Renes, Janwillem; Beekman, Aartjan TF; Kupka, Ralph W. (2011) Collaborative care for patients with bipolar disorder: a randomized controlled trial. BMC Psychiatry. 11(133).

Simon, Gregory; Katon, Wayne J.; VonKorff, Michael; Unutzer, Jurgen; Lin, Elizabeth H.B.; Walker, Edward A.; Bush, Terry; Rutter, Carolyn; Ludman, Evette. (2001) Cost-Effectiveness of a Collaborative Care Program for Primary Patients With Persistent Depression. American Journal of Psychiatry. 158(10).1638-1644.

[ii] Meyer, Harris. (2012). New York's Chronic Illness Demonstration Project: Lessons for Medicaid Health Homes. Center for Health Care Strategies, Inc. Retrieved 1/9/14 from http://www.chcs.org/publications3960/publications_show.htm?doc_id=1261469#.USuzY6LCaSo

[iii] Pires, Sheila A. (2013) Customizing Health Homes for Children with Serious Behavioral Health Challenges: Prepared for U.S. Substance Abuse and Mental Health Services Administration. Human Services Collaborative. Retrieved 12/3/2013 from: http://www.integration.samhsa.gov/

Change Item: Early Childhood Mental Health Consultation

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	922	1,500	1,500
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	922	1,500	1,500
FTEs	0	0	0	0

Recommendation:

Effective July 1, 2016, the Governor recommends funding early childhood mental health grants at $922,000 to provide mental health consultation for children receiving public assistance or public services through childcare homes/centers, child protection, early childhood special education, and Minnesota Family Investment Programs (MFIP). Effective July 1, 2017 grants will increase to $1.5 million per year.

Rationale/Background:

Mental health and development problems have been arising in young children in a wide variety of child-serving settings over the last decade—leaving agencies with no way to cope. In response, agencies are demanding clinical mental health expertise. For example, a 2010 survey of child care providers showed that the top training need and interest was around mental health and social emotional development of young children (66% of 2250 surveys received). The need for training on social-emotional and behavioral guidance for staff and parents of young children with disabilities was echoed by the Department of Education's Early Learning Community (Minnesota Department of Education, 2009). In contrast to this demonstrated training need, a 2011 report on family childcare associations showed that the most common trainings offered to family childcare providers include first aid and safety; child abuse; child behavior; and discipline. (Case & Valarose, 2012).

Additionally, mental health conditions have been identified in a large percentage of parents participating in public social welfare programs—where a parent's mental illness impairs parenting abilities and family success and further exacerbates the chance of a child experiencing traumatic events with lifelong consequences. DHS data (MN Data Warehouse, 2011) shows that parents on MFIP the longest are largely comprised of those whose mental health needs have gone unmet. Fewer than half (48%) of parents who accessed MFIP within a five-year MFIP eligibility period were identified with mental health conditions; whereas more than 80% of parents who extended their five-year MFIP limit had mental health conditions.

Research has shown that, for adult learners, workshop training should be paired with coaching or consultation to be effective in both (a) changing staff behavior and (b) promoting the development and the mental health of children struggling with mental health issues. Workshop trainings alone are ineffective. (Cappella et al., 2012).

Proposal:

Effective July 1, 2016, this proposal recommends $922,000 in grants to mental health agencies with expertise in early childhood mental health to provide mental health consultation in child care agencies. Grants will increase to $1.5 million per year effective July 1, 2017.

Mental Health Consultation includes having a mental health professional with early childhood competency provide training; regular on-site consultation to staff serving high risk and low-income families; and referrals to clinical services for parents and children struggling with mental health conditions. Research has found that consistent, available mental health consultation drastically reduces childcare expulsion rates (Perry, Dunne, McFadden, & Campell; 2008). Additionally, mental health consultation has been shown to increase early childhood teacher competence (Seitzinger-Hepburn, Perry, Shivers, & Gilliam, 2013). This activity is considered an enhancement to the Early Childhood Mental Health Infrastructure Grants of 2007 that were developed to build an early childhood mental health system of care including assessment and treatment of young children with mental health conditions. Mental Health Consultation is an addition to the 2007 grants and focuses more on preventing mental health conditions in young children. It will be performed by mental

health professionals working for mental health agencies throughout the State, under contract with the Children's Mental Health Division.

The purpose of mental health consultation is to: 1) reduce expulsion of children from childcare and Head Start; 2) increase staff competence in addressing trauma, adversity and early childhood mental health conditions; 3) reduce staff turnover in child-serving agencies; 4) provide first-time clinical interventions for parents whose mental illnesses are harming their children or their parenting ability; and 5) improve access to clinical care tailored to young children struggling with mental health conditions. As a result of these efforts, young children with behavioral and emotional concerns and their parents will be able to access needed clinical services more easily while their providers in child care develop knowledge and skills to better serve the children in their natural settings. Also childcare providers will report higher levels of competence and morale in their positions.

Results:

Quantity: As this is a new program, DHS will measure the morale and competence of childcare, child welfare, early education, and MFIP staff in trauma informed care, knowledge of the early childhood mental health system and referrals at baseline and then every two years to document the amount of knowledge and competence gained. DHS will also measure the increase in referrals to the early childhood mental health system from childcare staff (there is existing baseline data from early childhood mental health grantees).

Quality: DHS will measure the quality of the services provided through ongoing monitoring at the State level and by surveys administered to the agencies/entities receiving mental health consultation.

Results: Expected results include:

- Childcare expulsions will decrease. (This will be measured by gathering data from counties about the number of changes in child care settings, as indicated by a reduced number of child care changes for children located in centers/childcare homes with mental health consultation).
- Staff retention and morale will improve in childcare. (This will be measured by survey to a random sample of the four entities at baseline and then annually for those who receive mental health consultation).
- More children and families with mental health conditions will be identified and receive appropriate clinical assessments and services (This will be measured by data gathered by early childhood mental health grantees). The data currently exists for a baseline measure.

The results will be gathered and analyzed and then disseminated every two years through the Children's Mental Health Division.

Statutory Change(s):

None

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				0	922	922	1,500	1,500	3,000
HCAF									
Federal TANF									
Other Fund									
Total All Funds				0	922	922	1,500	1,500	3,000
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	58	Children MH Grants		0	922	922	1,500	1,500	3,000
Requested FTE's									
				0	0	0	0	0	0

Change Item Title: School-based Diversion for Students with Co-occurring Disorders

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	65	161	161
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	65	161	161
FTEs	0	0	0	0

Reommendation:

Effective July 2016, the Governor recommends implementing and evaluating The Minnesota Model of School-Based Diversion for Students with Co-Occurring Disorders. The vision of the Minnesota's Model is hope and support to keep at-risk students in school and out of the juvenile justice system through an innovative school-based diversion model that ensures access to co-occurring treatment services and reduces disparities in the juvenile justice system. The net state cost of this proposal is $65,000 in the FY2016-17 biennium and $322,000 in the following biennium.

Rationale/Background:

The school-to-prison pipeline is a critical national and state public policy concern that requires analysis and solutions for children and their families. The policies and practices that force at-risk students out of the classroom and into the juvenile justice system are having negative consequences, especially for students of color, the poor, and those with disabilities. In 2012, Minnesota was one of eight states chosen by the Substance Abuse and Mental Health Services Administration (SAMHSA) and the John D. and Catherine T. MacArthur Foundation to develop a school-based diversion model for students with co-occurring disorders. The vision of Minnesota's Model is hope and support to keep students in school and out of the juvenile justice system by leading and partnering with others to plan, implement and evaluate an innovative school-based diversion model that ensures access to co-occurring treatment services and also reduces disparities in the juvenile justice system.

Schools have the responsibility to maintain safe and structured environments that support learning and ensure the safety of students and school personnel. However, approaches to school discipline vary, and the effectiveness and the fairness of these approaches have been the focus of much recent attention. For example, recent research suggests inconsistent or limited effectiveness of "zero tolerance" disciplinary policies as a means of increasing safety, promoting positive school climate, and reducing suspension. Exclusionary disciplinary practices such as arrests, expulsions and out-of-school suspensions, may be ineffective, especially when applied to relatively minor offenses. Exclusionary discipline removes students from the normal academic experience which can contribute to a number of negative academic and socio-emotional outcomes. Indeed, students who are arrested at school are three time more likely to drop out than their peers who are not arrested.

Proposal:

The proposal recommends providing grant funding to pilot the implementation of the Minnesota Model of School-Based Diversion for Students with Co-Occurring Disorders Model in three schools. The pilots would be a collaborative effort between the Minnesota Department of Human Services Children's Mental Health Division, the Minnesota Chiefs of Police Association and the selected school sites along with their local law enforcement community and county attorney's office.

The Minnesota Model is a new approach designed to assist schools and their partners to become more selective about making referrals to the juvenile justice system and develop school- and community-based alternatives for addressing student behavioral incidents. The Minnesota Model implementation manual provides a blueprint for shared decision-making, new partnerships and alternatives that keep students in school and out-of-the juvenile justice system.

The Minnesota Model provides a decision-making protocol for responding to behavioral incidents involving students and presents an opportunity for schools, law enforcement, and community partners to work together to develop a response that best meets the needs of the student while ensuring a safe school environment. The model is designed to ensure timely referrals to mental health and substance

use disorder screening, assessment, and treatment for youth at-risk of involvement with the juvenile justice system, provide stronger connections between schools, and support more involvement from families.

The model also requires strong engagement with school and community partners. School administrators, teachers, school resource officers, school social workers and psychologists, parents, students, and community partners will all be actively involved in implementing this model within pilot sites.

The model is designed to reduce the number of arrests, expulsions and suspensions, increase referrals for co-occurring services, and increase parent and student satisfaction. Collecting and analyzing data on the effectiveness of the pilot will determine if changes are necessary to improve the outcomes for students and their families. The model provides an organizational framework of the key components, which includes key stakeholders such as mental health and substance abuse service providers.

Results:

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Service Utilization Rate	NA	NA	New measure
Results	Percentage of children getting mental health services who experienced a significant improvement in symptoms based upon the SDQ after 6 months of treatment (based upon teacher reports)	NA	NA	New measure

Statutory Change(s):

None.

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				0	65	65	161	161	322
HCAF									
Federal TANF									
Other Fund									
Total All Funds				0	65	65	161	161	322
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	15	Children's MH Division		0	100	100	247	247	494
	Rev1	FFP @ 35%		0	(35)	(35)	(86)	(86)	(172)
		Total General Fund Exp		0	65	65	161	161	322
Requested FTE's									
				0	0		0	0	

Change Item: Services and Supports for First Episode Psychosis

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	260	310	375
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	260	310	375
FTEs	0	2.0	2.0	2.0

Recommendation:

Effective July 1, 2016, the Governor recommends strengthening the state's infrastructure and services for youth presenting with early signs of psychosis and to bridge gaps between children's and adult services for this population. An increase of $260,000 in child mental health grants for the 2016-2017 biennium, and $685,000 in the following biennium is recommended to pilot evidenced-based early interventions for youth and young adults at risk of developing psychosis or experiencing an early episode of psychosis. The Governor also recommends funding to educate mental health providers in early identification and effective interventions for people experiencing early episodes of psychosis as well as a public awareness campaign.

Rationale/Background:

Early psychosis is often misdiagnosed or under diagnosed due to provider hesitation or stigma issues. Psychosis is associated with many possible diagnoses (i.e. schizophrenia, psychosis NOS, or bipolar with psychotic features) and could be masked by drug use or health complications. Because of these factors, it often goes untreated and unnoticed as the affected youth retreat to an interior world and stop attending school and interacting with family members. The duration of untreated psychosis correlates to worse outcomes, including impaired psychosocial functioning and increased symptomology over the course of the individual's illness.

Results of a National Institute on Mental Health (NIMH) study of a program called Recovery After an Initial Schizophrenia Episode (RAISE), and a study of the Portland Identification and Early Referral Program (PIER) show that early intervention using certain services and supports can ameliorate the impacts of first episode psychosis and enhance functioning in the areas of education and employment. Earlier intervention of evidence-based treatments and supports will positively impact school, employment, relational and physical health outcomes for individuals experiencing early signs of psychosis by optimizing role functioning at school, work, social and leisure adjustment, self-care skills, and a sense of positive wellbeing and purpose.

Proposal:

This proposal provides for earlier detection and intervention for youth and young adults (ages 14-26) at risk of developing psychosis or experiencing an early episode of psychosis by funding $260,000 in grants for the 2016-2017 biennium, and $685,000 in the following biennium. The proposal pays for grants to pilot evidence-based early interventions for youth and young adults at risk of developing psychosis or experiencing an early episode of psychosis and education to mental health providers for earlier detection of psychosis.

To ensure that transitions occur seamlessly for youth and young adults as they move into adulthood, we will strengthen the state's infrastructure to broaden the scope and depth of services for youth presenting with early signs of psychosis and address gaps between children's and adult services and supports. Through grants to pilot sites, the state will implement and study evidence-based models for preventing or ameliorating a first episode of (early onset) psychosis. The proposal requests 2.0 FTE policy staff to manage these projects and to enhance existing youth-serving programs, such as Youth ACT, through implementation of evidence-based practices.

In order to reach individuals earlier, the Children's Mental Health Division (CMHD) will educate the public on signs and symptoms of psychosis through a social media campaign to the general public. Additionally, educational campaigns will target mobile crisis response providers, primary care physicians, social workers and high school and college guidance counselors/support staff to be better prepared to provide assessment when individuals are concerned about prodromal symptoms or beginning stages of psychotic behaviors/symptoms.

Results:

CMHS supports the following strategies in the DHS Framework for the Future: 2014.

- Serve more people in their own homes, communities and integrated workplaces
- Increase access to prevention, outreach, shelter, and housing for at-risk and homeless youth

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Results	Reduction in inpatient days for persons served in Assertive Community Treatment (ACT)[1]	54%	54%	FY 2012
Results	DHS will see an increase in the number of children receiving respite care and a corresponding decrease in uses of out of home placements.	1788 children receiving respite care	1919 children receiving respite care	2011 vs. 2012

[1] Minnesota's 26 ACT teams will demonstrate a 40% or better percentage reduction in psychiatric hospitalization bed-days, comparing the pre- and post-admission years. Previous measure is the percent reduction in mental health inpatient days for ACT clients admitted in FY 2010. Current measure is the percent reduction in mental health inpatient days for ACT clients admitted in FY 2012. The percent reduction compares the year before starting program with the year after starting the program. The department goal is to reduce the need for hospitalization and keep people in the community.

Statutory Change(s):

None.

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				0	260	260	310	375	685
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	0	260	260	310	375	685
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	15	Children's MH Division FTE's		0	256	256	226	226	402
GF	15	Children's MH Other Administration		0	5	5	5	5	10
	Rev1	FFP @ 35%		0	(91)	(91)	(81)	(81)	(162)
GF	58	Children's MH Grants		0	90	90	160	225	385
		NET GF Impact		0	260	260	310	375	685
Requested FTE's									
GF	15	Children's MH Division		0	2.0		2.0	2.0	

Change Item: Improvement and Expansion of Mental Health Crisis Services

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	1,296	1,284	2,987	3,697
Revenues				
Other Funds – Health Care Access				
Expenditures	1,035	1,040	0	0
Revenues	0	0	0	0
*Net Fiscal Impact = (Expenditures – Revenues)	2,331	2,324	2,987	3,697
FTEs	2.0	2.0	2.0	2.0

Recommendation:

The Governor recommends the improvement and expansion of mental health crisis services, including establishing a single statewide phone number, enhancing oversight and training of the state's mobile crisis services, and providing 24/7 coverage statewide by July 2018. This proposal will also fund specialty telephone consultation 24 hours a day to mobile crisis teams serving people with traumatic brain injury or intellectual disability who are experiencing a mental health crisis. The net state cost of this proposal is $4.6 million in the FY2016-17 biennium and $6.7 million in the following biennium.

Rationale/Background:

Since 2006, Minnesota has been gradually building an infrastructure of mental health crisis response services throughout the state. While Minnesota has made progress in expanding access to mental health crisis response services, the quality and availability of crisis services still varies greatly. The current services vary from region to region and county to county in a number of ways. There is very little comparability in the hours of services and the criteria for when mobile crisis response services are dispatched. Metro county residents and some rural residents have mental health crisis response services available to them 24 hours a day, every day of the year while other regions do not offer services around the clock.

Recipients of emergency phone services have indicated that there is discrepancy in the way that the phone staff determines when to dispatch a mobile team. Some rarely dispatch mobile teams, while others dispatch teams upon request. This unevenness of services may be due to the requirement that each county fund an emergency toll-free phone line. In addition, there is no single statewide telephone number for accessing mental health crisis response services, which creates confusion for individuals attempting to utilize these services.

Mental health crisis response providers also serve individuals with brain injury or intellectual disability who are experiencing a mental health crisis. These providers do not always have the resources and expertise to serve these individuals. Providers need access to consultation and support in order to serve these individuals effectively.

Proposal:

The expansion of state grant funding proposed here will increase access to mental health crisis response services around the state and would make significant enhancements to the state's mental health crisis infrastructure. The proposal will support continued expansion of adult and children's mobile crisis services in order to provide statewide, 24/7 coverage by July 2018 and establish a statewide phone number that would immediately connect with the person's closest crisis response provider.

The proposal also seeks to improve the quality and consistency of mobile crisis services by providing enhanced oversight and training of the state's mobile crisis services, including certifying emergency phone lines to standardize and assure staff meet training requirements, establishing more appropriate standards for crisis services to distinguish them from rehabilitation services, and developing and implementing statewide protocols for triage and handoffs to other services. This proposal is an attempt to create a common expectation via standards about what crisis response providers must offer and what recipients of service may expect. The development of certification for emergency phone lines and protocols for "hand-off" between phone or text emergency lines and mobile crisis teams is also an effort to assure comparable services throughout the state.

This proposal will also provide funding to the Metro Crisis Coordination Program (MCCP) to allow them to begin providing specialty telephone consultation 24 hours a day to mobile crisis teams who are serving people with traumatic brain injury or intellectual disability who are experiencing a mental health crisis.

The proposal includes 2.0 FTEs and additional contract support to manage the expansion of services, the certification of emergency phone lines, and to provide training and technical assistance to the mobile crisis providers.

Results:

- Hospitalization rates following crisis services are collected. The number of episodes of service and the unduplicated number of individuals is tracked along with demographic information about the people served. The presenting problems are also tracked.
- The percentage of both adults and children who require hospitalization following crisis services has remained steady since the majority of the programs began in 2009. The number of episodes of service rose rapidly for the first several years of the service but seems to have peaked and remain stable.

Type of Measure	*Name of Measure*	*Previous FY 2012*	*Current FY 2013*	*Dates*
Quantity	Adult Crisis Response Episodes	11,094	10,918	FY2012 and 2013
Quantity	Children's Crisis Response Episodes	3618	3075	FY2012 and 2013
Quality	Adult Hospitalizations following crisis services	1553 (14%)	1637 (15%)	FY2012 and 2013
Quality	Children's Hospitalizations following crisis services	36 (10%)	31 (10.6%)	FY2012 and 2013
Results	Adults experiencing crisis did not need hospitalization	9541 (86%)	9280 (85%)	FY2012 and 2013
Results	Children experiencing crisis did not need hospitalization	3256 (90%)	2737 (89%)	FY2012 and 2013

Statutory Change(s):

Minnesota Statutes 256B.0624

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund		1,296	1,284	2,580	2,987	3,697	6,684
HCAF		1,035	1,040	2,075	0	0	0
Federal TANF							
Total All Funds	$0	2,331	2,324	4,655	2,987	3,697	6,684

Fund	BACT#	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	33	Medical Assistance		0	0	0	37	147	184
HCAF	57	Adult MH Grants		1,035	1,040	2,075	0	0	0
GF	57	Adult MH Grants		0	0	0	1,353	1,653	3,006
GF	58	Children's Mental Health Grants		1,035	1,040	2,075	1,353	1,653	3,006
GF	15	Adult & Children's MH Division		402	376	778	376	376	692
GF	Rev1	FFP @ 35%		(141)	(132)	(273)	(132)	(132)	(264)
Requested FTE's									
GF	15	Adult & Children's MH Division		2.0	2.0		2.0	2.0	

Change Item: Expansion of Respite Care

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	282	565	500	500
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	282	565	500	500
FTEs	0	0	0	0

Request:

The Governor recommends increasing children's mental health respite care grants by $250,000 beginning July 1, 2015 and by $500,000 beginning July 1, 2016. This will allow Minnesota to significantly expand the capacity of respite care services throughout Minnesota. The Governor also recommends that DHS explore options for Medical Assistance coverage for children's mental health respite care in order to facilitate further expansion and eventually statewide access.

Rationale/Background:

Respite care providers offer temporary relief to families who are caring for children who have a severe emotional disturbance and who might otherwise require placement in a facility. An estimated 10,000 children are affected by severe mental health disturbances in the state and only approximately 2,000 have had access to respite care.

Since 2007, state grants to counties have provided for respite care services in some parts of Minnesota. However, due to the limited funding for this service, only a fraction of the children in need of respite care have access. Presently, only 60 of Minnesota's 87 counties have any respite care at all and many only provide it on a very limited basis. The lack of statewide infrastructure for this service means that Minnesota families do not have equal access to this vital service. This lack of respite care results in higher levels of stress in the family that, in turn, often results in the need for more intensive, more restrictive, and costlier care, often out-of-home placement of the child.

The potential benefits of providing respite care as seen in the literature (Bruns & Sturdivant, 1996; Boothroyd, Kuppinger, Evans, Armstrong, & Radigan, 1998) are that families that received respite used fewer out-of-home placement days and experienced reduced personal strain. State research on county provision of respite shows that families who received respite care experienced fewer long term foster care, hospital and facility stays, better responses to crises, and reduced family stress. It is worthy of note that the net benefit for families is added stability and an avoidance of unnecessary emotional escalations leading to deterioration in a child's mental health. For the state and counties there is a decreased cost of care associated with providing respite care as a preventive service so that more costly services, including hospitalizations, are avoided.

Proposal:

The proposal will expand children's mental health respite care grants by $250,000 beginning July 1, 2015 and by $500,000 beginning July 1, 2016. In addition, within the FY16-17 biennium, DHS policy staff will also investigate Medicaid state plan and waiver options to secure, to the extent allowed by law, federal financial participation for the provision children's mental health respite care services. By June 30, 2017 DHS will submit an application to CMS for Medicaid coverage of respite care. If DHS is able to gain Medicaid coverage for respite care services, it may be possible to use those resources to achieve state-wide access to this service.

By improving state/county capacity for providing respite care, the state will reduce costs for out-of-home placement and reduce emotional and mental health consequences by providing relief to many more families across the state. Seeking future Medicaid coverage for respite care services will allow the state to eventually create a sustainable respite infrastructure that is not grant dependent and which will provide enhanced services to children and families. As a result of this proposal it is estimated that between 500 and 1000 additional children and families will benefit from an improved respite infrastructure and that the provision of respite care

will have profound benefits. It is estimated that between 5000 and 6000 additional children and families would benefit should the state secure Medicaid coverage for respite care in future.

The proposal also includes administrative funding to manage the expanded grants and to explore options and develop a plan for securing Medical Assistance coverage for children's mental health respite care in order to facilitate further expansion and eventually statewide access for this service in the future.

Results:

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Results	Percentage of children getting mental health services who experienced a significant improvement in symptoms based upon the SDQ after 6 months of treatment (based upon parent and therapist reports)	20.6%	21.7%	2011 vs. 2012
Results	DHS will see an increase in the number of children receiving respite care and a corresponding decrease in uses of out-of-home placements.	1788 children receiving respite care	1919 children receiving respite care	2011 vs. 2012

Statutory Change(s):

None

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				282	565	847	500	500	1,000
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	282	565	847	500	500	1,000
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	58	Children's Mental Health Grants		250	500	750	500	500	1,000
GF	15	CMHS Admin Other Operating		50	100	150	0	0	0
	Rev1	FFP @35%		(18)	(35)	(53)	0	0	0
Requested FTE's									
				0	0		0	0	

Change Item: Certify Behavioral Health Clinics

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	190	208	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	190	208	0	0
FTEs	1.0	1.0	0	0

Recommendation:

Effective July 1, 2015, the Governor recommends initiating the adoption of 2015 federal standards for Certified Community Behavioral Health Clinics and a four-year competitive process to establish Minnesota certification requirements, a Prospective Payment System (cost-based rates for specific diagnoses and levels of need) as defined in the federal Protecting Access to Medicare Act (H.R. 4302), certification of providers, and securing a demonstration project grant that will result in 90 percent federal reimbursement on eligible Medicaid services.

Rationale/Background:

The mental health safety net needs significant improvements. Community Mental Health Centers—envisioned since the mid-20th Century as the state's full service, statewide safety net for people with serious mental illness and chemical dependency—have not received the necessary support and funding to fully achieve that goal. State community mental health center policy is outdated and inconsistent, reflecting practices that have been obsolete for 30 years. The result is fragmentation of behavioral health care and the emergence of narrow specialty providers, at the expense of systems that can serve the multiple needs of diverse persons. Fiscal constraints and shifts have created a system in which payments to providers no longer support individuals' total care needs and fail to cover providers' costs of doing business. The public mental health care delivery system is fragile and threatens to collapse in many communities (as noted in The Riverwood Centers Closure: A systems Analysis (CMHS, June 30, 2014)).

The failure of the safety net is shown by the data: while one in four Minnesotans experience a mental health or substance abuse disorder each year, only an estimated 20% receive behavioral health care. The low-income Medicaid population fares even worse. On average, people with a serious mental illness die 25 years earlier than the general population, from the same causes. Their deaths are often due to the mental health system's inability to recognize co-occurring medical needs and the inability to connect their patients with general healthcare. Of Minnesota youth involved in the juvenile justice system, 70 percent have mental health disorders (Department of Corrections mental health screening data, 2005) that are often undetected and untreated and which often underlie delinquent behavior. (Minnesota's Juvenile Justice and Mental Health Initiative: Final Report, Mn. Dept. of Corrections, Aug. 2008) Rural areas, in particular, suffer from an acute shortage of qualified mental health professionals: of the state's 11 economic development regions, only two—the Metro area and the Southeast region, served by the Mayo Clinic—escape classification as "mental health professional shortage areas" by the Department of Health. The safety net is full of holes, insufficient to reach all communities, and incapable of catching far too many children and adults afflicted with severe and complex mental disorders.

Now, new opportunities to reinforce the behavioral health safety net have emerged with the federal Affordable Care Act and the Excellence in Mental Health provisions of the congressional Protecting Access to Medicare Act (H.R. 4302). The U.S. Department of Health and Human Services (US-DHHS) will offer planning grants starting on January 1, 2016, to support development of state-certified community behavioral health clinics, linked to cost-based, bundled-rate, payment systems (called Prospective Payment System) in order to promote improved, integrated, community-based care. If Minnesota does not undertake this opportunity immediately, it will be lost until at least 2022, when the federal government determines whether the demonstration results warrant expansion to other states.

While the range of effective treatment options has expanded, services are often poorly coordinated and transitions from one level of care to another result in incongruent diagnoses and treatment. Too often, general health care is not integrated with mental health care. Low reimbursement rates—combined with lack of support for good outcomes management, coordination of clinical care, and capacity to use healthcare data to improve quality—have made it extremely difficult to provide the right behavioral therapies to the right persons

at the right time in their own communities. Certification of community behavioral health clinics will benefit mental health centers, counties, and clients with serious mental illness and substance use disorders by improving standards of care, increasing reimbursement for better coordinated and integrated community-based care to diverse groups of clients, by increasing our ability to use healthcare data to improve quality and effectiveness of services.

Proposal:

This proposal recommends authorizing the Commissioner to participate in a federal behavioral health demonstration program to reform and rebuild the public mental health safety net. Participating states will earn 90% federal reimbursement on Medicaid services provided to children and adults with serious mental illness during the program. The competitive demonstration will establish one or more Certified Community Behavioral Health Clinics and cover services under a cost-based Prospective Payment System that will provide clinics with sufficient payment to deliver effective mental health services that are integrated with general health care. A successful program will expand the safety net under the entire state, providing greater access to a full continuum of behavioral health services and supports, while stabilizing its financial foundation. Specifically, this proposal authorizes the Commissioner to apply for a two-year planning grant (to be awarded January 1, 2016) and to participate in the demonstration program (to be selected September 1, 2017). The proposal also funds resources to develop the service-delivery and financial infrastructure necessary for a competitive application and an effective long-term behavioral health safety net. Following this planning stage, the department will need to return to the legislature in 2016 to authorize implementation the proposed certification criteria, payment mechanisms and rate structure and to establish the scope of the demonstration project.

This initiative is needed to reform existing Minnesota mental health regulations to improve access to care and quality of services, revise service requirements, improve reimbursement for providers, reduce state costs of community outpatient mental health care, and promote integration with, and support for, general health care for persons with serious mental illness and substance use disorders. State certification of community behavioral health clinics will allow Minnesota to participate in federal initiatives to increase excellence in mental health care and to increase federal financial participation in payment for outpatient services up to 90% of cost. This will improve resources and increase the capability of the state's safety net providers to meet community needs while avoiding future closures of mental health center providers as documented in the Chemical and Mental Health Services Administration's June 30, 2014 report, The Riverwood Centers Closure: A Systems Analysis.

The state investment develops the infrastructure necessary to meet certification and prospective payment system requirements, which are expected to contain state costs and improve mental health outcomes. Necessary resources and conditions include:

- Staffing to implement the rapid structural changes required to for the demonstration project, including 1 FTE in fiscal years 2016-2017, along with additional contracted support.
- A unified mental health legal structure must be developed, starting with revision of outdated statutes and rules related to licensing and certification of mental health treatment entities, such as community mental health centers, mental health clinics and essential community providers.
- A legal relationship model to implement client care coordination among different levels of mental health care providers and health care sectors.
- Information collection and systems capacity revisions to facilitate communication across state administrations and providers to improve quality of data collected and reported.
- Systems changes to improve the speed of intake and admission to services, transfers between services, authorization of services, measurement and monitoring of client outcomes, certification of clinics, and ongoing measurement and evaluation of clinic performance and expenditures.

Results:

This program is new and based on recent changes in federal legislation which creates the opportunity to participate in a demonstration project for a model of care to better integrate health care and behavioral health care services. The initiative fits within the DHS Framework for the Future 2014 by improving access to affordable mental health care; serves more people in their home communities; integrates primary care with behavioral health and long-term care; creates new and improved ways to evaluate quality of life and care for people receiving behavioral health services; and reduces the gap in access to, and outcomes for, behavioral health care in cultural and ethnic communities.

Long-term outcomes for this project will be based on the negotiated agreement with US-DHHS for the demonstration project. The specific measures will likely relate to the number of organizations certified and eligible for prospective payments for integrated services to persons with serious mental illness and substance use disorders. Certified Community Behavioral Health Clinics providing integrated care and receiving cost-based reimbursement will earn 90 percent federal participation for eligible Medicaid services.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Results	CMHS establishes certification criteria for Community Behavioral Health Clinics in compliance with federal requirements,	N/A	Establish base	7/1/16
Results	CMHS establishes Prospective Payment System for Community Behavioral Health Clinics according to federal requirements,	N/A	Establish base	12/31/16
Results	CMHS certifies 4 Community Behavioral Health Clinics in Minnesota	N/A	0	7/1/17

Statutory Change(s):

None

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				190	208	398	0	0	0
HCAF									
Federal TANF									
Other Fund									
Total All Funds				190	208	398	0	0	0
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	15	Children's MH Division		292	320	612	0	0	0
GF	Rev1	FFP @ 35%		(102)	(112)	(214)	0	0	0
		Total GF Impact		190	208	398	0	0	0
Requested FTE's									
GF	15	Children's MH Division		1.0	1.0		0	0	0

Change Item: Build Community Capacity to Address Adverse Childhood Experiences

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	400	396
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	400	396
FTEs	0	0	0.5	0.5

Recommendation:

Effective July 1, 2017, the Governor recommends increasing Children's Mental Health Grants to support Children's Mental Health Collaboratives and Family Services Collaboratives in their local efforts to reduce risks related to Adverse Childhood Experiences (ACEs) and trauma. Local *community resilience initiatives* will build community capacity (especially intensive training) among local child-serving agencies to provide trauma prevention and trauma-informed care. The net state cost of this initiative is $796,000 for the FY2018-19 biennium.

Rationale/Background:

Adverse Childhood Experiences (ACEs) are traumatic experiences, such as childhood abuse or neglect and growing up with domestic violence, substance abuse or mental illness in the home, parental discord, or crime. The ACE Study, conducted by the Centers for Disease Control and Prevention (CDC) and Kaiser Permanente, found ACEs are common and an individual with more adverse childhood experiences has a greater risk for certain health problems. People who have experienced trauma, especially chronic or repeated trauma, are at an elevated risk for significant social problems and health risk behaviors, mental illness, physical disorders and conditions, and even early death. The cumulative stress of ACEs is the most powerful determinant of the public's health and the strongest driver of physical, mental and behavioral health costs.

Studies of ACEs in adolescents have shown that ACEs can lead to an earlier onset of drinking alcohol and binge drinking, drug use, depression and antisocial behavior. The 2013 Minnesota Student Survey (MSS) added ACE questions to surveys completed by 8th, 9th and 11th grade students. Currently 36% of Minnesota's adolescents, more than one-third of students in 8th, 9th, and 11th grades, report experiencing at least one ACE. The 2013 MSS also found increasing ACE risk scores for other health risks and other behaviors, such as suicide, sexual relations, alcohol, tobacco and other drugs, poor letter grades in school, school discipline problems, bullying and anti-social behaviors.

Proposal:

This proposal consists of making grants to support an array of mutually reinforcing activities (awareness raising, cross-sector collaboration, capacity building, data analysis and learning) among Children's Mental Health and Family Services Collaboratives around a common agenda of preventing, reducing and mitigating ACEs. By increasing collaborative leadership, development and community capacity, communities will decrease the incidence of ACEs in children's lives. The resulting improvements in child resilience will decrease mental, behavioral, and physical disorders.

Collaboratives will coordinate training to community partnerships that can learn together about brain development, the impact of ACEs and trauma on health and well-being, and protective assets. As local networks, Collaboratives will coordinate planning driven by local data and needs to develop and pilot community resilience initiatives, such as building assets with children, universal trauma precautions or target home visiting programs, designed to increase protective factors for children and families. The proposal also supports developing, coordinating and maintaining an interactive website for sharing resource information, community strategies and Collaboratives' progress in promoting resilience and preventing trauma.

More specifically, this proposal recommends the following:

1) Increase collective understanding and education about ACEs, resilience and trauma among Children's Mental Health and Family Services Collaboratives.

   Trained community resilience coaches will deliver presentations to Collaboratives' community parents, partners, and professionals on new research findings about the impact of risk and protective factors on children's development, health, and well-being. This training will increase communities' capacity and public commitment to act to realize positive changes and build protective factors for children and youth. Key material will help parents, especially those impacted by ACEs, and practitioners become trauma aware and informed.

   Community resilience coaches will facilitate conversations about next steps with Collaboratives. They will examine local data to explore strategies to improve policies, practices and programs that will increase resilience and decrease adversity and trauma. Data will include local ACE scores from the Minnesota Adult and Adolescent ACEs Surveys. Community resilience coaches will ensure collaborative partners listen to and learn what their communities need to name issues and heal. The coaches will offer information and ideas at the local level to assist Collaboratives to determine community priorities, realign strategies, and set shared local outcomes to reduce community and family stressors. This coaching, which combines a powerful perspective on human development with data-driven decisions grounded in science, will be integral in guiding Collaboratives to generate strategies for potential pilot projects.

   Collaboratives will also convene an annual statewide conference and resource fair to share successes, grow regional partnerships and encourage continuous learning environments about new ways of increasing wellness in their communities.

2) Support Children's Mental Health and Family Services Collaboratives' capacity to develop and pilot community resilience initiatives to increase protective factors for children and families.

   The proposal requests funding to award 15 - 20 grants to Collaboratives to introduce and implement local initiatives to reduce children's exposure to traumatic events and build resilience and support for children, youth and families. Grants would increase Collaboratives' community capacity to prevent and respond to adverse childhood experiences (ACEs) with trauma-informed and data-based solutions.

   Collaboratives will plan and propose evidence-based or promising practices with reasonable outcome goals and measures. The RFP process would also offer a menu of several suggestions for resilience initiatives, such as developing assets with children; intergenerational strategies; universal trauma precautions; targeted home visiting programs; and school-based efforts. Collaboratives would consider their communities and cultures in designing integrated local initiatives or solutions across different services and systems.

3) Develop, coordinate and maintain a Minnesota presence and participation on the ACEsConnection website

   The ACEsConnection website (http://www.acesconnection.com/) connects people applying "resilience-building practices to prevent Adverse Childhood Experiences and further trauma," so they can help and learn from each other. Launched in January 2012, it serves as topic-focused social network that allows members to work together on projects. ACEsConnection is only for people who are implementing or interested in implementing ACEs- and trauma-informed practices in their professional or personal lives. The site provides resources focused on changing systems (education, criminal justice, social services, and health care) on national, state and local levels.

The proposal also includes funding for 0.5 FTE for the Children's Mental Health Division to support:

- Development, coordination, ongoing maintenance, monitoring of activity and accessibility, and technical support of a website to advance Collaboratives' work addressing ACEs across the state. The designated staff person will create and maintain a Minnesota ACEs group to include a variety of groups for Collaboratives, counties, school districts and tribes; and,
- Data collection, analysis, program evaluation, and report the progress of Collaboratives' initiatives.

Results:

This proposal supports the following Framework for the Future: 2014 goals:

- Lower the number of children of color in foster care
- Better protect children and vulnerable adults
- Integrate primary care and behavioral health care

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Results	Minnesota students in 8th, 9th and 11th grades who report experiencing at least one ACE	NA	36%	2013

Local and statewide data, such as the Minnesota Student Survey, will provide baseline and ongoing data to measure and assess progress. The initiative will also collect and evaluate data from Collaboratives' initiatives and trainings to post on the website.

Ultimately, with sustained support over time, Minnesota would know these efforts were successful when we see reduced ACE scores and reduced impact of ACEs on people's lives. As they say in Arizona, "ACEs can last a lifetime, but they don't have to." Washington State has seen the reductions in the average ACE score for youth transitioning into adult hood and parenthood. "In high capacity scoring communities, fewer young adults (ages 18 - 34) have 3 or more ACEs, which reliably predict prevention of many mental, physical, and behavioral health problems throughout their lifetimes." [Washington State Family Policy Council Ace Response]

Minnesota expects to see successful results similar to Washington State where a commitment to increase community capacity for the last 20 years has led to reductions in Adverse Childhood Experiences (ACEs) and increased resilience.

Statutory Change(s):

None.

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				0	0	0	400	396	796
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	0	0	0	400	396	796
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	15	Children's MH Division		0	0	0	57	51	88
GF	REV 1	FFP @ 35%		0	0	0	(20)	(18)	(38)
GF	58	Children's MH Grants		0	0	0	363	363	726
		Total Cost to the State (Net Impact)		0	0	0	400	396	792
Requested FTEs									
				0	0	0	0.5	0.5	0.5

Change Item: Psychiatric Residential Treatment Facility

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	2,124	4,492	9,801	13,885
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,124	4,492	9,801	13,885
FTEs	1.0	1.0	3.0	3.0

Recommendation:

The Governor recommends implementing a psychiatric residential treatment benefit within the Medical Assistance program and creating approximately 150 new Psychiatric Residential Treatment Facilities (PRTF) beds statewide. It is planned that 50 PRTF bed capacity will be available by July 2017 and full capacity of 150 PRTF beds will be reached by July 2018. In the interim, the Governor recommends establishing contracted extended-stay hospital psychiatric beds for children and youth in need of intensive services, including those served at the Child and Adolescent Behavioral Health Services (CABHS) program, beginning October 1, 2015.

Rationale/Background:

Presently, highly aggressive/violent and self-injurious children are being turned away from hospital inpatient units, the state's Child and Adolescent Behavioral Health Services program and our children's mental health residential treatment facility system because they exceed current available staffing, resources and competencies/training. In addition, the Center for Medicare and Medicaid Services is concerned that our current children's mental health residential treatment facility system are Institutes for Medical Disease (IMD's) which is a federal classification that excludes Medicaid eligibility for persons residing in facilities larger than 17 beds unless they are a hospital, skilled nursing facility, Psychiatric Residential Treatment Facility (PRTF) or an Intermediate Care Facility for persons with developmental disabilities. The PRTF model however, can be fully paid for through Medical Assistance and other health insurance.

Documentation through past reports and county/provider data support the need for the development of a psychiatric residential treatment benefit. This underserved group of children who experience symptoms of mental illness and high levels of unpredictable aggression and/or continuous self-harm are not likely to be accepted into treatment or are discharged early by hospitals and children's residential treatment facilities due to their extreme behaviors, safety concerns for other children and staff, and liability issues. Currently these children drift from one placement to another or return to their families without treatment.

The Minnesota Association of County Social Services Administrators participated in a survey to gather informal data on how many children in the state are unserved within the past 2 years and fit the profile for this new service. Out of 87 counties, 53 responded. The responses found the following number of children who fit the profile for PRTF:

- 339 children in 2012
- 385 children in 2013

Proposal:

This proposal recommends the development of a psychiatric residential treatment benefit and contracted hospital inpatient psychiatric beds for children and youth. Minnesota would highly benefit from this level of care to provide active treatment for children with seriously aggressive/violent and self-harming behaviors. This level of care is absent from our current infrastructure, is needed and well documented through past and current Department reports. Establishing a PRTF benefit will require federal approval.

Approximately 150 new PRTF beds statewide are recommended to meet the apparent need for this level of care. It is planned that 50 bed capacity will be available by July 2017 and full capacity of 150 beds will be reached by July 2018. The proposal recommends limiting the number of PRTF beds that can be certified and therefore qualify to be enrolled for Medical Assistance reimbursement to a maximum of 150 beds, across up to six sites, with a maximum capacity of 30 beds per site.

Providers will be selected through a Request for Proposals (RFP) to ensure geographic balance and appropriate capacity. Department of Human Services - Direct Care and Treatment (DCT) may respond as a potential service provider to the RFP.

In addition, the Department proposes to establish contracts with community hospitals for 30 hospital inpatient psychiatric contract beds when extended stay is required for stabilization and to prevent placement far away from families. Contract beds will also serve children who would otherwise be served at the Child and Adolescent Behavioral Health Services (CABHS) program once that facility is closed (see "Close Child & Adolescent Behavioral Health Services" proposal). Contract beds will be phased in over time beginning with 10 beds by October 1, 2015, 10 additional beds by January, 1 2016, 5 additional beds by July, 1 2016, and a final five beds by January, 1 2017.

This proposal includes 2 FTEs in the FY16-17 biennium and 3 additional FTEs in the FY18-19 biennium to support the implementation of the new PRTF benefit as well as to manage the extended stay contract beds.

Results:

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Results	Length of Stay	NA	NA	New
Results	Percentage of children getting mental health services who experienced a significant improvement in symptoms based upon the SDQ after 6 months of treatment (based upon teacher reports)	NA	NA	New

The SDQ (Strengths and Difficulties Questionnaire) is a required outcomes measure in the children's mental health system. Providers report scores for individual children to a state system that, then, calculates the child's level of care need.

Statutory Change(s):

A new section of statute will be enacted in MS 256B.

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				2,124	4,492	6,616	9,801	13,885	23,686
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	2,124	4,492	6,616	9,801	13,885	23,686
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	33	Medical Assistance		1,809	3,997	5,806	9,193	13,297	22,490
GF	15	CMHS Admin.- contract with Health Department Staff (2.0 FTEs)		0	202	202	211	211	422
GF	15	CMHS Other Admin		62	62	124	0	0	0
GF	15	CMHS Admin (FTEs 1, 1, 3, 3)		418	388	718	610	579	1,074
GF	REV1	FFP @35%		(168)	(158)	(326)	(214)	(203)	(417)
GF	11	Operations – MMIS		3	1	4	1	1	2
		Total FTEs							
GF	15	Children's MH Division Administration		1.0	1.0		3.0	3.0	

Change Item: Close Child & Adolescent Behavioral Health Services

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	(1,750)	(5,341)	(5,341)	(5,341)
Revenues	(4,200)	(4,200)	(4,200)	(4,200)
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,450	(1,141)	(1,141)	(1,141)
FTEs	(36.7)	(36.7)	(36.7)	(36.7)

Recommendation:

Effective December 31, 2015, the Governor recommends closing the Direct Care and Treatment (DCT) State Operated Child and Adolescent Behavioral Health Services (CABHS) program located in Willmar. The closure of this program would be in coordination with the establishment of contracted extended-stay hospital psychiatric beds for children and youths in need of intensive services and the development of Psychiatric Residential Treatment Facilities (PRTF), which is a separate Governor's recommendation. The closure of CABHS results in a net state cost of $1.3 million in the FY2016-17 biennium and savings of $2.3 million in the following biennium.

Rationale/Background:

CABHS, located in Willmar, is a 16-bed psychiatric hospital providing services to children and adolescents with complex mental health conditions. The target population for the hospital includes children with the highest unmet treatment needs including those with autism spectrum disorder, reactive attachment disorders, Post Traumatic Stress Disorder (PTSD), co-occurring mental health and developmental disability, borderline personality disorder, schizophrenia, fetal alcohol spectrum disorder, brain injuries, and complex medical issues. Though licensed as a 16-bed hospital, the daily census averages 4 – 5 patients due to the current physical plant structure.

Proposal:

This proposal would close the CABHS program in coordination with the opening of extended-stay hospital psychiatric beds that would increase the community-based capacity to serve patients in the most appropriate setting closer to family and other supports for the child/adolescent. These beds are included in a separate proposal to establish a Psychiatric Residential Treatment Facility (PRTF) benefit and contract with community hospitals for extended stay mental health treatment capacity for children and youth.

The planned target date for closing CABHS is December 13, 2015. PRTF providers will be selected through a request for proposals (RFP) to ensure geographic balance and appropriate capacity. Department of Human Services - Direct Care and Treatment (DCT) may respond as a potential service provider to the RFP. During the interim, the Department will establish contracts with community providers to ensure children and adolescents in need of extended inpatient mental health care do not fall through the cracks of the current continuum of care.

As this proposal will close the Willmar facility, Minnesota Statutes § 246.129 requires that the Department and the respective bargaining units arrive at a mutually agreed upon solution to transfer affected state employees to other state jobs. If this agreement cannot be reached, the closure of the facility will require legislative approval.

Results:

The closure of CABHS program in coordination with the implementation of the extended-stay contract beds will result in children and adolescents being served closer to family and their other supports. We will track and expect to see a reduction in the number of children needing intensive services who are placed out of state due to lack of beds.

Statutory Change(s):

None

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				2,450	(1,141)	1,309	(1,141)	(1,141)	(2,282)
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	2,450	(1,141)	1,309	(1,141)	(1,141)	(2,282)
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	61	SOS Mental Health		(1,750)	(5,341)	(7,091)	(5,341)	(5,341)	(10,682)
GF	Rev2	SOS Cost of Care Recoveries		4,200	4,200	8,400	4,200	4,200	8,400
Requested FTE's									
GF	61	SOS Mental Health		(36.7)	(36.7)		(36.7)	(36.7)	

Change Item: Stabilize Mental Health Services Payment Structure

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	2,696	2,770	2,835	3,055
Revenues	0	0	0	0
Other Funds: Health Care Access				
Expenditures	17	24	32	43
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,713	2,794	2,867	3,098
FTEs	1.0	1.0	1.0	1.0

Recommendation:

Effective July 1, 2015, The Governor recommends conducting an in-depth analysis of the state's payment rate system for mental health services and developing a proposal for consideration in the next budget cycle to reform the current payment rate methodology in order to stabilize the state's financially fragile mental health provider network. The Governor's also recommends increasing rates for mobile mental health crisis response and stabilization services. Mental health crisis services are critical and foundational mental health services that have been significantly undervalued by current rate-setting methodology. In addition, the Governor recommends establishing time-limited grants to sustain Minnesota's intensive Mental Health Services infrastructure. This includes both residential services – Intensive Residential Treatment Services (IRTS) and Residential Crisis Services (RCS) as well as non-residential services – Assertive Community Treatment (ACT).

Rationale/Background:

Medical Assistance payments for mental health services are inadequate—forcing providers to operate with small financial margins that leave Minnesota with a fragile provider network.[1] In fact, Medical Assistance payments for several key mental health services do not cover the costs of providing those services.[2] The lack of adequate state insurance reimbursement rates cause providers to be unsustainable and harm the service delivery system, leaving increasingly sick patients without the more intensive and more effective services they need. The recent closing of the Riverwood Centers, with its five clinics and emergency home-visiting service, exemplifies the need to address the vulnerability of the mental health safety net: Riverwood's financial failure temporarily cut off 3,000 clients in rural east-central Minnesota from care for their mental illnesses, including many individuals with severe psychiatric disorders.

Mobile crisis programs are struggling due to inadequate payment rates. These rates negatively impact the quality and hinder further expansion of the service. Crisis response services involve high stress, including work that is side by side with law enforcement and other first responders, often under taxing conditions. However, these services receive a far lower payment rate than for an office visit. In addition, crisis teams can seldom afford to add staff and are challenged to pay competitive salaries, leading to higher than usual turnover and reduced service quality. Some providers are not able to offer true "mobile" crisis intervention, but instead try to deal with the crisis over the phone, in large part due to the financial constraints.

Intensive mental health services are also facing serious financial difficulty that requires immediate attention. This includes both residential services: Intensive Residential Treatment Services (IRTS) and Residential Crisis Services (RCS), as well as non-residential services: Assertive Community Treatment (ACT). The current rate setting methodology for these services has created serious financial strain for some providers. The structural issues with the rates paid for these services were the focus of legislatively mandated work group, which will be presented to the legislature in February.

One major reason for this is that if a program has decreased their costs over the past year, yet served more people, then the rate drops for the next year. This has created major problems for some non-residential service providers in particular. Residential providers are facing the additional and more pressing issues related to their room and board costs. The federal Centers for Medicare and Medicaid Services (CMS) will not allow room and board expenses to be reimbursed under Medical Assistance. As such, providers rely on the state's Group Residential Housing (GRH) program to pay for the room and board costs. GRH does not fully cover room and board costs and as a result providers are seeing an average gap of over $300 per client, per month.

[1] Minnesota Department of Human Services, *The Riverwood Centers Closure: A Systems Analysis*, June 30, 2014, pp. 1 and 3.
[2] Op. cit., p. 13.

Proposal:

This proposal recommends conducting an in-depth analysis of the state's rate setting methodology for mental health services in order to develop recommendations for establishing a payment rate system for mental health services that will stabilize the state's financially fragile mental health provider network. The proposal requests funding to contract with an outside agency with expertise in Medicaid rate setting, to provide an analysis of the current rate setting methodology, the relationship between payment rates and the cost of providing services, as well as recommendations for implementing pay-for-performance measures to incentivize quality. This analysis and subsequent recommendations will also build upon previous recommendations and include thorough input from stakeholders. These recommendations will be presented in a report to the Legislature.

The proposal also recommends increasing rates for mobile crisis response and stabilization services, which have been significantly undervalued. The proposal would align the payment for mobile crisis services with the rate paid for a comparable office-based psychotherapy visit. The proposed budget assumes providers will respond to the rate hike with a 10 percent increase in the volume of service provided.

Finally, the proposal recommends establishing time-limited grants to support Minnesota's intensive Mental Health Services infrastructure. This includes both residential services – Intensive Residential Treatment Services (IRTS) and Residential Crisis Services (RCS) as well as non-residential services – Assertive Community Treatment (ACT). These grants would help ensure the state does not lose capacity in these services while a broader review and reform of Medical Assistance payment rates for mental health services is underway.

This proposal includes 1.0 FTE to manage the analysis of the state's payment rate methodology as well as the administration of the grants.

Results:

DHS expects the following the following measures to be impacted by this proposal:

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Adults Receiving Mobile Mental Health Crisis	8218	8619	2011 vs. 2012
Quantity	Children Receiving Mobile Mental Health Crisis	2500	2600	2010 vs. 2011

Statutory Change(s):

MS § 256B.0622

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				2,696	2,770	5,466	2,835	3,055	5,890
HCAF				17	24	41	32	43	75
Federal TANF									
Other Fund									
Total All Funds			$0	2,713	2,794	5,507	2,867	3,098	5,965
Fund	BACT#	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	33	MA		345	465	810	628	848	1,476
HCAF	31	MnCare		17	24	41	32	43	75
GF	57	Adult MH Grants		2,125	2,125	4,250	2,125	2,125	4,250
GF	15	Children's MH Division		341	277	618	127	127	226
GF	Rev1	FFP @ 35%		(115)	(97)	(212)	(45)	(45)	(90)
Requested FTE's									
GF	15	Children's MH Division		1.0	1.0		1.0	1.0	

Change Item: Public Psychiatric Residency Collaboration

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	118	236	354	472
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	118	236	354	472
FTEs	0	0	0	0

Recommendation:

Effective July 1, 2015, the Governor recommends funding the development of a State Operated Services (SOS) public psychiatry track within the University of Minnesota's existing psychiatry residency program. This additional track, focused on providing psychiatry services in the public sector, will aid in increasing the workforce in public psychiatry. The cost of establishing the residency program is $354,000 in the FY2016-17 biennium and $826,000 in the following biennium.

Rationale/Background:

There is a shortage of psychiatrists nationally, which is more pronounced in the Midwest. This shortage is even greater in the public mental health sector. This contributes to increased costs of care due because people are not able to receive psychiatric care before their condition becomes a crisis and requires more intensive treatment. We also have difficulty recruiting an adequate psychiatric workforce to staff our state-run facilities treating people who have been civilly committed. The current trend is a dwindling workforce compounded by growing demand for psychiatrists. This proposal will increase the number of psychiatrists trained in Minnesota and require them to be trained in public psychiatry. In the long-term, it is expected to result in cost savings for the state and improved continuity of care for people receiving psychiatric services in state-run programs or facilities.

Proposal:

In collaboration with the psychiatry residency program at the University of Minnesota, the Department of Human Services (DHS) will fund one additional dedicated position in the University of Minnesota's existing psychiatry residency program, in which the resident focuses on providing psychiatric services in the public sector. The proposal is to add one psychiatrist to each existing class of psychiatry residents, beginning in 2015. (The residency program is four years.) A DHS-funded resident position will be added each year over the next four years. By the fourth year, 2019, and each year thereafter, there will be four DHS-funded psychiatry residents involved in the program at any one time. At that time, the program will be required to have four residents placed in public sector service sites such as community ACT teams, community mental health clinics or in a state Direct Care and Treatment (DCT) facility. DHS will partner with the University of Minnesota and community mental health providers. The expected results of this proposal are to improve access to psychiatric treatment and improved capacity to serve patients in Direct Care and Treatment facilities.

Results:

People who receive mental health care in the public sector, community mental health provider organizations, and DHS will all benefit from having improved access to psychiatric services. DCT expects this program to decrease the number of contract psychiatrists working within DCT, relative to psychiatrists fully employed by DHS.

Statutory Change(s):

None required.

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				118	236	354	354	472	826
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	$118	$236	$354	$354	$472	$826
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	61	SOS Mental Health Svcs		118	236	354	354	472	826
Requested FTE's									

Change Item Title: Increased Capacity for Individuals with Complex Conditions

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	2,060	2,746	7,979	13,211
Revenues	0	0	0	0
Other Funds:				
Expenditures	0	0	0	0
Revenues	740	1,480	1,480	1,480
Net Fiscal Impact = (Expenditures – Revenues)	1,320	1,266	6,499	11,371
FTEs	22.80	22.80	64.35	105.90

Recommendation:

Effective July 1, 2015, the Governor recommends increasing the general fund base for Direct Care & Treatment (DCT) State Operated Mental Health Services to provide funding for the creation of a total of three new service locations. Creating these new service locations will allow a defined population to transition from Anoka-Metro Regional Treatment Center to a community-based location, and to assure service availability in current underserved geographic areas of the state. The net state cost of this proposal is $2.58 million in the FY2016-17 biennium and $18.2 million in the following biennium.

Each new program (1 in FY16, 1 in FY18 and 1 in FY19) will serve an average daily population of 12-14 once it is operational.

Rationale/Background:

Increasing the number of adults that can be transitioned from the Anoka-Regional Treatment Center (AMRTC) and creating additional bed capacity is the first benefit to this proposal. AMRTC is licensed as a psychiatric hospital with an operating bed capacity of 110. Currently on any given day, 40% of the individuals at AMRTC do not require hospital level of care but cannot be discharged due to placement barriers. A group of these individuals require mental health rehabilitation services, but due to their high medical needs they do not fit into the current model of residential services being provided. This leaves these individuals "stuck" in a higher, more costly level of care that they need, and restricts the ability of the facility to admit individuals who need hospital level of care. This proposal will reduce the number of individuals inappropriately remaining at AMRTC and to provide relief to the waiting list for the facility.

Serving individuals closer to home is the second benefit to this proposal and a goal under the Olmstead plan. Currently, some areas of the state do not have sufficient access to inpatient mental health services for adults who exhibit aggression. This requires individual to travel long distances to receive the services they need or to go without.

Proposal:

This proposal seeks to increase the capacity in the state to serve patients in the most appropriate setting. Each new program will need additional direct care staff including registered nurses, human services technicians, mental health professionals and other direct care staff.

This proposal will also add an alternative level of care for individuals currently being served at the AMRTC who do not require hospital level of care but still need a higher level of behavioral health and medical care than can be found in most residential treatment facilities. This new level of care would reduce discharge barriers and the number of days spent in an inappropriate and more restrictive level of care. The additional bed capacity will also be able to provide necessary services for individuals with mental health needs and exhibit aggression.

Results:

The opening of the community-based service for adults is expected to reduce the number of unnecessary hospitalization days at AMRTC by providing additional step-down treatment locations. We will monitor changes in our count of Do Not Meet Criteria (DNMC) days to evaluate the effectiveness of this proposal in positively impacting this measure.

AMRTC Do Not Meet Criteria (DNMC)	CY2010	CY2011	CY2012	CY2013	CY2014 (YTD)
Number of days	11,758	10,837	13,995	14,064	9,423

Statutory Change(s):

NA

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				2,060	2,746	4,806	7,979	13,211	21,190
HCAF									
Federal TANF									
Other Fund				(740)	(1,480)	(2,220)	(1,480)	(1,480)	(2,960)
Total All Funds			$0	$1,320	$1,266	2,586	6,499	11,731	18,230
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	61	SOS Mental Health		2,060	2,746	4,806	7,979	13,211	21,190
2000	Ded Rev	SOS Special Health Care Receipts		(740)	(1,480)	(2,220)	(1,480)	(1,480)	(2,960)
Requested FTE's									
GF	61	SOS Mental Health		22.80	22.80		64.35	105.90	

Change Item: Minnesota Security Hospital Conditional Licensing Corrections

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	6,161	6,272	6,272	6,272
Revenues	616	627	627	627
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	5,545	5,645	5,645	5,645
FTEs	0	0	0	0

Recommendation:

Effective July 1, 2015, the Governor recommends increasing the base funding for Direct Care and Treatment (DCT) State Operated Services (SOS) Forensic Services by $12.4 million for the biennium. This funding is to support ongoing program costs necessary to comply with the terms of the conditional license at the Minnesota Security Hospital (MSH). The cost of this recommendation is partially offset by the county share of the cost of care, resulting in a net state share cost of $11.2 million in the FY2016-17 biennium.

Rationale/Background:

SOS Forensics Services provides evaluation and specialized treatment services to individuals committed as mentally ill and dangerous, or other commitment types for people who present a public safety risk. Forensic Services also serves people with mental illness who the court has ordered for evaluation and treatment before the start of a criminal trial. Forensic Services includes the Minnesota Security Hospital, Forensic Transition, Competency Restoration and the Forensic Nursing Home. Forensic Services is currently staffed by approximately 847 employees who provide services to an average daily client population of 365. Of the current program costs, approximately 80% is personnel costs. The remaining 20% are non-personnel costs including food, drugs, utilities, supplies and other purchased services.

In December, 2011, the Minnesota Security Hospital was issued a conditional license by the Department of Human Services because of a determination of patient maltreatment. Since that time, the agency has made changes to treatment environments that are specifically designed to resolve the conditions of the program's license. These changes have included an increase in staffing levels, intensive staff training and improvements in the physical environment. An additional and serious incident of maltreatment was found in January 2014, which has resulted in an extension of the conditional license and the addition of thirteen new terms of the conditional license. This extension has required the agency to restructure the organizational structure at the facility, to further increase staff presence on the treatment units, to train all staff in person-centered thinking, to use person-centered coaches on all units, to increase clinical review activity and unscheduled observations, and to make other practice changes.

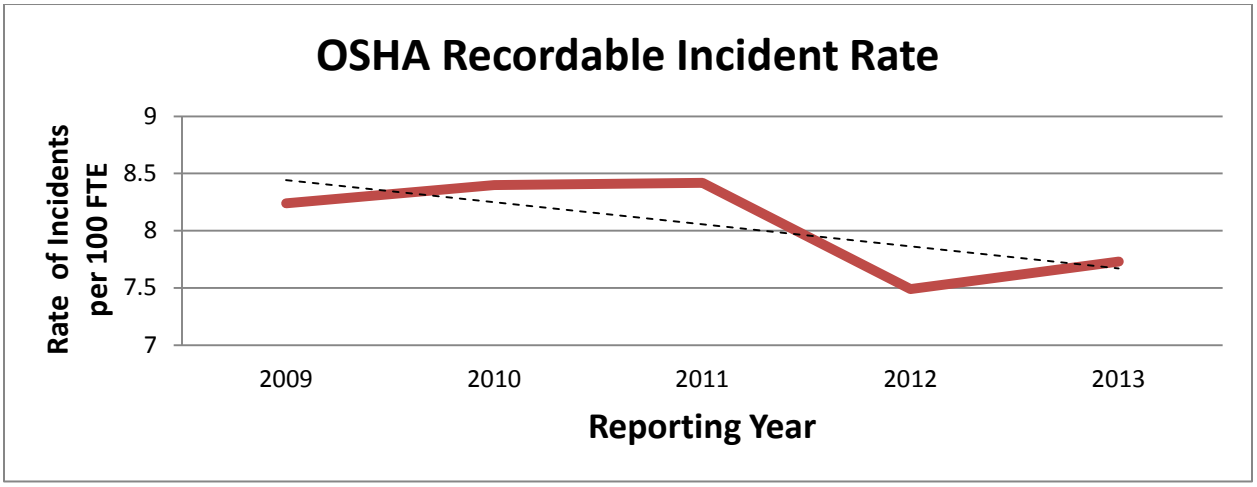
Proposal:

This proposal provides an annual base funding increase beginning in fiscal year 2016 for ongoing expenditures due to a conditional license placed on the Minnesota Security Hospital (MSH). This increase in base funding is necessary not only to achieve full, non-conditional, licensure of the program, but to sustain programs that utilize best practices, help patients achieve their full potential and be able to be successfully moved into more integrated settings. This is in line with the Olmstead Plan adopted by Minnesota and is a right of the individuals served in these programs. The base increase will pay for more clinical services, strengthening the treatment teams and increased programming opportunities for patients. Improvements in all of these areas will help the individual patients move through treatment more rapidly.

This funding will enable the agency to assure that the change already made to the program can remain in place and that the terms of condition on the license can be met. Improvements at the facility are expected to reduce the number of injuries to clients and staff and also increase the level of person centered care provided to clients. MSH is the only secure treatment facility in the state and if it is not able to meet the terms of condition on the license there is no other provider available to take clients committed for treatment should the program not be able to continue operation. Providing this permanent funding increase will mean that the changes being made at the facility can continue to improve the client care and assure that both staff and clients are safe.

Results:

We care about the safety of our clients and staff. One measure of safety we track is the rate at which employees have injuries or illnesses that are reportable to the federal Occupational Safety Health Administration (OSHA). Many efforts are underway at MSH to lower this rate. In the chart below, the thicker solid line is actual annual data. It is imposed on top of an underlying thin dotted trend line. The actual annual data show a slight increase from 2009 through 2011, with a drop in 2012. Although there is a slight increase again in 2013, the overall data demonstrates a downward trend. More data is needed to determine if we are "turning the curve."



Performance Notes:

- The OSHA Recordable Incident Rate is the total number of workplace injuries or illnesses per 100 full time employees (FTE) working in a year that must be reported to the federal Occupational Safety and Health Administration. For 2012, the national average among psychiatric and substance abuse hospitals was 8.4 incidents per 100 FTE.

Statutory Change(s):

None.

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				5,545	5,645	11,190	5,645	5,645	11,290
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	$5,545	$5,645	$11,190	$5,645	$5,645	$11,290
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	63	SOS Forensic Services		$6,161	$6,272	12,433	$6,272	$6,272	12,544
GF	REV2	SOS Cost of Care Recoveries		(616)	(627)	(1,243)	(627)	(627)	(1,254)
Requested FTE's									

Change Item: Housing with Supports Grants

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	756	1,350	3,073	3,073
Revenues	0	0	0	0
Other Funds - HCAF				
Expenditures	825	1,723	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,581	3,073	3,073	3,073
FTEs	1.0	1.0	1.0	1.0

Recommendation:

Effective July 1, 2015, the Governor recommends the expansion of Housing with Supports grants by $1.5 million in FY 2016 and $3 million annually thereafter to provide supportive services and resources for persons with serious mental illness in supportive housing; and to provide the training, assessment, and evaluation of housing based on the evidence-based practice of permanent supportive housing.

Rationale/Background:

The number of persons with serious mental illness who are homeless and long-term homeless continues to increase. The 2012 Minnesota Homeless Study (Wilder Research, 2013) identified 3,452 adults with serious mental illness who represent 55% of the adults who are homeless. While the number of homeless adults continues to increase, the incidence of mental illness among them seems to have leveled off recently at this 55% point. Additionally, the State-administered Project for Assistance in Transition from Homelessness (PATH) program which provides outreach services for adults with serious mental illness in 10 Minnesota counties served 1,195 individuals who were living outdoors or in short-term shelter in 2013 which is 62% of the persons served by PATH. In both sets of data the impact of homelessness disparately affects diverse communities, with American Indian and African American communities disproportionality impacted. The barriers to both affordable housing and needed supportive services for persons with mental illness are significant and complex. Solutions need to link flexible person-centered supportive services and resources along with affordable housing. The evidence-based practice of permanent supportive housing provides established and research-based fidelity standards that guide the development, initial assessment, and ongoing evaluation of supportive housing for persons with serious mental illness.

Proposal:

This proposal recommends investing in the adult mental health infrastructure to improve the ability of persons with mental illness to access high quality services that support them in their recovery, transition from one level of care to another, improving their health, ability to obtain housing and employment.

This proposal recommends increasing the existing housing with supports grants by $1.5 million in FY 2016 and $3 million annually thereafter to provide a range of supportive services and resources for persons with serious mental illness in supportive housing. The proposal will also fund 1.0 FTE staff to effectively assess grant applicants, distribute grant funds, manage contracts, maintain housing and service partnerships, engage stakeholders, organize and conduct training, conduct fidelity evaluations, and maintain program integrity. The grants are administered in collaboration with the Minnesota Housing Finance Agency (MHFA).

This proposal will increase access to and stability in housing for persons with serious mental illness, and it will increase the availability and effectiveness of existing and developing supportive housing. The program will increase the number of persons served by 200% in comparison with 2013 data. It will establish measurable fidelity standards and program and population outcomes consistent with the DHS Framework for the Future: 2014. The proposal will contribute to the Minnesota 2013 Olmstead Plan and Heading Home: Minnesota's Plan to Prevent and End Homelessness goals. In 2013 there are 420 households for persons with serious mental illness being served by the housing with support grants, this proposal over time will increase the households served to 1,260. The proposal will begin implementation July 1, 2015 and be fully implemented by June 30, 2018.

Results:

- This proposal will assist the Chemical and Mental Health Services Administration address the values and strategies identified in the DHS Framework for the Future: 2014.
    - Serve more people in their own homes, communities and integrated workplaces
    - Build new working partnerships and governance arrangements with counties and tribes to improve client services
    - Reduce the gap in access and outcomes for health care in cultural and ethnic communities

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Number of households in permanent supportive housing.	420	1,260	2012 vs. 2018
Quality	The percent of new households that live in permanent supportive housing which meets fidelity standards. [1]	NA	80%	2015 vs. 2018
Quality	The percentage of all housing with support grantees that have been evaluated using fidelity standards. [1]	NA	60%	2015 vs. 2017
Results	The percent of persons living in permanent supportive housing who have maintained tenancy for 1 year. [1]	NA	55%	2015 vs. 2017

Note on Measures:

1. Previous numbers are unavailable because these are new measures based on the implementation of the Permanent Supportive Housing Evidence Based Practice.

Statutory Change(s):

None.

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				756	1,350	2,106	3,073	3,073	6,146
HCAF				825	1,723	2,548	0	0	0
Federal TANF									
Other Fund									
Total All Funds				1,581	3,073	4,654	3,073	3,073	6,146
Fund	BACT#	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	57	Adult MH Grants		675	1,277	1,952	3,000	3,000	6,000
HCAF	57	Adult MH Grants		825	1,723	2,548	0	0	0
GF	15	Adult MH Division		125	113	238	113	113	226
GF	Rev1	FFP @ 35%		(44)	(40)	(84)	(40)	(40)	(80)
Requested FTE's									
GF	15	Adult MH Division		1.0	1.0		1.0	1.0	

Change Item: Assertive Community Treatment Quality Improvement and Expansion

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	571	751	760	750
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	571	751	760	750
FTEs	1.0	1.0	1.0	1.0

Recommendation:

Effective July 1, 2015, the Governor recommends improving the current quality of Assertive Community Treatment services, improving data analysis of Assertive Community Treatment, and expanding access to Assertive Community Treatment services associated with the state's Olmstead Plan. The net state cost of this proposal is $1.3 million in the FY2016-17 biennium and $1.5 million in the following biennium.

Rationale/Background:

As part of the Jensen Settlement Agreement, the state committed to adopting and implementing an Olmstead Plan to allow persons with disabilities attain the fullest feasible level community participation. The plan is uniquely comprehensive when compared to Olmstead initiatives in other states and outlines a vision where:

- People with disabilities will experience an inclusive education system at all levels and lifelong learning opportunities that enable the full development of individual talents, interests, creativity, and mental and physical abilities.
- People with disabilities of all ages will experience meaningful, inclusive, and integrated lives in their communities, supported by an array of services and supports appropriate to their needs and that they choose.
- People with disabilities, regardless of their age, type of disability, or place of residence, will have access to a coordinated system of health services that meets individual needs, supports good health, prevents secondary conditions, and ensures the opportunity for a satisfying and meaningful life.
- People with disabilities will have choices for competitive, meaningful, and sustained employment in the most integrated setting.

In order to achieve these goals, the State's Olmstead Plan requires service expansion and quality improvements to support persons with mental illness in the community.

Assertive Community Treatment allows a person with mental illness to receive services in the most integrated community setting, staying out of the hospital and supports competitive employment, and independent community living. Several states under Olmstead enforcement are now required to improve access to and the quality of existing Assertive Community Treatment services for individuals at risk of institutionalization and improve the integration of individuals who have been institutionalized to a more integrated community setting.

Proposal:

Effective July 1, 2015 this proposal recommends funding to (1) improve the quality of current Assertive Community Services through statewide fidelity[1] (high quality) measurement and the provision of technical assistance and education to current providers; (2) analyze the need to expand high quality Assertive Community Treatment across Minnesota; and, (3) create collaborative services that support high quality Assertive Community Treatment to fill identified systems' gaps.

[1] Program fidelity is defined as the extent to which a program adheres to the intended model, both including features that are deemed essential to achieving the aspired outcomes and excluding those that would interfere (Waltz, Addis, Koerner, & Jacobson, 1993; Monroe-DeVita, Teague, & Moser, 2011).

This proposal would fund a total of 1.0 FTE and additional contracted support that would:

- Facilitate the improvement in the quality of current services;
- Analyze the need to expand high quality Assertive Community Treatment;
- Create collaborative services that support high quality Assertive Community Treatment.

This proposal also expands grants in order to enhance the quality of current Assertive Community Treatment services and continue to expand the service. Grants will also allow for the development of a specialized Forensic Assertive Community Treatment team by June 2017 to support people with serious mental illnesses who are exiting the correctional system. Beginning in July 2017, grants will support the development of two Assertive Community Treatment teams each year to continue the expansion of Assertive Community Treatment services throughout Minnesota, and address systems barriers to offering high quality Assertive Community Treatment Services to our most vulnerable adults with severe mental illness

This proposal improves access to services for Minnesotans with severe mental illness by doing a well-designed evaluation of the need for expansion, especially in our rural areas where individuals do not have access to an Assertive Community Treatment team, and by better understanding how to do this expansion without compromising high fidelity/quality services. The proposal impacts the community as well, and will engage multiple community stakeholders (e.g., National Alliance for Mental Illness, police officers, community hospitals, academic institutions) through education and partnerships to provide collaborative but non-duplicative services for Assertive Community Treatment clients. DHS has sought the opinions of ACT Team Leaders and a sample of county and agency providers regarding a larger strategic plan for Assertive Community Treatment. Some of that input provided information for this proposal. As part of this proposal, continued input with stakeholders will be sought.

Results:

This proposal supports the following strategies in the DHS Framework for the Future: 2014:

- Serves more people in their own homes, communities and integrated workplaces
- Integrates primary care, behavioral health, and long-term care
- Reduces the gap in access and outcomes for health care in cultural and racial communities

This proposal also supports the Adult Mental Health Division's internal and external dashboard measures by:

- Increasing the number of adults in Assertive Community Treatment receiving preventative exams (public measure)
- Increasing the number of adults served by Assertive Community Treatment teams (internal measure)

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	The number of adults served in Assertive Community Treatment services	1964	1991	2012 vs. 2013
Quality	The percent of adults in Assertive Community Treatment who receive an annual comprehensive preventative physical exam.	26.5%	27.8%	2012 vs. 2013

New accountable results based data will be collected via the Tool for the Measurement of Assertive Community Treatment (TMACT). This tool reviews both the quantity and quality of Assertive Community Treatment services. As part of the measure, information is collected from individuals served by Assertive Community Treatment teams and surveys if quality of life and recovery has improved. This data will be collected by trained reviewers (both inside and outside of DHS) and will be communicated back to individual programs, stakeholders, and aggregated for statewide comparisons.

Statutory Change(s):

MS § 256B.0622

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				571	751	1.322	760	750	1,510
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	571	751	1.322	760	750	1,510
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	57	Adult MH Grants		250	500	750	500	500	1,000
GF	15	Adult MH Division		494	386	880	400	385	755
GF	Rev 1	FFP @ 35%		(173)	(135)	(308)	(140)	(135)	(275)
Requested FTE's									
GF	15	Adult MH Division		1.0	1.0		1.0	1.0	

Change Item: Transition Initiatives Flexibility

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends expanding eligibility for the *Transition to Community Initiative* so that existing funding can be used to help more people being served in state-operated facilities transition back to the community, regardless of age or which facility they are being served in.

This recommendation expands eligibility for the 2013 *Transition to Community Initiative* to people age 65 and older who are receiving services at Anoka Metro Regional Treatment Center (AMRTC), the Minnesota Security Hospital (MSH), or the Forensic Nursing Home in St. Peter and who no longer require hospital level of care. This recommendation also expands eligibility to adults of all ages being served at Community Behavioral Health Hospitals (CBHHs) as well as children under age 21 in the Child and Adolescent Behavioral Health Services (CABHS) program, who likewise do not require hospital level of care.

In addition, the Governor recommends using available funds from the *Transition to Community Initiative* for a pilot project to support people who are in non-state operated facilities and who are on the waiting list for admission to AMRTC. The goal of this pilot is to provide these individuals with the necessary services and supports to remain in the community so that they can be diverted from AMRTC altogether.

This recommendation is budget neutral as it will be funded within the existing base budget of the Transition to Community Initiative enacted in 2013.

Rationale/Background:

The 2013 Legislature created the *Transition to Community Initiative* to help people being served at Anoka Metro Regional Treatment Center (AMRTC) and the Minnesota Security Hospital (MSH), who no longer require the level of care provided at these facilities, to transition to the community. That initiative provides access to a range of services, including home and community based services waivers, to help people leave these facilities and live successfully in the community. DHS central office staff also work with staff at AMRTC and MSH, counties, tribes, and other stakeholders as part of this initiative to identify and address barriers for people who are ready to return to the community but who have not been able to do so. These efforts have resulted in a successful return to the community for a number of people.

The *Transition to Community Initiative* is on-going and will continue supporting people transitioning from AMRTC and MSH. The program has proven to be much more cost-effective than initially thought, so additional people could be served within the existing resources.

DHS has identified several additional populations of individuals who would benefit greatly from this initiative. They include people over age 65, adults being served at Community Behavioral Health Hospitals (CBHHs), and children under age 21 being served in the Child and Adolescent Behavioral Health Services (CABHS) program. As with people served at AMRTC and MSH, many of these individuals face serious barriers that prevent them from transitioning back to the community when they no longer need the level of care provided in those facilities.

