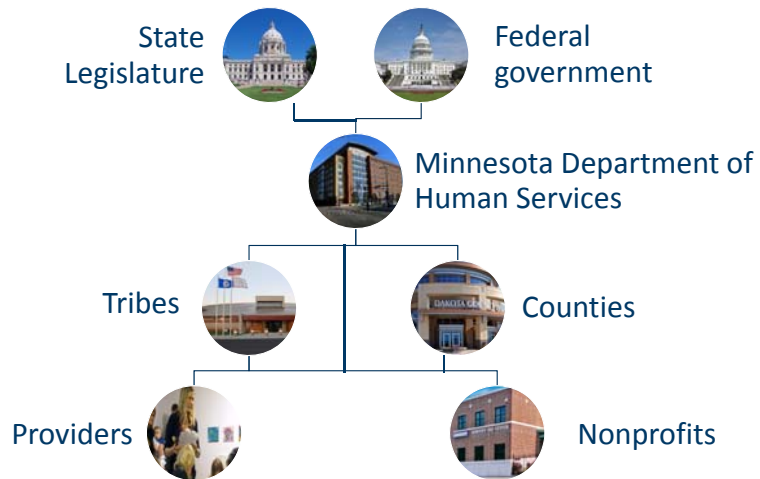


# DEPARTMENT OF HUMAN SERVICES

## Department of Human Services Overview

Emily Piper | Commissioner

## Human services system



## Minnesota ranks high

- #1 Overall health system**
- #1 Long-term care home & community based services**
- #1 Overall child well-being**
- #4 Healthiest state for seniors**
- #4 Healthiest state**



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## Our mission

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

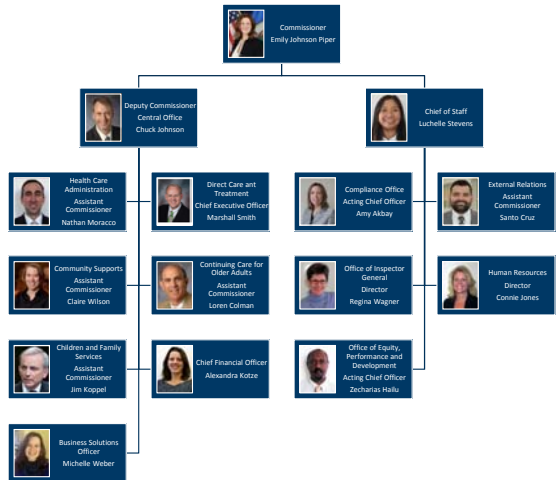


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# Organization chart



# Who we are



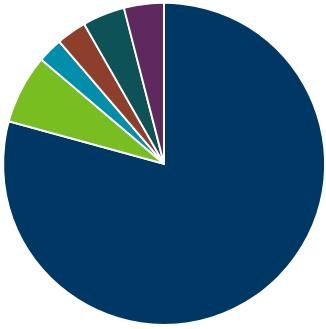
- Largest state agency
- Approximately 6,100 employees at 200-plus sites
- Administrations
  - Health Care – 646 FTEs
  - Continuing Care for Older Adults – 121 FTEs
  - Community Supports – 269 FTEs
  - Direct Care and Treatment – 4,224 FTEs
  - Children and Family Services – 286 FTEs
  - Policy and Operations – 553 FTEs

## FY 2016 (all fund) spending

• **Total — \$16.2 billion**

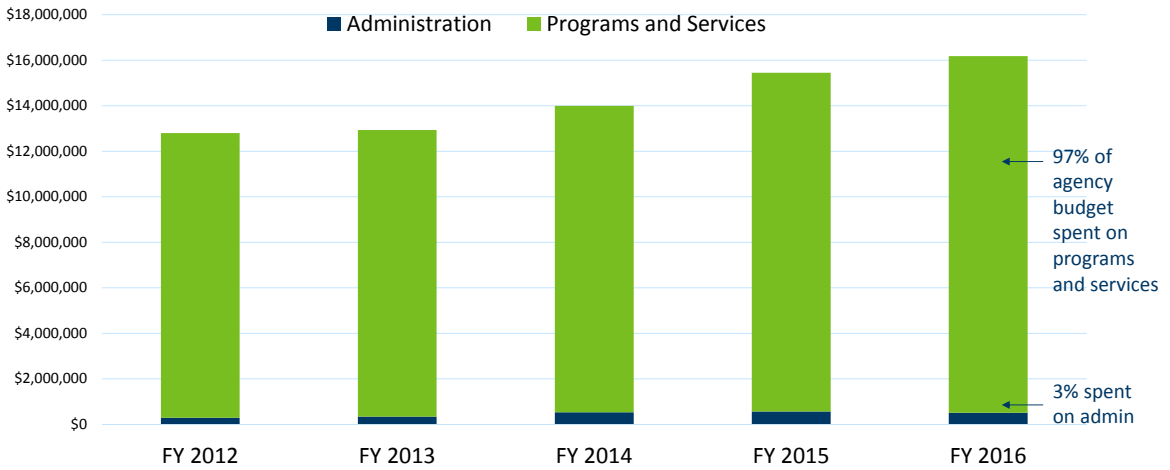
- Forecasted programs — \$12.815 billion
- Grant programs — \$1.124 billion
- Direct Care and Treatment — \$406 million
- Policy— \$488 million
- Technical activities — \$688 million
- Fiduciary activities — \$648 million

