

Budget for One Minnesota



2019 Budget Recommendations



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.

Budget overview

ONECare MN

Child care investment and integrity

Children and families

Behavioral health

Vulnerable adults

Long-term services and supports

Direct care and treatment

Systems modernization

Program integrity

Federal compliance and technical changes

Aiming to reduce disparities in public programs



One Minnesota starts with better health outcomes and broader access to care for **all Minnesotans**, their families and communities

ONECare MN



- ONECare MN
 - Health Insurance Buy-In
 - Pharmacy
 - Dental
- Provider tax sunset repeal

Child care investment and integrity



- Child Care Assistance Program investments
- Child Care Assistance Program basic sliding fee waiting list
- Child Care Assistance Program integrity

Children and families



- Economic stability for families
- Tribal Child Welfare Initiative expansion
- Child welfare training and investment
- Closing gaps in health care coverage for children in foster care

Behavioral health



- Expand and strengthen school-linked mental health
- Children's intensive services reform
- Certified Community Behavioral Health Clinics expansion
- Response to the opioid crisis
- Mental health uniform service standards
- Building an integrated behavioral health care continuum
- Expand Transitions to Community Initiative

Vulnerable adults



- Additional staff for the Office of Ombudsman for Long-Term Care
- Civil and criminal coordination for the protection of vulnerable adults
- Assisted Living Report Card
- Licensed home and community-based services unit funding
- Adult day center oversight improvements

Long-term services and supports



- Simplify and streamline the home and community-based waiver system
- DWRS competitive workforce factor
- Nursing facility Value Based Reimbursement and property payment reform
- Self-directed worker union contract

Direct care and treatment



- Minnesota Sex Offender Program funding
- Minnesota State Operated Community Services (MSOCS) operating adjustment
- Increase bed capacity within DCT's Minnesota Specialty Health Services (MSHS) programs

Systems modernization



- Service delivery transformation

Program integrity



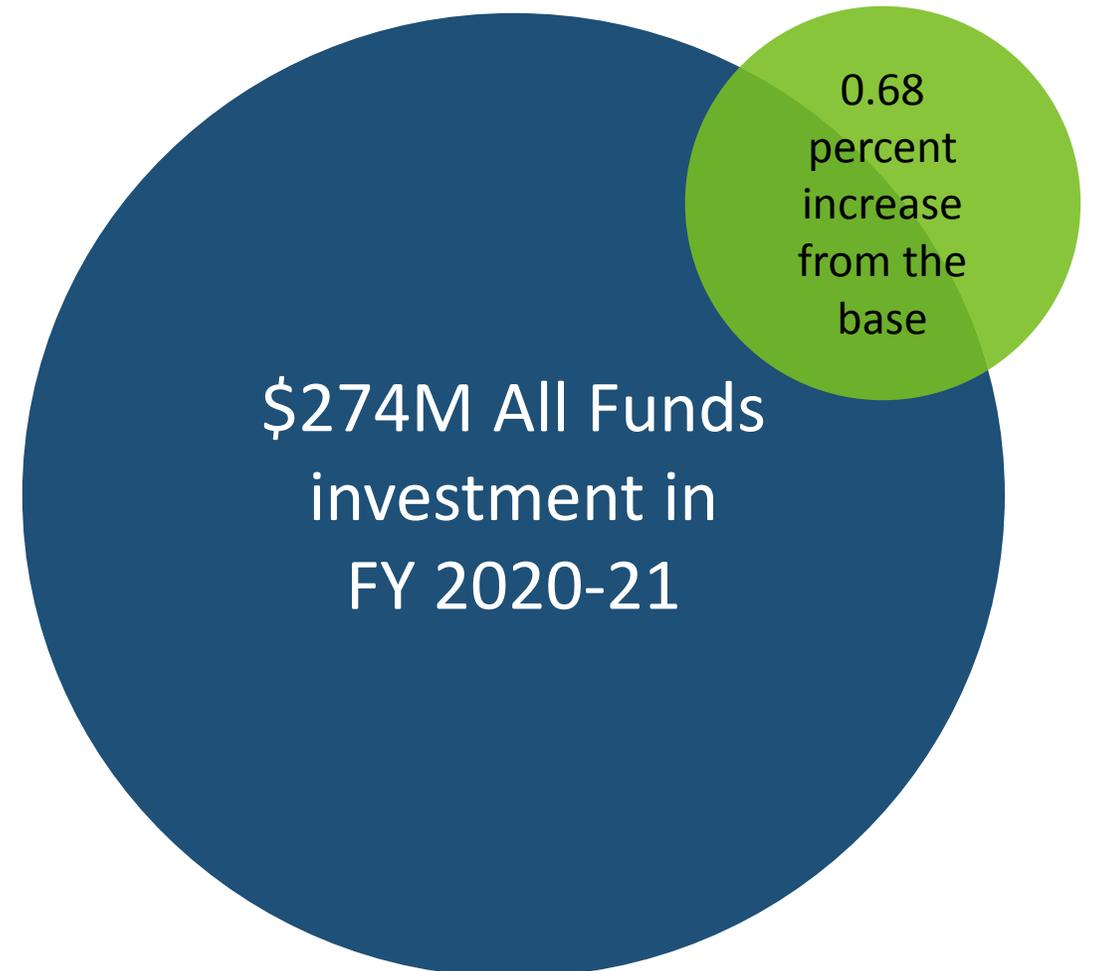
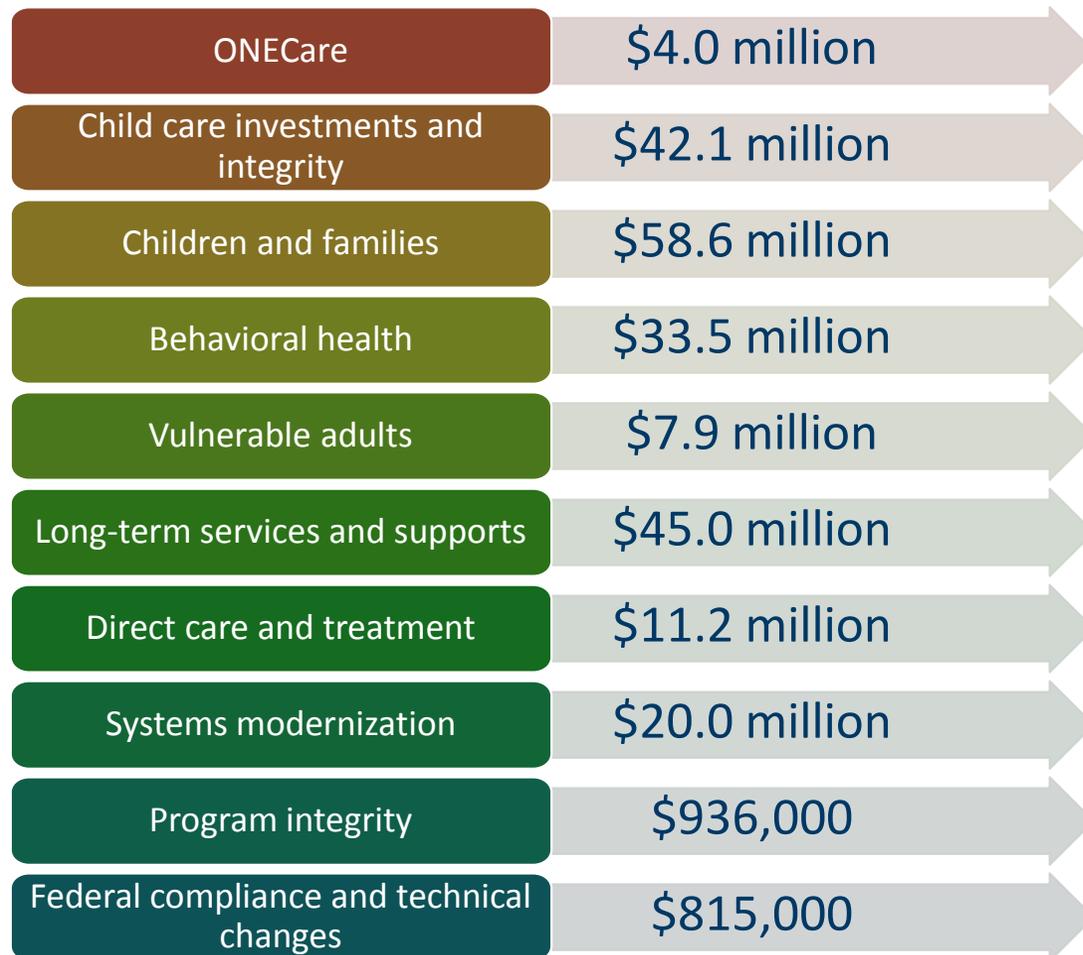
- Enhanced program integrity for Nonemergency Medical Transportation
- SIRS investigation expansion
- Fraud prevention investigations expansion
- Electronic visit verification

Federal compliance, technical changes and other needs



- Federal compliance with outpatient pharmacy rule
- Updating durable medical equipment payment methodology
- Other proposals that help DHS accomplish its mission in:
 - Community supports
 - Deaf and hard of hearing services
 - Health care
 - Better government

Budget overview: All Funds investment



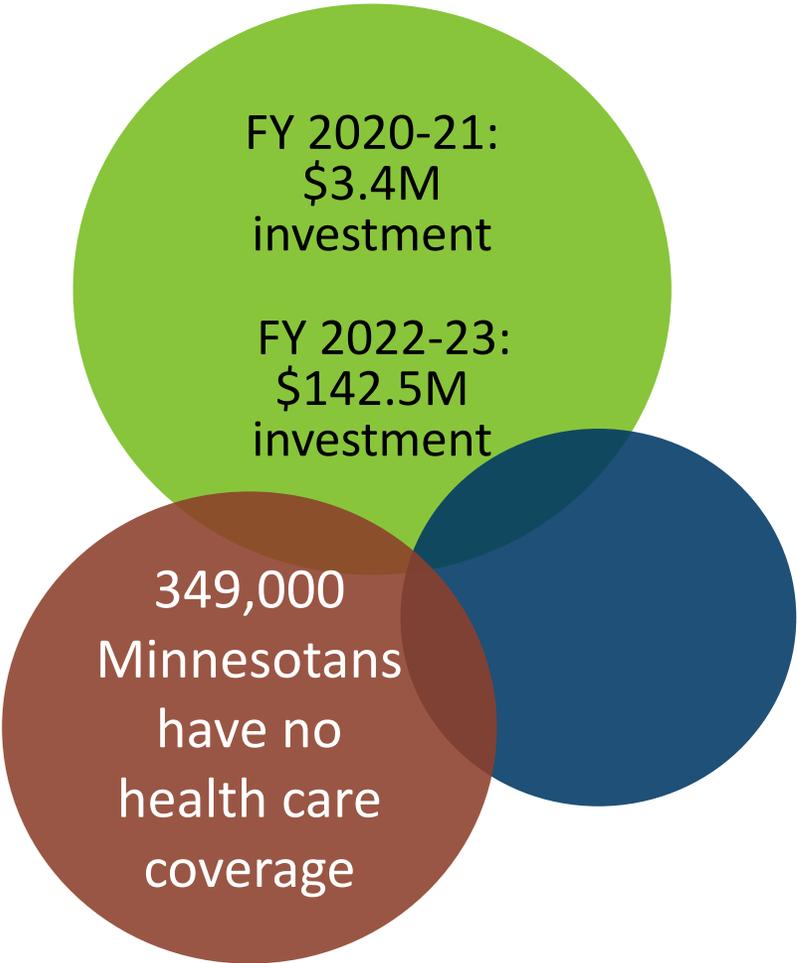


All Funds investment
\$4.0M in FY
2020-21

ONECare MN

ONECare MN: Health Insurance Buy-In

Pg. 21-27



FY 2020-21:
\$3.4M
investment

FY 2022-23:
\$142.5M
investment

349,000
Minnesotans
have no
health care
coverage

- Creates a comprehensive health coverage option statewide through platinum level “Buy-in” product available in the individual market for plan year 2023
- Provides access to silver- and gold-level Buy-in products for any region in the state where the market fails to offer affordable or comprehensive health care options
- Provides resources to analyze and ensure affordable premiums and market stabilization, including a study on risk adjustment

