

SF902 - 2E - "State Quality Council Modifications"

Chief Author: **Kent Eken**
 Committee: **Health And Human Services Division**
 Date Completed: **04/01/2015**
 Lead Agency: **Human Services Dept**
 Other Agencies:
 Ombudsman MH/DD

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
Human Services Dept						
General Fund	-	1,316	1,755	1,755	1,755	1,755
Ombudsman MH/DD						
General Fund	-	25	50	50	50	50
State Total						
General Fund	-	1,341	1,805	1,805	1,805	1,805
Total	-	1,341	1,805	1,805	1,805	1,805
Biennial Total			3,146			3,610

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Human Services Dept					
General Fund	-	9	15	15	15
Ombudsman MH/DD					
General Fund	-	.24	.48	.48	.48
Total	-	9.24	15.48	15.48	15.48

Lead Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Susan Earle Date: 04/01/2015
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2015	FY2016	FY2017	FY2018	FY2019
Human Services Dept						
General Fund	-	1,316	1,755	1,755	1,755	1,755
Ombudsman MH/DD						
General Fund	-	25	50	50	50	50
Total	-	1,341	1,805	1,805	1,805	1,805
			3,146			3,610
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Human Services Dept						
General Fund	-	1,809	2,484	2,484	2,484	2,484
Ombudsman MH/DD						
General Fund	-	25	50	50	50	50
Total	-	1,834	2,534	2,534	2,534	2,534
			4,368			5,068
2 - Revenues, Transfers In*						
Human Services Dept						
General Fund	-	493	729	729	729	729
Ombudsman MH/DD						
General Fund	-	-	-	-	-	-
Total	-	493	729	729	729	729
			1,222			1,458

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 Agency: **Human Services Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	-	1,316	1,755	1,755	1,755	1,755
Total	-	1,316	1,755	1,755	1,755	1,755
Biennial Total			3,071			3,510

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	-	9	15	15	15
Total	-	9	15	15	15

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	-	1,316	1,755	1,755	1,755	1,755
Total	-	1,316	1,755	1,755	1,755	1,755
Biennial Total		3,071		3,510		
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	1,809	2,484	2,484	2,484	2,484
Total	-	1,809	2,484	2,484	2,484	2,484
Biennial Total		4,293		4,968		
2 - Revenues, Transfers In*						
General Fund	-	493	729	729	729	729
Total	-	493	729	729	729	729
Biennial Total		1,222		1,458		

Bill Description

Section 1, adds a deadline of July 1, 2015, for the State Quality Council, in partnership with the Department of Human Services (DHS) to design a transition plan for licensed providers from Region 10 into the alternative licensing system.

Section 2, requires the Department of Human Services (DHS), by July 1, 2015, to establish or continue the operation of three regional quality councils as selected by the State Quality Council. One regional quality council is to be established in the Twin Cities metro area, another council should be established in greater Minnesota and one council shall be the Quality Assurance Commission established under section 256B.0951. By July 1, 2016, the commissioner is to add three additional regional quality councils. It also details the operational details DHS must set for the regional quality councils.

Section 3, appropriates \$4,293,000 from the general fund for the FY 2016-2017 biennium to the commissioner of human services to support the State Quality Council, fund six regional quality councils, and an annual survey of disability service recipients.

The effective date of implementation is July 1, 2015.

Assumptions

1. The appropriation is for the SFY 2016-2017 biennium. Per state budget counting rules the amount appropriated in the second year of the biennium forms the ongoing base amount. Because the bill language requires grant funding for twice as many regional councils in 2017, we assume that twice the 2016 grant funding level is available to support them.
2. The proposed staff would be state employees.
 - a. State Quality Council
 - 1.0 FTE to provide administrative support
 - 1.0 FTE to be a policy lead resource
 - 0.5 FTE to compile corrective action plans and support quality improvement priorities

- 0.5 FTE to develop measureable outcome indicators
- b. Regional Quality Councils
- 6.0 FTE, one dedicated to each regional council to provide administrative support
 - 6.0 FTE, one dedicated to each regional council to be a policy lead resource
3. FTE estimates assume July 1, 2015, start date for three (3) FTEs dedicated to the State Quality Council and six (6) FTEs dedicated to the Regional Quality Councils starting on that date, and a July 1, 2016, start date for six (6) FTEs dedicated to the Regional Quality Councils starting on that date.
4. The appropriations for the regional quality councils include funds to reimburse member costs to attend monthly meetings including mileage, stipends, meals, and lodging.
5. \$350,000 in SFY 2016 and \$350,000 in SFY 2017 to conduct an annual survey of service recipients.
6. Quality for disability service recipients refers to people with disabilities who receive services funded by a home and community based services waiver, regulated under 245D.