- Forecasted programs
- Grant programs
- Direct Care and Treatment
- Policy
- Technical activities
- Fiduciary activities



Source: Minnesota Management & Budget BPAS reports

## DHS funding overview FY 2012-16



## Who we serve



Children and families  
People with disabilities  
Older Minnesotans

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## Who we serve: By the numbers

### FY 2016 actuals

- Medicaid average monthly eligible .....**1,079,407**
- MinnesotaCare average monthly enrollees .....**115,197**
- LTC facilities average monthly recipients .....**16,251**
- HCBS waiver & alternative care avg. monthly recipients .....**62,389**
- MFIP average monthly persons .....**91,159**
- SNAP recipients (average monthly for FY 2013) .....**453,187**
- People with disabilities under state guardianship.....**2,000**

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## Who we serve: By the numbers, continued

### FY 2016 actuals

- Children in out-of-home care.....**8,311**
- Child care (MFIP/BSF) average monthly families .....**15,112**
- Licensed family child care.....**9,079**
- All DHS licensed providers.....**22,000**
- Background studies conducted in calendar year.....**327,000**
- Children under state guardianship.....**866**

## Health Care overview

- 646 employees (FTEs)
- All funds – \$654 million (non-MA)
- Major programs
  - Medical Assistance
  - MinnesotaCare



## Health Care opportunities and challenges

- Integrated Health Partnership
- Reducing uninsured rate at 4.5%
- Getting better value through purchasing strategies
- Carry forward our legacy of bipartisan innovation
- Threat of Affordable Care Act repeal
- Provider tax sunset

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## Children and Families overview

- 286 employees (FTEs)
- All funds – \$1.5 billion
- Major programs
  - Economic Assistance and Employment Supports
    - Minnesota Family Investment Program
    - Food Support
  - Child Safety and Permanency
  - Child Support
  - Community Partnerships and Child Care Services



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## Children and Families opportunities and challenges

- Created uniformity among all of MN economic assistance programs
- Reforms to Child Support
- Supplemental Nutrition Assistance Program's Employment and Training Program federal dollars leveraged
- Child protection funding
- Child Care Reauthorization

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## Direct Care and Treatment overview

- 4,224 employees (FTE)
- All funds – \$406 million
- Major programs
  - Mental Health and Substance Abuse Treatment Services (MHSATS)
  - Community Based Services (CBS)
  - Forensic Services
  - Minnesota Sex Offender Program (MSOP)



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## Direct Care and Treatment opportunities and challenges

- Improving safety and quality of care
- Licensing and compliance progress at MSH and AMRTC
- Improving access to psychiatric beds
- Stabilizing funding
- Staffing, recruitment and retention
- Community placements for many of our forensic and MSOP clients.

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## Community Supports overview

- 269 employees (FTEs)
- All funds – \$530.6 million
- Major programs
  - Mental Health Services
  - Alcohol and Drug Abuse
  - Disabilities Services
  - Deaf & Hard of Hearing Services
  - Housing Support Services



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## Community Supports opportunities and challenges

- Strengthen the chemical health continuum of care
- Increase direct access to affordable housing choices
- 24/7 access to crisis services
- Workforce shortages
- HCBS Final Rule

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## Continuing Care for Older Adults overview

- 121 employees (FTEs)
- All funds – \$105.7 million
- Divisions
  - Aging & Adult services
  - Nursing Facility Rates & Policy
  - Planning and Aging 2030
  - Fiscal Analysis and Performance Measurement
  - Operations and Central Functions



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## Continuing Care for Older Adults opportunities and challenges

- Return to Community
- Report cards that measure quality
- Value-Based Reimbursement for nursing facilities
- Demographics are shifting
- Lack of affordable housing
- Workforce shortages
- Regulations