ONECare MN: Pharmacy

Pg. 21-27

FY 2020-21:
\$575,000
investment

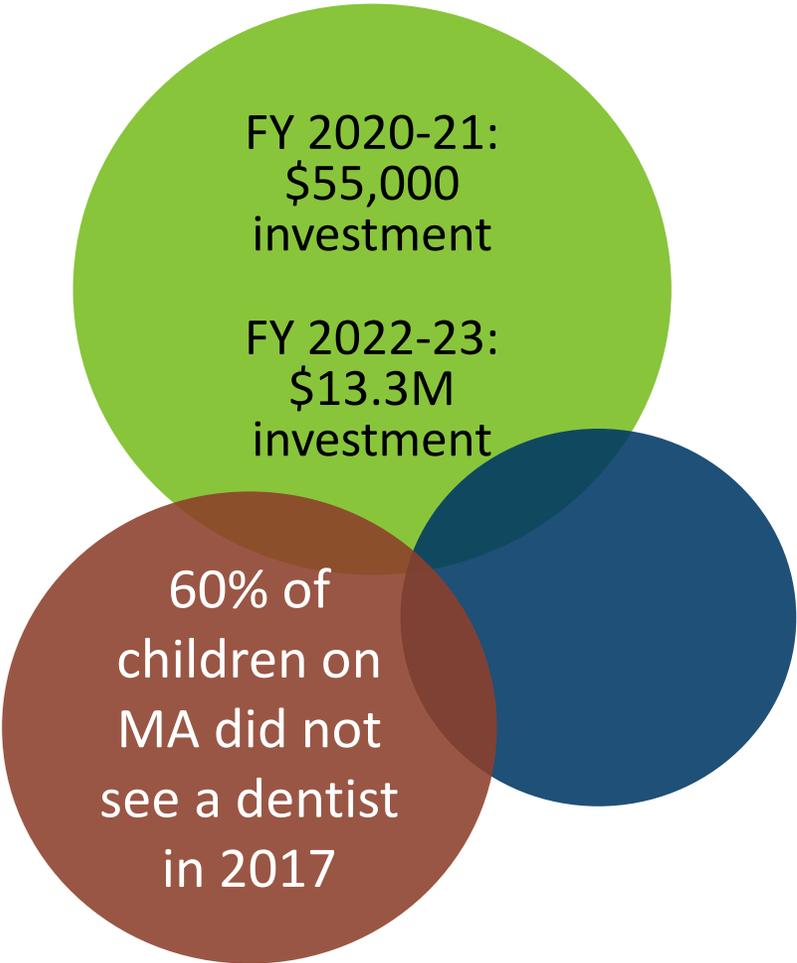
FY 2022-23:
\$11.0M
investment

Rx drug
spending
rose 20.6%
from 2009-
2013

- Aligns Medicaid, MinnesotaCare, and buy-in products prescription drug benefits under a common administrative structure to leverage the state's purchasing power
- Helps reduce prescription drug prices and ensures access to needed medications and more consistent choices, less disruptions, transparent processes and less burden for providers

ONECare MN: Dental

Pg. 21-27



FY 2020-21:
\$55,000
investment

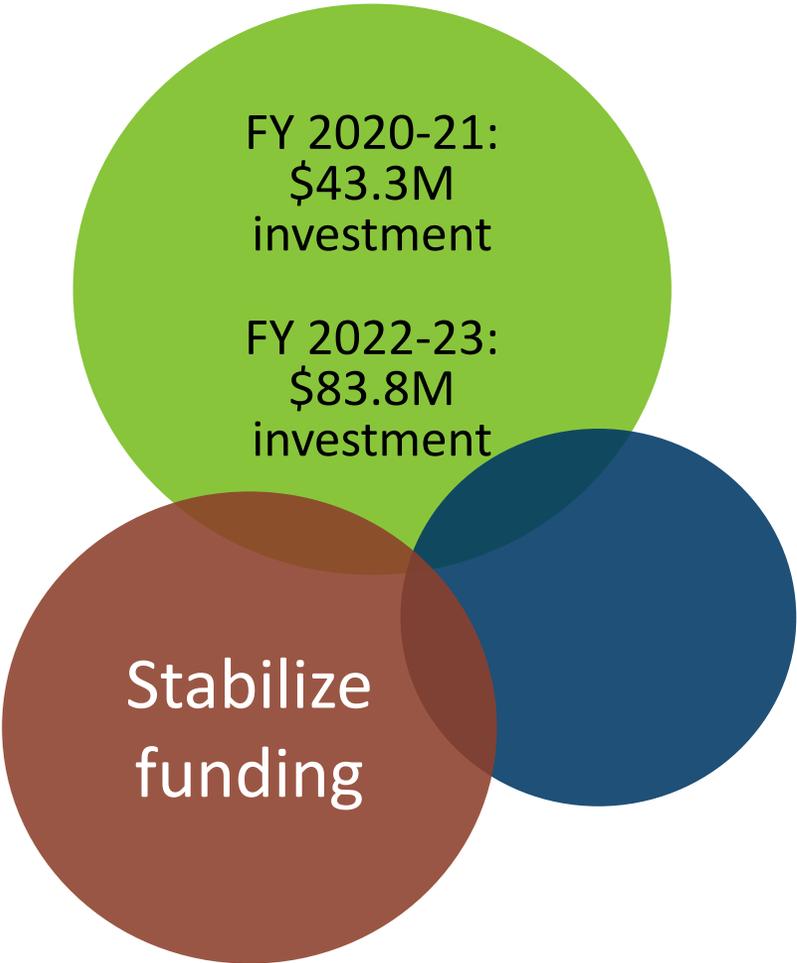
FY 2022-23:
\$13.3M
investment

60% of
children on
MA did not
see a dentist
in 2017

- Creates a simpler and more equitable model for purchasing dental benefits across Medicaid, MinnesotaCare and Buy-in products
- Increases rates to providers helping them to serve all patients in their community
- Improves access to dental services for Minnesotans

Provider tax sunset repeal

Pg. 28-29



FY 2020-21:
\$43.3M
investment

FY 2022-23:
\$83.8M
investment

Stabilize
funding

- Repeals the sunset on the two percent tax on revenue of hospitals, ambulatory surgical centers, health care providers and wholesale drug distributors
- Restores a critical revenue source that provides funding for Medicaid and MinnesotaCare



All Funds investment
\$42.1M in
FY 2020-21

Child care investment and integrity

Child Care Assistance Program investments

Pg. 35-41

FY 2020-21:
\$17.6M
investment
FY 2022-23:
\$111.5M
investment

Serves
30,000
children
each month

- Supports family stability and improves the safety and school readiness of children served in child care settings
- Brings Minnesota into compliance with federal requirements for the Child Care Development Block Grant
- Updates CCAP maximum rates and registration fees increasing payments to many child care providers and making child care more affordable and accessible to families
- Changes the frequency of the child care provider market rate survey to every three years
- Expands due process rights for providers

Child Care Assistance Program

Basic Sliding Fee waiting list

Pg. 39-41

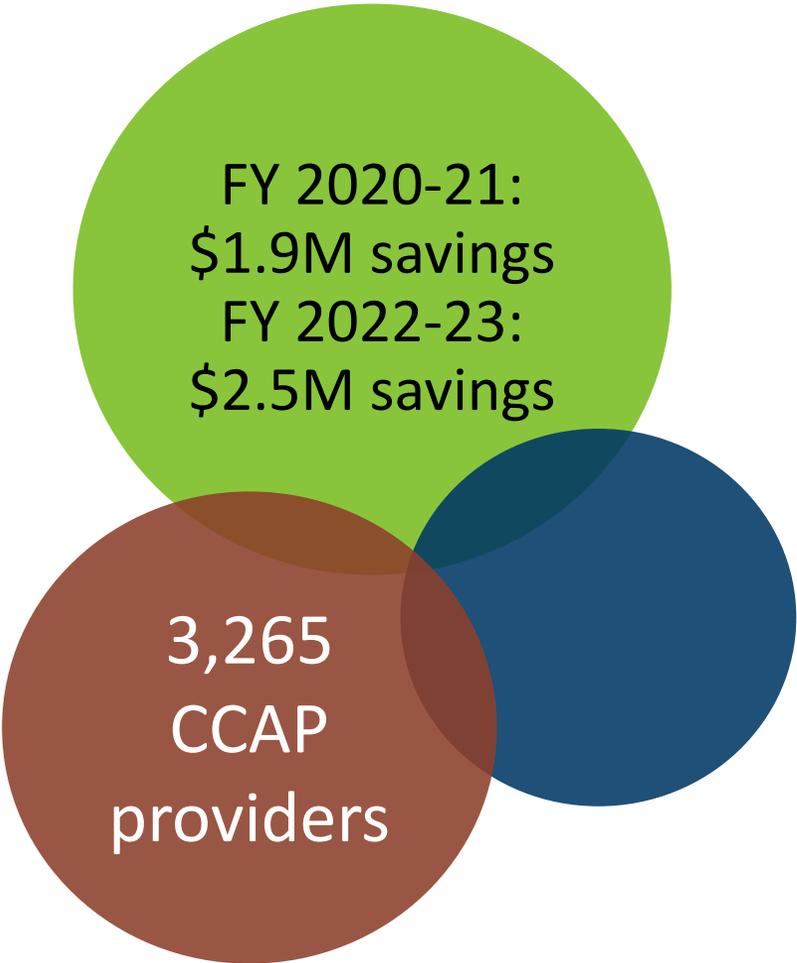
FY 2020-21:
\$26.4M
investment
FY 2022-23:
\$38.7M
investment

1,000
additional
families
served

- Provides additional funding for child care assistance to families on the waiting list for Basic Sliding Fee Child Care
- Serves approximately 1,000 additional families through Basic Sliding Fee Child Care