People over age 65 face also face an additional set of unique challenges. Under the current federally-approved Medicaid waiver plans and current state law, individuals age 65 and over who were not being served on a Brain Injury (BI) waiver or Community Alternatives

for Disabled Individuals (CADI) waiver prior to entering AMRTC and MSH are not eligible for these waivers. In addition, for many individuals age 65 and older who are discharging from AMRTC and MSH, the level of funding available through the Elderly Waiver (EW) is not sufficient to meet their complex needs. This creates a barrier to an appropriate and timely discharge.

People who are psychiatrically stable and no longer require the higher level of treatment provided at the CBHHs as well as children served in the CABHS programs often face delays in transitioning back to the community due to insufficient resources and programs to support them in the community. They face many of the same barriers as people being served at AMRTC and MSH for whom the *Transition to Community Initiative* was originally designed.

In addition, the waitlist to get into AMRTC stood at 77 as of December 2014. Individuals waiting to be admitted to AMRTC often reside in non-state operated hospitals for weeks or even months. This reduces the capacity of those facilities to care for other people who may need their services, thus backlogging the service system even further. However, if the right combination of services and supports were available to these individuals, it is likely they could be successfully discharged from these non-state operated facilities and avoid going to AMRTC altogether.

Proposal:

This proposal will support the transition of people, regardless of age, who have complex needs, and are trying to return to the community after receiving treatment at state-operated facilities. The goal of this proposal is to transition these individuals into and to see them remain in the community setting of their choice.

The proposal will expand eligibility for the *Transition to Community Initiative* to people age 65 and older who are receiving services at Anoka Metro Regional Treatment Center (AMRTC), the Minnesota Security Hospital (MSH), or the Forensic Nursing Home in St. Peter and who no longer require hospital level of care. This proposal would also expand eligibility to adults of all ages being served at Community Behavioral Health Hospitals (CBHHs) as well as children under age 21 in the Child and Adolescent Behavioral Health Services (CABHS) program, who likewise do not require hospital level of care.

These individuals will be eligible for the same services available to those currently served by the *Transition to Community Initiative*, including Home and Community Based Services waivers. Transition grant funds available under the *Transition to Community Initiative* will also be used to assist eligible individuals, across populations, and their providers in preparing for the move to the community and will meet any needs that cannot currently be met with MA-funded services.

This proposal will also provide an enhanced budget through the Elderly Waiver (EW) program for people over age 65 who are exiting these state operated institutional settings. This will address the issue that resources available under the EW program may not be sufficient to help people with complex needs transition to more integrated settings.

DHS anticipates serving 100 additional individuals, across eligible populations and settings, by FY 2019 under this proposal.

The proposal will also establish a pilot project that focuses on diversion from AMRTC for individuals who are on the waitlist and being served in non-state operated facilities and who would otherwise be able to go back into the community if the right services and supports were made available. The grant dollars associated with the *Transition to Community initiative* are currently only available to individuals who are actually patients at Anoka Metro Regional Treatment Center and the Minnesota Security Hospital and this proposal would allow these funds to support a limited number of individuals in this pilot project as well.

This proposal is budget neutral as it will be funded within the existing base budget of the *Transition to Community Initiative* enacted in 2013.

Results:

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Percent of people with disabilities who receive home and community-based services	93.7%	94.2%	2012-2013
Quantity	Percent of seniors served who receive home and community-based waiver services	67.1%	68.5%	2012-2013
Quantity	Number of individuals transitioned from AMRTC, MSH, CBHHs, CABHs, or the AMRTC waitlist under this initiative	None	39	FY14-present

To assess the effectiveness of this proposal we will measure the number of individuals, regardless of age, that transition from AMRTC, MSH, CBHH, CABHS, or the AMRTC waitlist under this proposal.

Statutory Change(s):

M.S. §256.478; M.S. §256B.092; M.S. §256B.49; M.S. §256B.0915

Change Item: Withdrawal Management System Modification

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0		0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0.	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends that the Department of Human Services initiate planning for adoption of a new model of care for persons who are going through detoxification. Effective the day following final enactment, this proposal would:

1. Direct the Commissioner of Human Services to develop new standards for the future delivery of withdrawal management services in Minnesota; and,
2. Require the Commissioner to seek federal approval of withdrawal management services as a Medical Assistance benefit and return to the legislature with a funding methodology for approval.

Rationale/Background:

Patients are presenting to withdrawal management facilities with increasingly complex medical needs. Many are in need of withdrawal services for substances beyond alcohol, such as opioids. Present standards for detoxification programs only require a minimal level of medical services.

Licensing standards for detoxification programs have not been enhanced to reflect the increased level of care necessary for some individuals in need of these services. In Minnesota, a "detoxification program" means a licensed program that provides short-term care on a 24-hour a day basis for the purpose of detoxifying clients and facilitating their access to chemical dependency treatment as indicated by an assessment of their needs.

Some programs have voluntarily exceeded licensing standards by enhancing the medical services of programs to meet consumer need. Other programs have closed over the past several years, leaving Minnesotans in several outstate communities without reasonable geographical access to detoxification services.

The present range of services is not as intense as the proposed Withdrawal Management Services. Because of this, the state needs new standards created for withdrawal management programs that require enhanced medical services and staffing requirements.

The shift from a social detoxification model to a medical model of withdrawal management services will contribute toward modernizing the state's continuum of care for substance use disorder and will integrate withdrawal management services with the rest of the continuum of care for substance use disorder. We expect the changes will mean patients have easier access to treatment and other substance use disorder services.

Proposal:

This proposal would create initial licensure standards in statute for two additional levels of withdrawal management programs to address the needs outlined above. The proposal also authorizes the Department to negotiate with the Centers for Medicare and Medicaid Services (CMS) regarding the parameters for federally acceptable service standards and payment methodology that would allow inclusion of these services under our Medical Assistance program. Current state standards are highly unlikely to be approved by the federal CMS authority because medical services are not an essential component of detox as it currently exists. Once this work is completed, the department intends to return to the legislature with a proposal to finalize service standards and establish withdrawal management services as a Medical Assistance benefit with its associated payment and financing methodology.

This proposal has no fiscal impact primarily because state costs won't be incurred until withdrawal management is legislatively authorized and established as a benefit in the Medical Assistance program. Costs of the remaining planning activities and negotiation with CMS can be accomplished within our existing resources.

Results:

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Statewide capacity of withdrawal management services	NA	NA	New
Results	Repeated withdrawal management admissions	NA	NA	New
Results	Access to substance use disorder treatment and recovery activities by withdrawal management clients	NA	NA	New

Expected outcomes of this proposal, once fully implemented pending CMS approval and future appropriations to implement this new service, include the delivery of appropriate levels of care based on identified clinical needs, increasing medical services for consumers with high incidences of co-occurring physical complications, creating to access to transportation services to withdrawal management programs, establishing cost-sharing across county, state and federal funding streams, thereby helping to create a viable provider network. The evaluation phase of these changes will measure any decrease in repeated admissions for withdrawal management services, improved access to substance use disorder treatment and engagement with recovery activities by people using withdrawal management services.

Statutory Change(s):

Adds a new chapter 245G to Minnesota Statutes

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				0	0	0	0	0	0
HCAF									
Federal TANF									
Other Fund									
Total All Funds				$0	$0	$0	$0	$0	$0
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
Requested FTE's									

Change Item: Housing and Supportive Services for People with Disabilities

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	1,174	2,265	8,749	14,310
Revenues	55	240	471	745
Other Funds				
Expenditures	30	129	253	401
Revenues	30	129	253	401
Net Fiscal Impact = (Expenditures – Revenues)	1,119	2,025	8,278	13,565
FTEs	4	4	4	4

Recommendation:

Effective July 1, 2015, the Governor recommends changes to Group Residential Housing (GRH) to ensure quality services and settings for people with low incomes and disabilities, and to simplify program rules. Effective February 1, 2017, the Governor recommends restructuring GRH and Minnesota Supplemental Aid (MSA) Shelter Needy to meet the Olmstead Plan's Housing Goal to increase housing options that promote choice and access to integrated settings. This restructuring will include merging GRH funding for non-congregate settings with MSA Shelter Needy funding to provide housing assistance that allows people to choose where they want to live, and ensure that people receive services they need no matter where they live.

Rationale/Background

GRH and MSA Shelter Needy are 100 percent state-funded income supplements to help address housing needs for people with low incomes and disabilities that keep them from supporting themselves. GRH pays for room and board, and some service costs. MSA Shelter Needy provides a cash benefit to help pay for housing costs. GRH and MSA serve people with a wide variety of disabilities including physical, developmental, mental health illnesses, and chemical dependencies. The goals of GRH and MSA Shelter Needy are to reduce and prevent institutionalization and homelessness for people by helping them afford their housing and stay in their own homes.

People with disabilities are often stuck in institutions, bouncing between friends' couches and crisis beds, and sleeping on mats in homeless shelters. Three main issues prevent people with disabilities from accessing housing in the community.

- Many people with disabilities cannot afford to live in the community. Only one out of three people with disabilities who live in their own homes can sustainably afford their housing. Annually, more than 30,000 people with disabilities who have low income get help paying for housing through GRH and MSA Shelter Needy, but these programs allow only a small portion of program recipients to live in a place of their own in the community. Most recipients live in group or congregate settings.
- Medicaid-funded services that help people live independently in the community do not adequately serve all people with disabilities. Many people cannot access Medicaid-funded services because their disability does not match the requirements or because they have not been adequately assessed or diagnosed. Many people also need services not covered by Medicaid, such as tenancy supports.
- Access to affordable supportive housing in the community is inequitable. People with disabilities who also have low incomes, have mental illnesses, or live outside the Twin Cities metropolitan area are overrepresented in group settings and in homelessness counts.

Additionally, state law does not define monitoring roles and authority for the state or counties, leading to inconsistent quality and potential for harm, fraud and misuse of state funds.

In recent years, the four significant reviews below have called for changes to these programs. This proposal will bring the department into compliance with mandates of these four reviews.

- The Minnesota Olmstead Plan's Housing Goal, Action 3, requires increasing housing options that promote choice and access to integrated settings by:
    - Ensuring income supplement programs (i.e. GRH and MSA Shelter Needy) can be used in the most integrated setting of a person's choice
    - Providing access to housing independent of receiving services from a particular provider, or receiving any services
    - Implementing a Housing Stability Services option to those who need additional support to obtain housing or remain in the community.
- The Olmstead Plan requires that a proposal be developed for legislative change by January 6, 2015 (HS 3A), and that program changes authorized by the Legislature be implemented by December 31, 2015 (HS 3B).
- 2013 State Plan to Prevent and End Homelessness recommends reforming GRH and MSA Shelter Needy to allow greater flexibility, increased housing options, and increased access to these programs for people who are homeless.
- 2013 Legislated Service Rate Study found no correlation among the GRH service rate amount, services provided and the level of individual need; and thus recommended separating the service rate from the housing rate to allow transition and choice, and setting rates based on individual needs and services provided.
- 2007 Office of the Legislative Auditor Report recommended clarifying and simplifying program rules, adequately and equitably funding program administration at the counties, providing more training and guidance, and ensuring accountability performance across the state.

Proposal

This proposal includes two parts: Quality Assurance and Simplification, and Olmstead Plan Implementation.

Quality Assurance and Simplification

Ensure quality services and housing for people with low incomes and disabilities.

- Clarify expectations of provision of room and board; implement minimum provider qualifications, including background studies; and add habitability inspections for non-congregate settings.
- Increase monitoring and oversight at the state and county level, including:
    - Internal Audits to review individual and provider eligibility (two staff)
    - Staff to training staff county financial workers (one staff)
    - Policy staff to implement changes, and train county contract managers, social workers and providers (one staff)
    - Termination clause for the department
    - Monitoring and oversight requirements for counties and tribes, supported by an administrative allocation.

An estimated 1,000 background studies will be completed in the first year and 350 background studies will be completed in subsequent years. In FY 2014, DHS completed nearly 293,000 background studies. Based on existing background study capacity, these additional studies can be incorporated into existing workloads. The standard fee is $20 per study and it is set at a rate that recovers the cost of the background study. This proposal will:

Assure equal access to housing and services across all counties by.

- Simplifying license requirements for supportive housing settings
- Simplifying individual eligibility for receiving the GRH Service Rate in supportive housing settings
- Standardizing contracting and service authorizations
- Allowing tribes to enter into GRH agreements.

Simplify program rules by.

- Automating overpayment tracking
- Simplifying budgeting and reporting
- Limiting eligibility to people with disabling conditions and defining who can verify disabling conditions
- Requiring that people apply for all benefits for which they might be eligible, and to agree to re-pay any GRH benefits received while successfully applying for other benefits by signing an Interim Assistance Agreement.

Olmstead Plan Implementation

Implement Minnesota's Olmstead Plan Housing Goal, Action 3, by ensuring people can use income supplements in the most integrated setting of their choice.

Provide Housing Assistance for people to live where they want by merging current GRH funding for non-congregate settings with MSA Shelter Needy to offer housing assistance. Housing assistance will be structured like other state and federal housing programs, based on fair market rents and a portion of a person's income, and administered directly to housing assistance recipients, landlords, mortgage holders and utilities, instead of to a GRH vendor.

To be eligible, individuals must meet all of these criteria:

- Have a disability
- Demonstrate a need for services
- Have low incomes
- Reside in an institution or GRH setting, or receive MSA Shelter Needy in their own home
- Secure housing in the community with their own lease or mortgage.

Make services available to people who need them where they want to live by:

- Allowing people who receive housing assistance to receive GRH services, if not available from other sources
- Allowing people to choose their GRH services provider

Fund housing modifications to accommodate people's disabilities by allowing a county or tribe to negotiate a difficulty-of-care rate for a person receiving GRH or housing assistance, as approved by the commissioner of Human Services.

To be eligible, individuals must:

- Have extraordinary emotional, behavioral or physical health needs requiring the housing modification in order to secure housing
- Be transitioning from institutional care or a segregated setting into a more integrated setting.

Implementation timeline

The department will implement these proposals over three years.

- 2015: Increase program integrity and quality assurance, and begin building the infrastructure necessary to offer housing assistance and to allow housing and services to be independent of each other.
- 2016: Revise eligibility criteria, and simplify and standardize rules.
- 2017: Offer housing assistance and make services available for the new housing assistance recipients.

This timeline meets the requirements of the Olmstead Plan.

Results

This proposal will satisfy recommendations of the Minnesota Olmstead Plan, the 2013 State Plan to Prevent and End Homelessness, the 2007 Office of the Legislative Auditor Report, and the 2013 Legislated Service Rate Study. It will prevent intervention and prescriptive remedies from the Olmstead court monitor.

Restructuring existing program elements will expand choices for people with low incomes and disabilities about where they can live and receive services by:

- Increasing people's ability to afford housing in the community
- Allowing people to receive services where they want to live
- Simplifying and standardizing program rules to increase access
- Increasing program integrity and quality of care.

This will decrease the backlogs and waiting lists for housing at hospitals and institutions, and prevent homelessness for people exiting institutions and other residential settings. An estimated 3,100 people per year will exit institutions and other residential settings upon full implementation of this proposal.

The department will use the Results-Based Accountability model to measure the impact of this proposal on increasing choices and quality of care for people with disabilities in Minnesota, including:

- Increase in number of people exiting institutions or group residential housing
- Decrease in number of people becoming homeless after exiting institutions or group residential housing
- Increase in number of income supplement recipients living in affordable housing in the community.

Statutory Change(s):

256I, 256D, 256.017, 245C

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				1,119	2,025	3,144	8,278	13,565	21,843
HCAF									
Federal TANF									
DED Revenue				30	129	27	253	401	14
2000 Fund – Interim Assistance Recoveries				30	129	27	253	401	14
Total All Funds			$0	1,119	2,025	3,144	8,278	13,565	21,843
Fund	BACT#	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	25	Group Residential Housing Grants (Housing Grant/elig change)		(302)	1,885	1,583	9,870	15,591	25,461
GF	25	Group Residential Housing (Difficulty of Care)		153	286	439	416	545	961
GF	23	General Assistance		0	13	13	81	158	239
GF	24	Minnesota Supplemental Aid		0	(962)	(962)	(2,661)	(3,027)	(5,688)
GF	Rev2	Interim Asst Recoveries (non-dedicated)		(55)	(240)	(295)	(471)	(745)	(1,216)
DED	REV	Interim Assistance (dedicated 35%)		(30)	(129)	(159)	(253)	(401)	(654)
DED	EXP	Interim Assistance		30	129	159	253	401	654
GF	47	Children & Economic Assistance Grants (County Monitoring)		800	800	1,600	800	800	1,600
GF	12	Children & Families Operations (FTEs 2,2,2,2))		236	206	442	206	206	412
GF	11	Operations (Internal Audits FTEs 2,2,2,2)		199	168	367	168	168	336
GF	REV1	FFP @35%		(152)	(131)	(283)	(131)	(131)	(262)
GF	11	Operations (MAXIS)		240	0	240	0	0	0
Requested FTE's									
GF	11	Operations (Internal Audits)		2	2	2	2	2	2
GF	12	Children & Families Operations		2	2	2	2	2	2

Change Item: Data Collection Support for Plan to Prevent and End Homelessness

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	$575	$575	$575	$575
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	$575	$575	$575	$575
FTEs	1	1	1	1

Recommendation:

Effective July 1, 2015, the Governor recommends net General Fund appropriations of $575,000 annually to stabilize and provide consistent funding for improved data collection about homeless individuals and families in Minnesota. The intent of this funding is to assist in preventing and ending homelessness in Minnesota.

Currently, there is no dedicated state funding for collecting data on homeless Minnesotans.

Rationale/Background:

Data collection is an important aspect of providing appropriate and effective services to people experiencing homelessness throughout the state. As part of Heading Home: Minnesota's Plan to Prevent and End Homelessness, this proposal is part of a strategy that seeks to inform policy by improving both the quality and accessibility of data.

State and federal agencies require the use of the Homeless Management Information System (HMIS) to track homeless people served and program outcomes. Amherst H. Wilder Foundation is the system administrator. Current funding for HMIS is complex, unstable and inconsistent. Multiple state agencies and individual offices within state agencies have separate contracts to help fund the base of HMIS, along with more contracts to fund separate program specific requirements.

Data is also collected through a triennial homeless study conducted by Wilder, which state agencies help fund. In addition, a point-in-time count of all the people who are homeless in the state, both sheltered and unsheltered, is conducted at least once every year. This count is mandated by the federal department of Housing and Urban Development. According to the latest Wilder homeless study, 10,214 homeless adults, youth and children were homeless on the night of the 2012 survey.

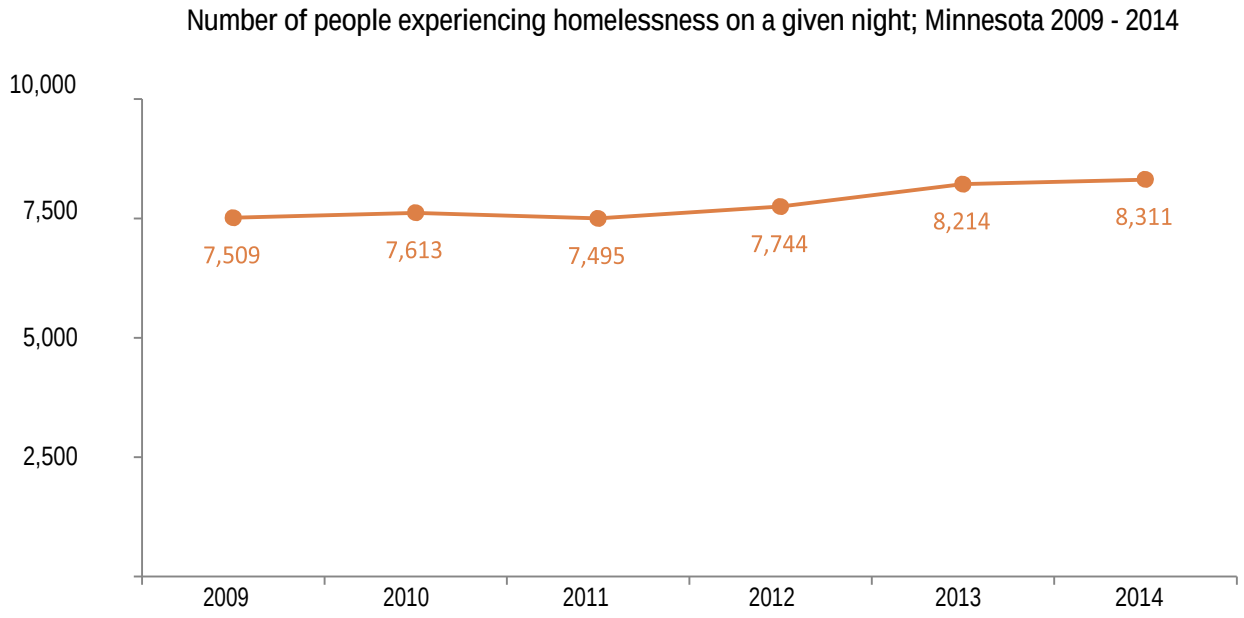
Data collected through the triennial study and through the point-in-time counts are important to the state's Plan to Prevent and End Homelessness, as this data is used to inform policy, improve service delivery and track the plan's progress.

Proposal:

This proposal appropriates state resources to provide base funding for HMIS and support specific state program requirements. This system is required by both state and federal programs and provides key data to fulfill federal reporting requirements, track program outcomes, and inform policy.

This funding will ensure that HMIS and other data projects, point-in-time counts and Wilder homeless survey are functional and stably funded. With greater capacity and stability in data collection, the department's homeless programs will be able to better track outcomes and effectiveness; inform policy decisions to ensure the department is using state funds in the most effective and efficient way possible; and align state data collection goals with federal requirements. Partners in this effort include the Wilder Foundation, Minnesota Housing, Corrections, Veterans Affairs, Human Services, and other state agency members of the Minnesota Interagency Council on Homelessness.

Results:



Source: Point-in-Time Counts, Continuums of Care

Statutory Change(s):

A budget rider may be needed.

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				$575	$575	$1,150	$575	$575	$1,150
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	$575	$575	$1,150	$575	$575	$1,150
Fund	**BACT#**	**Description**	**FY 15**	**FY 16**	**FY 17**	**FY 16-17**	**FY 18**	**FY 19**	**FY 18-19**
GF	12	Children & Families Operations		884	884	1,768	884	884	1,768
GF	REV1	FFP @35%		(309)	(309)	(618)	(309)	(309)	(618)
Requested FTE's									
GF	12	Children & Families		1	1		1	1	

Change Item: AMRTC Cost of Care Increase to 100% for Days Not Meeting Hospital Criteria

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	1,000	750	500	500
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(1,000)	(750)	(500)	(500)
FTEs	0	0	0	0

Recommendation:

Effective July 1, 2015, the Governor recommends a change to the county cost of care share that is charged for individuals at the Anoka-Metro Regional Treatment Center (AMRTC) who are clinically appropriate for discharge. The goal of this proposal is to encourage appropriate admissions to the facility and also to encourage more timely patient discharges from the facility to less restrictive settings as soon as it is appropriate for the patient.

Rationale/Background:

The AMRTC is currently staffed to operate as a 110-bed psychiatric hospital. Over the last several months the facility has experienced significant increases in the number of individuals it serves that do not meet hospital level of care requirements. Each day that one of these individuals remains at AMRTC rather than being discharged is known as a "Does Not Meet Criteria, or DNMC," day. Over 40% of the individuals in the facility on average for the last several months have not needed to be served in a hospital and should have been served in a lower, less restrictive level of care.

This proposal will incent counties to consider alternate placement for individuals who do not need the level of care provided at AMRTC. Currently, a county's payment of the cost of care at AMRTC is calculated according to the following schedule:

1. Zero percent for the first 30 days;
2. 20 percent for days 31 to 60; and
3. 75 percent for any days over 60.

Under current law the increase in the county portion for cost of care to 75% is imposed only after 60 days from when the treatment facility has determined that it is clinically appropriate for the client to be discharged. This percentage was increased from 50% to the current 75% during the 2013 Legislative session to provide a financial incentive for counties to seek a more appropriate level of care placement option for persons who are stable and do not require hospital level of care. The change did not impact the county share for individuals with a stay of less than 60 days or who were admitted not needing hospital level of care but committed to the commissioner of Human Services.

When individuals are inappropriately placed at, or are "stuck" at, AMRTC, it reduces the facility's capacity to serve individuals who actually require hospital level of care. AMRTC does not have the capacity or funding to expand the level of services provided, so the wait times to enter the facility increase and individuals who are "stuck" are held in an inappropriate level of care and restriction.

There are several barriers in discharging individuals who are inappropriately placed at AMRTC, most notably, a lack of options for varying levels of care. These barriers result in an ongoing waiting list for admission of individuals with disabilities who do require the facility's hospital level of care. The inability to discharge from a hospital setting is costly to the system and restricts the patient flow. One result is that individuals who need hospital level of care are held in inappropriate settings such as community corrections and emergency rooms, while AMRTC is unable to admit them in a timely manner.

Proposal:

Under this proposal, effective July 1, 2015, the county share of the cost of care would increase to 100% for Adult Mental Health services provided at the AMRTC for clients who no longer require an acute level of care. This change in county share would be effective from the first day an individual did not meet hospital level of care, including the day of admission if the stay was not medically necessary on that day. This proposal is complementary with another DHS proposal to create 3 new service locations in geographically

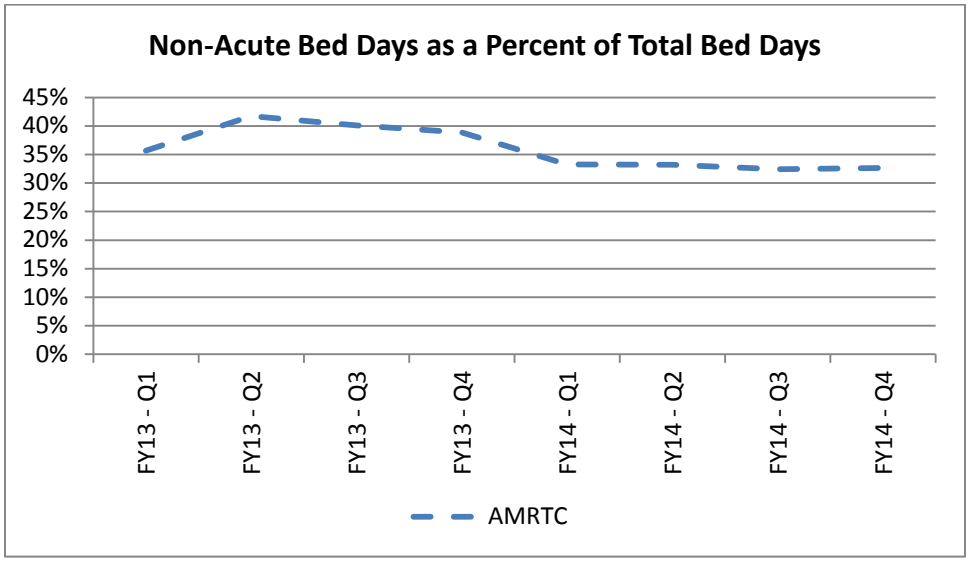
underserved areas. These new locations will allow individuals who do not need the level of care at AMRTC to transition to a community-based location. This proposal will ease pressure on AMRTC and assure service availability in currently underserved geographic areas of the state.

The goal of this proposal is to encourage more timely patient discharge from the treatment facility to a less restrictive setting as soon as it is appropriate for the patient. This proposal seeks to incent counties to actively seek and/or create community-based placement options, by increasing the county share of the cost of care for persons who do not meet hospital level of care but are being committed to the commissioner to be placed at AMRTC.

This also compliments a number of other DHS proposals to increase the capacity of community-based mental health services including Assertive Community Treatment (ACT), Mental Health Crisis Services, and Housing with Supports as well as the proposal to stabilize the mental health payment rate structure to ensure that community-based services are sustainable in the long term. Increased capacity of community-based services will provide additional options for people being discharged or diverted from AMRTC.

Results:

We measure success by a reduction of non-acute bed days. A non-acute bed day is a day spent in the hospital when the client no longer needs that level of care. When a client does not need hospital level of care but cannot be discharged, it restricts the system flow, is costly and causes other clients who need hospital level of care to remain on the waiting list. Our goal for inpatient services is that only 10% of total bed days are classified as non-acute bed days.



The graph above shows that although the non-acute bed day percentage at AMRTC is declining, it is still too high.

Statutory Change(s):

MS § 246.54

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund		(1,000)	(750)	(1,750)	(500)	(500)	(1,000)
HCAF							
Federal TANF							
Other Fund							
Total All Funds	$0	$(1,000)	$(750)	$(1,750)	$(500)	$(500)	$(1,000)

Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	REV2	SOS Cost of Care Recoveries		(1,000)	(750)	(1,750)	(500)	(500)	(1,000)
Requested FTE's									

Change Item: Consolidated Chemical Dependency Treatment Fund Rate Change

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	8,957	8,996	8,166	8,307
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	8,957	8,996	8,166	8,307
FTEs	0	0	0	0

Recommendation:

Effective July 1, 2016, the Governor recommends a change to the rate structure for the Consolidated Chemical Dependency Treatment Fund (CCDTF) to provide a new base rate for providers who are state-certified in Integrated Dual Diagnosis Treatment (IDDT), meet certain staffing requirements, and are serving individuals committed to the Commissioner of Human Services who present with complex issues and who may present a risk to public safety. This rate will apply to private residential chemical dependency treatment providers as well as the state-operated Community Addiction Recovery Enterprise (C.A.R.E.) program.

The Governor also recommends restructuring the C.A.R.E. program to reduce bed-capacity from 174-beds, across six sites, to 70 beds, across up to four sites by June 30, 2016. Effective July 1, 2015, the Governor's recommends providing a general fund appropriation to sustain the C.A.R.E. program as it restructures.

Rationale/Background:

In fiscal year 2012, the rate structure for the services provided under the Consolidated Chemical Dependency Treatment Fund (CCDTF) was changed from a county negotiated rate for each provider to a standardized rate table used for all providers. The rate methodology uses a base rate with a select number of add-ons for client complexities based on a provider's program set-up. One of the add-ons is an enhancement for residential services for clients with co-occurring chemical dependency and mental health disorders. Despite the availability of this add-on, the complex needs of certain clients often exceed the level of services supported by the enhanced rate and provided by private vendors. This has required the state-operated Community Addiction Recovery Enterprise (C.A.R.E.) program to serve these clients.

A 2013 Report by the Office of the Legislative Auditor (OLA) recommended clarifying that the role of state-run facilities is to serve individuals who would not be adequately served by other providers. C.A.R.E. currently operates at 174-bed capacity, across six sites with an average daily census of 150 -155 clients. The program specializes in the treatment of vulnerable people with complex substance abuse needs for whom no other providers are available. C.A.R.E. operates on the revenues generated from services provided to clients, with the primary payer source being the Consolidated Chemical Dependency Treatment Fund (CCDTF). Other payers include third-party payment sources such as commercial insurance, counties, and the individuals themselves. In addition, all current C.A.R.E. facilities have greater than 16 beds which prevents federal financial participation through Medical Assistance (MA) within the CCDTF. This approach to funding a state operated safety net service has become more difficult as payment rates do not adequately fund the treatment needs of the most complex clients or the cost increases for state employee salary and benefits.

In an attempt to stay within the available funds being generated, program staffing levels at the various C.A.R.E. facilities have not been adjusted to appropriately reflect the needs of the individuals being served, which has required facilities to reduce the number of admissions. This has led to less revenues being generated and a deficiency that the programs cannot recover through existing funding streams. As a result, C.A.R.E. has sought additional one-time funding requests during the past two legislative sessions as it struggles to find a balance between client needs and funding. C.A.R.E. serves clients who often have co-occurring substance abuse, mental health, physical health and public safety concerns. As currently structured, C.A.R.E. does not have sufficient resources to address all of these issues during the course of a client's stay in the program.

At the same time, it is anticipated that private providers could serve many of the clients currently served by C.A.R.E. with appropriate staffing and a payment that is sufficient to support this infrastructure. A review of the CCDTF rate structure is now underway in

accordance with statute and is set to be completed within the fiscal year. The 2014 Legislature directed the Department to seek federal authority to develop new payment methodologies related to 1) state-operated vendors and 2) for persons who are committed to the Commissioner of Human Services, present with complex needs and may present a risk to public safety regardless of the service provider. Costs for serving these clients greatly exceeds the current rate structure payments and the imbalance is leading providers to either not serve these clients, or serve them and suffer significant losses.

The 2011 Legislature had directed DHS to adopt a new rule that would create a certification process for integrated dual disorder treatment providers. The rules creating the certification have been adopted and are in the implementation process. The certification requires programs to use a single integrated treatment plan to address co-occurring disorders and identify integrated treatment interventions, provide mental illness and substance use disorder treatment within the same episode of care, and incorporate evidence-based treatment practices shown to be effective in treating mental illness, substance use disorders, and co-occurring disorders. This certification, along with enhanced staffing, will be prerequisites for private providers to receive an enhanced rate to serve committed clients with complex needs.

Proposal:

This proposal will provide a new base rate of $475 per client, per day, for providers who are state-certified in Integrated Dual Diagnosis Treatment (IDDT), meet certain staffing requirements, and are serving individuals committed to the commissioner of human services who present with complex issues and who may pose a risk to public safety. This rate, referred to as "IDDT-complex", will apply to private residential chemical dependency treatment providers (commonly known as Rule 31 providers) as well as the state-operated Community Addiction Recovery Enterprise (C.A.R.E.) program. Currently, providers are struggling to meet the needs of this set of clients under the "high intensity treatment" rate of $174 per client per day.

Implementing the new rate will require amending Minnesota's Medicaid State Plan. This proposal assumes Federal approval will be received and new rates will be implemented by July 1, 2016. The proposal includes statutory changes to require providers to meet the staffing requirements necessary to serve these clients.

By July 2016, the proposal will also restructure the C.A.R.E. program to reduce bed-capacity from 174-beds, across six sites, to approximately 70 beds, across up to four sites. C.A.R.E. programs will also need to become IDDT-certified and meet the staffing requirements for receiving the IDDT-complex rate. All current C.A.R.E. sites will be impacted by this restructuring. The intent is to close two sites and reduce the bed capacity at the remaining sites. The first site to be closed will be the C.A.R.E. site located in Carlton with a plan to close during FY2015. Beginning in FY2016, sites in Brainerd, St. Peter and Willmar will see reductions in bed capacity to 16-beds as a smaller therapeutic environment is more beneficial for caring for individuals with complex needs. Reducing to 16-beds also allows the state to capture federal reimbursement on individuals on Medical Assistance. The site in Anoka will also reduce capacity from 29 to 22 beds by June 2016. The Fergus Fall site is expected to close by the start of FY2017. This will complete the reduction of the bed capacity in C.A.R.E., removing 104 beds from the C.A.R.E. program.

It is estimated that the approximate capacity of 70-beds will be sufficient to meet the needs once the new IDDT-complex rate has been established and private providers increase capacity. However, if during the course of the restructuring of C.A.R.E. if it is determined that demand exceeds the planned bed capacity, the agency will bring forward a supplemental budget proposal to retain additional state-operated capacity at C.A.R.E. Anoka and C.A.R.E. Fergus Falls.

Finally, the proposal includes a general fund supplement to cover the C.A.R.E. programs' projected deficiency in FY2016-17 as C.A.R.E. restructures. The proposal also includes an on-going general fund supplement beginning in FY 2018-19 to pay for costs to the C.A.R.E. program not covered by the IDDT-complex rate.

Results:

Individuals with co-occurring substance use and mental health disorders, who are committed to the Commissioner, will have increased access to clinically-appropriate, community-based care.

Statutory Change(s):

M.S. § 254B.05, subd. 5; rider

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				8,957	8,996	17,953	8,166	8,307	16,473
HCAF									
Federal TANF									
Other Fund									
Total All Funds				8,957	8,996	17,953	8,166	8,307	16,473
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	62	SOS Enterprise Svcs (C.A.R.E.)		6,031	1,799	7,830	776	776	1,552
GF	35	CD Treatment Fund		2,926	7,197	10,123	7,390	7,530	14,921
Requested FTE's									

Change Item: Jensen Settlement Administrative Costs

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	1,989	1,955	1,955	1,955
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,989	1,955	1,955	1,955
FTEs	9.0	10.0	10.0	10.0

Recommendation:

Effective July 1, 2015, the Governor recommends funding to cover the cost of operating the Jensen Implementation Office (JIO) whose function is to assure compliance with the court ordered requirements of the Jensen Settlement Agreement. In addition, the Governor also recommends funding to meet the timelines and action items required in the February 12, 2014 Jensen Comprehensive Plan of Action (CPA) regarding the modernization of Rule 40. Total net cost of these actions is $3.94 million in the FY 2016-17 biennium and $3.91 million in the following biennium.

Rationale/Background:

The Jensen Settlement Agreement is the result of a lawsuit filed against DHS in 2009 alleging that residents of the former Minnesota Extended Treatment Options (METO) program were unlawfully and unconstitutionally secluded and restrained. The Jensen Settlement Agreement allowed the department and the plaintiffs to resolve the claims in a mutually agreeable manner. The Comprehensive Plan of Action (CPA) outlines the path that the department will take to come into compliance with the terms of the agreement. The plan includes three parts:

- Part I addresses the closure and replacement of the Minnesota Specialty Health System (MSHS)-Cambridge facility with community homes and services;
- Part II addresses the modernization of Rule 40; and
- Part III addresses the development of Minnesota's Olmstead Plan.

The CPA also stipulates that the Department establish and staff the JIO to assure that all items outlined in the CPA are appropriately implemented and that the state complies with the orders of the court.

Proposal:

The JIO was established to ensure that the information being provided to the court is handled in a consistent manner and that orders from the court are followed. No additional funding was made available for this office at its inception which has resulted in cost-shifting from funds needed for direct services to clients. These funds need to be re-focused on direct services. This proposal seeks to provide on-going funding for the JIO.

A Rule 40 Advisory Committee (http://mn.gov/dhs/partners-and-providers/continuing-care/reform-initiatives/rule-40/index.jsp), made up of lead agencies, family members, independent experts, providers, and others, developed recommendations (https://edocs.dhs.state.mn.us/lfserver/Public/DHS-6748-ENG) to modernize Rule 40 – the administrative rule that governs use of aversive and deprivation procedures. To modernize the rule, this proposal requests 5.00 FTEs and other administrative resources for the agency's Continuing Care Administration to:

- Provide client-specific technical assistance and training to lead agencies and providers by trained people with experience in positive support practices;
- Develop capacity of trained clinicians in the areas of positive support practices;
- Develop training curriculum and manuals on positive support practices;
- Build in-state training capacity for person centered planning;

- Develop lead agency protocol, sampling strategies and incorporate into waiver review field-based activities;
- Manage multiple complex work plans and review processes across initiatives and their implementation to assure actions required by the court are met.
- Provide support and reimbursement for two External Program Review Committees, which will review requests for emergency use of procedures that have been part of an approved positive support transition plan, and make recommendations to the commissioner to approve or deny these requests.

Resources are also needed for ensuring expertise in training and providing technical assistance on positive support practices and person-centered planning to help build capacity of providers in the community to appropriately support people, to reduce the number of re-hospitalizations and use of emergency rooms, to avert crises of individuals, and to ensure there are appropriate and needed services in the community to meet the diverse needs of people. These efforts work to fulfill the requirement of the Jensen Settlement by satisfying the court monitoring of related implementation plans.

Disabilities impact people of all races, ethnicities, ages, and backgrounds. Training for providers, lead agencies, clinicians and other professionals on positive support practices and person centered planning will ensure that the unique needs of each person are accounted for in the service planning process. This includes the person's preferences for certain cultural or religious practices.

Results:

We will measure the performance of this proposal by assuring lead agencies are implementing the person-centered planning and transition requirements of the Jensen Settlement Agreement for former METO/Cambridge residents under county auspices. This will be done by using a standardized assessment tool to evaluate the transition-planning process to determine if former METO/Cambridge residents feel their lives have improved.

Statutory Change(s):

None.

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				1,989	1,955	3,944	1,955	1,955	3,910
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	1,989	1,955	3,944	1,955	1,955	3,910
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	61	SOS Mental Health – CSS Phase I		210	210	420	210	210	420
GF	11	Operations – Implementation Office		1,504	1,436	2,940	1,436	1,436	2,872
GF	14	CCA Admin		1,233	1,248	2,481	1,248	1,248	2,496
GF	REV1	Admin FFP @35% (BACT 11 & 14)		(958)	(939)	(1,897)	(939)	(939)	(1,878)
Requested FTE's									
GF	11	Operations		5.00	5.00	5.00	5.00	5.00	5.00
GF	14	CCA Admin		4.00	5.00	5.00	5.00	5.00	5.00
		Total FTEs		9.00	10.00	10.00	10.00	10.00	10.00

Change Item: State Operated Services Operating Adjustment

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	2,663	5,375	5,375	5,375
Revenues	503	1,016	1,016	1,016
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,160	4,359	4,359	4,359
FTEs	35.5	71.7	71.7	71.7

Recommendation:

Effective July 1, 2015, the Governor recommends increasing funding for the Department of Human Services Direct Care and Treatment (DCT) State Operated Services (SOS) Mental Health and Forensic Services programs by $8 million for the 2016-17 biennium. The increase is for compensation related costs associated with delivering services. This increase will provide the ongoing resources SOS needs to manage the 1.8% annual compensation increase that Minnesota Management and Budget instructed agencies to include in the base budget for the 2016-17 biennium. The cost of this recommendation is partially offset by the county share of the cost of care, resulting in a net state share of $6.5 million in the FY2016-17 biennium.

Rationale/Background:

Each year compensation costs rise due to growing insurance costs, non-discretionary step increases, and other items such as the labor contract settlements for FY2014 and FY2015, and the recent increase in the state share of pension obligations. While SOS appropriated programs received funding for the FY2015 3.0% labor contract settlements, these programs did not receive funding for growing insurance costs, non-discretionary step increases or the recent increase to the state share of pension obligations.

As a direct care service provider personnel costs comprise over 80% of the total operating costs of these SOS programs. When faced with costs outside its control, the only recourse SOS has is to hold staff positions open which reduces a program's ability to serve clients.

Proposal:

The Governor recommends increasing the SOS Mental Health and Forensic Services appropriations by the amount needed to cover employee wage and benefit cost increases of 1.8% per year for FY 2016-17. Agencies were instructed to include a 1.8% increase to total compensation each year in their base budgets, based upon the compound annual compensation spending rate increase per FTE over the last ten years for executive branch employees. This proposal is limited and is only requesting the funds that the Department will need ongoing to cover the compounded effect of an annual 1.8% increase in the cost of the current complement of SOS personnel working in the Mental Health and Forensic Services programs.

Results:

This additional funding will allow SOS to continue to serve approximately 2,800 individuals per year in these state facilities and programs, while restoring a base reduction of 72 FTEs as of FY 2017 that is displayed in the above table. If SOS Mental Health and Forensic Services do not receive this funding increase, the Department will be faced with not filling direct care staffing positions and reducing the number of individuals served or restricting which individuals can be served. Priority will be focused on services that promote public safety (Forensic), commitments (Anoka), and community alternatives to institutional care.

Statutory Change(s):

None

DHS Fiscal Detail for Budget Tracking: *DCT-SOS Operating Adjustment*

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				2,160	4,359	6,519	4,359	4,359	8,718
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	2,160	4,359	6,519	4,359	4,359	8,718
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	61	SOS Mental Health Svcs		1,579	3,187	4,766	3,187	3,187	6,374
GF	63	SOS Forensic Svcs		1,084	2,188	3,272	2,188	2,188	4,376
GF	REV2	SOS Cost Recoveries		(503)	(1,016)	(1,519)	(1,016)	(1,016)	(2,032)
Preserved FTE's									
GF	61	SOS Mental Health Svcs		21.8	44.0		44.0	44.0	
GF	63	SOS Forensic Svcs		13.7	27.6		27.6	27.6	

Change Item: Minnesota Sex Offender Program Operating Adjustment

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	3,941	5,182	5,182	5,182
Revenues	591	777	777	777
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	3,350	4,405	4,405	4,405
FTEs	16	33	33	33

Recommendation:

Effective July 1, 2015, the Governor recommends increasing the Minnesota Sex Offender program (MSOP) funding by $9.12 million in FY2016-17. This increase will provide the ongoing resources MSOP needs to address the impacts in in the 2016-17 biennium of the current biennium's labor contract settlement that increased wages by 3% each year. The recommended increase will also provide the resources MSOP needs to manage the 1.8% to total compensation increase each year in their base budget that Minnesota Management and Budget (MMB) instructed agencies to include in the base budget for the 2016-17 biennium. The cost of this recommendation is partially offset by the county share of the cost of care, resulting in a net state share cost of $7.8 million in the FY2016-17 biennium.

Rationale/Background:

MSOP operates 24 hours a day, 7 days a week, 365 days a year. More than 80% of the program's total operating expense is associated with staff salaries. Each year, compensation costs rise due to growing insurance costs, non-discretionary step increases, and other items such as the labor contract settlements for FY2014 and FY2015, and the recent increase in the state share of pension obligations.

MSOP was able to absorb the salary pressures from the labor contract settlements in FY 2014, and partially absorb them in FY 2015. The Department received a one-time supplemental appropriation of $1.2 million last session, and in addition, growth in the number of clients slowed somewhat, and the program experienced a higher than anticipated staff vacancy rate, all resulting in MSOP's ability to manage in FY 2015. MSOP now needs additional funding to cover the FY2016 and FY2017 impact of the higher wages. With the exception of the one-time supplemental appropriation for FY2015, base salary funding has not been adjusted for cost of living increases since 2007. The Department cannot continue to fund salary increases and compensation cost increases within the base funding without negatively affecting client services or the secure treatment environment. This funding increase will ensure appropriate staffing levels are in place as needed to provide client care and ensure staff safety.

Proposal:

This proposal provides the resources DHS needs in the 2016-17 biennium to address the MSOP impacts of the wage increases in the labor contracts that were approved for the current biennium.

This recommendation is an increase to the operating funds for the MSOP. The recommendation provides additional, ongoing funding for compensation related costs associated with the delivery of the MSOP's services. Funding this recommendation will ensure that MSOP has the resources needed to accomplish the statutory obligation of the program, as well as its mission — to promote public safety by providing comprehensive treatment and reintegration opportunities for civilly committed sex abusers.

Results:

MSOP treatment is individualized — based upon the clinical needs, risk potential, and responsiveness to treatment — for each client. Consistent with the research and standard clinical practices, MSOP provides integrated treatment including sex-offender-specific treatment, vocational and work opportunities, education, therapeutic recreation, and mental health services.

Funding this proposal ensures the program can maintain appropriate staffing levels so the current levels of sex offender treatment, clinical services, and vocational programming are not interrupted or decreased. This additional funding will allow MSOP to continue to serve the 700 clients in the program while restoring a base reduction of FTEs that is displayed in the Fiscal Impact table above, and preserving additional FTEs that the program could not afford in the FY2016-17 biennium if this recommendation is not funded. We will measure our staff vacancy rate, and the progression of our clients through treatment, as indicators of the success of this proposal.

MSOP would have to reduce its complement of security or clinical staff by a significant number by the end of the FY 2016-17 biennium if this recommendation is not funded.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Results	Staff vacancy rate	9.3%	7%	FY13 to FY15
Results	Percent of clients in Phase 1	64.8%	43.2%	FY12 to FY14
Results	Percent of clients in Phase 2	29.1%	47.9%	FY12 to FY14
Results	Percent of clients in Phase 3	6.1%	8.9%	FY12 to FY14

Statutory Change(s):

None.

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				3,350	4,405	7,755	4,405	4,405	8,810
HCAF									
Other Fund									
Total All Funds			$0	3,350	4,405	7,755	4,405	4,405	8,810
Fund	BACT #	Description	FY 15	FY 16	FY 17	4,405	FY 18	FY 19	FY 18-19
GF	71	MSOP		3,941	5,182	9,123	5,182	5,182	10,364
GF	REV2	County Share @ 15% average		(591)	(777)	(1,368)	(777)	(777)	(1,554)
Preserved FTE's									
GF	71	MSOP		16	33		33	33	

Change Item: Minnesota Sex Offender Program Reform

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	2,787	4,537	1,912	1,912
Revenues	286	286	286	286
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,501	4,251	1,626	1,626
FTEs	14.0	14.0	14.0	14.0

Recommendation:

Effective July 1, 2015, the Governor recommends increased appropriations to Direct Care and Treatment (DCT) Minnesota Sex Offender Program (MSOP) of $7.3 million for the FY2016-17 biennium and $3.8 million for the FY2018-19 biennium. These new resources enable the program to conduct individual evaluations of each MSOP client every other year, to evaluate each client's treatment progress and complete a risk assessment. The new funding also covers the one-time transition costs of moving 50 clients to less restrictive alternative treatment settings. Only clients who are appropriately served in less restrictive settings will be moved. The Governor also recommends using the new funding to add Judicial Appeal Panel judges rather than continuing the current reliance on part-time appointments. The cost of this package of recommendations is partially offset by the county share of the cost of care, resulting in a net state share cost of $6.8 million in the FY2016-17 biennium and $3.3 million in the FY2018-19 biennium.

Rationale/Background:

The Minnesota Sex Offender Program (MSOP) is currently the subject of a class action litigation brought by individuals who are civilly committed as sexually dangerous persons (SDP) and/or sexual psychopathic personalities (SPP). These individuals assert numerous claims, including but not limited to claims regarding the constitutionality of the civil commitment process and the adequacy of the treatment provided by MSOP. In connection with this litigation, the Sex Offender Civil Commitment Task Force (SOCCTF) issued recommendations for statutory changes in 2013. In addition, a panel of court-appointed experts also submitted a court-ordered report containing recommendations for MSOP and civil commitment reform. Many of these concepts have been recommended before via a 2011 report of the Office of the Legislative Auditor and /or in Senate File 1014 (Sheran) from the 2013 legislative session.

Proposal:

Effective July 1, 2015, this proposal provides funding of $2.98 million for the 2016-17 biennium to MSOP for the 14 additional staff (FTEs) needed to conduct individual evaluations of all MSOP clients on a bi-annual basis. The purpose of these evaluations is to determine if a client continues to meet the statutory criteria for placement within the secure perimeter of MSOP. These evaluations will include forensic risk assessment and be conducted by an evaluator, knowledgeable about the client's treatment progress but independent of the treatment team. This funding is added to the base.

The proposal also provides one-time appropriations of $875,000 for fiscal year 2016 and $2,625,000 for fiscal year 2017, to support MSOP's costs to continue to operate its large facilities within the secure perimeter while clients who are appropriate for less restrictive alternatives are transitioning to less restrictive secure facilities. MSOP has developed contracts with several community resources for ongoing clinical services, housing, and intensive supervision. This proposal assumes increased use of these contracted alternatives, in addition to the development of state-run less restrictive facilities for clients which the private community providers will not serve. Given the current rate at which clients are ordered by the court for provisional discharge, we had been anticipating that approximately five clients per year would transition to less restrictive secure facilities. An expected outcome of this proposal is that the number of clients transitioning each year will grow to 50. Although the per diem for clients on provisional discharge is similar to that of clients in the MSOP secure perimeter, MSOP will continue to incur costs until a critical mass of clients are residing under intensive supervision in the community. Specifically, beds or units within the secure perimeter cannot be closed until the census decreases enough to support a change in the staffing pattern. Because of uncertainty about how long the transition may take, under this proposal the one-time appropriation is available until June 30, 2019.

Related to the length of time the current review process takes, this proposal includes $850,000 for the 2016-17 biennium to provide increased resources for the judicial branch's role in the review process. This amount is a placeholder while DHS continues ongoing discussions with the judicial branch about the best way to ensure that the judicial branch has the capacity to fulfill its role. This funding is added to the base.

This proposal addresses the recommendations of several experts who have evaluated the MSOP and Minnesota's use of civil commitment for individuals who have engaged in sexual offending behaviors. Without the legislature addressing these issues, the likelihood of judicial action against the state is increased.

Results:

Because this recommendation funds new activities, new performance indicators and outcome measures will be developed. Specifically related to the funding for additional evaluators, we expect there will be an increase in the number of risk assessments conducted, in particular for clients who do not submit formal petitions. Additionally, with funding for additional judges for the Judicial Appeal Panel, we expect there will be a decrease in the amount of time between submission of a petition and final disposition of the petition. Both of these outcomes have been noted as significant in various external reports on the Minnesota Sex Offender Program and the civil commitment process.

Statutory Change(s):

Provisions in M.S. chapters 246B and 235D

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				2,501	4,251	6,752	1,626	1,626	3,252
HCAF									
Federal TANF									
Other Fund									
Total All Funds				2,501	4,251	6,752	1,626	1,626	3,252
Fund	BACT#	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	71	MSOP		2,787	4,537	7,324	1,912	1,912	3,824
GF	REV2	Cost of Care-(non-dedicated revenue)		(286)	(286)	(572)	(286)	(286)	(572)
Requested FTE's									
GF	71	MSOP FTEs		14.0	14.0		14.0	14.0	

Change Item: Minnesota Sex Offender Program County Share for Provisional Discharges

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	94	187	280	373
Other Funds:				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(94)	(187)	(280)	(373)
FTEs	0	0	0	0

Recommendation:

Effective July 1, 2015, the Governor recommends the Department of Human Services (DHS) charge counties for the same portion of the cost of care for clients provisionally discharged from the Minnesota Sex Offender Program (MSOP) as was paid for clients prior to their provisional discharge. This recommendation results in savings to the state of $281,000 in the 2016-17 biennium and savings of $653,000 in the 2018-19 biennium.

Rationale/Background:

Under current law, MSOP is required to provide sex offender treatment for individuals under civil commitment as a sexual psychopathic personality and/or a sexually dangerous person. Since August 1, 2011, counties have been responsible for 25 percent of the cost of care at the facility for clients civilly committed to MSOP. For clients committed prior to August 1, 2011, counties are responsible for 10% of the cost of care.

When an individual is provisionally discharged from MSOP, the program is required to provide supervision, aftercare, and case management services. MSOP must also act as the designated agency to assist with establishing client eligibility for public welfare benefits and provide those services that are currently available exclusively through county government. In current statute, there is no county share specified for the cost of these services; the statute only addresses county responsibility for cost for the time the client spends at the facility.

Proposal:

Effective July 1, 2015, this proposal requires counties to continue to pay the same cost of care portion for individuals discharged or provisionally discharged while they continue to be under the supervision of the Minnesota Sex Offender program (MSOP).

This proposal will make the requirement that counties cover either 10 or 25 percent (depending on date of commitment) of the cost of care for supervision, aftercare, and case management services provided by MSOP. The change will make a county's fiscal responsibility the same proportion whether the client is in an MSOP facility or is released or provisionally discharged from the MSOP facility but is still receiving supervision and related services from MSOP.

Results:

This proposal is a cost savings to the state. It would extend the counties' fiscal responsibility to include clients on provisional discharge from MSOP. Currently, MSOP is responsible for the total cost of care for provisionally discharged clients. This proposal would apply the current proportion for the costs of care (25 percent) that the county is now paying to the services MSOP is required to provide in the facility.

Statutory Change(s):

M.S. section 246B.10

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				(94)	(187)	(281)	(280)	(373)	(653)
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	(94)	(187)	(281)	(280)	(373	(653)
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	REV2	MSOP Recoveries (County Share @ 15%)		(94)	(187)	(281)	(280)	(373)	(653)
Requested FTE's									

Change Item: FY2015 Forensic Program Deficiency

Fiscal Impact ($000s)	FY2015	FY 2016	FY 2017	FY 2018	FY 2019
General Fund					
Expenditures	$10,437	0	0	0	0
Revenues	0	0	0	0	0
Other Funds					
Expenditures	0	0	0	0	0
Revenues	0	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	$10,437	0	0	0	0
FTEs	0	0	0	0	0

Recommendation:

Effective the day following final enactment, the Governor recommends a one-time appropriation to Direct Care and Treatment (DCT) State Operated Services (SOS) Forensic Services of $10.4 million to cover deficit spending within the FY2014-15 biennium.

Rationale/Background:

SOS Forensics Services provides evaluation and specialized treatment services to individuals committed as mentally ill and dangerous (MI & D) or other commitment types for people who present a public safety risk. Forensic Services also serves people with mental illness who the court has ordered for evaluation and treatment before the start of a criminal trial. Forensic Services includes the Minnesota Security Hospital, Forensic Transition, Competency Restoration and the Forensic Nursing Home. Forensic Services is currently staffed by approximately 847 employees who provide services to an average daily client population of 365. Of the current program costs, approximately 80% is personnel costs. The remaining 20% are non-personnel costs including food, drugs, utilities, supplies and other purchased services. MSH is currently operating at a deficiency resulting from increased staffing and other service improvement costs which have been necessary to implement in order for MSH to maintain licensure.

Specifically, this deficiency request is based on the following actions whose costs we are not able to absorb within our existing budget:

1. Terms of the first conditional license, from December 2011, required increased staffing levels, additional training and made improvements in the physical environment to specifically resolve the conditions of the program's license.
2. The second conditional license, from January 2014, resulted in the addition of thirteen new terms of the conditional license. This extension required the facility to restructure its organizational structure, to further increase staff presence on the treatment units, to train all staff in person-centered thinking, to use person-centered coaches on all units, to increase clinical review activity, to perform unscheduled observations, and to make other practice changes.
3. Installation of security cameras to increase safety for clients and staff.
4. Creation of an admissions unit including the physical plant changes and the staff to address safety issues and improve client care.

In addition to this request, DCT is also submitting a request for ongoing base funding to ensure the security hospital funding is sufficient to sustain the changes made to comply with all terms of the program's license and eventually earn removal of the conditional status of our license.

While implementing the program improvements above, DC&T has also absorbed many costs including paying for salary increases for bargaining unit staff in FY 2014, covering the costs of the Jensen Settlement, paying for ongoing litigation costs related to the Karsjens class action lawsuit, providing critical upgrades to Avatar, and funding additional staff at Anoka Metro Regional Treatment Center.

Proposal:

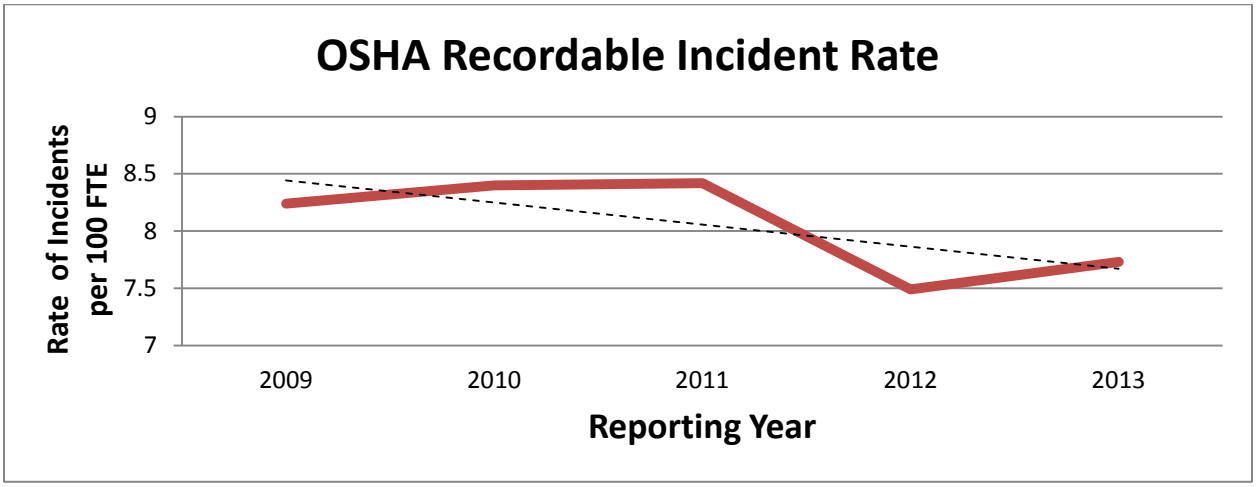
This proposal provides $10.4 million in deficiency funding for expenditures that the department's Forensic Services program incurred during the 2014-2015 biennium due to the requirement of a conditional license placed on the Minnesota Security Hospital (MSH). This deficiency funding will assure that the program is in balance for the close of the biennium and that the terms of the conditional license can be met.

MSH is the only secure treatment facility in the state and if it is not able to meet the terms of its conditional license there is no other provider available to serve this client population should the program be unable to continue operation. Changes being made at the facility are intended to improve the client care and assure that both staff and clients are safe.

DCT will need this deficiency funding to maintain services through the end of the FY2015. It is expected that at the projected spending level, Forensics Services will be out of funds by March 31, 2015 and unable to pay vendors for services after that point.

Results:

We care about the safety of our clients and staff. One measure of safety we track is the rate at which employees have injuries or illnesses that are reportable to the federal Occupational Safety Health Administration (OSHA). Many efforts are underway at MSH to lower this rate. In the chart below, the solid line is the actual annual data. It is imposed on top of an underlying dotted trend line. The actual annual data show a slight increase from 2009 through 2011, with a drop in 2012. Although there is a slight increase again in 2013, the overall data demonstrates a downward trend. More data is needed to determine if we are "turning the curve."



Performance Notes:

- The OSHA Recordable Incident Rate is the total number of workplace injuries or illnesses per 100 full time employees (FTE) working in a year that must be reported to the federal Occupational Safety and Health Administration. For 2012, the national average among psychiatric and substance abuse hospitals was 8.4 incidents per 100 FTE.

Statutory Change(s):

No change required.

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund			$10,437						
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$10,437	$0	$0	$0	$0	$0	$0
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	63	SOS MN Security Hospital Forensic Services	$10,437						
Requested FTE's									

Change Item: Child Support Conformity with the Affordable Care Act

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	92	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	92	0	0	0
FTEs	0	0	0	0

Recommendation:
Effective July 1, 2015 through July 1, 2016, the Governor recommends changes that align Minnesota's child support laws with the federal Affordable Care Act (ACA), streamline the process to modify medical-only support, and remove the non-custodial parent medical obligation for parents who receive Medical Assistance.

Rationale/Background:
The ACA resulted in several changes to how states determine child support obligations. Updating Minnesota Statute to reflect new definitions, income presumptions and requirements is needed to minimize confusion and difficulties for the 270,000 children and 398,000 parents who use child support services. This proposal will simplify access to services, eliminate conflicting program expectations and increase economic stability for family members by ensuring child support orders reflect families' circumstances.

Proposal:
There are four changes proposed to child support laws:

MinnesotaCare changes (effective July 1, 2015)
Minnesota's child support statute currently recognizes MinnesotaCare as a public assistance program. For non-intact families, those receiving public assistance are referred to the county agency to establish a child support order that also reimburses the state for public assistance funds. As MinnesotaCare transitions to the state's Basic Health Plan under the Affordable Care Act, it will no longer be considered a public assistance program for purposes of child support. This proposal will remove references to MinnesotaCare as a public assistance program throughout statute.

For children receiving Medical Assistance, the medical support obligation is calculated using the MinnesotaCare premium table, currently referred to as the "premium schedule for public coverage" in child support statute. Once MinnesotaCare is no longer considered public coverage for purposes of child support, these references will no longer work. The proposal will change these references in the child support statute to specifically point to the MinnesotaCare premium table in Minnesota Statutes, section 256L to clarify that the MinnesotaCare premium table will continue to be used to calculate medical support obligations when a child is receiving Medical Assistance.

Definition changes (effective July 1, 2015)
The Affordable Care Act changes several definitions commonly used in calculating child support. This proposal will:

- Change the definition of "full-time hours" from 40 hours per week to conform to the 30-hour definition used under the Affordable Care Act
- Change the current income presumption of 150 percent of minimum wage to 100 percent of minimum wage
- Add language to the definition of "comprehensive medical coverage" in child support statute to include health plans meeting the definition of "minimum essential coverage" under the Affordable Care Act
- Clarify that tax-subsidized plans and MinnesotaCare are not public assistance programs requiring a referral to child support services and reimbursement to the state.

Medical-only modifications (effective January 1, 2016)

With the changing landscape of health care options available to Minnesotans, there will be more changes in health insurance to cover children. In addition, the Affordable Care Act puts the responsibility on whichever parent has the dependent tax credit for the child to carry health insurance for that child, which is often in conflict with child support orders. Child support orders include several components, each of which requires information to be gathered, and child support guidelines to be applied: Basic support, child care support and medical support. Currently, to change the medical support portion of a child support order, the court must gather all data on the incomes of both parents, apply the guidelines to the new data and re-set all components of the child support order.

This proposal will streamline this process for participants to allow a modification of the medical support portion of the order, if the order has been reviewed in its entirety in the past three years. Modifications would be allowed to move forward if the following criteria are met: The insurance available to either parent changes, the tax dependency credit is not in line with the parent who is providing coverage, or the eligibility of the parents or child changes. Limiting the scope of changes made to the child support order would speed up the process and allow for necessary changes to keep children fully covered.

Remove non-custodial parent medical obligation for Medical Assistance clients (effective August 1, 2015)

This proposal will eliminate the obligation of non-custodial parents who qualify for Medical Assistance to contribute to the cost of coverage. Non-custodial parents are currently required to reimburse Medical Assistance. This is true even when those parents would be deemed unable to afford coverage if the child(ren) resided with that parent. Eliminating this requirement would create fairness between parents—since the custodial parent does not contribute if eligible for Medical Assistance with the children—and would align the expectations of the public assistance programs and court orders.

Results:

The federal government funds the child support program at the state level in part through performance incentives. Incentives are calculated by measuring the state program's performance in core program activities: Paternity establishment, order establishment, collection of current and past due support. States are ranked by their scores on the performance measures. Minnesota ranks among the top five states on the collections measures, and among the top 20 on paternity and order establishment measures.

The current trend reflects continuous improvement within the child support program.

Performance Measures	FFY 2009	FFY 2010	FFY 2011	FFY 2012	FFY 2013
Paternities established: Percent of children who were born outside of marriage for whom paternity was established in open child support cases for the year	99%	100%	101%	102%	102%
Orders established: Percent of cases open at the end of the year with orders established	84%	85%	86%	86%	86%
Collections on current support: Percent of cases with current support due within the year that had a collection on current support	70%	69%	70%	71%	71%
Collections on arrears: Percent of cases with arrears due within the year that had a collection on arrears	67%	70%	70%	70%	70%
Cost effectiveness: Dollars collected per each dollar spent	$3.71	$3.70	$3.59	$3.51	$3.63

Measurements compare data trends over the last five years. Each percentage measurement has a threshold of 80 percent to maximize federal incentives. The threshold for cost effectiveness is $5 to maximize.

Federal measures may be found in the 2013 Minnesota Child Support Performance Report, https://edocs.dhs.state.mn.us/lfserver/Public/DHS-4252N-ENG.

Statutory Change(s):

Minn. Stat. §256.741
Minn. Stat. §518A.32
Minn. Stat. §518A.39
Minn. Stat. §518A.41
Minn. Stat. §518A.46
Minn. Stat. §518A.51

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				92	0	92	0	0	0
HCAF									
Federal TANF									
Other Fund									
Total All Funds				$92	$0	$92	$0	$0	$0
Fund	BACT#	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
100	11	Children & Families Operations (PRISM Ops)		92	0	92	0	0	0
Requested FTE's									

Change Item: Adult Foster Care and Foster Parent Liability Insurance

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	333	333	333	333
Revenues				
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	333	333	333	333
FTEs	0	0	0	0

Recommendation:

Effective July 1, 2015, the Governor recommends an increase in funding from $244,000 to $756,000 beginning in fiscal year 2016 to cover increased costs for adult foster care and foster parent liability insurance.

Rationale/Background:

State law (M.S 245.814) enacted in 1977 requires the Department of Human Services, within the limits of the appropriation, to purchase and provide insurance to individuals licensed as foster home providers. The original appropriation for this purpose was $122,000. The Minnesota Department of Commerce and Minnesota Joint Underwriters Association recently updated their review of past claims and determined an increase in premiums was justified. Insurance premiums for this purpose increased by over $500,000 per year.

Proposal:

Effective July 1, 2015, this proposal would appropriate additional funding to cover the increased costs for adult foster care and foster parent liability insurance premiums. Under the proposal, all licensed foster home providers would be covered. There are currently 3,402 active licenses for child foster care and 1,300 active licenses for adult foster care.

Results:

If funding is not appropriated to cover increased premiums, some families may not choose to take on the risk associated with serving older children and children with significant needs.

Statutory Change(s):

Rider

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				333	333	666	333	333	666
HCAF									
Federal TANF									
Other Fund									
Total All Funds				333	333	666	333	333	666
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
100	12	Children & Families Operations		512	512	1024	512	512	1024
Rev		35% FFP		(179)	(179)	(358)	(179)	(179)	(358)
Requested FTE's									

Change Item: Federal Compliance to Document Runaways and Sex-Trafficked Youth from Foster Care

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	$203	$20	$20	$20
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	$203	$20	$20	$20
FTEs	0	0	0	0

Recommendation:

Effective July 1, 2015, the Governor recommends amending 260C.212 Children in Placement to comply with federal law H.R. 4980 - Preventing Sex Trafficking and Strengthening Families Act. The Governor also recommends appropriating funds to make changes in state computer systems that are needed to implement the law's requirements. The net cost of this recommendation is $223,000 in the FY16-17 biennium and $40,000 in the following biennium.

Rationale/Background:

Sexually exploited youth includes, but is not limited to, individuals who are alleged to have engaged in conduct which would, if committed by an adult, violate any federal, state or local law relating to being hired, offering to be hired or agreeing to be hired by another individual to engage in sexual penetration or sexual conduct. [Minn. Stat. 260C.007].

A youth may be vulnerable to being sexually exploited due to various circumstances, including:

- Living in poverty
- Being homeless or running away
- Experiencing sexual and/or physical violence in the home
- Lacking familial or social support
- Being part of a marginalized population
- Having chemical dependency or mental health issues
- Receiving care in a treatment center, group home or foster care
- Being an immigrant

Youth living in foster care homes, group homes and other congregate settings are especially vulnerable to sexual exploitation. Studies on domestic sex-trafficked victims and youth used in prostitution reveal that many report a history of physical and sexual abuse at home, including while in the foster care system; they are recruited outside schools, group homes and shopping malls. Children or youth who run away are particularly vulnerable to sex trafficking.

President Obama signed H.R. 4980 into law on September 29, 2014. The law adds state plan requirements around screening and providing services to victims of sex trafficking and locating and responding to children who have run away from foster care. These requirements include adding sex trafficking data in the Adoption and Foster Care Analysis and Reporting System. H.R. 4980 also makes two changes to child support provisions that require changes to the state child support computer system, PRISM.

- The law mandates that states pass the Uniform Interstate Family Support Act (UIFSA) of 2008, which governs how states work with each other to handle child support matters when people move across state lines. This bill also includes provisions for how to handle international child support matters. The Minnesota Legislature passed this provision in 2014, contingent upon enactment of the federal law.
- The law also mandates that states offer electronic income withholding notices. This gives employers the option of receiving income withholding notices about child support by electronic transmission or to continue receiving income withholding notices through the current paper process.

Proposal:

This proposal makes a one-time upgrade to the Social Service Information System (SSIS) that will enable county workers to document youth who are sex trafficking victims. This proposal also includes an appropriation of $151,000 in fiscal year 2016 and $20,000 ongoing to make and maintain changes to the child support computer system to allow implementation of the UIFSA and electronic income withholding.

Results:

- Youth at risk of experiencing sexual exploitation will be screened and referred to appropriate services as needed.
- Youth who run away will be cross-reported to law enforcement and the National Center for Missing and Exploited children and this will be documented in SSIS
- Youth who run away will be entered in SSIS as a run-away on the placement screen

The federal government funds the child support program at the state level in part through performance incentives. Incentives are calculated by measuring the state program's performance in core program activities: paternity establishment, order establishment, collection of current and past due support. States are ranked by their scores on the performance measures. Minnesota ranks among the top five states on the collections measures, and among the top 20 on paternity and order establishment measures. The current trend reflects continuous improvement within the child support program.

Performance Measures	FFY 2009	FFY 2010	FFY 2011	FFY 2012	FFY 2013
Paternities established: Percent of children who were born outside of marriage for whom paternity was established in open child support cases for the year	99%	100%	101%	102%	102%
Orders established: Percent of cases open at the end of the year with orders established	84%	85%	86%	86%	86%
Collections on current support: Percent of cases with current support due within the year that had a collection on current support	70%	69%	70%	71%	71%
Collections on arrears: Percent of cases with arrears due within the year that had a collection on arrears	67%	70%	70%	70%	70%
Cost effectiveness: Dollars collected per each dollar spent	$3.71	$3.70	$3.59	$3.51	$3.63

Measurements compare data trends over the last five years. Each percentage measurement has a threshold of 80 percent to maximize federal incentives. The threshold for cost effectiveness is $5 to maximize.

Federal measures may be found in the 2013 Minnesota Child Support Performance Report.

Statutory Change(s):

M.S. 260C.212
M.S. 518C.105, Laws of Minnesota, 2014, Chapter 189 (effective date)

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				$203	$20	$223	$20	$20	$40
HCAF									
Federal TANF									
Other Fund									
Total All Funds				$203	$20	$223	$20	$20	$40
Fund	**BACT#**	**Description**	**FY 15**	**FY 16**	**FY 17**	**FY 16-17**	**FY 18**	**FY 19**	**FY 18-19**
100	11	Operations SSIS		52	0	52	0	0	0
100	11	Operations: PRISM		151	20	171	20	20	40
100	12	CFS Operations		0	0	0	0	0	0
Requested FTE's									

Change Item: Treatment of Assets for Long Term Care Eligibility

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	524	4,660	7,333	7,717
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	524	4,660	7,333	7,717
FTEs	0	0	0	0

Recommendation:

Effective July 1, 2015, the Governor recommends repealing a state law that, for purposes of determining a spouse's eligibility for Medical Assistance for long-term care, treats assets converted to an income stream as available to an institutionalized spouse. This change will bring the state into compliance with an 8th Circuit Court decision that conflicts with current state law. This proposal has a cost to the general fund of $5.2 million in the FY2016-17 biennium and $15.1 million in the FY2018-19 biennium.

Rationale/Background:

The Medicare Catastrophic Coverage Act of 1988 (MCCA) includes requirements that are designed to protect a certain amount of income and assets for the spouse ("community spouse") of a person who requires long-term care (LTC) services ("LTC spouse") from being counted when determining Medical Assistance (MA) eligibility for the LTC spouse. This federal law also provided that the income of the community spouse would not be available to the LTC spouse. Together these provisions have become known as "spousal impoverishment" rules. Spousal impoverishment rules allow the community spouse to keep one-half of the couple's assets, subject to minimum and maximum amounts, calculated based on the value of those assets as of the date the LTC spouse first requires LTC services. This amount the community spouse is allowed to keep is referred to as the community spouse asset allowance (CSAA). Assets in excess of the CSAA are considered available to the LTC spouse for the cost of the LTC services. The LTC spouse can become eligible for MA once those assets are spent down to the MA asset limit.

In 2013, the U.S. Court of Appeals, Eighth Circuit, in the Geston v. Anderson decision, held that treatment of an income stream as an asset was preempted by federal Medicaid law. Subsequently the 2014 Minnesota legislature required the department to consult with community stakeholders regarding the application of the 2013 Geston v. Anderson decision, and provide information to the 2015 legislature regarding changes that can or must be made to state law related to the Geston decision.

In 2002, the Minnesota legislature enacted a law that continues to count as an asset amounts converted to an income stream after the CSAA is calculated. This legislation was in response to experiences with couples converting assets available to the LTC spouse into immediate annuities that paid out to the community spouse as a way to immediately spend down to the MA asset limit. In effect, this practice resulted in all of the couple's assets being protected for the community spouse, rather than protecting just the share intended to be protected under the spousal impoverishment rules. Department of Human Services (DHS) analysis finds that the legislation enacted by the Minnesota legislature in 2002 does not comply with the Eighth Circuit's Geston decision.

Proposal:

This proposal repeals the provision in state law that, for purposes of determining a spouse's eligibility for Medical Assistance long-term care, counts amounts converted to an income stream after the CSAA is calculated as an asset,. This change will result in more of a couple's assets being protected for the community spouse. In turn, LTC spouses will become eligible for MA sooner than under state current law. The proposal brings the state into compliance with the Eighth Circuit's *Geston* decision

Results:

This change results in increased costs to the Medical Assistance program when a LTC spouse reduces assets by converting them into an income stream for the benefit of the community spouse. Enrollment will be tracked to determine if this practice increases the enrollment in MA for payment of LTC services.