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## Policy and Operations overview

- 553 employees (FTEs)
- All funds – \$879.4 million
- Major programs
  - Office of Inspector General (Licensing, Financial Fraud Investigations, Background Studies)
  - Compliance Office (Appeals, Internal Audits, Legal Management)
  - External Relations Office (Communications, Legislative, County, Federal and Community Relations & Office of Indian Policy)
  - Office of Equity, Performance, and Development
  - Office of the Chief Financial Officer (Reports and Forecasts)
  - Human Resources



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## Policy and Operations opportunities and challenges

- Fraud investigations
- Consistent application of county delegated licensing functions
- Compliance with the Child Care and Development Block Grant reauthorization of 2014
- Clarification of Minnesota's authority to access FBI Background Study checks
- IT
- Operating adjustment

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## Financial Overview

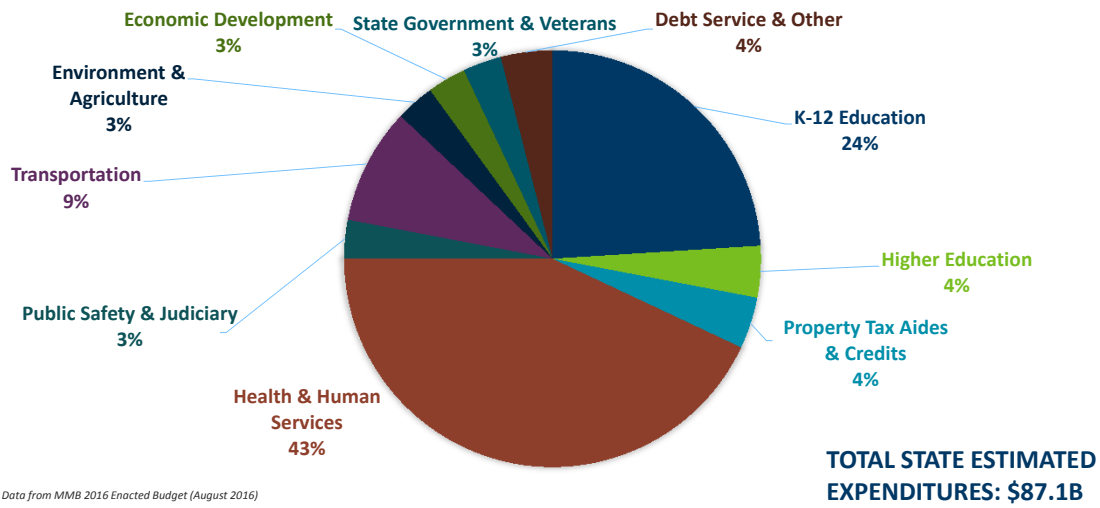
Dave Greeman | Budget Director

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## 2016-2017 biennium – All funds enacted budget



Data from MMB 2016 Enacted Budget (August 2016)

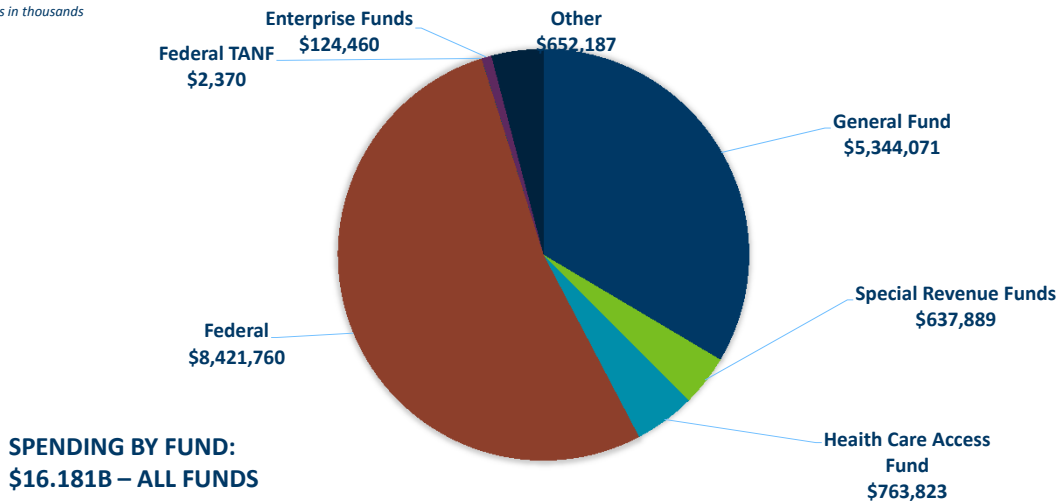
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## Human Services budget – Actual FY2016 spending by fund