Child Care Assistance Program integrity

Pg. 42-45



FY 2020-21:
\$1.9M savings
FY 2022-23:
\$2.5M savings

3,265
CCAP
providers

- Enhances attendance record keeping requirements
- Clarifies absent day billing requirements
- Establishes a method for calculating attendance record overpayments
- Allows a penalty for failure to report decreases in attendance
- Limits retroactive eligibility

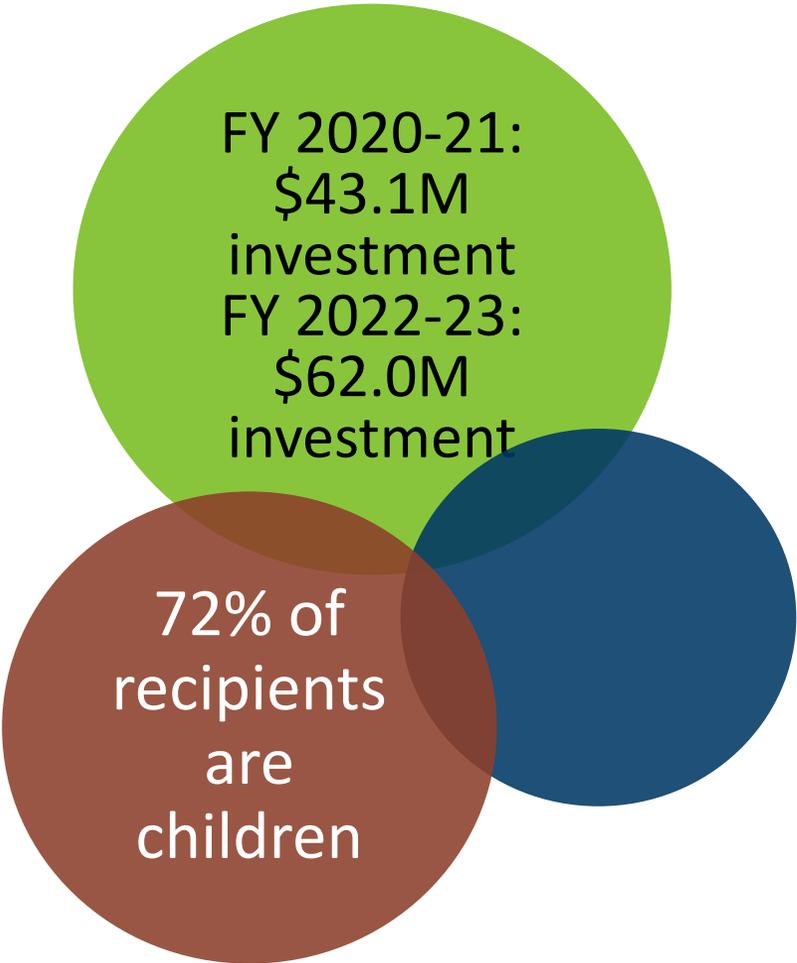


All Funds investment
\$58.6M in
FY 2020-21

Children and families

Economic stability for families

Pg. 46-48



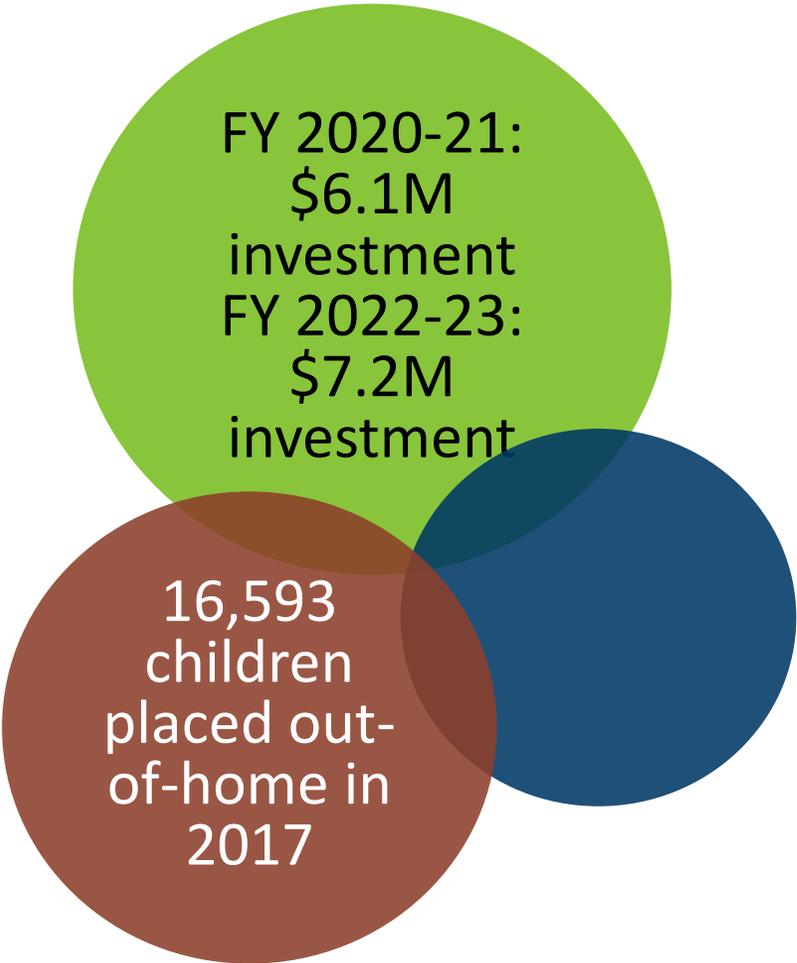
FY 2020-21:
\$43.1M
investment
FY 2022-23:
\$62.0M
investment

72% of
recipients
are
children

- Increases MFIP and DWP cash grant by \$100 per month for each household
- Raises the basic cash assistance for families with children for the first time since 1986
- Builds on the progress made in 2013 with the housing grant by creating a cash benefit that applies to all MFIP and DWP participants

Child welfare

Pg. 49-63



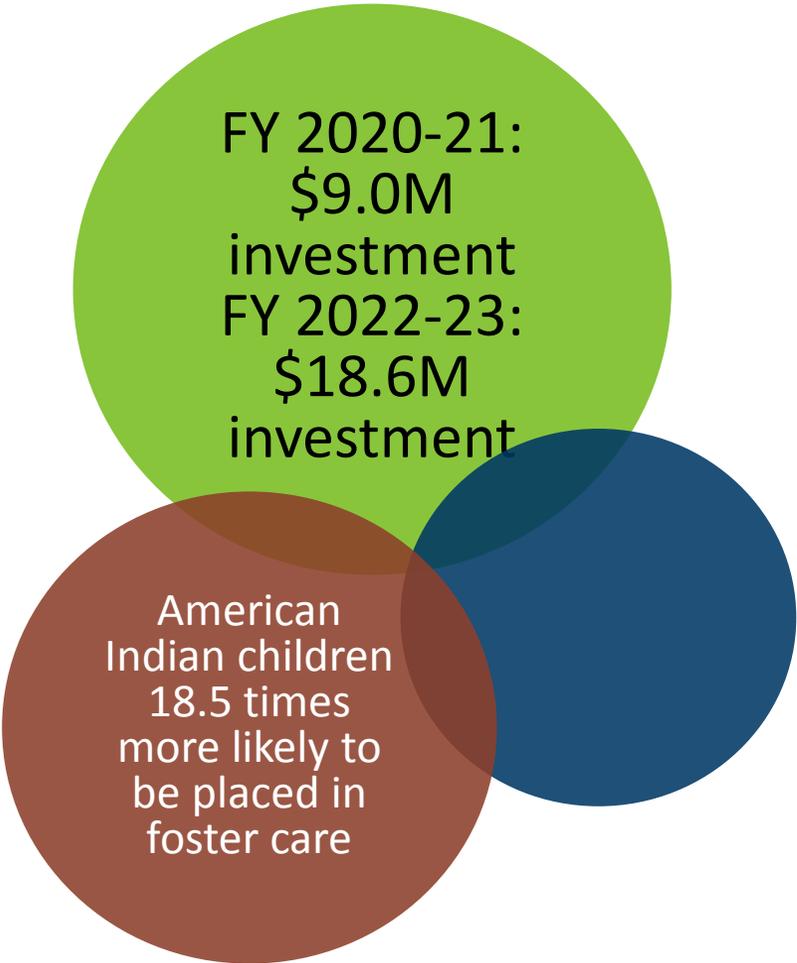
FY 2020-21:
\$6.1M
investment
FY 2022-23:
\$7.2M
investment

16,593
children
placed out-
of-home in
2017

- Meets the increased demand for child welfare workforce training through the creation of a regional Child Welfare Training Academy
- Provides one-time funding to conduct a child welfare caseload study
- Prepares the state for opportunities and mitigates risks of the new federal child welfare requirements in the Family First Prevention Services Act

Tribal Child Welfare Initiative expansion

Pg. 54-58



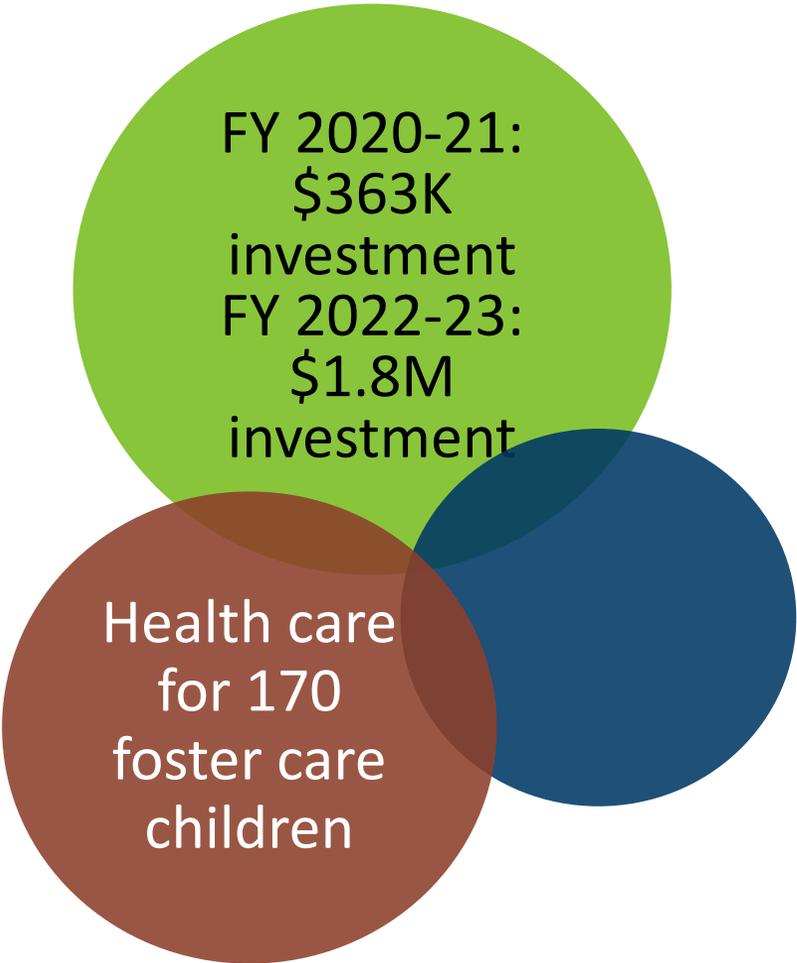
FY 2020-21:
\$9.0M
investment
FY 2022-23:
\$18.6M
investment