\$400,000 is dedicated in county grants in SFY 2016 and 2017 to cover county costs for participating in activities related to quality management, especially to assure dedicated resources when developing and maintaining regional councils.

Expenditure and/or Revenue Formula

Fiscal Tracking Summary (\$000s)						
Fund	BACT	Description	FY2016	FY2017	FY2018	FY2019
GF	55	Grants to Counties	400	400	400	400
GF	14	Annual Participant Survey	350	350	350	350
GF	14	State Quality Council	381	381	381	381
GF	14	Regional Quality Councils	678	1,353	1,353	1,353
GF	REV1	Administrative FFP @ 35%	(493)	(729)	(729)	(729)
		Total Net Fiscal Impact	1,316	1,755	1,755	1,755
		Full Time Equivalent				
GF	14	CC administration	9.0	15.0	15.0	15.0

Long-Term Fiscal Considerations

The level of funding in SF2017 is ongoing.

Local Fiscal Impact

Local county costs will be offset by state grant funding.

References/Sources

[Minnesota Region 10 Quality Assurance](#)

[Minnesota Department of Human Services, State Quality Council](#)

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Chief Author: **Kent Eken**
 Committee: **Health And Human Services Division**
 Date Completed: **04/01/2015**
 Agency: **Ombudsman MH/DD**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	-	25	50	50	50	50
Total	-	25	50	50	50	50
Biennial Total			75			100

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	-	.24	.48	.48	.48
Total	-	.24	.48	.48	.48

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Brian McLafferty Date: 3/31/2015 3:46:41 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2 Dollars in Thousands	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	-	25	50	50	50
Total	-	25	50	50	50
Biennial Total			75		100
1 - Expenditures, Absorbed Costs*, Transfers Out*					
General Fund	-	25	50	50	50
Total	-	25	50	50	50
Biennial Total			75		100
2 - Revenues, Transfers In*					
General Fund	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description

A bill for an act relating to human services; modifying requirements for the State Quality Council and regional quality councils; appropriating money; amending Minnesota Statutes 2014, section 256B.097, subdivisions 3,4.

Section 2 requires that by July 1 of 2015 the Commissioner of Human Services will establish three regional councils that will include representatives from OMHDD. By July 1 of 2016 the Commissioner shall establish three additional regional councils which will also include representatives from OMHDD

Section 3 provides an appropriation to the Commissioner of Human Services for quality insurance initiatives for services provided to people with disabilities. This appropriation is split between State Quality Council, Regional Quality Councils and an annual survey of disability service recipients.

Assumptions

We assume the first three regional quality councils will begin on July 1, 2015 and the next three on July 1, 2016. If they start earlier, there will be additional costs for our agency.

Current OMHDD staff cannot cover the additional workload to participate in the new regional quality councils. OMHDD will need either an additional general fund appropriation or a portion of the funds appropriated to Human Services to cover these costs. This fiscal note assumes funding by general fund appropriation. We anticipate the additional participation will require .24 FTE in FY16 and .48 FTE in FY17 and beyond.

Based on an OMHDD employee currently serving on the State Quality Council (SQC), we used the number of meetings, time spent in meetings, time spent preparing for and answering communications directly related to the meetings, time spent in travel status and miles driven to create the base costs for participation in the six regional quality councils.

Expenditure and/or Revenue Formula

The salary/fringe estimates below are based on costs for a current employee in the Client Advocate classification.

FY16:

Annual salary/fringe $\$94,165 * .08 \text{ FTE} \times 3 \text{ councils} = \$22,600$

Mileage (two out-state and one metro) - \$2,000

Total - \$24,600

FY17:

Annual salary/fringe $\$95,692 * .08 \text{ FTE} \times 6 \text{ councils} = \$45,932$

Mileage (four out-state and two metro) - \$4,000

Total - \$49,932

Long-Term Fiscal Considerations

Costs will continue long-term as the regional quality councils have no expiration date.

Local Fiscal Impact

Representatives from county human services agencies are required to participate on the new regional quality councils.

References/Sources

Paul Doyle

Deputy Ombudsman, OMHDD

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