Numbers in thousands

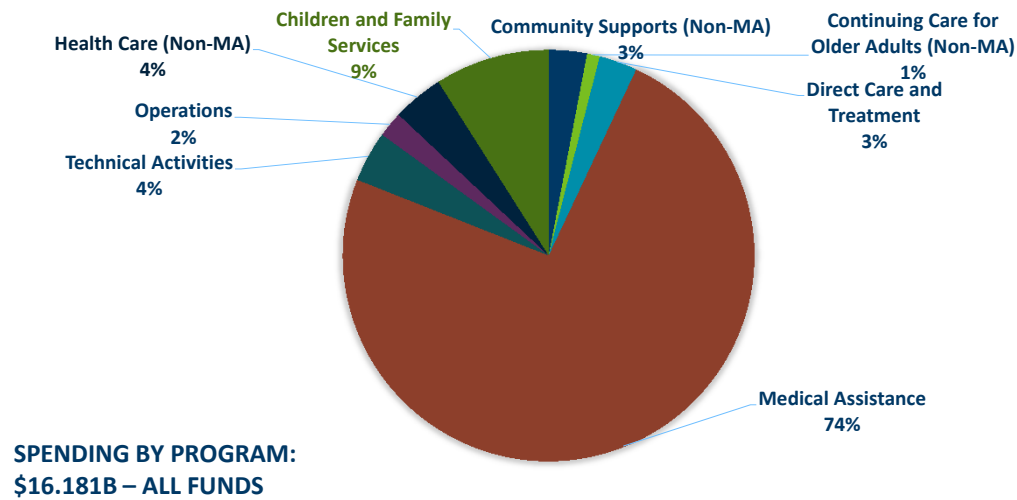


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## Human Services budget – Actual FY2016 spending by program

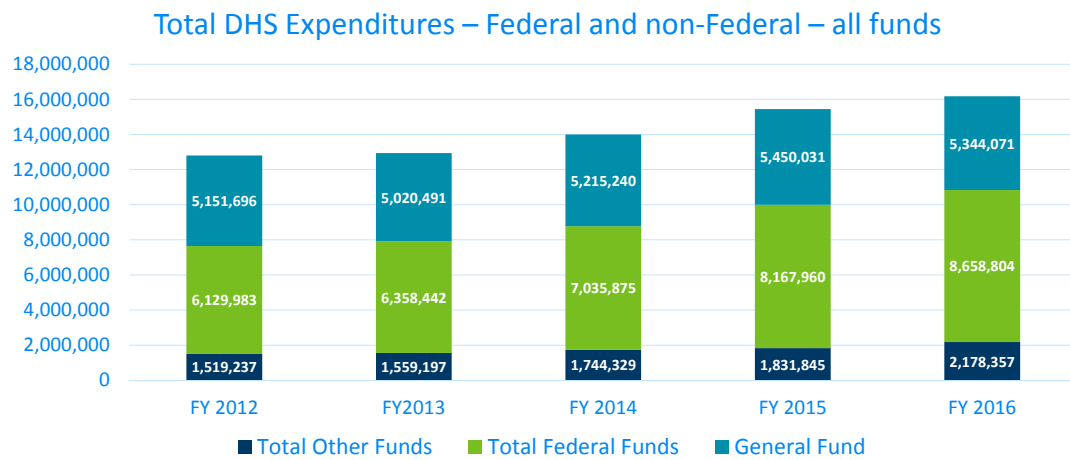


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## Total DHS expenditures trends – All funds