American
Indian children
18.5 times
more likely to
be placed in
foster care

- Expands the American Indian Child Welfare Initiative to strengthen tribal delivery of child welfare and child abuse prevention services to American Indian children and families
 - Transfer child welfare cases to Red Lake Nation
 - Continues planning for transfer to Mille Lacs Band of Ojibwe
- Establishes the American Indian Family Early Intervention Program
 - Enables grantees to provide culturally appropriate early intervention services to address issues that place American Indians at risk of entering Minnesota's child protection system

Closing gaps in health care coverage for children in foster care

Pg. 64-66



FY 2020-21:
\$363K
investment
FY 2022-23:
\$1.8M
investment

Health care
for 170
foster care
children

- Extends automatic Medical Assistance eligibility to children who receive state-funded Northstar Foster Care and Kinship Care in Minnesota
- Helps provide equitable access to health coverage for all children in foster care
- Reduces county agency administrative burdens, saving administrative time and associated costs

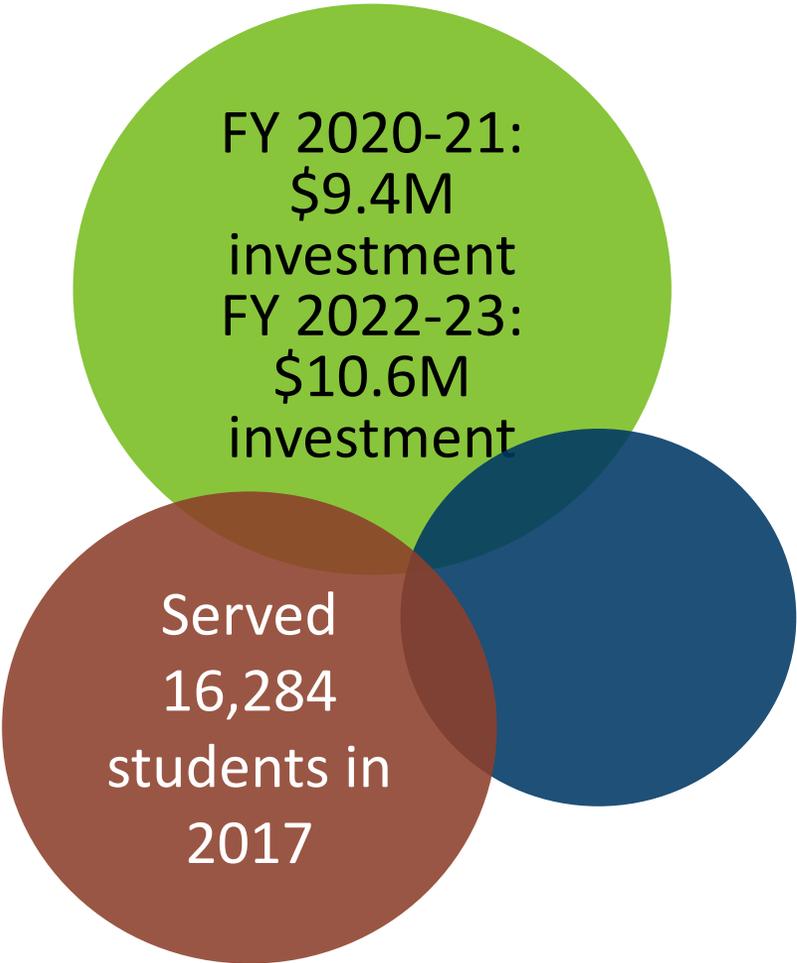


All Funds investment
\$33.5M in
FY 2020-21

Behavioral health

Expand and strengthen school-linked mental health

Pg. 67-69



FY 2020-21:
\$9.4M
investment
FY 2022-23:
\$10.6M
investment

Served
16,284
students in
2017

- Expands school-linked mental health services to serve approximately 7,000 more students
- Allows grantees to utilize funding to develop the capacity to deliver school-linked mental health services via telemedicine
- Helps provide training for working with children who have experienced trauma, including specialized training for working with younger children and parents
- Includes a study and evaluation of the program to develop recommendations for improvements

Children's intensive services reform

Pg. 70-72

FY 2020-21:
\$12M
investment
FY 2022-23:
\$23.5M
investment

150 total
PRTF beds
right now

- Sustains and expands access to intensive children's mental health services
- Continues to allow state funding to replace lost federal funding for certain children's residential facilities
- Expands the state's Psychiatric Residential Treatment Facility bed capacity
- Continues work on longer-term reforms and strategies to create a robust and sustainable continuum of care for children with the most serious mental health needs

Certified Community Behavioral Health Clinics expansion

Pg. 73-76

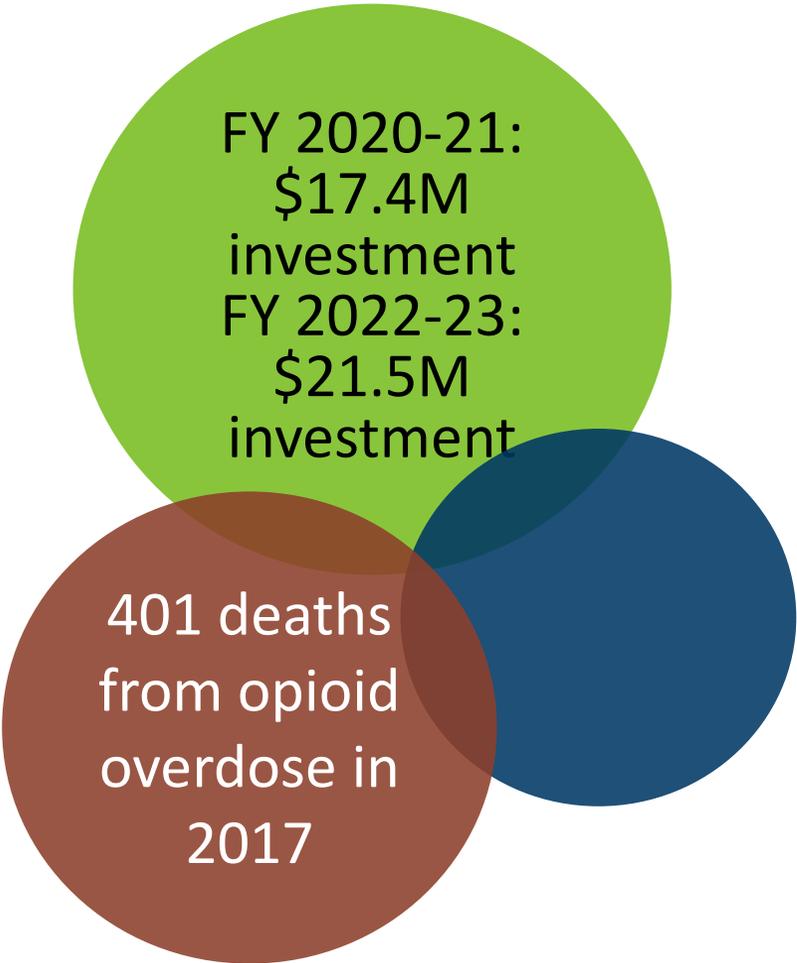
FY 2020-21:
\$3.9M
investment
FY 2022-23:
\$22.4M
investment

17,000
children
and adults
served in
first year

- This proposal transitions Certified Community Behavioral Health Clinic (CCBHC) services from a demonstration project to a traditional Medicaid benefit, which is expected to result in five new providers
- Provides resources to support the continuous improvement and long-term sustainability of this model
- Simplifies the reimbursement process for CCBHC services

Response to the opioid crisis

Pg. 82-85



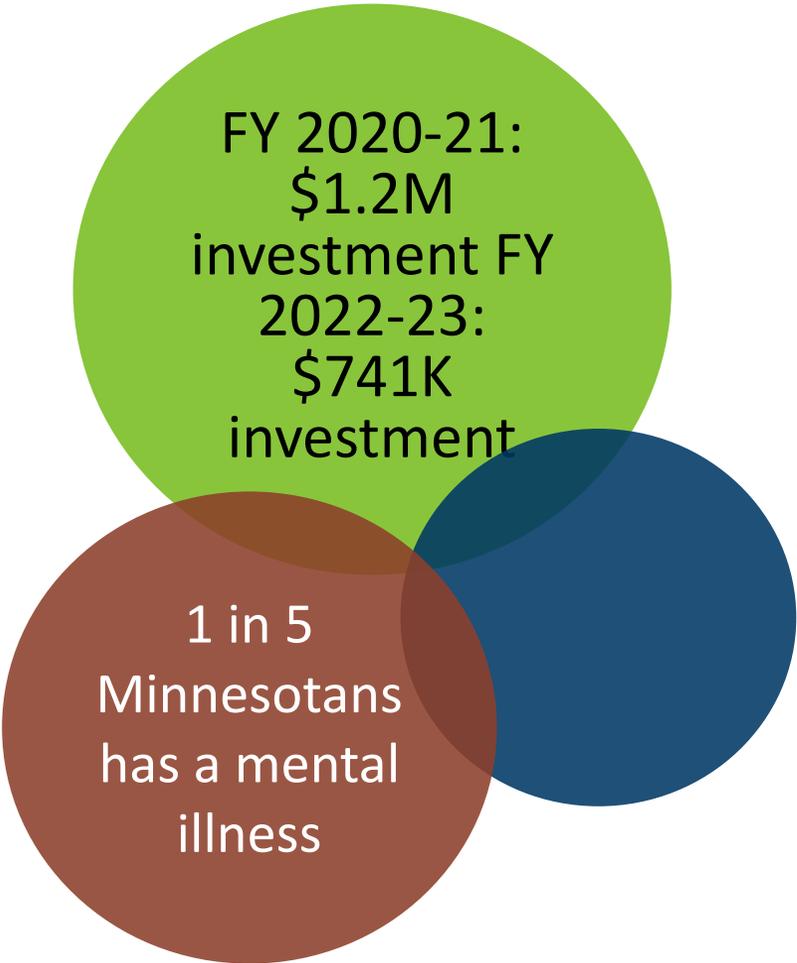
FY 2020-21:
\$17.4M
investment
FY 2022-23:
\$21.5M
investment