Statutory Change(s):

§256B.05, subdivision 5, (a)(2)(iii)

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				524	4,660	5,184	7,333	7,717	15,050
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	524	4,660	5,184	7,333	7,717	15,050
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	33-ED	MA Grants		524	4,660	5,184	7,333	7,717	15,050
Requested FTE's									

Change Item: MinnesotaCare Federal Basic Health Program Compliance

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds: Health Care Access				
Expenditures	445	287	299	312
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	445	287	299	312
FTEs	0	0	0	0

Recommendation:

The Governor recommends certain changes to MinnesotaCare to comply with the final federal regulations for the Basic Health Program (BHP). These changes include exempting people with income below 35% of federal poverty from premiums, clarifying income and household composition rules, aligning renewal periods with those used for qualified health plans sold through MNsure, and permitting a longer grace period for enrollees not paying their premiums. These changes are effective July 1, 2015.

This proposal has a net cost to the Health Care Access Fund of $0.7 million in the FY2016-17 biennium and $1 million in the FY2018-19 biennium.

Rationale/Background:

Minnesota is currently seeking federal approval to transition MinnesotaCare from a Medicaid waiver (which expires on December 31, 2014) to a BHP as authorized under section 1331 of the Affordable Care Act. In December 2014, Minnesota received federal authority to operate MinnesotaCare under Basic Health Program rules in 2015.

The Legislature made several changes to MinnesotaCare during the 2013 session in an effort to comply with the anticipated final BHP regulations. Final BHP rules were not issued until March 2014, which did not allow sufficient time during the 2014 session to make the necessary legislative changes to fully comply with the regulations.

Proposal:

Department of Human Services staff has identified several areas where state law for the MinnesotaCare program should be revised to comply with federal Basic Health Plan regulations:

1. Adjust MinnesotaCare premiums to ensure compliance with BHP regulations: Federal BHP regulations state that BHP premiums cannot exceed the premium amount that the individual would have otherwise paid for a qualified health plan obtained through MNsure in conjunction with advance premium tax credits. See 42 C.F.R. § 600.505(a). Individuals with income at or below 55% FPG currently pay the minimum monthly MinnesotaCare premium of $4. To ensure compliance with this regulation, this proposal would exempt individuals with household income below 35% FPG from MinnesotaCare premiums. Additionally, it would adjust certain premium amounts for households with higher incomes as follows:
    - For households with income of at least 110% FPG and below 120% FPG, the monthly premium would be reduced from $15 to $14.
    - For households with income of at least 120% FPG and below 130% FPG, the monthly premium would be reduced from $18 to $15.
    - For households with income of at least 130% FPG and below 140% FPG, the monthly premium would be reduced from $21 to $16.
2. Clarify income methodology and household composition definitions for MinnesotaCare eligibility determinations. MinnesotaCare eligibility is determined using an individual's projected annual income (similar to the method for determining eligibility for advance premium tax credits as defined in 26 C.F.R. 1.36B-2(b)(1)). This methodology differs from the income methodology for Medicaid eligibility determinations, which is based upon current income. This use of projected annual income for MinnesotaCare eligibility determinations is not explicit in law and this ambiguity has created confusion among applicants

and other stakeholders. This proposal would amend state statute to explicitly reference the use of projected annual income for purposes of MinnesotaCare eligibility determinations.

State statute would also be amended to specify that, in cases where a MinnesotaCare applicant does not expect to file taxes and is not a tax dependent, Medicaid household composition rules for non-tax filing households would be applied (as set forth in 42 C.F.R. 435.603(f)(3)). Applicants who plan on filing taxes would continue to follow Exchange-based regulations as set forth in 26 C.F.R. 1.36B-1(d).

3. Clarify that MinnesotaCare renewals will follow the process for Qualified Health Plan renewals: Beginning in 2015, all MinnesotaCare renewals will be conducted annually in the fall to coincide with the renewal period for qualified health plans. As with qualified health plans, MinnesotaCare coverage periods will span the calendar year following renewal. In most cases, MinnesotaCare eligibility will be conducted based on the data available to the agency through electronic sources.
4. Adjust annual recalculation of MinnesotaCare income limits. MinnesotaCare income limits are currently adjusted annually on July 1 according to the issued federal poverty guidelines. This proposal would align the annual adjustment of income limits to January as specified in federal Exchange regulations.
5. Clarify the distinction between eligibility and coverage. Enrollees and other stakeholders are often unclear regarding the distinction between eligibility and coverage. For example, an individual may be eligible for MinnesotaCare but is not entitled to coverage until the individual pays a premium and enrolls in a health plan. This proposal clarifies that distinction.
6. Other conforming changes. This proposal amends certain references to Medicaid or Exchange regulations to ensure compliance with federal BHP regulations.
7. Repeal outdated provisions. This proposal would repeal certain MinnesotaCare provisions that are no longer applicable now that the on-line application and eligibility system is operational. Repealed provisions include:
    - a requirement for county agencies to enroll adults who were formerly receiving General Assistance Medical Care in MinnesotaCare (Minn. Stat. 256L.05 subd. 1b); and,
    - a requirement to provide retroactive MinnesotaCare coverage until eligibility determinations are conducted by the MNsure eligibility system (Minn. Stat. 256L.05 subd. 3c).
8. Implement a 30 day grace period and repeal the 20 day reinstatement period.
    - Currently, MinnesotaCare enrollees who are disenrolled for failing to pay a premium may be reinstated if they pay the past-due premium within 20 days of being disenrolled. Federal BHP regulations require states that enroll individuals throughout the year to provide enrollees with a 30-day grace period for paying premiums. (See 42 C.F.R. 600.525(a)(3)). Minnesota requested an exemption from this requirement, but the Centers for Medicare and Medicaid Services (CMS) denied the request.
    - This proposal would eliminate the 20-day reinstatement period for MinnesotaCare enrollees who fail to pay a premium and implement a 30-day grace period for premium payments.
9. Eliminate financial management provisions from state law
    - Under current state law, DHS is required to restrict enrollment, stop coverage of certain populations, and change premium subsidies in the event that MinnesotaCare expendatures are anticipated to exceed projected revenue to the Health Care Access Fund. DHS has never had to make the prescribed adjustments to address a projected deficit.
    - These provisions were placed in law before MinnesotaCare qualified for federal Medicaid or BHP funds. Restricting eligibility and disenrolling recipients in the manner described would not be permited under federal BHP rules.

This proposal will facilitate the transition of MinnesotaCare to a Basic Health Program and ensure continued access to affordable health care for low-income Minnesotans.

Results:

As part of fully developing this proposal the Department will identify measures that we will report on in assessing the effectiveness of the proposal.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Portion of enrollees in the 30 day grace period who pay their premium and remain enrolled in the program	N/A	N/A	New measure

Statutory Change(s):

256L.01, subd. 3a and subd. 5; 256L.03, subd. 5; 256L.04. subd. 1a, 1c, 7b and 10; 256L.05, subd. 3a and. Subd. 4; and 256L.15 subd. 2.

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund									
HCAF				445	287	732	299	312	611
Federal TANF									
Other Fund									
Total All Funds				445	287	732	299	312	611
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
HCAF	31	MNCare Grants		445	287	732	299	312	611
Requested FTE's									
				0	0		0	0	

Change Item: Health Care Federal Compliance

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	118	104	105	105
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	118	104	105	105
FTEs	0	0	0	0

Recommendation:

Effective July 1, 2015, the Governor recommends amending state law to comply with federal requirements for recipient cost-sharing under Minnesota Health Care Programs (Medical Assistance and MinnesotaCare), and for billing for services performed at a reference laboratory. The Governor recommends maintaining the amount of the family deductible in current state law and extending a current limit on cost sharing to apply to all Medical Assistance recipients. Consistent with federal requirements, the recommendation also exempts certain groups of people and certain preventive services from paying cost-sharing: American Indians; persons receiving treatment for breast and cervical cancer; and preventive services with a rating of A or B from the United States Preventive Services Task Force. Finally, the recommendation requires that laboratory procedures processed by a reference laboratory must be billed by that laboratory. This set of related recommendations has a General Fund cost of $222,000 in the FY2016-17 biennium and $210,000 in the FY2018-19 biennium.

Rationale/Background:

Federal regulations were recently updated, resulting in several changes to cost sharing, family deductible and reference laboratory billing. The changes to state law below are needed in order to maintain Minnesota's compliance with federal Medicaid requirements.

Proposal:

Current state law includes a family deductible in Medical Assistance equal to the maximum allowed under federal Medicaid regulations. Federal regulations were recently updated and raised the maximum allowed from $2.75 to $4.00 per month with an annual inflationary increase. Rather than increasing the family deductible to align with the higher federal maximum, this proposal changes state statute to maintain the current formula that will be adjusted for inflation on an annual basis.

Federal regulations require that cost-sharing incurred by all individuals in the Medicaid household may not exceed an aggregate limit of 5 percent of the family's income applied on either a quarterly or monthly basis. Current state law under Minnesota Statutes, section 256B.0631, subdivision 3, applies a 5 percent cap only for those recipients with income under 100 percent of the federal poverty guidelines. This proposal amends the section to align with federal guidance so that cost-sharing for all Medicaid recipients is capped at 5 percent of the family's income. Given the low cost sharing in the Medical Assistance program, it is anticipated that the effect of expanding the cap to higher income ranges will be negligible and affect few if any recipients.

Federal Medicaid rules also prohibit cost sharing for items or services that currently have a rating of A or B from the United States Preventive Services Task Force (USPSTF), immunizations recommended by the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention, and other preventive services. This proposal amends Minnesota Statutes, section 256B.0631, subdivision 2, to exempt preventive health services from cost-sharing.

Federal regulations exempt American Indians who are enrolled in a federally recognized tribe from all cost-sharing. (42 C.F.R. § 600.160(b)).This proposal amends Minnesota Statutes, sections 256B.0631 and 256L.03, to exempt American Indians from cost sharing.

Code of Federal Regulation, Title 42, 447.56(a)(1)(xi), exempts individuals eligible for Medicaid through the Breast and Cervical Cancer Control Program (BCCCP) are exempt from cost-sharing. This proposal further amends Minnesota Statutes, section 256B.0631, subdivision 2, to exempt recipients eligible through the BCCCP from cost-sharing.

Section 1902(a)(32) of the Social Security Act requires that Medicaid State Plan payments must be made to the institution or individual providing the health care service, with certain exceptions. Currently, medical clinics that use the reference laboratory are allowed to MHCP bill on their behalf. This MHCP billing practice allowing a clinic or other provider to submit claims for services performed at a reference laboratory is out of compliance with the federal regulations. In order to comply with federal regulations, the methodology must be changed to exclude these laboratory charges. These charges must now be submitted by the reference lab that performed the service. The proposal amends Minnesota Statutes, section 256B.0625, Subd. 58, to exclude charges for health care services, including lab services, available at no cost to the Child and Teen Checkups (aka EPSDT) provider.

Identifying the services and eligibility groups exempted from cost sharing and ensuring limits on cost sharing will require changes to DHS claims payment systems. Costs associated with these systems changes are reflected in the fiscal detail below.

Results:

This proposal eliminates cost-sharing for certain recipients and services of Minnesota Health Care Programs. Inquiries received by the DHS Member and Provider Help Desks will be monitored to determine what effect this has. Easier access to health care is expected, because cost-sharing can sometimes be a barrier if a recipient is unable to pay. Recipients may be more likely to seek needed health care when there is no cost. DHS will continue monitoring utilization of preventive services.

This proposal modifies the payment methodology for Child and Teen Checkups complete screenings. The change is not expected to affect the number of children screened under Minnesota Health Care Programs coverage. DHS reports quantitative data on screenings to the Centers for Medicare and Medicaid Services on Form CMS-416. DHS is currently working with the Center for Health Care Strategies Inc., New Jersey, on goals to increase the reported "416 measures." DHS has partnered with the Minnesota Department of Health to reach out to managed care organizations and providers in low-performing counties in Minnesota.

Statutory Change(s):

Amend MS section 256B.0631
Amend MS section 256L.03
Amend MS section 256B.0625, subd. 58

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				118	104	222	105	105	210
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	118	104	222	105	105	210
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	33	MA Grants- F & C		70	94	164	95	95	190
GF	11	Operations (Systems MMIS + MAXIS)		48	10	58	10	10	20
Requested FTE's									
				0	0		0	0	

Change Item: DHS Resources for MNsure Systems Development and Operations

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	$8,182	$9,288	$9,743	$9,743
Revenues	0	0	0	0
Other Funds: Health Care Access Fund				
Expenditures	(3,033)	(2,765)	(3,220)	(3,220)
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	$5,149	$6,523	$6,523	$6,523
FTEs	0	0	0	0

Recommendation:

Effective July 1, 2015, the Governor recommends a net state funds total increase of $11.672 million for the 2016-17 biennium to fund the DHS share of MNsure costs. Of this, $10.5 million is for continued development of the MNsure IT system beyond FY 2015 and $1.172 million is for the DHS share of MNsure ongoing business operations costs.

This recommendation encompasses General Fund and Health Care Access Fund appropriations. The Governor's recommendation is for a General Fund increase of $17.470 million, and a Health Care Access Fund decrease of $5.797 million, in the 2016-17 biennium.

Rationale/Background:

Over the past two years, MNsure, DHS and MN.IT have worked together to develop the MNsure IT system. In October 2013, Minnesotans were able to access the system to enroll in various health programs including medical assistance, MinnesotaCare (BHP) and private health insurance plans. Since that time, the MNsure system has continued in development stage with significant investments in all of the functions including reporting, renewals, change in circumstance and many others. DHS has a responsibility to share in the systems costs for MNsure because many of the enrollees are in public programs. In December 2014, MNsure's federal funding was increased by $21 million for IT, allowing for the acceleration of the IT system development effort. In conjunction with this increase, the federal Medicaid program funding available for this effort has also increased. The federal Medicaid program requires a state match of approximately 10-15% on IT system development, which is included in this budget recommendation.

In 2013 DHS received funding from the legislature for the DHS share of projected MNsure ongoing operations costs (business and IT). At the time, the funding was based on certain assumptions around the case mix between public and private programs and also on assumptions about how costs would be allocated between MNsure and DHS. Over the past year, we have gained more experience and have actual enrollment data to be able to refine the cost allocation methodology.

The change from the original fiscal note is summarized below:

a. The original case mix assumption in the fiscal note was that public program participants would make up about 66% of the total cases. Based on actual experience, we now project public program cases to be about 91%.
b. The original fiscal note assumed that DHS would pay about 29% of the MNsure operating costs based on the case mix and other assumptions about duties and public program work. After doing a very detailed cost allocation, the DHS share of MNsure operations costs is about 65%.

Based on the updated cost estimate for the DHS pieces of MNsure operations costs, DHS needs additional state funded resources of $1.172 million in FY2016-17. This amount is a net total (General Fund increase and Health Care Access Fund decrease) that reflects the current cost allocation of MNsure and their budget plan. The DHS share of these business operations costs is a second component of this budget recommendation.

Proposal:

For IT development, DHS is requesting net state funded resources of $7 million in FY2016, $3.5 million in FY2017, and $3.5 million annually thereafter to support the DHS share of the MNsure systems costs. In the 2016-17 biennium these resources are funded 74% from the General Fund and 26% from the Health Care Access Fund. Beginning in FY2018 the resources are funded 87% from the General Fund and 13% from the Health Care Access Fund. These amounts include funding to pay for the DHS share of costs to

continue to develop the existing MNsure system. This amount may be refined with the February forecast, when we will have the most current data on the trend in the case mix between public and private program participants using the MNsure IT system.

DHS is also requesting new net state funding of $1.172 million in FY 2016-17 and $3.023 million annually thereafter for MNsure business operations costs that are for the public health care programs that DHS administers. This ensures that DHS has the resources we will need to cover MNsure business operations costs (such as general administration, enrollment and management services) that are appropriately cost allocated to public programs.

Results:

DHS will monitor and report on the number of calls to the help desk from program participants to assess the impact of these systems improvements. In addition, DHS will report the number of paper applications versus the number of clients enrolling through the MNsure system. On the operations side, DHS will monitor the trend in the case mix between public and private programs.

Statutory Changes(s):

NA

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (000's)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund			0	8,182	9,288	17,470	9,743	9,743	19,486
HCAF Fund				(3,033)	(2,765)	(5,798)	(3,220)	(3,220)	(6,440)
Federal TANF									
Other Fund									
Total All Funds			$0	$5,149	$6,523	$11,672	$6,523	$6,523	$13,046
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	11	Operations- MNsure IT (Transfer Out)		5,180	2,590	7,770	3,045	3,045	6,090
HCAF	11	Operations-MNsure IT (Transfer Out)		1,820	910	2,730	455	455	910
GF	11	Operations-MNsure (Transfer Out) Operating costs		3,002	6,698	9,700	6,698	6,698	13,396
HCAF	13	Operations-DHS (state) share of MNsure operations		(4,853)	(3,675)	(8,528)	(3,675)	(3,675)	(7,350)
Requested FTE's									
				0	0		0	0	

Change Item: Operating Adjustment

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	1,431	2,888	2,888	2,888
Revenues	0	0	0	0
Other Funds				
Expenditures	463	934	934	934
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,894	3,822	3,822	3,822
FTEs	24.5	49.4	49.4	49.4

Recommendation:

The Governor recommends additional funding for compensation related costs associated with the delivery of agency services. This amount represents an annual increase of 1.8% for General Fund compensation costs.

Rationale/Background:

Each year, compensation costs rise due to labor contract settlements and changes in employer-paid contributions for insurance, FICA, Medicare, retirement, and other factors. Absorbing this increase in compensation costs within existing agency base appropriations results in reduced staffing and/or reduced non-compensation spending.

Proposal:

The Governor recommends increasing agencies' General Fund budgets for employee wage and benefit costs by 1.8% per year for FY 2016-17. Agencies were instructed to include a 1.8% increase to total compensation each year in their base budgets, based upon the compound annual compensation spending rate increase per FTE over the last ten years for executive branch employees. This recommendation is intended to allow agencies to maintain their current level of agency operations.

For non-General Fund direct appropriated funds, the Governor's budget recommendations also include an adjustment of 1.8% per year, where the amount can be supported by the source of revenue.

Results:

This proposal is intended to allow agencies to continue to provide current levels of service and information to the public.

Statutory Change(s):

N.A

DHS Fiscal Detail for Budget Tracking: Central Office Operating Adjustment

Net Impact by Fund (000's)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				1,431	2,888	4,319	2,888	2,888	5,776
HCAF Fund				460	928	1,388	928	928	1,856
Federal TANF									
LOTT Fund				3	6	9	6	6	12
Total All Funds			$0	$1,894	$3,822	$5,716	$3,822	$3,822	$7,644
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	11	Operations (FTE's Preserved 19,38.3,38,3,38.3)		1,172	2,365	3,537	2,365	2,365	4,730
GF	REV1	FFP @ 35%		(410)	(828)	(1,238)	(828)	(828)	(1,656)
GF	11	Operations-(DHS Systems)		185	374	559	374	374	748
GF	11	Operations- MN-IT at DHS		484	977	1,461	977	977	1,954
HCAF	13	Operations / Health Care (FTE's Preserved 5.5, 11.1,11.1,11.1)		460	928	1,388	928	928	1,856
Lott	15	CMHS		3	6	9	6	6	12
Preserved FTE's									
GF	11			19.0	38.3		38.3	38.3	
HCAF	13			5.5	11.1		11.1	11.1	
LOTT	15			0.04	0.1		0.1	0.1	

Change Item: Strengthening Recovery Audit Contract Effectiveness

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	$173	$157	$157	$157
Revenues	$200	$200	$200	$200
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	($27)	($43)	($43)	($43)
FTEs	2	2	2	2

Recommendation:
Effective July 1, 2015, the Governor recommends funding two staff to assist in the recoveries of improper Medicaid payments paid to certain providers. The estimated impact on the General Fund is a savings of $70,000 in the FY16-17 biennium and $86,000 in the following biennium.

Rationale/Background:
Since 2012, DHS, through its Office of Inspector General (OIG), has contracted with a Recovery Audit Contract (RAC) vendor. The RAC is designed to support Medicaid program integrity and supplement the agency's post-payment review processes. The RAC identifies underpayments and overpayments made to fee-for-service providers through review of paid Medicaid claims. a payments are found through clinical and coding reviews, on-site and desk claims auditing, and data verification.

The OIG's Surveillance and Integrity Review Section (SIRS) oversees the RAC's activities and coordinates RAC reviews with other agency post payment reviews. SIRS reviews the RAC project proposals and determines which project proposals will be approved. In addition, SIRS coordinates the recovery of all overpayments identified by the RAC and manages provider appeals resulting from proposed RAC recoveries.

Proposal:
This proposal is intended to increase RAC recoveries and strengthen RAC activity through the addition of claims analysis expertise, project review and oversight of investigations, and appeal management within the SIRS unit. Additional staff expertise and resources within these areas will increase recoveries and allow for post payment review of more complex health care services. The estimated state share of recoveries per biennium is $400,000.

The breadth of expertise for review of health care services and appropriate billings will be expanded. Additional staff was not requested previously because the agency did not know where the department would be focusing its investigations. Now, with more than a year of experience with the RAC, SIRS has determined the focus of current and future investigations through the RAC. Delay in adding staff will result in fewer completed investigations and lost revenue.

Results:
Approval of this proposal will result in more providers being brought into compliance and increase the recoveries of improper payments that could be reinvested in the Medicaid program for care of Minnesota's public clients. This review activity dovetails with the Commissioner of Human Services focus on integrity within our public programs.

For each Calendar Year, the provider type that is investigated will be identified. Of the claims investigated, a certain percent will be found to be incorrectly billed, resulting in recoveries of overpayments.

Statutory Change(s):
None

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				($27)	($43)	($70)	($43)	($43)	($86)
HCAF									
Federal TANF									
Other Fund									
Total All Funds				($27)	($43)	($70)	($43)	($43)	($86)
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	11	RAC Operations		266	241	507	241	241	482
GF	REV2	MA Fraud Recoveries		(200)	(200)	(400)	(200)	(200)	(400)
GF	REV1	FFP @ 35%		(93)	(84)	(177)	(84)	(84)	(176)
Requested FTE's									
GF	11	Recovery Audit Contract Management		2.0	2.0		2.0	2.0	

Change Item: Background Studies for Special Circumstances

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds-Dedicated Special Rev				
Expenditures	553	351	351	351
Revenues	553	351	351	351
Net Fiscal Impact = (Expenditures – Revenues)	$0	$0	$0	$0
FTEs	0	0	0	0

Recommendation:

Effective July 1, 2015, the Governor recommends that the Department of Human Services have the authority to:

1. Conduct national background studies for staff of tribal nursing facilities;
2. Fully utilize the fingerprint-based background study system to enhance the speed and breadth of background studies on job applicants who reside outside Minnesota;
3. Conduct background studies for MNsure consumer assistance partners; and
4. Conduct background studies on Non-Emergency Medical Transportation (NEMT) drivers in the Medical Assistance and MinnesotaCare programs.

This recommendation is budget neutral. Revenue from charging the existing background study fee in these four new areas ($20.00 per study) offsets the department's cost of conducting the studies.

Rationale/Background:

The Red Lake Nation has requested that DHS conduct national criminal record checks for staff working at the tribe's nursing facility. DHS has the authority to contract to conduct background studies. Currently DHS does state-based checks for tribal organizations, but because high-level crimes committed on a reservation are tried in federal court, Red Lake would like to conduct national studies on their nursing facility workers. DHS now has the authority to conduct national background studies, but not for tribal contracted studies.

On January 1, 2015, DHS began converting from a name-based Minnesota criminal record check to a fingerprint-based record check for background studies. Under the current law, applicants for employment in nursing facilities, home health care agencies, and boarding care facilities, and who reside outside Minnesota, are required to receive a criminal record check in the state where they reside at the time of the background study. This is a very labor intensive process for DHS and it is also very time consuming. State requirements differ across the nation as to how DHS may inquire as to whether an individual has a criminal history on file. The process can be lengthy with multiple letters sent to the individual and to other states, and sometimes involves obtaining a specific notarized consent form required by the other state.

MNsure Consumer Assistance Partners are individuals certified by MNsure to serve as in-person assisters, certified application counselors, and navigators for the purpose of providing information and assistance to potential enrollees in completing and submitting applications for health care. As they have access to protected health information and other private date of people to whom they provide assistance, it is recommended that they undergo a background study.

Non-Emergency Medical Transportation (NEMT) drivers have daily direct contact with vulnerable adults as Medical Assistance clients are driven from their residences to doctor's appointments, clinics, and treatment. Unlike staff at residential and outpatient facilities that have direct and unsupervised contact with vulnerable adults, NEMT drivers are not currently required to receive a DHS background study before providing services.

Proposal:

This proposal allows DHS to contract with tribes to conduct national background studies for staff working at tribal nursing facilities. The studies are not required, but rather an option if tribes choose to require federal studies for their nursing facility employees. This proposal is an expansion of DHS' current ability to contract with third party entities to conduct studies.

Under this proposal, fingerprints would be used to determine whether individuals who do not live in Minnesota and are applying for employment in nursing facilities, home health care agencies, and boarding care facilities in Minnesota have a criminal record on file in any state, as recorded by the FBI. This would be done at the same cost as the existing state-based approach to conducting background studies on out-of-state applicants.

The proposal provides DHS authority to conduct background studies on MNsure Consumer Assistance Partners. This proposal is an expansion of DHS' current authority to conduct background studies.

This proposal would require DHS background studies for Non-Emergency Medical Transportation (NEMT) drivers. These individuals have direct contact with vulnerable adults on a daily basis. Conducting background studies will improve the safety of clients served by NEMT drivers. Under this proposal DHS estimates that 20,000 drivers would have a study in the first year and 10,000 every year after that.

Results:

- Quantity: This proposal will allow DHS to contract with third party entities to conduct additional background studies for tribal nations, MNsure consumer assistance partners, and Non-Emergency Medical Transportation providers.
- Quality: This proposal will make the studies conducted on behalf of tribal organizations and on out-of-state residents more robust by including national criminal history information
- Result: Tribal members served at tribal nursing facilities and clients served by individuals living outside of Minnesota will be safer as a result of national criminal record checks on employees of these facilities. MNsure applicants and NEMT clients will be safer as MNsure consumer assistance partners and NEMT drivers will be subject to background study screening as well.

Statutory Change(s):

MS sections 245C.03; 245C.10; 245C.12; and 256.962

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				$0	$0	$0	$0	$0	$0
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	$0	$0	$0	$0	$0	$0
Fund	BACT#	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
Ded	Exp	Background Studies – Expense funded from Dedicated Fee Revenue		$553	$351	$904	$351	$351	$702
Ded	Rev	Background Studies – Dedicated Fee Revenue		($553)	($351)	($904)	($351)	($351)	($702)
Requested FTE's									

Change Item: Medication Management Therapy Program Updates

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	(5)	(36)	(39)	(39)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(5)	(36)	(39)	(39)
FTEs	0	0	0	0

Recommendation:

Effective July 1, 2015, the Governor recommends expanding eligibility for Medication Therapy Management Services (MTMS) to all recipients taking drug therapy to treat or prevent a chronic disease. The governor also recommends allowing for interactive video MTMS to be performed in patient homes in select circumstances.

According to Department of Human Services data, 1,085 Medical Assistance recipients used medication therapy management services during FY2014. Expanding medication therapy management to all recipients with a chronic condition should reach an additional 1,350 recipients in FY2016. This proposal has a savings to the General Fund of $41,000 in the FY2016-17 biennium and $78,000 in the FY 2018-19 biennium.

Rationale/Background:

Prior to the 2011 legislative session, pharmacist-performed MTMS was only available to individuals taking four or more medications to treat or prevent two or more chronic diseases. In 2011, the definition was changed to allow individuals taking three or more medications to treat or prevent one or more chronic diseases to qualify for MTMS. Agency staff and stakeholders are concerned that the current language in state statute would preclude individuals who are receiving just one prescription drug for a complicated disease state (such as the new drug Sovaldi for Hepatitis C) from receiving MTMS in many cases.

Proposal:

This proposal expands eligibility for the MTMS program to Medical Assistance patients taking single drug regimens for complicated disease states such as HIV or Hepatitis C. Allowing more patients to access MTMS would make it easier for pharmacies to identify eligible patients and will allow more patients to receive this beneficial service. Additionally, this proposal modernizes the statutory language addressing interactive video-delivered MTMS. The current statutory language is outdated and has not kept up with advances in technology and provider practice.

This proposal is informed by stakeholder focus groups held by the agency's Pharmacy Unit in the summer of 2013.

Results:

The Purchasing and Service Delivery division in the agency's Health Care Administration tracks the number of patients, number of providers, actual cost per encounter, and number of encounters per provider. We have also studied the impact of new patients receiving MTMS and have noted a savings in medical costs over a 6-12 month period.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Results	Reduction in ER utilization among continuously enrolled MA recipients receiving MMTS services.	NA	NA	New measure

Statutory Change(s):

M.S. 256B.0625, subd. 13

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				(5)	(36)	(41)	(39)	(39)	(78)
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	$0	$0	$0	$0	$0	$0
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	33	MA Grants		(5)	(36)	(41)	(39)	(39)	(78)
Requested FTE's									
				0	0		0	0	

Change Item: Opioid Prescribing Improvement and Monitoring Program

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	54	(21)	(21)	(21)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	54	(21)	(21)	(21)
FTEs	1.5	1.5	1.5	1.5

Request:

Effective July 1, 2015, the Governor recommends the implementation of a community-based, collaborative approach to reduce inappropriate opioid analgesia prescribing within the Medical Assistance (MA) program. This proposal has a general fund cost of $33,000 in the FY2016-17 biennium and a savings of $42,000 in the 2018-19 biennium.

Rationale/Background:

At any given time, there are approximately 19,000 chronic opioid users in Minnesota's public programs. Based on 2011 data, approximately 3,000 MHCP enrollees become new chronic opioid users each year. Of the new chronic users, over 80% have mental illness; current or a history of substance abuse; or both substance use and mental illness.

Within the data is a marked racial disparity. Preliminary data show a doubling of the rate of neonatal abstinence syndrome over the past five years. The crisis disproportionately impacts newborns from the American Indian nations located in Minnesota. In 2010, Minnesota ranked first among all states when measuring the age-adjusted disparity rate ratio (DRR) of deaths due to drug poisoning among American Indians/Alaska Natives relative to Whites (out of 13 states for which data are available) and of Blacks relative to Whites (out of 36 states for which data are available). The age-adjusted rate of death due to drug poisoning was more than four times greater among American Indians/Alaska Natives relative to Whites and nearly two times greater among African Americans/Blacks relative to Whites.

In 2012 DHS' Health Services Advisory Council (HSAC) formed an ad hoc Emergency Department (ED) utilization work group (ED work group) charged with recommending one or more approaches for improving ED care while also reducing costs. The ED work group chose to focus its efforts on improving opioid-related prescribing practices within the ED. The ED work group comprised representatives

- HSAC
- health plans
- hospitals and health systems
- emergency medical professionals (both rural and metro-based)
- emergency medical responders
- MN Community Measurement
- Institute for Clinical Systems Improvement (ICSI).

The work group developed collaborative recommendations that built on the best of their respective, individual efforts to curtail inappropriate prescribing within EDs. The group's recommended protocols would form the basis for the emergency department setting-specific protocols described in this proposal.

Proposal:

This proposal calls for the following:

1. Endorsement and development of prescribing protocols that address all phases of the opioid prescribing cycle (prescribing for acute pain, prescribing in the time after the immediate acute event, and prescribing for chronic pain). Protocols will be developed in collaboration with the community and under contract with an organization identified through a Request for Proposal process. The protocols will differentiate between opioids prescribed in emergency settings and those prescribed in other outpatient settings.

2. Development of sentinel measures of the quality of opioid prescribing (such the duration and type of opioids prescribed for non-malignant acute or chronic pain for patients).
3. Development of consistent messages and other educational resources for prescribing providers about communicating with patients about pain management and use of opioids to treat pain.
4. Development of a data feedback system to providers that will
    a. annually collect and report to providers their sentinel measures compared to their anonymized peers
    b. attribute individual providers to one or more provider groups with which they are affiliated or employed. DHS will develop mechanisms for attribution in consultation with the provider community.
5. Outlier providers will be identified based on criteria developed by the provider community. Individual, outlier prescribers will be notified, as will any practice group with which the provider is affiliated or employed. Any identifiable information about a provider or practice group will be considered protected for peer-review, quality improvement purposes, unless the provider or practice group's enrollment in MHCP is temporarily or permanently restricted or the provider or practice group is disenrolled.
6. Practice groups together with their outlier provider(s) will submit plans for quality improvement for review and approval by the Commissioner, with the objective of bringing their providing practices into alignment with the community-developed standards described in paragraph 1.
7. If any individual or groups remain outliers for two or more years, whether or not consecutive, the Commissioner may take any or all of the following steps:
    a. Monitoring performance more frequently than annually and/or monitoring more aspects of prescribing practices than the sentinel community measures
    b. Requiring additional quality improvement efforts, including but not limited to mandatory use of the Minnesota Prescription Monitoring Program
    c. Temporarily or permanently restricting the individual provider's enrollment in MHCP.
    d. Temporarily or permanently restricting the provider group's enrollment in MHCP
    e. Disenrollment of the individual provider
    f. Disenrollment of the practice group and of individual providers affiliated with or employed by the practice group

Within one year expected outcomes include better data and understanding of opioid prescribing and use within MHCP and a more coherent set of expectations for improved prescribing practices among providers who provide care to MHCP recipients.

Within four years DHS anticipates

1. Fewer deaths attributed to prescription opioid overuse;
2. A decline in opioid use overall, particularly for treatment of chronic pain and particularly among populations with disparately high rates; and
3. Reduced incidence of neonatal abstinence syndrome, particularly in populations with disparately high rates.

One-time contracting costs total $250,000.The program will also require 1 FTE with significant policy expertise in opioid prescribing and the treatment of pain. It will also require 0.5 FTE for a research scientist to provide data and analytics support.

This proposal will result in cost offsets that will include savings due to reduced spending on prescription opioids, reduced conversion of acute pain patients to chronic opioid users, reduced rates of conversion of prescription opioid use to dependence on prescribed opioids or heroin, and prevention of other medical complications of opioid dependence, including HIV and Hepatitis C.

Results:

This proposal will result in a decrease in the percentage of MHCP recipients receiving opioid prescriptions and a decrease in the overall volume of opioids prescribed as measured by total days supply.

Statutory Change(s):

M.S section 152.126 – Prescription Monitoring Program

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				54	(21)	34	(21)	(21)	(42)
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	54	(21)	34	(21)	(21)	(42)
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	33	MA - Families and Children		(58)	(118)	(176)	(118)	(118)	(236)
GF	13	HCA Admin		172	149	322	149	149	298
GF	REV1	FFP @ 35%		(60)	(52)	(112)	(52)	(52)	(104)
Requested FTE's									
GF	13	HCA Admin		1.5	1.5			1.5	

Change Item: Expansion of Minnesota Restricted Recipient Program

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	($4)	($515)	($529)	($533)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	($4)	($515)	($529)	($533)
FTEs	3	3	3	3

Recommendation:

Effective July 1, 2015, the Governor recommends funding three additional positions to work within the Minnesota Restricted Recipient (MRRP) program. These additional positions would enable the MRRP to effectively manage an increase in clients who could benefit from the program. The cost of the positions is more than offset by the state share of savings generated. The Department of Human Services (DHS) estimates that adding three positions within the MFFP would save $519,000 in the FY16-17 biennium and slightly over $1 million in the following biennium.

Rationale/Background:

The MRRP implements a federal program that allows states to restrict Minnesota Health Care Program (MHCP) recipients to certain designated providers if they have abused medical services. Typically, a recipient is restricted for excessive emergency room utilization, clinic visits, multiple hospital visits or excessive prescription utilization at multiple pharmacies with prescriptions from multiple prescribers. The MRRP identifies public recipients who have abused services and manages the cases throughout the restriction period. The MRRP intervenes and works to prevent the abuse of medical services but also ensures that the recipient's medical care is appropriate and coordinated by a primary care clinician. As a result, the MRRP is reducing the costs of medical care by about $4,500 per year / per recipient in Fee-For-Service (FFS). These savings are achieved because:

- There are payment limits;
- The care coordination is done by primary clinicians; and
- The daily management of these very high risk recipients all work together to reduce the unnecessary medical care.

Proposal:

In 2010 there was an average of 1,431 recipients in the MRRP. As of July 1, 2014 there were 3,599 recipients. DHS expects an increase in FFS recipient participation of about 200 per year. The doubling of restricted recipients in the last four years has left program staff unable to handle further increases in caseload, despite the fact that additional clients have been identified. Additional staff is needed to serve higher numbers of restricted recipients, identify potential fraud and abuse by providers, and handle the numerous recipient and provider calls, claims issues, reconsiderations of denied claims and referrals to specialists. When fully implemented, the estimated amount of savings per year under this proposal is about $1,350,000, of which 50% is savings for the federal Centers for Medicare & Medicaid Services (CMS).

Additional MRRP staff will:

- Identify MHCP recipients that have abused the program;
- Identify patterns of practice by providers to refer for investigation internally and by the licensing boards;
- Handle daily communications with recipients, clinics, hospitals, emergency rooms, and specialists;
- Handle billing claims issues; and
- Conduct data analysis, claims management and data entry.

Results:

The intended results are to increase the number of recipients in the MRRP and thereby improve their healthcare outcomes and save the State of Minnesota money currently being spent on unnecessary services. The added staff will also increase the number of providers identified for fraud and abuse investigations. DHS will know if the proposal is successful by computing cost savings and the number of recipients placed in restriction.

The fiscal impact is costs avoided by participating in the program. At the end of two years, if the recipient is continuing to abuse services, they are continued in the program for three more years. Graduates of the program are continually monitored and reinstated if their abuse of services begins again.

Statutory Change(s):

N/A

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				($4)	($515)	($519)	($529)	($533)	($1062)
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	($4)	($515)	($519)	($529)	($533)	($1062)
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	11	MRRP Operations		374	332	706	332	332	664
GF	33	MA Program Savings		(197)	(686)	(883)	(700)	(704)	(1404)
GF	REV1	FFP @ 75% - Clinical professional		(94)	(83)	(177)	(83)	(83)	(166)
GF	REV1	FFP @ 35%		(87)	(78)	(165)	(78)	(78)	(156)
Requested FTE's									
GF	11	MRRP Staff		3.0	3.0		3.0	3.0	

Change Item: Inpatient Hospital Payment Changes

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	2,282	2,935	3,279	3,501
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,282	2,935	3,279	3,501
FTEs	0	0	0	0

Request:

Effective July 1, 2015, the Governor recommends changes to payments made for inpatient hospital services under Medical Assistance (MA) to refine changes to the hospital payment systems authorized during the 2014 legislative session. Additionally, this proposal responds to federal changes to disproportionate share hospital (DSH) payments that impact safety net hospitals and hospitals that serve larger numbers of MA and uninsured. The changes include changing Critical Access Hospital (CAH) rates, revising the criteria that qualify a hospital for DSH payments, establishing a redistribution process for DSH funds, and other technical changes.

This proposal has a General Fund cost of $5.2 million in the FY2016-17 biennium and $6.8 million in the FY2018-19 biennium.

Rationale/Background:

During the 2014 Legislative session, DHS received authority to rebase inpatient hospital rates in the MA program for the first time in over seven years. This proposal continues the work authorized last year by changing payments to critical access hospitals and updating the criteria for DSH payments.

The critical access designation was created by the federal Centers for Medicare and Medicaid Services (CMS) to ensure that rural beneficiaries would have access to acute care hospital services. Nearly six in ten hospitals across Minnesota are designated critical access hospitals by CMS. In 2012, Minnesota Health Care Program recipients recorded over 2,500 admissions at 81 federally designated critical access hospitals, almost all of which were located in Minnesota. The 2014 legislation authorized payment for non critical access hospitals using the All Patient Refined Diagnostic Related Group (APR-DRG) grouper, and payments under this system factor in patient complexity and case mix. CAH have lower patient volume and generally treat patients with lower complexity. While the use of a cost based rate maintained stable payments to these providers, variation in cost across critical access hospitals was much greater than expected. Revising the methodology will achieve the level of stability in payments necessary to ensure access in rural areas.

Current state law limits the rate paid to hospitals for vaginal and C-section deliveries in Medical Assistance. This limit does not allow the payment system to produce a rate that recognizes complex deliveries and surgical births. Keeping the cap in place does not allow for payment based on patient complexity and prohibits effective evaluation of potential policy adjustments for obstetric services, particularly those services delivered in rural areas.

This proposal also changes Disproportionate Share Hospital (DSH) payments made to hospitals that provide a high volume of uncompensated care. The federal government has begun enforcing hospital specific DSH limits which means that a hospital is not able to be paid in excess of the amount necessary to cover the uncompensated costs associated with Medicaid and uninsured patients. With the enforcement of DSH limits, it is necessary to create a method to redistribute DSH funds to other eligible hospitals when, based on the results of the required DSH audit, it is determined that a hospital is unable to keep all of the DSH funds paid to them. Changes to the DSH methodology will also relieve small rural hospitals from the significant expense of filing DSH reports when the DSH funding they receive may not cover the cost of completing the report.

This proposal will help ensure that hospital rates are aligned with state and federal policy objectives.

Proposal:

The 2014 legislation also strengthened requirements for the timely submission of hospital cost reports. With more complete cost information, DHS is able to update rate for critical access hospitals using more recent cost data. Under this proposal, critical access hospitals will be reimbursed at a percentage of 2012 Medicare costs for services provided under the Medical Assistance program. Using this cost-based methodology ensures that facilities with lower patient volume are less impacted by current and future hospital rebasing which recognizes patient volume and complexity as a factor in payment rates.

This proposal also provides a method to redistribute DSH funds in the event that cost report data finds that specific hospitals are over the DSH limits. Without authority to redistribute DSH funds, DHS may be required to remove critical funds from the hospital system and return the federal share of these payments.

Finally, this proposal removes the statutory limits on deliveries and C-sections so that rates can reflect patient complexity.

Results:

A typical measure that will be used to monitor the sufficiency of the rates and payments will be the ratio of cost to payment. This can be measured as a statewide average across each hospital type (DRG hospital, critical access hospital (CAH), long term hospital, and rehab hospital).

Federal law requires that state Medicaid plans make Disproportionate Share Hospital Payments (DSH) to qualifying hospitals that serve a large number of Medicaid and uninsured individuals. The proposed change in DSH distribution methodology ensures that the state of Minnesota has a mechanism to distribute federal DSH payments available to the state in the event that any hospitals hit their hospital specific limit and is unable to accept further payment. The department will monitor the percentage and amount of total DSH payments that are redistributed on an annual basis. This measure will inform whether inpatient rates and DSH criteria are aligned with state and federal policy objectives.

Statutory Change(s):

256.969, 256B.19

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund Totals				2,282	2,935	5,217	3,279	3,501	6,780
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	$0	$0	$0	$0	$0	$0
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	33 ED	MA Grants		1,065	1,365	2,430	1,512	1,628	3,141
GF	33 AD	MA Grants		0	57	57	136	168	304
GF	33 FC	MA Grants		1,217	1,513	2,730	1,631	1,705	3,336
Requested FTE's									
				0	0		0	0	

Change Item: Improving Third Party Liability Recoveries

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	58	48	48	48
Revenues	700	1,400	1,400	1,400
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(642)	(1,352)	(1,352)	(1,352)
FTEs	1	1	1	1

Recommendation:

The Governor recommends amending Minnesota statute to strengthen the Department of Human Services' (DHS) existing authority to recover third party liability (TPL). This proposal improves the state's ability to avoid paying Medical Assistance claims where a third party has liability for payment. This proposal is expected to result in an increase in Medical Assistance recoveries, providing a net general fund savings of $1.9 million dollars in the FY2016-17 biennium and $2.7 million in the FY2018-19 biennium.

Rationale/Background:

Per federal regulation, the Medicaid program (MA) serves as the payer of last resort. The changes in this proposal allow the state to use more efficient and effective measures to locate and recover from liable third-party payers MA expended on behalf of a recipient (cost recovery or pay and chase). These changes also assist in allowing the state to avoid paying Medical Assistance on behalf of the recipient in the future for which a third-party payer is liable (cost avoidance).

Proposal:

Currently, under Minn. Stat. § 62A.045 there is no time requirement for processing of claims submitted by the state to health insurers for covered expenses that have been paid by the Minnesota Health Care Programs. This proposal requires insurers to pay claims received from DHS within 90 business days of submission to the insurer. By modifying § 62A.045 to include a timeframe in which claims must be paid, recovery from insurers will be maximized.

Currently, under Minn. Stat. § 256.015, subdivision 7, paragraph (a), employers and third-party payers must furnish, upon request of the commissioner of human services, a data file containing group health insurance or medical benefit plan coverage information within 60 days of the request. Without a list specifying the information to include in such data files, insurers and employers are at the liberty of interpreting what data is included in such files. This proposal clarifies state law to detail specific information that must be included within the data files. This change enhances the state's ability to establish third party liability.

This proposal also limits the period of time third parties have to request reimbursement from the State of Minnesota for a claims paid to the state where they had no liability.

Results:

The Department expects an increase in revenue from third party liability (TPL) and a reduction in the proportion of third party liability billed to the portion actually collected or otherwise resolved with proper insurance coverage information. Although the actual amount of total collections directly attributable to these changes is not calculable, we expect that the changes resulting from this proposal will directly affect the total amount of resolved TPL as a percentage of the total amount of TPL billed to third parties.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Health Insurance Recoveries[1] ($000s)	$14,617	$9,778	2012-13
Results	Total resolved TPL as a percentage of the total amount billed	N/A	41%	FY 2014

Statutory Change(s):

M.S. sections 62A.045 and 256.015

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				(642)	(1,352)	(1,994)	(1,352)	(1,352)	(2,704)
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	(642)	(1,352)	(1,994)	(1,352)	(1,352)	(2,704)
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	REV2	MA recoveries-non-dedicated revenue		(700)	(1,400)	(2,100)	(1,400)	(1,400)	(2,800)
GF	13	Health Care (FTE)		90	74	164	74	74	148
GF	REV1	FFP @ 35%		(32)	(26)	(58)	(26)	(26)	(52)
Requested FTE's									
GF	13	Health Care		1	1		1	1	

[1] Data from DHS Health Care Administration Benefits Recovery Unit

Change Item: Changes to MA Lien Processes (15-HC52)

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	0	0	0	0
Revenues	76	25	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(76)	(25)	0	0
FTEs	0	0	0	0

Recommendation:

Effective July 1, 2015, the Governor recommends several changes to current statute to alleviate administrative burdens associated with Medical Assistance recoveries. Minnesota state law requires recipients of Medical Assistance (MA) who have resources to contribute financially to the cost of health care. The changes in this recommendation are business process improvements that protect the state's ability to recoup Medical Assistance costs to sustain the program and ensure its continued availability to the neediest Minnesotans.

The changes described in this proposal are expected to provide a small one-time increase in MA lien recoveries as the timing of lien recoveries is accelerated. This results in an increase in General Fund revenue of $101,000 in the FY2016-17 biennium.

Rationale/Background:

The Special Recovery Unit (SRU) at the Department of Human Services (DHS) recovers funds from recipients of Medical Assistance to uphold the state's policy that individuals who participate on the MA program use their own assets to share in the total cost of their care. These proposals seek to streamline and clarify the recovery process by improving collections and thereby ensuring continuous funding of the MA program.

Proposal:

Request for Notice

This proposal would afford the liens filed by DHS the same notice rights as a mechanics lien thereby protecting the state's interest in the event of foreclosure. Under current state law, DHS may file liens against real property to recover state funds expended to provide care to Medical Assistance recipients, but DHS generally does not receive notice in the event of a foreclosure. DHS currently holds over 5,000 recorded property liens which are in place to recover public dollars expended on behalf of an MA recipient. Affording DHS liens the same notice rights as a mechanics lien would help ensure mortgage lenders or the property owner alert the State prior to sale or foreclosure and improve the State's opportunity to recover resources that could otherwise be lost.

Tax Forfeiture

State law currently permits an individual, their heirs, successors or assigns to repurchase a parcel of land that was forfeited to the State for nonpayment of taxes. In a tax forfeiture, the current owner, their heirs, or successors, have the opportunity to re-purchase a property if they satisfy the tax lien. However, current statute does not explicitly state that liens held by DHS remain on the title of property repurchased after forfeiture to satisfy an unpaid tax lien. This proposal clarifies state law to ensure that liens held by DHS remain on repurchased property, ensuring the State can preserve its interest in reclaimed properties to satisfy Medical Assistance claims.

Presumptive Physician Verification

This proposal would allow DHS to begin the lien process to recover MA costs when a recipient is in a long term care facility for six months or more without physician verification. When an MA recipient enters a long term care facility and there is no reasonable likelihood of the recipient returning home, DHS may place a lien on their property to recover Medical Assistance costs. Currently, DHS is required to receive verification from a physician the recipient will not likely return home. Upon receipt of this verification, DHS may then provide notice of a lien to the recipient. This proposal changes state law to allow DHS to begin the lien process without physician verification whenever a recipient resides in a long term care facility continuously for 6 months or more. This change in law does not

present any additional risk to recipients. MA liens will still be released from the property at any time should the recipient return home, and recipients or their legal representative maintain appeal rights.

This proposal is important to protect the state's priority as a secured creditor to ensure recovery.

Redemption

In real property law, redemption occurs when a debtor or other party with an interest in the property reclaims or regains possession of that property by paying a negotiated price. The process of redemption commences when a property has been sold at a foreclosure auction. DHS is a creditor under state law for the purposes of recovering Medical Assistance costs, but does not have the resources to buy and sell foreclosed property to satisfy an MA lien. This proposal clarifies current state law, ensuring that DHS has legal authority to assign its rights of redemption on and disclose the amount of liens held against a medical assistance recipient's property (while maintaining as private detail about Medical Assistance coverage provided to a recipient). DHS will explore the option of utilizing third party brokers who will purchase redemption rights in order to ensure the state is able to fully recover taxpayer funds. Enabling the state to sell its redemption rights strengthens its position in estate recoveries and provides an additional means for the state to recover taxpayer funds. This change will assist in minimizing the loss of revenue to the state of Minnesota by homes going into foreclosure by maximizing the opportunity to recover against valid liens placed on real property owned by an MA recipient.

Results:

Estate recoveries are an existing agency initiative which has successfully recovered MA expenditures to cover the cost of care and help financially sustain the program. Below are the total dollar (state + federal share) collections over the past two years from nonpayment of claims (NPC) and MA liens that were placed on real property. The department will continue tracking total collections from MA lien recoveries to measure the performance of these process changes.

These process changes should also strengthen the state's position after securing a lien against real property. The department will track the proportion of liens held that result in recoveries within two years of filing.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Lien recoveries	$4,478,871.81	$4,007,844.10	FY13 to FY14
Quality	Proportion of MA liens against real property resulting in a recovery within 24 months	N/A	N/A	

Statutory Change(s):

Minn. Stat. § 282.241, subd. 1 and subd. 2
Minn. Stat. § 514.981, subd. 2(b), and Minn. Stat. § 514.73
Minn. Stat. § 507.071, subd. 20 and subd. 23

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				(76)	(25)	(101)	0	0	0
HCAF									
Federal TANF									
Other Fund									
Total All Funds			$0	(76)	(25)	$(101)	$0	$0	$0
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	REV2	MA lien recoveries- non dedicated revenue		(76)	(25)	(101)	0	0	0
Requested FTE's									

Change Item: Creating a Sustainable MinnesotaCare Program

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures				
Revenues				
Other Funds: Health Care Access				
Expenditures	(11,089)	(29,336)	(29,955)	(30,216)
Revenues	11,755	13,304	13,585	13,703
Net Fiscal Impact = (Expenditures – Revenues)	(22,844)	(42,640)	(43,540)	(43,919)
FTEs				

Recommendation:

The governor recommends premium and cost sharing changes to the MinnesotaCare program to reduce program expenditures. These changes are needed to address a projected deficit in the Health Care Access Fund by FY 2017. The combination of premium and cost sharing changes is projected to reduce Health Care Access Fund expenditures by $65.5 million in the 2016-17 biennium.

Rationale/Background:

MinnesotaCare provides comprehensive health care coverage for low-income working families and adults in Minnesota. The program serves about 85,000 Minnesotans without access to affordable insurance and whose income is above the generally above those served in the Medical Assistance program. Funding for MinnesotaCare comes from a mix of federal Basic Health Program (BHP) funds, state funds appropriated from the Health Care Access Fund, and enrollee premiums.

Legislation enacted in 2013 authorized changes to the MinnesotaCare program that enabled the state to pursue federal Basic Health Program (BHP) funding authorized under the Affordable Care Act. These changes included removal of the $10,000 annual limit and 10% copay on inpatient hospital services, eliminating limits on enrollee assets for eligibility determinations, and removing insurance barriers including a requirement barring enrollment to anyone with access to employer sponsored insurance at any time during the 18 months before applying for MinnesotaCare. The state also enacted premium reductions that took effect in 2014. This reduction lowered the average monthly enrollee premium by roughly one third.

Proposal:

This proposal reduces program expenditures through a mix of increased enrollee cost-sharing and modest premium increases. These changes are necessary to maintain a positive balance in the Health Care Access Fund for the 2016-17 biennium. Maintaining a positive balance in the fund enables the state to sustain the MinnesotaCare program that serves nearly 85,000 Minnesotans without access to affordable health insurance. Changes to enrollee premiums take effect in July 2015, while changes to the MinnesotaCare cost-sharing structure start in January 2016.

MinnesotaCare premiums are administered on a sliding scale in which recipients with higher income pay a higher share of the total premium cost so that program funds are targeted to the lowest income recipients. Under this proposal, current enrollee premiums for adults with income at or above 150 percent of the federal poverty guidelines (FPG) would increase in a graduated fashion with slightly higher increases toward 200 percent of FPG. Premiums for recipients below 150 percent would remain unchanged, and enrollees 20 years of age or younger, American Indians, and members of the military and their families would still have no premium obligation. Premiums for a single adult with an income between 150 and 200 percent of FPG would remain substantially lower than an enrollee's required contribution toward premium for a Qualified Health Plan sold through the health insurance exchange. Under the current MinnesotaCare program, the state no longer shares premium revenue with the federal government, and all enrollee premium funds reduce the state share of MinnesotaCare costs.

Federal basic health program rules require plans to meet actuarial value (AV) standards. Actuarial value is the portion of the total cost of covered services paid by a health insurance plan prior to enrollee cost sharing. The basic health plan must have an AV equal to 94 percent for enrollees with incomes below 150 percent of FPG and an AV of 87 percent for enrollees with income below 200 percent of FPG. Calculating current MinnesotaCare cost sharing relative to benefits paid results in an actuarial value of around 98 percent. This

proposal reduces the AV in the MinnesotaCare program to 94 percent through increased cost sharing for targeted services including non-emergent hospital emergency room use. This increases the enrollee's share of the benefit cost to 6 percent. By contrast, cost sharing for bronze level Qualified Health Plans (QHP) sold in MNsure which have enrollee premiums similar to those in MinnesotaCare result in an AV of 60 percent, leaving enrollees responsible for 40 percent of the cost for all covered services. While MinnesotaCare recipients have financial responsibility for cost sharing, providers may not refuse service to enrollees.

The premium and cost sharing increases in this proposal maintains coverage for 85,000 current MinnesotaCare recipients who rely on the program and who may otherwise struggle to afford insurance even with subsidies offered through MNsure. The relatively higher premiums and cost sharing in MNsure may be a barrier both to enrollment and to receiving care. This proposal also sustains this critical part of Minnesota's safety net for those who may need it in the future.

Results:

Statutory Change(s):

Provisions in M.S. chapter 256L.

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund									
HCAF				(22,844)	(42,640)	(65,484)	(43,540)	(43,919)	(87,459)
Federal TANF									
Other Fund									
Total All Funds				(22,844)	(42,640)	(65,484)	(43,540)	(43,919)	(87,459)
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
HCAF	31	MinnesotaCare Grants		(11,089)	(29,336)	(40,425)	(29,955)	(30,216)	(60,171)
HCAF	31	Premium Revenue		11,755	13,304	25,059	13,585	13,703	27,288
Requested FTE's									

Change Item: Long-Term Care Purchasing and Financing

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	1,646	1,702	2,199	2,701
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,646	1,702	2,199	2,701
FTEs	1	1	1	1

Recommendation:

Effective July 1, 2015, the Governor recommends creating a new Home and Community Based Services Innovation Pool (HIP) and implementing recommendations of the Own Your Future campaign. The net state cost of this proposal is $3.35 million in the FY2016-17 biennium and $4.9 million in the following biennium.

Rationale/Background:

Minnesota is experiencing a demographic shift. Not only are people living longer, people are living long enough to need long-term services and supports (LTSS). There is a growing realization that our traditional patterns of paying for LTSS will not be adequate. As increasing numbers of older people and others have not planned to pay for their LTSS, these economic realities could require unsustainable increases in future state budgets.

For Long Term Care Purchasing, the state needs to find ways to promote specific interventions for directing people with disabilities to find integrated, competitive employment and live in the most integrated settings. Over time, this may potentially help reduce the average cost per person participating in the interventions. Some long term care provider organizations have expressed an interest to the Department in demonstrating innovated practices for long term care purchasing. To promote innovation, this proposal provides incentive payments to providers and also provides flexibility to support this public policy goal.

For Long Term Care Financing, many Minnesotans do not know or have not planned for how they would pay for the cost of any needed long-term care services. We need to find ways to incent people to use private long-term care financing options so that Minnesota can potentially reduce the growth of public expenditures for long-term care. The Own Your Future campaign, an ongoing project of the Dayton Administration, encourages individuals to create a plan for their long-term care, including how to pay for it.

Proposal:

LTC Purchasing: The HCBS Innovation Pool (HIP) is a new initiative to incent innovation in Long Term Care Purchasing. The Department would use an RFP process to contract with providers to incent outcomes on behalf of the people they serve and support public policy. The contract would include outcomes that need to be achieved before the provider would receive incentive payments. When specified outcomes are achieved, the provider would receive an incentive payment. Examples of outcomes for providers include assisting a person with a disability move to the most integrated setting and achieve integrated competitive employment with at least minimum wage. We anticipate that up to 600 individuals may be served by this proposal. There is one FTE to manage and coordinate the initiative.

LTC Financing: The Own Your Own Future campaign included a number of recommendations. This proposal includes two of those recommendations:

Long Term Care Advisory Center. This proposal would create a go-to place for everything you want or need to know about long-term care planning. It is patterned after the highly successful Linkage Lines, the One-Stop Shop and other consumer information strategies that the Minnesota Board on Aging has developed. The duties of the Linkage Lines would be expanded to provide enhanced information on available long-term care services to individuals of all ages; additional information, support and referral to a variety of insurance and financial products, and resources to pay for long-term care services; and an improved interactive website with decision–support tools and telephone support.

Development of life stage planning product: Actuaries, consumers and carriers indicate strong interest in a new product that would merge term life insurance with long term care insurance coverage into one product that converts from protection through one life stage to another as needed by the individual. This proposal would encourage further development of this product by carriers, more consumer testing, and design pilots to gauge market interest.

Results:

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity - HIP	Percent of working age people on the disability waivers who have monthly earnings of $250 or more.	10.5%	10.8%	2008 to 2012
Quantity - HIP	Percent of people with developmental disabilities who receive home and community-based service	90.3%	91.7%	2008 to 2012
Quantity – Own Your Future	Increase Use of private Long Term Care Financing Options	None	None	

Measure one: Compares 2008 to 2012 data. More information is available on the Continuing Care Performance Report Website.
Measure two: Compares 2008 to 2012 data. More information is available on the Continuing Care Performance Report website
Measure three: Own Your Future is a new program.

Statutory Change(s):

New section of statute in M.S. chapter 256B.

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (000's)			FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund			1,646	1,702	3,348	2,199	2,701	4,900
HCAF Fund								
Federal TANF								
Other Fund								
Total All Funds			$1,646	$1,702	$3,348	$2,199	$2,701	$4,900
Fund	BACT #	Description	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	33	MA-LW- Long term care purchasing	1,344	1,500	3,347	1,925	2,427	4,352
GF	14	CCA admin	465	311	776	422	422	844
GF	REV1	FFP-35% admin	(163)	(109)	(272)	(148)	(148)	(296)
Requested FTE's								
GF	14	CCA admin	1.00	1.00		1.00	1.00	

Change Item: Self-Directed Workforce Negotiations

Fiscal Impact ($000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	6,238	9,717	10,271	10,894
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	6,238	9,717	10,271	10,894
FTEs	0	0	0	0

Recommendation:

Effective July 1, 2015, the Governor recommends funding to implement the self-directed workforce union contract. The funding will be used to increase the minimum hourly wage for individual providers (workers) in self-directed programs, such as personal care assistants (PCAs). This recommendation invests $16 million in the FY2016-17 biennium and $21.2 million of ongoing base funding in the FY2018-19 biennium.

Rationale/Background:

The 2013 Legislature authorized collective bargaining for individual providers of direct support services. (Laws of Minnesota 2013, chapter 128, article 2). In August 2014, workers in self-directed programs in the state voted to form a union. The state completed negotiations in January 2015 with the Service Employees International Union (SEIU), which represents the newly-formed union. The union includes workers in the Personal Care Assistance (PCA) choice program, and the budgets for the other self-directed programs, such as the Consumer Directed Community Supports, Alternative Care, and Consumer Support Grant. Federal Medicaid requirements do not allow differential payment rates to providers based on union membership.

Proposal:

This proposal includes $250,000 per year for individual provider training, beginning in state fiscal year 2017. The training needs and priorities, frequency and locations, and partnerships with other organizations will be determined by a training and orientation committee made up of union and Department of Human Services (DHS) representatives.

The proposal also includes the following for all individual providers:

- Increases the minimum wage floor in state fiscal year 2016 to $10.75/hour and in state fiscal year 2017 to $11/hour
- Establishes paid time off (PTO) accrual rate, carry over, and usage requirements.

Costs for establishing wage and PTO requirements would be incorporated into the Medical Assistance payment rate for the Personal Care Assistance program, and the budgets for the other self-directed programs, such as the Consumer Directed Community Supports, Alternative Care, and Consumer Support Grant. This represents a 1.53% rate increase on July 1, 2015 and a 1.73% rate increase on July 1, 2016 to pay for the wage and PTO costs negotiated in the agreement.

Results:

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quality	Increased staff retention rates in self-directed programs	New		
Quantity	Increased number of hours worked as compared to hours authorized by self-directed workers	New		

Statutory Change(s):

To be determined

DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (dollars in thousands)			FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
General Fund				6,238	9,717	15,955	10,271	10,894	21,165
HCAF									
Federal TANF									
Other Fund									
Total All Funds				6,238	9,717	15,955	10,271	10,894	21,165
Fund	BACT #	Description	FY 15	FY 16	FY 17	FY 16-17	FY 18	FY 19	FY 18-19
GF	33	MA Grants – LW		4,616	7,070	11,686	7,481	7,942	15,423
GF	33	MA Grants – ED		1,560	2,389	3,949	2,527	2,683	5,210
GF	34	Alternative Care		62	96	158	101	107	208
GF	14	CCA Admin			250	250	250	250	500
REV1		Admin FFP @ 35%			(88)	(88)	(88)	(88)	(176)
Requested FTE's									

Program: Central Office Operations
Activity: Operations

AT A GLANCE

- Provides human resource management for about 6,500 state staff and about 3,600 county staff
- Licenses more than 23,000 service providers
- Conducts over 275,000 background studies annually on staff working with vulnerable adults and children
- Conducts more than 16,156 recipient fraud investigations resulting in over $5.4 million in recoveries.
- Conducts more than 330 provider fraud investigations annually resulting in overpayment recoveries totaling more than $4.5 million
- Annually investigates 950 maltreatment allegations
- Conducts more than 10,876 administrative fair hearings per year
- Reviews and approves more than 2,100 contracts per year
- Funding for human services computer systems (which are the responsibility of MN.IT @ DHS) flows through this Operations activity. In FY 2013 spending for those computer systems was $151.7 million. That represents 1.3% of the Department of Human Services overall budget.
- All funds spending for non-IT Operations activity for FY 2013 was $52.1 million. This represents another 0.4% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

The Operations area within the Department of Human Services (DHS) serves external customers, internal staff, and ensures integrity of public money. To outside customers, we license service providers and conduct background studies – key activities that keep Minnesotans safe and protect our most vulnerable citizens. For our external customers, we also provide appeals processes, tribal, county, and community relations, and communication resources.

To internal staff, we provide human resources services, financial management, legal services, and facilities management.

Finally, we work to ensure the prudent use of public dollars by investigating, preventing, and stopping fraudulent uses of state and federal money.

SERVICES PROVIDED

Our *Human Resources Division* provides human resources management services for staff at the agency and for approximately 3,600 county human services employees. This division provides staffing, health, safety, compensation, job classification, labor relations, management consulting, benefits administration, workers compensation and employee assistance services to managers and employees. The division is also responsible for the agency's Continuous Improvements training and initiatives, and for recycling, facilities management, mail processing, security, information desk services, and vehicle management.

The DHS Office of Inspector General manages financial fraud and abuse investigations; licenses programs such as family child care, adult foster care, and mental health centers; and conducts background studies on people who apply to work in these settings

Our Licensing Division licenses residential and nonresidential programs for children and vulnerable adults to ensure that the programs meet the requirements and the law. These programs include child care centers, family child care (via counties), foster care, adoption agencies, and services for people with developmental disabilities, chemical dependency, and mental illness. Our staff also completes investigations of maltreatment of clients.

Our Background Studies Division annually conducts over 275,000 background studies on people working with children or vulnerable adults.

Our Fraud Investigations Division oversees fraud prevention and financial recovery efforts in health care, economic assistance, child care assistance, and food support programs.

Our Office of Indian Policy provides guidance in the implementation and coordination of ongoing consultation and program development with tribal governments regarding the delivery of services to American Indians living both on and off reservations. This office promotes government-to-government relations, and works to enhance tribal infrastructure, reduce disparities, and design effective programs.

Our *Communications Office* leads agency communications efforts. We respond to inquiries from the news media and prepare information that helps the general public understand the agency's services and human services policies.

Our *Office for Equity, Performance, and Development* is responsible for ensuring equal opportunity and nondiscrimination in employment and in delivering services to Minnesotans. We develop an engaged and culturally sensitive workforce that can provide services to DHS' diverse clientele.

Our *Community Relations* area supports, develops, and facilitates relationships between DHS and the community.

Our *County Relations* area takes a lead role in the agency's relationships with Minnesota's 87 counties. These counties administer most of the human services system that the agency oversees.

Our *Office of the Chief Financial Officer* provides fiscal services and controls the financial transactions of the agency. Core functions include preparing financial portions of business area budgets, paying agency obligations, federal fiscal reporting, administering the Parental Fee program, processing agency receipts and preparing employees' payroll.

- The Reports and Forecasts Division is responsible for meeting federal reporting requirements for economic assistance programs, Minnesota Health Care Programs, and the Supplemental Nutrition Assistance Program. Our staff provides forecasts of program caseloads and expenditures, provides fiscal analyses of proposed legislation affecting these programs, and responds to requests for statistical information on the programs.

Our *Compliance Office* is responsible for legal and compliance activities throughout the agency:

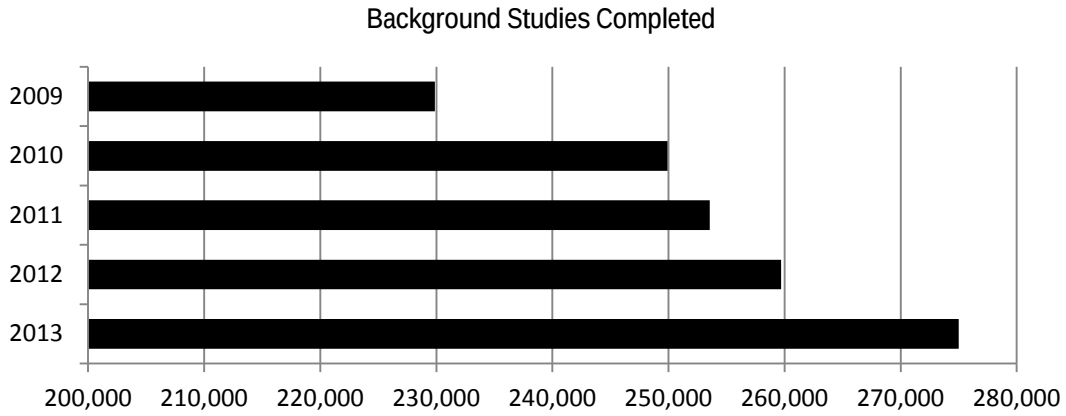
- The *Appeals and Regulations* area conducts hearings when applicants or recipients appeal a delay in their application or a denial, reduction, suspension or termination of economic assistance or social services. Our staff handles appeals from long-term care providers regarding the payment rates established.
- The *Contracts* office provides legal analysis and advice regarding contract development and management.
- The *Internal Audits Office* provides an independent examination and evaluation of the agency's fiscal and program management. Our staff conducts audits of the agency's grantees, contractors, vendors, and counties. We also conduct investigations of suspected or alleged misuse of state resources.
- The *Rulemaking* area develops the administrative rules that govern agency programs and define client benefits. Our staff also publishes bulletins concerning program changes and other issues affecting agency clients and programs.
- The *Legal Management Office* provides legal advice, counsel, and direction for all of DHS, including data practices.

Operations' work supports the following strategies in the DHS Framework for the Future 2014:

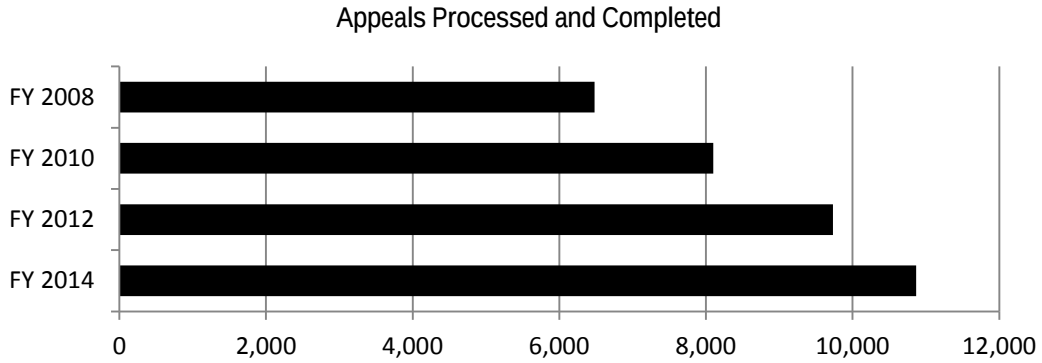
- Better protect children and vulnerable adults in families and facilities, especially those directly in our care
- Expand employee engagement efforts across the agency
- Build new working partnerships and governance arrangements with counties and tribes to improve client services
- Develop a more accurate and efficient background study process
- Increase fraud investigations of Child Care Assistance providers
- Implement new regulatory oversight to support people living safely in homes and communities
- Implement onsite enrollment screening requirements for medium- and high-risk providers
- Expand provider investigations through Recovery Act contracts

RESULTS

Number of background studies completed annually: Individuals who have direct contact with clients



Number of Appeals processed and completed by fiscal year



Operations' legal authority is in several places in state law: M.S. chapter 245A (Human Services Licensing); chapter 245C (Human Services Background Studies) and sections 144.057, 144A.476, and 524.5-118; and chapter 245D (Home and Community-Based Services Standards).

Additional statutes give the agency authority to investigate fraud: M.S. sections 119B.125, 152.126, 256.987, 256D.024, 256J.26, 256J.38, 609.821, 626.5533, and chapter 245E (Child Care Assistance Program Fraud Investigations).

M.S. sections 626.556 and 626.557 authorize the agency's work conducting background studies and investigating reports related to maltreatment of minors and of vulnerable adults.

M.S. chapter 256 (Human Services) provides authority for many of the agency's general administrative activities. M.S. sections 256.045 to 256.046 give authority for the agency's appeals activities.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	38,696	44,088	46,341	47,755	46,934	47,148	53,499	58,398
1200 - State Government Special Rev	3,266	3,330	3,872	4,473	4,389	4,149	4,389	4,149
2000 - Restricted Misc Special Rev	4,814	4,267	4,722	6,205	7,399	6,954	7,952	7,305
2001 - Other Misc Special Rev	39,982	155,282	165,907	184,852	136,558	131,300	144,827	136,180
2360 - Health Care Access	3,915	6,086	4,247	5,515	5,110	5,125	5,110	5,125
3000 - Federal	1,305	1,322	1,294	2,439	2,484	2,484	2,484	2,484
3001 - Federal TANF	86	99	102	100	100	100	100	100
Total	**92,063**	**214,474**	**226,485**	**251,339**	**202,974**	**197,260**	**218,361**	**213,741**
Biennial Change				171,287		(77,590)		(45,722)
Biennial % Change				56		(16)		(10)
Governor's Change from Base								31,868
Governor's % Change from Base								8

Expenditures by Category

Compensation	49,265	93,345	103,253	41,151	45,636	45,301	47,925	48,803
Operating Expenses	41,374	115,778	111,862	209,735	156,890	151,511	169,988	164,490
Other Financial Transactions	1,047	4,783	6,154	5	0	0	0	0
Grants, Aids and Subsidies	321	529	5,216	448	448	448	448	448
Capital Outlay-Real Property	56	39	1	0	0	0	0	0
Total	**92,063**	**214,474**	**226,485**	**251,339**	**202,974**	**197,260**	**218,361**	**213,741**
Total Agency Expenditures	92,063	214,474	226,485	251,339	202,974	197,260	218,361	213,741
Internal Billing Expenditures				0	0	0	0	0
Expenditures Less Internal Billing	**92,063**	**214,474**	**226,485**	**251,339**	**202,974**	**197,260**	**218,361**	**213,741**
Full-Time Equivalents	**570.2**	**984.8**	**1,027.2**	**560.7**	**535.5**	**509.9**	**566.5**	**560.2**

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		1,983		2,516				
Direct Appropriation	78,739	77,638	105,615	97,060	100,500	96,243	113,514	111,463
Receipts		0	0	0	0	0	0	0
Net Transfers	(38,467)	(35,401)	(56,757)	(51,821)	(53,566)	(49,095)	(60,015)	(53,065)
Cancellations		132						
Expenditures	**38,696**	**44,088**	**46,341**	**47,755**	**46,934**	**47,148**	**53,499**	**58,398**
Balance Forward Out	1,576		2,516					
Biennial Change in Expenditures				11,312		(15)		17,800
Biennial % Change in Expenditures				14		0		19
Gov's Exp Change from Base								17,815
Gov's Exp % Change from Base								19
FTEs	259.5	291.3	314.9	385.9	366.9	347.6	397.9	397.9

1200 - State Government Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		183		88				
Direct Appropriation	3,440	3,440	3,974	4,385	4,389	4,149	4,389	4,149
Net Transfers			(13)					
Cancellations		293						
Expenditures	**3,266**	**3,330**	**3,872**	**4,473**	**4,389**	**4,149**	**4,389**	**4,149**
Balance Forward Out	174		88					
Biennial Change in Expenditures				1,750		193		193
Biennial % Change in Expenditures				27		2		2
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	38.4	35.4	40.3	38.4	37.6	36.9	37.6	36.9

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	13,647	1,769	2,523	3,420				
Receipts	4,594	5,440	5,721	2,786	7,399	6,954	7,952	7,305
Net Transfers	(11,869)	(457)	(102)	0				
Expenditures	**4,814**	**4,267**	**4,722**	**6,205**	**7,399**	**6,954**	**7,952**	**7,305**
Balance Forward Out	1,557	2,486	3,420					

(Dollars in Thousands)

2000 - Restricted Misc Special Rev

Biennial Change in Expenditures				1,846		3,427		4,331
Biennial % Change in Expenditures				20		31		40
Gov's Exp Change from Base								904
Gov's Exp % Change from Base								6
FTEs	52.5	46.1	46.0	55.4	55.4	55.4	55.4	55.4

2001 - Other Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	0	8,905	16,459	19,407	16,053	18,240	16,053	18,240
Receipts	84,840	131,181	125,778	150,591	105,377	104,977	105,377	104,977
Net Transfers	(37,738)	30,566	43,076	30,906	33,369	28,595	41,638	33,475
Expenditures	**39,982**	**155,282**	**165,907**	**184,852**	**136,558**	**131,300**	**144,827**	**136,180**
Balance Forward Out	7,121	15,371	19,407	16,053	18,240	20,511	18,240	20,511
Biennial Change in Expenditures				155,495		(82,901)		(69,752)
Biennial % Change in Expenditures				80		(24)		(20)
Gov's Exp Change from Base								13,149
Gov's Exp % Change from Base								5
FTEs	165.2	558.8	575.9	24.6	24.6	24.6	24.6	24.6

2360 - Health Care Access

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		501		34				
Direct Appropriation	11,508	11,508	13,177	13,004	12,826	12,841	14,646	13,751
Net Transfers	(7,157)	(5,817)	(8,896)	(7,489)	(7,716)	(7,716)	(9,536)	(8,626)
Cancellations		107						
Expenditures	**3,915**	**6,086**	**4,247**	**5,515**	**5,110**	**5,125**	**5,110**	**5,125**
Balance Forward Out	436		34					
Biennial Change in Expenditures				(239)		473		473
Biennial % Change in Expenditures				(2)		5		5
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	35.4	35.6	34.3	36.8	31.3	25.7	31.3	25.7

3000 - Federal

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17

(Dollars in Thousands)

3000 - Federal

Balance Forward In	8	4	7	5				
Receipts	1,301	1,324	1,292	2,433	2,484	2,484	2,484	2,484
Expenditures	**1,305**	**1,322**	**1,294**	**2,439**	**2,484**	**2,484**	**2,484**	**2,484**
Balance Forward Out	4	6	5					
Biennial Change in Expenditures				1,106		1,235		1,235
Biennial % Change in Expenditures				42		33		33
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	16.8	16.4	14.8	18.3	18.3	18.3	18.3	18.3

3001 - Federal TANF

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		1	0					
Direct Appropriation		0	0	100	100	100	100	100
Receipts	100	99	102	100	100	100	100	100
Cancellations	14							
Expenditures	**86**	**99**	**102**	**100**	**100**	**100**	**100**	**100**
Balance Forward Out		0						
Biennial Change in Expenditures				17		(2)		(2)
Biennial % Change in Expenditures				9		(1)		(1)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	2.3	1.1	1.0	1.4	1.4	1.4	1.4	1.4

Program: Central Office Operations
Activity: Children & Families

http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=id_000252

AT A GLANCE

- Provides child support services to more than 398,000 custodial and non-custodial parents annually and 270,000 children
- Provides child care assistance to more than 31,000 children in an average month
- 1,076 children were either adopted or had a permanent transfer of legal custody to a relative in 2013
- More than 500,000 Minnesotans receive help through the Supplemental Nutrition Assistance Program (SNAP) every month
- More than 2,900 individuals in 1,300 households receive transitional housing services annually
- More than 3,300 individuals at risk of or experiencing long-term homelessness receive supportive services annually
- All funds administrative spending for the Children and Families activity for FY 2013 was $37.0 million. This represented 0.3% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

Children and Families administers and provides administrative support to counties, tribes and social service agencies for programs that provide child safety and well-being services, and for economic assistance programs serving low-income families, children and low-income adults.