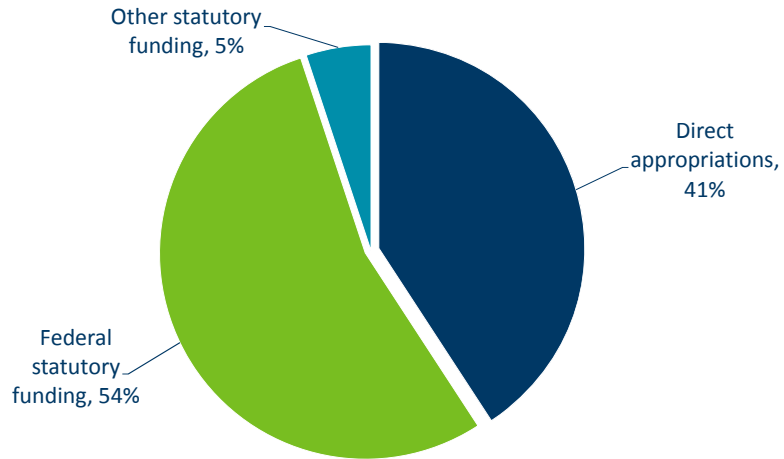


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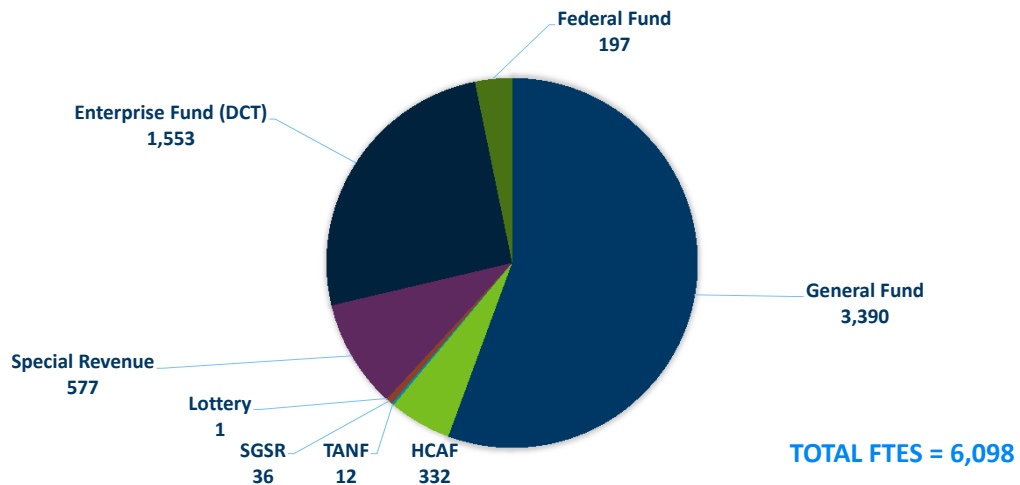
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## DHS total actual SFY2016 funding sources