401 deaths
from opioid
overdose in
2017

- Provides grants to tribal communities to improve access, coordination and referral processes for traditional healing in Native communities across Minnesota
- Increases the capacity of culturally specific providers in the behavioral health workforce
- Allows the use of Screening, Brief Intervention, and Referral to Treatment (SBIRT) to authorize a limited number of substance use disorder treatment services in order to facilitate more timely access to care
- Establishes an opioid stewardship advisory council to develop and oversee a comprehensive and effective statewide effort to address the impacts of the opioid crisis in Minnesota
- Invests in county and tribal social services agencies to support child protection activities within communities most impacted by the crisis

Mental health uniform service standards

Pg. 86-89



FY 2020-21:
\$1.2M
investment FY
2022-23:
\$741K
investment

1 in 5
Minnesotans
has a mental
illness

- Comprehensively reforms and simplifies the regulation of publicly funded mental health services
 - Aligns common standards across different services
 - Eliminates requirements that do not add value or enhance treatment quality
 - Improves accountability for improper billing, maltreatment or other serious breaches
 - Promotes equitable access to high quality services

Building an integrated behavioral health care continuum

Pg. 90-93

FY 2020-21:
\$8.7M savings
FY2022-23:
\$4.9M
investment

1 in 4 people
re-enter a
residential
treatment
facility in the
same year

- Aligns the financial structure for mental health and substance use disorder treatment for people enrolled in Medical Assistance to facilitate integration between the two systems
- Ensures people with behavioral health needs have access to the full continuum of health care services
- Pursues strategies to support people with mental health and substance use disorders to access housing and support their long-term recovery

Expand Transitions to Community Initiative

Pg. 94-96

FY 2020-21:
\$2.4M
investment
FY 2022-23:
\$4.6M
investment

302
individuals
discharged
from AMRTC
& MSH
2016-2018

- Expands the Transitions to Community Initiative
- Helps more people transition out of state-operated mental health facilities in a timely fashion, once they have completed treatment
- Promotes recovery
- Increases capacity to support individuals age 65 and older as they transition to the community

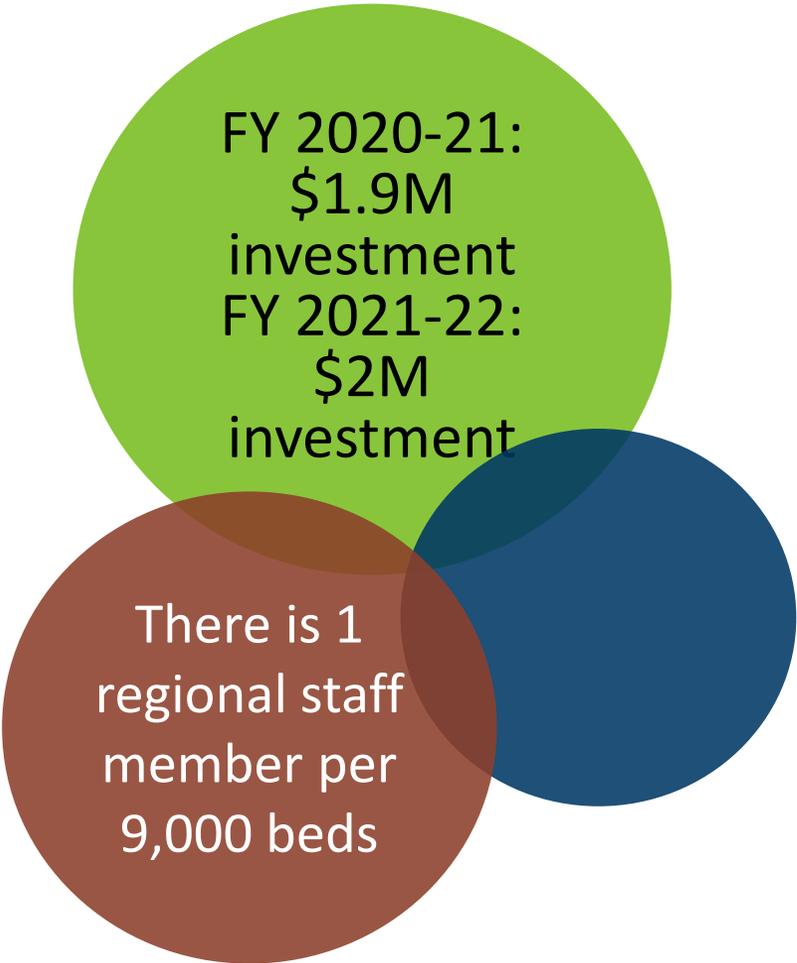


All Funds
investment
\$7.9M in FY
2020-21

Vulnerable adults

Increase Office of Ombudsman for Long-Term Care staffing

Pg. 97-99



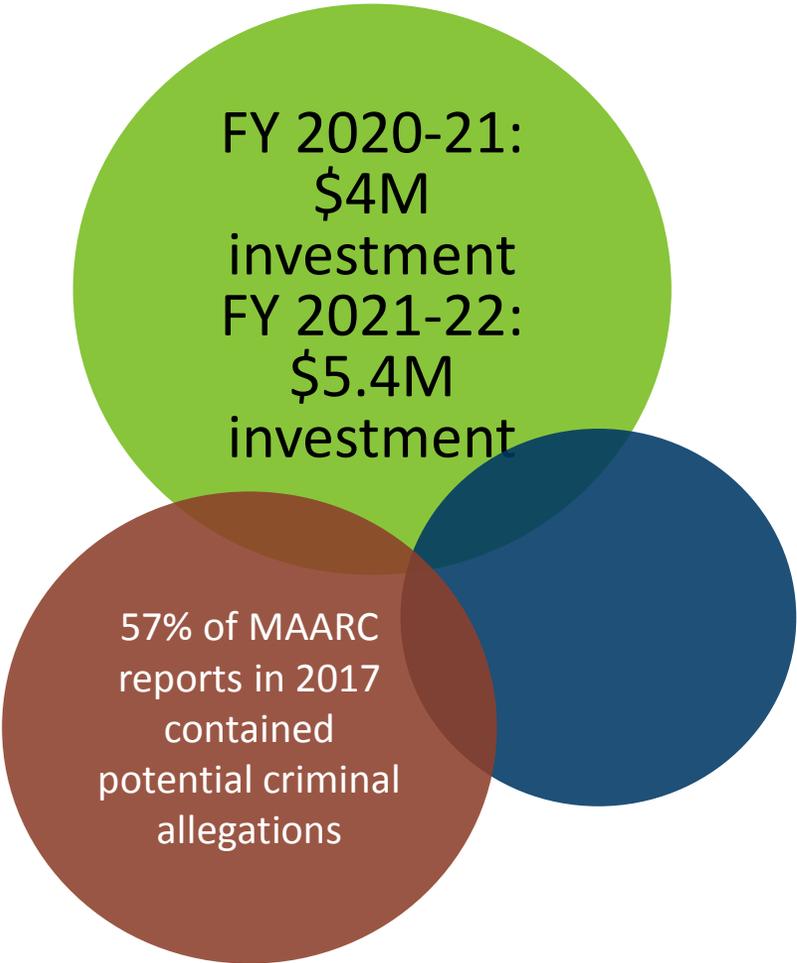
FY 2020-21:
\$1.9M
investment
FY 2021-22:
\$2M
investment

There is 1
regional staff
member per
9,000 beds

- Improves Office of Ombudsman for Long-Term Care's ability to act as consumer advocates for those receiving long-term care services
- Increases the Office's staffing levels to help meet demand for services

Civil and criminal coordination for the protection of vulnerable adults

Pg. 100-104



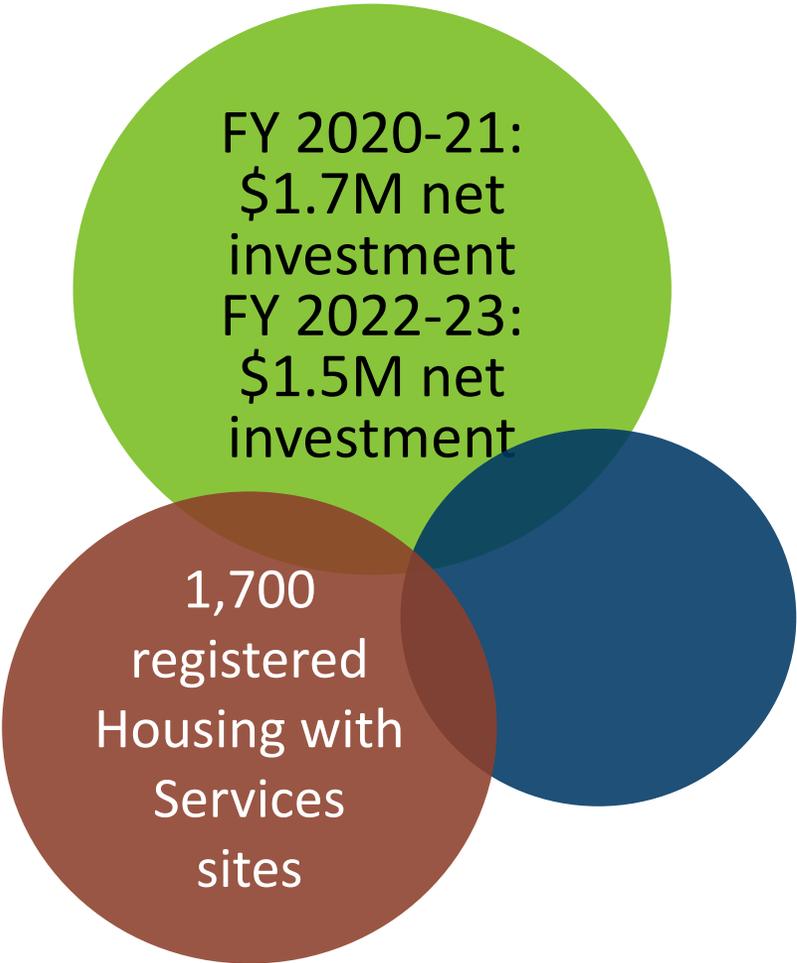
FY 2020-21:
\$4M
investment
FY 2021-22:
\$5.4M
investment

57% of MAARC
reports in 2017
contained
potential criminal
allegations

- Provides grants to county and tribal adult protective services to improve investigations into maltreatment of vulnerable adults
- Enhances the common entry point known as the Minnesota Adult Abuse Reporting Center (MAARC)
- Improves civil and criminal investigation coordination
- Ensures timely and accurate notification of alleged abuse to law enforcement