These services help ensure that low-income people receive the support they need to be safe and help build stable families and communities. Programs administered in this area seek to:

- Keep more people fed and healthy by increasing nutrition assistance participation;
- Keep more children out of foster care and safely with their families;
- Decrease the disproportionate number of children of color in out-of-home placements; and,
- Increase access to high quality child care.

Our statewide administration of these programs ensures that federal funds are used according to federal regulations, resources and services are distributed equitably across the state, and quality standards are maintained.

SERVICES PROVIDED

In the Children and Families Services Administration our staff provides administrative direction and supports to counties, tribes and community agencies. Our work includes:

- Researching, recommending and implementing statewide policy and programs
- Managing grants
- Training and giving technical assistance to counties, tribes and grantees
- Evaluating and auditing service delivery
- Conducting quality assurance reviews to make sure that effective services are delivered efficiently and consistently across the state

We are organized into five principal Divisions: Child Safety and Permanency, Child Support, Community Partnerships and Child Care Services, Economic Assistance and Employment Supports, and Management Operations.

Our areas of responsibility include administering several forecasted programs: the Minnesota Family Investment Program (MFIP) and Diversionary Work Program, General Assistance, Group Residential Housing, Minnesota Supplemental Aid and MFIP Child Care Assistance. Our staff also supports grant programs that provide funding for housing, food and child welfare services. We also administer the federal Supplemental Nutrition Assistance Program (SNAP) in this area. We provide oversight of statewide child welfare services that focus on ensuring children's safety while supporting families. We ensure that core safety services focus on preventing or remedying neglect, and providing basic food, housing and other supports to the most at-risk adults and children. We review approximately 1,920 SNAP cases annually to see if benefits and eligibility were determined correctly. In addition, we review overall

county and tribal administration and management of SNAP in 30-35 agencies each year. In 2013, we provided almost 850 classroom and over 3,700 on-line trainings for county staff on SNAP, family cash assistance and child care assistance.

Funding for our programs comes from a combination of state and federal dollars. Major federal block grants that support programs in our Administration include Temporary Assistance for Needy Families, the Child Care and Development Fund, the Social Services Block Grant and the Community Services Block Grant. Funding from these four federal sources totaled $382 million in fiscal year 2014.

We support the following strategies in the DHS Framework for the Future 2014:

- Better protect children and vulnerable adults in families and facilities, especially those directly in our care
- Keep more people fed and healthy by increasing nutrition assistance participation, especially for seniors
- Increase access to prevention, outreach, shelter, and housing for at-risk and homeless youth
- Expand employee engagement efforts across the agency
- Build new working partnerships and governance arrangements with counties and tribes to improve client services
- Lower the disproportionate number of children of color in out-of-home placements
- Decrease the number of children in foster care waiting for adoption
- Increase the number of children in underserved communities enrolled in quality child care settings
- Reduce Supplemental Nutrition Assistance Program error rate

RESULTS

We provide administrative support to a broad array of programs and services for low-income families and adults and children. We report some key measures related to child protection and to the SNAP program.

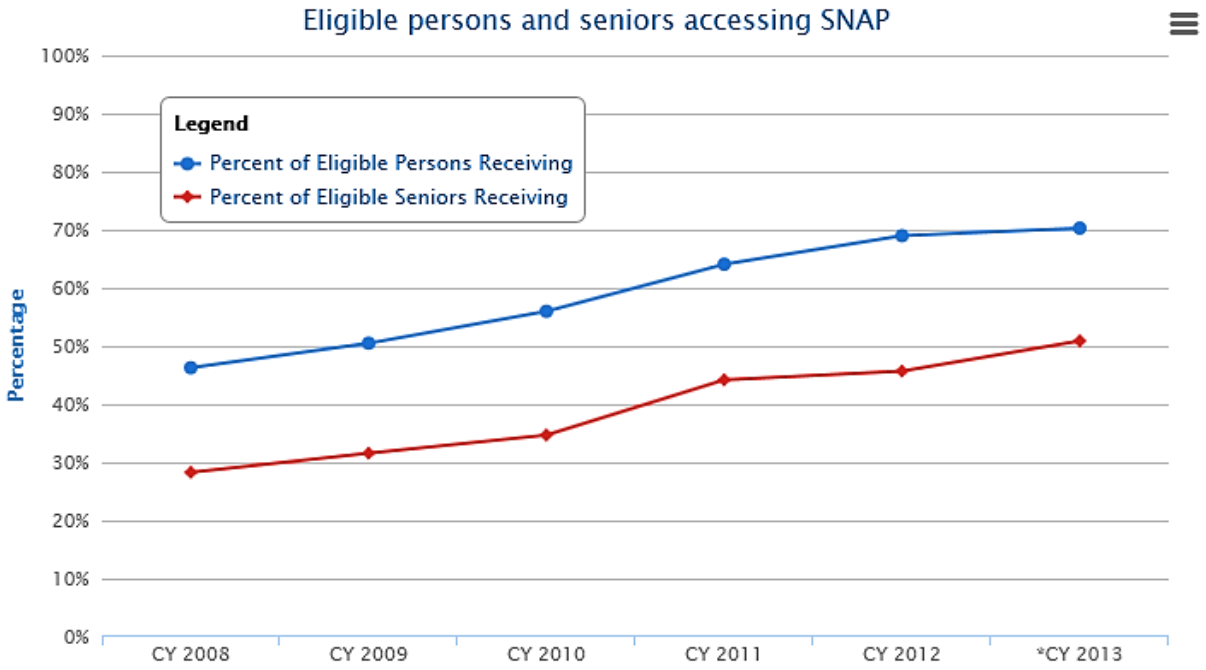
Type of Measure	*Description of Measure*	*2010*	*2011*	*2012*	*2013*
Quality	Percent of children not experiencing repeated abuse or neglect within 6 months of a prior report	95.1%	95.6%	97.5%	97.2%
Quality	Percent of children reunified with parents or living with relatives in fewer than 12 months from latest removal from home	84.5%	85.7%	85.9%	85.1%
Quality	Percent of children adopted in fewer than 24 months from latest removal from home	48.2%	48.1%	49.4%	54.7%

Performance Measures notes:

All measures in the above table are from Minnesota's Child Welfare Reports, 2010-2013. Child Protection statistical reports are posted on the DHS Child Protection Publications page. Also see the DHS Child Welfare Data Dashboard.

SNAP Participation Rate

We report an additional quality measure, graphed below, that shows increased participation in the SNAP program to help keep people fed and healthy.



SNAP data is from the DHS Dashboard.

M.S. chapter 256 (Human Services) provides authority for many of the agency's general administrative activities. For specific programs administered under Children and Families, we list legal citations that apply to the program at the end of each budget narrative.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	6,578	6,645	6,975	8,120	6,978	6,978	10,964	11,360
2000 - Restricted Misc Special Rev	64	277	675	1,053	721	721	721	721
2001 - Other Misc Special Rev	71,562	19,297	20,860	24,138	23,962	23,785	23,974	23,785
3000 - Federal	8,538	8,501	9,218	10,217	9,872	9,959	9,872	9,959
3001 - Federal TANF	2,123	2,043	2,252	2,282	2,582	2,582	2,582	2,582
Total	**88,864**	**36,762**	**39,980**	**45,810**	**44,113**	**44,024**	**48,111**	**48,406**
Biennial Change				(39,836)		2,347		10,727
Biennial % Change				(32)		3		13
Governor's Change from Base								8,380
Governor's % Change from Base								10

Expenditures by Category

Compensation	46,174	24,363	25,829	30,193	29,495	29,463	30,981	31,135
Operating Expenses	42,211	12,230	14,017	15,514	14,541	14,538	17,053	17,248
Other Financial Transactions	413	42	89	21	23	23	23	23
Grants, Aids and Subsidies	67	126	46	81	55	0	55	0
Capital Outlay-Real Property	0							
Total	**88,864**	**36,762**	**39,980**	**45,810**	**44,113**	**44,024**	**48,111**	**48,406**
Total Agency Expenditures	88,864	36,762	39,980	45,810	44,113	44,024	48,111	48,406
Internal Billing Expenditures	0	0						
Expenditures Less Internal Billing	**88,864**	**36,762**	**39,980**	**45,810**	**44,113**	**44,024**	**48,111**	**48,406**
Full-Time Equivalents	**540.4**	**294.6**	**286.9**	**337.3**	**337.3**	**337.3**	**353.3**	**355.3**

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		676		531				
Direct Appropriation	9,452	9,337	8,023	8,015	7,611	7,611	11,609	11,993
Receipts		0	0	0	0	0	0	0
Net Transfers	(2,256)	(3,350)	(517)	(426)	(633)	(633)	(645)	(633)
Cancellations		19						
Expenditures	**6,578**	**6,645**	**6,975**	**8,120**	**6,978**	**6,978**	**10,964**	**11,360**
Balance Forward Out	619		531					
Biennial Change in Expenditures				1,873		(1,139)		7,229
Biennial % Change in Expenditures				14		(8)		48
Gov's Exp Change from Base								8,368
Gov's Exp % Change from Base								60
FTEs	66.3	63.6	64.2	74.0	74.0	74.0	90.0	92.0

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	3,846	1,251	303	375	4,884	4,366	4,884	4,366
Receipts	2	61	194	138	203	203	203	203
Net Transfers	(2,532)	(732)	552	5,423				
Expenditures	**64**	**277**	**675**	**1,053**	**721**	**721**	**721**	**721**
Balance Forward Out	1,251	303	375	4,884	4,366	3,849	4,366	3,849
Biennial Change in Expenditures				1,387		(287)		(287)
Biennial % Change in Expenditures				407		(17)		(17)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	1.2	2.2	6.7	6.2	6.2	6.2	6.2	6.2

2001 - Other Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		1,426	2,817	1,804	284	249	284	249
Receipts	9,624	3,781	3,295	5,207	6,202	6,025	6,202	6,025
Net Transfers	63,096	16,581	16,551	17,410	17,725	17,725	17,737	17,725
Expenditures	**71,562**	**19,297**	**20,860**	**24,138**	**23,962**	**23,785**	**23,974**	**23,785**
Balance Forward Out	1,158	2,492	1,804	284	249	214	249	214
Biennial Change in Expenditures				(45,861)		2,748		2,760

(Dollars in Thousands)

2001 - Other Misc Special Rev

Biennial % Change in Expenditures				(50)		6		6
Gov's Exp Change from Base								12
Gov's Exp % Change from Base								0
FTEs	370.6	130.1	120.8	149.6	149.6	149.6	149.6	149.6

3000 - Federal

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	71	693	942	70				
Receipts	9,104	8,500	8,346	10,146	9,872	9,960	9,872	9,960
Net Transfers		125						
Expenditures	**8,538**	**8,501**	**9,218**	**10,217**	**9,872**	**9,959**	**9,872**	**9,959**
Balance Forward Out	636	817	70					
Biennial Change in Expenditures				2,397		395		395
Biennial % Change in Expenditures				14		2		2
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	90.0	86.8	81.7	93.1	93.1	93.1	93.1	93.1

3001 - Federal TANF

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Direct Appropriation		0	0	2,282	2,582	2,582	2,582	2,582
Receipts	2,282	2,043	2,252	2,282	2,582	2,582	2,582	2,582
Cancellations	159							
Expenditures	**2,123**	**2,043**	**2,252**	**2,282**	**2,582**	**2,582**	**2,582**	**2,582**
Biennial Change in Expenditures				368		629		629
Biennial % Change in Expenditures				9		14		14
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	12.4	11.9	13.7	14.4	14.4	14.4	14.4	14.4

Program: Central Office Operations
Activity: Health Care

AT A GLANCE

- Medical Assistance provided coverage for an average of 739,158 people each month during FY 2013.
- MinnesotaCare provided coverage for an average of 124,685 people each month during FY 2013.
- In FY2013 our member services call center fielded 119,932 calls.
- In FY2013 our provider help desk fielded 370,384 calls.
- All funds administrative spending for the Health Care activity for FY 2013 was $56.8 million. This represents 0.5% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

The Minnesota Department of Human Services (DHS) Health Care Administration administers the Minnesota Health Care Programs (MHCP), including:

Medical Assistance (MA; Minnesota's Medicaid program) which provides health coverage for low-income people including children and families, people 65 or older, people who have disabilities and adults without children; and

MinnesotaCare which provides coverage for those who do not have access to affordable health care coverage.

These programs provide a health care insurance safety net for low-income families, elderly, disabled and very low-income adults without children.

Our goals are to:

- Increase the number of insured Minnesotans by helping eligible people get MA or MinnesotaCare coverage
- Improve and streamline Medicaid processes through the way we administer and deliver programs
- Improve the health outcomes, beneficiary experience and value of care delivered through MHCP
- Reform payment and delivery models by designing rates and models to reward quality and emphasize transparency
- Use research, data and analysis to develop policy recommendations, support DHS health care programs and evaluate results
- Encourage stakeholder communication to support our clients, partners and programs

SERVICES PROVIDED

The Health Care Administration's (HCA) Divisions and operational units include the following:

Office of the Assistant Commissioner

This office performs central functions including:

- Managing the partnership between DHS and the federal Centers for Medicare and Medicaid Services for all Medicaid state plan and waiver services
- Care delivery and payment reform projects including the Integrated Health Partnerships and the CMS State Innovation Models
- Office of the Medical Director
- Coordinating the development of recommendations on health care policy and legislation

Health Care Eligibility Operations

- Processes applications and makes eligibility determinations for MinnesotaCare and the Minnesota Family Planning Program
- This unit includes the State Medical Review Team that conducts 10,000-12,000 disability determinations for the purposes of Medical Assistance eligibility
- Provides ongoing case maintenance and processes changes in circumstance

Health Care Eligibility and Access

- Administers all eligibility policy for the Medical Assistance and MinnesotaCare programs including long term care services.
- Provides training, education, and support for county social service agencies, tribal governments, and other entities processing applications for MHCP
- Develops business requirements for eligibility systems including MAXIS, MMIS, and MNsure (ITS)

Purchasing and Service Delivery (PSD)

- PSD coordinates the purchasing and delivery of services in state health care programs and administers coverage and benefit policy
- Establishes payment policies and calculations for fee-for-service and managed care rates
- Negotiates and manages annual contracts between DHS and managed care organizations

Member and Provider Services (MPS)

- MPS supports MHCP members and providers, conducts benefits recovery and claims processing, runs the member and provider call centers, enrolls health care providers, and manages all provider training and communication regarding the health care programs
- Benefits Recovery Unit assures that Medical Assistance program remains the payer of last resort by billing any insurers or other parties with primary responsibility for paying medical claims
- Responds to enrollee phone calls regarding eligibility, covered services, and provider availability

Healthcare Research and Quality

- Conducts data analysis, research, and data reporting responsibilities for the MHCP and oversees quality assurance activities for the managed care organizations contracting with DHS
- Uses heath care claims data to inform policy and program development and monitors the quality of health care services purchased by DHS

Our staff shares some health care coverage policy and rates development functions with the Continuing Care and Chemical and Mental Health Services administrations for the services under the purview of those other administrations.

Our work supports the following strategies in the DHS Framework for the Future: 2014 (https://edocs.dhs.state.mn.us/lfserver/Public/DHS-6464C-ENG):

- Improve access to affordable health care
- Integrate primary care, behavioral health and long-term care
- Expand employee engagement efforts across the agency
- Expand the number of providers and enrollees participating in Integrated Health Partnerships
- Modernize eligibility and enrollment systems
- Reduce the gap in access and outcomes for health care in cultural and ethnic communities
- Hold managed care plans accountable for health equity outcomes related to depression, diabetes and well child visits

RESULTS

Minnesota is consistently a national leader in promoting and implementing policy and payment initiatives that improve access, quality and cost-effectiveness of services provided through publicly funded health care programs. We monitor performance measures that help us get at key actions and strategies. If DHS can quickly reimburse providers who serve our recipients, those providers may be more apt to serve recipients of Minnesota's public health care programs. Treating people in emergency rooms is more expensive than keeping them healthy to begin with, so increasing people's access to health insurance can increase their access to preventive care, which keeps costs down and helps people live better lives.

While these improvements in health care access and improving the quality of care are important first steps, there is more work to do. In 2014 the agency signed agreements with three additional providers to participate in the IHP demonstration project, and more will be added in 2015. Our staff continues working on further simplifications of the enrollment and renewal processes. More work is needed to continue reducing the gaps in access and outcomes between people covered by public health care programs and people with private insurance. As access expands, we see increased demand for customer service for both enrollees and health care providers.

Performance Measure	*Previous*	*Current*	*Dates*
Percent of electronically submitted claims paid within two days[1]	98.5%	98.27%	FY2012 to FY2013
Number of Health Systems Enrolled in an Integrated Health Partnership[2]	6	9	2013 to 2014
Percent of total MA and MinnesotaCare program enrollees served by an IHP[5]	12%	16%	2013 to 2014
Total MA Benefit Recoveries (excluding fraud and cost avoidance)[4]	$44.4 million	$75.3 million	FY2011 to FY2013

Performance Measure Notes:

1. Source: FY 2013 Member and Provider Services Operational Statistics. Compares Fiscal year 2012 (Previous) to Fiscal year 2013 (Current). Our goal is to pay 98 percent of electronically submitted claims within two days. The trend is stable.
2. Measure is the number of providers enrolled in an Integrated Health Partnership to serve MA and MinnesotaCare recipients. Compares 2013 (Previous) to 2014 (Current)
3. Measure is the percentage of Minnesota Health Care Program Enrollees served by an IHP provider. Compares 2013 (Previous) and 2014 (Current).
4. Source: Member and Provider Services Operational Statistics. Measure is the total amount of recoveries conducted by the benefit recovery unit at DHS and contractors performing recovery activities on its behalf. Compares FY 2011 (Previous) and FY 2013 (Current).

M.S. chapter 256 (Human Services - https://www.revisor.mn.gov/statutes/?id=256) provides authority for many of the agency's general administrative activities. Some of the authority to administer MA is also in that chapter. Additional legal authority to administer MA is in M.S. chapter 256B (Medical Assistance for Needy Persons - https://www.revisor.mn.gov/statutes/?id=256B). Our authority to administer MinnesotaCare is in M.S. chapter 256L (https://www.revisor.mn.gov/statutes/?id=256L).

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	12,668	12,415	12,390	14,032	12,874	12,886	14,039	14,624
2000 - Restricted Misc Special Rev	1,816	1,214	423	1,399	1,134	1,134	1,134	1,134
2001 - Other Misc Special Rev	43,047	20,365	23,638	26,507	26,441	26,301	26,441	26,301
2360 - Health Care Access	19,841	21,499	22,716	25,023	33,555	31,441	29,162	28,694
3000 - Federal	1,364	79	6,217	16,105	15,104	15,104	15,104	15,104
Total	**78,736**	**55,572**	**65,383**	**83,066**	**89,109**	**86,867**	**85,881**	**85,858**
Biennial Change				14,141		27,526		23,289
Biennial % Change				11		19		16
Governor's Change from Base								(4,237)
Governor's % Change from Base								(2)

Expenditures by Category

Compensation	48,782	40,309	45,329	51,956	51,027	51,060	52,025	52,720
Operating Expenses	28,657	14,661	19,563	30,830	37,812	35,537	33,586	32,868
Other Financial Transactions	730	145	361	196	185	185	185	185
Grants, Aids and Subsidies	529	456	130	84	84	84	84	84
Capital Outlay-Real Property	39	0						
Total	**78,736**	**55,572**	**65,383**	**83,066**	**89,109**	**86,867**	**85,881**	**85,858**
Total Agency Expenditures	78,736	55,572	65,383	83,066	89,109	86,867	85,881	85,858
Internal Billing Expenditures		0	0	0	0	0	0	0
Expenditures Less Internal Billing	**78,736**	**55,572**	**65,383**	**83,066**	**89,109**	**86,867**	**85,881**	**85,858**
Full-Time Equivalents	**653.7**	**553.6**	**611.5**	**698.4**	**698.4**	**698.4**	**710.1**	**718.2**

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		1,250		1,191				
Direct Appropriation	16,575	16,884	14,817	14,512	14,049	14,061	15,214	15,799
Receipts	0		0	0	0	0	0	0
Net Transfers	(3,453)	(5,548)	(1,236)	(1,671)	(1,175)	(1,175)	(1,175)	(1,175)
Cancellations		170						
Expenditures	**12,668**	**12,415**	**12,390**	**14,032**	**12,874**	**12,886**	**14,039**	**14,624**
Balance Forward Out	454		1,191					
Biennial Change in Expenditures				1,339		(662)		2,241
Biennial % Change in Expenditures				5		(3)		8
Gov's Exp Change from Base								2,903
Gov's Exp % Change from Base								11
FTEs	98.8	93.0	106.6	107.1	107.1	107.1	113.4	115.9

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	4,180	2,260	380	224	151	151	151	151
Receipts	1,794	982	292	1,325	1,134	1,134	1,134	1,134
Net Transfers	(2,372)	(1,667)	(25)					
Expenditures	**1,816**	**1,214**	**423**	**1,399**	**1,134**	**1,134**	**1,134**	**1,134**
Balance Forward Out	1,787	360	224	151	151	151	151	151
Biennial Change in Expenditures				(1,208)		446		446
Biennial % Change in Expenditures				(40)		24		24
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	4.3	2.8	2.7	3.4	3.4	3.4	3.4	3.4

2001 - Other Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		4,429	5,457	3,542				
Receipts	3,736	3,200	4,363	2,462	5,503	5,503	5,503	5,503
Net Transfers	41,855	17,004	17,359	20,504	20,939	20,799	20,939	20,799
Expenditures	**43,047**	**20,365**	**23,638**	**26,507**	**26,441**	**26,301**	**26,441**	**26,301**
Balance Forward Out	2,545	4,267	3,542					
Biennial Change in Expenditures				(13,267)		2,598		2,598

(Dollars in Thousands)

2001 - Other Misc Special Rev

Biennial % Change in Expenditures				(21)		5		5
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	258.9	161.1	187.7	214.0	214.0	214.0	214.0	214.0

2360 - Health Care Access

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		2,452		858				
Direct Appropriation	22,941	23,563	28,442	31,137	34,567	32,963	30,174	30,216
Receipts			0	0	0	0	0	0
Net Transfers	(859)	(2,978)	(4,869)	(6,115)	(1,385)	(1,522)	(1,385)	(1,522)
Cancellations		1,537						
Expenditures	**19,841**	**21,499**	**22,716**	**25,023**	**33,555**	**31,441**	**29,162**	**28,694**
Balance Forward Out	2,241		858					
Biennial Change in Expenditures				6,398		17,258		10,118
Biennial % Change in Expenditures				15		36		21
Gov's Exp Change from Base								(7,140)
Gov's Exp % Change from Base								(11)
FTEs	288.7	295.9	310.1	363.2	363.2	363.2	368.7	374.3

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		17	0					
Receipts	1,379	78	6,218	16,105	15,104	15,104	15,104	15,104
Expenditures	**1,364**	**79**	**6,217**	**16,105**	**15,104**	**15,104**	**15,104**	**15,104**
Balance Forward Out	15	16						
Biennial Change in Expenditures				20,879		7,886		7,886
Biennial % Change in Expenditures				1,447		35		35
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	3.0	0.8	4.4	10.7	10.7	10.7	10.7	10.7

Program: Central Office Operations
Activity: Continuing Care

AT A GLANCE

- Oversees services to over 400,000 people each year with a value of more than $3.6 billion each year in state and federal funds
- Performs statewide human services planning and develops and implements policy
- Obtains, allocates, and manages resources, contracts, and grants
- Sets standards for service development and delivery and monitors for compliance and evaluation
- Provides technical assistance and training to county and tribal agencies and supports local innovation and quality improvement efforts
- All funds administrative spending for the Continuing Care activity for FY 2013 was $25.9 million. This represented 0.2% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

The Continuing Care Administration administers Minnesota's publicly funded long-term care programs and services for people with disabilities, older Minnesotans, and their families. Our Administration's mission is to improve the dignity, health and independence of the people we serve.

We have four goals:

- Support and enhance the quality of life for older people and people with disabilities
- Manage an equitable and sustainable long-term care system that maximizes value
- Continuously improve how we administer services
- Promote professional excellence and engagement in our work

SERVICES PROVIDED

The Continuing Care Administration is composed of the following Divisions and units, each charged with particular areas of responsibility:

- Aging and Adult Services Division
- Planning and Aging 2030
- Nursing Facility Rates and Policy Division
- Deaf and Hard of Hearing Services Division
- Disability Services Division
- Fiscal Analysis and Performance Measurement
- Operations and Central Functions

Our work includes:

- Administering Medical Assistance long-term care waiver programs and state plan services. This includes developing, seeking authority for and implementing policies, projects, and research. We also oversee state and federal grants and contracts, including Senior Nutrition Grants and Moving Home Minnesota, a federal Money Follows the Person Rebalancing Demonstration Program. These programs serve both seniors and people with disabilities;
- Providing training, education, assistance, advocacy and direct service, including overseeing the state's adult protective services system;
- Managing of nursing home, disability waivers, Intermediate Care Facilities for persons with Developmental Disabilities, and Day Training and Habilitation provider rates;
- Monitoring service quality by doing evaluations and measuring results using county waiver reviews;
- Staffing of the Governor-appointed Minnesota Board on Aging, the Ombudsman for Long-Term Care, and the Commission of Deaf, DeafBlind, and Hard of Hearing Minnesotans, a state agency administratively placed within DHS;
- Working to improve the quality of services and share best practices across providers;
- Providing administrative, financial, and operational management and support; and
- Providing outreach, staff support and technical assistance to stakeholders and stakeholder workgroups.

Direct services we provide include:

- Staffing statewide regional service centers that help people who are deaf, deafblind, hard-of-hearing and late deafened get access to community resources and other services;
- Delivering mental health services in American Sign Language for people who are deaf, deafblind and hard-of-hearing;
- Running the Telephone Equipment Distribution Program, which offers telecommunications equipment to people with hearing loss or other disabilities and who have difficulty using a regular telephone;
- Offering online education presented in American Sign Language on advocacy in education, employment, health care, technology, public access, voter engagement, and heritage;
- Running HIV/AIDS programs that help people get and keep needed health care coverage;
- Providing long-term care ombudsman services, which help people resolve complaints and keep their services; and
- Developing, maintaining, and publishing provider quality rankings for consumers using the nursing home and HCBS report cards.

We support the following strategies in the DHS Framework for the Future: 2014:

- Serve more people in their own homes, communities and integrated workplaces
- Keep more people fed and healthy by increasing nutrition assistance participation, especially for seniors
- Enhance long-term care planning
- Implement a new autism benefit for children
- Expand employee engagement efforts across the agency
- Evaluate quality of life and care for people receiving services by using online report cards for home and community-based services and nursing facilities
- Launch the new Community First Services and Supports to support people in their communities
- Streamline the adult protection system

RESULTS

We use several information sources and data to monitor and evaluate quality outcomes and provider performance. Much of the information we analyze is from the DHS Data Warehouse or from surveys of consumers, providers, and lead agencies. More explanation of these measures is in the performance notes below the table.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quality	1. Percent of waiver review follow-up cases corrected after issuance of corrective actions	84%	93%	2010 to 2013
Quality	2. Average statewide risk-adjusted nursing facility quality of care score out of a possible 100 points	61.4	67.7	Mar. 2012 to Mar. 2014
Result	3. Percent of working age consumers on disability waiver programs with earnings	43.8%	44.6%	Dec. 2009 to Dec. 2013
Result	4. Percent of seniors served by home and community-based services	59.3%	68.4%	2008 to 2013

More information is available on the DHS Dashboard and the Continuing Care Performance Report.

Performance Notes:

1. Measure one compares 2010 data to 2013 data. 2010 data is earliest available. Source: Waiver review database
2. Measure two compares March 2012 data to March 2014 data. Source: Minimum Data Set resident assessments.
3. Measure three compares monthly earnings from Dec. 2009 to Dec. 2013 data for all disability waiver programs. “Working age” is age 22-64. Source: DHS Data Warehouse.
4. Measure four compares FY2008 to FY2013. This measure shows the percentage of seniors receiving publicly-funded long-term care services who receive HCBS services through the Elderly Waiver, Alternative Care, or home care programs instead of nursing home services. Source: February 2014 Forecast

M.S. chapter 256 (Human Services) provides authority for many of the agency’s general administrative activities. Some of the authority to administer MA is also in that chapter. Additional legal authority to administer MA is in M.S. chapter 256B (Medical Assistance for Needy Persons). For other activities administered under Continuing Care, we list legal citations that apply to the program at the end of each budget narrative.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	15,175	18,211	19,559	31,008	29,019	27,356	30,717	29,165
1200 - State Government Special Rev	113	124	138	125	125	125	125	125
2000 - Restricted Misc Special Rev	166	595	748	1,676	1,030	985	1,030	985
2001 - Other Misc Special Rev	5,075	2,425	1,918	2,642	2,503	2,547	2,503	2,547
2403 - Gift	10	10	10	38	38	38	38	38
3000 - Federal	4,727	4,483	4,724	5,477	4,772	4,772	4,772	4,772
Total	**25,267**	**25,848**	**27,098**	**40,966**	**37,487**	**35,823**	**39,185**	**37,632**
Biennial Change				16,949		5,247		8,754
Biennial % Change				33		8		13
Governor's Change from Base								3,507
Governor's % Change from Base								5

Expenditures by Category

Compensation	18,240	18,891	20,413	24,622	25,480	25,469	26,033	26,116
Operating Expenses	6,701	5,881	6,280	16,052	11,904	10,251	13,049	11,413
Other Financial Transactions	149	172	349	104	104	104	104	104
Grants, Aids and Subsidies	177	905	55	188	0	0	0	0
Total	**25,267**	**25,848**	**27,098**	**40,966**	**37,487**	**35,823**	**39,185**	**37,632**
Total Agency Expenditures	25,267	25,848	27,098	40,966	37,487	35,823	39,185	37,632
Internal Billing Expenditures			0					
Expenditures Less Internal Billing	**25,267**	**25,848**	**27,098**	**40,966**	**37,487**	**35,823**	**39,185**	**37,632**
Full-Time Equivalents	**233.2**	**230.9**	**236.3**	**289.8**	**289.8**	**289.8**	**294.8**	**295.8**

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	100	1,417	75	878				
Direct Appropriation	17,892	18,144	23,296	28,901	29,669	27,426	31,367	29,235
Receipts	0	0		0	0	0	0	0
Net Transfers	(1,615)	(1,274)	(2,934)	1,228	(650)	(70)	(650)	(70)
Cancellations		0						
Expenditures	**15,175**	**18,211**	**19,559**	**31,008**	**29,019**	**27,356**	**30,717**	**29,165**
Balance Forward Out	1,202	75	878					
Biennial Change in Expenditures				17,180		5,809		9,316
Biennial % Change in Expenditures				51		11		18
Gov's Exp Change from Base								3,507
Gov's Exp % Change from Base								6
FTEs	142.5	156.2	166.1	212.9	212.9	212.9	217.9	218.9

1200 - State Government Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		12						
Direct Appropriation	125	125	125	125	125	125	125	125
Net Transfers			13					
Cancellations		14						
Expenditures	**113**	**124**	**138**	**125**	**125**	**125**	**125**	**125**
Balance Forward Out	12							
Biennial Change in Expenditures				27		(13)		(13)
Biennial % Change in Expenditures				11		(5)		(5)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	10,707	10,456	9,822	9,094	8,021	8,021	8,021	8,021
Receipts		140	125	603	1,030	985	1,030	985
Net Transfers	(85)	(181)	(105)					
Expenditures	**166**	**595**	**748**	**1,676**	**1,030**	**985**	**1,030**	**985**
Balance Forward Out	10,456	9,820	9,094	8,021	8,021	8,021	8,021	8,021

(Dollars in Thousands)

2000 - Restricted Misc Special Rev

Biennial Change in Expenditures				1,664		(409)		(409)
Biennial % Change in Expenditures				219		(17)		(17)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	1.2	5.4	6.8	8.3	8.3	8.3	8.3	8.3

2001 - Other Misc Special Rev

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		488	244	338	111	103	111	103
Receipts	1,681	1,520	1,558	1,616	1,695	1,695	1,695	1,695
Net Transfers	3,684	643	454	800	800	800	800	800
Expenditures	**5,075**	**2,425**	**1,918**	**2,642**	**2,503**	**2,547**	**2,503**	**2,547**
Balance Forward Out	290	227	338	111	103	51	103	51
Biennial Change in Expenditures				(2,940)		489		489
Biennial % Change in Expenditures				(39)		11		11
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	35.6	22.1	16.3	17.7	17.7	17.7	17.7	17.7

2403 - Gift

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	37	25	25	19	18	18	18	18
Receipts	6	9	4	38	38	38	38	38
Net Transfers	(11)	0						
Expenditures	**10**	**10**	**10**	**38**	**38**	**38**	**38**	**38**
Balance Forward Out	22	24	19	18	18	18	18	18
Biennial Change in Expenditures				27		28		28
Biennial % Change in Expenditures				134		59		59
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

3000 - Federal

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	73	94	54	16				
Receipts	4,710	4,457	4,703	5,462	4,773	4,773	4,773	4,773

(Dollars in Thousands)

3000 - Federal

Net Transfers			(21)					
Expenditures	**4,727**	**4,483**	**4,724**	**5,477**	**4,772**	**4,772**	**4,772**	**4,772**
Balance Forward Out	57	70	16					
Biennial Change in Expenditures				991		(656)		(656)
Biennial % Change in Expenditures				11		(6)		(6)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	52.6	45.9	45.7	49.6	49.6	49.6	49.6	49.6

Program: Central Office Operations
Activity: Chemical & Mental Health

AT A GLANCE

- Provides policy oversight and administers funding for public chemical and mental health services to thousands of Minnesotans.
- 36,991 people received substance abuse treatment services in CY2013.
- 124,587adults received mental health services through the Minnesota Health Care Programs (MHCP) in CY 2013.
- 17,589 adults received mental health case management services through the MHCP in CY 2013
- 70,100 children and youth receive publically funded mental health services each year.
- All funds administrative spending for the Chemical and Mental Health activity for FY 2013 was $9.9 million. This represented 0.1% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

The Chemical and Mental Health Services Administration within the Department of Human Services leads efforts to research, recommend, implement and evaluate policy for chemical and mental health services in Minnesota, including those provided through the Minnesota Health Care Programs (MHCP) — Medical Assistance and MinnesotaCare. Our goal is to support the development and ongoing viability of an accessible and comprehensive service delivery system for persons with mental illness and/or substance addiction. Our current work focuses on integrating behavioral health care with physical health care, implementing evidence-based practices, prevention, and early intervention.

SERVICES PROVIDED

We have three divisions within the Chemical and Mental Health Services Administration (CMHS):

- Adult Mental Health Division
- Alcohol and Drug Abuse Division
- Children's Mental Health Division

Collaborating both with partners within state agencies and in local communities, our Administration shapes and implements public policy on mental health and chemical dependency treatment and prevention services. Specifically, our staff:

- Leads efforts to shape and implement public policy directed towards prevention, early intervention, and treatment of persons with a mental illness or chemical dependency.
- Administers payment policy and manages grant programs for mental health and chemical dependency services, such as the Consolidated Chemical Dependency Treatment Fund, Minnesota Health Care Programs, Adult Mental Health Grants, Child Mental Health Grants and Chemical Dependency Treatment Support Grants.
- Works to encourage the development of local service capacity, including related professional workforce development activities.
- Trains and guides service delivery partners on best practices.
- Provides supervision, guidance, and oversight to service delivery partners including counties, tribes and non-profit providers.
- Partners with stakeholders to improve prevention and early intervention efforts and the service delivery system.
- Finds funding outside of state appropriations and seeks such opportunities to leverage goals.

Major grant programs we administer include the:

- Consolidated Chemical Dependency Treatment Fund (CD Treatment Fund)
- Adult Mental Health Integrated Fund
- Compulsive Gambling Program
- School-based Children's Mental Health Grants
- Federal Substance Abuse Prevention and Treatment Block Grant
- Federal Community Mental Health Services Block Grant

We support the following strategies in the DHS Framework for the Future: 2014 (https://edocs.dhs.state.mn.us/lfserver/Public/DHS-6464C-ENG).

- Reduce the rate of prenatal exposure to alcohol or drugs
- Integrate primary care, behavioral health and long-term care
- Expand employee engagement efforts across the agency
- Build new working partnerships and governance arrangements with counties and tribes to improve client services
- Reduce the gap in access and outcomes for health care in cultural and ethnic communities

RESULTS

While we do not provide direct services to persons working to recover from mental health and substance abuse problems, or work provides the guidance and resources that facilitate positive change. Some outcomes associated with current CMHS initiatives include:

Type of Measure	Name of Measure	Previous	Current	Dates
Quantity	Percent of children in the child welfare system who received a mental health screening.[1]	56.6%	58.9%	2010 vs. 2011
Quantity	The percent of adults in *Assertive Community Treatment (ACT)* who receive an annual comprehensive preventative physical exam.[2]	26.5%	27.8%	2012 vs. 2013
Result	Past 30 day use of alcohol by youth in funded communities.[3]	24.5%	17.9%	2010 vs. 2013
Result	Percentage of babies born with negative toxicology reports.[4]	88%	81%	2011 vs. 2012

Performance Measure Notes:

1. With parental consent, counties conduct mental health screenings for children in the child welfare and juvenile justice systems who have not had a recent assessment. The Previous measure is Calendar Year 2010; the Current measure is CY 2011. (Source: Minnesota Department of Human Services Dashboard, http://dashboard.dhs.state.mn.us/)
2. Compares CY 2012 (Previous) and CY 2013 (Current). The measure is based on ACT recipients who are not Medicare eligible and who are enrolled 12 months in MA or Minnesota Care. (Source: Minnesota Department of Human Services Dashboard, http://dashboard.dhs.state.mn.us/)
3. This measure consists of data as reported in the *Minnesota Student Survey* for 9th grade users. Previous represents calendar year CY 2010 and Current represents CY 2013.
4. The percentage of babies with negative toxicology results during a 12-month period, born to women served by the state Women's Recovery grants. Previous represents FY 2011 and Current represents FY 2012.

M.S. chapter 256 (Human Services, https://www.revisor.mn.gov/statutes/?id=256) provides the legal authority for many of the agency's general administrative activities.
M.S. sections 245.461 – 245.4889 (https://www.revisor.mn.gov/statutes/?id=245), and chapters 254A (https://www.revisor.mn.gov/statutes/?id=254A), and 254B (https://www.revisor.mn.gov/statutes/?id=254B), provide authority for Chemical and Mental Health services.
M.S. section 256B.0625 (https://www.revisor.mn.gov/statutes/?id=256B.0625), provides authority to include chemical and mental health treatment benefits in Minnesota Health Care Programs.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	2,747	4,099	4,324	5,422	4,546	4,546	6,914	7,329
2000 - Restricted Misc Special Rev	1,187	1,922	2,496	4,240	3,856	3,878	3,856	3,878
2001 - Other Misc Special Rev	49	145	307	918	905	905	905	905
3000 - Federal	4,155	4,309	4,480	4,851	4,052	4,305	4,052	4,305
4800 - Lottery Cash Flow	78	142	157	157	157	157	160	163
Total	**8,216**	**10,617**	**11,764**	**15,587**	**13,516**	**13,791**	**15,887**	**16,580**
Biennial Change				8,518		(44)		5,116
Biennial % Change				45		0		19
Governor's Change from Base								5,160
Governor's % Change from Base								19

Expenditures by Category

Compensation	6,647	7,808	8,245	9,884	9,073	9,348	9,918	10,450
Operating Expenses	1,315	2,739	3,147	5,679	4,443	4,443	5,969	6,130
Other Financial Transactions	22	42	34	2	0	0	0	0
Grants, Aids and Subsidies	232	28	338	22	0	0	0	0
Total	**8,216**	**10,617**	**11,764**	**15,587**	**13,516**	**13,791**	**15,887**	**16,580**
Total Agency Expenditures	8,216	10,617	11,764	15,587	13,516	13,791	15,887	16,580
Internal Billing Expenditures	0							
Expenditures Less Internal Billing	**8,216**	**10,617**	**11,764**	**15,587**	**13,516**	**13,791**	**15,887**	**16,580**
Full-Time Equivalents	**80.3**	**88.4**	**89.9**	**98.7**	**98.7**	**98.7**	**106.9**	**109.7**

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		458		619				
Direct Appropriation	4,213	4,262	4,734	4,605	4,546	4,546	6,914	7,329
Receipts		0	68					
Net Transfers	(1,022)	(585)	141	198				
Cancellations		35						
Expenditures	**2,747**	**4,099**	**4,324**	**5,422**	**4,546**	**4,546**	**6,914**	**7,329**
Balance Forward Out	444		619					
Biennial Change in Expenditures				2,900		(654)		4,497
Biennial % Change in Expenditures				42		(7)		46
Gov's Exp Change from Base								5,151
Gov's Exp % Change from Base								57
FTEs	28.2	31.0	34.2	38.9	38.9	38.9	47.1	49.9

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	718	7,581	4,493	2,572	7	7	7	7
Receipts	5,783	6,092	7,373	1,675	3,855	3,877	3,855	3,877
Net Transfers	2,214	(7,282)	(6,797)	0				
Expenditures	**1,187**	**1,922**	**2,496**	**4,240**	**3,856**	**3,878**	**3,856**	**3,878**
Balance Forward Out	7,527	4,469	2,572	7	7	7	7	7
Biennial Change in Expenditures				3,627		997		997
Biennial % Change in Expenditures				117		15		15
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	12.2	16.8	21.7	24.9	24.9	24.9	24.9	24.9

2001 - Other Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	0	738	50	97	14	14	14	14
Receipts	142	108	230	835	905	905	905	905
Net Transfers	642	(650)	124					
Expenditures	**49**	**145**	**307**	**918**	**905**	**905**	**905**	**905**
Balance Forward Out	735	50	97	14	14	14	14	14
Biennial Change in Expenditures				1,031		585		585

(Dollars in Thousands)

2001 - Other Misc Special Rev

Biennial % Change in Expenditures				531		48		48
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	0.7	1.0	0.0	0	0	0	0	0

2403 - Gift

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	8	8	8	8	8	8	8	8
Receipts	0	0	0	0	0	0	0	0
Balance Forward Out	8	8	8	8	8	8	8	8

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	22	499	649	103				
Receipts	7,634	4,292	3,934	4,748	4,052	4,305	4,052	4,305
Net Transfers	(3,480)	85						
Expenditures	**4,155**	**4,309**	**4,480**	**4,851**	**4,052**	**4,305**	**4,052**	**4,305**
Balance Forward Out	21	566	103					
Biennial Change in Expenditures				866		(973)		(973)
Biennial % Change in Expenditures				10		(10)		(10)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	38.2	37.8	32.5	33.4	33.4	33.4	33.4	33.4

4800 - Lottery Cash Flow

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		79		0				
Direct Appropriation	157	157	157	157	157	157	160	163
Cancellations		94						
Expenditures	**78**	**142**	**157**	**157**	**157**	**157**	**160**	**163**
Balance Forward Out	79		0					
Biennial Change in Expenditures				93		0		9
Biennial % Change in Expenditures				42		0		3
Gov's Exp Change from Base								9
Gov's Exp % Change from Base								3

4800 - Lottery Cash Flow

FTEs	1.0	1.9	1.5	1.5	1.5	1.5	1.5	1.5

Program: Forecasted Programs
Activity: MFIP / DWP

MFIP (http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=id_004112)
DWP (http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=id_028634)

AT A GLANCE

- In 2013, MFIP and DWP provided assistance for approximately 40,000 low-income families a month, 71 percent of those served are children.
- The average monthly payment for an MFIP family was $735, including the food portion of MFIP. The average monthly cash payment for a DWP family was $403.
- All funds spending for the MFIP/DWP activity for FY 2013 was $315.9 million. This represented 2.6% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

Minnesota Family Investment Program (MFIP) and Diversionary Work Program (DWP) provide temporary financial support to help meet the basic needs of low-income families with children and low-income pregnant women.

Half the parents receiving MFIP or DWP were employed in the three months before they turned to the program for assistance. Common causes for job losses are layoff, reduced hours, birth of a baby by a parent with no leave time, need to care for an ill child or spouse with a disability, or transportation and child care costs that wages do not cover.

The goal of these related programs is to stabilize families and improve economic outcomes through employment. Without these benefits, families have little or no other resources available to help meet their basic needs.

These programs are funded with a combination of state, federal Supplemental Nutrition Assistance Program (SNAP), and federal Temporary Assistance for Needy Families (TANF) funds. Counties and tribes administer the MFIP and DWP programs.

SERVICES PROVIDED

MFIP provides job counseling, cash assistance and food assistance to low-income families with children and to low-income pregnant women. Families receive time limited benefits (60 months or fewer). The amount of benefits is based on family size and other sources of income. Families may request an extension of their benefits if, for example, an eligible adult has a disability or needs to care for a family member with a disability. A family of three - a parent with two children - with no other income can receive $532 in financial assistance and $446 in SNAP benefits per month. The benefits are structured to reward families who work and are gradually reduced as income rises. Parents are required to participate in employment services to develop the skills needed to move into the labor market as soon as possible. Families may also be eligible for child care assistance and for health care coverage under Medical Assistance.

DWP is designed to meet specific crisis situations and help families move to employment rather than go on MFIP. The program includes intensive, up-front services to focus on families' strengths and break down barriers to work. Families can participate in the program for four months within a 12-month period. A family receives cash benefits based on its housing, utility costs and personal needs up to a maximum based on the number of people in the family. Housing and utility costs are paid directly to the landlord or utility company. The maximum that a family of three – a parent with two children –can receive is $532 in financial assistance. Most families are also eligible for SNAP benefits, child care assistance and for health care coverage under Medical Assistance.

Beginning July 1, 2015, families who receive MFIP (with some exemptions) may also be eligible for a housing assistance grant of $110 per month if they do not receive a rental subsidy through the federal Department of Housing and Urban Development.

RESULTS

The two key measures in MFIP are:

- The Self-Support Index (S-SI) is a results measure. The S-SI gives the percentage of adults eligible for MFIP or DWP in a quarter who have left assistance or are working at least 30 hours per week three years later. Customized targets are set for each county or tribe using characteristics of the people served and local economic conditions. State law requires the

Department of Human Services to use the Self-Support Index to allocate performance bonus funds. The following chart shows that about two-thirds of participants have left MFIP and/or are working at least 30 hours per week three years after a baseline period.

Year ending in March of:	S-SI
2008	71.8%
2009	68.9%
2010	67.0%
2011	65.2%
2012	65.3%
2013	66.9%
2014	68.5%

- The federal Work Participation Rate (WPR) is a measure of quantity. The WPR reflects parents engaging in work and specific work-related activities. We calculate an estimated WPR for counties, county consortiums, and tribes monthly and it is annualized to allocate performance bonus funds. (Beginning in calendar year 2016, the bonus will be based solely on the S-SI.) The following chart shows the WPR for 2008 to 2013.

Calendar Year	WPR
2008	29.9%
2009	29.8%
2010	40.2%
2011	43.9%
2012*	45.3%
2013*	45.1%

*State estimate (Federal figures not yet released)

We also track another measure developed for statewide and county performance:

- SNAP and Cash Assistance Timeliness is the percentage of approved public assistance applications with benefits issued within mandated timelines. This is a measure of quality that helps determine how well counties are able to help people meet their basic needs.

Calendar Year	Timeliness
2008	78.7%
2009	78.3%
2010	78.9%
2011	80.1%
2012	75.9%
2013	75.7%

The state legal authority for the Minnesota Family Investment Program (MFIP) and Diversionary Work Program (DWP) is under M.S. chapter 256J (https://www.revisor.mn.gov/statutes/?id=256J).

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	86,398	76,134	76,154	76,731	91,040	93,952	91,040	93,952
2000 - Restricted Misc Special Rev	970	563	450	750	750	750	750	750
3000 - Federal	165,396	158,909	144,520	150,000	150,000	150,000	150,000	150,000
3001 - Federal TANF	73,324	80,250	69,820	71,774	86,139	82,546	86,139	82,546
Total	**326,088**	**315,856**	**290,943**	**299,255**	**327,929**	**327,248**	**327,929**	**327,248**
Biennial Change				(51,746)		64,979		64,979
Biennial % Change				(8)		11		11
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Operating Expenses	1	0	0					
Other Financial Transactions	694	674	580	800	800	800	800	800
Grants, Aids and Subsidies	325,392	315,183	290,363	298,455	327,129	326,448	327,129	326,448
Total	**326,088**	**315,856**	**290,943**	**299,255**	**327,929**	**327,248**	**327,929**	**327,248**

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	0	0						
Direct Appropriation	86,398	74,134	76,154	76,731	91,040	93,952	91,040	93,952
Receipts			0					
Net Transfers		2,000						
Expenditures	**86,398**	**76,134**	**76,154**	**76,731**	**91,040**	**93,952**	**91,040**	**93,952**
Biennial Change in Expenditures				(9,647)		32,107		32,107
Biennial % Change in Expenditures				(6)		21		21
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In			1	1				
Receipts	970	564	450	750	750	750	750	750
Expenditures	**970**	**563**	**450**	**750**	**750**	**750**	**750**	**750**
Balance Forward Out		1	1					
Biennial Change in Expenditures				(334)		300		300
Biennial % Change in Expenditures				(22)		25		25
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

2360 - Health Care Access

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Receipts	0	0	0	0	0	0	0	0

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In			1					
Receipts	165,396	158,909	144,519	150,000	150,000	150,000	150,000	150,000
Expenditures	**165,396**	**158,909**	**144,520**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**
Biennial Change in Expenditures				(29,785)		5,480		5,480
Biennial % Change in Expenditures				(9)		2		2

(Dollars in Thousands)

3000 - Federal

Gov's Exp Change from Base				0
Gov's Exp % Change from Base				0

3001 - Federal TANF

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	27,461	0		3,655				
Direct Appropriation		0	0	71,774	86,139	82,546	86,139	82,546
Receipts	75,581	80,250	73,475	73,059	70,865	68,309	70,865	68,309
Expenditures	**73,324**	**80,250**	**69,820**	**71,774**	**86,139**	**82,546**	**86,139**	**82,546**
Balance Forward Out	29,718	0	3,655					
Biennial Change in Expenditures				(11,980)		27,091		27,091
Biennial % Change in Expenditures				(8)		19		19
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Program: Forecasted Programs
Activity: MFIP Child Care Assistance

http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=id_008688

AT A GLANCE

- In 2013 MFIP Child Care Assistance paid for child care for 15,681 children in 8,389 families in an average month.
- The average monthly assistance per family was $1,117.
- All funds spending for the MFIP Child Care Assistance activity for FY 2013 was $118.0 million. This represented 1% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

A 2009 study commissioned by the Department of Human Services and conducted by Wilder Research found that about three quarters of Minnesota households with children ages 12 and younger use child care. These families are challenged to find affordable child care that fits their preferences and needs. In households with low incomes, 20 percent of parents reported that child care problems interfered with their getting or keeping a job in the past year. Without this program, many low-income families would not be able to pay for child care and would be unable to work or pursue education leading to work.

Minnesota Family Investment Program (MFIP) Child Care Assistance provides financial subsidies to help low-income families pay for child care so children are well cared for and prepared to enter school ready to learn. The program serves families who currently or recently participated in MFIP or in the related Diversionary Work Program (DWP).

SERVICES PROVIDED

The program provides supports to help improve outcomes for the most at risk children and their families by increasing access to high quality child care.

The following families are eligible to receive MFIP child care assistance or Transition Year child care assistance once they leave MFIP:

- MFIP and DWP families who are employed, pursuing employment, or participating in employment, training or social services activities authorized in approved employment plans
- Employed families who are in their first year off MFIP or DWP (this is known as the “transition year”)
- Families in counties with a Basic Sliding Fee (BSF) child care waiting list who have had their transition year extended
- Parents under age 21 who are pursuing a high school or general equivalency diploma (GED), do not receive MFIP benefits, and reside in a county that has a BSF waiting list that includes parents under age 21.

As family income increases, so does the amount of child care expenses paid by the family in the form of copayments. All families receiving child care assistance and earning 75 percent or more of the federal poverty guideline make copayments based on family income. A family of three leaving MFIP and earning 115 percent of the federal poverty level ($22,460) would have a total biweekly child care provider payment of $24 for all children in child care.

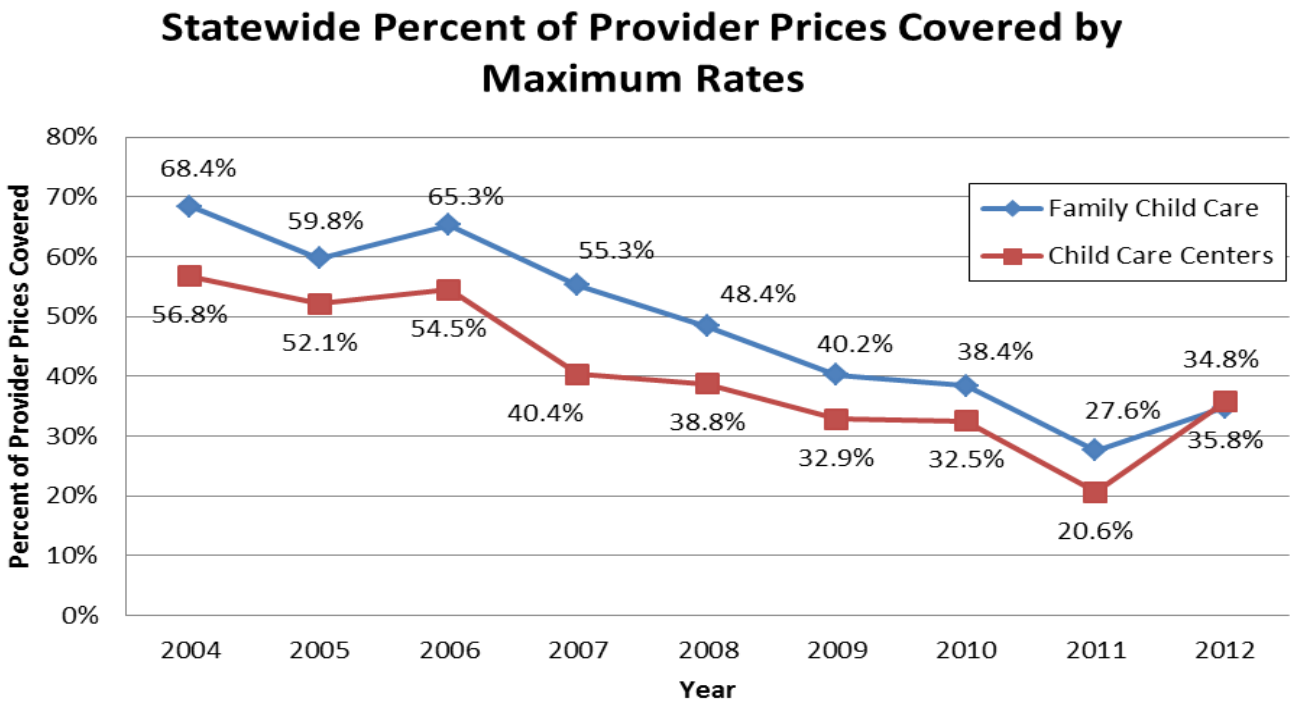
The MFIP child care assistance activity is part of the state’s Child Care Assistance Program. Maximum rates in the Child Care Assistance Program are set in state law. Maximum rates are set for each type of care: child care centers, family child care and legal non-licensed child care. Providers are paid at the rate they charge private pay families, up to this limit. The program pays a higher rate to child care providers who provide high quality child care. Participation in high quality care increases the likelihood of children’s improved school readiness.

Child care must be provided by a legal child care provider over the age of 18 years. Allowable providers include legal nonlicensed family child care, license-exempt centers, licensed family child care and licensed child care centers. Families choose their providers in the private child care market. Counties administer the Child Care Assistance Program.

All families who meet eligibility requirements may receive this help. MFIP child care assistance is funded with state and federal funds that include the federal Child Care and Development Fund and the Temporary Assistance for Needy Families (TANF) fund.

Maximum rates paid to providers under the Child Care Assistance Program may not cover the full cost of child care. This may be a barrier for some families, if the family cannot find a provider in their community whose rates are covered by the maximum allowed under the program. The percent of child care provider rates that are fully covered by the Child Care Assistance Program increased when the maximum rates were raised in 2014, but the maximum rate paid remains low compared to rates in the market.

This quality measure shows approximately 35 percent of child care providers charge rates that are fully covered by the Child Care Assistance Program maximum rates.

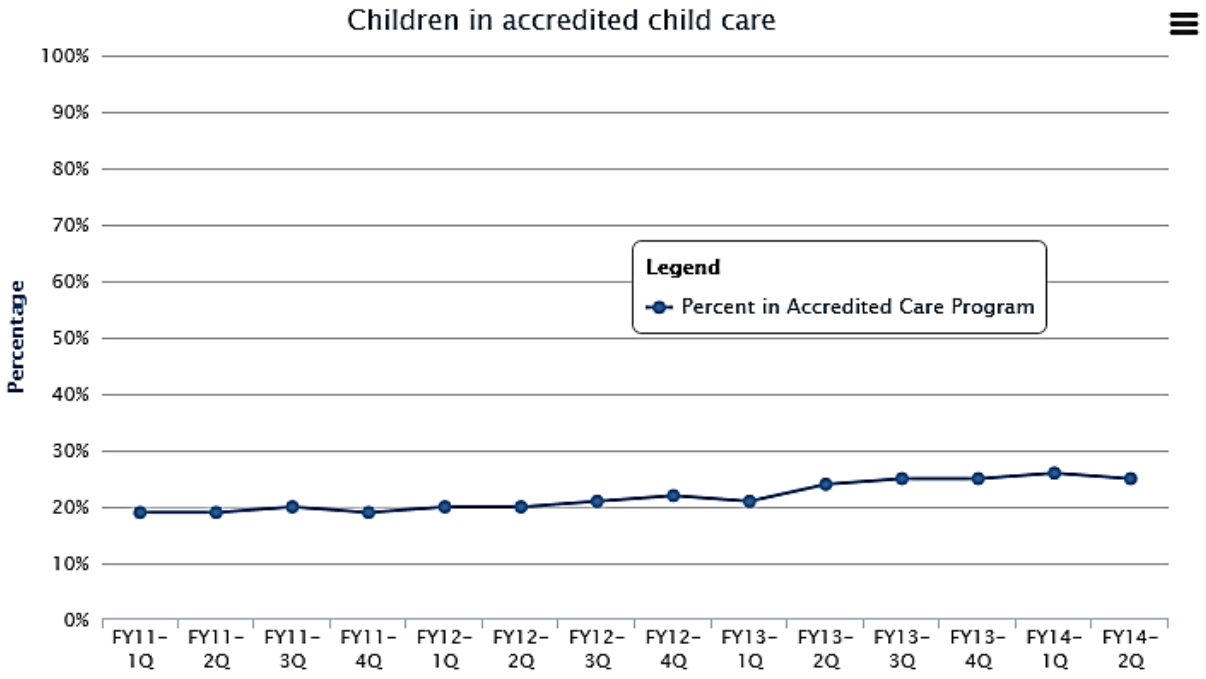


High quality early child care and education experiences are associated with better outcomes, particularly for children from low-income families. Parent Aware is Minnesota's rating tool for helping parents select high quality child care and early education programs.

Beginning in March 2014, the Child Care Assistance Program pays a rate increase to providers with higher ratings:

- Up to a 15 percent higher maximum rate is paid to providers with a Parent Aware three-star rating, or who meet certain accreditation or education standards established in statute.
- Up to a 20 percent higher maximum rate is paid to providers with a four-star Parent Aware rating.

Another quality measure, Children in Accredited Child Care, shows an increase over time in the percent of children served by the Child Care Assistance Program receiving care from a provider who met quality standards through an accredited child care program.



The data source for the percent of providers covered by maximum rates is a survey of provider prices conducted by the Department and used to determine the percent of providers who are covered by maximum rates.

The data source for children in accredited care is from MEC^2, Minnesota's child care electronic eligibility and payment system.

The legal authority for the MFIP/TY Child Care Assistance program is in M.S. chapter 119B (https://www.revisor.mn.gov/statutes/?id=119B)

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	56,843	43,749	61,207	88,456	99,522	106,605	99,735	107,296
3000 - Federal	59,885	74,287	67,439	64,377	65,061	65,584	65,061	65,584
Total	**116,728**	**118,036**	**128,646**	**152,833**	**164,583**	**172,189**	**164,796**	**172,880**
Biennial Change				46,714		55,294		56,198
Biennial % Change				20		20		20
Governor's Change from Base								904
Governor's % Change from Base								0

Expenditures by Category

Operating Expenses			0					
Grants, Aids and Subsidies	116,728	118,036	128,645	152,833	164,583	172,189	164,796	172,880
Total	**116,728**	**118,036**	**128,646**	**152,833**	**164,583**	**172,189**	**164,796**	**172,880**

Budget Activity: MFIP Child Care Assistance

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Direct Appropriation	54,643	43,749	61,017	88,456	99,522	106,605	99,735	107,296
Net Transfers	2,200		190					
Expenditures	**56,843**	**43,749**	**61,207**	**88,456**	**99,522**	**106,605**	**99,735**	**107,296**
Biennial Change in Expenditures				49,071		56,464		57,368
Biennial % Change in Expenditures				49		38		38
Gov's Exp Change from Base								904
Gov's Exp % Change from Base								0

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		402	189					
Receipts	60,099	73,884	67,250	64,377	65,061	65,584	65,061	65,584
Expenditures	**59,885**	**74,287**	**67,439**	**64,377**	**65,061**	**65,584**	**65,061**	**65,584**
Balance Forward Out	214							
Biennial Change in Expenditures				(2,357)		(1,171)		(1,171)
Biennial % Change in Expenditures				(2)		(1)		(1)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Program: Forecasted Programs
Activity: General Assistance

http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=id_002558

AT A GLANCE

- In December 2013, 22,635 Minnesotans were eligible for General Assistance.
- The typical monthly benefit is $203 for an individual and $260 for a couple.
- All funds spending for the General Assistance activity for FY 2013 was $51.6 million. This represents 0.4% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

General Assistance (GA) is the primary safety net for very low-income people without children who are unable to work and do not have enough money to meet their basic needs. The most common eligibility reason for people at enrollment is illness or incapacity (51 percent). GA helps meet some of their basic and emergency needs. Without additional income supports, these individuals would likely fall further into poverty and become homeless.

Many people receive these monthly cash benefits while they wait for more stable assistance such as SSI, a federal income supplement program that helps people who are aged, blind or have a disability and have little or no income. Thirty two percent of people eligible for GA have signed an Interim Assistance Agreement. That indicates they plan to apply for other income benefits such as federal Supplemental Security Income (SSI) or Retirement, Survivors and Disability Income (RSDI).

SERVICES PROVIDED

The General Assistance (GA) program provides state-funded, monthly cash grants to people without children who have a serious illness, disabilities or other issues that limit their ability to work and are unable to fully support themselves. GA's maximum monthly benefit is $203 for a single adult, or about 21percent of the Federal Poverty Guideline of $972 per month for one person, and $260 for a couple. Additional emergency funds may be available if a recipient cannot pay for basic needs and the person's health or safety is at risk because of this. People eligible for GA may also be eligible for health care coverage under Medical Assistance.

The Department of Human Services (DHS) works with the federal Social Security Administration and the state's Disability Linkage Line® to identify ways to streamline the disability determination process. DHS also connects recipients with resources to help them with the SSI application process. People who become eligible for SSI are no longer eligible for GA. They become eligible for Minnesota Supplemental Aid to supplement their SSI income.

DHS works with counties, tribes, homeless service providers and other non-profit agencies to advise on and administer the GA program.

RESULTS

GA is a safety net program that contributes to stabilizing crisis situations, avoiding homelessness and making connections to other resources, resulting in better outcomes.

GA recipients who may be eligible for SSI must apply and sign an Interim Assistance Agreement (IAA). If a person on GA is eligible for SSI, having an IAA in place allows the state to collect federal reimbursement for GA benefits paid while the person's application for SSI was pending. An increase in the percent of GA recipients with a signed IAA shows a better opportunity for stable income for recipients and state savings.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Percent of GA recipients with a signed Interim Assistance Agreement (IAA)	44.5%	45.5%	May 2013 May 2014

GA is a safety net for people who do not have adequate income or resources to meet their basic needs. It is intended to be short-term while they apply for other benefits, look for employment, or secure other income. It is not intended as a long-term solution to meet a person's basic needs. Data below shows that while 43-45 percent of cases are on the program for more than 12 months, only 23-26 percent of cases remain on the program after two years.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Percent of GA cases with more than 12 months of continuous GA usage	43.5%	45.9%	Dec. 2012 Dec. 2013
Quantity	Percent of GA cases with more than 24 months of continuous GA usage	23.9%	26%	Dec. 2012 Dec. 2013

One of the goals of the GA program is to help people prepare to obtain permanent work and become self-sufficient. Some features of GA act as work incentives. A person can work and still remain on GA if his or her earned income is minimal. For example, the GA program allows some earned income to be disregarded, and some work expenses to be deducted, when a person's GA eligibility and benefits are calculated.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Percent of GA cases with earned income	2.1%	2.1%	Dec. 2012 Dec. 2013

The source for these outcomes is the DHS report, December 2012 General Assistance Caseload: Cases and Eligible People (https://edocs.dhs.state.mn.us/lfserver/Public/DHS-6128E-ENG)

The legal authority for the General Assistance program is M.S. chapter 256D (https://www.revisor.mn.gov/statutes/?id=256D)

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	49,553	51,620	51,125	53,396	55,884	58,586	55,884	58,599
2000 - Restricted Misc Special Rev	0	0	0	50	50	50	50	50
Total	**49,553**	**51,620**	**51,125**	**53,446**	**55,934**	**58,636**	**55,934**	**58,649**
Biennial Change				3,398		9,999		10,012
Biennial % Change				3		10		10
Governor's Change from Base								13
Governor's % Change from Base								0

Expenditures by Category

Grants, Aids and Subsidies	49,553	51,620	51,125	53,446	55,934	58,636	55,934	58,649
Total	**49,553**	**51,620**	**51,125**	**53,446**	**55,934**	**58,636**	**55,934**	**58,649**

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		169						
Direct Appropriation	49,722	53,359	52,218	53,396	55,884	58,586	55,884	58,599
Net Transfers	0	0	(190)	0	0	0	0	0
Cancellations		1,908	904					
Expenditures	**49,553**	**51,620**	**51,125**	**53,396**	**55,884**	**58,586**	**55,884**	**58,599**
Balance Forward Out	169							
Biennial Change in Expenditures				3,348		9,949		9,962
Biennial % Change in Expenditures				3		10		10
Gov's Exp Change from Base								13
Gov's Exp % Change from Base								0

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Receipts				50	50	50	50	50
Expenditures	0	0	0	**50**	**50**	**50**	**50**	**50**
Biennial Change in Expenditures				50		50		50
Biennial % Change in Expenditures						100		100
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Program: Forecasted Programs
Activity: MN Supplemental Assistance

http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=id_004114

AT A GLANCE

- In December 2013, 31,012 Minnesotans received Minnesota Supplemental Aid.
- The typical benefit is $81 for an individual and $111 for a couple.
- This supplements a typical monthly federal Supplemental Security Income (SSI) benefit of $721 for an individual living alone.
- All funds spending for the Minnesota Supplemental Aid activity for FY 2013 was $36.0 million. This represented 0.3% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

Minnesota Supplemental Aid (MSA) helps to address homelessness and poverty in Minnesota. MSA benefits are intended to cover basic daily or special needs. Nearly half of MSA recipients are age 60 or older and 79 percent have a disability.

Minnesota established the MSA program in 1974. Federal maintenance-of-effort regulations require that states maintain payment levels that were in effect in March 1983, or the state risks losing Medicaid federal financial participation. MSA is a supplement to Minnesota recipients on the federal Supplemental Security Income (SSI) program. People who become eligible for SSI are eligible for MSA to supplement their SSI income.

SERVICES PROVIDED

The Minnesota Supplemental Aid (MSA) program provides a state-funded monthly cash supplement to help people who are aged, blind or disabled, and who receive federal Supplemental Security Income (SSI) benefits to meet basic needs that are not met by SSI alone. Some recipients who do not receive SSI because their income is too high may still be eligible for MSA if they meet other eligibility criteria.

In addition to a monthly benefit, housing assistance is available to recipients who qualify, adding $189 more to the MSA benefit to help pay housing costs. To be eligible for this housing assistance, applicants must:

- Be under age 65 at the time of application
- Have total housing costs in excess of 40 percent of their total income
- Apply for rental assistance if eligible
- Be relocating from an institution, or eligible for Medical Assistance personal care attendant services, or receiving waivered services and living in their own place.

MSA may also provide additional payments for other special needs such as special diets and household repairs or furnishings.

The Department of Human Services works with counties, tribes, the Social Security Administration, service providers, and other nonprofit agencies to identify people eligible for the program, and to advise and administer MSA program policy.

RESULTS

People who receive federal Supplemental Security Income are categorically eligible for MSA, but must apply for MSA in order to receive the benefits. The MSA program has had stable enrollment of around 30,000 individuals over time, but the number of adults who receive SSI and yet do not receive MSA is increasing. This indicates some people are not accessing the benefits they are eligible for. The Department of Human Services is working with the Social Security Administration to inform people about this benefit.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Results	Percent of SSI beneficiaries over age 18 who receive MSA	39.0	38.8	Dec. 2012 Dec. 2013

MSA helps provides additional money to help people who qualify and have high housing costs move into affordable housing or be able to afford their current housing costs.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Percent of MSA recipients who receive MSA housing assistance	1.8	2	Dec. 2012 Dec. 2013

The MSA and SSI programs support efforts of people who want to work. MSA follows work incentives used by the Social Security Administration to encourage people with disabilities to work. More needs to be done to support them in reaching their employment goals.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Percent of MSA recipients with earned income	1.08	1.19	Dec. 2012 Dec. 2013

The source of the data for the MSA measures is the DHS report, December 2012 Minnesota Supplemental Aid: Cases and Eligible People (https://edocs.dhs.state.mn.us/lfserver/Public/DHS-6143B-ENG) and the Social Security Administration report on SSI Recipients by State and County 2013 (http://www.socialsecurity.gov/policy/docs/statcomps/ssi_sc/2013/mn.html).

The legal authority for the Minnesota Supplemental Aid program is in M.S. chapter 256D: sections 256D.33 (https://www.revisor.mn.gov/statutes/?id=256D.33) to 256D.54 (https://www.revisor.mn.gov/statutes/?id=256D.54).

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	35,767	36,039	36,479	38,244	39,668	41,169	39,668	40,207
2000 - Restricted Misc Special Rev	0			5	5	5	35	134
Total	**35,767**	**36,039**	**36,479**	**38,249**	**39,673**	**41,174**	**39,703**	**40,341**
Biennial Change				2,921		6,119		5,316
Biennial % Change				4		8		7
Governor's Change from Base								(803)
Governor's % Change from Base								(1)

Expenditures by Category

Operating Expenses							30	129
Grants, Aids and Subsidies	35,767	36,039	36,479	38,249	39,673	41,174	39,673	40,212
Total	**35,767**	**36,039**	**36,479**	**38,249**	**39,673**	**41,174**	**39,703**	**40,341**

Budget Activity: MN Supplemental Assistance

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		1,690						
Direct Appropriation	37,457	37,514	37,956	38,244	39,668	41,169	39,668	40,207
Net Transfers		(2,000)						
Cancellations		1,165	1,477					
Expenditures	**35,767**	**36,039**	**36,479**	**38,244**	**39,668**	**41,169**	**39,668**	**40,207**
Balance Forward Out	1,690							
Biennial Change in Expenditures				2,916		6,114		5,152
Biennial % Change in Expenditures				4		8		7
Gov's Exp Change from Base								(962)
Gov's Exp % Change from Base								(1)

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Receipts	0	0	0	5	5	5	35	134
Expenditures	0			**5**	**5**	**5**	**35**	**134**
Biennial Change in Expenditures				5		5		164
Biennial % Change in Expenditures						100		3,280
Gov's Exp Change from Base								159
Gov's Exp % Change from Base								1,590

Program: Forecasted Programs
Activity: Group Residential Housing

http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=id_002549

AT A GLANCE

- In 2013, the Group Residential Housing (GRH) program served a monthly average of 19,000 participants.
- The current GRH housing rate limit is $876 per month.
- The average monthly payment per recipient is $548.
- All funds spending for the Group Residential Housing activity for FY 2013 was $130.2 million. This represented 1.1% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

Group Residential Housing (GRH) is a state-funded income supplement program that pays for room and board in approved locations for adults with low incomes who have a disability or are 65 years or older. Participants must meet a combination of eligibility requirements set by the federal Supplemental Security Income (SSI) program or state General Assistance program to qualify for help. GRH also has income and asset limits.

Seventeen percent of GRH recipients are seniors. Those who are younger than 65 years of age all have a combination of factors that limit their self-sufficiency, including a physical or mental health disability, visual impairment or chemical dependency.

Without GRH, program recipients likely would be in institutional placements or homeless.

SERVICES PROVIDED

The GRH rate is currently $876 per month. This rate is paid for residents in more than 5,765 state-licensed or registered settings in Minnesota. About 4,263 of those are adult foster care homes. Other settings include board and lodging facilities, supervised living facilities, boarding care homes, supportive housing and other assisted living facilities.

Housing providers receive payments on behalf of eligible recipients. The GRH monthly payment is to pay for rent, utilities, food, household supplies and other items needed to provide room and board to a recipient. A recipient may be required to pay a portion of his or her income directly to housing providers. GRH can pay for additional supportive services in some settings if a recipient is not eligible for home-and community- based waiver services.

County human services agencies process eligibility and payments for people in the program. Counties also manage GRH contracts with housing and service providers.

RESULTS

An increase in the number of GRH recipients who are no longer homeless shows efforts are working to reduce homelessness.

GRH recipients who may be eligible for SSI must apply and sign an Interim Assistance Agreement (IAA). If a person receiving GRH is eligible for SSI, having an IAA in place allows the state to collect federal reimbursement for state payments made while the person's application for SSI was pending. An increase in the percent of GRH recipients with a signed IAA shows a better opportunity for stable income for recipients and state savings.

An increase in the percent of GRH applications processed within 30 days shows people get the help they need more quickly.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Results	Number of GRH recipients moving out of homelessness	1,224	1,688	Dec 2011, Dec 2013
Quantity	Percent of GRH recipients with signed Interim Assistance Agreement	14.5%	14.6%	May 2013 May 2014
Quality	Percent of GRH applications processed within 30 days	59%	65%	May 2013 May 2014

The information in these measures comes from MAXIS administrative data.

The legal authority for the Group Residential Housing program is M.S. chapter 256I (https://www.revisor.mn.gov/statutes/?id=256I).