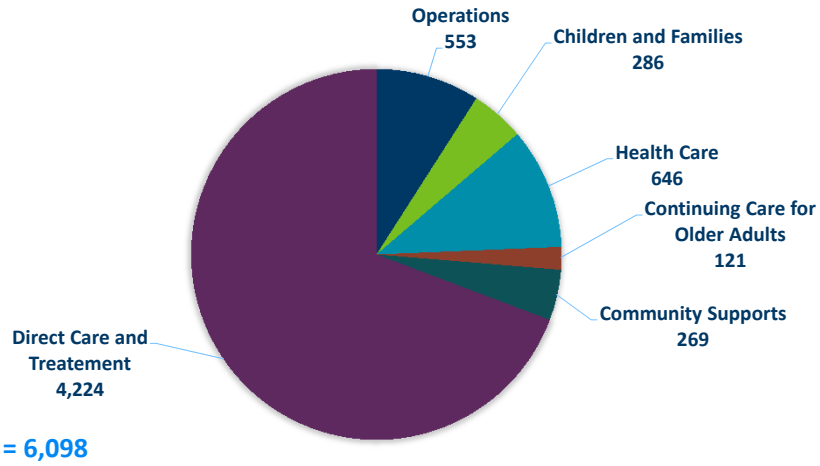


November 2016 Forecast Base Budget – all funds

## FTEs by fund – SFY2016 budget



## FTEs by program— SFY2016 budget

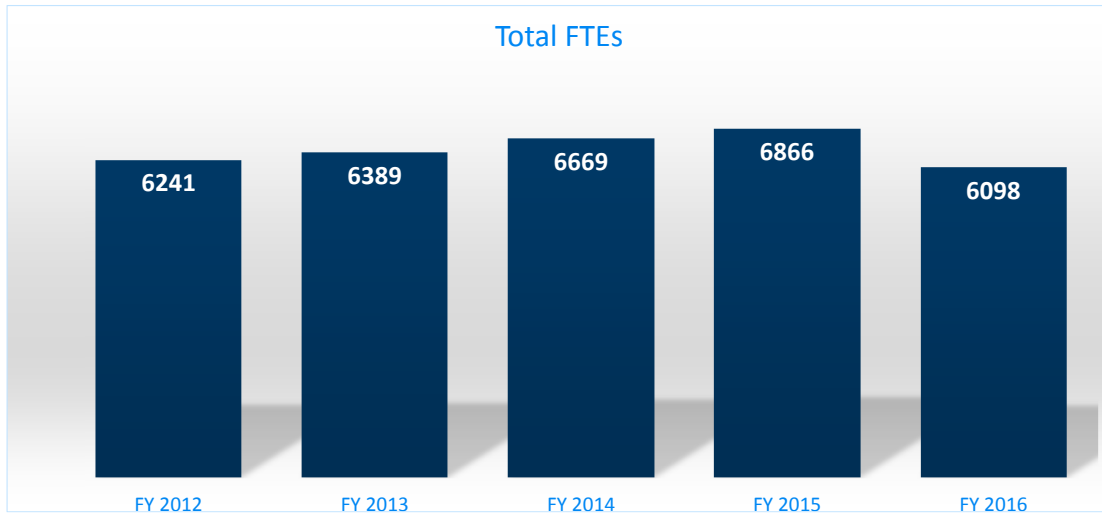


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## Total DHS FTEs—All funds



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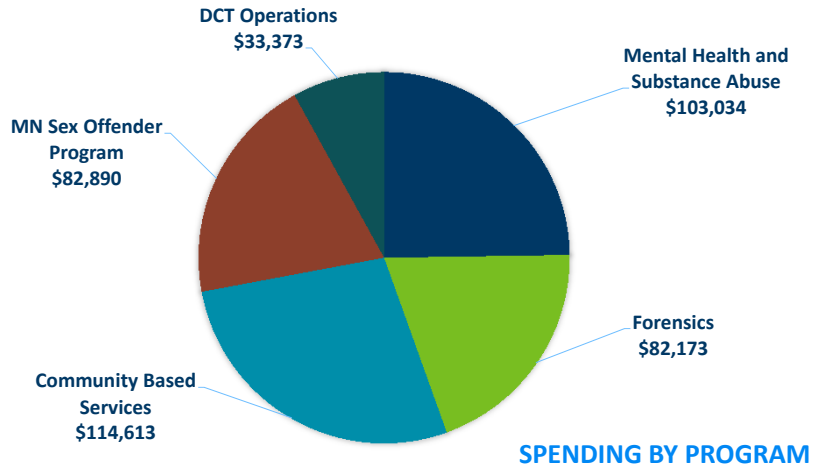
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## Direct Care and Treatment – Actual FY2016 spending

Numbers in thousands



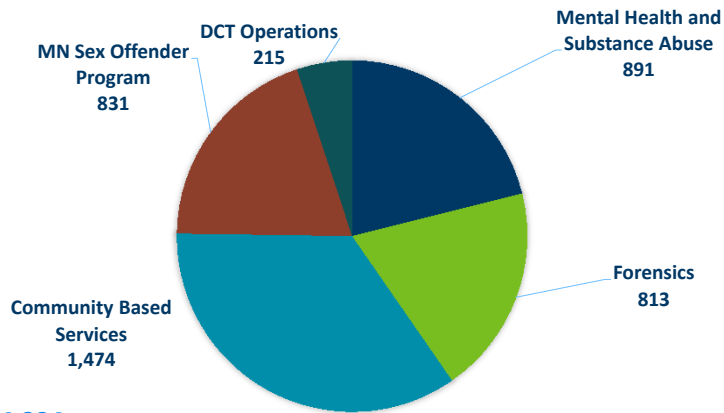
**\$416.1 million – all funds**

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## Direct Care and Treatment FTEs – 2016



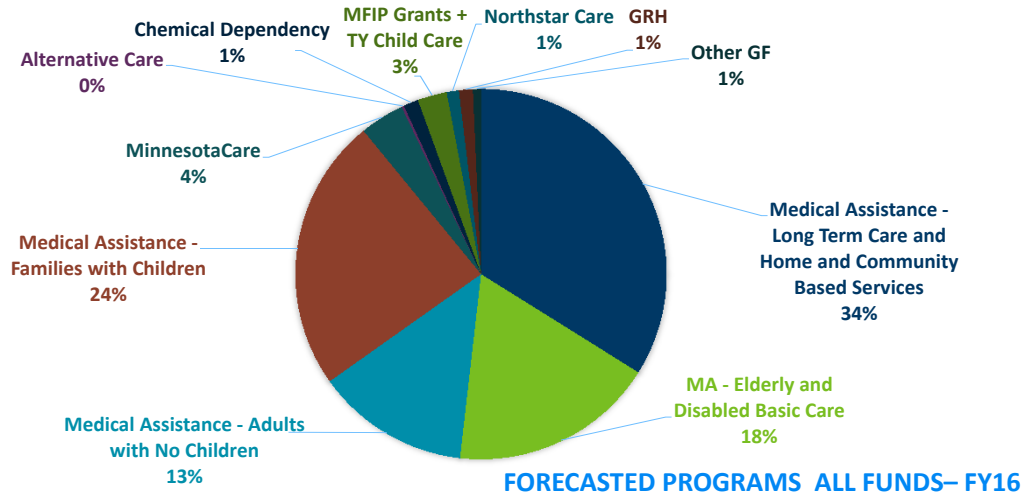
**TOTAL FTES = 4,224**

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## Forecasted programs – November 2016 forecast