Assisted Living Report Card

Pg. 105-107



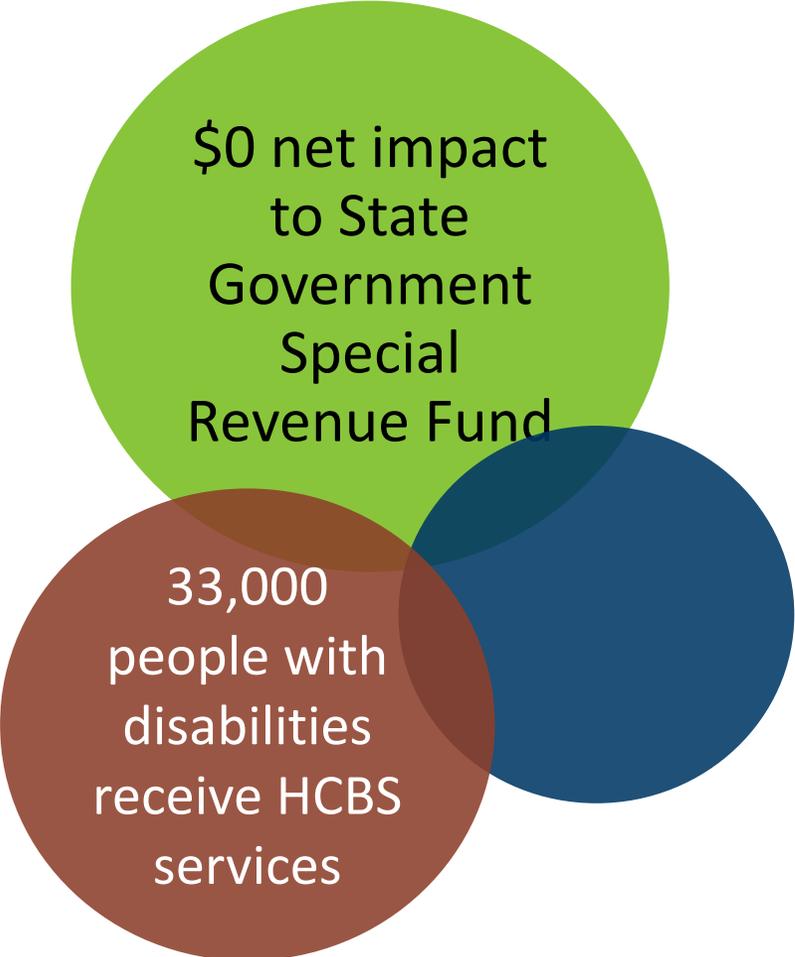
FY 2020-21:
\$1.7M net
investment
FY 2022-23:
\$1.5M net
investment

1,700
registered
Housing with
Services
sites

- Creates an assisted living report card informed by a 47,000-person survey of consumers and families
- Establishes quality reporting in assisted living and registered housing with services establishments

Licensed home and community-based services unit funding

Pg. 108-111



\$0 net impact
to State
Government
Special
Revenue Fund

33,000
people with
disabilities
receive HCBS
services

- Increases license fees for home and community-based services (HCBS) to generate revenue for the State Government Special Revenue Fund (SGSR)
 - SGSR revenue appropriated back to DHS to increase oversight of licensed HCBS services
- Enables DHS Licensing Division to adequately staff its HCBS unit so it is able to complete on-site licensing reviews once every three years
- Allows DHS to respond in a timely manner to licensing violations, appeals of licensing actions, and provider requests for technical assistance
- Brings DHS into compliance with its federal waiver plan

Adult day center oversight improvements

Pg. 112-113

\$135K
investment
per year

27% increase
in licensed
centers in
under 2 years

- Provides additional support to the adult day center licensing activity
- Helps meet statutory and policy requirements of licensing activity to adult day centers
- Helps DHS Home and Community-Based Services licensing section conduct on-site reviews of licensed adult day centers at least once every two years

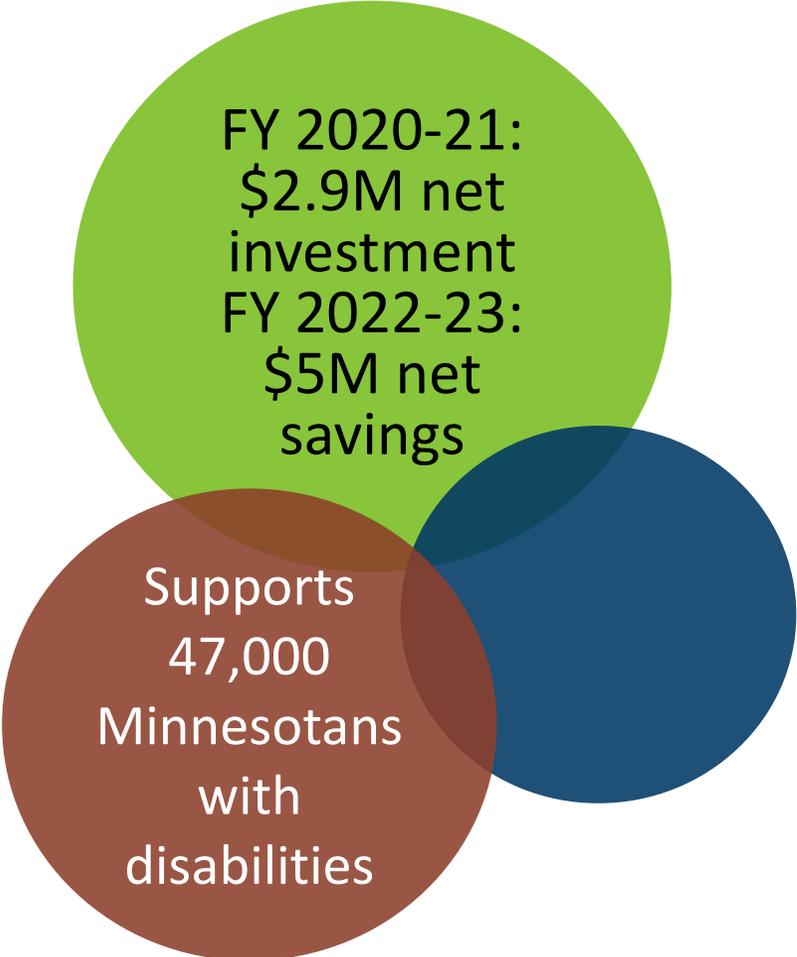


Long-term services and supports

All Funds
investment
\$45.0M in
FY 2020-21

Simplify and streamline the home and community-based waiver system

Pg. 114-119



FY 2020-21:
\$2.9M net
investment
FY 2022-23:
\$5M net
savings

Supports
47,000
Minnesotans
with
disabilities

- Initiates a strategic redesign of the disability waiver service system
- Promotes equity, program sustainability and increased personal authority for Minnesotans with disabilities receiving services
- Updates management strategies for increased efficiency and accountability

DWRS competitive workforce factor

Pg. 120-125

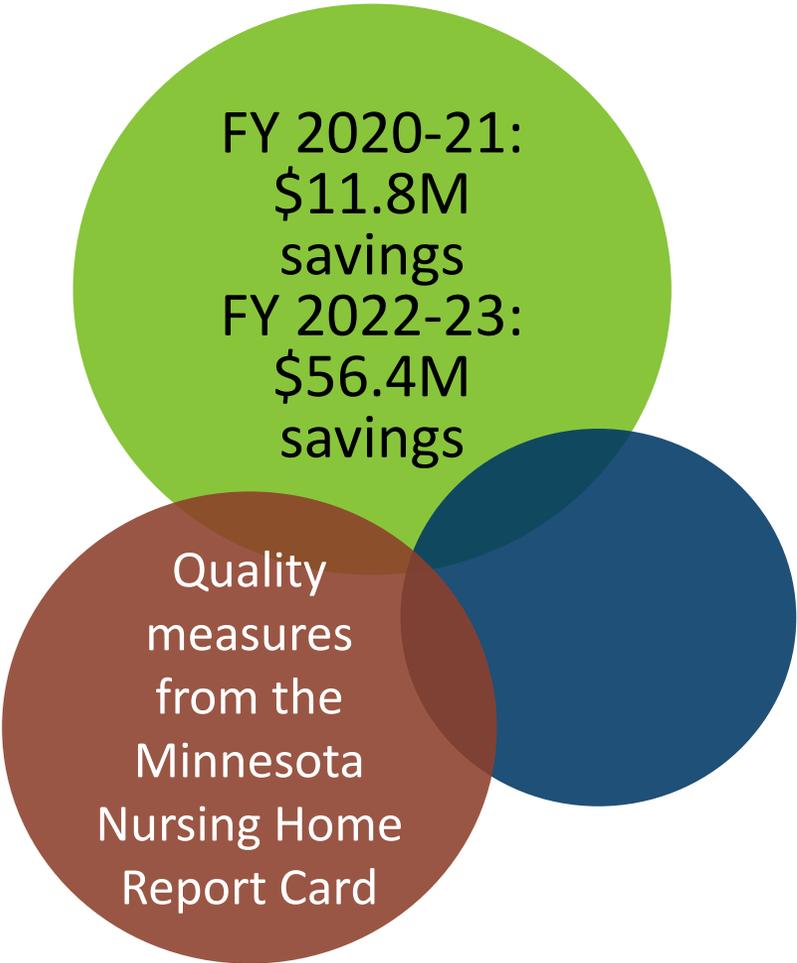
FY 2020-21:
\$17.8M
investment
FY 2022-23:
\$65.4M
investment

59,000
direct
care/support
professionals
needed

- Provides incentives for recruitment and retention of direct care workers through modifications to the Disability Waiver Rate System (DWRS)
- Enables the state to better address the current direct care workforce shortage
- Invests in wage and benefit increases to direct care staff
- Enables the rate formulas to keep pace with changing economic conditions

Nursing facility Value Based Reimbursement and property payment reform

Pg. 126-133



FY 2020-21:
\$11.8M
savings
FY 2022-23:
\$56.4M
savings

Quality
measures
from the
Minnesota
Nursing Home
Report Card

- Reforms the property payment rate setting for nursing facilities to offer incentives to maintain or invest in replacement buildings
- Revises nursing home Value Based Reimbursement (VBR) to create meaningful pay-for-performance incentives for better quality while limiting rate growth for poorer performing facilities, establishes a cap on the annual rate growth of the other operating rate, phases out a hold-harmless clause, and continues suspension of the obsolete Critical Access Nursing Facility program

Self directed worker union contract

Pg. 134-137

FY 2020-21:
\$36.1M
investment
FY 2022-23:
\$38.4M
investment

Union
formed in
Aug. 2014

- Allocates funds to meet obligations under the contract between the State of Minnesota and the Services Employees International Union (SEIU) negotiated for FY 2020-21
 - Increases the minimum wage floor for individual providers to \$13.25/hour in SFY 2019
 - Increases paid time off accrual rate to 1 hour for every 40 hours worked
 - Establishes holiday pay at time and a half for hours worked for 3 additional permanent holidays, for a total of 5 holidays
 - Provides additional funding for training