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	120,798	128,593	137,033	145,792	156,761	168,448	156,612	170,619
2000 - Restricted Misc Special Rev	881	1,595	1,676	1,665	1,665	1,665	1,665	1,665
Total	**121,679**	**130,188**	**138,709**	**147,457**	**158,426**	**170,113**	**158,277**	**172,284**
Biennial Change				34,299		42,373		44,395
Biennial % Change				14		15		16
Governor's Change from Base								2,022
Governor's % Change from Base								1

Expenditures by Category

Grants, Aids and Subsidies	121,679	130,188	138,709	147,457	158,426	170,113	158,277	172,284
Total	**121,679**	**130,188**	**138,709**	**147,457**	**158,426**	**170,113**	**158,277**	**172,284**

Budget Activity: Group Residential Housing

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		1,963						
Direct Appropriation	124,961	130,322	141,388	145,792	156,761	168,448	156,612	170,619
Net Transfers	(2,200)							
Cancellations		3,692	4,355					
Expenditures	**120,798**	**128,593**	**137,033**	**145,792**	**156,761**	**168,448**	**156,612**	**170,619**
Balance Forward Out	1,963							
Biennial Change in Expenditures				33,433		42,384		44,406
Biennial % Change in Expenditures				13		15		16
Gov's Exp Change from Base								2,022
Gov's Exp % Change from Base								1

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Receipts	881	1,594	1,676	1,665	1,665	1,665	1,665	1,665
Expenditures	**881**	**1,595**	**1,676**	**1,665**	**1,665**	**1,665**	**1,665**	**1,665**
Biennial Change in Expenditures				866		(11)		(11)
Biennial % Change in Expenditures				35		0		0
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Program: Forecasted Programs
Activity: Northstar Care for Children

http://www.dhs.state.mn.us/main/id_000150

AT A GLANCE

- 11,510 children experienced an out-of-home placement in 2013
- 1,076 children were either adopted or had a permanent transfer of legal custody to a relative in 2013
- All funds spending for the North Star Care for Children activity for FY 2013 was $67.5 million. This represented 0.6% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

Northstar Care for Children is a new program that takes effect January 2015. It is designed to help children who are removed from their homes and supports permanency through adoption or transfer of custody to a relative if the child cannot be safely reunified with parents. Northstar Care for Children consolidates and simplifies administration of three programs: Family FosterCare, Kinship Assistance (which replaces Relative Custody Assistance) and Adoption Assistance. Northstar Care for Children will help more children grow up in safe and permanent homes.

SERVICES PROVIDED

The comprehensive, simplified Northstar Care for Children program:

- Combines three child welfare programs — Family Foster Care, Adoption Assistance and Kinship Assistance — into a single program with uniform processes and unified benefits
- Provides a monthly basic benefit based on children's age
- Uses a uniform assessment for all children to determine any needs beyond the basic payment for one of 15 levels of monthly supplemental difficulty of care payments
- Maintains the highest range of the current foster care benefits for children with the highest need
- Grandfathers children in existing programs under their current programs unless specifically transitioned into Northstar Care for Children (the current programs are slowly phased out as children exit them)
- Reduces barriers to permanency by eliminating disparities in benefits across the existing programs
- Reduces racial disparities among the children who remain in long-term foster care

Funding for Northstar Care for Children comes from state general fund appropriations, federal payments for foster care and adoption assistance, and county or tribal spending on foster care.

RESULTS

The Department of Human Services (DHS) monitors the performance of counties and tribes in delivering child welfare services, and will continue to do so under Northstar Care for Children. DHS expects to see better outcomes for children under Northstar Care.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quality	Rate of Relative Care: Percentage of children who are in relative family foster homes or pre-adoptive homes compared to children in all family foster care or pre-adoptive homes	30.2%	39.6%	2010 to 2013
Quality	Placement Stability: Percentage of children who have two or fewer placement settings when they are in foster care for less than 12 months	86.8%	85.8%	2010 to 2013
Quality	Timeliness to Adoption: Percentage of children who achieve adoption within 24 months from their most recent entry into foster care	48.2%	54.7%	2010 to 2013

Performance Measures notes:
All measures are from Minnesota's Child Welfare Reports, 2010-2013. Child Protection statistical reports are posted on the DHS Child Protection Publications page (http://www.dhs.state.mn.us/main/id_003712).

Northstar Care for Children is established in M.S. section 256N.20 (https://www.revisor.mn.gov/statutes/?id=256N.20).

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	0	0	0	0	0	0	45,206	49,599
3000 - Federal	0	0	0	0	0	0	34,390	34,390
Total	**0**	**0**	**0**	**0**	**0**	**0**	**79,596**	**83,989**
Biennial Change				0		0		163,585
Biennial % Change				0		0		
Governor's Change from Base								163,585

Expenditures by Category

Other Financial Transactions							2,000	2,000
Grants, Aids and Subsidies	0	0	0	0	0	0	77,596	81,989
Total	**0**	**0**	**0**	**0**	**0**	**0**	**79,596**	**83,989**

Budget Activity: Northstar Care for Children

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Direct Appropriation	0	0	0	0	0	0	45,206	49,599
Expenditures	0	0	0	0	0	0	**45,206**	**49,599**
Biennial Change in Expenditures				0		0		94,805
Biennial % Change in Expenditures				0		0		
Gov's Exp Change from Base								94,805

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Receipts	0	0	0	0	0	0	34,390	34,390
Expenditures	0	0	0	0	0	0	**34,390**	**34,390**
Biennial Change in Expenditures				0		0		68,780
Biennial % Change in Expenditures				0		0		
Gov's Exp Change from Base								68,780

Program: Forecasted Programs
Activity: MinnesotaCare

http://www.dhs.state.mn.us/main/id_006255

AT A GLANCE

- Beginning January 1, 2015, MinnesotaCare will operate as a Basic Health Plan under the Affordable Care Act
- In FY 2013, MinnesotaCare had an average monthly enrollment of 124,685
- All funds spending for the MinnesotaCare grants activity for FY 2013 was $571.2 million. This represented 4.7% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

MinnesotaCare provides comprehensive health care coverage for low-income working families and adults in Minnesota. MinnesotaCare serves clients who do not have access to affordable health insurance and have higher income levels than those served on the Medical Assistance program. Unlike Medical Assistance, MinnesotaCare requires enrollee premiums and does not include coverage for long term care services or supports.

Historically, MinnesotaCare draws on appropriations from the health care access fund, federal Medicaid funds, and from enrollee premiums. During the 2013 fiscal year, about 48% of the program costs were covered by state funds, 45% from federal funds, and 7% from enrollee premiums.

Changes to MinnesotaCare eligibility requirements and covered services signed into law in 2013 made the program eligible to receive Basic Health Plan (BHP) funding under the Affordable Care Act (ACA). In 2014, MinnesotaCare operates under a one-year extension of the state's current federal Medicaid waiver and receives a 50 percent federal match for health care coverage provided to enrollees. Beginning calendar year 2015 and after, Minnesota will receive BHP funding for MinnesotaCare equal to 95 percent of the federal subsidies that would otherwise be available to eligible people enrolled in private health care coverage through MNsure, the state's health insurance exchange.

SERVICES PROVIDED

MinnesotaCare covers a broad range of health care services including:

- Primary and preventive care,
- Inpatient and outpatient hospital care,
- Coverage for prescription drugs,
- Chemical dependency treatment,
- Mental health services, and
- Oral health services.

MinnesotaCare now has a more uniform benefit policy for all enrollees in the program. State law passed in 2013 removed a $10,000 cap on inpatient hospital benefits and other differences in the coverage for certain adults in the program. People eligible for Medical Assistance are no longer eligible for MinnesotaCare.

The Department of Human Services (DHS) contracts with non-profit health plans to provide services through their provider networks to MinnesotaCare enrollees.

MinnesotaCare is available to: non-pregnant adults and 19 and 20 year olds with a household income between 138 and 200 percent of federal poverty guidelines (FPG), children under age 19 with household income under 200 percent of FPG who are ineligible for Medical Assistance due to federal household composition rules, and lawfully present noncitizens with household income up to 200 percent of FPG.

People formerly eligible for MinnesotaCare, including pregnant women and most children with household income up to 275 percent of FPG, and adults below 138 percent of FPG, became eligible for the Medical Assistance program in January 2014. As a result of the state law changes to the income eligibility standards of the two programs, about 110,000 MinnesotaCare recipients transitioned to coverage in the Medical Assistance program in January 2014. The law change also ended MinnesotaCare coverage for adults with

income between 200 percent and 275 percent of FPG. Most of the adults in this income range are eligible for subsidies to purchase health insurance through MNsure.

People seeking coverage under MinnesotaCare can apply directly through the MNsure web site or by submitting a paper application to MNsure, to DHS, or to their county human services or tribal office. Applicants are not eligible if they have access to affordable health insurance coverage through an employer. There are no health condition barriers for eligibility, but applicants must meet income guidelines and pay a premium (if applicable) to receive coverage.1 Premiums are based on income and are charged for each enrollee, up to a maximum of $50 per month in 2014.

INNOVATIONS UNDERWAY

DHS works with many stakeholders to determine how we can improve our health care programs.

As part of Minnesota's commitment to deliver quality health care more efficiently, the agency began a new payment model in 2013 that prioritizes quality preventive care and rewards providers for reducing the cost of care for enrollees in Medical Assistance and MinnesotaCare. The traditional health care model pays providers for the volume of care they deliver rather than the quality of the care they provide. The *Integrated Health Partnerships (IHP)* initiative gives participating providers financial incentives to manage the total cost of care through better coordination of medical care and prioritizing quality preventive care. In return for reducing the total cost of care for health care enrollees, providers are eligible for a share of the savings. In the first year of the project six providers serving a total of 100,000 Minnesotans in MinnesotaCare and Medical Assistance spent $10.5 million less than projected. In 2014, three additional providers joined the project bringing the total number of enrollees in the demonstration to 145,000. Beginning in 2014, providers also share in the risk if costs are higher than projected.

This IHP, originally known as the Health Care Delivery Systems demonstration, is one of the key components of a $45 million federal State Innovation Model (SIM) grant for health care reforms. The SIM grant provides funding for a joint effort by DHS and the Department of Health to develop new ways of delivering and paying for health care and creating healthy communities using the Minnesota Accountable Health Model.

RESULTS

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quality	Percent of Minnesotans without health insurance[1]	8.2%	4.9%	2013 to 2014
Quality	Percent of Low-income Minnesotans without Health Insurance[2]	16.3%	15.9%	2011 to 2013
Quality	Percent of total MA and MinnesotaCare program enrollees served by an IHP[3]	12%	16%	2013 to 2014
Quality	Estimated reduction in health care spending on MHCP enrollees whose care is attributed to providers participating in the Integrated Health Partnership demonstration project[4]	N/A	$(10.5) million	2013

Performance Measure Notes:

1. Measure is the percent of Minnesotans that do not have health insurance. Source: University of Minnesota State Health Access Data Assistance Center. Compares 2013 (Previous) to 2014 (Current).
2. Measure is the percentage of Minnesotans with family income below 200% of poverty who do not have health insurance. Source: Minnesota Health Access Survey, Minnesota Department of Health. Compares 2011 (previous) and 2013 (current).
3. Measure is the percentage of Minnesota Health Care Program enrollees served by an IHP provider. Compares 2013 (Previous) and 2014 (Current).

[1] Income eligibility guidelines (https://edocs.dhs.state.mn.us/lfserver/Public/DHS-3182-ENG) and estimated premium amounts (https://edocs.dhs.state.mn.us/lfserver/Public/DHS-4139A-ENG) by income are available on the DHS web site.

4. Measure is an estimated reduction in medical expenditures below projections for 2013 for the providers enrolled in the IHP demonstration. IHP provider contracts require this measure be calculated in the same manner each year, so the agency will be able to monitor this new measure over time. The savings reflected in this measure represent reduced health care expenditures as a result of the demonstration and are shared with providers.

Minnesota Statutes, chapter 256L (https://www.revisor.mn.gov/statutes/?id=256L) provides the legal authority to operate the MinnesotaCare program. Because the federal government considers elements of MinnesotaCare to be a Medicaid waiver program, M.S. chapter 256B (https://www.revisor.mn.gov/statutes/?id=256B) is another source of legal authority for the MinnesotaCare program.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
2000 - Restricted Misc Special Rev	40,007	14,211	2	0	0	0	0	0
2360 - Health Care Access	263,973	282,251	262,576	303,483	453,785	550,538	443,090	523,143
3000 - Federal	6,434	274,689	260,612	274,939	296,015	343,873	296,015	343,873
Total	**310,413**	**571,151**	**523,190**	**578,422**	**749,800**	**894,411**	**739,105**	**867,016**
Biennial Change				220,047		542,599		504,509
Biennial % Change				25		49		46
Governor's Change from Base								(38,090)
Governor's % Change from Base								(2)

Expenditures by Category

Compensation	0							
Operating Expenses			0					
Grants, Aids and Subsidies	310,413	571,151	523,190	578,422	749,800	894,411	739,105	867,016
Total	**310,413**	**571,151**	**523,190**	**578,422**	**749,800**	**894,411**	**739,105**	**867,016**

Full-Time Equivalents	**0**

(Dollars in Thousands)

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	6,626	202	149	13	13	13	13	13
Receipts	33,469	14,011	(134)	0	0	0	0	0
Expenditures	**40,007**	**14,211**	**2**	0	0	0	0	0
Balance Forward Out	88	2	13	13	13	13	13	13
Biennial Change in Expenditures				(54,216)		(2)		(2)
Biennial % Change in Expenditures				(100)		(100)		(100)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

2360 - Health Care Access

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		24,208		0				
Direct Appropriation	288,181	298,197	262,869	283,966	420,714	513,447	398,264	472,748
Receipts	0	0	15,679	19,517	33,072	37,091	44,827	50,395
Net Transfers			0	0	0	0	0	0
Cancellations		40,154	9,021					
Expenditures	**263,973**	**282,251**	**262,576**	**303,483**	**453,785**	**550,538**	**443,090**	**523,143**
Balance Forward Out	24,208		0					
Biennial Change in Expenditures				19,835		438,264		400,174
Biennial % Change in Expenditures				4		77		71
Gov's Exp Change from Base								(38,090)
Gov's Exp % Change from Base								(4)

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	296	4,215	31	5				
Receipts	10,302	275,938	260,586	274,934	296,015	343,873	296,015	343,873
Expenditures	**6,434**	**274,689**	**260,612**	**274,939**	**296,015**	**343,873**	**296,015**	**343,873**
Balance Forward Out	4,164	5,465	5					
Biennial Change in Expenditures				254,428		104,337		104,337
Biennial % Change in Expenditures				91		19		19
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	0							

3000 - Federal

Program: Forecasted Programs
Activity: Medical Assistance

http://www.dhs.state.mn.us/main/id_006254

AT A GLANCE

- In fiscal year 2013, MA served a monthly average of 739,158 people. This is 13.6% of the state's population.
- In FY2013, basic care coverage for families with children made up 59% of total enrollment, but only 24% of total expenditures.
- In FY 2013, coverage for the elderly and disabled made up 31% of total enrollment, but 66% of total expenditures.
- In FY2013, basic care coverage for adults without children accounted for 10% of both total enrollment and total expenditures.
- 124,587 adults received mental health services through MA and MinnesotaCare in CY 2013.
- 17,589 adults received mental health case management services through MA and MinnesotaCare in CY 2013.
- MA is funded with state general funds, federal Medicaid funds, and with local shares for a few particular services. Beginning in FY2014 the state Health Care Access Fund also funds some MA spending.
- All funds spending for the Medical Assistance activity for FY 2013 was $8.3 billion. This represented 69.1% of the Department of Human Services overall budget.
- Of those FY 2013 total expenditures, the Minnesota state share was $3.8 billion.

PURPOSE & CONTEXT

Medical Assistance (MA) is Minnesota's Medicaid program. MA provides coverage for preventive and primary health care services for low-income Minnesotans. MA differs from the state's other health care program, MinnesotaCare, in that it has lower income eligibility guidelines, does not have premiums, and pays for previously incurred medical bills up to three months prior to the month of application. Additionally, MA can pay for nursing facility care and intermediate care facilities for people with developmental disabilities. It can also cover long term care services and supports for people with disabilities and older adults so that they can continue living in the community.

The Minnesota Department of Human Services (DHS) is the state Medicaid agency and partners with all 87 Minnesota counties to administer the MA program. Minnesota receives federal matching funds for MA. By accepting federal matching funds, states are subject to federal Medicaid regulations. States have some flexibility in determining what services are covered, what groups are covered, and in setting payment rates to providers.

DHS contracts with both health plans and health care providers across the state to deliver basic health care to MA enrollees.

The legislature made several changes to Medical Assistance eligibility during the 2013 session. The following changes to the program began in January 2014 and apply to people who *do not* have an aged, blind, or disabled basis of eligibility:

- Increased the income eligibility limit for adults without children from 75 percent of the federal poverty guidelines (FPG) to 133 percent ($31,720 for a family of four in 2014).
- Increased the income eligibility limit for parents and relative caretakers from 100 percent of FPG to 133 percent.
- Aligned MA income standards with federal tax rules and eliminated asset tests.
- Simplified renewal processes, requiring less information from enrollees and renewing once per year instead of every 6 months.
- Extended coverage of children in foster care until age 26.
- Increased income eligibility for children from 150 percent of FPG to 275 percent.
- Increased income eligibility for pregnant women from 275 percent of FPG to 278 percent.
- Added an income disregard equal to 5 percent of FPG to the top of the income limits for these non aged blind and disabled populations. This change raised the effective eligibility limits slightly higher than those listed in the bullets above.

Under the new income standards, people formerly eligible for MinnesotaCare, including children and pregnant women with household income up to 275 percent of poverty and adults below 133 percent of poverty, became eligible for MA. As a result of these changes, about 110,000 MinnesotaCare recipients transitioned to coverage in the MA program in January 2014.

SERVICES PROVIDED

MA enrollees fall under one of five general categories:

1. MA Coverage of Basic Health Care for Elderly and Disabled

In FY2013, this segment of MA funds supported an average of 181,743 people per month, many of whom are also enrolled in Medicare and so are "dual eligible beneficiaries." Total spending on this group was $2.1 billion in FY2013, about $1.05 billion of which came from state funds. Health coverage for this group includes most health services outside of long-term care including:

- primary and preventive care
- inpatient hospital benefits
- mental health and chemical dependency treatment
- medical transportation
- medical equipment
- prescription drugs
- dental care
- coverage for eyeglasses and eye care

People receiving these services are low-income elderly (65 years or older) and people who are blind or have a disability. Their income and assets must be below allowable limits. As MA enrollees they receive health care coverage or financial assistance to help them pay for their Medicare premiums and cost sharing/copayments. (This latter approach is often less expensive for the state than if the state provided their health coverage under MA alone.)

This segment of the MA program also includes the Medical Assistance for Employed Persons with Disabilities (MA-EPD) program. MA-EPD allows a monthly average of 8,500 working individuals with disabilities to receive the full MA benefit set. This program encourages people with disabilities to work and enjoy the benefits of being employed. It allows working people with disabilities to qualify for MA without an income limit and under higher asset limits than standard MA. More information on MA-EPD is available in the Medical Assistance for Employed Persons with Disabilities brochure (http://edocs.dhs.state.mn.us/lfserver/public/DHS-2087L-ENG).

2. MA Coverage of Care in Long-Term Care Facilities

MA pays for long-term care services for people who reside in facilities. In FY 2013, this segment of MA funds supported an average of nearly 18,000 people per month. Total spending on this group was just over $920 million in FY2013, about $470 million of which came from state funds. Care provided under this segment of MA includes 24-hour care and supervision in nursing facilities or intermediate care facilities for persons with developmental disabilities (ICF/DD). It also includes day training and habilitation (DT&H) services for people who live in an ICF/DD.

A nursing facility (also called a nursing home) provides 24-hour care and supervision in a residential facility setting. Nursing facilities provide an all-inclusive package of services that covers: nursing care, help with activities of daily living and other care needs, housing, meals and medication administration. An ICF/DD provides 24-hour care, active treatment, training and supervision to people with developmental disabilities. DT&H services help people living in an ICF/DD develop and maintain life skills, and take part in the community through productive and satisfying activities. DT&H services include supervision, training and assistance in self-care, communication, socialization, behavior management, and supported employment and work-related activities, among others.

DHS works with community providers, counties and tribes, and the Department of Health in administering and monitoring services in these long-term care settings. More information is available in a nursing home fact sheet (https://edocs.dhs.state.mn.us/lfserver/Public/DHS-5961-ENG).

To receive MA long-term care services a person must have income and assets that are below allowable limits and have an assessed need for the services.

3. MA Coverage of Care through Long-Term Care Waivers & Home Care

In Minnesota MA also pays for people to receive long-term care waiver or home care services in their homes and communities. In FY 2013, this segment of MA funds supported an average of just over 54,000 people per month. Total spending on this group was just over $2.26 billion FY2013, about $1.3 billion came from state funds. Long-term care waivers, also known as Home and Community-Based Services (HCBS) waivers, are an alternative for people who need long-term care services but who do not choose to live in a nursing facility, ICF/DD or hospital. The federal Centers for Medicare and Medicaid Services (CMS) allows states to apply for long-term care waivers which provide different kinds of services that help people live in the community instead of in a facility or institution. These waivers can offer:

- in-home, residential, medical and behavioral supports
- customized day services
- employment supports
- Consumer-Directed Community Supports (a self-directed option)
- caregiver supports
- transitional services to support people to move out of institutions or other congregate settings
- transportation
- home modifications
- case management
- other goods and services

Minnesota operates five home and community-based waivers:

- Brain Injury (BI) – for individuals with a brain injury meeting a nursing facility or neurobehavioral hospital level of care
- Community Alternative Care (CAC) – for individuals with disabilities meeting a hospital level of care
- Community Alternatives for Disabled Individuals (CADI) – for individuals with disabilities meeting a nursing facility level of care
- Developmental Disabilities (DD) – for individuals with developmental disabilities meeting an Intermediate Care Facilities for Persons with Developmental Disabilities (ICF/DD) level of care
- Elderly Waiver (EW) – for individuals age 65 and older meeting a nursing facility level of care

Home care services provide a range of medical care and support services in a person's home or community. Services include assessments, home health aide visits, nurse visits, home care nursing (previously private duty nursing), personal care services, home health therapies, and medical supplies and equipment. The agency is developing a new service called Community First Services and Supports (CFSS) that will replace personal care services. CFSS will be more flexible and expand self-directed options.

4. MA Coverage of Basic Health Care for Families with Children

In FY 2013, this segment of MA funds supported an average of 471,949 people per month. Total spending on this group was just over $1.93 billion FY2013, about $950 million of which came from state funds. The covered services include:

- primary and preventive care
- inpatient hospital benefits
- mental health and chemical dependency treatment
- medical transportation
- medical equipment
- prescription drugs
- dental care
- coverage for eyeglasses and eye care

Recipients of this health care coverage are often the lowest income Minnesotans, and include low income pregnant women, children, parents and caretaker relatives.

This segment of the MA program also includes funding for the Minnesota Family Planning Program (MFPP) and the MA Breast and Cervical Cancer Treatment program (MABC). MFPP provides coverage of family planning and related health care services for people not currently enrolled in MA or MinnesotaCare. MABC covers treatment costs for breast cancer, cervical cancer or a precancerous cervical condition for women without health insurance.

5. MA Coverage of Basic Health Care for Adults without Children

In FY2013, this segment of the MA program served an average of 85,466 people per month. Total spending on this group was about $792 million in FY2013, with $385 million coming from state funds. The covered services include:

- primary and preventive care
- inpatient hospital benefits
- mental health and chemical dependency treatment
- medical transportation
- medical equipment
- prescription drugs
- dental care
- coverage for eyeglasses and eye care

A full list of Medical Assistance populations, income and asset limits is in a Minnesota Health Care Programs brochure (https://edocs.dhs.state.mn.us/lfserver/Public/DHS-3182-ENG).

INNOVATIONS UNDERWAY

DHS works with many stakeholders to determine how we can improve our health care programs. Here are some examples of how DHS is working toward program improvements:

1. Integrated Health Partnerships

As part of Minnesota's commitment to deliver quality health care more efficiently, the agency began a new payment model in 2013 that prioritizes quality preventive care and rewards providers for reducing the cost of care for enrollees in MA and MinnesotaCare programs.

The traditional healthcare model pays providers for the volume of care they deliver rather than the quality of the care they provide. The *Integrated Health Partnerships (IHP)* initiative gives participating providers financial incentives to manage the total cost of care through better coordination of medical care and prioritizing quality preventive care. In return for reducing the total cost of care for health care enrollees, providers are eligible for a share of the savings. In the first year of the project six providers serving 100,000 Minnesotans spent $10.5 million less than projected. In 2014, three additional providers joined the project bringing the total number of enrollees in the demonstration to 145,000. Beginning in 2014, providers also share in the risk if costs are higher than projected.

The IHP, originally known as the Health Care Delivery Systems demonstration, is one of the key components of a $45 million federal State Innovation Model (SIM) grant for health care reforms. The SIM grant provides funding for a joint effort by DHS and the Department of Health to develop new ways of delivering and paying for health care and creating healthy communities using the Minnesota Accountable Health Model.

2. Reform 2020

Reform 2020 is a bipartisan initiative to reform MA to better meet the challenges of rising health care costs and an aging population, while still providing Minnesotans the services they need to lead fulfilling lives. Reform 2020 modifies existing services, provides new services to targeted groups and with federal approval it allows the state to try new ways to deliver and pay for health care and long-term care services. The goal of Reform 2020 is to ensure that people receive the right services, at the right time, in the right way.

3. Integrated Care Systems Partnerships

"Dual eligible beneficiaries" are people whose health care is covered by both Medicare and MA. In September 2013, Minnesota began a new project to improve the care experience for dual eligible beneficiaries receiving services through the Minnesota Senior Health Options (MSHO) program. Health care for dual eligible beneficiaries has historically been fragmented, complex, and confusing with Medicare paying for most primary care and Medicaid paying for acute and long-term care. The *Integrated Care Systems Partnerships* project combines the financing of the managed care organizations operating the Medicare Advantage and Minnesota's MSHO programs to improve coordination between Medicare and Medicaid services and simplify an enrollee's experience. This financing platform allows for new arrangements for provider payment and delivery reforms.

RESULTS

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Result	Percent of seniors served by home and community-based services[1]	59.3%	68.4%	2008 to 2013
Result	Percent of people with disabilities served by home and community-based services[2]	90.7%	92.9%	2008 to 2013
Quality	Percent of Minnesotans without health insurance[3]	8.2%	4.9%	2013 to 2014
Quality	Percent of Low-income Minnesotans without Health Insurance[4]	16.3%	15.9%	2011 to 2013
Quantity	Percent of total MA and MinnesotaCare program enrollees served by an IHP[5]	12%	16%	2013 to 2014
Quality	Estimated reduction in health care spending on MHCP enrollees whose care is attributed to providers participating in the Integrated Health Partnership demonstration project[6]	N/A	$(10.5) million	2013

Performance Measure Notes:

1. This measure reflects the percentage of older adults receiving publicly-funded long-term care services who receive HCBS services through the Elderly Waiver or Alternative Care program instead of services in nursing homes. Measure compares FY 2008 and FY 2013 data. (Source: February 2014 Forecast.)

2. This is the percent of people with disabilities receiving publicly-funded long-term care services who receive HCBS services through disability waiver or home care programs instead of services in nursing homes or Intermediate Care Facilities. Measure compares FY 2008 and FY 2013 data. (Source: February 2014 Forecast.)
3. Measure is the percent of Minnesotans that do not have health insurance. Source: University of Minnesota State Health Access Data Assistance Center. Compares 2013 (Previous) to 2014 (Current)
4. Measure is the percentage of Minnesotans with family income below 200% of poverty who do not have health insurance. Source: Minnesota Health Access Survey, Minnesota Department of Health. Compares 2011 (Previous) and 2013 (Current)
5. Measure is the percentage of Minnesota Health Care Program enrollees served by an IHP provider. Compares 2013 (Previous) and 2014 (Current).
6. Measure is an estimated reduction in medical expenditures below projections for 2013 for the providers enrolled in the IHP demonstration. IHP provider contracts require this measure be calculated in the same manner each year, so the agency will be able to monitor this new measure over time. The savings reflected in this measure represent reduced health care expenditures as a result of the demonstration and are shared with providers.

Minnesota Statutes, chapter 256B (https://www.revisor.mn.gov/statutes/?id=256B) provides the legal authority for the Medical Assistance program. An example of legislative directives to improve and innovate in Medical Assistance is M.S. section 256B.021 (https://www.revisor.mn.gov/statutes/?id=256B.021,Medical Assistance Reform Waiver).

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	4,162,967	4,018,230	4,163,665	4,352,286	4,854,696	5,078,413	4,870,974	5,109,885
2000 - Restricted Misc Special Rev	49,223	69,246	85,093	61,180	61,180	61,180	61,180	61,180
2360 - Health Care Access	0	0	177,855	175,980	196,186	206,650	196,186	206,650
3000 - Federal	4,422,093	4,238,071	4,944,101	6,056,916	7,057,909	7,242,189	7,057,909	7,242,189
Total	**8,634,283**	**8,325,546**	**9,370,714**	**10,646,362**	**12,169,972**	**12,588,432**	**12,186,250**	**12,619,904**
Biennial Change				3,057,248		4,741,328		4,789,078
Biennial % Change				18		24		24
Governor's Change from Base								47,750
Governor's % Change from Base								0

Expenditures by Category

Operating Expenses	175,841	181,548	180,956					
Other Financial Transactions			225					
Grants, Aids and Subsidies	8,458,442	8,143,999	9,189,534	10,646,362	12,169,972	12,588,432	12,186,250	12,619,904
Total	**8,634,283**	**8,325,546**	**9,370,714**	**10,646,362**	**12,169,972**	**12,588,432**	**12,186,250**	**12,619,904**

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		100,504						
Direct Appropriation	4,248,513	4,060,547	4,291,344	4,374,163	4,871,664	5,078,413	4,887,942	5,109,885
Receipts	0		0					
Net Transfers	608	(1,245)	(18,782)	(21,877)	(16,968)		(16,968)	
Cancellations		141,576	108,897					
Expenditures	**4,162,967**	**4,018,230**	**4,163,665**	**4,352,286**	**4,854,696**	**5,078,413**	**4,870,974**	**5,109,885**
Balance Forward Out	86,154							
Biennial Change in Expenditures				334,755		1,417,158		1,464,908
Biennial % Change in Expenditures				4		17		17
Gov's Exp Change from Base								47,750
Gov's Exp % Change from Base								0

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	1,799	869	18	0				
Receipts	47,780	68,389	85,076	61,180	61,180	61,180	61,180	61,180
Expenditures	**49,223**	**69,246**	**85,093**	**61,180**	**61,180**	**61,180**	**61,180**	**61,180**
Balance Forward Out	356	13	0					
Biennial Change in Expenditures				27,805		(23,913)		(23,913)
Biennial % Change in Expenditures				23		(16)		(16)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

2360 - Health Care Access

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Direct Appropriation	0	0	177,855	175,980	196,186	206,650	196,186	206,650
Net Transfers			0					
Expenditures	0	0	**177,855**	**175,980**	**196,186**	**206,650**	**196,186**	**206,650**
Biennial Change in Expenditures				353,835		49,001		49,001
Biennial % Change in Expenditures						14		14
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

(Dollars in Thousands)

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	7,863	21,916	4,718	2,591				
Receipts	4,428,016	4,235,543	4,941,974	6,054,324	7,057,909	7,242,189	7,057,909	7,242,189
Net Transfers	(200)							
Expenditures	**4,422,093**	**4,238,071**	**4,944,101**	**6,056,916**	**7,057,909**	**7,242,189**	**7,057,909**	**7,242,189**
Balance Forward Out	13,586	19,388	2,591					
Biennial Change in Expenditures				2,340,853		3,299,082		3,299,082
Biennial % Change in Expenditures				27		30		30
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Program: Forecasted Programs
Activity: Alternative Care

http://www.dhs.state.mn.us/main/dhs16_137084

AT A GLANCE

In fiscal year 2013, the Alternative Care Program:

- Served 4,180 people;
- Averaged 2,874 enrollees each month;
- Provided an average monthly benefit of $ 771; and
- Enrolled consumers contributed a total of $1.3 million towards their cost of care.
- All funds spending for the Alternative Care activity for FY 2013 was $26.7 million. This represented 0.2% of the Department of Human Services overall budget.

In November 2013 the program became eligible for federal Medicaid financial participation through an approved waiver.

PURPOSE & CONTEXT

The Alternative Care (AC) Program is a cost-sharing program that provides certain home and community-based services for Minnesotans age 65 and over. Alternative Care services support seniors, their families, caregivers and communities to help seniors to stay in their homes and communities and avoid costly institutionalization.

The program is a cost-effective strategy to prevent or delay people from moving onto Medical Assistance-funded long term care services, such as Elderly Waiver and nursing home care. The program helps prevent the impoverishment of eligible seniors and maximizes the use of their own resources by sharing the cost of care with clients. AC is available to individuals who need the level of care provided in a nursing home but choose instead to receive services in the community, and whose income and assets would be inadequate to fund a nursing home stay for more than 135 days.

SERVICES PROVIDED

Alternative Care (AC) services are used in a person's own home. AC covers the following services: adult day services, caregiver assessment, case management, chore services, companion services, consumer-directed community supports, home health aides, home-delivered meals, homemaker services, environmental accessibility adaptations, nutrition services, personal emergency response system, personal care, respite care, skilled nursing, specialized equipment and supplies, training and support for family caregivers and transportation.

Beginning January 1, 2015, some people who have a lower level of need for long-term care services will no longer qualify to have Medical Assistance pay for nursing facility care and community-based alternatives. Starting January 1, 2015, those people will instead be served by Essential Community Support grants, which are a new targeted benefit. Essential Community Support grants cover the following services: adult day services, service coordination (case management), chore services, home delivered meals, homemaker services, personal emergency response, caregiver education/training, and community living assistance.

DHS partners with community providers, counties, tribal health groups and the Department of Health in providing and monitoring services.

The AC program is funded with state and federal money along with monthly fees paid by the person receiving services. Payments made by the state for AC services are also subject to estate recovery. Essential Community Support grants are state funded only.

Alternative Care supports the following strategy in the DHS Framework for the Future: 2014

- Increase the number of Minnesotans served in their homes and communities rather than in institutions.

More information is available on the Alternative Care fact sheet (https://edocs.dhs.state.mn.us/lfserver/Public/DHS-4720-ENG).

RESULTS

The agency monitors performance measures that show how this program is working. One key measure is how much people who are eligible for publically funded long-term care services access the services in their homes and community rather than in nursing facilities.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Result	1. Percent of seniors served by home and community-based services	59.3%	68.4%	2008 to 2013
Quantity	2. Percent of long-term care expenditures for seniors spent on home and community-based services	36.1%	45.1%	2008 to 2013
Quantity	3. Percent of AC spending on Consumer-Directed Community Supports (CDCS)	3.3%	5.4%	2009 to 2013

Performance Notes:

1. Measure one compares FY2008 to FY2013 data. This measure shows the percentage of elderly receiving publicly funded long-term care services who receive HCBS services through the Elderly Waiver, Alternative Care, or home care programs instead of nursing home services. Source: February 2014 Forecast.
2. Measure two compares 2008 to 2013 data. This measure shows the percentage of public long-term care funding for the elderly that is spent on Elderly Waiver, Alternative Care or home care services instead of nursing home services. Source: DHS Data Warehouse.
3. Measure three compares FY2009 to FY2013 data. CDCS gives persons more flexibility and responsibility for directing their services and supports—compared to services provided through the traditional program – including hiring and managing direct care staff. Source: DHS Data Warehouse.

More information is available on the Continuing Care Performance Report (http://www.dhs.state.mn.us/main/dhs16_166609) and the DHS Dashboard (http://dashboard.dhs.state.mn.us/).
The Alternative Care and Essential Community Support programs are authorized by Minnesota Statutes, sections 256B.0913 (https://www.revisor.mn.gov/statutes/?id=256B.0913) and 256B.0922 (https://www.revisor.mn.gov/statutes/?id=256B.0922).

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	25,230	24,365	17,829	42,627	43,934	43,124	43,996	43,220
2000 - Restricted Misc Special Rev	1,891	2,332	1,849	2,257	2,257	2,257	2,257	2,257
3000 - Federal			7,079	18,148	19,341	20,612	19,341	20,612
Total	**27,121**	**26,697**	**26,757**	**63,032**	**65,532**	**65,993**	**65,594**	**66,089**
Biennial Change				35,971		41,736		41,894
Biennial % Change				67		46		47
Governor's Change from Base								158
Governor's % Change from Base								0

Expenditures by Category

Operating Expenses		2						
Other Financial Transactions	66							
Grants, Aids and Subsidies	27,056	26,695	26,757	63,032	65,532	65,993	65,594	66,089
Total	**27,121**	**26,697**	**26,757**	**63,032**	**65,532**	**65,993**	**65,594**	**66,089**

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		21,191						
Direct Appropriation	46,421	46,035	43,840	42,627	43,934	43,124	43,996	43,220
Cancellations		42,861	26,011					
Expenditures	**25,230**	**24,365**	**17,829**	**42,627**	**43,934**	**43,124**	**43,996**	**43,220**
Balance Forward Out	21,191							
Biennial Change in Expenditures				10,861		26,602		26,760
Biennial % Change in Expenditures				22		44		44
Gov's Exp Change from Base								158
Gov's Exp % Change from Base								0

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	151	143	62					
Receipts	1,799	2,191	1,786	2,257	2,257	2,257	2,257	2,257
Expenditures	**1,891**	**2,332**	**1,849**	**2,257**	**2,257**	**2,257**	**2,257**	**2,257**
Balance Forward Out	59	3						
Biennial Change in Expenditures				(117)		408		408
Biennial % Change in Expenditures				(3)		10		10
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Receipts	0	0	7,079	18,148	19,341	20,612	19,341	20,612
Expenditures			**7,079**	**18,148**	**19,341**	**20,612**	**19,341**	**20,612**
Biennial Change in Expenditures				25,228		14,725		14,725
Biennial % Change in Expenditures						58		58
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Program: Forecasted Programs
Activity: CD Treatment Fund

http://mn.gov/dhs/people-we-serve/adults/health-care/substance-abuse/programs-services/ccdtf.jsp

AT A GLANCE

- In the United States, 22.2 million people age 12 and older are chemically dependent (CY2012)
- Statewide, the number of admissions into chemical dependency treatment has increased to 50,801 in 2013. The CD Treatment Fund pays for about half of these admissions for treatment.
- The percentage of people completing chemical dependency treatment dropped to 53.6% in 2013.
- All funds spending for the CD Treatment Fund activity for FY 2013 was $140.4 million. This represented 1.2% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

The CD Treatment Fund activity pays for residential and outpatient chemical dependency (CD) treatment services for eligible low-income Minnesotans.

People access the chemical dependency treatment services paid by the Fund by first being assessed as needing treatment for chemical abuse or dependency, and second by meeting financial eligibility guidelines. If a person is determined to have both a clinical need for treatment and is financially eligible for the CD Treatment Fund, then the Fund can pay for their CD treatment services.

Counties and tribes are responsible for providing assessments (known as “Rule 25” assessments) to individuals seeking access to these funds. These assessments not only determine an individual’s eligibility for the Fund but also determine the appropriate level or intensity of services the person may need based on their condition and circumstances.

SERVICES PROVIDED

The Consolidated Chemical Dependency Treatment Fund is the single fee-for-service public payment source that funds residential and outpatient chemical dependency treatment services for eligible low-income Minnesotans. The CCDTF combines multiple funding sources – Medical Assistance, MinnesotaCare, other state appropriations and the federal Substance Abuse, Prevention and Treatment block grant – into a single fund with common eligibility criteria and a single process for evaluating treatment need and placement options. Federal Medicaid matching funds are collected on the treatment services provided to Medical Assistance recipients. Counties also contribute a share toward the cost of treatment. Counties pay 15 percent of treatment costs for Medical Assistance (MA) recipients and 22.95 percent for non-MA recipients. The CCDTF pays for services that are part of a licensed residential or non-residential CD treatment program. The CCDTF ensures that all clients have the same access to high quality, effective treatment programs.

All of these programs provide a continuum of effective, research-based treatment services for individuals who need them. Treatment services include individual and group therapy in outpatient or residential settings, and may also include treatment for a mental illness, other medical services, medication-assisted therapies (with or without adjunct behavioral services), and service coordination.

CD treatment providers use a variety of evidence-based practices, such as the twelve-step facilitation program, cognitive behavioral therapies, specialized behavioral therapy, motivational interviewing and motivational enhancement therapy as methods to ensure success.

RESULTS

Type of Measure	*Name of Measure*	*Previous (CY2012)*	*Current (CY2013)*	*Dates*
Quantity	Number of treatment admissions to chemical dependency treatment[1]	50,124	50,801	2012 to 2013
Result	Percent of persons completing chemical dependency treatment	56%	53.6%	2012 to 2013
Result	Reduction from admission to discharge of the percent of clients who report use of alcohol in the past 30 days.	30.10%	27.8%	2012 to 2013
Result	The Reduction from admission to discharge measure is the change in percent of clients who reported alcohol use within the last 30 days at time of admission and then again at the time of discharge	Admit 43.5% Discharge 13.3%	Admit 41.2% Discharge 13.4%	2012 to 2013 2012 to 2013

Measure Notes:

1. This indicator is from the Drug and Alcohol Abuse Normative Evaluation System (DAANES) in the Performance Measurement & Quality Improvement section in the Alcohol and Drug Abuse Division of the Minnesota Department of Human Services.

Minnesota Statutes chapter 254B (https://www.revisor.mn.gov/statutes/?id=254B) provides the legal authority for the CD Treatment Fund. M.S. section 254B.01, Subd.3 (https://www.revisor.mn.gov/statutes/?id=254B.01) defines chemical dependency services payable by the CD Treatment Fund. This definition applies to a wide variety of services within a planned program of care to treat a person's chemical dependency.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
2000 - Restricted Misc Special Rev	134,842	140,359	141,035	164,151	157,877	161,226	160,803	168,423
Total	**134,842**	**140,359**	**141,035**	**164,151**	**157,877**	**161,226**	**160,803**	**168,423**
Biennial Change				29,985		13,917		24,040
Biennial % Change				11		5		8
Governor's Change from Base								10,123
Governor's % Change from Base								3

Expenditures by Category

Operating Expenses	0		1					
Other Financial Transactions	198	175	170	200	200	200	200	200
Grants, Aids and Subsidies	134,644	140,184	140,864	163,951	157,677	161,026	160,603	168,223
Total	**134,842**	**140,359**	**141,035**	**164,151**	**157,877**	**161,226**	**160,803**	**168,423**

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Direct Appropriation	83,527	85,892	85,147	79,587	79,528	81,786	82,454	88,983
Net Transfers	(83,527)	(85,892)	(85,147)	(79,587)	(79,528)	(81,786)	(82,454)	(88,983)

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	14,277	19,120	17,911	5,300				
Receipts	55,226	54,352	62,365	79,264	78,349	79,440	78,349	79,440
Net Transfers	83,527	85,892	66,059	79,587	79,528	81,786	82,454	88,983
Expenditures	**134,842**	**140,359**	**141,035**	**164,151**	**157,877**	**161,226**	**160,803**	**168,423**
Balance Forward Out	18,188	19,006	5,300					
Biennial Change in Expenditures				29,985		13,917		24,040
Biennial % Change in Expenditures				11		5		8
Gov's Exp Change from Base								10,123
Gov's Exp % Change from Base								3

Program: Grant Programs
Activity: Support Services Grants

MFIP/DWP (http://www.dhs.state.mn.us/main/id_004112)
SNAP E&T (http://www.dhs.state.mn.us/main/id_002556)

AT A GLANCE

- Provides MFIP/DWP employment services to approximately 28,000 people per month.
- Provides Supplemental Nutrition Assistance Program employment services to approximately 450 people per month.
- All funds spending for the Support Services Grants activity for FY 2013 was $104.6 million. This represented 0.9% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

The Minnesota Family Investment Program (MFIP) and Diversionary Work Program (DWP) primary focus is on work, by building on job placements in today's economy and focusing on future workforce development.

Support Services Grants cover costs of services to create pathways to employment by addressing barriers, helping stabilize families and adults, and building skills that ensure participants are prepared to find and retain employment.

These grants ensure that a foundation is there to deliver key activities to help families meet their basic needs and achieve their highest potential.

SERVICES PROVIDED

The Support Services Grants activity provides funding for the MFIP Consolidated Fund. Counties and tribes use the MFIP Consolidated Fund to provide an array of employment services including job search, job placement, training and education. The Consolidated Fund also provides other supports such as emergency needs for low-income families with children.

The Support Services Grants activity also provides funding for employment supports for adults who receive benefits through the Supplemental Nutrition Assistance Program (SNAP), or the SNAP Employment and Training program.

Services are delivered by Workforce Centers, counties, tribes and community agencies. Service providers evaluate the needs of each participant and develop an individualized employment plan that builds on strengths and addresses areas of need. Services include:

- Referrals to housing, child care, and health care coverage, including any needed chemical and mental health services, to aid in stabilizing families
- Basic education, English proficiency training, skill building and education programs to prepare participants for the labor market
- Job search assistance and job placement services to help participants locate employment that matches their skills and abilities
- Innovative programs to address special populations or needs such as: a single point of contact for teen parents that includes public health home visits, subsidized work experiences, integrated services for families with serious disabilities and support for the FastTRAC program, which links education and credentials to high demand careers.

Support Services Grants also fund a portion of counties' costs to administer MFIP and DWP. Support Services Grants are allocated to counties and tribes, and are funded with a combination of state and federal funds, including from the federal Temporary Assistance for Needy Families block grant.

RESULTS

The two key measures in MFIP/DWP are:

- The Self-Support Index (S-SI), which is a results measure. The S-SI shows the percentage of adults eligible for MFIP or DWP in a quarter who have left assistance or are working at least 30 hours per week three years later. Customized targets are set for each county or tribe using characteristics of the people served and local economic conditions. State law requires the Department of Human Services to use the Self-Support Index to allocate performance bonus funds. The chart following shows

that about two-thirds of participants have left MFIP or DWP and/or are working at least 30 hours per week three years after a baseline period.

Year ending in March of:	S-SI
2008	71.8%
2009	68.9%
2010	67.0%
2011	65.2%
2012	65.3%
2013	66.9%
2014	68.5%

- The federal Work Participation Rate (WPR), which is a measure of quantity. The WPR shows parents engaging in work and specific work-related activities. We calculate an estimated WPR for counties, county consortiums and tribes monthly, and it is annualized to allocate performance bonus funds. (Beginning in calendar year 2016, the bonus will be based solely on the S-SI.) The chart following shows the WPR for 2008 to 2013.

Calendar Year	WPR
2008	29.9%
2009	29.8%
2010	40.2%
2011	43.9%
2012*	45.3%
2013*	45.1%

*State estimate (Federal figures not yet released)

Another employment-related, state-mandated performance measure tracked is:

- MFIP/DWP Median Placement Wage, a quality measure that reflects the number of people getting jobs and the median wage. The chart shows the statewide median hourly starting wage. (Tribes are not included.)

Calendar Year	Median Placement Wage Per Hour for MFIP Clients	Median Placement Wage Per Hour for DWP Clients
2008	$8.38	$8.92
2009	$8.50	$9.00
2010	$8.98	$9.19
2011	$8.95	$9.27
2012	$9.00	$9.58
2013	$9.18	$9.84

The legal authority for Support Services Grants is M.S. sections 256J.626 (https://www.revisor.mn.gov/statutes/?id=256J.626) and 256D.051 (https://www.revisor.mn.gov/statutes/?id=256D.051)

The statutory requirement for a quarterly comparison report, "MFIP Management Indicators Report," is in M.S. sec. 256J.751 (https://www.revisor.mn.gov/statutes/?id=256J.751)

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	8,699	8,698	8,784	13,333	13,133	8,715	13,258	8,840
3000 - Federal	20	20	11	26	26	26	26	26
3001 - Federal TANF	100,578	94,654	87,533	94,611	94,611	96,311	94,611	96,311
Total	**109,298**	**103,372**	**96,328**	**107,970**	**107,770**	**105,052**	**107,895**	**105,177**
Biennial Change				(8,372)		8,524		8,774
Biennial % Change				(4)		4		4
Governor's Change from Base								250
Governor's % Change from Base								0

Expenditures by Category

Compensation	0	0						
Operating Expenses	918	537	700					
Other Financial Transactions	2,009	2,855	2,782				125	125
Grants, Aids and Subsidies	106,371	99,981	92,847	107,970	107,770	105,052	107,770	105,052
Total	**109,298**	**103,372**	**96,328**	**107,970**	**107,770**	**105,052**	**107,895**	**105,177**

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Direct Appropriation	8,715	8,715	8,915	13,333	13,133	8,715	13,258	8,840
Cancellations	16	17	131					
Expenditures	**8,699**	**8,698**	**8,784**	**13,333**	**13,133**	**8,715**	**13,258**	**8,840**
Biennial Change in Expenditures				4,719		(269)		(19)
Biennial % Change in Expenditures				27		(1)		0
Gov's Exp Change from Base								250
Gov's Exp % Change from Base								1

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	0							
Receipts	20	20	11	26	26	26	26	26
Expenditures	**20**	**20**	**11**	**26**	**26**	**26**	**26**	**26**
Biennial Change in Expenditures				(3)		15		15
Biennial % Change in Expenditures				(8)		40		40
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

3001 - Federal TANF

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		689	0					
Direct Appropriation		0	0	94,611	96,311	96,311	96,311	96,311
Receipts	101,833	93,965	87,533	94,611	94,611	96,311	94,611	96,311
Expenditures	**100,578**	**94,654**	**87,533**	**94,611**	**94,611**	**96,311**	**94,611**	**96,311**
Balance Forward Out	1,255							
Biennial Change in Expenditures				(13,088)		8,778		8,778
Biennial % Change in Expenditures				(7)		5		5
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Program: Grant Programs
Activity: BSF Child Care Assistance Grants

http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=id_008688#

AT A GLANCE

- In 2013 Basic Sliding Fee Child Care Assistance paid for child care for 15,538 children in 8,609 families in an average month.
- As of June, 2014 there was a waiting list of 6,679 families eligible for assistance, but who could not be served at the current funding levels.
- The average monthly assistance per family was $811
- All funds spending for the BSF Child Care Assistance Grants activity for FY 2013 was $84.7 million. This represented 0.7% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

A 2009 study commissioned by the Department of Human Services and conducted by Wilder Research found that about three quarters of Minnesota households with children ages 12 and younger use child care. These families are challenged to find affordable child care that fits their preferences and needs. In households with low incomes, 20 percent of parents reported that child care problems interfered with their getting or keeping a job in the past year. Without this program, many low-income families would not be able to pay for child care and would be unable to work or pursue education leading to work.

Basic Sliding Fee (BSF) Child Care Assistance Grants provide financial subsidies to help low-income families who do not participate in the Minnesota Family Investment Program or the Diversionary Work Program. The grants help pay for child care so that parents may pursue employment or education leading to employment, and children are well cared for and prepared to enter school ready to learn.

Families earning no more than 47 percent of the state median income ($34,459 in 2013 for a family of three) are eligible to enter the Basic Sliding Fee program.

SERVICES PROVIDED

BSF child care assistance grants provide support to help improve outcomes for the most at-risk children and their families by increasing access to high quality child care.

Families must be working, looking for work or attending school to be eligible for the Basic Sliding Fee Program. The program helps families pay child care costs on a sliding fee basis. As family income increases, so does the amount of child care expenses (copayment) paid by the family. All families receiving child care assistance and earning 75 percent or more of the federal poverty guideline make copayments based on their income. A family of three earning 55 percent of the state median income ($40,325) would have a total biweekly child care payment of $130 for all children in care.

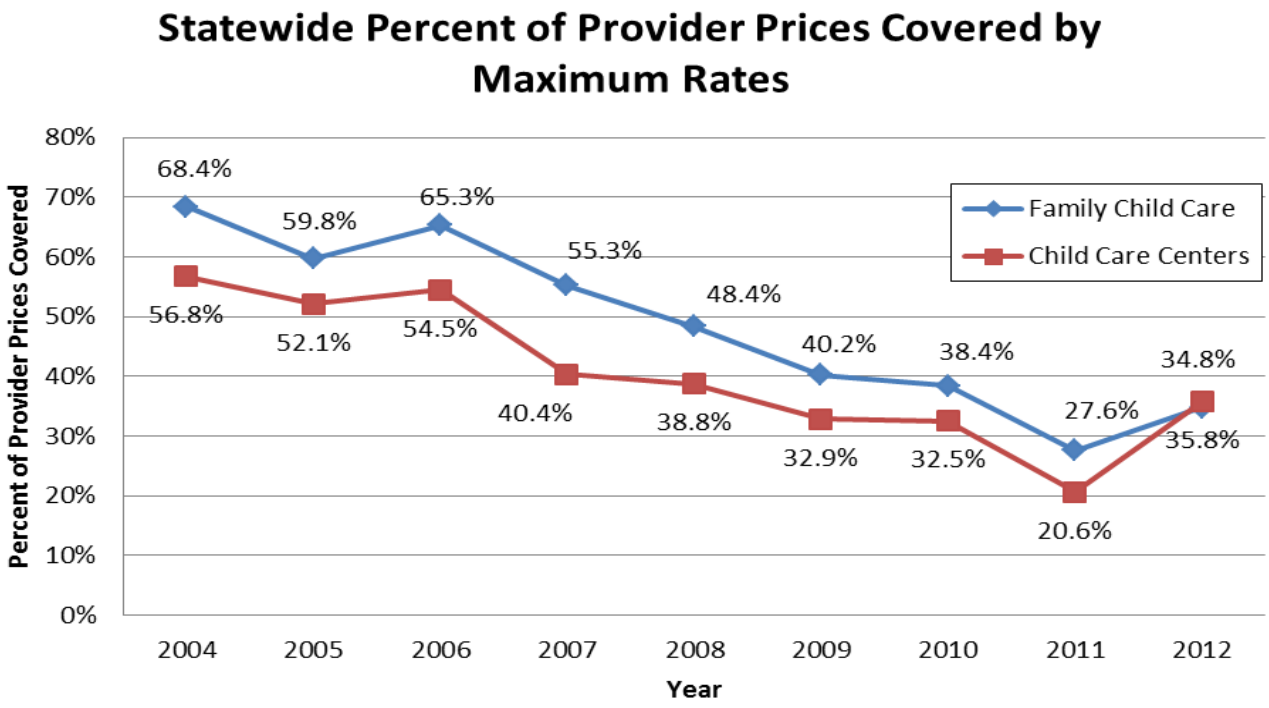
The BSF child care assistance grants activity is part of the state's Child Care Assistance Program. Maximum rates in the Child Care Assistance Program are set in state law. Maximum rates are set for each type of care: child care centers, family child care and legal non-licensed child care. The program pays providers at the rate they charge in the private child care market, up to the maximum rate. The program pays a higher rate to child care providers who provide high quality child care. Participation in high quality care increases the likelihood of children's improved school readiness.

Child care must be provided by a legal child care provider over the age of 18 years. Allowable providers include legal nonlicensed family child care, license-exempt centers, licensed family child care and licensed child care centers. Families choose their providers in the private child care market. Counties administer the Child Care Assistance Program.

BSF funding is a capped allocation. It includes a combination of state funds and federal Child Care and Development and Temporary Assistance for Needy Families funding. The agency allocates funding to counties, who administer the program. Because the funding is capped, not everyone who is eligible for the program may be served. As of June 2014, there was a waiting list for BSF child care assistance of 6,679 families.

Maximum rates paid to providers under the Child Care Assistance Program may not cover the full cost of child care. This may be a barrier for some families who cannot find a provider in their community whose rates are covered by the maximum allowed under the program. The percent of child care provider rates that are fully covered by the Child Care Assistance Program increased when the maximum rates were raised in 2014, but the maximum rates remain low compared to rates in the market.

This quality measure shows approximately 35% of child care providers charge rates that are fully covered by the Child Care Assistance Program maximum rates.

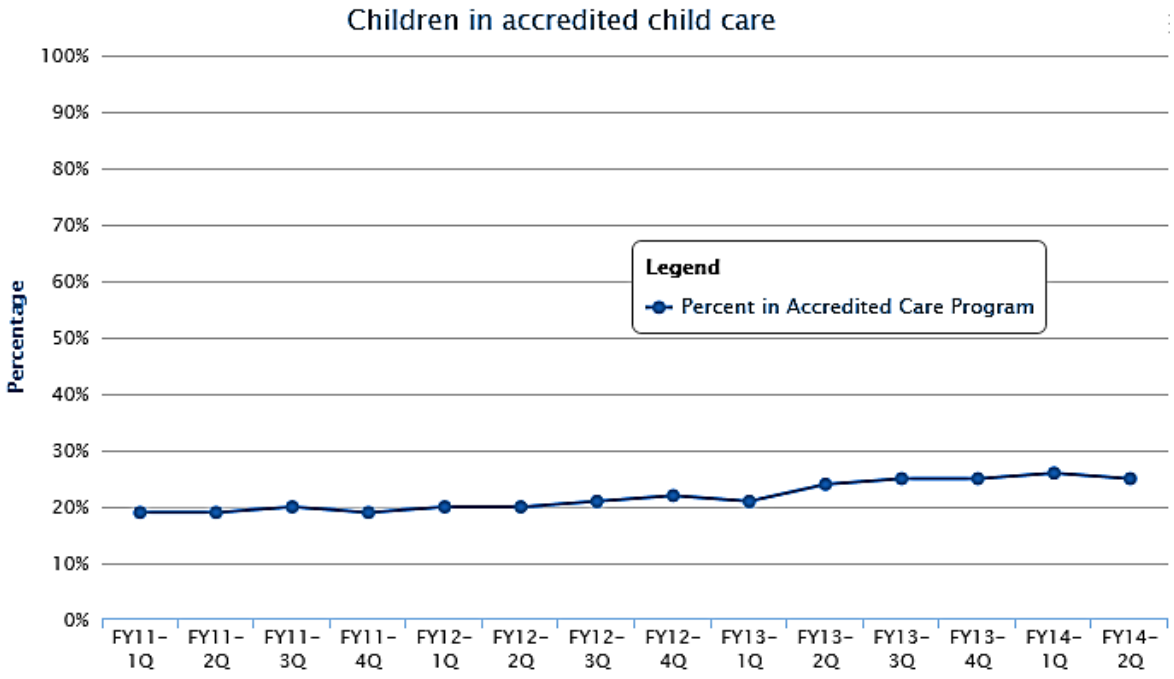


High quality early child care and education experiences are associated with better outcomes, particularly for children from low-income families. Parent Aware is Minnesota's rating tool for helping parents select high quality child care and early education programs.

Beginning in March 2014, the Child Care Assistance Program pays a rate increase to providers with higher ratings:

- Up to a 15 percent higher maximum rate is paid to providers with a Parent Aware three-star rating, or who meet certain accreditation or education standards established in statute.
- Up to a 20 percent higher maximum rate is paid to providers with a four-star Parent Aware rating.

Another quality measure, *Children in Accredited Child Care*, shows an increase over time in the percent of children served by the Child Care Assistance Program receiving care from a provider who met quality standards through an accredited child care program.



The data source for the percent of providers covered by maximum rates is a survey of provider prices conducted by the Department and used to determine the percent of providers who are covered by maximum rates.

The data source for children in accredited care is from MEC2, Minnesota's child care electronic eligibility and payment system.

The legal authority for the Basic Sliding Fee (BSF) Child Care Assistance program is in M.S. chapter 119B. (https://www.revisor.mn.gov/statutes/?id=119B)

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	37,144	38,678	36,836	42,318	46,096	46,167	52,269	53,145
3000 - Federal	46,644	46,146	47,437	52,828	50,328	50,328	50,328	50,328
Total	**83,788**	**84,824**	**84,273**	**95,146**	**96,424**	**96,495**	**102,597**	**103,473**
Biennial Change				10,808		13,499		26,650
Biennial % Change				6		8		15
Governor's Change from Base								13,151
Governor's % Change from Base								7

Expenditures by Category

Operating Expenses		0						
Grants, Aids and Subsidies	83,788	84,824	84,273	95,146	96,424	96,495	102,597	103,473
Total	**83,788**	**84,824**	**84,273**	**95,146**	**96,424**	**96,495**	**102,597**	**103,473**

Budget Activity: BSF Child Care Assistance Grts

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Direct Appropriation	37,144	38,678	36,836	42,318	46,096	46,167	52,269	53,145
Cancellations		0						
Expenditures	**37,144**	**38,678**	**36,836**	**42,318**	**46,096**	**46,167**	**52,269**	**53,145**
Biennial Change in Expenditures				3,332		13,109		26,260
Biennial % Change in Expenditures				4		17		33
Gov's Exp Change from Base								13,151
Gov's Exp % Change from Base								14

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		962	1,318	54				
Receipts	55,788	46,502	46,173	52,774	50,328	50,328	50,328	50,328
Expenditures	**46,644**	**46,146**	**47,437**	**52,828**	**50,328**	**50,328**	**50,328**	**50,328**
Balance Forward Out	9,145	1,318	54					
Biennial Change in Expenditures				7,476		390		390
Biennial % Change in Expenditures				8		0		0
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Program: Grant Programs
Activity: Child Care Development Grants

http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=id_008689

AT A GLANCE

- As of July 2014, more than 1600 child care and early education programs have a Parent Aware rating.
- More than 18,900 parents received help in locating and choosing child care.
- Eighty-seven child care centers and six family child care providers received financial support to earn a nationally-recognized accreditation.
- All funds spending for the Child Care Development Grants activity for FY 2013 was $13.4 million. This represented 0.1% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

Child Care Development Grants are used for services that promote children's development and learning.

It is important that all children and their families have access to high quality child care and early education programs. The first few years of children's lives are key to their intellectual, emotional and social development. Everyone wants to know that children are being well cared for while family members are at work or school. High quality child care that is available and affordable is important to children's safety and healthy development, and to families' self-sufficiency.

Child Care Development Grants provide support for services and initiatives that increase the availability of quality care and education in Minnesota.

These grants also support Parent Aware, Minnesota's rating tool for selecting high quality child care and early education programs. This system helps parents find high quality child care and early education programs to prepare their children for kindergarten.

SERVICES PROVIDED

The Department of Human Services (DHS) works with public and private agencies and individuals to promote school readiness through education and training. Child Care Development Grants are used to support services that improve the quality of early childhood and school- age care, and increase access to high quality care, especially for high-needs children. This grant activity also supports consumer education services for parents searching for child care. Services support:

- Information for parents searching for quality child care and early education for their children through Parent Aware, an online search tool (Parent Aware Ratings website, http://parentawareratings.org/), and other parent education services provided by Child Care Aware of Minnesota
- Grants, financial supports and other incentives for child care programs to improve quality, including for those participating in the voluntary Parent Aware Quality Rating and Improvement System
- Training, coaching, consultation and other workforce supports for early childhood and school-age care providers to increase their knowledge and skills in child development, instructional practices and ways to meet the needs of individual children
- Reimbursement to child care programs and providers to cover some of the fees charged to complete a nationally recognized child care accreditation program

Child Care Development Grants are funded primarily with federal Child Care and Development block grant funds, with additional federal support from Minnesota's Race to the Top-Early Learning Challenge grant and some state funds.

RESULTS

Beginning in March 2014, child care providers with higher Parent Aware ratings receive a payment rate increase for children in their care who receive Child Care Assistance. The increase in the number of programs receiving a Parent Aware rating and reimbursement for accreditation fees indicates improvement in the availability of quality early learning programs.

The decrease in the number of parents who receive help in choosing child care from Child Care Resource and Referral agencies may indicate parents need a better tool to help choose quality child care. A new and improved website for parents is being launched in FY2015 to better meet parents' needs in choosing child care.

Type of Measure	*Description*	*Previous*	*Current*	*Dates*
Quantity	Child care and early education programs with a Parent Aware rating[1]	8 percent	13 percent	2013 & 2014
Quantity	Number of child care centers receiving reimbursement for accreditation fees[3]	14 percent	25 percent	2013 & 2014
Quantity	Number of family child care programs receiving reimbursement for accreditation fees[2]	21 percent	25 percent	2013 & 2014
Quantity	Referrals to parents from Child Care Resource & Referral agencies[2]	20,442	18,936	2013 & 2014

Performance Measures notes:

1. Data is tracked by DHS and includes licensed child care programs, Head Start sites and school-based pre-kindergarten sites.

2. Data is collected by Child Care Aware and includes phone and internet contacts with parents.

3. Data is tracked by DHS. Family child care and center-based programs are reimbursed for half the direct cost of accreditation fees, upon successful completion of accreditation with a nationally recognized child care accreditation program.

The legal authority for the Child Care Development Grant activities is M.S. chapter 119B (https://www.revisor.mn.gov/statutes/?id=119B).

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	741	717	1,553	1,737	1,737	1,737	2,600	3,347
2000 - Restricted Misc Special Rev	127			27	27	27	27	27
2001 - Other Misc Special Rev	6	525	2,032	3,129	3,129	3,129	3,129	3,129
3000 - Federal	9,840	10,901	10,045	9,282	9,282	9,282	9,282	9,282
Total	**10,714**	**12,144**	**13,630**	**14,175**	**14,175**	**14,175**	**15,038**	**15,785**
Biennial Change				4,947		545		3,018
Biennial % Change				22		2		11
Governor's Change from Base								2,473
Governor's % Change from Base								9

Expenditures by Category

Operating Expenses	515	360	488					
Other Financial Transactions	280	232						
Grants, Aids and Subsidies	9,919	11,552	13,142	14,175	14,175	14,175	15,038	15,785
Total	**10,714**	**12,144**	**13,630**	**14,175**	**14,175**	**14,175**	**15,038**	**15,785**

Budget Activity: Child Care Development Grants

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Direct Appropriation	774	774	1,612	1,737	1,737	1,737	2,600	3,347
Cancellations	33	57	59					
Expenditures	**741**	**717**	**1,553**	**1,737**	**1,737**	**1,737**	**2,600**	**3,347**
Biennial Change in Expenditures				1,832		184		2,657
Biennial % Change in Expenditures				126		6		81
Gov's Exp Change from Base								2,473
Gov's Exp % Change from Base								71

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	23	33	33	33	33	33	33	33
Receipts	137			27	27	27	27	27
Expenditures	**127**			**27**	**27**	**27**	**27**	**27**
Balance Forward Out	33	33	33	33	33	33	33	33
Biennial Change in Expenditures				(99)		27		27
Biennial % Change in Expenditures				(78)		100		100
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

2001 - Other Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		0						
Receipts	6	525	2,032	3,129	3,129	3,129	3,129	3,129
Expenditures	**6**	**525**	**2,032**	**3,129**	**3,129**	**3,129**	**3,129**	**3,129**
Biennial Change in Expenditures				4,629		1,096		1,096
Biennial % Change in Expenditures				871		21		21
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		661	627					

Budget Activity: Child Care Development Grants

(Dollars in Thousands)

3000 - Federal

Receipts	9,840	10,867	9,418	9,282	9,282	9,282	9,282	9,282
Expenditures	**9,840**	**10,901**	**10,045**	**9,282**	**9,282**	**9,282**	**9,282**	**9,282**
Balance Forward Out		627						
Biennial Change in Expenditures				(1,415)		(763)		(763)
Biennial % Change in Expenditures				(7)		(4)		(4)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Program: Grant Programs
Activity: Child Support Enforcement Grants

http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=id_000160

AT A GLANCE

- County and state child support offices provide services to more than 398,000 custodial and non-custodial parents and their 270,000 children.
- In 2013, the child support program collected and disbursed $604 million in child support.
- Access and visitation funds served 478 families in 2013.
- All Funds spending for the Child Support Enforcement Grants Activity for FY 2013 was $1.7 million dollars. This represented 0.01% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

Every child needs financial and emotional support, and every child has the right to support from both parents. Minnesota's child support program benefits children by enforcing parental responsibility for their support.

According to the *Federal Office of Child Support Enforcement FY2013 Preliminary Report,* in the United States the child support program served 17 million or nearly one in four children in 2013. Across the nation state and tribal child support programs collected $32 billion in child support.

Child support represents a high proportion of income for low income custodial parents. 29 percent of custodial parent families eligible for child support have income below the federal poverty level. For low-income families who receive child support, the average amount received represents 52 percent of their income. 82 percent of custodial parents who are eligible for child support are women, 79 percent are 30 years-old or older, and 57 percent have just one eligible child.

Child Support Enforcement Grants help strengthen families by providing financial supports. Child support helps families become self-sufficient.

SERVICES PROVIDED

Under state direction and supervision, child support activities are administered by counties and tribes. Staff provides assistance in obtaining basic support, medical support and child care support for children, through locating parents and establishing paternity and support obligations. Without this assistance, many families would not have the financial resources to remain self-sufficient.

The following activities help to support and stabilize families:

- Establish paternity through genetic testing, Recognition of Parentage or other means;
- Establish and modify court orders for child support, medical support and child care support, based on statutory guidelines;
- Enforce court orders to assure payment through remedies established in federal regulation and state law, such as income withholding, driver's license suspension and passport denial; and,
- Collect and process payments from employers, parents, counties and other states, and issue support funds to families.

Additional grants provide federal funding to improve non-custodial parents' access to their children. Funding is a mix of federal funds, state general funds and fees.

RESULTS

The federal government funds state child support programs in part through performance incentives. These are calculated by measuring the state's performance in core activities: Paternity establishment, order establishment, collection of current support, collection of arrears (past due support) and program cost effectiveness. States are ranked by their scores on the measures and earn higher incentives as performance increases. Each percentage measurement has a threshold of 80 percent to earn the maximum incentive for that measure. To maximize the incentive for cost-effectiveness, states must collect $5.00 for every dollar spent on the child support program.

Minnesota's child support performance has increased in all measures over the last five years. Minnesota ranks among the top five states on child support collections measures. In 2013, Minnesota earned $12 million dollars in federal incentives. The federal incentives are passed on to counties to help cover their administrative costs of the program.

Type of Measure	Performance Measures1	FFY2 2013	FFY 2012	FFY 2011	FFY 2010	FFY 2009
Quantity	Paternities established3: percent of children born outside marriage for whom paternity was established in open child support cases for the year	102%	102%	101%	100%	99%
Quantity	Orders established: percent of cases open at the end of the year with orders established	86%	86%	86%	85%	84%
Quantity	Collections on current support: percent of cases with current support due within the year that had a collection on current support	71%	71%	70%	69%	70%
Quantity	Collections on arrears: percent of cases with arrears due within the year that had a collection on arrears	70%	70%	70%	70%	67%
Quality	Cost effectiveness: dollars collected per dollar spent	$3.63	$3.51	$3.59	$3.70	$3.71

Performance Measures notes:

1. Federal performance measures are listed in the 2013 Minnesota Child Support Performance Report. (https://edocs.dhs.state.mn.us/lfserver/Public/DHS-4252N-ENG.)
2. FFY = federal fiscal year
3. Paternities established can be higher than 100 percent because the results include children born in prior years for whom paternity has been established in that year.

The legal authority for Child Support Enforcement Grants comes from federal and state laws.

Federal law 42 U.S.C. secs. 651-669b requires that states establish a child support program and gives general guidelines for administering the program. (Title 42 651) (http://www.gpo.gov/fdsys/pkg/USCODE-2012-title42/pdf/USCODE-2012-title42-chap7-subchapIV-partD.pdf)

State law:
Requires a person receiving public assistance to assign child support rights to the state and cooperate with child support services (M.S. sec. 256.741, https://www.revisor.mn.gov/statutes/?id=256.741)
Provides legal authority to establish child support (M.S. sec. 256.87, https://www.revisor.mn.gov/statutes/?id=256.87) and to establish paternity (M.S. sec. 257.57, https://www.revisor.mn.gov/statutes/?id=257.57)
Provides legal authority to set and collect fees for child support services (M.S. sec. 518A.51, https://www.revisor.mn.gov/statutes/?id=518A.51), and requires the state to establish a central collections unit (M.S. sec. 518A.56, https://www.revisor.mn.gov/statutes/?id=518A.56).

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
2000 - Restricted Misc Special Rev	1,405	1,438	1,457	1,490	1,490	1,490	1,490	1,490
2001 - Other Misc Special Rev	525	118	124	50	50	50	50	50
3000 - Federal	165	133	134	134	0	0	0	0
Total	**2,095**	**1,689**	**1,715**	**1,674**	**1,540**	**1,540**	**1,540**	**1,540**
Biennial Change				(396)		(309)		(309)
Biennial % Change				(10)		(9)		(9)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Operating Expenses	-188	-299	-360					
Grants, Aids and Subsidies	2,283	1,988	2,075	1,674	1,540	1,540	1,540	1,540
Total	**2,095**	**1,689**	**1,715**	**1,674**	**1,540**	**1,540**	**1,540**	**1,540**

Budget Activity: Child Support Enforcement Grts

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Direct Appropriation	50	50	50	50	50	50	50	50
Net Transfers	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	150	0	0					
Receipts	1,470	1,472	1,491	1,490	1,490	1,490	1,490	1,490
Net Transfers	(215)	(34)	(34)					
Expenditures	**1,405**	**1,438**	**1,457**	**1,490**	**1,490**	**1,490**	**1,490**	**1,490**
Biennial Change in Expenditures				104		33		33
Biennial % Change in Expenditures				4		1		1
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

2001 - Other Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		261	119	46	46	46	46	46
Receipts	536	106		0	0	0	0	0
Net Transfers	200	(129)	50	50	50	50	50	50
Expenditures	**525**	**118**	**124**	**50**	**50**	**50**	**50**	**50**
Balance Forward Out	211	119	46	46	46	46	46	46
Biennial Change in Expenditures				(470)		(74)		(74)
Biennial % Change in Expenditures				(73)		(42)		(42)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Receipts	165	133	134	134	0	0	0	0
Expenditures	**165**	**133**	**134**	**134**	0	0	0	0
Biennial Change in Expenditures				(30)		(268)		(268)
Biennial % Change in Expenditures				(10)		(100)		(100)

Budget Activity: Child Support Enforcement Grts

(Dollars in Thousands)

3000 - Federal

Gov's Exp Change from Base			0
Gov's Exp % Change from Base			0

Program: Grant Programs
Activity: Children's Services Grants

http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=id_000152

AT A GLANCE

In 2013:

- 19,602 reports of child abuse and neglect were assessed involving 28,102 children
- Of these, 4,346 children were determined to be victims of child maltreatment
- 11,510 children experienced an out-of-home placement
- All funds spending for the Children's Services Grants activity for FY 2013 was $23.3 million. This represented 0.2% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

Having strong families and communities is an effective first line of defense for keeping children safe, especially in times of stress. Children who have been abused and neglected are more likely to perform poorly in school, get involved in criminal activities and abuse or neglect their own children.

Programs and services that cultivate the factors shared by strong families and communities actually minimize long- term intervention costs for crime, corrections, truancy, hospitalization, special education and mental health care.

Research provides compelling evidence that strength- based child welfare interventions such as those funded with Children's Services Grants, result in safer children and more stable families. Without these services, children and families remain at risk.

SERVICES PROVIDED

The Children's Services Grants activity funds child welfare services around the state, including Indian child welfare services, child protection, homeless youth services, and child abuse and neglect services through counties, tribes, and community- based providers. Grants provide supports to help keep more children out of foster care and safely with their families, and to decrease the disproportionate number of children of color in out-of-home placements. Most recently these grants have been used to:

- Reform the child welfare system to focus on ensuring children's safety while supporting families
- Improve the Minnesota Child Welfare Training System
- Work with tribes to design and develop tribal approaches that ensure child safety and permanency
- Transfer responsibilities from counties to tribes to deliver a full continuum of child welfare services to American Indian children and families on two reservations
- Expand the Parent Support Outreach Program (PSOP https://edocs.dhs.state.mn.us/lfserver/Public/DHS-4472A-ENG) by doubling the number of counties in the program.

These services are essential in keeping children safe and families stable. Children's Services Grants include state and federal funding for child welfare services.

RESULTS

The Department of Human Services monitors the performance of counties and tribes in delivering child welfare services. Minnesota outcomes match or exceed most federal standards. Efforts to engage families early and collaboratively with evidence-based interventions have resulted in improving safety and timely permanency outcomes.

Type of Measure	*Description of Measure*	*2010*	*2011*	*2012*	*2013*
Quality	Percent of children not experiencing repeated abuse or neglect within six months of a prior report	95.1%	95.6%	97.5%	97.2%
Quality	Percent of children reunified with parents or living with relatives in fewer than 12 months from latest removal from home	84.5%	85.7%	85.9%	85.1%
Quality	Percent of children adopted in fewer than 24 months from latest removal from home	48.2%	48.1%	49.4%	54.7%

Performance Measures notes:

All measures are from Minnesota's Child Welfare Reports, 2010-2013. Child Protection statistical reports are posted on the DHS Child Protection Publications page (http://www.dhs.state.mn.us/main/id_003712).

Also see the DHS Child Welfare Dashboard (http://www.dhs.state.mn.us/main/id_148137).