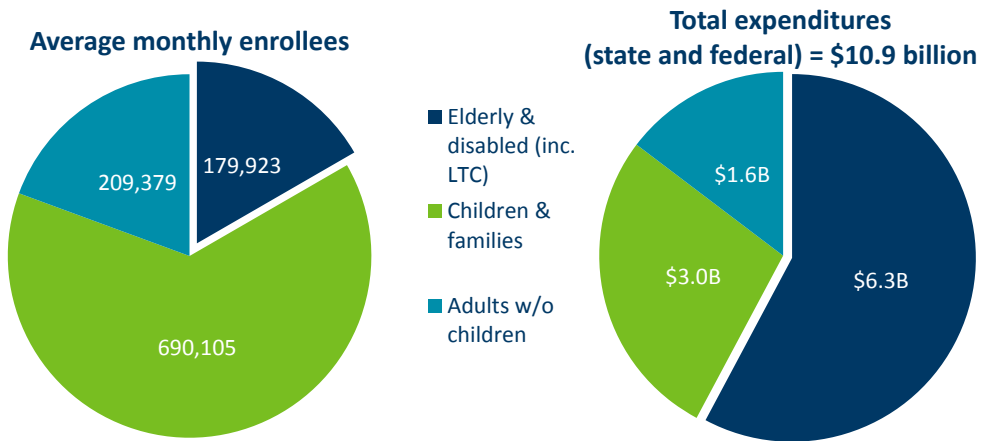


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## Medical Assistance actual SFY2016



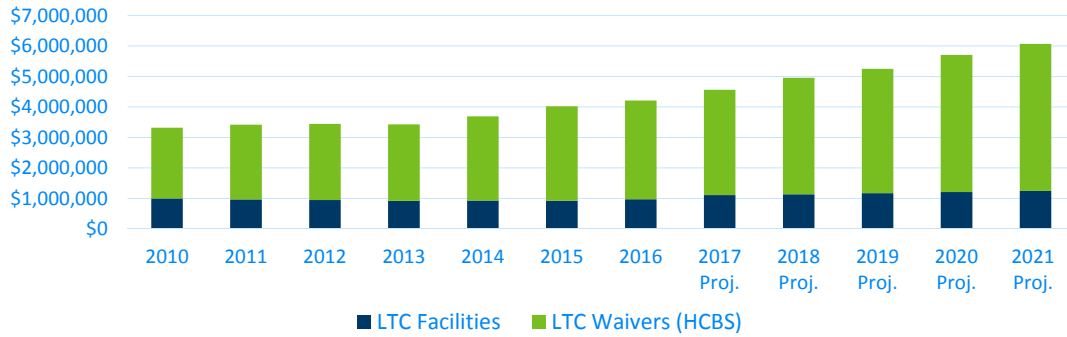
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## Long-term care forecast trends

### Annual Forecasted Spending for LTC – all funds

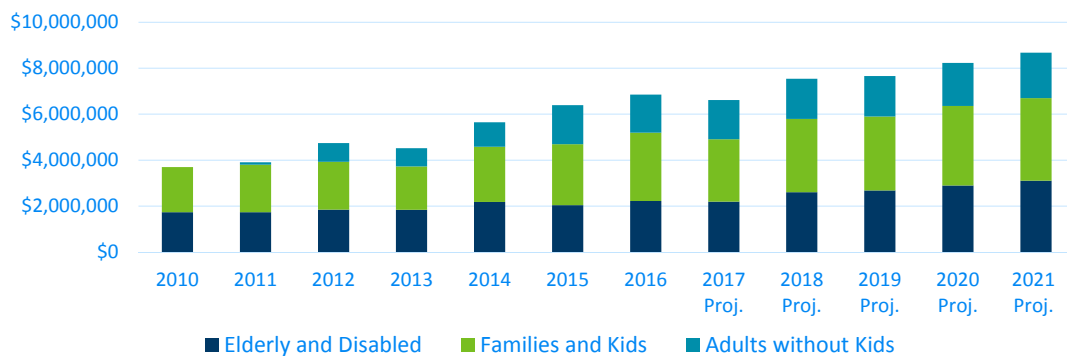


Overall growth represents a shift from the institutional care to home and community based services. In HCBS, growth is attributable about 60% to increases in numbers of recipients and 40% to average cost of care.