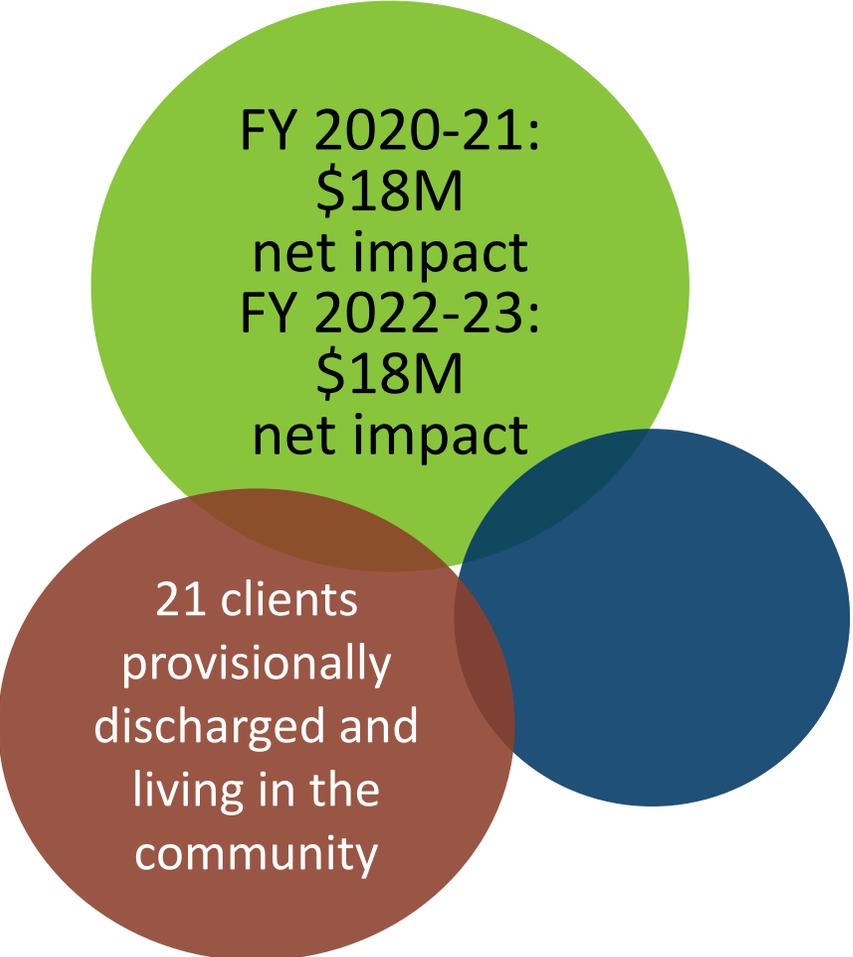


All Funds investment
\$11.2M in
FY 2020-21

Direct care and treatment

Minnesota Sex Offender Program funding

Pg. 138-140



FY 2020-21:
\$18M
net impact
FY 2022-23:
\$18M
net impact

21 clients
provisionally
discharged and
living in the
community

- Provides clinical and operational services to the increased number of clients who have been court ordered to Community Preparation Services
- Provides reintegration services to the growing number of clients that have been provisionally discharged that will assure close supervision and a successful community transition
- Provides MSOP with the ability to charge counties 25 percent for the cost of care for clients that are provisionally discharged from MSOP

Minnesota State Operated Community Services (MSOCS) operating adjustment

Pg. 141-143

FY 2020-21:
\$5.3M
investment
FY 2022-23:
\$7.5M
investment

Provides
both
residential &
vocational
services

- Provides ongoing funding for previously approved salary, insurance and pension increases for the MSOCS program
- Continues providing services to over 1,000 individuals throughout the state

Increase bed capacity within DCT's Minnesota Specialty Health Services (MSHS) programs

Pg. 144-145

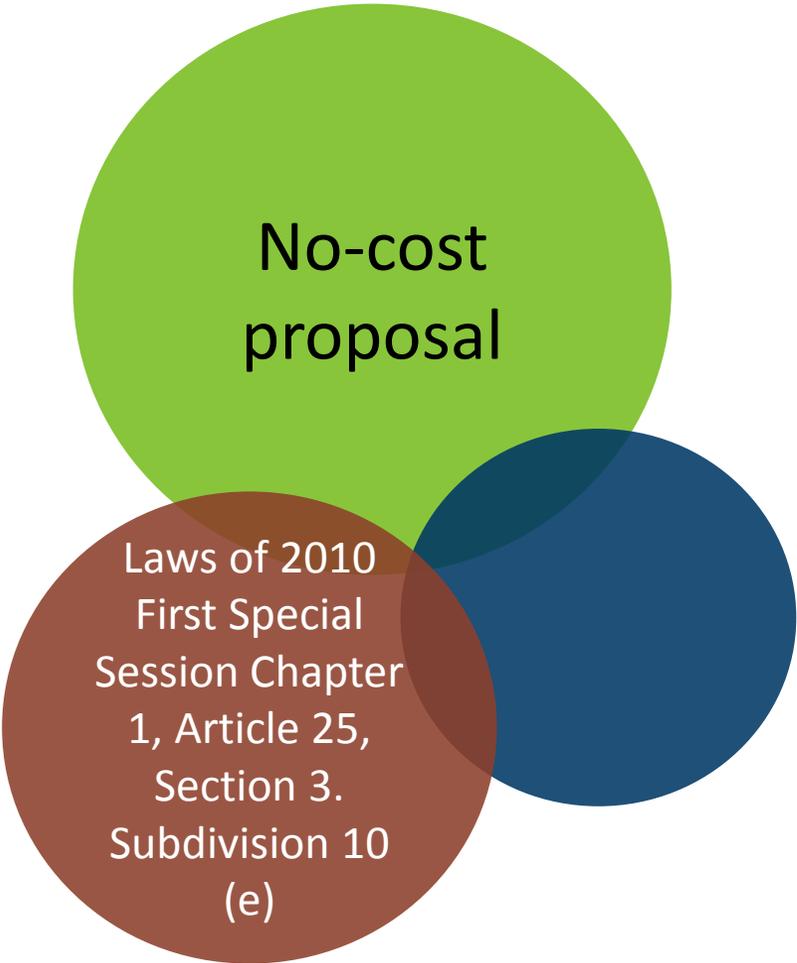
FY 2020-21:
\$12.1M net
savings
FY 2022-23:
\$748K net
savings

DCT
operates 4
IRTS sites

- Increases appropriations to Direct Care and Treatment's mental health and substance abuse services to fully use its licensed beds and enhance services to individuals in its Intensive Residential Treatment Services
- Increased appropriation is offset by returning collections currently deposited to the State Operated Services account to the state General Fund

Repeal 2010 rider language

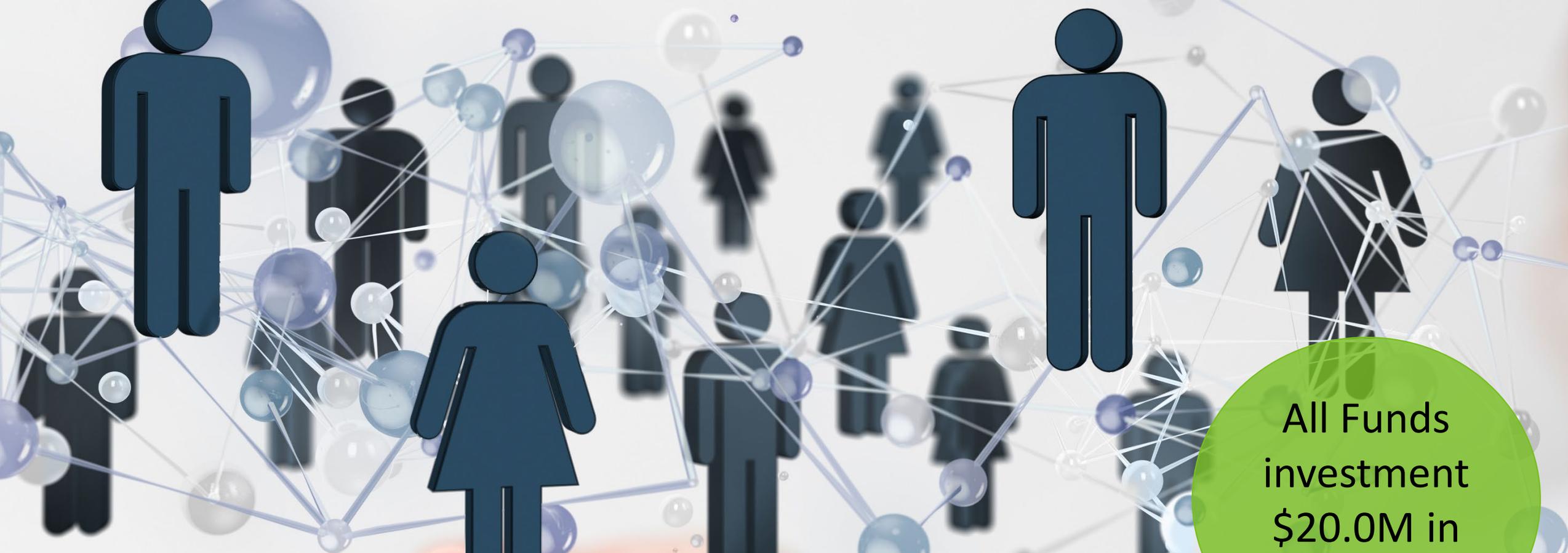
Pg. 146-147



No-cost
proposal

Laws of 2010
First Special
Session Chapter
1, Article 25,
Section 3.
Subdivision 10
(e)

- Repeals Minnesota Session Law to eliminate outdated language
 - Will allow DCT Dental Clinics the ability to provide additional services and serve an increased number of individuals with developmental and mental health disabilities.
 - Creates an opportunity to locate services closer to their targeted populations

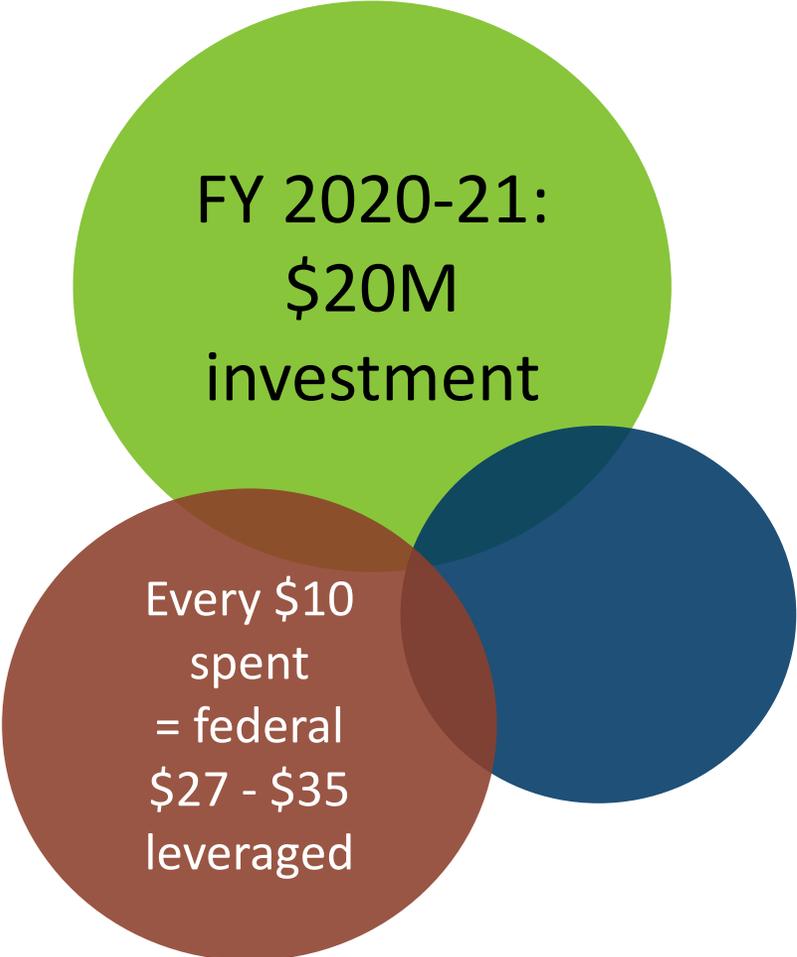


All Funds investment
\$20.0M in
FY 2020-21

Systems modernization

Service delivery transformation

Pg. 148-151



FY 2020-21:
\$20M
investment

Every \$10
spent
= federal
\$27 - \$35
leveraged

- Develops and implements an integrated delivery system that includes cross-cutting simplification efforts
- The goal is to improve people's experience with the human services system and lead to more equitable outcomes across all services
- Results in efficiencies in both the delivery of services as well as the technology that supports it