Several state statutes provide the legal authority for the Children's Services Grants activity:
Provisions for reasonable efforts, Interstate Compact on Placement of Children and Minnesota Indian Preservation Act are in M.S. chapter 260 (https://www.revisor.mn.gov/statutes/?id=260)
Provisions for juvenile protection are in M.S. chapter 260C (https://www.revisor.mn.gov/statutes/?id=260C)
Provisions for voluntary foster care for treatment are in M.S. chapter 260D (https://www.revisor.mn.gov/statutes/?id=260D)
Reporting of Maltreatment of minors is under M.S. section 626.556 (https://www.revisor.mn.gov/statutes/?id=626.55)

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	8,724	8,811	10,696	12,623	12,183	12,183	13,118	13,118
2000 - Restricted Misc Special Rev	573	856	560	460	554	554	554	554
2001 - Other Misc Special Rev	2,421	2,278	2,115	2,858	2,858	2,858	2,858	2,858
2403 - Gift	15	19	15	24	24	24	24	24
3000 - Federal	12,590	11,228	7,882	12,967	12,299	12,099	12,299	12,099
3001 - Federal TANF	140	133	140	140	140	140	140	140
Total	**24,464**	**23,325**	**21,408**	**29,072**	**28,058**	**27,858**	**28,993**	**28,793**
Biennial Change				2,691		5,436		7,306
Biennial % Change				6		11		14
Governor's Change from Base								1,870
Governor's % Change from Base								3

Expenditures by Category

Compensation	-3							
Operating Expenses	549	505	651	-6	84	84	84	84
Other Financial Transactions	5,864	5,403	5,781	125	75	75	1,010	1,010
Grants, Aids and Subsidies	18,054	17,417	14,975	28,953	27,898	27,698	27,898	27,698
Total	**24,464**	**23,325**	**21,408**	**29,072**	**28,058**	**27,858**	**28,993**	**28,793**

Full-Time Equivalents **0.0**

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Direct Appropriation	11,111	10,614	13,200	13,115	13,665	13,665	14,600	14,600
Net Transfers	(1,482)	(1,186)	(1,262)	(492)	(1,482)	(1,482)	(1,482)	(1,482)
Cancellations	904	617	1,242					
Expenditures	**8,724**	**8,811**	**10,696**	**12,623**	**12,183**	**12,183**	**13,118**	**13,118**
Biennial Change in Expenditures				5,783		1,047		2,917
Biennial % Change in Expenditures				33		4		13
Gov's Exp Change from Base								1,870
Gov's Exp % Change from Base								8

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	47	297	360	397	642	793	642	793
Receipts	242	174	71	0	0	0	0	0
Net Transfers	541	720	526	705	705	705	705	705
Expenditures	**573**	**856**	**560**	**460**	**554**	**554**	**554**	**554**
Balance Forward Out	257	335	397	642	793	944	793	944
Biennial Change in Expenditures				(410)		88		88
Biennial % Change in Expenditures				(29)		9		9
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

2001 - Other Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		372	1,247	1,711	1,903	1,989	1,903	1,989
Receipts	874	846	1,163	1,462	1,462	1,462	1,462	1,462
Net Transfers	1,840	2,043	1,416	1,588	1,482	1,482	1,482	1,482
Expenditures	**2,421**	**2,278**	**2,115**	**2,858**	**2,858**	**2,858**	**2,858**	**2,858**
Balance Forward Out	293	984	1,711	1,903	1,989	2,075	1,989	2,075
Biennial Change in Expenditures				275		743		743
Biennial % Change in Expenditures				6		15		15
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Budget Activity: Childrens Services Grants

(Dollars in Thousands)

2403 - Gift

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	33	29	20	12	12	12	12	12
Receipts	12	9	8	24	24	24	24	24
Expenditures	**15**	**19**	**15**	**24**	**24**	**24**	**24**	**24**
Balance Forward Out	29	19	12	12	12	12	12	12
Biennial Change in Expenditures				5		9		9
Biennial % Change in Expenditures				14		23		23
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		28	229					
Receipts	12,591	11,429	7,653	12,967	12,299	12,099	12,299	12,099
Expenditures	**12,590**	**11,228**	**7,882**	**12,967**	**12,299**	**12,099**	**12,299**	**12,099**
Balance Forward Out		230						
Biennial Change in Expenditures				(2,969)		3,549		3,549
Biennial % Change in Expenditures				(12)		17		17
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	0.0							

3001 - Federal TANF

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Direct Appropriation		0	0	140	140	140	140	140
Receipts	140	133	140	140	140	140	140	140
Expenditures	**140**	**133**	**140**	**140**	**140**	**140**	**140**	**140**
Biennial Change in Expenditures				7		0		0
Biennial % Change in Expenditures				3		0		0
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Program: Grant Programs
Activity: Child & Community Service Grants

Child Protection:
(http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=id_000152)
Adult Protective Services Unit:
(http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=id_005710)

AT A GLANCE

Child and Community Services Grants serve more than 213,000 Minnesotans annually. In 2013:

- 19,602 reports of child abuse and neglect were assessed involving 28,102 children
- Of these, 4,346 children were determined to be victims of child maltreatment
- 11,510 children experienced an out-of-home placement
- 1,076 children were either adopted or had a permanent transfer of legal custody to a relative
- 34,662 reports of suspected maltreatment of a vulnerable adult were received, screened and dispatched
- 13,275 reports of suspected maltreatment of a vulnerable adult were assessed by a county
- 5,132 reports of suspected maltreatment of a vulnerable adult were investigated by a county
- All funds spending for the Children & Community Services activity for FY 2013 was $85.7million. This represented 0.7% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

Under the state Vulnerable Children and Adult Act, Child and Community Services Grants provide funding to support core safety services for vulnerable children and adults, including response to reports of maltreatment, assessments of safety and risk, case management and other supportive services that help keep children and adults safely in their own homes.

The grants provide funding that support counties' administrative responsibility for child protection services and foster care. The funding also helps counties to purchase or provide these services for children, vulnerable adults and families.

SERVICES PROVIDED

Funding through these grants provides core safety services that focus on preventing or remedying vulnerable adult maltreatment and child neglect, preserving and rehabilitating families, and providing for community-based care. Services include:

- Response to reports of child and adult maltreatment, and assessment of safety and risk of harm
- Adoption and foster care supports for children
- Case management and counseling.

Children and Community Services Grants provide child protection services to help keep more children out of foster care and safely with their families, and to decrease the disproportionate number of children of color in out-of-home placements. They help ensure that vulnerable children and adults are better protected and receive support services in their communities.

Allocated to counties through the state's Vulnerable Children and Adult Act, these grants include state funds and the federal Social Services Block Grant.

RESULTS

The Department of Human Services monitors the performance of counties in delivering child welfare and adult protective services. Minnesota outcomes match or exceed most federal child welfare standards. Efforts to engage families early and collaboratively with evidence-based interventions have resulted in improving safety and timely permanency outcomes for children.

Type of Measure	*Name of Measure*	*2010*	*2011*	*2012*	*2013*
Quality	Percent of children not experiencing repeated abuse or neglect within six months of a prior report	95.1%	95.6%	97.5%	97.2%
Quality	Percent of children reunified with parents or living with relatives in fewer than 12 months from latest removal from home	84.5%	85.7%	85.9%	85.1%
Quality	Percent of children adopted in fewer than 24 months from latest removal from home	48.2%	48.1%	49.4%	54.7%
Quantity	Timeliness of vulnerable adult maltreatment reports forwarded to the lead agency within two working days	92.7%	92.3%	94.4%	94%

Performance Measures notes

Measures for children in the above table are from Minnesota's Child Welfare Reports, 2010-2013. Child Protection statistical reports are posted on the DHS Child Protection Publications page (http://www.dhs.state.mn.us/main/id_003712). Also see the DHS Child Welfare Data Dashboard (http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=dhs16_148137http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=dhs16_148137).
Measures for adults are from the Minnesota Department of Human Services Dashboard: http://dashboard.dhs.state.mn.us/measure01-2-4.aspx (http://dashboard.dhs.state.mn.us/measure01-2-4.aspx).

The legal authority for the Vulnerable Children and Adult Act is in M.S. chapter 256M (https://www.revisor.mn.gov/statutes/?id=256M). This Act establishes a fund to address the needs of vulnerable children and adults in each county under a service plan agreed to by each county board and the commissioner of human services.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	53,301	53,301	53,301	56,301	56,301	56,301	57,701	57,701
3000 - Federal	32,344	32,352	30,201	30,737	30,737	30,737	30,737	30,737
Total	**85,645**	**85,653**	**83,502**	**87,038**	**87,038**	**87,038**	**88,438**	**88,438**
Biennial Change				(759)		3,536		6,336
Biennial % Change				0		2		4
Governor's Change from Base								2,800
Governor's % Change from Base								2

Expenditures by Category

Operating Expenses			-2					
Other Financial Transactions							1,400	1,400
Grants, Aids and Subsidies	85,645	85,653	83,503	87,038	87,038	87,038	87,038	87,038
Total	**85,645**	**85,653**	**83,502**	**87,038**	**87,038**	**87,038**	**88,438**	**88,438**

Budget Activity: Child & Community Service Grts

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Direct Appropriation	53,301	53,301	53,301	56,301	56,301	56,301	57,701	57,701
Expenditures	**53,301**	**53,301**	**53,301**	**56,301**	**56,301**	**56,301**	**57,701**	**57,701**
Biennial Change in Expenditures				3,000		3,000		5,800
Biennial % Change in Expenditures				3		3		5
Gov's Exp Change from Base								2,800
Gov's Exp % Change from Base								2

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		2,338	2,267					
Receipts	32,344	32,176	27,934	30,737	30,737	30,737	30,737	30,737
Expenditures	**32,344**	**32,352**	**30,201**	**30,737**	**30,737**	**30,737**	**30,737**	**30,737**
Balance Forward Out		2,162						
Biennial Change in Expenditures				(3,759)		536		536
Biennial % Change in Expenditures				(6)		1		1
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Program: Grant Programs
Activity: Child & Economic Support Grants

Activity Website: SNAP (http://www.dhs.state.mn.us/main/id_002555)
Activity Website: Economic Opportunity (http://www.dhs.state.mn.us/main/id_002550)

AT A GLANCE

Annually:
- More than 500,000 Minnesotans receive help through the Supplemental Nutrition Assistance Program (SNAP) every month; the average monthly benefit is $107 per person.
- More than 17,700 people receive emergency shelter and services with state and federal funds.
- More than 2,900 individuals in 1,300 households receive transitional housing services and more than 3,300 individuals at risk of or experiencing long-term homelessness receive supportive services.
- Funding for Community Action Agencies helped over 588,000 Minnesotans become more economically secure.

Also:
- Since 2000, Family Assets for Independence in Minnesota (FAIM) has helped people save nearly $2.9 million and acquire over 2,100 long-term financial assets.
- All funds spending for the Child & Economic Support Grants activity for FY 2013 was $625.3 million. This represented 5.2% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

People living in poverty often face numerous barriers and have complex needs. Through the Children and Economic Support Grants activity the Department of Human Services funds efforts to stabilize both short-term crises and long term strategies to help people leave poverty and sustain financial security for themselves and their families.

Through this budget activity we administer nearly 200 grants annually to more than 100 organizations to help people in poverty meet their basic needs for food, clothing and shelter. Funds are also used to help people get the skills, knowledge and motivation to become more self-reliant. Without these funds, more people would be hungry, homeless and poor.

The largest part of this budget activity is federal funding for the Supplemental Nutrition Assistance Program (SNAP). Outreach and nutrition education are conducted under this activity. These efforts help keep more people fed and healthy, and increase nutrition assistance participation.

SERVICES PROVIDED

Children and Economic Support Grants fund food, housing, poverty reduction, and financial capability services for low-income families and individuals. Services include:

- Help for low income persons to purchase food and associated outreach and education activities funded through the federal SNAP program.
- Help under the Minnesota Food Assistance Program (MFAP) for legal non-citizens who do not qualify for federal SNAP due to citizenship status
- Funding for food banks, food shelves and on-site meal programs
- Help for homeless individuals and families to find safe and stable housing
- Supportive services for people who experience long-term homelessness
- Emergency shelter and essential services for homeless adults, children, and youth
- Specialized emergency shelter and services for youth who have been victims of sex trafficking
- Funding, training, and technical assistance to counties and tribes for services to reduce barriers for long-term homeless adults, youth and families.

These grants also support:

- Programs administered by regional Community Action Agencies that help low-income people become more economically secure
- Financial capability services through the Family Assets for Independence in Minnesota (FAIM) and related financial education initiatives.

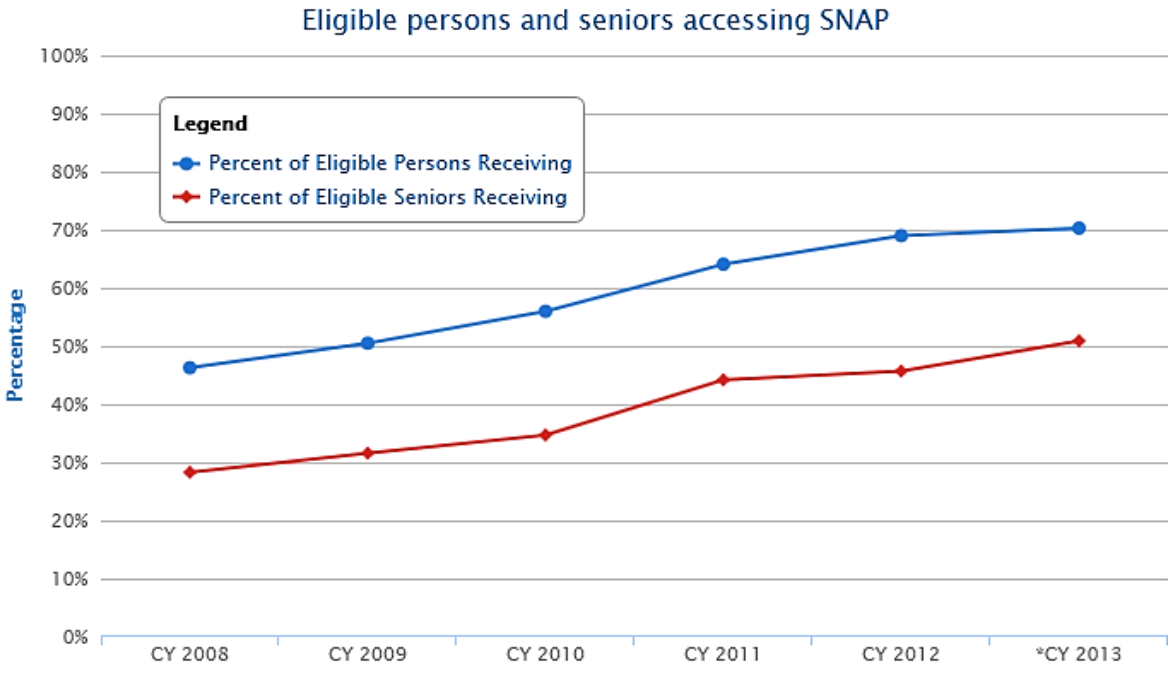
In addition to the federal funding for SNAP, other funding sources include state grants and federal grants from the U.S. Departments of Agriculture (USDA), Health and Human Services (HHS), Housing and Urban Development (HUD) as well as private foundations.

RESULTS

Several programs, such as SNAP, emergency food help, and MFAP, help people with their food needs.

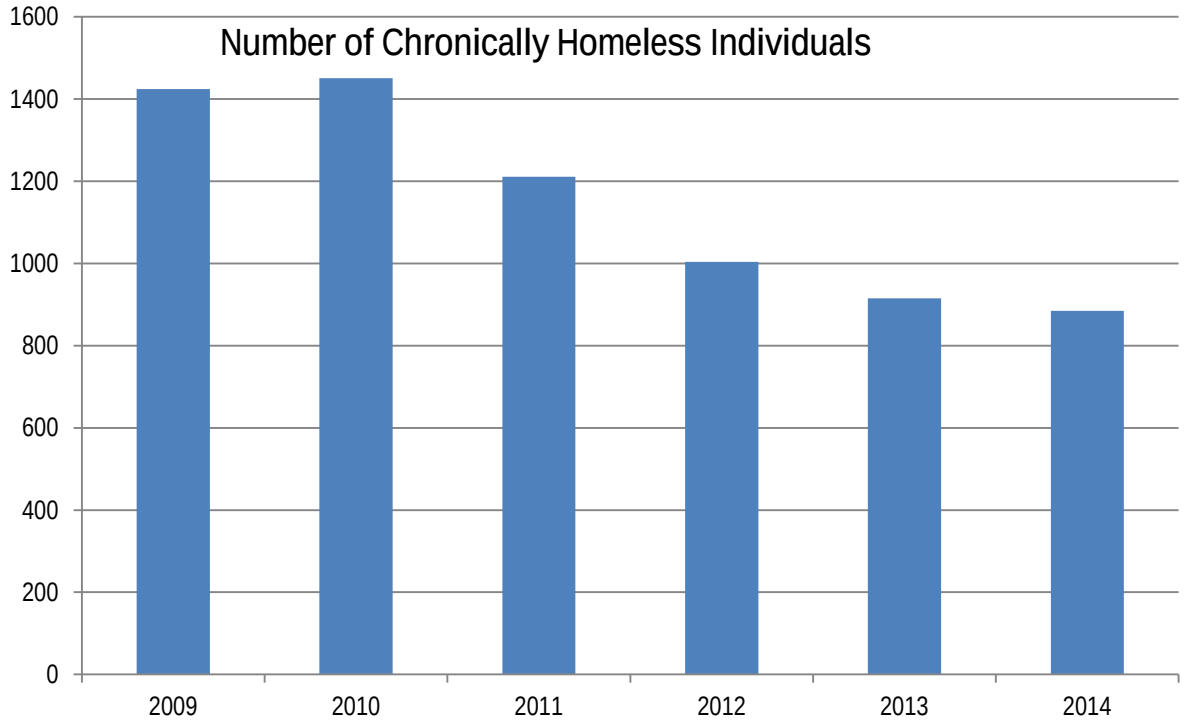
SNAP Participation Rate

The quality measure below shows increased participation in SNAP to help keep people fed and healthy.



Reducing the number of people who are chronically homeless

This quantity measure shows that the number of chronically homeless individuals has declined by 38 percent since 2009. The Long-term Homeless Supportive Services Fund assists long term and chronically homeless people to obtain and remain in housing. Reduction of the number of chronically homeless people is a goal of the *2014 Plan to End Homelessness in Minnesota*.



The legal authority for the Children and Economic Support Grants activities comes from:

Minnesota Food Assistance Program, M.S. sec. 256D.053 (https://www.revisor.mn.gov/statutes/?id=256D.053)
Community Action Programs, M.S. secs. 256E.30 to 256E.32 (https://www.revisor.mn.gov/statutes/?id=256E.30)
Transitional Housing Programs, M.S. sec. 256E.33 (https://www.revisor.mn.gov/statutes/?id=256E.33)
Minnesota Food Shelf Program, M.S. sec. 256E.34 (https://www.revisor.mn.gov/statutes/?id=256E.34)
Family Assets for Independence in Minnesota (FAIM), M.S. sec. 256E.35 (https://www.revisor.mn.gov/statutes/?id=256E.35)
Emergency Services Grants, M.S. sec. 256E.36 (https://www.revisor.mn.gov/statutes/?id=256E.36)
Homeless Youth Act, M.S. sec. 256K.45 (https://www.revisor.mn.gov/statutes/?id=256k.45)

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	15,799	15,917	20,772	22,662	22,348	22,348	23,610	23,793
2000 - Restricted Misc Special Rev	96	1,460	436	231	153	153	153	153
2001 - Other Misc Special Rev	0	0	14	0	0	0	0	0
3000 - Federal	582,601	605,363	561,863	564,710	564,008	564,008	564,008	564,008
3001 - Federal TANF	402	787						
Total	**598,898**	**623,527**	**583,084**	**587,603**	**586,509**	**586,509**	**587,771**	**587,954**
Biennial Change				(51,738)		2,331		5,038
Biennial % Change				(4)		0		0
Governor's Change from Base								2,707
Governor's % Change from Base								0

Expenditures by Category

Compensation		0						
Operating Expenses	47	72	65	51	5	5	5	5
Other Financial Transactions	827	619	702					
Grants, Aids and Subsidies	598,024	622,836	582,317	587,552	586,504	586,504	587,766	587,949
Total	**598,898**	**623,527**	**583,084**	**587,603**	**586,509**	**586,509**	**587,771**	**587,954**

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		43		42				
Direct Appropriation	16,103	16,180	21,047	22,620	22,348	22,348	23,610	23,793
Net Transfers	0	0	0	0	0	0	0	0
Cancellations	262	305	233					
Expenditures	**15,799**	**15,917**	**20,772**	**22,662**	**22,348**	**22,348**	**23,610**	**23,793**
Balance Forward Out	43		42					
Biennial Change in Expenditures				11,718		1,262		3,969
Biennial % Change in Expenditures				37		3		9
Gov's Exp Change from Base								2,707
Gov's Exp % Change from Base								6

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	14		264	263				
Direct Appropriation		0	0	0	0	0	0	0
Receipts	2	1,585	270	(32)	153	153	153	153
Net Transfers	81	0	165	0				
Expenditures	**96**	**1,460**	**436**	**231**	**153**	**153**	**153**	**153**
Balance Forward Out		125	263					
Biennial Change in Expenditures				(890)		(360)		(360)
Biennial % Change in Expenditures				(57)		(54)		(54)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

2001 - Other Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		14	14					
Net Transfers	14							
Expenditures	0	0	**14**	0	0	0	0	0
Balance Forward Out	14	14						
Biennial Change in Expenditures				14		(14)		(14)
Biennial % Change in Expenditures						(100)		(100)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

(Dollars in Thousands)

2001 - Other Misc Special Rev

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		830	30,181	1				
Receipts	582,635	606,511	531,683	564,710	564,008	564,008	564,008	564,008
Net Transfers		(125)						
Expenditures	**582,601**	**605,363**	**561,863**	**564,710**	**564,008**	**564,008**	**564,008**	**564,008**
Balance Forward Out	34	1,854	1					
Biennial Change in Expenditures				(61,391)		1,443		1,443
Biennial % Change in Expenditures				(5)		0		0
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

3001 - Federal TANF

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Direct Appropriation		0	0	0	0	0	0	0
Receipts	700	787						
Expenditures	**402**	**787**						
Balance Forward Out	298							
Biennial Change in Expenditures				(1,189)				
Biennial % Change in Expenditures				(100)				

Program: Grant Programs
Activity: Refugee Services Grants

http://www.dhs.state.mn.us/main/id_004115

AT A GLANCE

- In 2013, an average of 548 people per month received employment and social services through Refugee Services grants
- The average monthly cost per recipient in 2012 was $450 for employment-related services such as assessment, employment development planning, supported job search, placement and follow-up services.
- All funds spending for the Refugee Services Grants activity for FY 2013 was $5.0 million. This represented 0.04% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

Refugees have had to flee their country of origin and are unable to return because of a well-founded fear of persecution. When no other options exist, the United States, as well as most Western nations, provides refugees an opportunity for permanent resettlement. Most refugees resettled in Minnesota over the last decade have been from Somalia, Burma, Laos, Ethiopia, Liberia, Bhutan, Iraq and Moldova.

Refugee Services Grants provide assistance to refugees, asylees and victims of human trafficking to resettle in Minnesota. These federally-funded grants are provided to state and local agencies, including county and voluntary resettlement agencies, school districts and community agencies to enhance human, health, educational, employment and training services. Absent these services, fewer refugees will find work and more will lack the medical, social and financial supports necessary to resettle successfully.

SERVICES PROVIDED

The Department of Human Services (DHS) refugee Resettlement Programs Office coordinates services to help refugees transition to life in the United States. These services may include: resettlement and placement; food, cash and health care assistance; employment services; or social services.

Most refugees who resettle in Minnesota are members of families with minor children who qualify for the same cash (Minnesota Family Investment Program) and health care programs available to state residents who have low incomes. Refugees who do not qualify for one or both of these programs can apply for Refugee Cash Assistance (RCA) and Refugee Medical Assistance (RMA). These programs are available for the first eight months after refugees arrive in Minnesota. Applications for these programs are taken at county human services agencies and at voluntary resettlement agencies for refugees in the Twin Cities metro area and Olmsted County.

In addition, Refugee Services Grants provide support for an array of services, including:

- Information and referral
- Translation and interpreter services
- Case management services
- Citizenship and naturalization preparation services
- Supported employment services and transportation.

Grants are used in partnerships with local voluntary resettlement agencies, the Minnesota Departments of Health and Education, providers and refugee communities. They support services that improve refugees' health, safety and stability during resettlement.

The activity is funded with federal grants from the United States Department of Health and Human Services

RESULTS

The DHS Resettlement Programs Office uses several client outcome indicators to measure performance and determine the effectiveness of our grant management activity.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Results	Percent of refugees employed within one year of enrollment	55%	66%	Sept.2012 Sept 2013
Quantity	Percent of refugees receiving health screening within 90 days of arrival	96%	96%	Sept.2012 Sept 2013
Result	Job retention rate within 90 days	69%	82%	Sept.2012 Sept 2013
Quantity	Average hourly wage	$9.21	$9.15	Sept.2012 Sept 2013

Performance Measure Note: The average hourly wage is the average wage over the previous year for all participants.

The legal authority for the Refugee Services Grants activities comes from federal law: 45 CFR 400

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
3000 - Federal	7,643	4,762	6,232	6,164	5,942	5,570	5,942	5,570
Total	**7,643**	**4,762**	**6,232**	**6,164**	**5,942**	**5,570**	**5,942**	**5,570**
Biennial Change				(10)		(884)		(884)
Biennial % Change				0		(7)		(7)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Operating Expenses	499	426	334	255	255	255	255	255
Grants, Aids and Subsidies	7,144	4,336	5,898	5,908	5,686	5,314	5,686	5,314
Total	**7,643**	**4,762**	**6,232**	**6,164**	**5,942**	**5,570**	**5,942**	**5,570**

Budget Activity: Refugee Services Grants

(Dollars in Thousands)

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		6	82					
Receipts	7,643	4,839	6,150	6,164	5,942	5,570	5,942	5,570
Expenditures	**7,643**	**4,762**	**6,232**	**6,164**	**5,942**	**5,570**	**5,942**	**5,570**
Balance Forward Out		82						
Biennial Change in Expenditures				(10)		(884)		(884)
Biennial % Change in Expenditures				0		(7)		(7)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Program: Grant Programs
Activity: Northstar Care for Children

http://www.dhs.state.mn.us/main/id_000150

AT A GLANCE

- 11,510 children experienced an out-of-home placement in 2013
- 1,076 children were either adopted or had a permanent transfer of legal custody to a relative in 2013
- All funds spending for the North Star Care for Children activity for FY 2013 was $67.5 million. This represented 0.6% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

Northstar Care for Children is a new program that takes effect January 2015. It is designed to help children who are removed from their homes and supports permanency through adoption or transfer of custody to a relative if the child cannot be safely reunified with parents. Northstar Care for Children consolidates and simplifies administration of three programs: Family FosterCare, Kinship Assistance (which replaces Relative Custody Assistance) and Adoption Assistance. Northstar Care for Children will help more children grow up in safe and permanent homes.

SERVICES PROVIDED

The comprehensive, simplified Northstar Care for Children program:

- Combines three child welfare programs — Family Foster Care, Adoption Assistance and Kinship Assistance — into a single program with uniform processes and unified benefits
- Provides a monthly basic benefit based on children's age
- Uses a uniform assessment for all children to determine any needs beyond the basic payment for one of 15 levels of monthly supplemental difficulty of care payments
- Maintains the highest range of the current foster care benefits for children with the highest need
- Grandfathers children in existing programs under their current programs unless specifically transitioned into Northstar Care for Children (the current programs are slowly phased out as children exit them)
- Reduces barriers to permanency by eliminating disparities in benefits across the existing programs
- Reduces racial disparities among the children who remain in long-term foster care

Funding for Northstar Care for Children comes from state general fund appropriations, federal payments for foster care and adoption assistance, and county or tribal spending on foster care.

RESULTS

The Department of Human Services (DHS) monitors the performance of counties and tribes in delivering child welfare services, and will continue to do so under Northstar Care for Children. DHS expects to see better outcomes for children under Northstar Care.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quality	Rate of Relative Care: Percentage of children who are in relative family foster homes or pre-adoptive homes compared to children in all family foster care or pre-adoptive homes	30.2%	39.6%	2010 to 2013
Quality	Placement Stability: Percentage of children who have two or fewer placement settings when they are in foster care for less than 12 months	86.8%	85.8%	2010 to 2013
Quality	Timeliness to Adoption: Percentage of children who achieve adoption within 24 months from their most recent entry into foster care	48.2%	54.7%	2010 to 2013

Performance Measures notes:
All measures are from Minnesota's Child Welfare Reports, 2010-2013. Child Protection statistical reports are posted on the DHS Child Protection Publications page (http://www.dhs.state.mn.us/main/id_003712).

Northstar Care for Children is established in M.S. section 256N.20 (https://www.revisor.mn.gov/statutes/?id=256N.20).

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	36,179	37,980	37,261	41,938	45,206	49,599	0	0
3000 - Federal	29,940	29,537	31,189	34,390	34,390	34,390	0	0
Total	**66,119**	**67,517**	**68,450**	**76,328**	**79,596**	**83,989**	**0**	**0**
Biennial Change				11,142		18,807		(144,778)
Biennial % Change				8		13		(100)
Governor's Change from Base								(163,585)
Governor's % Change from Base								(100)

Expenditures by Category

Other Financial Transactions	2,489	1,601	2,110	2,000	2,000	2,000	0	0
Grants, Aids and Subsidies	63,630	65,916	66,340	74,328	77,596	81,989	0	0
Total	**66,119**	**67,517**	**68,450**	**76,328**	**79,596**	**83,989**	**0**	**0**

Budget Activity: North Star Care for Children

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	3,332	3,991	4,006	3,085				
Direct Appropriation	36,838	37,893	36,560	39,843	45,206	49,599	0	0
Net Transfers		(296)	(220)	(990)				
Expenditures	**36,179**	**37,980**	**37,261**	**41,938**	**45,206**	**49,599**	0	0
Balance Forward Out	3,991	3,608	3,085					
Biennial Change in Expenditures				5,040		15,606		(79,199)
Biennial % Change in Expenditures				7		20		(100)
Gov's Exp Change from Base								(94,805)
Gov's Exp % Change from Base								(100)

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		2,149	3					
Receipts	29,940	27,390	31,186	34,390	34,390	34,390	0	0
Expenditures	**29,940**	**29,537**	**31,189**	**34,390**	**34,390**	**34,390**	0	0
Balance Forward Out		3						
Biennial Change in Expenditures				6,102		3,201		(65,579)
Biennial % Change in Expenditures				10		5		(100)
Gov's Exp Change from Base								(68,780)
Gov's Exp % Change from Base								(100)

Program: Grants Program
Activity: Health Care Grants

AT A GLANCE

- There are currently 990 navigators and in person assisters available state-wide to aid people in obtaining health care coverage.
- 85 of Minnesota's 87 counties collect and track Child and Teen Check-up immunization data.
- All funds spending for the Health Care Grants activity for FY 2013 was $54.1 million. This represents 0.4% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

Health Care Grants activity funding provides supports, infrastructure investments or outreach. These grants benefit enrollees in Minnesota Health Care Programs (Medical Assistance (MA) and MinnesotaCare) and some uninsured or underinsured individuals. These grants have historically targeted projects or work that supplements the direct health care services funded under the MA or MinnesotaCare programs.

Some grants in this budget activity augment the agency's own operational efforts. In doing so, we engage experts outside of the Department of Human Services (DHS) to help ensure that eligible Minnesotans are enrolled in the appropriate health care program, and that those enrolled, especially our youngest and/or most vulnerable or hard to reach, receive the needed health care they are eligible for.

SERVICES PROVIDED

The particular set of active health care grants in this budget activity administered by DHS can change over time depending on the length of the funding or project. Health care grants may be for one year or may be ongoing. Grantees can range from providers, counties, or community organizations.

Funding is generally dedicated to a specific project, demonstration or function as directed by legislation. The grants currently funded under this budget activity include:

- *In Person Assister and Minnesota Community Application Agent (MNCAA) Programs*. These funds provide incentive payments to entities assisting people applying to and enrolling in MinnesotaCare and Medical Assistance. These funds provide critical support to people confronted with new eligibility rules and with navigating the new MNsure system.
- *Emergency Medical Assistance Referral and Assistance Grants*: These grants fund organizations to provide immigration legal assistance to people with emergency medical conditions whose immigration status makes them ineligible for Medical Assistance or MinnesotaCare.
- *Child and Teen Checkups and Immunization Registry Grants*. Provides administrative funds for counties to support Immunization registries and MA Child and Teen Checkup services.
- *Adult Medicaid Quality Grants*. Provides funding for grantees to implement quality improvement programs through clinics serving Medical Assistance clients.
- *Diabetes Prevention Program Grants*. Funds incentives for Minnesota Health Care Program recipients participating in the diabetes prevention program, a multi-year evidence-based program supported by the Centers for Disease Control and Prevention.

Health Care Grants are funded with appropriations from the state general fund, health care access fund and with federal funds.

RESULTS

The Health Care Grants activity contributes to the statewide goal of reducing the percentage of Minnesotans that do not have health insurance. DHS collects information on the number of successful applications completed by application agents under the MNCAA and In Person Assister programs.

The *Emergency Medical Assistance Referral and Assistance Grants* activities are ongoing. We are collecting data to track the number of people whose immigration status was a barrier to MA or MinnesotaCare eligibility, but who successfully enrolled after they received immigration legal assistance.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Enrollees receiving support from MNCAAs/In Person Assisters[1]	4,862	16,917	04/2013-09/2013 to 10/2013-03/2014
Quantity	Number of MA recipients receiving disease management services through the Minnesota Diabetes Prevention Program (MN MIPCD)[2]	20	565	03/2013 to 06/2014
Quantity	Number of clinics participating as partners in the Minnesota Diabetes Prevention Program (MN MMIPCD)[3]	3	13	03/2013 to 06/2014

Performance Measure Notes:

1. Measure is the number of Minnesota Health Care Program enrollees receiving application assistance from MNCAAs and In Person Assisters as reported by DHS staff.
2. Measure is the number of MA recipients currently receiving incentives for participating in disease management for pre-diabetes as reported by DHS staff in March 2013 and June 2014.
3. Measure is the number of clinics offering the curriculum and providing disease management services to MA recipients through the Minnesota Diabetes Prevention Program as reported by DHS staff in March 2013 and June 2014.

Minnesota Statutes section 256.962 (https://www.revisor.mn.gov/statutes/?id=256.962) provides the authority to provide incentives for application assistance under the MNCAA program.
Minnesota Statutes section 256B.021 (https://www.revisor.mn.gov/statutes/?id=256.962) provides authority for grants related to reforms in the Medical Assistance program.
Minnesota Statutes section 62V.05 (https://www.revisor.mn.gov/statutes/?id=62V.05) provides authority for the In Person Assister program.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	0	0	95	190	410	410	410	960
2360 - Health Care Access	0		316	4,378	3,341	3,465	3,341	3,465
3000 - Federal	2,075	52,784	73,440	20,768	18,697	9,197	18,697	9,197
Total	**2,075**	**52,784**	**73,851**	**25,336**	**22,448**	**13,072**	**22,448**	**13,622**
Biennial Change				44,328		(63,667)		(63,117)
Biennial % Change				81		(64)		(64)
Governor's Change from Base								550
Governor's % Change from Base								2

Expenditures by Category

Operating Expenses	871	946	2,445	3,064	993	993	993	993
Grants, Aids and Subsidies	1,204	51,838	71,406	22,272	21,455	12,079	21,455	12,629
Total	**2,075**	**52,784**	**73,851**	**25,336**	**22,448**	**13,072**	**22,448**	**13,622**

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Direct Appropriation	26	66	190	190	410	410	410	960
Cancellations	26	66	95					
Expenditures	0	0	**95**	**190**	**410**	**410**	**410**	**960**
Biennial Change in Expenditures				285		535		1,085
Biennial % Change in Expenditures						188		381
Gov's Exp Change from Base								550
Gov's Exp % Change from Base								67

2360 - Health Care Access

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Direct Appropriation	190	190	190	190	3,341	3,465	3,341	3,465
Net Transfers			2,038	4,188				
Cancellations	190	190	1,912					
Expenditures	0		**316**	**4,378**	**3,341**	**3,465**	**3,341**	**3,465**
Biennial Change in Expenditures				4,694		2,112		2,112
Biennial % Change in Expenditures						45		45
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Receipts	2,076	52,784	73,440	20,768	18,697	9,197	18,697	9,197
Expenditures	**2,075**	**52,784**	**73,440**	**20,768**	**18,697**	**9,197**	**18,697**	**9,197**
Biennial Change in Expenditures				39,349		(66,314)		(66,314)
Biennial % Change in Expenditures				72		(70)		(70)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Program: Grant Programs
Activity: Aging & Adult Services Grants

http://www.dhs.state.mn.us/main/id_005734

AT A GLANCE

- Provides congregate dining to 47,000 people, home delivered meals to 13,000 people, and grocery delivery services to 600 people annually.
- Supports more than 20,000 older volunteers per year who provide services through the Retired and Senior Volunteer Program (RSVP), Foster Grandparents, and Senior Companions.
- Provides comprehensive assistance and individualized help to more than 87,000 individuals through 175,000 calls in 2013 through the Senior LinkAge Line®.
- Provides information and community-based resources to 443,000 visitors in 2013 through www.MinnesotaHelp.info (http://www.minnesotahelp.info/), a web-based database of over 36,000 services.
- Provides a long-term options counseling service called Return to Community that helps consumers remain in their homes after a discharge from a nursing facility. From 2010 through 2013, over 5,800 consumers have been contacted for discharge support.
- Funds home and community-based service options for more than 11,000 people and increased capacity by 8,700 volunteers through the Community Service/Services Development grant program.
- All funds spending for the Aging & Adult Services Grants activity was $34.0 million. This represented 0.3% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

The purpose of Aging and Adult Services Grants is to provide non-medical social services and supports for older Minnesotans and their families to allow older adults to stay in their own homes and avoid institutionalization.

These funds increase the number and kind of service options for older Minnesotans in both urban and rural communities. This gives greater opportunity for Minnesotans to age at home. Several of the state grant programs are organized with the services provided under the federal Older Americans Act (OAA). Federal OAA funds in Minnesota are administered through the Minnesota Board on Aging. These funds provide core social services to at-risk older adults and their family caregivers who are not yet eligible for public programs. Services are targeted to people with the greatest social and economic need.

SERVICES PROVIDED

Aging and Adult Services Grants promote affordable services that are both dependable and sustainable. These grants are often used along with local private money, including donations. Aging and Adult Services grants provide:

- Nutritional services including congregate meals, home-delivered meals, and grocery delivery.
- Increase the number and kind of service options for older Minnesotans through service development activities funded by the Community Service/Community Services Development (CS/SD), Family Caregiver Support, and ElderCare Development Partnership (EDP) grant programs. Those services include: transportation, help with chores, help with activities of daily living, evidence-based health promotion, chronic disease management, falls prevention services, respite and other supportive services to family caregivers, and other services that help people stay in their own homes.
- Support to older volunteers who provide services through the Retired and Senior Volunteer Program, Foster Grandparent, and Senior Companion programs.
- Comprehensive and individualized help through the Senior LinkAge Line®. The Senior LinkAge Line® trains long-term care options counselors that assist individuals to find community resources and financing options for beneficiaries of all ages.
- Information about community-based resources and customized long-term care planning tools through www.minnesotahelp.info, (http://www.minnesotahelp.info/) a web-based database of over 36,000 services.
- Long-term care options counseling services provided by the Senior LinkAge Line®, known as Return to Community, that help people successfully remain in their homes after discharge from a nursing home. Since the launch of this service in 2010 and

through 2013, over 5,800 consumers have been contacted for discharge support. Of those 5,800, direct assistance was provided to 1,054 older adults at their request to return home and 995 are receiving five years of follow up at home.
- A home and community-based services report card which will provide information to consumers on long-term services and support providers. The report card will be available July 1, 2015. This funding is part of the Reform 2020 initiative approved in November, 2013.
- Core Service grants to nonprofit home and community based service providers who provide in-home and community-based services to older adults. These grants expand the number of organizations that can be supported, which increases the number of individuals served. This funding is part of the Reform 2020 initiative approved in November, 2013.

The Agency administers these grants in partnership with regional Area Agencies on Aging, counties, tribes, and community providers.

Aging and Adult Services Grants support the following strategies in the DHS Framework for the Future: 2014 (https://edocs.dhs.state.mn.us/lfserver/Public/DHS-6464C-ENG):

- Keep more people fed and healthy by increasing nutrition assistance participation for seniors
- Serve more people in their own homes, communities, and integrated workplaces.

RESULTS

Minnesota has seen improvement in the number of seniors served by community-based rather than institution-based services. The percent of seniors served in the community has remained steady or improved over the past five years. Through our partners, we surveyed users of the Senior LinkAge Line® and found a consistent proportion of people would recommend Senior LinkAge Line® services to others.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Result	1. Percent of seniors served by home and community-based services	59.3%	68.4%	2008 to 2013
Quality	2. Percent of consumers who would recommend the Senior LinkAge Line® to others	93%	93%	2007 to 2013
Quantity	3. Number of people who have moved from nursing homes back to the community through the Return to Community Initiative to date	286	1,054	Q2 2010 to Q4 2013
Result	4. Percent of family caregivers who report that the caregiver support services helped them provide care for a longer period of time	93%	95%	2009 to 2013

Results Notes:
1. Measure 1 compares FY2008 to FY2013. This measure shows the percentage of elderly receiving publicly-funded long-term care services who receive HCBS services through the Elderly Waiver, Alternative Care, or home care programs instead of nursing home services. (Source: February 2014 Forecast)
2. Measure 2 compares 2007 data to 2013 data (Source: Consumer Surveys, WebReferral database)
3. Measure 3 compares cumulative quarter 2 CY2010 data to quarter 4 CY2013 data (Source: Return to Community Database)
4. Measure 4 compares CY 2009 to CY 2013 data, as measured by an annual survey of family caregivers receiving Older Americans Act-funded caregiver support services. (Source: Minnesota Board on Aging Caregiver Outcomes Survey)

M.S. sections 256B.0917 (https://www.revisor.mn.gov/statutes/?id=256B.0917) and 256B.0922 (https://www.revisor.mn.gov/statutes/?id=256B.0922) provide the legal authority for Aging and Adult Services Grants. M.S. section 256.975 (https://www.revisor.mn.gov/statutes/?id=256.975) created the Minnesota Board on Aging.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	12,154	11,360	20,071	23,896	27,713	27,412	27,713	27,412
2000 - Restricted Misc Special Rev	135	154	181	187	187	187	187	187
2001 - Other Misc Special Rev	0	65	245	0	0	0	0	0
3000 - Federal	19,305	22,201	26,157	24,163	22,528	22,314	22,528	22,314
Total	**31,595**	**33,780**	**46,654**	**48,246**	**50,428**	**49,913**	**50,428**	**49,913**
Biennial Change				29,525		5,440		5,440
Biennial % Change				45		6		6
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation			-12					
Operating Expenses	0	914	2	56	56	56	56	56
Other Financial Transactions			201					
Grants, Aids and Subsidies	31,595	32,866	46,463	48,190	50,372	49,857	50,372	49,857
Total	**31,595**	**33,780**	**46,654**	**48,246**	**50,428**	**49,913**	**50,428**	**49,913**

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Direct Appropriation	12,154	12,455	20,074	23,896	27,713	27,412	27,713	27,412
Cancellations	0	1,095	3					
Expenditures	**12,154**	**11,360**	**20,071**	**23,896**	**27,713**	**27,412**	**27,713**	**27,412**
Biennial Change in Expenditures				20,452		11,158		11,158
Biennial % Change in Expenditures				87		25		25
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	0	25	20					
Receipts	160	149	161	187	187	187	187	187
Expenditures	**135**	**154**	**181**	**187**	**187**	**187**	**187**	**187**
Balance Forward Out	25	20						
Biennial Change in Expenditures				79		6		6
Biennial % Change in Expenditures				27		2		2
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

2001 - Other Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Receipts	0	65	245	0	0	0	0	0
Expenditures	0	**65**	**245**	0	0	0	0	0
Biennial Change in Expenditures				180		(245)		(245)
Biennial % Change in Expenditures				278		(100)		(100)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	0	0	0	2				
Receipts	19,318	22,200	26,160	24,161	22,528	22,314	22,528	22,314

Budget Activity: Aging & Adult Services Grants

(Dollars in Thousands)

3000 - Federal

Expenditures	**19,305**	**22,201**	**26,157**	**24,163**	**22,528**	**22,314**	**22,528**	**22,314**
Balance Forward Out	14		2					
Biennial Change in Expenditures				8,813		(5,479)		(5,479)
Biennial % Change in Expenditures				21		(11)		(11)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Program: Grant Programs
Activity: Deaf & Hard of Hearing Grants

http://www.dhs.state.mn.us/main/dhs16_139339

AT A GLANCE

- Deaf and Hard of Hearing Grants supported 968 people in state fiscal year 2013. An unknown additional number benefitted from grant funded real-time captioning services.
- 22% of participants in FY13 deafblind programs used the consumer-directed services option.
- Certified Peer Support Specialists became available in FY14 for people who are deaf with serious mental illness.
- This coming year, the interpreting services grants will pilot the delivery of sign language interpreting services through interactive video in Greater Minnesota.
- All funds spending for the Deaf and Hard of Hearing Grants activity for FY 2013 was $2.0 million. This represented 0.02% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

Three out of every 1,000 newborns have hearing loss. One-third of people between ages 65-74 have hearing loss and nearly half of those over age 75 have hearing loss.

In Minnesota, an estimated 530,000 to 640,000 people have some degree of hearing loss. Of those, about 11% are deaf and as many as 1,600 individuals are deafblind.

Deaf and Hard of Hearing Services grants help Minnesotans of all ages who are deaf, deafblind and hard of hearing with services and supports they need to live independently and be involved in their families and communities.

The Deaf and Hard of Hearing Services (DHHS) Division administers these grants.

SERVICES PROVIDED

Deaf and Hard of Hearing Grant programs include:

- Sign language interpreter referral and interpreter-related services that allow Minnesotans who are deaf, hard of hearing, and deafblind to access every day activities and core services such as courts, medical care, mental health services, and law enforcement.
- Deafblind grants to support adults who are both deaf and blind so they can live independently and stay in their own homes. Supports include service providers fluent in American Sign Language and trained in specialized communication methods and assistive technology.
- Services for children who are deafblind to provide experiential learning and language development.
- Specialized mental health services provide linguistically and culturally appropriate services including home-based outreach, inpatient therapy, outpatient therapy, family counseling, and educational opportunities for families, schools, and mental health providers.
- Certified Peer Support Specialists for individuals who are deaf and have a serious mental illness.
- Mentors who work with families that have children with hearing loss to develop the family's communication competence, including the use of American Sign Language.
- Real-time television captioning grants to allow consumers in greater Minnesota who are deaf, deafblind, hard of hearing or late deafened to have access to live local news programming from some television stations.

We partner with statewide community providers, mental health professionals, local television stations and the Department of Commerce to provide services.

Deaf and Hard of Hearing grants are primarily funded by the state general fund. In addition, the Telecommunications Access Minnesota (TAM) funds collected by the Department of Commerce funds grants for real-time television captioning of local news programs.

Deaf and Hard of Hearing Grants support the following strategies in the DHS Framework for the Future: 2014 (https://edocs.dhs.state.mn.us/lfserver/Public/DHS-6464C-ENG):

- Serve more people in their own homes, communities, and integrated workplaces.

RESULTS

People served in deaf and hard of hearing grant-funded programs fill out surveys to measure satisfaction with the quality and timeliness of services. Over the last two years, they have reported a nearly steady level of satisfaction with services. In Deaf and Hard of Hearing grant-funded mental health programs, the percent of clients who have completed or are making good progress on their treatment goals is increasing. Families with children who are deafblind report noticeable improvement in their child's progress in communication, social development and community integration as a result of the services they receive.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quality	1. Percent of consumers in DHHS grant-funded programs who are satisfied with quality of services they received	94%	94%	2012 to 2014
Quality	2. Percent of consumers in DHHS grant-funded programs who are satisfied with timeliness of the services they received	89%	86%	2012 to 2014
Quality	3. Percent of clients in DHHS grant-funded mental health programs who completed or are making good progress on their treatment plan goals	89%	97%	2012 to 2014
Quality	4. Percent of parents in DHHS grant-funded programs who observed progress in the communication ability, community integration and social development of their child who is deafblind.	81%	83%	2012 to 2014

Performance Notes:

- Data source: Consumer satisfaction surveys and grantee reports.
- More information on measures one and two is available on the Continuing Care Performance Report (http://www.dhs.state.mn.us/main/dhs16_166609).

M.S. sections 256.01, subd. 2 (https://www.revisor.mn.gov/statutes/?id=256.01), 256C.233 (https://www.revisor.mn.gov/statutes/?id=256C.233), 256C.25 (https://www.revisor.mn.gov/statutes/?id=256C.25), and 256C.261 (https://www.revisor.mn.gov/statutes/?id=256C.261) provide the legal authority for Deaf and Hard of Hearing grants.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	1,860	1,703	1,763	1,866	1,875	1,875	1,875	1,875
2001 - Other Misc Special Rev	285	271	269	269	269	269	269	269
2403 - Gift	9	2						
3000 - Federal		54	96					
Total	**2,155**	**2,030**	**2,128**	**2,135**	**2,144**	**2,144**	**2,144**	**2,144**
Biennial Change				78		25		25
Biennial % Change				2		1		1
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Operating Expenses	458	58	82					
Grants, Aids and Subsidies	1,697	1,972	2,046	2,135	2,144	2,144	2,144	2,144
Total	**2,155**	**2,030**	**2,128**	**2,135**	**2,144**	**2,144**	**2,144**	**2,144**

Budget Activity: Deaf & Hard Of Hearing Grants

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Direct Appropriation	1,936	1,767	1,771	1,866	1,875	1,875	1,875	1,875
Cancellations	76	64	8					
Expenditures	**1,860**	**1,703**	**1,763**	**1,866**	**1,875**	**1,875**	**1,875**	**1,875**
Biennial Change in Expenditures				66		121		121
Biennial % Change in Expenditures				2		3		3
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

2001 - Other Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	2	2	2	2	2	2	2	2
Receipts	313	300	300	269	269	269	269	269
Net Transfers	(28)	(29)	(31)					
Expenditures	**285**	**271**	**269**	**269**	**269**	**269**	**269**	**269**
Balance Forward Out	2	2	2	2	2	2	2	2
Biennial Change in Expenditures				(18)		0		0
Biennial % Change in Expenditures				(3)		0		0
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

2403 - Gift

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		2	0					
Receipts				0	0	0	0	0
Net Transfers	11	0						
Expenditures	**9**	**2**						
Balance Forward Out	2							
Biennial Change in Expenditures				(11)				
Biennial % Change in Expenditures				(100)				

3000 - Federal

		Actual FY 14
Receipts	54	96

Budget Activity: Deaf & Hard Of Hearing Grants

(Dollars in Thousands)

3000 - Federal		
Expenditures	**54**	**96**

Program: Grant Programs
Activity: Disabilities Grants

http://mn.gov/dhs/people-we-serve/people-with-disabilities/services/home-community/a-z/index.jsp

AT A GLANCE

- The Family Support Grant served 1,810 families in 2008.
- The Consumer Support Grant supported an average of 1,771 people per month in FY2013.
- Semi-independent living services served 1,560 people in 2008.
- HIV/AIDS programs help 2,410 people living with HIV/AIDS.
- The Disability Linkage Line served 23,481 people in FY2013, had 47,887 contacts with consumers, and participated in 63 educational events.
- All funds spending for the Disabilities Grants activity for FY 2013 was $41.8 million. This represented 0.3% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

The US Census Bureau estimates that nearly 400,000 or 14 percent of Minnesotans have a disability or disabling condition.

Disabilities Grants provide services and supports to help Minnesotans with disabilities remain in their communities and avoid institutionalization. This work is done by counties, tribes, families and local providers.

These funds increase the number and kinds of service options for people with disabilities and their families; help people with HIV/AIDS with medical expenses; provide information and assistance on disability programs and services; and support county and tribal service infrastructure.

More information about Disabilities Grants and the number of people served is available in a Disabilities Grants fact sheet.

SERVICES PROVIDED

Disabilities Grant programs include:

- The Family Support Grant (FSG) which provide cash to families to offset the higher-than-average cost of raising a child with a disability.
- The Consumer Support Grant (CSG) which helps people purchase home care, adaptive aids, home modifications, respite care, and other help with the tasks of daily living.
- Semi-Independent Living Services (SILS) grants which help adults with developmental disabilities to live in the community. The funding is used to purchase instruction or assistance with nutrition education, meal planning and preparation, shopping, first aid, money management, personal care and hygiene, self-administration of medications, use of emergency resources, social skill development, home maintenance and upkeep, and use of transportation.
- HIV/AIDS programs which help enrollees pay premiums to maintain private insurance, co-payments for HIV-related medications, mental health services, dental services, nutritional supplements, and case management.
- Housing Access Services grants which support a non-profit organization to help individuals move out of licensed settings or family homes and into their own homes.
- The Disability Linkage Line (DLL) which provides one-to-one assistance to help people learn about their service options and connect them with the supports and services they choose.
- Local planning grants to assist counties and tribes in development of community alternatives to corporate foster care settings. During FY 2015, this funding will be used by selected counties to implement specific plans to address the needs of people with disabilities in their communities.
- The Advocating Change Together grant which provides funding to a statewide self-advocacy organization for people with disabilities.
- Technology Grants for Corporate Foster Care Alternatives which funds a non-profit organization to provide person-centered assistive technology and case consultation to individuals with disabilities, their case manager, and others chosen by the individual. Consultations include assistive technology evaluations and technical assistance, information, and training for individuals with disabilities living in their own home or seeking to live in their own home.
- A grant to People, Inc. to provide a living skills training program for people with intractable epilepsy who need assistance in the transition to independent living.

- Transition Initiatives to Waivered Services for Certain Populations grants provide help pay for specialized services that are sometimes needed by individuals transitioning back to the community from state institutions, once the person has met their treatment goals and no longer require the level of treatment and supervision provided at these facilities.
- Day Training and Habilitation (DT&H) grants which are allocated counties. These grants help counties purchase services that help people living in an Intermediate Care Facility for persons with Developmental Disabilities to develop and maintain life skills and participate in community activities.
- An annual grant to Region 10 to assist with developing the State Quality and Licensing system.
- Several new grants that will be implemented starting in FY 2015: Work Empower grants, Autism grants, and grants to Housing Opportunities for Persons with AIDS.

The Disabilities Grants activity is funded by the state's general fund, federal funds and special revenue funds. The HIV/AIDS programs receive federal funds from the Ryan White Care Act and also rebate funding from pharmaceutical companies for drugs and insurance.

These grants support the following strategies in the DHS Framework for the Future: 2014 (https://edocs.dhs.state.mn.us/lfserver/Public/DHS-6464C-ENG):

- Serve more people in their own homes, communities, and integrated workplaces.

RESULTS

The agency monitors data, reviews counties, and administers surveys to consumers to evaluate services. Minnesota has seen continuous improvement in the number of people with disabilities served by community-based rather than institution-based services.

A 2009 moratorium in state law on corporate foster care helped to curb the growth of residential settings. The agency tracks the percent of people with disabilities who receive home and community-based services in their own home instead of in a congregate residential setting, such as foster care.

More information is also available on the DHS dashboard (http://dashboard.dhs.state.mn.us/) and the Continuing Care Performance Report (http://www.dhs.state.mn.us/main/dhs16_166609).

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Result	1. Percent of people with disabilities who receive home and community-based services in their own home.	71.4%	73.5%	2008 to 2013
Quantity	2. Number of people that Housing Access Services has helped move to a home of their own each year.	14	297	2009 to 2013
Quality	3. Percent of consumers who would recommend the Disability Linkage Line (DLL) to others.	99%	99%	2008 to 2013

Performance Measures Notes:

1. Measure is people who are age 19 to 64. Compares FY 2008 (Previous) to FY2013 data (Current). Source: February 2014 Forecast.
2. Compares calendar year 2009 (Previous) to CY 2013 (Current). Since the program began, Housing Access Services has moved over 1,000 people with disabilities into homes of their own. Source: DHS Grant reports.
3. Compares CY 2008 data (Previous) to CY 2013 data (Current). Source: DLL Customer Satisfaction Surveys.

M.S. sections 252.275 (https://www.revisor.mn.gov/statutes/?id=252.275); 252.32 (https://www.revisor.mn.gov/statutes/?id=252.32); 256.01, subds. 19, 20, and 24 (https://www.revisor.mn.gov/statutes/?id=256.01); 256.476 (https://www.revisor.mn.gov/statutes/?id=256.476); and 256B.0658 (https://www.revisor.mn.gov/statutes/?id=256b.0658) provide the legal authority for Disabilities Grants.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	27,813	32,354	33,972	42,751	38,766	21,983	38,766	21,983
2000 - Restricted Misc Special Rev	5,531	2,137	3,665	12,167	12,167	12,167	12,167	12,167
3000 - Federal	8,053	7,272	7,241	8,017	7,101	7,101	7,101	7,101
Total	**41,397**	**41,763**	**44,878**	**62,935**	**58,034**	**41,251**	**58,034**	**41,251**
Biennial Change				24,653		(8,528)		(8,528)
Biennial % Change				30		(8)		(8)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation	0							
Operating Expenses	1,618	476	407	1,022	1,051	1,051	1,051	1,051
Grants, Aids and Subsidies	39,779	41,287	44,470	61,914	56,983	40,200	56,983	40,200
Total	**41,397**	**41,763**	**44,878**	**62,935**	**58,034**	**41,251**	**58,034**	**41,251**

Full-Time Equivalents	**0.4**

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		250						
Direct Appropriation	15,945	18,584	18,780	20,874	21,798	21,983	21,798	21,983
Net Transfers	16,619	18,472	18,782	21,877	16,968		16,968	
Cancellations	4,501	4,952	3,590					
Expenditures	**27,813**	**32,354**	**33,972**	**42,751**	**38,766**	**21,983**	**38,766**	**21,983**
Balance Forward Out	250							
Biennial Change in Expenditures				16,556		(15,974)		(15,974)
Biennial % Change in Expenditures				28		(21)		(21)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		1,935	9,812	15,573				
Receipts	7,417	9,988	9,425	(3,406)	12,167	12,167	12,167	12,167
Net Transfers	(210)							
Expenditures	**5,531**	**2,137**	**3,665**	**12,167**	**12,167**	**12,167**	**12,167**	**12,167**
Balance Forward Out	1,676	9,786	15,573					
Biennial Change in Expenditures				8,164		8,502		8,502
Biennial % Change in Expenditures				106		54		54
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		484	293					
Receipts	8,053	7,287	6,926	8,017	7,101	7,101	7,101	7,101
Net Transfers			21					
Expenditures	**8,053**	**7,272**	**7,241**	**8,017**	**7,101**	**7,101**	**7,101**	**7,101**
Balance Forward Out		498						
Biennial Change in Expenditures				(67)		(1,056)		(1,056)
Biennial % Change in Expenditures				0		(7)		(7)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

3000 - Federal

FTEs	0.4			

Program: Grant Programs
Activity: Adult Mental Health Grants

http://mn.gov/dhs/people-we-serve/adults/health-care/mental-health/index.jsp

AT A GLANCE

- Approximately 223,798 adults in Minnesota have a serious mental illness.
- Provided mental health services through MHCP to 124,587 in CY 2013.
- Provided PATH homeless outreach service to 3,934 persons and enrolled 1,937 in PATH services in CY 2013.
  - At the time of enrollment 1,195 were literally homeless and 742 were at imminent risk of homelessness.
- Provided Crisis Housing Assistance in CY 2013 to prevent homelessness for 244 persons seeking facility based treatment.
- 2,127 received Residential Treatment (IRTS) in CY 2013.
- 1,991 received Assertive Community Treatment in CY 2013.
- Provided Crisis Services in response to 10,918 crisis episodes in FY 2013.
- 17,589 received mental health case management services through MHCP in CY 2013.

PURPOSE & CONTEXT

The Adult Mental Health Division, a division of the Chemical and Mental Health Services Administration, receives both federal and state funding to support services for adults with mental illness. These funds, combined with county dollars, are used to identify and meet the local service need by developing and providing a range of mental health services in the community. Adult Mental Health Grants support the mission of the Minnesota Comprehensive Adult Mental Health Act by supporting community mental health system infrastructure and services. The grants are used in conjunction with healthcare coverage and other funding sources to support individuals in independent living and community service and treatment options. Services are delivered using best practice and evidence-based practice models that are person-centered and effective

SERVICES PROVIDED

Adult Mental Health Grants support a broad range of vital community service needs. The grants provide funding for infrastructure, community services, supports, and coordination activities not covered by federal Medicaid reimbursement, and/or for persons who are uninsured or under-insured by public or private health plans. Services include, but are not limited to the following:

Community Support Program and Adult Mental Health Initiative Grants

- Targeted Case Management
  Activities that coordinate other support services to help adults with serious and persistent mental illness gain access to needed medical, social, educational, vocational services. These activities include developing a functional assessment, an individual community support plan, and ensuing coordination of services and monitoring of service delivery. Grants support increased case management service capacity.

- Assertive Community Treatment (ACT)
  Intensive non-residential mental health services are provided by a multidisciplinary staff using a team model. The team includes at a minimum, a psychiatrist, mental health professional, registered nurse, vocational and substance abuse specialists. ACT services are available 24 hours a day. ACT teams assume full responsibility for the individual's mental health treatment. This service continues to save dollars by keeping people in the community and preventing hospitalization. Current ACT teams address the need for integrated care.

- Adult Rehabilitative Mental Health Services (ARMHS)
  ARMHS Services are services that enable a recipient to develop, retain and enhance their mental stability and functioning by providing education on medication management, basic social and living skills, household management, employment-related, or transitioning to community living.

- Adult Outpatient Medication Management
  Provides for prescriptions, medication education, and reviews to help individuals manage their symptoms.

- Basic Living /Social Skills and Community Intervention
  Basic living /social skills and community intervention services provided to help individuals live safely and inclusively in the community.

Housing

- Project for Assistance in Transition from Homelessness (PATH)
  PATH is a Federal program with a State match to provide homeless outreach, service coordination, and related services designed to find and engage persons with serious mental illness who are homeless or at imminent risk of becoming homeless in services, basic needs, resources, and housing.

- Crisis Housing
  Direct payments for rent, mortgage, and utility costs, to assist persons with retaining their housing while getting needed facility based treatment. The program prevents homelessness while the individual uses their income to pay for treatment or losses income while getting needed treatment.

- Housing with Supports
  These grants fund the development of permanent supportive housing for persons with serious mental illness, by providing options that assist individuals who need housing with linked supports to help maintain an individual's mental health and housing stability while living in the community.

Crisis Response Services

An array of services from mobile crisis response teams to crisis stabilization beds and aftercare services. Mobile crisis teams respond to an individual's call for help in their home, place of employment, or possibly to an emergency department in a hospital. Many components of crisis services are not reimbursable under Medicaid, such as telephone contacts with a person in crisis, linkage and coordination, benefits assistance, and post-hospital transition services. These services are being provided through grant funding.

Workforce Development

- Culturally specific grants
  Grants expand capacity for ethnically and culturally-specific, trauma-informed, adult mental health services within target cultural and ethnic minority communities in Minnesota. These grants support the collaboration between professional schools and mental health agencies in administratively supporting the efforts of cultural and ethnic minority students and graduates of mental health professional training programs seeking to obtain licensure.

- Individual Placement Supports (IPS) - Supported Employment
  Counties use adult mental health grants to fund evidence-based practices such as the IPS model of supported employment to improve the ability of adults with serious and persistent mental illness to find and maintain competitive employment. Grants support necessary staffing and infrastructure-building for IPS such as training, implementation supports, quality monitoring of IPS services and long-term, time-unlimited follow-up supports directed to mental health service providers.

- Minnesota Center for Chemical and Mental Health (MNCAMH)
  These grants fund training and technical assistance from the Minnesota Center for Chemical and Mental Health (MNCAMH), a program of the University of Minnesota drawing from the strengths of the School of Social Work, the College of Continuing Education, and the Department of Psychiatry. MNCAMH is a center of excellence for workforce training created to advance the professional development of the treatment services workforce on research informed practices for recovery-oriented systems of care.

- Certified Peer Specialist (CPS) Implementation and Training
  Selected and qualified individuals with a lived experience of mental illness are trained to work as Certified Peer Specialists in Assertive Community Treatment (ACT), Adult Rehabilitative Mental Health Services (ARMHS), Crisis Response Services and Intensive Residential Treatment services. As of July 31, 2014, two hundred and ninety four (294) individuals including forty three (43) veterans have been trained and certified as Certified Peer Specialists.

RESULTS

Crisis Response Services Results

Adult residents in every county in the state can access some form of Crisis Response Services.

- In FY2013 Mental Health Crisis Services responded to 10,918 crisis episodes.
- Crisis response services provide support and interventions that allow people to remain in the community and avoid additional life disruption that a hospital stay entails. In CY2013 only 15% of people who received a crisis service needed hospitalization after intervention.

Assertive Community Treatment Results

ACT services continue to demonstrate consistent results in improving mental wellness for the individuals treated by an ACT team. Most recently, ACT teams have focused on improving the physical health of individuals with mental illness through better linkages with primary care clinics. The following table provides information on the improvements in the number of individuals served by ACT teams who are receiving an annual physical exam. These performance measures indicate the positive trends for individuals with mental illness served by ACT teams. With ongoing training and focus on these areas, this trend is expected to continue to improve.

Housing with Supports Results

Since implementation the Housing with Supports for Adults with serious mental illness has supported 1,128 units across 53 projects. By the end of CY 2012, the program was actively supporting 648 units across 35 current or developing projects at an average cost per unit per year of $3,540.

Additional Results – ACT and ARMHS

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quality	Percent of Adults in Assertive Community Treatment (ACT) who have received an annual comprehensive preventative exam.[1]	72%	82%	2012 - 2013
Result	Percent of Adults with serious mental illness who remain in the community six months after discharge from an inpatient psychiatric setting.[2]	75%	75%	2011 - 2012
Result	Reduction in inpatient days for persons served in Assertive Community Treatment (ACT)[3]	54%	54%	FY 2011- FY 2012
Quantity	Number of Adults with Serious Mental Illness who received Adult Rehabilitative Mental Health Services (ARMHS).[4]	14,883	17,452	2011 - 2013

Measure Notes:

1. Compares Dec 2012 (Previous) and Dec 2013 (Current). The measure is based on ACT teams reporting on clients who had annual physical exams within the last year of those whose last annual physical date was known. (DHS Public Dashboard)
2. Previous measures Calendar Year 2011 and Current measures CY 2012. The measure looks at a readmission to any psychiatric inpatient care unit (either State Operated or Community) within six months of discharge from a psychiatric inpatient care unit.
3. Previous measure is the percent reduction in mental health inpatient days for ACT clients admitted in FY 2010. Current measure is the percent reduction in mental health inpatient days for ACT clients admitted in FY 2012. The percent reduction compares the year before starting program with the year after starting the program. The department goal is to reduce the need for hospitalization and keep persons served in the community.
4. Previous measures Calendar Year 2011 and Current measures Calendar Year 2013 number of individuals receiving adult rehabilitative mental health services (ARMHS).

Minnesota Statutes, sections
245.461 – 245.90 (https://www.revisor.mn.gov/statutes/?id=245)
254 (https://www.revisor.mn.gov/statutes/?id=254)
254A (https://www.revisor.mn.gov/statutes/?id=254A)
254B (https://www.revisor.mn.gov/statutes/?id=254B)
256 (https://www.revisor.mn.gov/statutes/?id=256) provides the legal authority for these services.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	72,046	72,334	70,362	70,291	65,343	65,356	68,393	69,258
2000 - Restricted Misc Special Rev	500	1,000		1,000	1,000	1,000	1,000	1,000
2001 - Other Misc Special Rev	0	96	451	850	450	450	450	450
2360 - Health Care Access	750	750	750	750	750	750	2,610	3,513
3000 - Federal	8,894	6,878	6,543	6,521	6,074	6,074	6,074	6,074
4800 - Lottery Cash Flow	1,292	1,423	1,340	1,733	1,733	1,733	1,733	1,733
Total	**83,481**	**82,481**	**79,445**	**81,145**	**75,350**	**75,363**	**80,260**	**82,028**
Biennial Change				(5,372)		(9,878)		1,697
Biennial % Change				(3)		(6)		1
Governor's Change from Base								11,575
Governor's % Change from Base								8

Expenditures by Category

Operating Expenses	4,349	4,329	2,431	1,404	1,200	1,200	1,200	1,200
Other Financial Transactions	1,378	1,394	1,460					
Grants, Aids and Subsidies	77,753	76,757	75,554	79,742	74,150	74,163	79,060	80,828
Total	**83,481**	**82,481**	**79,445**	**81,145**	**75,350**	**75,363**	**80,260**	**82,028**

Budget Activity: Adult Mental Health Grants

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		0	363	546				
Direct Appropriation	70,570	70,570	70,597	69,145	64,743	64,756	67,793	68,658
Receipts		363	367					
Net Transfers	1,908	1,908	600	600	600	600	600	600
Cancellations	432	144	1,019					
Expenditures	**72,046**	**72,334**	**70,362**	**70,291**	**65,343**	**65,356**	**68,393**	**69,258**
Balance Forward Out		363	546					
Biennial Change in Expenditures				(3,727)		(9,954)		(3,002)
Biennial % Change in Expenditures				(3)		(7)		(2)
Gov's Exp Change from Base								6,952
Gov's Exp % Change from Base								5

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	213							
Direct Appropriation			0	1,000	1,000	1,000	1,000	1,000
Net Transfers	287	1,000						
Expenditures	**500**	**1,000**		**1,000**	**1,000**	**1,000**	**1,000**	**1,000**
Biennial Change in Expenditures				(500)		1,000		1,000
Biennial % Change in Expenditures				(33)		100		100
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

2001 - Other Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	264	817	1,061	950	440	330	440	330
Net Transfers	553	340	340	340	340	340	340	340
Expenditures	**0**	**96**	**451**	**850**	**450**	**450**	**450**	**450**
Balance Forward Out	817	1,061	950	440	330	220	330	220
Biennial Change in Expenditures				1,205		(401)		(401)
Biennial % Change in Expenditures				1,263		(31)		(31)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Budget Activity: Adult Mental Health Grants

(Dollars in Thousands)

2360 - Health Care Access

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Direct Appropriation	750	750	750	750	750	750	2,610	3,513
Expenditures	**750**	**750**	**750**	**750**	**750**	**750**	**2,610**	**3,513**
Biennial Change in Expenditures				0		0		4,623
Biennial % Change in Expenditures				0		0		308
Gov's Exp Change from Base								4,623
Gov's Exp % Change from Base								308

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Receipts	8,894	6,878	6,543	6,522	6,074	6,074	6,074	6,074
Expenditures	**8,894**	**6,878**	**6,543**	**6,521**	**6,074**	**6,074**	**6,074**	**6,074**
Biennial Change in Expenditures				(2,707)		(917)		(917)
Biennial % Change in Expenditures				(17)		(7)		(7)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

4800 - Lottery Cash Flow

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Direct Appropriation	1,508	1,508	1,733	1,733	1,733	1,733	1,733	1,733
Cancellations	216	85	393					
Expenditures	**1,292**	**1,423**	**1,340**	**1,733**	**1,733**	**1,733**	**1,733**	**1,733**
Biennial Change in Expenditures				358		393		393
Biennial % Change in Expenditures				13		13		13
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Program: Grant Programs
Activity: Child Mental Health Grants

http://www.dhs.state.mn.us/main/id_000162

AT A GLANCE

- 9% of school-age children and 5% of preschool children in Minnesota have a mental health problem that has become longer lasting and interferes significantly with the child's functioning at home and in school
- An estimated 109,000 children and youth in Minnesota (from birth to age 21) need treatment for serious emotional disturbance
- Each year about 70,100 children and youth receive publicly funded mental health services in Minnesota
- Approximately 27,500 children and youth received mental health screenings through Medical Assistance Child and Teen Checkup services, as well as in the child welfare and juvenile corrections systems in 2013
- All funds spending for the Child Mental Health Grants activity for FY 2013 was $17.4 million. This represented 0.1% of the Department of Human Services overall budget

PURPOSE & CONTEXT

The Children's Mental Health Division, a division of the Chemical and Mental Health Services Administration, receives both federal and state funding to support services for children with mental illness. These grants fund community, school, and home-based clinic-based children's mental health services provided by non-profit agencies, schools, Medicaid-enrolled mental health clinics, tribes, counties, and culturally specific agencies. Grants pay for treatment services for children who are uninsured or whose family insurance does not cover the necessary mental health services. In addition, grants fund the coordination of mental health services with physical healthcare and services for persons with developmental disabilities. These grants also help to build alternatives to inpatient hospitalization and residential treatment.

SERVICES PROVIDED

Children's Mental Health Grants promote integration of mental health services into the state's overall healthcare system by:

- filling gaps in the services continuum until needed services and supports can be established in the broader Minnesota Health Care Programs benefits set;
- paying for necessary ancillary services, supports, and coordination activities that are not yet eligible for federal Medicaid reimbursement;
- covering treatment and supports for children who remain uninsured or under-insured by public or private health plans; and
- building statewide service delivery capacity in workforce-shortage areas, where key services are not available regardless of insurance coverage.
- expanding access to direct treatment by providing care in community, school, home, and clinic-based children's mental health settings,
- providing coordination of mental and chemical health services with physical healthcare, services for persons with developmental disabilities, and county social services
- training providers on evidence-based practices, neglected in professional training schools
- funding measurement of treatment outcomes

Partners are essential in order to develop and maintain a dynamic and competent mental health service delivery system. For children, coordination of care must include other child-serving sectors of the public and private health and human service systems of Minnesota—such as:

- primary health care,
- day care,
- substance abuse treatment,
- schools,
- public health,
- child welfare,
- juvenile justice,
- adult transition services, and
- services to parents designed to prevent traumatic events in a child's life and to build or repair the crucial parent-child attachment bond.

The Children's Mental Health Division of the agency's Chemical and Mental Health Services Administration administers this grant activity to support services for children with mental illness.

RESULTS

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Service Utilization Rate (per 10,000 children)[1]	437	493	2010 - 2012
Quantity	Percent of Children in the child welfare system who received a mental health screening	55.3%	56.6%	2010 - 2012

Measure Notes:

- Service Utilization Rate: An indicator of service access, this indicator counts the number of children (under age 18) receiving any mental health service from the publicly financed health care system, per 10,000 children in the general child population. Compares Calendar Year (CY) 2010 (Previous) and CY 2013 (Current). The utilization rate is not an indicator of need for services, because the incidence of emotional disturbance is far higher than the rate at which children access treatment.
- Percent of Children receiving a mental health screening: With parental consent, counties conduct mental health screenings for children in the child welfare and juvenile justice systems who have not had a recent assessment. The previous measure is CY 2010; the current measure is CY 2012

Minnesota Statutes, section 245.4889 (https://www.revisor.mn.gov/statutes/?id=245.4889) provides the legal authority for Children's Mental Health grants.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	16,866	17,407	17,994	20,636	20,636	20,636	21,921	23,188
Total	**16,866**	**17,407**	**17,994**	**20,636**	**20,636**	**20,636**	**21,921**	**23,188**
Biennial Change				4,357		2,642		6,479
Biennial % Change				13		7		17
Governor's Change from Base								3,837
Governor's % Change from Base								9

Expenditures by Category

Operating Expenses	0	23	48	200	200	200	200	200
Other Financial Transactions	141		253					
Grants, Aids and Subsidies	16,725	17,384	17,694	20,436	20,436	20,436	21,721	22,988
Total	**16,866**	**17,407**	**17,994**	**20,636**	**20,636**	**20,636**	**21,921**	**23,188**

Budget Activity: Child Mental Health Grants

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Direct Appropriation	16,457	16,457	18,246	20,636	20,636	20,636	21,921	23,188
Net Transfers	1,022	1,022						
Cancellations	613	72	252					
Expenditures	**16,866**	**17,407**	**17,994**	**20,636**	**20,636**	**20,636**	**21,921**	**23,188**
Biennial Change in Expenditures				4,357		2,642		6,479
Biennial % Change in Expenditures				13		7		17
Gov's Exp Change from Base								3,837
Gov's Exp % Change from Base								9

Program: Grant Programs
Activity: CD Treatment Support Grants

CD Treatment Support Grants (http://www.dhs.state.mn.us/main/id_000082)
Compulsive Gambling (http://www.dhs.state.mn.us/main/id_008538)

AT A GLANCE

- In the United States, 22.2 million persons, age 12 and older are chemically dependent. (CY2012 data)
- 50,801 persons in Minnesota received treatment for chemical dependency in CY2013.
- 53.6% completed chemical dependency treatment.
- Compulsive gambling helpline receives about 1,000 calls each year for information or referrals to treatment.
- All funds spending for the CD Treatment Support Grants activity for FY 2013 was $17.3 million. This represented 0.1% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

The CD Treatment Support Grants activity uses both federal and state funding to supporting state-wide prevention, intervention, recovery maintenance, case management and treatment support services for persons with alcohol, or drug addiction. Treatment support services include subsidized housing, transportation, child care, parenting education.