## Basic care forecast trends

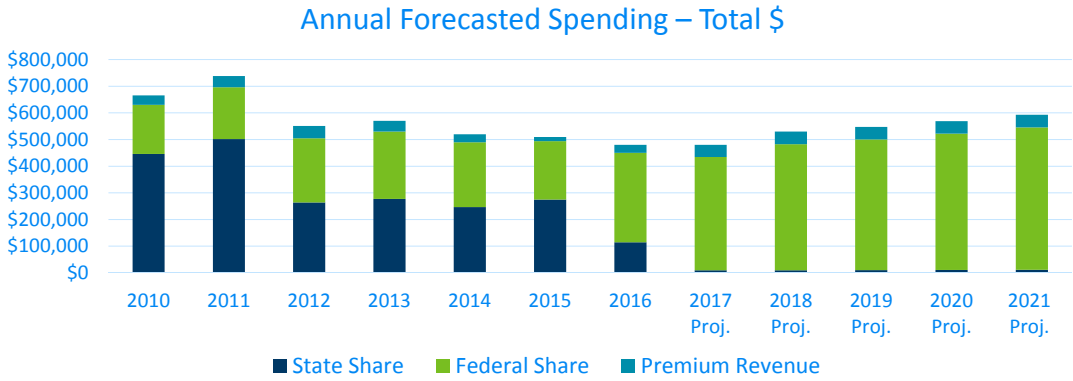
### Basic Care Forecast– all funds

*Note: There are payment delays in FY11, FY13, FY15, FY17 that cause fluctuations in growth.*



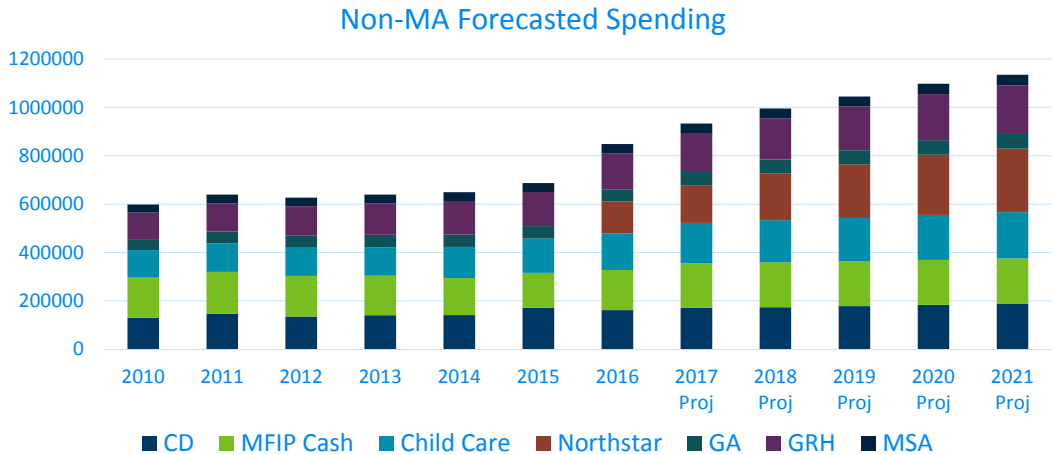
Elderly and Disabled Basic Care growth is attributable to about 50% enrollment and 50% cost of care increases. Families with kids and adults without kids growth from FY14-FY21 is mainly a result of enrollment growth under the Affordable Care Act.

# MinnesotaCare forecast trends



FY12 shows the full impact of shifting 50,000 adults without children to MA. Further reductions in FY14-FY16 also reflect shifts to MA.

# Non-MA forecast trends



## Conclusion

- Spending on Central Office/Operations is small – the vast majority of our spending is on programs and services.
- Direct Care and Treatment has 65% of our FTEs that provide care for over 12,000 people annually.
- The forecast for Medical Assistance – with the majority of funding in long term care and home and community based services – is driving the majority of the growth in spending.

## Fiscal contact information

- Dave Greeman, Budget Director, [dave.greeman@state.mn.us](mailto:dave.greeman@state.mn.us)
- Alex Kotze, CFO, [alexandra.kotze@state.mn.us](mailto:alexandra.kotze@state.mn.us)
- Shawn Welch, Reports and Forecasts, [shawn.m.welch@state.mn.us](mailto:shawn.m.welch@state.mn.us)



# Questions?