This activity also houses the state Compulsive Gambling Treatment Program.

SERVICES PROVIDED

CD Treatment Support Grants provide:

- Community drug and alcohol abuse prevention, intervention, and case management services for communities of color, the elderly, disabled, individuals with a mental illness and chemical dependency, individuals experiencing chronic homelessness, and people involved in the criminal justice system.
- Treatment supports specifically targeted to women, women with children, the elderly, and other diverse populations.
- A statewide prevention resource center that provides education and capacity building on the misuse of alcohol and other drugs. Education includes delivering information and training to counties, tribes, local communities, and other organizations.
- Community-based Planning and Implementation (prevention) grants that use a public health approach to preventing alcohol use problems among young people.
- Compliance monitoring of tobacco retailers to make sure that retailers do not sell tobacco to youth.

Additional information is in the March 2013 report, *Minnesota's Model of Care for Substance Use Disorder* (https://edocs.dhs.state.mn.us/lfserver/Public/DHS-6706-ENG).

Most of the funding for CD Treatment Support Grants comes from the U.S. Dept. of Health and Human Services Substance Abuse and Mental Health Services Administration (SAMHSA) Block Grant. Additional funding comes from the SAMHSA Strategic Prevention Framework State Incentive Grant. State appropriations provide additional funding for drug and alcohol abuse prevention, treatment support and recovery maintenance services for Native Americans.

The state's Compulsive Gambling Program provides:

- public awareness campaigns to promote information and awareness about problem gambling;
- a statewide helpline and educational programming;
- funding for problem gambling assessments, outpatient and residential treatment of problem gambling and gambling addiction;
- training for gambling treatment providers and other behavioral health service providers; and
- research which evaluate awareness, prevention, education, treatment service and recovery supports related to problem gambling and gambling addiction.

Public awareness campaigns target Minnesotans statewide. The Compulsive Gambling statewide helpline (http://www.getgamblinghelp.com/about-us/) generally receives about one thousand calls requesting information or referrals for

treatment services each year. The Compulsive Gambling Treatment program provides funding for approximately 700 people per year for outpatient treatment services. An average of approximately 160 people receives residential treatment each year.

The Compulsive Gambling Treatment program is largely funded by a portion of state lottery proceeds, and a dedicated half-percent of the revenue from the state tax on lawful gambling proceeds.

The Alcohol and Drug Abuse Division, a division of the agency's Chemical and Mental Health Services Administration, administers the programs and grants within the CD Treatment Support Grants activity.

RESULTS

Minnesota communities that received Planning and Implementation grants saw a 27% reduction in the measure of past 30-day use of alcohol use by youth between 2004 and 2010. The rest of the state saw a 24% reduction in that measure over the same 2004 and 2010 period. The first row in the table below reports more recent data on this measure in communities that received this prevention funding.

Type of Measure	Name of Measure	Previous	Current	Dates
Result	Past 30 day use of alcohol by youth in communities that are receiving a Planning and Implementation grant for prevention funding. (Numbers in parenthesis are statewide numbers for comparison)	24.5% (19.2%)	17.9% (14.5%)	2010 vs. 2013
Result	Babies born with negative toxicology results	88%	81%	2011 vs. 2012

Measure Notes:

- The Past 30 day use of alcohol measure consists of data as reported in the Minnesota Student Survey (http://www.health.state.mn.us/divs/chs/mss/) for 9th grade students who self-report on their use of alcohol in the last 30 days. Previous represents calendar year CY 2010 and Current represents CY 2013.
- The Babies born with negative toxicology measure is the percentage of babies with negative toxicology results during a 12-month period, born to women served by the state Women's Recovery grants. Previous represents FY 2011 and Current represents FY 2012.

Minnesota Statutes, chapters 254A (https://www.revisor.mn.gov/statutes/?id=254A), 254B (https://www.revisor.mn.gov/statutes/?id=254B) and 256, (https://www.revisor.mn.gov/statutes/?id=256) and sections 245.98 (http://www.revisor.mn.gov/statutes/?id=245.98) and 297.E02, subd. 3 (https://www.revisor.mn.gov/statutes/?id=297E.02) provide the legal authority for CD Treatment Support Grants.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	1,088	1,145	1,619	1,641	1,161	1,161	1,161	1,161
2000 - Restricted Misc Special Rev	607	567	504	900	900	900	900	900
3000 - Federal	15,363	14,935	14,116	17,230	13,276	13,276	13,276	13,276
Total	**17,058**	**16,647**	**16,238**	**19,771**	**15,337**	**15,337**	**15,337**	**15,337**
Biennial Change				2,305		(5,336)		(5,336)
Biennial % Change				7		(15)		(15)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Operating Expenses	221	90	209	115	115	115	115	115
Other Financial Transactions	1,796	1,716	2,001	987	960	960	960	960
Grants, Aids and Subsidies	15,041	14,841	14,028	18,670	14,262	14,262	14,262	14,262
Total	**17,058**	**16,647**	**16,238**	**19,771**	**15,337**	**15,337**	**15,337**	**15,337**

Budget Activity: CD Treatment Support Grants

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Direct Appropriation	1,336	1,336	1,641	1,641	1,161	1,161	1,161	1,161
Cancellations	248	191	22					
Expenditures	**1,088**	**1,145**	**1,619**	**1,641**	**1,161**	**1,161**	**1,161**	**1,161**
Biennial Change in Expenditures				1,027		(938)		(938)
Biennial % Change in Expenditures				46		(29)		(29)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In				396				
Receipts	607	567		504	900	900	900	900
Net Transfers			900					
Expenditures	**607**	**567**	**504**	**900**	**900**	**900**	**900**	**900**
Balance Forward Out			396					
Biennial Change in Expenditures				230		396		396
Biennial % Change in Expenditures				20		28		28
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		673	710					
Receipts	11,883	15,057	13,406	17,231	13,276	13,276	13,276	13,276
Net Transfers	3,480	(85)						
Expenditures	**15,363**	**14,935**	**14,116**	**17,230**	**13,276**	**13,276**	**13,276**	**13,276**
Balance Forward Out		710						
Biennial Change in Expenditures				1,048		(4,795)		(4,795)
Biennial % Change in Expenditures				3		(15)		(15)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Program: State Operated Services (SOS)
Activity: SOS Mental Health

http://mn.gov/dhs/people-we-serve/adults/services/direct-care-treatment/index.jsp

AT A GLANCE

- Mental illness affect one in five families
- The US spends more than $100 billion a year on untreated mental illness
- State Operated Services provided mental health inpatient and residential services to approximately 1,600 people in FY2014
- SOS Community Health Clinics provided 5,260 services in FY2014
- Community Support Services provided services to 723 people during FY2014
- All funds spending for the DCT State Operated Services (SOS) activity for FY 2013 was $125.0 million. This represented 1.0% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

As part of the Department of Human Services Direct Care and Treatment (DCT) Administration, State Operated Services (SOS) Mental Health provides specialized treatment and support services to individuals with mental illness, intellectual disabilities and other complex conditions.

The Department of Human Service's goal is to serve people with mental illness and intellectual disabilities by providing access to care close to their home community and natural supports. SOS provides services to individuals at different levels of the continuum to allow them to move through the system and back to the community.

SERVICES PROVIDED

The following services are funded with general fund appropriations:

- Adult in-patient services at the Anoka Metro Regional Treatment Center (AMRTC)
- Adult in-patient services at the Community Behavioral Health Hospitals (CBHHs) located in Alexandria, Annandale, Baxter, Bemidji, Fergus Falls, Rochester and St. Peter
- Child & Adolescent Behavior Health in-patient Services (CABHS) in Willmar
- Minnesota Specialty Health System – providing Intensive Residential Treatment Services (IRTS) in Brainerd, St. Paul, Wadena and Willmar
- Community Support Services (CSS) – statewide mobile teams providing crisis support services to individuals with disabilities in their home community

Services funded with other revenues:

- Community Health Clinics – provide dental care and medication management to individuals with developmental disabilities. Clinics are located in Brainerd, Cambridge, Faribault, Fergus Falls and Willmar.
- Community Partnership Network – through shared services agreements with the counties, SOS staff work in teams to provide Assertive Community Treatment (ACT) and Adult Rehabilitative Mental Health Services (ARMHS).

All services:

- are person-centered, focusing on the needs of the individual,
- are provided in a safe and appropriate level of care environment and,
- allow individuals to move through treatment and back to the most integrated setting possible.

To assure a successful community transition, we use key strategies such as:

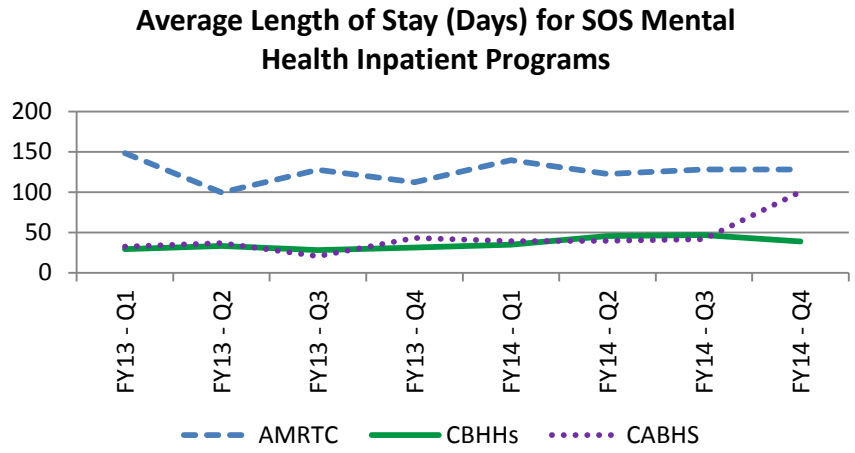
- Prompt psychiatric follow-up upon their return to a community setting and,
- Reducing the number of medications necessary to control the individual's symptoms.

We also reach out to partner with community providers to remove the barriers that limit successful transitions back to the community.

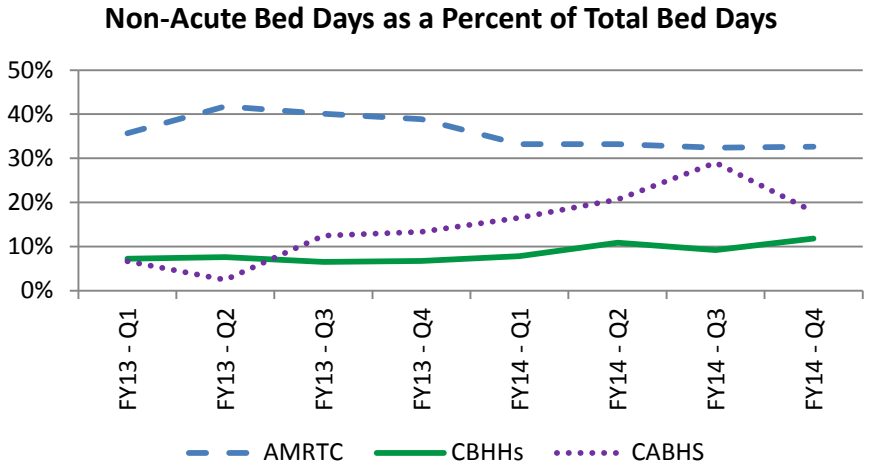
RESULTS

We measure success by the reduction in the length of stay in our inpatient programs. Shorter lengths of stays give clients a greater chance to retain their community support services and living arrangements. The graph below indicates that the average length of stay at AMRTC has steadily increased since early FY2013. The increase in length of stay is related to challenges in finding a community placement when a client is ready to be discharged.

The spike in CABHS in the last quarter is related to one client. The average length of stay for the CBHHs had remained fairly consistent.



Another measure of success is the reduction of non-acute bed days. A non-acute bed day is a day spent in the hospital when the client no longer needs that level of care. When a client does not need hospital level of care but cannot be discharged, it restricts the system flow, is costly and causes other clients who need hospital level of care to remain on the waiting list. Our goal for inpatient services is that only 10% of total bed days are classified as non-acute bed days.



The graph above shows that although the non-acute bed day percentage at AMRTC is declining, it is still too high. The CBHH non-acute bed days percentage has increased slightly but remains close to the 10% goal. The CABHS program operates few beds, so having just one or two clients who do not meet hospital level of care has a great impact on the non-acute bed day measure.

Minnesota Statutes sections 246.01 to 246.70 (https://www.revisor.mn.gov/statutes/?id=246)provide the legal authority for State Operated Services.
Also see Minnesota Statutes section 256.0121 (https://www.revisor.mn.gov/statutes/?id=256.0121)for additional information related to the Southern Cities Community Health Clinic

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	109,323	111,536	112,107	110,580	115,517	115,517	117,734	116,555
2000 - Restricted Misc Special Rev	11,923	12,512	12,498	13,123	6,476	6,183	6,476	6,183
2001 - Other Misc Special Rev	661	961	423	800	800	800	800	800
2403 - Gift	0	0	0	5	0	0	0	0
6000 - Miscellaneous Agency	154	111	129	125	125	125	125	125
Total	**122,061**	**125,121**	**125,158**	**124,634**	**122,919**	**122,626**	**125,136**	**123,664**
Biennial Change				2,609		(4,247)		(992)
Biennial % Change				1		(2)		0
Governor's Change from Base								3,255
Governor's % Change from Base								1

Expenditures by Category

Compensation	102,337	101,320	106,908	100,184	98,887	98,887	100,466	102,074
Operating Expenses	18,519	22,129	17,276	24,260	23,842	23,549	24,480	21,400
Other Financial Transactions	760	1,048	729					
Grants, Aids and Subsidies	265	189	203	190	190	190	190	190
Capital Outlay-Real Property	179	435	41	0	0	0	0	0
Total	**122,061**	**125,121**	**125,158**	**124,634**	**122,919**	**122,626**	**125,136**	**123,664**
Total Agency Expenditures	122,061	125,121	125,158	124,634	122,919	122,626	125,136	123,664
Internal Billing Expenditures	0	168	0	0	0	0	0	0
Expenditures Less Internal Billing	**122,061**	**124,952**	**125,158**	**124,634**	**122,919**	**122,626**	**125,136**	**123,664**
Full-Time Equivalents	**1,226.0**	**1,193.8**	**1,220.8**	**1,178.9**	**1,157.1**	**1,134.9**	**1,165.0**	**1,165.0**

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		6,471		2,141				
Direct Appropriation	117,407	115,135	122,738	116,849	124,027	124,027	126,244	125,065
Receipts	0		0					
Net Transfers	(5,618)	(8,078)	(8,489)	(8,409)	(8,509)	(8,509)	(8,509)	(8,509)
Cancellations		1,992						
Expenditures	**109,323**	**111,536**	**112,107**	**110,580**	**115,517**	**115,517**	**117,734**	**116,555**
Balance Forward Out	2,466		2,141					
Biennial Change in Expenditures				1,828		8,347		11,602
Biennial % Change in Expenditures				1		4		5
Gov's Exp Change from Base								3,255
Gov's Exp % Change from Base								1
FTEs	1,081.5	1,051.2	1,097.3	1,067.6	1,045.8	1,023.6	1,053.7	1,053.7

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	2,476	2,339	1,949	1,683	514	221	514	221
Direct Appropriation	0	0	0	3,713	3,713	3,713	3,713	3,713
Receipts	10,652	10,326	9,019	8,240	2,470	2,470	2,470	2,470
Net Transfers	527	1,708	3,213					
Expenditures	**11,923**	**12,512**	**12,498**	**13,123**	**6,476**	**6,183**	**6,476**	**6,183**
Balance Forward Out	1,732	1,861	1,683	514	221	221	221	221
Biennial Change in Expenditures				1,186		(12,962)		(12,962)
Biennial % Change in Expenditures				5		(51)		(51)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	144.5	142.7	123.5	111.3	111.3	111.3	111.3	111.3

2001 - Other Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		92	562	453	403	353	403	353
Receipts	753	1,432	314	750	750	750	750	750
Expenditures	**661**	**961**	**423**	**800**	**800**	**800**	**800**	**800**
Balance Forward Out	92	562	453	403	353	303	353	303
Biennial Change in Expenditures				(399)		377		377

(Dollars in Thousands)

2001 - Other Misc Special Rev

Biennial % Change in Expenditures		(25)	31	31
Gov's Exp Change from Base				0
Gov's Exp % Change from Base				0

2400 - Endowment Fund

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	59	59	60	60	60	60	60	60
Receipts	0	0	0	0	0	0	0	0
Balance Forward Out	59	60	60	60	60	60	60	60

2403 - Gift

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	5	6	6	6	1	1	1	1
Receipts	1	0	0	0	0	0	0	0
Net Transfers		0						
Expenditures	**0**	**0**	**0**	**5**	0	0	0	0
Balance Forward Out	6	6	6	1	1	1	1	1
Biennial Change in Expenditures				5		(5)		(5)
Biennial % Change in Expenditures				1,331		(100)		(100)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

3000 - Federal

	Actual FY12 FY 13
Balance Forward In	206
Net Transfers	(206)

6000 - Miscellaneous Agency

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	404	34	7	3	3	3	3	3
Receipts	161	113	125	125	125	125	125	125
Net Transfers	(376)	(28)	0					
Expenditures	**154**	**111**	**129**	**125**	**125**	**125**	**125**	**125**

6000 - Miscellaneous Agency

Balance Forward Out	34	7	3	3	3	3	3	3
Biennial Change in Expenditures				(11)		(4)		(4)
Biennial % Change in Expenditures				(4)		(2)		(2)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Program: State Operated Services (SOS)
Activity: SOS Enterprise Services

Activity Website: Direct Care and Treatment (http://mn.gov/dhs/people-we-serve/adults/services/direct-care-treatment/index.jsp)

AT A GLANCE

- 2,043 clients served in the Community Addition Recovery Enterprise (C.A.R.E.) program during FY2014
- 30 children and adolescents with severe emotional disturbance served in individual foster homes during FY2014
- 487 clients with developmental disabilities served in residential services during FY2014
- 925 clients with developmental disabilities served in day treatment and habilitation vocational services during FY2014

PURPOSE & CONTEXT

As part of the Department of Human Services Direct Care and Treatment (DCT) Administration, State Operated Services (SOS) Enterprise Services provides treatment and residential care to individuals with: chemical dependency, behavioral health issues and developmental disabilities. SOS enterprise programs specialized in the treatment of vulnerable people with complex needs for whom no other providers are available.

Enterprise services operate on the revenues generated from services provided to clients. Revenues are collected from third-party payment sources such as Medical Assistance, private insurance, and the clients themselves.

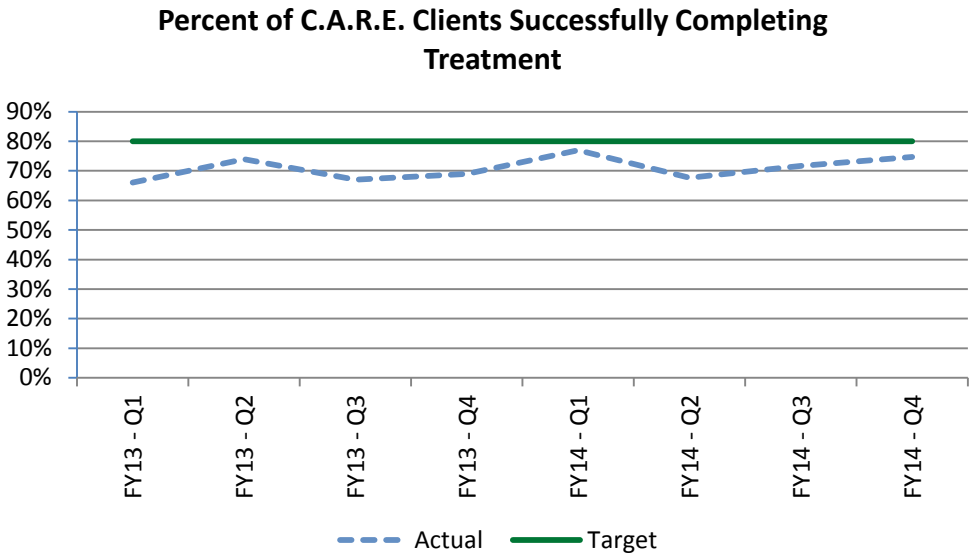
SERVICES PROVIDED

Service programs within this activity include:

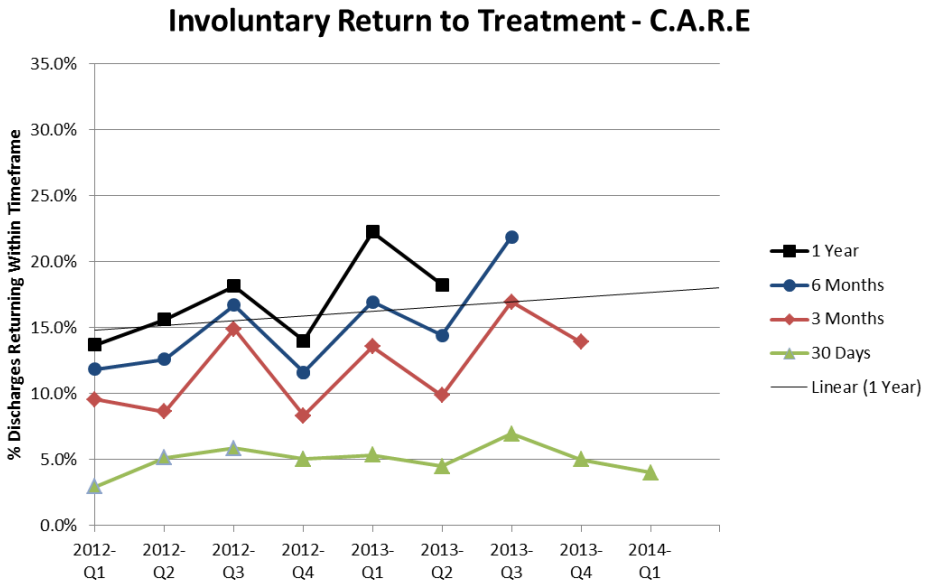
- Community Addiction Recovery Enterprise (C.A.R.E.) – provides inpatient and outpatient treatment to persons with chemical dependency or substance abuse problems. C.A.R.E. programs operate in Anoka, Brainerd, Carlton, Fergus Falls, St. Peter, and Willmar.
- Minnesota Intensive Therapeutic Homes (MITH) – provides foster care to children and adolescents who have severe emotional disturbance and serious acting-out behaviors. Homes are located throughout the state. Each child's treatment structure is individualized and is based on a combination of multidimensional treatment, wrap-around services and specialized behavior therapy.
- Minnesota State Operated Community Services (MSOCS) – provides residential services in small group homes (typically 4 beds) located throughout the state for individuals with developmental disabilities. Staff members assist clients with activities of daily living and help integrate them into the local communities. Individual service agreements are negotiated with counties for each client based on their needs.
- Day Training and Habilitation (DT&H) – provides vocational support services for people with developmental disabilities. Services include evaluation, training and supportive employment. Individual services agreements are negotiated for each client.

RESULTS

We measure success in the C.A.R.E. program by the percent of individuals completing treatment. This is an indication of a client's engagement within the program. Completing treatment increases the likelihood that a client will maintain sobriety after discharge. Our target goal is 80% completion. The below chart indicates we are slightly below this goal.



One test of whether we have truly assisted the people we serve to prepare to live successfully in the community is the rate at which they return to treatment involuntarily. Understanding the reasons why the people we serve return to treatment involuntarily can help us to improve our programs. In this chart, involuntary return to any C.A.R.E. facility is measured at 1 month, 3 months, 6 months, and 1 year intervals from the time of discharge. The 1-year trend has decreased from 2013 predictions, and more recent short-term results show decreased rates of return to treatment as well.



We measure the success of our enterprise Day Training and Habilitation programs by the percent of individuals served by the programs who are employed in their community. This demonstrates our commitment to enabling people with disabilities to do useful work and be productive citizens. Our goal for this measure is 75%.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quality	The percent of individuals served within DT&Hs who have community employment	56%	71%	July 2013 vs. July 2014

Minnesota Statutes, sections 246.01 to 246.70 (https://www.revisor.mn.gov/statutes/?id=246) provide the legal authority for State Operated Services.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General							6,031	1,799
2000 - Restricted Misc Special Rev	0	0	0	9	0	0	0	0
2403 - Gift	2	6	6	10	6	6	6	6
4100 - Sos Tbi & Adol Ent Svcs	1,711	1,625	1,636	2,020	2,020	2,020	2,020	2,020
4101 - Dhs Chemical Dependency Servs	18,043	18,176	20,466	16,475	15,475	15,475	15,475	15,475
4350 - Mn State Operated Comm Svcs	83,082	88,793	95,418	99,200	99,200	99,200	99,200	99,200
Total	**102,838**	**108,600**	**117,526**	**117,714**	**116,701**	**116,701**	**122,732**	**118,500**
Biennial Change				23,802		(1,838)		5,992
Biennial % Change				11		(1)		3
Governor's Change from Base								7,830
Governor's % Change from Base								3

Expenditures by Category

Compensation	83,561	89,242	97,539	98,397	98,397	98,397	98,397	98,397
Operating Expenses	17,671	18,226	18,889	18,304	17,295	17,295	23,326	19,094
Other Financial Transactions	634	191	165					
Grants, Aids and Subsidies	942	940	921	971	967	967	967	967
Capital Outlay-Real Property	29	2	12	42	42	42	42	42
Total	**102,838**	**108,600**	**117,526**	**117,714**	**116,701**	**116,701**	**122,732**	**118,500**
Total Agency Expenditures	102,838	108,600	117,526	117,714	116,701	116,701	122,732	118,500
Internal Billing Expenditures	0	0	0	0	0	0	0	0
Expenditures Less Internal Billing	**102,838**	**108,600**	**117,526**	**117,714**	**116,701**	**116,701**	**122,732**	**118,500**
Full-Time Equivalents	**1,418.9**	**1,484.8**	**1,547.9**	**1,426.0**	**1,426.0**	**1,426.0**	**1,426.0**	**1,426.0**

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Direct Appropriation	0	0	1,000	1,000	0	0	6,031	1,799
Net Transfers			(1,000)	(1,000)				
Expenditures							**6,031**	**1,799**
Biennial Change in Expenditures								7,830
Gov's Exp Change from Base								7,830

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	9	9	9	9				
Receipts	0	0	0	0	0	0	0	0
Expenditures	0	0	0	**9**	0	0	0	0
Balance Forward Out	9	9	9					
Biennial Change in Expenditures				9		(9)		(9)
Biennial % Change in Expenditures						(100)		(100)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

2403 - Gift

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	68	68	63	56	46	40	46	40
Receipts	1	1	0	0	0	0	0	0
Expenditures	**2**	**6**	**6**	**10**	**6**	**6**	**6**	**6**
Balance Forward Out	68	63	56	46	40	34	40	34
Biennial Change in Expenditures				8		(4)		(4)
Biennial % Change in Expenditures				105		(26)		(26)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

4100 - Sos Tbi & Adol Ent Svcs

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	246	653	516	546	566	586	566	586
Receipts	2,110	1,622	1,740	2,040	2,040	2,040	2,040	2,040

(Dollars in Thousands)

4100 - Sos Tbi & Adol Ent Svcs

Net Transfers		(150)	(75)					
Expenditures	**1,711**	**1,625**	**1,636**	**2,020**	**2,020**	**2,020**	**2,020**	**2,020**
Balance Forward Out	645	501	546	566	586	606	586	606
Biennial Change in Expenditures				320		385		385
Biennial % Change in Expenditures				10		11		11
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	32.3	30.2	29.4	32.5	32.5	32.5	32.5	32.5

4101 - Dhs Chemical Dependency Servs

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	407	1	3					
Receipts	17,637	14,977	15,464	15,475	15,475	15,475	15,475	15,475
Net Transfers		3,200	5,000	1,000				
Expenditures	**18,043**	**18,176**	**20,466**	**16,475**	**15,475**	**15,475**	**15,475**	**15,475**
Balance Forward Out	0	3						
Biennial Change in Expenditures				722		(5,991)		(5,991)
Biennial % Change in Expenditures				2		(16)		(16)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	201.5	202.2	209.5	187.6	187.6	187.6	187.6	187.6

4350 - Mn State Operated Comm Svcs

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	16,869	13,086	5,372					
Receipts	78,921	81,344	90,387	99,200	99,200	99,200	99,200	99,200
Net Transfers		(265)	(340)					
Expenditures	**83,082**	**88,793**	**95,418**	**99,200**	**99,200**	**99,200**	**99,200**	**99,200**
Balance Forward Out	12,706	5,372						
Biennial Change in Expenditures				22,743		3,782		3,782
Biennial % Change in Expenditures				13		2		2
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	1,185.2	1,252.4	1,309.0	1,205.9	1,205.9	1,205.9	1,205.9	1,205.9

Program: State Operated Services (SOS)
Activity: SOS MN Security Hospital

http://mn.gov/dhs/people-we-serve/adults/services/direct-care-treatment/index.jsp

AT A GLANCE

- Minnesota Security Hospital served 255 individuals during FY2014
- Average length of stay is 6.2 years
- Transition Services served 118 individuals during FY2014
- Competency Restoration Program served 89 individuals during FY2014
- Forensic Nursing Home served 47 individuals during FY2014
- Overall, the Forensic Services census is forecasted to increase by 2-3 individuals per year
- All funds spending for the DCT SOS MN Security Hospital activity for FY 2013 was $71.2 million. This represented 0.6% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

As part of the Department of Human Services Direct Care & Treatment (DCT) Administration, the Minnesota Security Hospital (MSH) in St. Peter is a secure treatment facility that provides multidisciplinary treatment services to adults and adolescents with severe mental illness that have endangered others and present a serious risk to the public.

Clients are admitted as a result of judicial or other lawful orders. Clients come from throughout the state. Most are under a civil commitment as mentally ill and dangerous (MI and D).

The 2014 Legislature appropriated $56 million in bonding to construct new residential and program areas to help create a safer and more therapeutic environment at MSH.

SERVICES PROVIDED

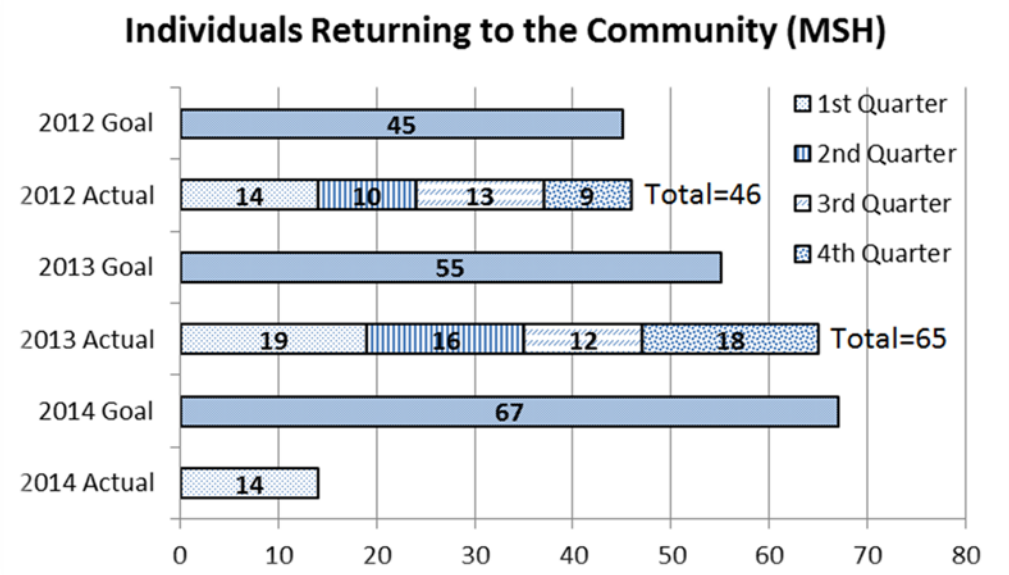
Forensics Services programs provide a continuum of services:

- Minnesota Security Hospital – MSH provides a secure inpatient setting for treatment of severe mental illness for individuals committed as mentally ill and dangerous.
- Competency Restoration Services – provide treatment and evaluation of individuals who have been committed for competency restoration under Minnesota Court Rules of Criminal Procedure Rule 20.01 Subd. 7 (https://www.revisor.mn.gov/court_rules/rule.php?name=cr-20).
- Transition Services - provide a supervised residential setting offering social rehabilitation treatment to increase self-sufficiency and build skills necessary for a safe return to the community.
- Forensic Nursing Home - provides nursing home level of care to individuals committed as mentally ill and dangerous, a sexual psychopathic personality, sexually dangerous person or on medical release from the Department of Corrections.
- Court-ordered evaluations – include evaluations of a person's competency to stand trial and pre-sentencing mental health evaluations. These can be done on either an inpatient basis at the Minnesota Security Hospital or in a community setting, including a community corrections facility.

All of these services are provided through a direct general fund appropriation.

RESULTS

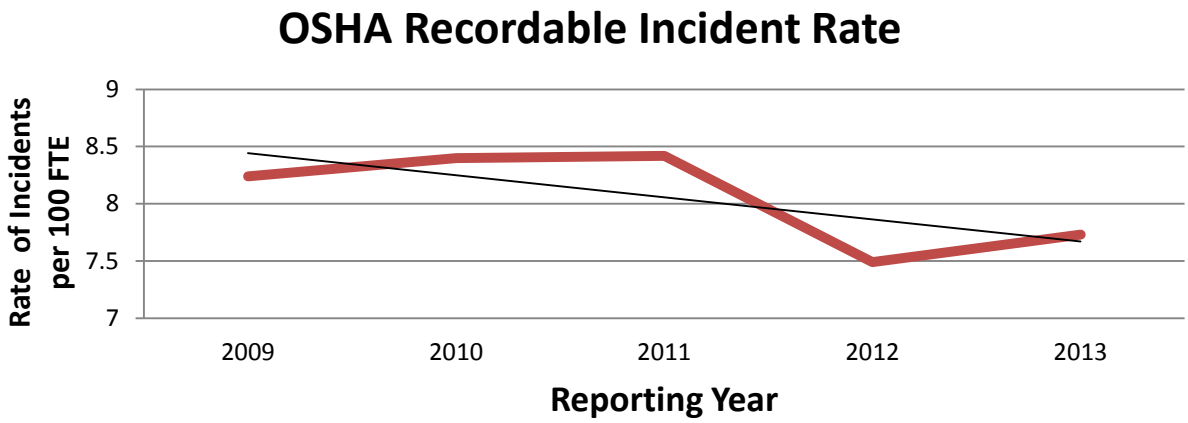
We measure success by the number of individuals provisionally discharged from Forensics Services programs. Our goal for calendar year 2012 was to discharge 45 individuals. The top set of bars in the graph below shows that we discharged 46 individuals. Our goal for calendar year 2014 was to discharge 55 individuals. The middle set of bars in the graph below shows that we discharged 65 individuals. Our goal for calendar year 2014 is to discharge 67 individuals. The bottom set of bars in the graph below shows that 16 individuals were discharged within the first quarter of CY2014, which is on target to meeting our goal.



To prepare for transitioning back to the community, clients participate in therapeutic work activities. These activities build a person's skills and work habits that make the transition to a job placement easier. We report an increase in the percentage of clients participating in work activities in the table below.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Percent of eligible clients who are engaged in therapeutic work activities	61.4%	72.7%	FY 2013 FY 2014

We care about the safety of our clients and staff. One measure of safety is the rate at which employees have injuries or illnesses that are reportable to the federal Occupational Safety Health Administration (OSHA). Many efforts are underway at MSH to lower this rate. In the chart below, the dashed line is baseline annual data. It is imposed on top of an underlying solid trend line. The baseline annual data show a slight upward trend through 2012, although 2013 rates are lower. More data is needed to determine if we are "turning the curve".



Performance Notes:

- The OSHA Recordable Incident Rate is the total number of workplace injuries or illnesses per 100 full time employees (FTE) working in a year that must be reported to the federal Occupational Safety and Health Administration. For 2012, the national average among psychiatric and substance abuse hospitals was 8.4 incidents per 100 FTE.

Minnesota Statutes, sections 246.01 to 246.70 (https://www.revisor.mn.gov/statutes/?id=246) provide the legal authority for State Operated Services. Also see Minnesota Statutes, sections 253.20 to 253.26 (https://www.revisor.mn.gov/statutes/?id=253) for additional authority that is specific to MSH.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	68,358	70,673	77,739	76,682	74,402	74,402	81,647	82,862
2000 - Restricted Misc Special Rev	447	488	1,106	750	750	750	750	750
2403 - Gift	0							
6000 - Miscellaneous Agency	1,303	1,361	1,438	1,550	1,550	1,550	1,550	1,550
Total	**70,109**	**72,521**	**80,282**	**78,982**	**76,702**	**76,702**	**83,947**	**85,162**
Biennial Change				16,634		(5,861)		9,844
Biennial % Change				12		(4)		6
Governor's Change from Base								15,705
Governor's % Change from Base								10

Expenditures by Category

Compensation	55,104	58,554	65,119	57,253	65,410	65,410	66,494	67,598
Operating Expenses	13,074	11,851	12,692	19,653	9,216	9,216	15,377	15,488
Other Financial Transactions	56	166	364					
Grants, Aids and Subsidies	1,865	1,922	2,031	2,076	2,076	2,076	2,076	2,076
Capital Outlay-Real Property	11	29	76	0	0	0	0	0
Total	**70,109**	**72,521**	**80,282**	**78,982**	**76,702**	**76,702**	**83,947**	**85,162**
Total Agency Expenditures	70,109	72,521	80,282	78,982	76,702	76,702	83,947	85,162
Internal Billing Expenditures	0	1		0	0	0	0	0
Expenditures Less Internal Billing	**70,109**	**72,520**	**80,282**	**78,982**	**76,702**	**76,702**	**83,947**	**85,162**
Full-Time Equivalents	**738.0**	**757.8**	**812.7**	**811.0**	**797.3**	**783.4**	**811.0**	**811.1**

Budget Activity: SOS Mn Security Hospital

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		2,007		843				
Direct Appropriation	69,582	69,582	78,582	75,839	74,402	74,402	81,647	82,862
Receipts			0					
Cancellations		916						
Expenditures	**68,358**	**70,673**	**77,739**	**76,682**	**74,402**	**74,402**	**81,647**	**82,862**
Balance Forward Out	1,223		843					
Biennial Change in Expenditures				15,390		(5,617)		10,088
Biennial % Change in Expenditures				11		(4)		7
Gov's Exp Change from Base								15,705
Gov's Exp % Change from Base								11
FTEs	737.0	756.8	811.2	810.0	796.3	782.4	810.0	810.1

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	456	582	694	173	124	99	124	99
Receipts	532	537	585	700	725	750	725	750
Net Transfers	(1)							
Expenditures	**447**	**488**	**1,106**	**750**	**750**	**750**	**750**	**750**
Balance Forward Out	540	631	173	124	99	99	99	99
Biennial Change in Expenditures				921		(356)		(356)
Biennial % Change in Expenditures				98		(19)		(19)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	1.0	1.0	1.5	1.0	1.0	1.0	1.0	1.0

2403 - Gift

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	1	1	1	1	1	1	1	1
Receipts	0	0	0	0	0	0	0	0
Net Transfers		0						
Expenditures	**0**							
Balance Forward Out	1	1	1	1	1	1	1	1
Biennial Change in Expenditures				0				
Biennial % Change in Expenditures				(100)				

Budget Activity: SOS Mn Security Hospital

(Dollars in Thousands)

2403 - Gift

6000 - Miscellaneous Agency

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	464	511	519	545	471	422	471	422
Receipts	1,343	1,340	1,464	1,475	1,501	1,501	1,501	1,501
Net Transfers		28	0					
Expenditures	**1,303**	**1,361**	**1,438**	**1,550**	**1,550**	**1,550**	**1,550**	**1,550**
Balance Forward Out	503	519	545	471	422	373	422	373
Biennial Change in Expenditures				324		112		112
Biennial % Change in Expenditures				12		4		4
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Program: Minnesota Sex Offender Program

http://www.dhs.state.mn.us/main/dhs16_149914

AT A GLANCE

- Minnesota Sex Offender Program served 697 clients as of July 1, 2014.
- Clients progress across three phases of treatment through active participation in group therapy and opportunities to demonstrate meaningful change.
- On average in 2013-14, 80 percent of MSOP treatment-eligible clients voluntarily participated in treatment.
- One MSOP client was provisionally discharged in 2012.
- All funds spending for the Minnesota Sex Offender Program activity for FY 2013 was $73.7 million. This represented 0.6% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

Minnesota is one of 20 states with civil commitment laws for sex offenders.

As part of the Department of Human Services Direct Care and Treatment (DCT) Administration, the Minnesota Sex Offender Program (MSOP) provides services to individuals who have been civilly committed to receive sex offender treatment. Most MSOP clients come from the Department of Corrections through the civil commitment process after they have finished their period of incarceration. MSOP's mission is to promote public safety by providing sex offender treatment. Transfer, provisional discharge or discharge from MSOP must be ordered by the court.

SERVICES PROVIDED

We accomplish our mission by:

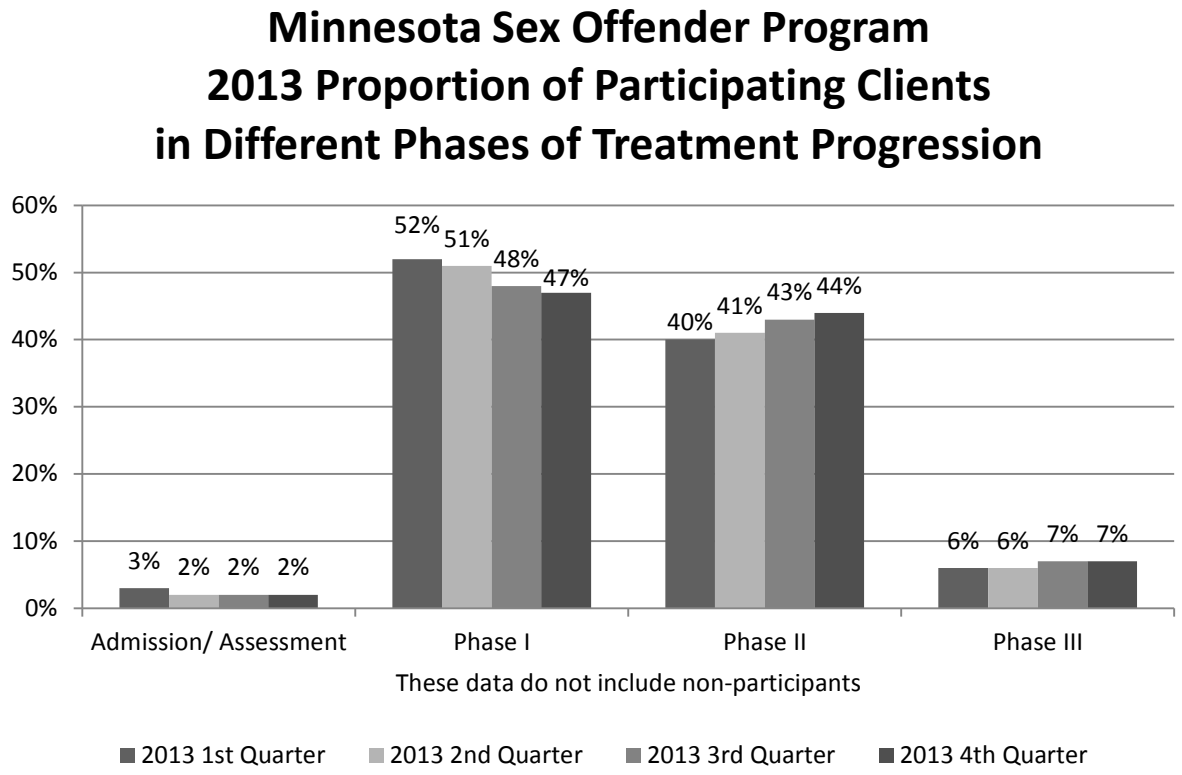
- Creating a therapeutic environment that is safe for clients and staff. The treatment model is client-centered and has a clear progression for each phase of treatment.
- Providing group therapy and opportunities to demonstrate meaningful change during three phases of treatment through participation in rehabilitative services, including education, therapeutic recreational activities and vocational work program assignments.
- Consulting with psychiatry services to ensure any medication interventions are available and appropriate to the clients we serve.
- Maximizing public safety by using technology to monitor client movement.
- Using our resources responsibly and efficiently.
- Working together with community, policy makers, and other governmental agencies.
- Developing resources for provisionally discharged clients to succeed in the community.

MSOP uses a three-phase treatment process. Clients initially address treatment-interfering behaviors and attitudes (Phase I) in preparation for focusing on their patterns of abuse and identifying and resolving the underlying issues in their offenses (Phase II). Clients in the later stages of treatment focus on deinstitutionalization and reintegration, applying the skills they acquired in treatment across settings and maintaining the changes they have made while managing their risk for re-offense (Phase III).

MSOP is funded by general fund appropriations. When a county commits someone to the program, the county is responsible for part of the cost of care. For commitments that happened before August 2011, the county share is ten percent. For commitments after that date, the county share is 25 percent.

RESULTS

As more clients move through the program, we expect to see increases in the number of clients participating in the latter stages of treatment. The chart below shows the treatment progression of clients over the past calendar year.



The legislature requires an annual performance report on the Minnesota Sex Offender Program. Two important measures in the performance report are the programwide per diem and client counts. For MSOP the programwide per diem is the calculated daily comprehensive cost of the program for each client.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Per diem	$317.00	$318.00	FY12 to FY14
Quantity	Increase in client population	653	697	FY12 to FY14

Results Notes

- Treatment progression graph is from the Minnesota Sex Offender Program Annual Performance Report 2013.
- Client population counts in the table are as of June 30th (the end of each fiscal year).
- The reported measure is the published per diem rate. It is the rate charged to counties when figuring a county's share of the cost of a client's care.

Minnesota Statutes, chapter 246B governs the operation of the Sex Offender Program and chapter 253D governs the civil commitment and treatment of sex offenders.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
1000 - General	66,186	73,687	76,569	79,009	77,191	77,191	83,919	86,910
4503 - Minnesota State Industries	1,733	833	1,767	1,850	1,850	1,850	1,850	1,850
6000 - Miscellaneous Agency	2,420	2,357	2,687	2,651	2,651	2,651	2,651	2,651
Total	**70,339**	**76,877**	**81,023**	**83,510**	**81,692**	**81,692**	**88,420**	**91,411**
Biennial Change				17,316		(1,149)		15,298
Biennial % Change				12		(1)		9
Governor's Change from Base								16,447
Governor's % Change from Base								10

Expenditures by Category

Compensation	52,895	56,905	62,549	61,604	61,604	61,604	65,545	66,786
Operating Expenses	13,953	15,204	16,128	19,834	18,016	18,016	20,803	22,553
Other Financial Transactions	1,387	1,387	329	20	20	20	20	20
Grants, Aids and Subsidies	1,836	1,739	1,980	2,052	2,052	2,052	2,052	2,052
Capital Outlay-Real Property	268	1,643	36	0	0	0	0	0
Total	**70,339**	**76,877**	**81,023**	**83,510**	**81,692**	**81,692**	**88,420**	**91,411**
Total Agency Expenditures	70,339	76,877	81,023	83,510	81,692	81,692	88,420	91,411
Internal Billing Expenditures				0	0	0	0	0
Expenditures Less Internal Billing	**70,339**	**76,877**	**81,023**	**83,510**	**81,692**	**81,692**	**88,420**	**91,411**
Full-Time Equivalents	**773.0**	**799.2**	**835.8**	**923.0**	**906.7**	**890.1**	**937.0**	**937.0**

(Dollars in Thousands)

1000 - General

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		3,053		641				
Direct Appropriation	70,416	73,412	79,769	80,922	79,745	79,745	86,473	89,464
Net Transfers	(2,191)	(2,714)	(2,559)	(2,554)	(2,554)	(2,554)	(2,554)	(2,554)
Cancellations		64						
Expenditures	**66,186**	**73,687**	**76,569**	**79,009**	**77,191**	**77,191**	**83,919**	**86,910**
Balance Forward Out	2,039		641					
Biennial Change in Expenditures				15,705		(1,196)		15,251
Biennial % Change in Expenditures				11		(1)		10
Gov's Exp Change from Base								16,447
Gov's Exp % Change from Base								11
FTEs	773.0	799.2	833.8	922.0	905.7	889.1	936.0	936.0

4503 - Minnesota State Industries

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	820	1,034	1,674	1,642	1,542	1,442	1,542	1,442
Receipts	1,749	1,416	1,735	1,750	1,750	1,750	1,750	1,750
Expenditures	**1,733**	**833**	**1,767**	**1,850**	**1,850**	**1,850**	**1,850**	**1,850**
Balance Forward Out	835	1,617	1,642	1,542	1,442	1,342	1,442	1,342
Biennial Change in Expenditures				1,051		83		83
Biennial % Change in Expenditures				41		2		2
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs		0.1	2.0	1.0	1.0	1.0	1.0	1.0

6000 - Miscellaneous Agency

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	270	365	391	297	297	297	297	297
Receipts	2,432	2,384	2,593	2,651	2,651	2,651	2,651	2,651
Expenditures	**2,420**	**2,357**	**2,687**	**2,651**	**2,651**	**2,651**	**2,651**	**2,651**
Balance Forward Out	283	391	297	297	297	297	297	297
Biennial Change in Expenditures				561		(36)		(36)
Biennial % Change in Expenditures				12		(1)		(1)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

6000 - Miscellaneous Agency

Program: Fiduciary Activities
Activity: Fiduciary Activities

AT A GLANCE

- In FY2013 roughly $650 million was collected and dispersed through this budget activity.
- Child Support program payments are the bulk of this activity, amounting to $620 million in the same year.
- All funds spending for the Fiduciary Activities activity for FY 2013 was $2.0 million. This represented 0.02% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

The Fiduciary Activities budget program:

- Collects money from individuals and organizations (for example people who owe child support)
- Distributes the collected funds to people owed the money (such as children receiving child support)

Because these are not state funds and belong to others, they are not included in the state's budget or consolidated fund statement.

SERVICES PROVIDED

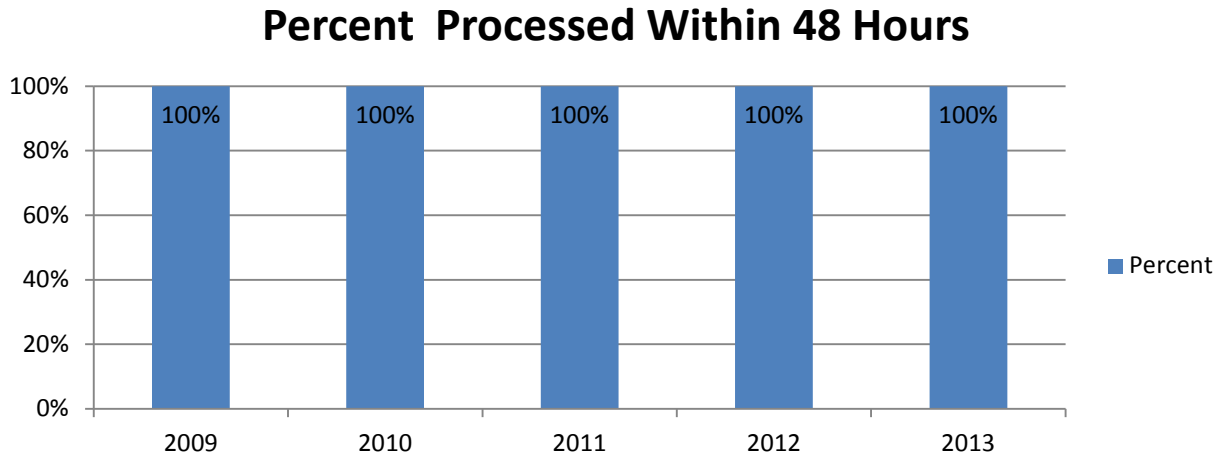
The following services make up most of the transactions of this budget activity:

- Child Support Payments: Payments made to custodial parents, collected from non-custodial parents
- Recoveries: Money recovered from clients that cannot be processed in the state computer systems. Funds are held here until they can be credited to the correct area, such as to:
  - US Treasury
  - Supplemental Security Income (SSI)
  - Counties
  - Clients
- Long Term Care Penalties: These are funds collected by the federal government (Centers for Medicare and Medicaid Services) related to penalties for nursing home violations. We use these to fund approved projects to improve nursing homes.

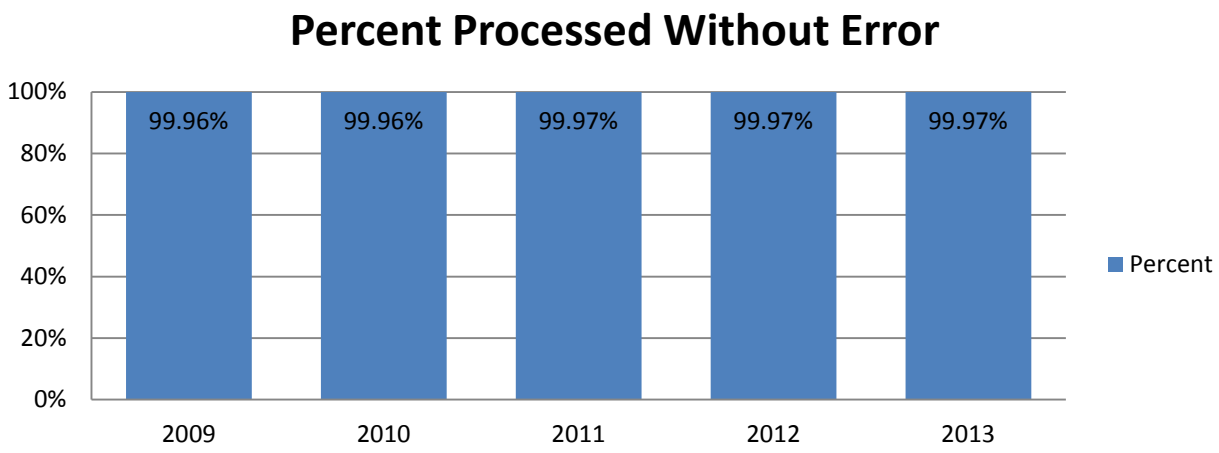
RESULTS

We provide clients with accurate, efficient, and timely payment processing.

Percent of Child Support Payments Processed within 48 Hours



Percent of Child Support Payments Processed without Errors



Several state statutes underlie the activities in the Fiduciary Activities budget program. These statutes are M.S. sections 256.741 (https://www.revisor.mn.gov/statutes/?id=256.741), 256.019 (https://www.revisor.mn.gov/statutes/?id=256.019), 256.01 (https://www.revisor.mn.gov/statutes/?id=256.01), and 256B.431 (https://www.revisor.mn.gov/statutes/?id=256B.431).

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
2000 - Restricted Misc Special Rev		1,993	2,630	2,920	2,920	2,920	2,920	2,920
6000 - Miscellaneous Agency	31,459	28,716	30,685	211,046	210,846	210,846	210,846	210,846
6003 - Child Support Enforcement	623,179	620,167	624,394	640,336	640,336	640,336	640,336	640,336
Total	**654,638**	**650,877**	**657,709**	**854,302**	**854,102**	**854,102**	**854,102**	**854,102**
Biennial Change				206,496		196,193		196,193
Biennial % Change				16		13		13
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation	11	42	13	60	0	0	0	0
Operating Expenses	1,600	4,826	5,742	5,820	5,680	5,680	5,680	5,680
Other Financial Transactions	631,350	632,029	637,135	653,680	653,680	653,680	653,680	653,680
Grants, Aids and Subsidies	21,677	13,979	14,819	194,742	194,742	194,742	194,742	194,742
Total	**654,638**	**650,877**	**657,709**	**854,302**	**854,102**	**854,102**	**854,102**	**854,102**
Full-Time Equivalents	**0.2**	**0.6**	**0.2**	**0**	**0**	**0**	**0**	**0**

(Dollars in Thousands)

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	3,306		4,592	6,362	637	0	637	0
Receipts		3,290	5,109	3,260	2,920	2,920	2,920	2,920
Net Transfers	(3,306)	3,283	(709)	(6,065)	(637)		(637)	
Expenditures		**1,993**	**2,630**	**2,920**	**2,920**	**2,920**	**2,920**	**2,920**
Balance Forward Out		4,580	6,362	637	0	0	0	0
Biennial Change in Expenditures				3,557		290		290
Biennial % Change in Expenditures				178		5		5
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

6000 - Miscellaneous Agency

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	2,503	6,485	1,865	1,953	1,750	1,750	1,750	1,750
Receipts	34,903	27,828	30,915	210,844	210,846	210,846	210,846	210,846
Net Transfers	506	(3,745)	(142)					
Expenditures	**31,459**	**28,716**	**30,685**	**211,046**	**210,846**	**210,846**	**210,846**	**210,846**
Balance Forward Out	6,454	1,851	1,953	1,750	1,750	1,750	1,750	1,750
Biennial Change in Expenditures				181,556		179,961		179,961
Biennial % Change in Expenditures				302		74		74
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	0.2	0.6	0.2	0	0	0	0	0

6003 - Child Support Enforcement

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	9,756	11,052	9,709	9,811				
Receipts	624,475	618,825	624,495	630,525	640,336	640,336	640,336	640,336
Expenditures	**623,179**	**620,167**	**624,394**	**640,336**	**640,336**	**640,336**	**640,336**	**640,336**
Balance Forward Out	11,052	9,709	9,811					
Biennial Change in Expenditures				21,383		15,942		15,942
Biennial % Change in Expenditures				2		1		1
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

Program: Technical Activities
Activity: Technical Activities

AT A GLANCE

- Processes roughly $309 million each year in federal administrative reimbursement to counties, tribes and other local agencies.
- Processes and returns roughly $30 million each year in administrative reimbursements to the state Treasury.
- All funds spending for the Technical Activities activity for FY 2013 was $498.9 million. This represents 4.1% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

The Technical Activities budget program includes transfers and expenditures between federal grants, programs and other agencies that would result in misleading distortions of the state's budget if the Department of Human Services did not account for them in a separate budget activity. This arrangement helps us to make sure that these transfers and expenditures are still properly processed in the state's accounting system and helps us comply with federal accounting requirements.

SERVICES PROVIDED

We include several different types of inter-fund and pass-through expenditures in the Technical Activities budget program:

- Federal administrative reimbursement earned by and paid to counties, tribes and other local agencies.
- Federal administrative reimbursement earned by and paid to other state agencies.
- Administrative reimbursement (primarily federal funds) earned on statewide indirect costs and paid to the general fund.
- Administrative reimbursement (primarily federal funds) earned on DHS Central Office administrative costs and paid to the general fund, health care access fund or special revenue fund under state law and policy.
- Transfers between federal grants, programs and state agencies that are accounted for as expenditures in the state's SWIFT accounting system.
- Other technical accounting transactions.

Staff members in our Operations Administration, which is part of our Central Office, are responsible for the accounting processes we use to manage the Technical Activities budget program.

RESULTS

We maintain necessary staff and information technology resources to adequately support accurate, efficient, and timely federal fund cash management. We measure the percentage of federal funds deposited within two working days.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quality	Percent of federal fund deposit transactions completed (deposited in State treasury) within two working days of the amount being identified by the SWIFT accounting system.	87%	94%	FY2012 to FY2013

M.S. sections 256.01 (https://www.revisor.mn.gov/statutes/?id=256.01)to 256.011 (https://www.revisor.mn.gov/statutes/?id=256.011) and Laws 1987, chapter 404, section 18, provide the overall state legal authority for DHS's Technical Activities budget program.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY12	Actual FY13	Actual FY14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
2000 - Restricted Misc Special Rev	1,869	8,120	3,307	3,928	3,878	3,878	3,878	3,878
2001 - Other Misc Special Rev	40,200	12,283	3,059	4,441	4,441	4,441	4,441	4,441
3000 - Federal	428,471	473,556	523,632	526,569	538,727	538,727	538,727	538,727
3001 - Federal TANF	75,484	97,704	97,848	92,266	93,184	94,040	93,184	94,040
Total	**546,023**	**591,664**	**627,846**	**627,204**	**640,229**	**641,085**	**640,229**	**641,085**
Biennial Change				117,363		26,264		26,264
Biennial % Change				10		2		2
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation	727	0		0	0	0	0	0
Operating Expenses	190,834	176,474	216,430	205,111	218,003	218,003	218,003	218,003
Other Financial Transactions	6,840	7,754	4,653	5,070	5,070	5,070	5,070	5,070
Grants, Aids and Subsidies	347,623	407,435	406,763	417,023	417,156	418,012	417,156	418,012
Total	**546,023**	**591,664**	**627,846**	**627,204**	**640,229**	**641,085**	**640,229**	**641,085**
Total Agency Expenditures	546,023	591,664	627,846	627,204	640,229	641,085	640,229	641,085
Internal Billing Expenditures	6,634	10,774	14,874	7,500	0	0	0	0
Expenditures Less Internal Billing	**539,389**	**580,890**	**612,972**	**619,704**	**640,229**	**641,085**	**640,229**	**641,085**
Full-Time Equivalents	**7.1**	**0.2**	**0**	**0**	**0**	**0**	**0**	**0**

(Dollars in Thousands)

2000 - Restricted Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In	0	1,904	1,077	886	0	0	0	0
Receipts	1,489	55	78	3,043	3,877	3,877	3,877	3,877
Net Transfers	2,282	7,238	3,037					
Expenditures	**1,869**	**8,120**	**3,307**	**3,928**	**3,878**	**3,878**	**3,878**	**3,878**
Balance Forward Out	1,903	1,077	886	0	0	0	0	0
Biennial Change in Expenditures				(2,753)		520		520
Biennial % Change in Expenditures				(28)		7		7
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0

2001 - Other Misc Special Rev

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		8,543	385	268				
Receipts	42,250	6,104	1,343	4,203	4,261	4,261	4,261	4,261
Internal Billing Receipts			0	0	0	0	0	0
Net Transfers	40	(1,994)	1,597	(30)	180	180	180	180
Expenditures	**40,200**	**12,283**	**3,059**	**4,441**	**4,441**	**4,441**	**4,441**	**4,441**
Balance Forward Out	2,089	371	268					
Biennial Change in Expenditures				(44,984)		1,382		1,382
Biennial % Change in Expenditures				(86)		18		18
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	7.1	0.2	0	0	0	0	0	0

3000 - Federal

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Balance Forward In		19,414	545	235				
Receipts	428,473	454,567	523,323	526,333	538,724	538,724	538,724	538,724
Net Transfers	201							
Expenditures	**428,471**	**473,556**	**523,632**	**526,569**	**538,727**	**538,727**	**538,727**	**538,727**
Balance Forward Out	205	430	235					
Biennial Change in Expenditures				148,174		27,252		27,252
Biennial % Change in Expenditures				16		3		3
Gov's Exp Change from Base								0

(Dollars in Thousands)

3000 - Federal

Gov's Exp % Change from Base				0

3001 - Federal TANF

	Actual FY12	Actual FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	Forecast Base FY17	Governor's Recommendation FY16	Governor's Recommendation FY17
Direct Appropriation		0	0	80,755	81,648	82,515	81,648	82,515
Receipts	76,768	97,705	97,849	92,266	93,184	94,040	93,184	94,040
Cancellations	1,285							
Expenditures	**75,484**	**97,704**	**97,848**	**92,266**	**93,184**	**94,040**	**93,184**	**94,040**
Biennial Change in Expenditures				16,926		(2,890)		(2,890)
Biennial % Change in Expenditures				10		(2)		(2)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	0.0							

FY16-17 Federal Funds Summary

Dollar amounts in thousands

Federal Agency and CFDA#	Federal Award, Grant Purpose, People Served	New Grant	SFY 14	SFY 15	SFY 16	SFY 17	Required State Match or MOE Y /N	FTE's
Dept. of Health & Human Services, Admin. for Children and Families 93.558	Temporary Assistance for Needy Families (TANF) Block Grant: Grants to assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. These funds are used to provide grants to counties and tribes to provide support services for Minnesota Family Investment Program (MFIP)/Diversionary Work Program (DWP) participants that include job search/skills, adult basic education, GED classes, job coaching, short-term training, county programs to help with emergency needs, and help accessing other services such as child care, medical care and CD/Mental health services. In 2013, averages of more than 28,000 people were enrolled in employment services each month. TANF also helps fund the MFIP/DWP cash benefit program and child care assistance programs as well as other programs that help low-income families with children.	No	$257,695	$261,173	$276,756	$275,719	Yes	15.25
Dept. Of Agriculture, Food and Nutrition Service 10.551	Supplemental Nutrition Assistance Program (SNAP): Provides help with food for more than 500,000 persons per month receiving an average monthly payment of $107.	No	$670,339	$684,233	$684,233	$684,233	No	0.0
Dept. of Health &Human Services; Admin. For Children & Families 93.575 and 93.596	Child Care and Development Block Grant (CCDF): Provides funds to States to increase the availability, affordability, and quality of child care services for low-income families where the parents are working or attending training or educational programs. This grant helps fund the Minnesota Family Investment Program (MFIP) and Basic Sliding Fee Child Care Assistance Programs that help low-income families pay for child care so that parents may pursue employment or education leading to employment. Also funded are Child Care Development Grants that promote services to improve school readiness, and the quality and availability of child care in Minnesota. In FY 2013, an average of 16,988 families per month received child care assistance subsidies. Also in FY 2013, 19,500 parents received referrals to find child care and child care-related training was provided to more than 32,000attendees through Child Care Resource & Referral agencies.	No	$128,648	$131,441	$129,630	$130,153	93.575-Yes 93.596 - No	28.0

Federal Agency and CFDA#	Federal Award, Grant Purpose, People Served	New Grant	SFY 14	SFY 15	SFY 16	SFY 17	Required State Match or MOE Y /N	FTE's
Dept. of Health &Human Services, CMS 93.778	Medical Assistance Program: Medicaid program grants provide health and long term care coverage to an average of 800,000 uninsured or underinsured Minnesotans who meet income eligibility requirements. This program is managed by the state under guidance from the federal government. The amounts reported here is the federal share of spending for this joint federal-state program.	No	$5,153,716	$6,139,940	$6,993,642	$7,166,592	Yes	0.0
Dept. of Health &Human Services, CMS 93.778	Medical Assistance Program: This grant is an administrative pass-through of federal financial participation (FFP) to counties, DHS systems, and the state general fund for approved MA administrative activities. Minnesota earns administrative FFP for approved MA administrative activity.	No	$302,748	$341,917	$359,824	$360,804	Yes	0.0
Dept. of Health & Human Services, CMS 93.778	Medical Assistance Program: The Federal Children's Health Insurance Program (SCHIP) grants provide coverage or enhanced federal funding to certain categories of uninsured low-income children and pregnant women.	No	$37,061	$42,593	$45,688	$41,289	Yes	0.0
Dept. of Health & Human Services, CMS 93.778	Medical Assistance Program: This grant builds upon the Minnesota Medicaid health care delivery system and the Hennepin Health demonstration project, with a focus on patient centered services across a continuum of health care, mental health, long-term care, and other services. The goal of this grant is to create multi-payer models with a broad mission to raise community health status and reduce long term health risks for beneficiaries of Medicare, Medicaid, and CHIP. The Minnesota Accountable Health Model will offer a comprehensive, statewide, and imitative to close the current gaps in health information technology, secure exchange health information, quality improvement infrastructure, and workforce capacity needed to provide team-based coordinated care.	No	$5,913	$16,085	$16,085	$16,085	No	6.0
Dept. of Health & Human Services, CMS 93.777	State Survey and Certification of Health Care Providers and Suppliers: This grant provides funding for a contract with Minnesota Department of Health (MDH) to certify nursing homes and rehabilitation providers in accordance with requirements from the Centers for Medicare and Medicaid Services. These providers may not participate in the Medicaid program unless they are certified.	No	$6,036	$6,943	$6,943	$6,943	Yes	0.0
Dept. of Health & Human Services, CMS	NEW-MinnesotaCare Basic Health Plan Trust Fund: The MinnesotaCare program provides comprehensive health care coverage for about 80,000 low-income adults without access to affordable health insurance. These grants fund health care coverage and are not used for program administration.	New	0	$121,700	$279,996	$343,873	Yes	0.0

Federal Agency and CFDA#	Federal Award, Grant Purpose, People Served	New Grant	SFY 14	SFY 15	SFY 16	SFY 17	Required State Match or MOE Y /N	FTE's
Dept. of Health & Human Services, Substance Abuse & Mental Health Administration 93.959	Block Grants for Prevention and Treatment of Substance Abuse: The Consolidated Chemical Dependency Treatment Fund (CCDTF) combines otherwise separate funding sources – the federal Substance Abuse, Prevention and Treatment block grant, MA, Minnesota Care and other state appropriations – into a single fund. (The CCDTF provides funding for residential and non-residential addiction treatment services for eligible low-income Minnesotans who have been assessed as needing treatment for chemical abuse or dependency. In CY2013 there were 51,203 substance abuse treatment admission for Minnesota residents, the CCDTF fund covered services for 22,526 (44%) of these admissions. Almost all treatment providers in the state are enrolled as CCDTF providers). These amounts are the federal CD block grant.	No	$23,833	$24,863	$23,401	$23,654	No	19.3
Dept. Of Agriculture, Food and Nutrition Service 10561	State Administrative Matching Funds for the Supplemental Nutrition Assistance Program (SNAP): These service grants represent revenues to the general fund from the federal Supplemental Nutrition Assistance Program (SNAP) Employment & Training program which provides 50% federal matching funds for support services such as child care and other employment supports provided to eligible SNAP recipients. There are approximately 31,000 participants in SNAP employment and training activities during the year.	No	$5,830	$751	$751	$751	Yes	0.0
Dept. of Health & Human Services; Admin. for Children & Families 93.563	Child Support: This funding is the federal financial participation (FFP) for the Supreme Court, Department of Corrections, county federal incentives, County Income Maintenance (both administrative and indirect costs), systems fund, general fund and 1115 grants.	No	$108,123	$113,862	$113,112	$113,112	Yes	0.0
Dept. of Health & Human Services, Admin. for Children and Families 93.597	Grants to States for Access & Visitation Programs: Grants to improve non-custodial parents' access to their children. Funds went to one grantee, FamilyWise Services in FFY 2014. The grant will include two grantees, FamilyWise and Central Minnesota Legal Services in FFY 2015. The grant served approximately 500 families in FFY 2014.	No	$134	$134	$0	$0	No	0.0
Dept. of Health & Human Services, Admin. for Children & Families 93.659	Adoption Assistance: Federal financial participation for payments to individuals adopting Title IV-E special needs children. In 2013, approximately 6,814 children receive IV-E adoption assistance. This assistance is intended to prevent inappropriately long stays in foster care and to promote the healthy development of children through increased safety, permanency and well-being.	No	$6,496	$7,595	$7,595	$7,595	Yes	0.0

Federal Agency and CFDA#	Federal Award, Grant Purpose, People Served	New Grant	SFY 14	SFY 15	SFY 16	SFY 17	Required State Match or MOE Y /N	FTE's
Dept. of Health & Human Services; Admin. For Children & Families 93.645	Child Welfare Services Title IV-B1: The purpose of the grant is to promote state flexibility in the development and expansion of a coordinated child and family services program that utilizes community-based agencies and ensures all children are raised in safe, loving families. These funds provide grants to counties and tribes to provide core child protection services to strengthen families and to prevent out-of-home placement when it is safe to do so. Grants support services to approximately 26,000 families per year.	No	$3,181	$4,704	$4,421	$4,421	Yes	34.1
Dept. of Health Human Services; Admin. For Children & Families 93.643	Children's Justice Grants to States: Grants to encourage states to enact reforms designed to improve (1) the assessment and investigation of suspected child abuse and neglect cases, including cases of suspected child sexual abuse and exploitation, in a manner that limits additional trauma to the child and the child's family; (2) the assessment and investigation of cases of suspected child abuse-related fatalities and suspected child neglect-related fatalities; (3) the investigation and prosecution of cases of child abuse and neglect, including child sexual abuse and exploitation; and (4) the assessment and investigation of cases involving children with disabilities or serious health-related problems who are suspected victims of child abuse or neglect. In Minnesota these grants provide training for county and tribal law enforcement, county attorney, and county and tribal child protection professionals on assessment and investigations, including training on forensic interviewing of potential child abuse victims. This grant supports training for approximately 180 participants.	No	$415	$288	$288	$288	No	*1.0*
Dept. of Health & Human Services; Admin. For Children & Families CFDA 93.658	Foster Care Title IV-E: This grant helps states provide temporary safe and stable out-of-home care for children whose parents cannot safely care for them. Of the approximately 11,450 children in out-of-home placements in 2012, foster families provided care to 8,000 of them.	No	$30,677	$34,275	$34,275	$34,275	Yes	0.0
Dept. of Health & Human Services; Admin. For Children & Families CFDA 93.090, 93.658,, 93.659	Title IV-E Northstar Care for Children: The grant includes federal foster care, federal adoption assistance and increases in Title IV-E federal participation for assistance payments made for the care of children by relatives, who have assumed legal guardianship of eligible children for whom they previously cared for as foster parents. These grants are components of the Northstar Care for Children Act.	No	$31,189	$34,390	$34,390	$34,390	Yes	0.0

Federal Agency and CFDA#	Federal Award, Grant Purpose, People Served	New Grant	SFY 14	SFY 15	SFY 16	SFY 17	Required State Match or MOE Y /N	FTE's
Dept. of Health & Human Services, Admin. for Children & Families 93.674	Chafee Foster Care Independence Program: Federal funding passed in 1999, provides funding to and governs the program known as the Support for Emancipation and Living Functionally (SELF) Program in Minnesota. The intent of the funds is to reduce the risk that youth aging out of long term out-of-home placement will become homeless or welfare dependent. Funds are therefore awarded for the provision of services designed to help older youth, currently or formerly in out-of-home care, prepare for a successful transition to adulthood. Approximately 1,500 high-risk youth served annually.	No	$1,415	$2,004	$1,904	$1,704	Yes	2.4
Dept. of Health & Human Services: Admin. for Children & Families 93.590	Community-Based Child Abuse Prevention Grants: (Children's Trust Fund Challenge) Grant supports community-based efforts to develop, operate, expand, and enhance, and coordinate initiatives, programs, and activities to prevent child abuse and neglect and to support the coordination of resources and activities to better strengthen and support families to reduce the likelihood of child abuse and neglect; and (2) to foster understanding, appreciation and knowledge of diverse populations in order to effectively prevent and treat child abuse and neglect. Funds provide grants to community based agencies (such as non-profits, school districts, and human service agencies) to provide services to families to reduce the risk of child maltreatment and enhance family capacities.	No	$256	$1,789	$1,611	$1,611	Yes	2.4
Dept. of Health & Human Services, Admin. for Children & Families 93.599	Chafee Education and Training Vouchers Program (ETV): Grant provides resources to States to make available vouchers for postsecondary training and education to help defray the costs of post-secondary education to 210 youth who aged-out of foster case at age 18, were adopted from foster care on or after their 16th birthday, or custody was transferred to a relative from foster care on or after their 16th birthday.	No	$413	$637	$487	$487	Yes	0.6
Dept. of Human Services: Admin. for Children & Families 93.603	Adoption Incentive Payments: provide incentives to States to increase annually the number of foster child adoptions, special needs adoptions, and older child adoptions. These funds are used for grants to providers for adoption-related services, including post adoption.	No	$59	$92	$87	$87	No	0.0
Dept. of Health & Human Services; Admin. for Children & Families 93.556	Promoting Safe and Stable Families: Child Welfare Phase 1 Planning: This is a federal (Children's Bureau) planning grant to study the intersection of foster care and homelessness and to plan an intervention for older foster youth (14 – 21) to prevent homelessness. The planning grant began October 1, 2013. It is forecasted that the Phase 2 implementation application will be issued in March, 2015.	No	$88	$392	$372	$372		1.0

Federal Agency and CFDA#	Federal Award, Grant Purpose, People Served	New Grant	SFY 14	SFY 15	SFY 16	SFY 17	Required State Match or MOE Y /N	FTE's
Dept. of Health & Human Services: Admin. for Children & Families 93.556	Promoting Safe and Stable Families- (Title IV-B2): Grant provides funds to help prevent the unnecessary separation of children from their families, improve the quality of care and services to children and their families, and ensure permanency for children by reuniting them with their parents, by adoption or by another permanent living arrangement. Funding provides grants to community-based agencies, counties and tribes to provide services to families to reduce the risk of maltreatment, to prevent child maltreatment and improve family functioning for families reported to child protection services, and provide child protective services to strengthen families and prevent out-of-home placement when it is safe to do. This grant helps serve approximately 20,000 families.	No	$2,695	$3,861	$3,608	$3,606	Yes	4.8
Dept. of Health &Human Services; Admin. For Children & Families CFDA 93.669	Child Abuse Prevention and Treatment Act (CAPTA): Grant is used to improve child protective services systems. In Minnesota, grants to five counties are used to administer the federally required Citizen Review Panels for child protection services. The counties are Chisago, Hennepin, Ramsey, Washington and Winona. This is a requirement of all states to be able to access other federal reimbursement.	No	$205	$317	$348	$438	No	3.1

Federal Agency and CFDA#	Federal Award, Grant Purpose, People Served	New Grant	SFY 14	SFY 15	SFY 16	SFY 17	Required State Match or MOE Y /N	FTE's
Dept. of Health & Human Services: Admin. for Children & Families 93.667	Social Service Block Grant (Title XX): Grant provides social services best suited to meet the needs of individuals that must be directed to one or more of five broad goals: Achieve or maintain economic support to prevent, reduce or eliminate dependency, achieve or maintain self-sufficiency, including reduction or prevention of dependency, preventing or remedying neglect, abuse or exploitation of children and adults unable to protect their own interest or preserving, rehabilitating or reuniting families, preventing or reducing inappropriate institutional care by providing for community-based care, home-based care or other forms of less intensive care, securing referral or admission for institutional care when other forms of care are not appropriate or providing services to individuals in institutions. Funds provide grants to counties to purchase or provide services for vulnerable children and adults who experience dependency, abuse, neglect, poverty, disability, or chronic health conditions. This grant contributes to costs for services to more than 213,000 people annually. Grants also provide child care in a number of counties for children whose parents, guardian or current caretakers have changed residence recently to obtain employment in a temporary or seasonal agricultural activity (approx. 860 children per year) and grants provide legal advocacy, training and technical assistance in cases regarding custody, Children's Medicaid, permanency, adoption, tribal court proceedings, long-term foster care and others services to the Indian Child Welfare Law Center.	No	$31,463	$32,144	$32,184	$32,184	No	13.4
Dept. of Housing and Urban Development; Office of Community Planning & Development CFDA 14.231	Emergency Solutions Grant Program: Grant provides funding to: (1) engage homeless individuals and families living on the street; (2) improve the number and quality of emergency shelters for homeless individuals and families; (3) help operate these shelters; (4) provide essential services to shelter residents, (5) rapidly re-house homeless individuals and families, and (6) prevent families and individuals from becoming homeless. This grant provides funding to shelters for operating costs, essential services, and homelessness prevention and costs to administer the federal grant.	No	$1,960	$1,903	$1,240	$1,240	Yes	1.3
Dept. Of Agriculture, Food and Nutrition Service 10.551	Supplemental Nutrition Assistance Program: SNAP reimbursement is received for some Group Residential Housing (GRH) recipients who live in certain facilities where they receive all their meals.	No	$14,442	$15,869	$15,869	$15,869	No	0.0

Federal Agency and CFDA#	Federal Award, Grant Purpose, People Served	New Grant	SFY 14	SFY 15	SFY 16	SFY 17	Required State Match or MOE Y /N	FTE's
Dept. Of Agriculture, Food and Nutrition Service 10.561	State Administrative Matching Funds for the Supplemental Nutrition Assistance Program: ARRA Food Stamps -Maxis Stimulus funding under the Supplemental Nutrition Assistance Program (SNAP), these are time-limited funds for SNAP benefits.	No	$1,930	$0	$0	$0	No	0.0
Dept. Of Agriculture, Food and Nutrition Service 10.561	State Administrative Matching Funds for the Supplemental Nutrition Assistance Program: Federal funds for state and county costs related to employment and training for Supplemental Nutrition Assistance Program (SNAP) recipients.	No	$641	$623	$600	$600	No	0.0
Dept. Of Agriculture, Food and Nutrition Service 10.568	Emergency Food Assistance Program (Surplus Commodities): Provides funding to States to enable processing storage and distribution costs incurred in providing food assistance to needy persons. Funds are used to Distribute U.S. Department of Agriculture (USDA) donated food commodities to individuals and families who use on-site meal programs, food shelves and shelters. This program design ensures an equitable distribution of commodities to all 87 counties.	No	$974	$804	$804	$804	Yes	1.3
Dept. Of Agriculture, Food and Nutrition Service 10.551	Supplemental Nutrition Assistance Program (SNAP): Grant benefits cash out provided to SSI and elderly recipients.	No	$19,345	$18,700	$18,600	$18,600	No	0.0
Dept. Of Agriculture, Food and Nutrition Service 10.551	Supplemental Nutrition Assistance Program: Time limited stimulus fund for cost recovery through the Supplemental Nutrition Assistance Program (SNAP) for GRH recipients living in certain facilities.	No	$577	$800	$800	$800	No	0.0
Dept. of Agriculture, Food and Nutrition Service 10.561	State Administrative Matching Funds for the Supplemental Nutrition Assistance Program (SNAP): Under Federal Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamps) regulations, states have the option to include nutrition education activities in the State Plan filed with the Food and Nutrition Service (FNS) of the United States Department of Agriculture. This option allows states to include the costs of nutrition education activities as administrative costs of SNAP. Minnesota adopted this option in the early 1990's. The Minnesota Department of Human Services (DHS) contracts with the University of Minnesota Extension (U of M) and Minnesota Chippewa Tribe (MCT) to provide nutrition education services.	No	$9,850	$203	$108	$108	Yes	0.8

Federal Agency and CFDA#	Federal Award, Grant Purpose, People Served	New Grant	SFY 14	SFY 15	SFY 16	SFY 17	Required State Match or MOE Y /N	FTE's
Dept. of Health & Human Services; Admin. for Children & Families 93.550	Transitional Living for Homeless Youth: Grant purpose is to establish and operate transitional living projects for homeless youth, including pregnant and parenting youth. This program is structured to help older homeless youth achieve self-sufficiency and avoid long-term dependency on social services. This state and local collaborative provides transitional living program and independent living skills to runaway youth and homeless youth in a seven county / three reservation region of Cass, Crow Wing, Mille Lacs, Morrison, Todd, Wadena in addition to the Leech Lake and Mille Lacs Reservations. Federal funding ended September 30, 2013.	No	$47	$190	$190	$190	Yes	*0.0*
Dept. Of Agriculture, Food and Nutrition Service 10.561	State Administrative Matching Funds for the Supplemental Nutrition Assistance Program: Federal funds for State and County administrative costs for the Supplemental Nutrition Assistance Program (SNAP).	No	$53,760	$45,064	$45,064	$45,064	Yes	0.0
Dept. Of Agriculture, Food and Nutrition Service 10.561	State Administrative Matching Funds for the Supplemental Nutrition Assistance Program (SNAP): Grants to Community Action Agencies and anti-hunger organizations to conduct statewide outreach to assist people in determining if they are eligible for SNAP benefits. Under Federal Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamps/Food Support) regulations, states have the option to include outreach activities in the State Plan filed with the Food and Nutrition Service (FNS) of the United States Department of Agriculture. This option allows states to include the costs of outreach activities as administrative costs of SNAP. Costs are reimbursed by FNS at a rate of 50%.	No	$1,806	$1,336	$1,275	$1,275	Yes	2.9
Dept. of Agriculture, Food and Nutrition Service 10.559	New: Child Hunger Research: This federal grant would provide funding to reduce the prevalence in food insecurity among children, ages 4-19 at Red Lake, Leech Lake and White Earth Reservations. There are an estimated 7,259 children who would be impacted. The project would provide the communities with nutritional information and education to help reduce the impact of health issues and increase the quality of life based on culturally appropriate healthy whole food consumption. The USDA grant will be awarded around the middle to late November 2014. Grants will be awarded for a 3 year period.	New	0	$525	$875	$875	No	0

Federal Agency and CFDA#	Federal Award, Grant Purpose, People Served	New Grant	SFY 14	SFY 15	SFY 16	SFY 17	Required State Match or MOE Y /N	FTE's
Dept. of Health &Human Services; Admin. for Children & Families 93.569	Community Services Block Grant (CSBG): Grants to Community Action Agencies and Tribal Governments to focus local, state, private and federal resources to support low-income families and individuals to attain the skills, knowledge and motivation to become economically secure. In 2013, served over 233,000 low income families. These funds provide grants for emergencies and special projects.	No	$10,787	$7,970	$7,747	$7,747	No	2.9
Dept. of Health &Human Services, Admin. For Children & Families 93.584	Refugee Targeted Assistance Grant: Program provides funding for employment-related and other social services for refugees, certain Amerasians from Vietnam, Cuban and Haitian Entrants, asylees, victims of a severe form of trafficking, and Iraqi and Afghan Special Immigrants in areas with large refugee populations. An arrival must be within five years of arriving in this country or grant of asylum to be eligible for services under these grants. Approximately 33 people per month served. Sixty percent of enrolled clients must be placed in a job.	No	$679	$934	$934	$934	No	0.0
Dept. of Human Services; Admin. For Children & Families 93.566	Refugee Social Services: Grants provide funding for employment-related and other social services for refugees, certain Amerasians from Vietnam, Cuban and Haitian Entrants, asylees, victims of a severe form of trafficking, and Iraqi and Afghan Special Immigrants. An arrival must be within five years of arriving in this country or grant of asylum to be eligible for services under these grants. Approximately 76 people per month served in employment-related services (60 percent must be placed in jobs); 181 people per month served in social services (80 percent must achieve at least two social services outcomes).	No	$3,067	$2,523	$2,524	$2,524	No	3.0
Dept. of Health & Human Services, Admin. for Children & Families 93.576	Refugee School Impact: Grants provide funding to school districts to achieve three student outcomes: 1) Improve academic outcomes, 2) acquisition of leadership skills, and 3) participation in mental health services if needed. 400 students will be served in a year.	No	$489	$0	$0	$0	No	0.0
Dept. of Human Services; Admin. For Children & Families 93.576	Services to Older Refugees: Grants are intended to expand the capacity of organizations to serve older refugees. Specifically, activities include case management, information and referral, interpretation and socialization. These grants provide funding to agencies that provide services to refugees who are at least age 60 years. Participants are expected to achieve two outcomes: access and participation in critical services and improvement in independent functioning. Approximately 190 older refugees are served in a year.	No	$118	$100	$97	$97	No	0.0

Federal Agency and CFDA#	Federal Award, Grant Purpose, People Served	New Grant	SFY 14	SFY 15	SFY 16	SFY 17	Required State Match or MOE Y /N	FTE's
Dept. of Health & Human Services, Admin. for Children & Families 93.566	Refugee Cash and Medical Assistance Program: Grant reimburses states for the cost of cash and medical assistance provided to refugees (and certain Amerasians from Viet Nam, Cuban and Haitian entrants, asylees, victims of a severe form of trafficking, and Iraqi and Afghan Special Immigrants) who are not eligible for the Minnesota family Investment Program. Refugees and other populations are eligible for Refugee Cash Assistance during the first eight months after their arrival in the U.S. or grant of asylum. 464 cases served per month.	No	$2,868	$2,843	$2,493	$2,493	No	7.0
Dept. of Health Human Services, Admin, for Children & Families 93.576	NEW: Refugee School Impact Grant: Federal funding to enhance service capacities of school districts in Anoka, Hennepin, Nobles, Olmsted, and Ramsey Counties. Grants will be used to provide tutoring and leadership training of students. Approximately 500 students will served with this grant.	New	$0	$372	$503	$131	No	0
Dept. of Health & Human Services, CMS 93.609	Affordable Care Act (ACA); Medicaid Adult Quality Grants: This two year federal grant will support the development of at least two Medicaid quality improvement projects in Minnesota using new measures developed from claim and encounter data. Data collected through this grant will be publically reported and incorporated into quality improvement efforts.	No	$537	$1,088	$0	$0	No	1.0
Dept. of Health & Human Services, CMS 93.628	Affordable Care Act: Implementation Support for State Demonstration to Integrate Care for Medicare-Medicaid Enrollees	No	$183	$751	$0	$0		3.4
Dept. of Health & Human Services: CMS 93.536	Affordable Care Act, Medicaid Incentives for Prevention of Chronic Disease Demonstration Project: These funds go to partner agencies included in the $10 million grant from the Centers for Medicare and Medicaid Services to cover costs for the study, administration, and implementation of the Diabetes Prevention Program (DPP) incentives and evaluation. Funds administered by DHS provide incentives to over 500 study participants with prediabetes receiving services at participating clinics in the Minneapolis/St. Paul MSA.	No	$4,102	$1,900	$1,900	$1,900	No	0.3
Dept. of Health & Human Services, CMS93.778	Medical Assistance Program: The Medicaid Electronic Health Record (EHR) incentive program provides eligible providers and hospitals 100% federally funded incentives to adopt meaningful electronic health record technology. DHS administration and implementation costs are funded at a 90% federal match. This funding is authorized under the American Recovery and Reinvestment Act (ARRA) through the Health Information technology for Clinical and Economic Health (HITECH) act. Funding for this project commenced in October 2012.	No	$68,926	$6,304	$6,304	$6,304	N0	0.0

Federal Agency and CFDA#	Federal Award, Grant Purpose, People Served	New Grant	SFY 14	SFY 15	SFY 16	SFY 17	Required State Match or MOE Y /N	FTE's
Department of Education 84.027	Special Education Grants to States: The Individuals With Disabilities Education Act (IDEA) Part B grant from U.S. Department of Education is awarded to the Minnesota Department of Education (MDE). MDE in turn, completes an interagency agreement with DHS to develop coordinated benefits and policy for youth with disabilities.	No	$13	$60	$60	$60	N0	1.0
Dept. of Health & Human Services, Admin. for Community Living 93.053	Nutrition Services Incentive Program (NSIP): OAA grants to AAAs and local nutrition providers as a separate allocation based on the number of meals served in the previous project year. (This grant is coordinated with general fund Senior Nutrition funding)	No	$1,805	$2,210	$2,210	$2,210	Yes	0.0
Dept. of Health & Human Services: Admin. for Community Living CFDA 93.051	Alzheimer's Disease Demonstration Grants to States (Alzheimer's Research): The Older Americans Act (OAA) grant impacts the ability of the family caregiver to withstand the difficulties of caregiving and eliminate or defer the need for institutionalization of the care receiver. OAA grants to providers and Area Agencies on Aging (AAA's) to implement evidence-based programs (Mary Mittleman model) throughout Minnesota. This funding also includes administrative funds to implement the grant. The grant has now ended.	No	$118	$0	$0	$0	No	0.0
Dept. of Health & Human Services, CMS 93.779	Health Insurance Counseling: Grants to AAAs and service providers to provide health insurance counseling, education and assistance services to seniors to help obtain health insurance benefits. (Also coordinated with Information and Assistance grants- general fund). The grant also includes administrative funds that are used to implement and administer the grant.	No	$629	$811	$799	$799	No	2.9
Dept. of Health & Human Services: Admin. for Community Living 93.044	Special Programs for the Aging (Aging Social Services): OAA grants to AAAs and local providers to provide a variety of community-based social services. (Approximately 135,000 served in FY 2012). OAA grants to AAAs for administrative purposes, program development and coordination activities. The grant includes administrative funding to administer and implement the grant.	No	$9,765	$8,712	$8,712	$8,712	Yes	9.5
Dept. of Health & Human Services, Admin. for Community Living 93.048	Special Programs for the Aging(AOA Resource Center): Older American Act (OAA) grants to establish aging and disability resource centers that will create linkages with various systems including institutional care, pre-admission screening, hospital discharge planning and community agencies and organizations that serve targeted populations.	No	$180	$116	$116	$116	Yes	0.0
Dept. of Health & Human Services, Admin. for Community Living 93.045	Special Programs for the Aging (Home Delivered Meals): Older Americans Act (OAA) grants to AAAs and service providers to provide home delivered meal services targeted to seniors in the greatest economic and social need. (Funding coordinated with the general fund Senior Nutrition grant)	No	$3,057	$2,625	$2,625	$2,625	Yes	0.0

Federal Agency and CFDA#	Federal Award, Grant Purpose, People Served	New Grant	SFY 14	SFY 15	SFY 16	SFY 17	Required State Match or MOE Y /N	FTE's
Dept. of Health & Human Services, Admin. for Community Living 93.041	Elder Abuse Grants (Elder Abuse prevention): OAA grants to service providers to provide activities related to elder abuse prevention.	No	$63	$83	$83	$83	No	0.0
Dept. of Human Services, Admin. for Community Living 93.048	Special Programs for the Aging (MN Medical Care Demo) : Grants to Area Agencies on Aging (AAA's) and service providers to help seniors obtain health insurance benefits and report fraud, waste and abuse within the health care system.	No	$309	$263	$263	$263	No	0.2
Dept. of Health & Human Services, Admin. for Community Living 93.052	National Family Caregiver Support (3E Care Giver Grants): OAA grants to AAAs and service providers to provide information, respite, education, and training and support groups to family caregivers. (Approximately 23,800 served in FY 2012). The grant also provides statewide training, education and caregiver support activities.	No	$2,364	$2,200	$2,200	$2,200	Yes	0.0
Dept. of Health & Human Services, Admin. for Community Living 93.071	Medicare Enrollment Assistance Program- Medicare improvement administrative support funding.	No	$14	$44	$44	$44	No	0.0
Dept. of Health & Human Services, Admin. for Community Living 93.045	Special Programs for the Aging (Congregate Meals): OAA grants to AAAs and service providers to provide congregate meal services targeted to seniors in the greatest economic and social need. The grant is coordinated with the state funded Senior Nutrition grant. This grant includes administrative funding to administer and implement the grant.	No	$6,234	$5,684	$5,684	$5,684	Yes	7.1
Dept. of Health & Human Services: Admin. for Community Living 93.072	Lifespan Respite Care Program (Aging Lifespan): OAA grant to MN Board on Aging to improve access to and availability of lifespan respite services for Minnesota's family caregivers. This funding also includes administrative funds to administer and implement the grant. This grant ended September 30, 2013.	No	$2	$0	$0	$0	Yes	0.0
Dept. of Health & Human Services: Admin. for Community Living 93.048	Special Programs for the Aging (Medicare Improvement MIPPA CMS3): CMS grants to AAAs to increase capacity to provide information and assistance regarding Medicare.	No	$123	$123	$123	$123	Yes	0.0
Dept. of Health & Human Services: Admin. for Community Living 93.048	Special Programs for the Aging (AoA Evidence Based): Grant from OAA to 1) integrate a statewide set of services and supports through a fully coordinated single entry point system, with a particular focus on care transitions; and (2) ensure access to a consistent set of essential services, evidence-based risk management and self-directed in-home supports to high risk individuals, including those with dementia, family caregivers and veterans. This grant includes administrative funding to administer and implement the grant.	No	$1,201	$854	$717	$717	Yes	4.0

Federal Agency and CFDA#	Federal Award, Grant Purpose, People Served	New Grant	SFY 14	SFY 15	SFY 16	SFY 17	Required State Match or MOE Y /N	FTE's
Dept. of Health & Human Services, Admin. for Community Living93.051	Alzheimer's Disease Demonstration Grants to States (AoA IS Dementia): Grant from OAA that will: (1) integrate a statewide set of services/supports through a fully coordinated dementia capable single entry point with a particular focus on care transitions in cooperation with health care homes; and (2) ensure seamless regional access to a consistent set of high quality, sustainable, dementia capable evidence-based/informed supports for persons with dementia and their caregivers.	No	$373	$148	$148	$148	Yes	1.0
Dept. of Health & Human Services, CMS 93.627	ACA State Innovation Models: Funding for Model Design and Model Testing Assistance: Grant that tests and evaluates new assessments of capacity for persons receiving community based long term services and supports (LTSS). The grant provides resources for improved coordination of service and quality related information through the establishment of an electronic personal health record (PHR) across all beneficiaries using LTSS. It identifies and harmonizes electronic LTSS standards particularly for persons receiving Medical assistance home and community based waiver services.	No	$112	$172	$172	$172	No	1.0
Dept. of Health & Human Services, Admin. for Community Living 93.763	NEW 'Alzheimer's Disease Initiative: Specialized Supportive Services Project: (ADI-SSS) thru Prevention and Public Health Funds (PPHF). The grant is to further the development of dementia capable home and community-based services and health care systems to deliver high quality and effective supportive services to persons living alone with Alzheimer's disease and related dementias.	New	0	$243	$340	$334	No	0
Dept. of Health & Human Services, Admin. for Community Living 93.761	NEW: Evidenced Based Falls Prevention Programs financed solely by Prevention and Public Health Funds. The Minnesota Board on Aging(MBA) and Minnesota Department of Health (MDH), in collaboration with various stakeholders will implement local prototype partnerships to decrease fall risk and the fear of falling and increase participation in evidence-based falls prevention programs among older adults.	New	0	$208	$250	$42	No	0
Dept. of Health & Human Services, Admin. for Community Living 93.043	Special Programs for the Aging (Aging Preventative Health): OAA grants to AAAs and service providers to provide preventive health information and services to seniors (Approximately 8,400 served in FY 2013).	No	$387	$350	$350	$350	Yes	0.0

Federal Agency and CFDA#	Federal Award, Grant Purpose, People Served	New Grant	SFY 14	SFY 15	SFY 16	SFY 17	Required State Match or MOE Y /N	FTE's
Dept. of Health & Human Services: Admin. for Community Living 93.518	Affordable Care Act, Medicare Improvements for Patients and Providers (MIPPA) CMS grants to AAAs to increase capacity to provide information and assistance regarding Medicare. The grant funding also includes administrative funds to administer and implement the grant.	No	$113	$113	$113	$113	Yes	0.0
Dept. of Health & Human Services: Admin. for Community Living 93.048	Special Programs for the Aging (Medicare Improvement MIPPA MADR): Grants to MN Board on Aging to expand, extend or enhance the outreach efforts to beneficiaries on Medicare Part D and for those with limited incomes.	No	$70	$70	$70	$70	Yes	0.0
Dept. of Health & Human Services, Admin. for Community Living 93.042	Special Programs for the Aging (Ombudsman Supplement): This OAA grant supplements funding for the Ombudsman for Long Term Care office. The principal role of the Ombudsman Program is to investigate and resolve complaints made by or on behalf of residents of nursing homes or other long-term care facilities. This grant also promote policies and practices needed to improve the quality of care and life in long-term care facilities and educate both consumers and providers about residents' rights and good care practices.	No	$295	$249	$249	$249	No	3.0
Dept. of Health & Human Services, CMS 93.791	Money Follows the Person Rebalancing Demonstration: Grant from CMS that supports the transition of Medicaid participants of all ages from institutions to the community and rebalances MN long term care system to achieve sustainability. Minnesota's Money Follows the Person program is called Minnesota Home Minnesota. The grant includes administrative funding throughout DHS to administer and implement the grant. DHS also received a supplemental award, the Money Follows the Person Tribal Initiative (TI), which offers states and tribes the resources to build sustainable community-based long term services and supports for tribal members. The supplemental funding is available from April 2013 through September 2016.	No	$2,128	$12,427	$11,841	$2,341	Yes	11.9
Dept. of Health & Human Services, Health Resources and Services Administration 93.917	HIV Care Formula Grants: This grant which supplements the Ryan White grant is a competitive grant that is awarded to states with demonstrated need. The funding helps low income persons living with HIV/AIDS get access to HIV/AIDS medications. The Supplemental grant also covers outreach to underserved high risk populations.	No	$39	$110	$110	$110	No	0.0

Federal Agency and CFDA#	Federal Award, Grant Purpose, People Served	New Grant	SFY 14	SFY 15	SFY 16	SFY 17	Required State Match or MOE Y /N	FTE's
Dept. of Health & Human Services, Health Resources and Services Administration 93.917	HIV Care Formula Grants: Dedicated federal funding that helps individuals with HIV / AIDS obtain access to necessary medical care, nutritional supplements, dental services, mental health services, support services and outreach to high risk, underserved populations. Federal funding dedicated to maintain private insurance coverage for people living with HIV and/or purchase HIV related drugs. Funds used in conjunction with state and special revenue funds. (Approximately 2,400 people served.).Federal funding to provide outreach and education services to minority populations by identifying individuals with HIV/AIDS and make them aware of and enroll them in treatment service programs. (Approximately 100 people served). Grant includes administrative funding for administering and implementing the grant.	No	$7,689	$8,105	$7,446	$7,446	No	9.0
Dept. of Health & Human Services, Health Resources and Services Administration 93.234	Traumatic Brain Injury (TBI) State Demonstration Grant Program: Grant from the Health Resources and Services Administration (HRSA) which funds interagency agreements with the Department of Corrections to support efforts to improve their services for persons with a traumatic brain injury (TBI). Grant includes administrative funds to administer and implement the grant. This grant ends March 31, 2015.	No	$153	$222	$0	$0	Yes	0.0
Dept. of Health & Human Services, Substance Abuse & Mental Health Administration 93.150	Projects for Assistance in Transition from Homelessness (PATH): Grants to counties and non-profit agencies for outreach and mental health services to homeless people. About $500,000 per year of Adult MH Integrated state funds are used as match for these federal funds. (CY2013 3,934 people served)	No	$663	$811	$812	$812	Yes	0.3
Dept. of Health & Human Services, Substance Abuse & Mental Health Administration 93.958	Block Grants for Community Mental Health Services: Grants to counties and non-profit agencies for innovative projects based on best practices. Projects include children's mental health collaborative, crisis services for children and adults, adult mental health initiatives and self-help projects for consumers. As required by state law, 25% of the Federal MH Block Grant is used for grants to American Indian Tribes and non-profit agencies to provide mental health services, particularly community-support services, to American Indians.	No	$7,433	$7,174	$6,882	$6,882	No	11.0

Federal Agency and CFDA#	Federal Award, Grant Purpose, People Served	New Grant	SFY 14	SFY 15	SFY 16	SFY 17	Required State Match or MOE Y /N	FTE's
Dept. of Health & Human Services, Health Resources and Services Administration 93.243	Substance Abuse and Mental Health Services- Projects of Regional and National Significance: The State Mental Health Data Infrastructure Grant (DIG) program is one of SAMHSA's Infrastructure grant programs. SAMHSA's Infrastructure Grants provide funds to increase the capacity of mental health and/or substance abuse systems to support programs and services. SAMHSA's State Mental Health DIG program is intended to fund State Mental Health authorities to develop or enhance their data infrastructure to improve management of mental health service delivery. The Data Infrastructure grants are also a link in CMHS's ongoing efforts to implement the President's New Freedom Commission in building community systems of care.	No	$68	$0	$0	$0	Yes	0.0
Dept. of Health & Human Services, Health Resources and Services Administration 93.243	Substance Abuse and Mental Health Services: The Strategic Prevention Framework State Incentive Grant (SPF-SIG) is an existing model and process promoted by the Substance Abuse and Mental Health Services Administration (SAMSHA). The three goals of the National SPF SIG Program are: 1) prevent the onset and reduce the progression of substance abuse, including childhood and underage drinking; 2) reduce substance abuse-related problems; 3) and build prevention capacity and infrastructure at the state, territory, and community levels.	No	$2,345	$3,259	$29	$29	No	2.0
Dept. of Health & Human Services, Health Resources and Services Administration 93.243	NEW Grant: Substance Abuse and Mental Health Services: Strategic Prevention Framework Partnership for Success (SPF-PFS) program is designed to address two of the nation's top substance abuse prevention priorities: 1) underage drinking among persons ages 12 to 20; and 2) prescription drug misuse and abuse amount persons ages 12 to 25.	New	0	$1,626	$1,626	$1,626	No	1.45
Dept. of Health & Human Services, CMS 93.506	ACA-Nationwide Program for National and State Background Checks for Direct Patient Access Employees of Long-term Care Facilities and Providers: DHS conducts background studies for health and human services programs licensed by DHS, MDH, and some at the Department of Corrections (DOC). This new grant will provide increased fingerprint identification resources and will include a "rap back" feature to identify staff that may need to be disqualified after the initial routine background check.	No	$141	$1,153	$1,153	$1,153	Yes	2.0
	Total Federal Funds		$7,053,597	$8,179,148	$9,214,780	$9,437,729		222.25

DHS Federal Funding by Budget Program				
Budget Programs	FY 14	FY 15	FY 16	FY 17
Central Office	28,286	41,471	38,966	39,307
Forecasted Programs	5,494,086	6,636,154	7,674,465	7,904,804
Grant Programs	910,259	886,546	871,138	860,852
Technical Activities	620,966	614,977	630,211	632,766
Total	$7,053,597	$8,179,148	$9,214,780	$9,437,729

Narrative:

The Department of Human Services (DHS) receives, manages and expends approximately 80% of all federal funds received by state executive branch agencies. Federal Medicaid funding for health and long term care services account for the most of the agency's federal fund expenditures, amounting to 74% of projected DHS federal expenditures in SFY 2015. DHS expenditures of federal funds are projected to increase by 50% from FY2012 to FY2016. This growth is largely driven by expansion and change in matching fund arrangements of the Medical Assistance program.

Many of the large entitlement programs administered by DHS are funded through a combination of state and federal funds, and are governed by various matching fund and maintenance of effort requirements. Base budgets for these entitlement programs (and the associated federal share of funds) are set consistent with state law on expenditure forecasts and the state budget. Examples of these forecasted programs include Medical Assistance (Medicaid), Minnesota Care (Basic Health Program), Supplemental Nutrition Assistance Program (SNAP), Minnesota Family Investment Program (Temporary Assistance for Needy Families or "TANF"), and Children's Foster Care program (Title IV-E).

DHS also receives and distributes a number capped or non-entitlement federal grants, including a number of "block grants" which supplement state and local expenditures for specific categories of services. Examples of these include the Social Services Block Grant, the Child Development Block Grant, the Community Mental Health Services Block Grant, the Substance Abuse Prevention and Treatment Block Grant and others. Budgets for these types of grants are typically tied to the annual federal allocations to the state, and then translated from a federal fiscal year basis to a state fiscal year basis.

Finally, DHS receives a number of smaller, time-limited federal grants that are available to help meet specialized needs, or to help facilitate improvements in human services delivery.

Grants Funding Detail

(report in $ thousands)

State Grant	Grant Description, Purpose, People Served	FY 2014 Actual	FY 2015 Budget	FY 2016 Base	FY 2017 Base
Forecasted Grants (current law) 2014 End of Session: General Fund					
Minnesota Family Investment Program (MFIP) / Diversionary Work Program (DWP) M.S. 256J	Minnesota Family Investment Program (MFIP) / Diversionary Work Program (DWP) grants provide temporary financial support to help meet basic needs of low-income families with children and low-income pregnant women. In FY 2013, an average of 40,000 low income families per month received help through these programs, 71 percent of people on the program are children. See also federal funds.	$76,154	$77,222	$100,266	$99,694
MFIP Child Care Assistance Grants M.S. 119B	The Minnesota Family Investment Program (MFIP) Child Care Assistance grants provide financial subsidies to help low-income families pay for child care so children are well-cared for and prepared to enter school ready to learn and parents may pursue employment or education leading to employment. This grant serves families who currently participate in the MFIP or DWP programs, or who have recently done so. In FY 2013, an average of 8,389 families with 15,681 children per month were served.	$61,207	$80,408	$86,521	$89,953
General Assistance Grants M.S. 256D	General Assistance (GA) grants provide state-funded, monthly cash grants for very low-income people without children who are unable to work and do not have enough money to meet their basic needs. The most common eligibility reason for people at enrollment is illness or incapacity. In 2013, an average of 22,635 people per month received these grants.	$51,125	$55,056	$56,564	$59,321
MN Supplemental Assistance (MSA) Grants M.S. 256D	Minnesota Supplemental Aid (MSA) grants provide a state-funded monthly cash supplement to help people who are aged, blind or disabled, and who receive federal Supplemental Security Income (SSI) benefits to meet their basic needs that are not met by SSI alone. In 2013, an average of 31,000 people per month received these grants.	$36,479	$40,684	$40,596	$42,133
Group Residential Housing GRH) Grants M.S. 256I	Group Residential Housing (GRH) is a state-funded income supplement program that pays for room and board costs in approved locations for adults with low incomes who have a disability or are 65 years or older. These grants assist individuals who have illnesses or disabilities, including developmental disabilities, mental illnesses, chemical dependency, physical disabilities, advanced age, or brain injuries, to prevent or reduce institutionalization or homelessness. In FY 2013, an average of 19,000 people received GRH payments each month.	$136,573	$153,824	$160,945	$172,668
GRH Grants-People Inc. Laws of Minnesota 2007, Chapter 147, Article 19, Sec. 3, subd. 4(k)	Group Residential Housing (GRH) provides a legislatively authorized grant to People Incorporated to operate two residential mental health facilities for individuals who have been homeless for at least one year, one in Ramsey County and one in Hennepin County. Services include community support, 24-hour supervision, and on-site mental health services. In FY 2013, 104 individuals were served in these settings.	$460	$460	$460	$460

State Grant	Grant Description, Purpose, People Served	FY 2014 Actual	FY 2015 Budget	FY 2016 Base	FY 2017 Base
Medical Assistance (MA) Grants General Fund M.S. 256B	These funds meet the state's matching funds requirement for Minnesota's Medicaid programs that provide health and long term care coverage to an average of 800,000 uninsured or underinsured Minnesotans who meet income eligibility requirements. This program is managed by the state under guidance from the federal government.	$4,163,665	$4,476,323	$5,076,239	$5,315,674
Medical Assistance (MA) Grants- HCAF M.S. 256B	These funds meet the state's matching funds requirement for Minnesota's Medicaid programs that provide health and long term care coverage to an average of 800,000 uninsured or underinsured Minnesotans who meet income eligibility requirements. This program is managed by the state under guidance from the federal government.	$175,744	$223,146	$221,035	$221,035
Alternative Care (AC) Grants M.S. 256B.0913.	The Alternative Care (AC) Program is a cost-sharing program that supports certain home- and community-based services for eligible Minnesotans age 65 and over. In November 2013 the program became eligible for federal Medicaid financial participation through an approved waiver. The program provides services to prevent and delay transitions to Medical Assistance-funded services, such as Elderly Waiver and nursing home care. The AC program served a monthly average of 2,874 older Minnesotans in FY2013, at an average monthly cost of $771.	$17,829	$68,638	$43,934	$43,124
Minnesota Care Health Care Grants; Bact 31: Health Care Access Fund (HCAF)					
Minnesota Care Grants M.S. 256L and 256B	Minnesota Care Grants pay for health care services for about 130,000 Minnesotans who lack access to affordable health insurance.	$269,525	$384,391	$481,920	$530,254
Chemical Dependency Entitlement Grants; Bact 35 : Special Revenue Fund					
Consolidated Chemical Dependency Treatment Fund (CCDTF) Grants M.S. 254B.02, Sund.1	The Consolidated Chemical Dependency Treatment Fund (CCDTF) provides funding for residential and non-residential addiction treatment services for eligible low-income Minnesotans who have been assessed as needing treatment for chemical abuse or dependency. In calendar year 2013 there were 51,203 substance abuse treatment admissions for Minnesota Residents, the CCDTF fund covered services for 22,526 (44%) of these admissions. Almost all treatment providers in the state are enrolled as CCDTF providers.	$141,035	$162,411	$144,313	$144,313
Support Services Grants Bact 41: General Fund					
MFIP Consolidated Support Services Grants M.S. 256J.626	The Minnesota Family Investment Program Consolidated Fund is allocated to counties and tribes to provide an array of employment services for MFIP/DWP participants including job search, job placement, training and education. Funds provide other supports such as emergency needs for low-income families with children and also fund a portion of counties' costs to administer MFIP and DWP. (approx. served FY13 - 28,000 persons a month). See also Federal Funds.	$8,679	$8,679	$8,679	$8,679
CFS Injury Protection Program M.S. 256J.68	Payments to medical providers for the treatment of injuries suffered by persons while participating in a county or tribal community work experience program.	$0	$10	$10	$10

State Grant	Grant Description, Purpose, People Served	FY 2014 Actual	FY 2015 Budget	FY 2016 Base	FY 2017 Base
Food Stamp Employment and Training (FSET) Service Grants M.S. 256D.051	Grants to counties to provide employment supports to adults who receive benefits through the Supplemental Nutrition Assistance Program. (approx. served FY13 – a monthly average of 405 persons). The grant is now called Supplemental Nutrition Assistance Program Employment & Training (SNAP E & T).	$11	$26	$26	$26
MFIP Paid Work Experience Laws of Minnesota 2013, Chapter 108, Article 14, Sec. 2, subd. 6(a)	Paid work experience for long-term Minnesota Family Investment Program participants which includes full and partial wage subsidies and other related services such as job development, marketing, preworksite training, etc. Projects will be conducted in four sites and are expected to serve 1,000 adults.	$0	$2,168	$2,168	$0
MFIP Work Study Laws of Minnesota 2013, Chapter 108, Article 14, Sec. 2, subd. 6(a)	Funds for work-study wages. Projects will support up to 50 Minnesota Family Investment Program participants who are pursuing post-secondary education, by linking participants with services at the colleges and in the broader community and providing work-study jobs.	$0	$250	$250	$0
MFIP Disparities Reduction Laws of Minnesota 2013, Chapter 108, Article 14, Sec. 2, subd. 6(a)	Grants to counties or tribal nations to fund projects that focus on services for African Americans and American Indians participating in the Minnesota Family Investment Program who are experiencing poor employment outcomes. Services include case management, employment activities and job-matching for approximately 760 people.	$0	$2,000	$2,000	$0
MFIP Teen Parent Home Visiting Laws of Minnesota 2013, Chapter 108, Article 14, Sec. 2, subd. 6(a)	Funding for four sites to initiate or advance collaboration between public health home visiting services and the Minnesota Family Investment Program to serve up to 220 teen parents.	$94	$200	$0	$0
Basic Sliding Fee Child Care Grants Bact 42 : General Fund					
Basic Sliding Fee (BSF) Child Care Assistance Grants M.S. 119B	BSF child care assistance grants provide financial subsidies to help low-income families pay for child care so that parents may pursue employment or education leading to employment, and children are well cared for and prepared to enter school ready to learn. Funds purchased child care for 15,538 children in 8,609 families (2013). As of June 2014, 6,679 families were on the waiting list for BSF child care.	$36,836	$42,318	$46,096	$46,167
Child Care Development Grants Bact 43: General Fund					
Child Care Resource and Referral Grants M.S. 119B	Grants to child care resource and referral agencies to support the child care infrastructure through information for parents, supports and training resources for providers, coordination of local services and data collection to inform community planning. Provide 19,500 referrals annually. Over 32,000 participants in training classes.	$882	$1,007	$1,007	$1,007
Child Care Integrity Grants M.S. 119B	Grants to counties to support fraud prevention activities.	$88	$147	$147	$147
Migrant Child Care Grants M.S. 119B	Provides grant funds to community based program for comprehensive child care services for migrant children throughout the state. Approximately 850 migrant children under 14 years of age served annually.	$170	$170	$170	$170

State Grant	Grant Description, Purpose, People Served	FY 2014 Actual	FY 2015 Budget	FY 2016 Base	FY 2017 Base
Child Care Service Development Grants M.S. 119B	Grants to child care resource and referral agencies to build and improve the capacity of the child care system for centers and family child care providers. Over 1,320 grants were awarded to child care providers in 2013.	$250	$250	$250	$250
Child Care Facility Grants M.S. 119B	Grants and forgivable loans to child care providers and centers in communities to improve child care or early education sites or to plan design and construct or expand sites to increase availability of child care and early education. 15 family child care providers and six child care centers received forgivable loans in 2014.	$163	$163	$163	$163
Child Care Development Grants Bact 43: Special Revenue Fund					
Minnesota Early Learning Fund (MELF) Quality Rating - Grant	Minnesota Early Learning Fund (MELF) Quality rating grants.	$0	$27	$0	$0
Race to the Top (RTT) -ELC QRIS Grants M.S. 256.011	These funds support a Quality Rating and Improvement System (QRIS). Grants to child care resource and referral agencies provide recruitment and supports to child care programs that participate in the QRIS and support a website that provides ratings to parents and information for participating child care programs, as well as a grant for evaluation of the initiative. As of July 2014, 1,638 child care and early education programs were rated through Parent Aware, Minnesota's QRIS.	$620	$1,772	$1,772	$1,772
Race to the Top (RTT) -ELC GW Support Grants M.S. 256.011	These funds provide grants to child care resource and referral agencies and other community-based organizations to provide training, coaching, career guidance, and higher education scholarships to child care providers and other early childhood educators to improve child care quality. In 2013, almost 70 early childhood programs received coaching and 75 child care professionals received scholarships.	$1,413	$1,357	$1,357	$1,357
Child Support Grants Bact 44: Special Revenue Fund					
Child Support County Grants M.S. 518A.51	This funding is from the non-federal share of the child support 2% processing fee authorized in the 2011 session and the federal $25 annual collections fee mandated in 2006. Counties earn incentives based on their program performance.	$1,457	$1,490	$1,490	$1,490
Child Support Payment Center Recoupment Account M.S. 518.56, subd. 11	Grants to individuals that temporarily fund NSF checks and other child support payment adjustments, which allow child support funds to be distributed within the 48 hour federal requirement.	$124	$50	$50	$50
Children's Services Grants Bact 45: General Fund					
American Indian Child Welfare Program M.S. 256.01, subd. 14(b)	Grants to tribes to provide core child welfare services to American Indian children living on participating tribe's reservations. There are 2 grantees: White Earth and Leech Lake reservations. More than 3,000 children and families were served through this grant.	$4,751	$4,751	$4,751	$4,751

State Grant	Grant Description, Purpose, People Served	FY 2014 Actual	FY 2015 Budget	FY 2016 Base	FY 2017 Base
Foster Care Transitional Planning Demo Project (Healthy Transitions and Homeless Prevention Laws of Minnesota 2005, Chapter 4, Article 9, Sec. 2, subd.4(g)	Grants to providers for transitional planning and housing assistance services to youth preparing to leave long-term foster care or who have recently left foster care. These grants served 834 youth in SFY 2013.	$1,056	$1,065	$1,065	$1,065
Privatized Adoption Grants (Public Privatized Adoption Initiative) M.S. 256.01, subd. 2	Grants to 5 providers for recruitment of adoptive families; fund child placement agencies' efforts to place children committed to the guardianship of the commissioner in adoptive homes. These grants supported services for 200 children and 400 families.	$1,832	$2,620	$2,620	$2,620
Child Welfare Reform - Prevention / Early Intervention Grants	Grants to counties for child protection services designed to support families to keep children safely at home. Services include training and counseling support for parents and children, stable housing and safe living conditions. Grants support services for 4,000 families per year.	$786	$786	$786	$786
Foster Care and Adoption Recruitment Grants M.S. 259A	Grants to county and American Indian Child Welfare Initiatives social service agencies for the recruitment of relative adoptive and foster families through access of Web-based search technology. The grant is regionally distributed, with 170 licenses for these agencies to access Web-based search technology for the purpose of relative search and notification.	$89	$161	$161	$161
Expanded Parent Support Outreach	Expanded Parent Support Outreach	$1,962	$2,250	$2,250	$2,250
Private Adoptions Child Specific with Carry Forward Authority M.S. 259A	Child Specific Agreements that were established through the Public Private Adoption Initiative grant take up to three years to complete. This funding is based on legislation that allows carry-forward for the child specific agreements.	$220	$440	$0	$0
Purchased Services Child Specific-Carry forward	Child Specific Agreements that were established through the Public Private Adoption Initiative grant take up to three years to complete. This funding is based on legislation that allows carry-forward for the child specific agreements.	$0	$345	$0	$0
Children's Services Grants; Bact 45 : Special Revenue Fund					
Parent Support Outreach Grant	Statewide allocations to 87 counties and Leech Lake and White Earth Bands of Ojibwe to prevent child maltreatment and improve family functioning for families reported to child protection services. Approximately 4,000 families served per year.	$23	$65	$79	$79
Foster Care Recruitment M.S. 256.01, subd. 36	Federal financial participation for foster care recruitment.	$0	$75	$76	$76
Indian Child Welfare Grants (ICWA) M.S. 256.01, subd. 14(b)	Grants to tribes and urban American Indian social service agencies to provide services to preserve and strengthen American Indian families and reunify children placed in out-of-home placement with their families. *(see also General Fund)*	$1,474	$1,482	$1,482	$1,482

State Grant	Grant Description, Purpose, People Served	FY 2014 Actual	FY 2015 Budget	FY 2016 Base	FY 2017 Base
Privatized Adoption Grants M.S. 256.01, subd. 36	The source of the funding for this item is federal reimbursement (Title IV-E match) associated with General Fund appropriations for Privatized Adoption Recruitment Grants which serve 200 children and 400 families in 2013.	($10)	$650	$650	$650
Adoption IV-B Grants	Federal reimbursement of Title IV-B activities eligible for Title IV-E reimbursement of adoption services to adoptive families.	$651	$651	$650	$650
Children's Trust Fund Grants M.S. 256E.22	Grants to counties and community-based agencies for child abuse and neglect prevention and services to families to reduce the risk of child maltreatment and enhanced family capacities.	$477	$395	$475	$475
Casey Parent Support Outreach Grant M.S. 256.01	The foundation grant as partial funding support for the early intervention program, the Parent Support Outreach Program, serving families at risk of child maltreatment. Approx. 900 families served in 2011.	$8	$0	$0	$0
Casey Safety Focused Family M.S. 256.01	The foundation grant is used to support the annual Communities of practice conference for the 87 counties and 2 tribal agencies responsible for responding to child maltreatment reports.	$52	$0	$0	$0
Children's Services Grants; Bact 45: Gift Fund					
Forgotten Children's Fund M.S. 16A.016, subd. 2	Private donations received from the American Legion and other private donors and administered by DHS to fund special services or activities to children in foster care. Funds approximately 98 requests per year.	$15	$24	$24	$24
Children & Community Services Grants Bact 46: General Fund					
Children & Community Services Grants M.S. 256M	Grants to all Minnesota counties to purchase or provide services for children, adolescents and other individuals who experience dependency, abuse, neglect, poverty, disability, or chronic health conditions. This grant contributes to costs for services to approx. 213,000 people annually.	$52,814	$55,814	$55,814	$55,814
Red Lake Band Grants M.S. 245.765	Grants to Clearwater and Beltrami Counties for costs of social services provided to members of the Red Lake Band residing on the Red Lake Reservation.	$487	$487	$487	$487
Children & Economic Assistance Grants Bact 47: General Fund					
Runaway and Homeless Youth M.S. 256K.45	Grants to non-profit agencies for the provision of street outreach, drop-in centers, transitional living programs and supportive housing to runaway and homeless youth. Estimate is 8,000 will be served in 2014-15.	$2,119	$3,162	$3,162	$3,162
Food Shelf Grants M. S. 256E.34	Grants for purchase and distribution of food to food shelves throughout the state, including some administrative costs. In 2013, families made more than 3.2 million visits to food shelves.	$1,318	$1,318	$1,318	$1,318
Aid to Counties-Fraud Prevention Grants (FPG) 256.983	Grants to counties for the Fraud Prevention Investigation Program, enabling early fraud detection and collection efforts.	$1,477	$1,768	$1,768	$1,768
Transitional Housing Grants M.S. 256E.33	Grants to private non-profits to provide rent assistance and supportive services to homeless individuals and families so they can secure permanent, stable housing. (Serves 4,000 individuals annually)	$3,178	$3,184	$3,184	$3,184

State Grant	Grant Description, Purpose, People Served	FY 2014 Actual	FY 2015 Budget	FY 2016 Base	FY 2017 Base
Long Term Homeless Services Grants M.S. 256K.26	Grants to multi-county collaboratives that subgrant funds to service providers assist long-term homeless individuals and families with children to find and maintain permanent housing. In 2013, 3,309 individuals in 1,495 households were served. Funds may also be used at the local level for federal Housing and Urban Development housing match.	$5,910	$5,910	$5,910	$5,910
Emergency Services Grants M.S. 256E.35	Grants to non-profits and tribal governments to fund the operating costs of shelters and essential services to homeless families and individuals. Served 3,130 individuals in 2013.	$594	$594	$594	$594
MN Community Action Grants M.S. 256E.30	Grants to Community Action Agencies and tribal governments to focus local, state, private and federal resources to support low-income families and individuals to attain the skills, knowledge and motivation to become economically secure. Served over 233,000 low-income families in 2013. Funds used at local level for match.	$3,928	$3,928	$3,928	$3,928
Multilingual Referral Line Title VI of the Civil Rights Act of 1964	Grants to non-profit agencies for the provision of language services and the translation of vital documents for non-English speaking recipients of human services.	$27	$43	$43	$43
Minnesota Food Assistance Program M.S. 259D.053	State funded food benefits for legal non-citizens who do not qualify for federal food stamps. In SFY 2015, estimate 500 average monthly cases will receive these food benefits.	$891	$858	$816	$816
Family Assets for Independence Minnesota (FAIM) M.S. 256E.34	Funds help low-income working Minnesotans increase savings, build financial assets, and enter the financial mainstream. Since 2000, FAIM accountholders have deposited nearly $2.9 million into savings accounts and acquired over 2,000 long-term financial assets.	$250	$250	$250	$250
Food Shelf Grants M. S. 256E.34	Additional grants for purchase and distribution of food to food shelves throughout the state. Families made more than 3.2 million visits to food shelves in 2013.	$375	$375	$375	$375
Safe Harbor Laws 2013, Chapt 108, Art 14, Sec2, subd 6(g) and Laws 2014, Chapt 312, Art 30, sec 2, subd 4(b)	Grants to 4 private non-profits to provide a new set of programming specific to sex trafficked minors through specialized emergency shelter, transitional living, youth supportive housing programs and specialized foster care. Programs are in a start-up phase, developing specialized programming, securing housing sites, having sites licensed through DHS and training staff. 27 beds are available.	$500	$1,000	$1,000	$1,000
High Risk Adults-Homeless Outreach Laws 2013, Chapt 108, Art 14, Sec 2, subd 6(l)	One time demonstration project to document the effectiveness of operating a multidisciplinary model for providing high risk adults with housing, short term work, health care, behavioral health care and community re-engagement. High risk adults defined as an adult likely to re-enter a correctional chemical or mental health program. The project is expected to serve 40 men for the biennium.	$200	$0	$0	$0
Children & Economic Assistance Grants Bact 47: Special Revenue Fund					

State Grant	Grant Description, Purpose, People Served	FY 2014 Actual	FY 2015 Budget	FY 2016 Base	FY 2017 Base
BCBS SNAP Outreach - Grant M.S. 256.01	Grants to 1) help farmers markets accept Electronic Benefit Transfer (EBT) payments to promote food access for Supplemental Nutrition Assistance Program (SNAP) participants and 2) provide the Market Bucks matching incentive to encourage SNAP recipients to shop for fresh fruits and vegetables and other SNAP-eligible products of farm and field at farmers markets. In 2014, the grants supported 65 farmers' market locations across the state.	$389	$32	$0	$0
SNAP Outreach and Incentives M.S. 245.771	Funds to conduct Supplemental Nutrition Assistance Program (SNAP) special projects designed to increase program participation. Four projects were funded in 2013 focusing on childhood hunger, Latino outreach, outreach in the 9 county metro and a grocery store incentive project.	$22	$0	$0	$0
SSI-IAR Disability Linkage Line M.S. 256D.06, subd. 5	Grants fund services provided by the Disability Linkage Line® to connect individuals using state benefit programs (General Assistance, Group Residential Housing and Minnesota Family Investment Program) with agencies under contract with the Department of Human Services to provide support and representation in applying for social security benefits.	$25	$140	$140	$140
Hunger Free Minnesota Grant 256.01	One-time funds to conduct a study to identify barriers faced by Able-Bodied Adults Without Dependents (ABAWDs) in connecting to SNAP Employment and Training services. Project is expected to be completed by January 2015.	$0	$10	$0	$0
NorthstarCare Grants Bact 49: General Fund					
Non-recurring Adoption Assistance Grants M.S. 259A.70	One time grants of up to $2,000 to adoptive families for expenses related to the adoption of a foster child with special needs. 329 children served in 2013.	$104	$189	$189	$189
NorthStarCare for Children	NorthStarCare for Children	$0	$2,802	$2,802	$2,802
Relative Custody Assistance Grants M.S. 257.85	Payments to relatives to offset cost of assuming permanent and legal custody of and caring for special needs children. Critical to securing permanency for children with special needs and consistent with the federal requirements and the Performance Improvement Plan (PIP) for the state's Child welfare system. Approximately 2,000 children served.	$7,604	$6,991	$6,991	$6,991
Subsidized Adoption Grants M.S. 259A	Payments to adoptive families to offset cost of assuming custody of and caring for special needs children. Critical to securing permanency for special needs wards of the state and consistent with the federal requirements and the Performance Improvement Plan (PIP) for the state's Child welfare system. (7,510 children in 2011).	$29,553	$29,861	$29,861	$29,861
Health Care Grants Bact 51 : General Fund					
Navigator Outreach Grants - General Fund	These funds provide incentive payments for the 990 entities and individuals across the state providing application assistance for Medical Assistance enrollees.	$0	$90	$410	$410
Emergency MA	These grants provide immigration assistance for entities to assist Emergency Medical Assistance recipients who may be eligible for Medical Assistance given a change in their citizenship.	$95	$100	$0	$0
Health Care Grants; Bact 51: Health Care Access Fund					

State Grant	Grant Description, Purpose, People Served	FY 2014 Actual	FY 2015 Budget	FY 2016 Base	FY 2017 Base
Navigator MA Enrollment Grants-HCAF	These funds provide incentive payments for the 990 individuals and entities across the state providing application assistance for enrollees in the Medical Assistance program.	$150	$150	$150	$150
Navigator RFP Outreach Grants - HCAF	These funds provide incentive payments for the 990 entities and individuals across the state providing application assistance for MinnesotaCare enrollees.	$0	$4,228	$6,217	$6,408
Navigator MNCare - HCAF	These funds provide incentive payments for the 990 entities and individuals across the state providing application assistance for MinnesotaCare enrollees.	$0	$167	$0	$0
Aging & Adult Services Grants; Bact 53: General Fund					
Senior Nutrition Program Grants M.S. 256.9752	Nutritional services including congregate meals to 47,000 people, home-delivered meals to 13,000 people, and grocery delivery to 600 people annually.	$2,585	$2,695	$2,694	$2,695
Caregiver Support Grants M.S. 256B.0917, subd. 6	Grants to counties and nonprofit organizations to provide caregiver and respite services, support groups and training in care giving.	$454	$479	$478	$479
Information and Assistance Grants M.S. 256.975, subd. 7	Grants to non-profit and community organizations and area agencies on aging provide information and assistance regarding home-based and community-based services.	$2,590	$3,185	$3,448	$3,449
Elder Care Development Grants M.S. 256B.0917, subd. 1c	SAIL/EDP: Grants to certain counties and Area Agencies on Aging (AAAs) to integrate, coordinate and enhance informal, quasi-formal and formal services for seniors. (Impacts 87 counties that serve older individuals) Block Nurse grants: These grants are to service providers for -in-home services.	$1,563	$1,758	$1,757	$1,758
Aging Prescription Drug Assistance Grant M.S. 256.975, subd. 9	Grants to AAAs and service providers to provide statewide outreach and education assistance to low income seniors regarding Medicare and supplemental insurance, including Medicare Part D.	$1,126	$1,190	$1,189	$1,191
Community Services M.S. 256B.0917, subd. 13	Grants to profit and non-profit entities and units of government for capital improvements, remodeling and programs to help rebalance the long-term care service system by increasing the supply of home and community-based services. Has supported 350 new projects expanding service options for approximately 250,000 individuals through 50,000+ volunteers and has helped to build or renovate over 1,400 units of housing. (See also Community Service Development Grants.)	$2,387	$2,522	$3,128	$3,129
Community Service Development Grants M.S. 256.9754	Grants to for-profit and nonprofit organizations, and units of government to increase the supply of home and community based services to rebalance the long-term care service system. Has supported 350 new projects expanding service options for approximately 250,000 individuals through 50,000+ volunteers and has helped to build or renovate over 1,400 units of housing. (See also EBFD 31597- Community Services grants).	$2,246	$2,373	$2,979	$2,980

State Grant	Grant Description, Purpose, People Served	FY 2014 Actual	FY 2015 Budget	FY 2016 Base	FY 2017 Base
Nursing Facility Return to Community M.S. 256.975, subd. 7	Return to Community is an intensive long-term care options counseling service provided by the Senior Linkage Line®, that helps people successfully remain in their homes after discharge from a nursing home. Since 2010, through 2013 over 5,800 consumers have been contacted for discharge support. Of those, direct assistance was provided to 1,054 adults. 995 adults are receiving 5 years of telephonic follow-up at home.	$2,231	$3,547	$3,546	$3,548
Senior Volunteer Programs M.S. 256.976 M.S. 256.977 M.S. 256.9753	Support to more than 20,000 older volunteers per year that provides services through the RSVP, Foster Grandparent, and Senior Companion programs.	$1,882	$1,988	$1,987	$1,988
PAS Screening 25% Aging M. S. 256.975, subd. 7a-7d	Grant funding for preadmission screening for everyone admitted to a Medical Assistance certified nursing facility. It was passed as part of Reform 2020 during the 2013 legislative session. The preadmission process was streamlined and the process allows for federal match of 75%.	$591	$659	$2,635	$2,636
Aging LTCC Grants M.S. 256B.0911 M.S. 256.975, subd. 7	Grant funding for Long Term Care consultation services. These services help people make decisions about long term care needs. These services include early intervention visits, and information and education about local long-term care service options. This was Reform 2020 funding from the 2013 legislative session.	$1,235	$1,739	$1,738	$1,739
Gaps Analysis Laws of 2013, Chap. 108, Article 15, subd 2(h)	Provides ongoing support to counties to participate in the biennial gaps analysis survey of the HCBS system. The funding is biennial.	$431	$0	$435	$0
Aging-Core HCBS Services M.S. 256B.0917 subd 7a	Increases grant funding to nonprofit HCBS providers that provide core in-home and community-based services to older adults, expanding the number of organizations that can be supported and increasing the number of individuals served.	$750	$1,511	$1,584	$1,585
Senior Nutrition Laws of 2014, Chap. 312, Article 30, Sec. 2	One time additional grant for funds for Senior meals to help reduction of nutrition funds due to federal sequestration.	$0	$250	$0	$0
Aging & Adult Services Grants Bact 53: Special Revenue Fund					
Nursing Home Advisory Council Minn. Stat. 144A.33	The account receives license fees that are collected by the Department of Health. The account is used by the Minnesota Board of Aging to provide ongoing education, training, and information dissemination to nursing home resident councils.	$181	$187	$187	$187
Veterans Transportation Grant M.S. 256.01 subd. 2	Inter-agency contract with the Minnesota Department of Transportation (MN DOT) to manage Veteran's Transportation and Community Living Initiative.	$245	$0	$0	$0
Deaf & Hard of Hearing Grants Bact 54 : General Fund					
DHHSD Grants M.S. 256.01 subd. 2; 256C.233; 256.25;256.261	Grants for multiple services and equipment to help Minnesotans who are deaf, deafblind, and hard of hearing or have multiple disabilities, including deafness, to remain independent and part of their communities. In FY 13 these grants served 968 people	$1,753	$1,824	$1,835	$1,835

State Grant	Grant Description, Purpose, People Served	FY 2014 Actual	FY 2015 Budget	FY 2016 Base	FY 2017 Base
Hearing Loss Mentors M.S. 256.01, subd. 2	Grant funding pays for deaf mentors to work with families who need to learn sign language and communication strategies to communicate with their children who have learning loss.	$0	$42	$40	$40
Deaf & Hard of Hearing Grants; Bact 54: Special Revenue Fund					
Rural Real Time - Grant Minn Stat. 237.32, 256C.30	Grants to rural television stations in Minnesota to provide real-time captioning of news and news programming where real-time captioning does not exist.	$269	$269	$269	$240
MCDHH Designated Fund - Web Access	Assist state agencies with translating web content into American Sign Language; no consumers directly served.	$0	$2	$0	$0
Disabilities Grants; Bact 55: General Fund					
Technology Grants; Corporate Foster Care Alternatives Laws of Minnesota 2009, Chapter 79	Technology for Home (T4H) provides in person assistive technology (AT) consultation and technical assistance to help people with disabilities live more independently. Expert consultants provide current, cost effective solutions and work with the person and their supporters to develop a plan for people who receive home care or home and community based waiver services. More than 550 unduplicated recipients have been served since March 2013. More than 2,400 services had been delivered as of June 20, 2014.	$583	$620	$593	$593
PASRR for Person with MI and DD	Funding to reimburse counties for costs associated with completing federally required pre-admission screening and resident reviews (PASRR) of nursing home applicants or residents with a probable mental illness or a developmental disability.	$3	$20	$20	$20
DD Family Support Grants M.S. 252.32	Family Support Grants (FSG) provides cash to families to offset the higher-than-average cost of raising a child with a disability. The goal of FSG is to prevent or delay the out-of-home placement of children and promote family health and social well-being by facilitating access to family-centered services and supports.	$2,484	$4,261	$4,278	$4,278
Disability Linkage Line M.S. 256.01, subd. 24	Disability Linkage Line (DLL) serves people with disabilities and chronic illnesses and their families, caregivers, or service providers to help people learn about options and connect with services and supports. DLL served 23,691 people through 50,411 contacts in FY 2014.	$1,121	$1,252	$1,504	$1,505
Semi-Independent Living Skills (SILS) Program M.S. 252.275	SILS serves people who are at least 18 years old, have a developmental disability and require supports to function in the community, but are not at risk of institutionalization. SILS served 1,552 people in SFY 2012.	$6,781	$8,287	$8,319	$8,319
Consumer Support Grants M.S. 256.476	Consumer Support Grant (CSG) is available for people who are eligible for Medical Assistance (MA) as an alternative to home care. CSG helps individuals purchase items and supports needed for the person to live in their own home. CSG served an average of 1,771 people in FY 2013.	$19,092	$6,519	$443	$443

State Grant	Grant Description, Purpose, People Served	FY 2014 Actual	FY 2015 Budget	FY 2016 Base	FY 2017 Base
State Case Management Grants	Funding to clinics and community based organizations for the provision of case management services to persons living with HIV as well as payments to purchase insurance coverage for eligible individuals. (Approximately 2,410 clients served per year- all funding sources). During the 2014 legislative session, the FY 15 appropriation was eliminated on a one time basis. The base is restored in FY 16. See also Insurance grants EBFD 31829.	$1,106	$1	$1,156	$1,156
HCBS Waiver Growth M.S. 256B.0658	Grants to assist individuals to move out of licensed settings or family homes into homes of their own. This funding was appropriated during the 2007 session as part of the proposal to Limit growth in the disability waivers and manage costs. 1,144 people have moved as of 11/1/2014 since the Housing Access program started in September 2009	$468	$487	$489	$489
State Insurance Premium Grants	HIV/AIDS programs assist individuals with health insurance premiums and pay premiums for people with HIV/AIDS who can't get insurance coverage elsewhere. See also EBFD 31829- Case management. During the 2014 legislative session, the 2015 appropriation was eliminated on a one time basis with the base funding restored in FY 16.	$686	$0	$1,064	$1,064
Advocating Change Together – ACT Minnesota Laws of 2009, Chapter 101	Advocating Change Together (ACT) receives a grant to establish a statewide self-advocacy network for individuals with disabilities. ACT informs and educates individuals with disabilities about their legal rights and provides training to people to self-advocate.	$118	$123	$123	$123
Advocating Change Together (one time rider)	Advocating Change Together Grant	$310	$0	$0	$0
Region 10 Grants	Grant to Region 10 for the administration of the State Quality Improvement and Licensing System under MS 256B.0961.	$100	$100	$100	$100
Local Planning Grants	Grants to assist lead agencies and provider organizations in developing alternatives to congregate living within the available level of resources for the HCBS waivers for people with disabilities. Local planning grants are used to create alternatives to congregate living for people with lower needs are available to counties, tribes, and provider organizations. A minimum of 162 people will be directly impacted, including providers, families/guardians, and individuals.	$250	$254	$254	$254
Intractable Epilepsy Minnesota Laws of 1988, Chapter 689	People, Inc. receives a grant to support a living skills training program for people with intractable epilepsy who need assistance in the transition to independent living. Approximately 20 people will be serviced each year.	$323	$343	$344	$344
Modify Residency Ratios M.S. 256B.492	This grant passed in 2013 and it is to assist people with HIV/AIDS with Housing. It gives an exception to the 4 unit community living requirement.	$0	$107	$143	$143
DT&H Facilities	This grant is for rate increases to day training and habilitation facilities to be distributed through an allocation to the counties.	$0	$642	$811	$811

State Grant	Grant Description, Purpose, People Served	FY 2014 Actual	FY 2015 Budget	FY 2016 Base	FY 2017 Base
Transition Init. Waivered Services M.S. 256.478	Disability Services and Adult Mental Health divisions are working together to develop contracts to pay for the costs of individuals moving from Anoka, St. Peter including wrap around services to support people in the community.	$548	$1,097	$1,627	$1,811
Work-Empower Grant M.S. 256B.021	Grants are intended to assist people with disabilities find integrated competitive employment. This was part of the Reform 2020 legislation passed during the 2013 legislative session.	$0	$339	$502	$502
Autism Respite Grants Minnesota Laws of 2014, Article 30, Section 2	These grants were appropriated one time for FY 15 during the 2014 legislative session. This grant is to provide respite to families with children with autism. Any unspent funds can be carried forward to FY 17. These grant funds are to establish service development grants for in-home and out of home respite for children and adults.	$0	$2,500	$0	$0
Disabilities Grants; Bact 55: Special Revenue Fund					
ADAP Drug Rebates-Title II Grants	Dedicated funding resulting from ADAP drug rebates that supplements state (H115) and federal (H119) allocations to maintain private insurance coverage and/or purchase HIV related drugs. These 3 funding streams serve approximately 1,500 persons.	$3,550	$12,047	$12,047	$12,047
Hennepin County Title 1 Case Management	DHS provides dental healthcare services for at least 216 clients living with HIV/AIDS in the 13 county metro areas. The services shall be provided by MA fee-for-service qualified providers with reimbursement for services administered through MMIS.	$113	$120	$120	$120
Adult Mental Health Grants; Bact 57: General Fund					
South Central Crisis Program Laws of 2010, 1st SS, Ch.1 Art. 25, subd. 10(a)	This grant funds Crisis Residential Stabilization Services in the Mankato area (CY2013 est. 415 adults served). Base funding is appropriated to BACT 61 (State Operated Services) and transferred to Adult Mental Health Grants each year for administration.	$600	$600	$600	$600
Mental Illness (MI)-Crisis Housing M.S. 245.99, subd. 1	Grant to nonprofit agency (sole source contract) for the provision of financial assistance to hospitalized clients needing help to pay for their housing. These funds are used only when other funds, such as SSI, are not available. (CY2013 - 244 adults served)	$304	$610	$610	$610
Adult Mental Health Culturally Specific Services M.S. 245.4661, subd 6	Grants to support increased availability of culturally responsive mental health services for racial and ethnic minorities through providing internship placements and clinical supervision to emerging mental health professionals. In CY13 thirty-four (34) student interns were supervised within the 3 grantee organizations, 583 hours of Trauma Therapy Training was received by student interns and staff of culturally specific grantee organizations. In CY2013 mental health services were provided to 972 adults under this grant (this number could include duplications). Mental health services were provided to African American, American Indian, Caucasian, Hispanic, Hmong and Latino clients.	$300	$300	$300	$300
Rule 78 Adult Mental Health Grant M.S. 256E.12	Grants to counties for community support services to adults with serious and persistent mental illness. 11,000 adults served annually.	$5,577	$5,687	$5,687	$5,687

State Grant	Grant Description, Purpose, People Served	FY 2014 Actual	FY 2015 Budget	FY 2016 Base	FY 2017 Base
Adult Mental Health Integrated Fund M.S. 245.4661, subd. 6 and 256E.12	Grants to counties for Adult Mental Health Initiatives including crisis response and case management services. For most counties, this includes integrated administration of Adult MH Community Support Grants and Residential Treatment Grants. (Approximately, 18,000 adults served annually)	$62,220	$60,014	$55,803	$55,803
Gambling Receipts Grants M.S. 297E.02, subd. 3 (c)	Grant to a state affiliate recognized by the National Council on Problem Gambling to increase public awareness of problem gambling, education and training for individuals and organizations providing effective treatment services to problem gamblers and their families, and research related to problem gambling	$184	$908	$375	$387
Transition Init Waivered Services M.S. 246.18, subd. 8 (b) (1)	Grants to counties and/or providers to transition individuals from Anoka Metro Regional Treatment Center and the Minnesota Security Hospital to the community when clients no longer need hospital level of care. This is a new grant in FY2014. To date 12 clients have been successfully transitioned to the community.	$192	$192	$192	$192
Pilot Project M.S. 245.4661	Grant to Zumbro Valley Mental Health Center to implement a pilot project to test an integrated behavioral health care coordination model. This is a new grant in FY2014. To date approximately 100 adults are being served within this pilot project with an estimated growth of an additional 100 adults by the end of the two year pilot.	$230	$230	$0	$0
Expand Mental Health Crisis Response Services M.S. 245.4661, subd. 6	Grants to counties to serve adults and children who are experiencing a mental health crisis and to pay for crisis response services infrastructure.	$750	$750	$750	$750
Adult Mental Health Int Fund: Non-County Allocation M.S. 245.4661, subd. 6	Grant to providers to develop a resource and training center in evidence-based practices for the treatment of co-occurring mental illness and substance use as well as support training of therapists in an evidence-based treatment for high need individuals (Dialectical Behavior Therapy). In CY2013 eighty (80) mental health providers received fifty-four (54) hours of training in the delivery of this evidence-based treatment.	$0	$1,000	$1,000	$1,000
Adult Mental Health Grants; Bact 57: Health Care Access Fund					
Adult Mental Health (AMH) Crisis Grants M.S. 245.4661, subd. 6	Adult mental health crisis grants to metro counties to build capacity for mobile crisis teams—particularly to cover costs for uninsured. Administered along state general fund crisis grant funds that are part of the Adult MH Initiative grants listed above.	$750	$750	$750	$750
Adult Mental Health Grants Bact 57: Lottery Cash Flow Fund 4800					

State Grant	Grant Description, Purpose, People Served	FY 2014 Actual	FY 2015 Budget	FY 2016 Base	FY 2017 Base
Gambling Grants Lottery Transfer M.S. 297E.02, subd. 3 (c)	Funds transferred from the Minnesota State Lottery to DHS -- provides funding for problem gambling assessments, outpatient and residential treatment of problem gambling and gambling disorder; training for gambling treatment providers and other behavioral health services providers; and research projects which evaluate awareness, prevention, education treatment service and recovery supports related to problem gambling and gambling disorder. Approximately 700 individuals receive outpatient or residential treatment per year.	$1,115	$1,508	$1,508	$1,508
Problem Gambling Rider M.S. 297E.02, subd. 3 (c)	Funds transferred from the Minnesota State Lottery to grant to the state affiliate recognized by the National Council on Problem Gambling to increase public awareness of problem gambling, education and training for individuals and organizations providing effective treatment services to problem gamblers and their families, and research related to problem gambling	$225	$225	$225	$225
Adult Mental Health Grants; BACT 57 : Special Revenue Fund					
Compulsive Gambling Indian Game M.S. 245.98, subd. 4	Funds combined with the Gambling Grants from the lottery to provide funding for problem gambling assessments, outpatient and residential treatment of problem gambling and gambling disorder; training for gambling treatment providers and other behavioral health services providers; and research projects which evaluate awareness, prevention, education treatment service and recovery supports related to problem gambling and gambling disorder. Approximately 700 individuals receive outpatient or residential treatment per year.	$451	$450	$450	$450
AMH Specialty Treatment Services M.S. 246.18, subd. 8 (b) (2)	Grants to providers participating in mental health specialty treatment services under MS section 245.4661. This is a new grant in FY2014.	$0	$1,000	$0	$0
Children's Mental Health Grants; Bact 58: General Fund					
Children's Mental Health (CMH) - Capacity Respite Grants M.S. 245.4889	Grants to counties to build service capacity for planned and emergency respite to relieve family stress that can result in out-of-home placement, violence, and ER visits. (Children served in CY 2013--2,071).	$1,024	$1,024	$1,024	$1,024
CMH - Crisis Services Grants M.S. 245.4889	Grants to counties in regional partnerships to build psychiatric crisis response capacity, including mobile crisis intervention and follow-up stabilization services. (CY2013 - 4,592 crisis episodes, a 43% increase from CY2012. Few were clients with repeat crises: 89% had no history of hospitalization; 82% had no history of residential treatment.	$2,904	$2,924	$2,924	$2,924
CMH - Cultural Competence Provider Capacity Grants M.S. 245.4889	Grants to provider agencies to support cultural minority individuals to become qualified mental health professionals and practitioners; to increase access of mental health services to children from cultural minority families; and to enhance the capacity of providers to serve these populations. During CY2013 paid approximately 2,500 hours of clinical supervision for 75 interns, 9 individuals achieved licensure and/or clinical supervisor status. 58 minority children received direct MH services.	$300	$300	$300	$300

State Grant	Grant Description, Purpose, People Served	FY 2014 Actual	FY 2015 Budget	FY 2016 Base	FY 2017 Base
Children's Mental Health (CMH) Screening Grant M.S. 245.4889	Grants to county child welfare and juvenile justice agencies to pay for mental health screenings and follow-up diagnostic assessment and treatment; covers children already deeply involved in child-serving systems. (In CY 2013, 6,451 child welfare clients and 3,813 juvenile justice clients served.)	$4,306	$4,532	$4,532	$4,532
CMH - Evidence Based Practices M.S. 245.4889	Grants to individual mental health clinicians to train them in the use of scientific evidence to support clinical decision-making and to implement evidence-based interventions across the state. (CY2013 Trained: xxx clinicians from xx agencies; xx clinicians from xx residential treatment ctrs.) (xx clinicians currently being trained in Trauma-Focused Cognitive Behavioral Therapy) (ss clinicians trained in Parent-Child Interaction Therapy)	$724	$750	$750	$750
Children's Mental Health (CMH) - Capacity School Based Services M.S. 245.4889	Grants to provider agencies to integrate mental health service capacity into the non-stigmatized natural setting of children's schools and to cover direct clinical and ancillary services for uninsured and under-insured children. During the 2012-13 school year 5,334 children received services (48% receiving services for the first time) -- serves Pre-K to age 21.	$7,065	$9,434	$9,434	$9,434
CMH - Capacity Early Intervention Grants M.S. 245.4889	Grants to provider agencies to build evidenced-based MH intervention capacity for children birth to age 5 whose social, emotional, and behavioral health is at risk due to biologically-based difficulty in establishing loving, stable relationships with adults; having cognitive or sensory impairments; or living in chaotic or unpredictable environments (CY2013 served 1,584, mostly in child-care and pre-school. DHS training qualified at least one MH professional in all by one county.)	$1,024	$1,024	$1,024	$1,024
Text Message M.S. 245.4889	Grant to a nonprofit organization to establish and implement a statewide text message suicide prevention program. This is a new grant in FY2014 and no data is available as of yet.	$625	$625	$625	$625
First Aid M.S. 245.4889	Grant to train teachers, social service personnel, law enforcement and others who come into contact with children with mental illness, in children and adolescent mental health first aid training. This is a new grant in FY2014 and no data is available as of yet.	$22	$23	$23	$23
CD Treatment Support Grants; Bact 59 : General Fund					
CD Native American Program M.S. 254.A.03, subd. 2	Provides funds to American Indian tribes, organizations, and communities to provide culturally appropriate alcohol and drug abuse primary prevention and treatment support services. Federal funds also partially support this activity (approx. 30%). During CY2013, 3,700 people were served. Eleven projects funded in FY2013.	$982	$1,036	$1,036	$1,036
CD Treatment Grants M.S. 254.A.03, subd. 1	Grant to nonprofit organization to treat methamphetamine abuse and the abuse of other substances. The focus audience is women with dependent children identified as substance abusers, especially those whose primary drug of choice is methamphetamine. (CY2013 - 954 women served)	$109	$125	$125	$125

State Grant	Grant Description, Purpose, People Served	FY 2014 Actual	FY 2015 Budget	FY 2016 Base	FY 2017 Base
SBIRT Training M.S. 254.A.03, subd. 1	Grant to train primary care clinicians to provide substance abuse brief intervention and referral to treatment (SBIRT) -- training to begin in November 2014.	$300	$300	$0	$0
Fetal Alcohol Syndrome M.S. 254.A.03, subd. 1	Grant to the Minnesota Organization on Fetal Alcohol Syndrome (MOFAS) to support non-profit Fetal Alcohol Spectrum Disorders (FASD) outreach prevention programs in Olmsted County. 50 women were served in fiscal year 2013. Nine of the 50 women were pregnant. This grant is both treatment and prevention focused.	$174	$180	$0	$0
CD Treatment Support Grants; Bact 59: Special Revenue Fund					
CCDTF Other Services M.S. 254B.04, subd. 1	Reimburse providers through the Consolidated Fund for the provision of chemical dependency treatment services to persons whose income is over 100% of Federal Poverty. Counties agree to pay 100% of the costs of non-eligible clients. Approximately 1,650 people received reimbursements in calendar year 2013.	$504	$900	$900	$900