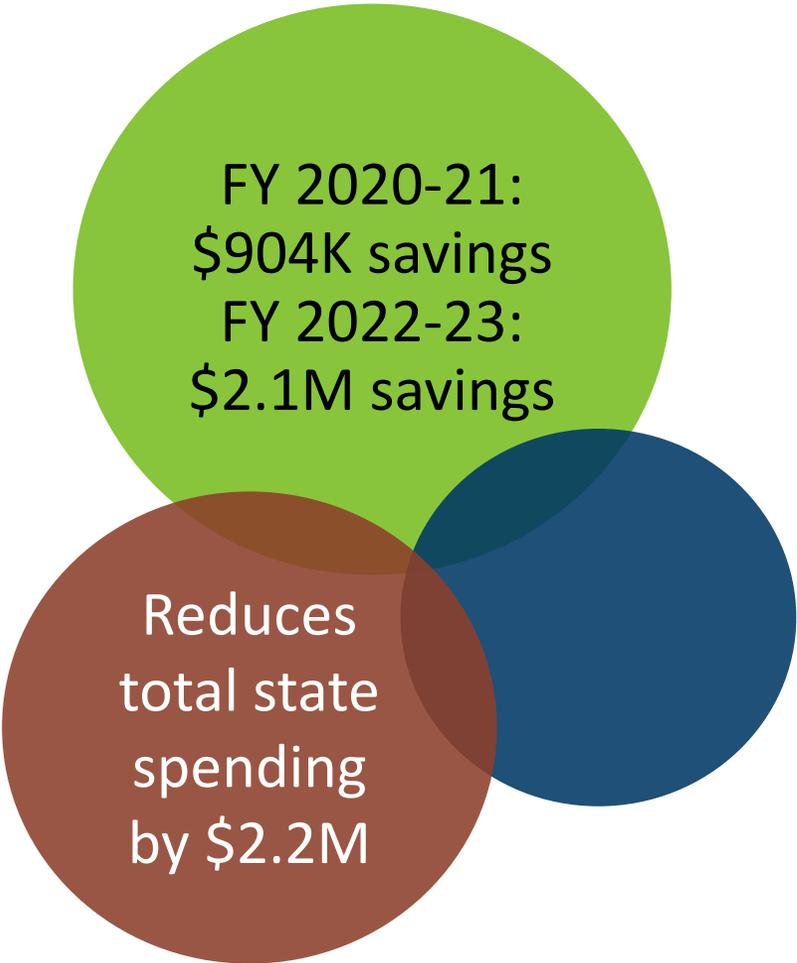


All Funds
investment
\$936K in FY
2020-21

Program integrity

Enhanced program integrity for Nonemergency Medical Transportation

Pg. 152-153



FY 2020-21:
\$904K savings
FY 2022-23:
\$2.1M savings

Reduces
total state
spending
by \$2.2M

- Improves the integrity of the Nonemergency Medical Transportation (NEMT) program through contracting with an entity to perform on-going integrity audits
- Ensures fee-for-service providers are complying with state and federal standards
- Provides resources to DHS to enroll individual NEMT drivers
- Clarifies DHS is required to verify that a provider is certified by MnDOT, not verify every component of the certification requirements

SIRS investigation expansion

Pg. 154-155

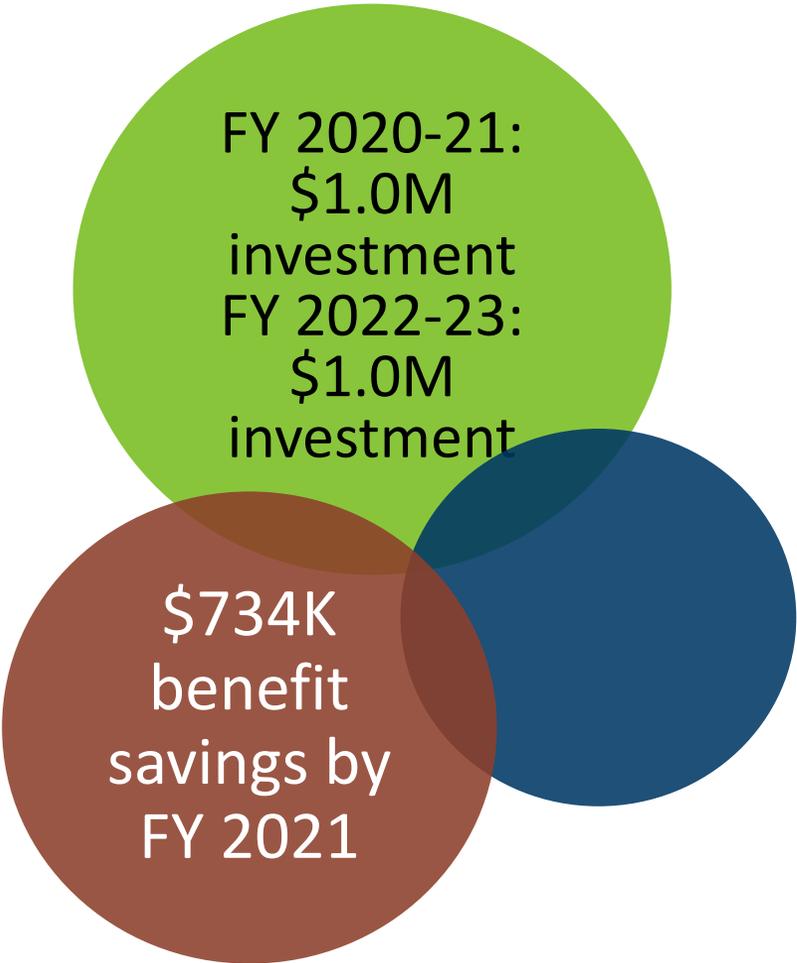
FY 2020:
\$26K
investment
FY 2021+:
\$100K net
savings

SIRS
recovered
\$14.3M in
overpayments
in 2017

- Strengthens DHS' capacity to prevent, detect and investigate fraud by expanding the Surveillance and Integrity Review Section (SIRS) that oversees Medical Assistance providers
- Allows SIRS to conduct more investigations and cover more provider types in MA that warrant surveillance, investigation and intervention
- Develops case tracking system to strengthen fraud prevention and investigation activities for CCAP

Fraud prevention investigations expansion

Pg. 156-159



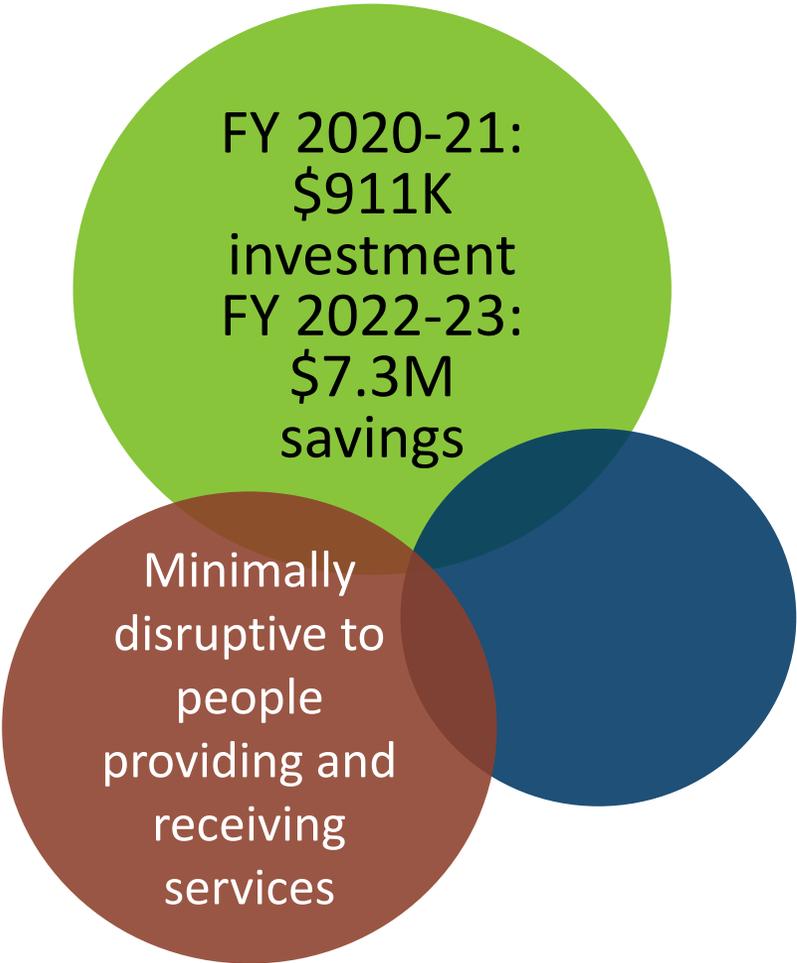
FY 2020-21:
\$1.0M
investment
FY 2022-23:
\$1.0M
investment

\$734K
benefit
savings by
FY 2021

- Provides counties with additional resources to investigate recipient fraud in human services programs
- Allows for additional staffing in regions where investigators are spread thin, in more populated counties where caseloads are greatest and expands to some counties that have not been a part of the program
- Allows counties to investigate and resolve reports of public benefit fraud in a timelier manner, safeguarding Minnesota's public tax dollars from being abused

Electronic visit verification

Pg. 160-164



FY 2020-21:
\$911K
investment
FY 2022-23:
\$7.3M
savings

Minimally
disruptive to
people
providing and
receiving
services

- Requires providers of personal care and home health services to use an electronic visit verification system that meets standards developed by DHS
- Adopts a hybrid model that allows providers flexibility in meeting state standards.
- Makes strides to meeting the upcoming electronic visit verification federal mandates

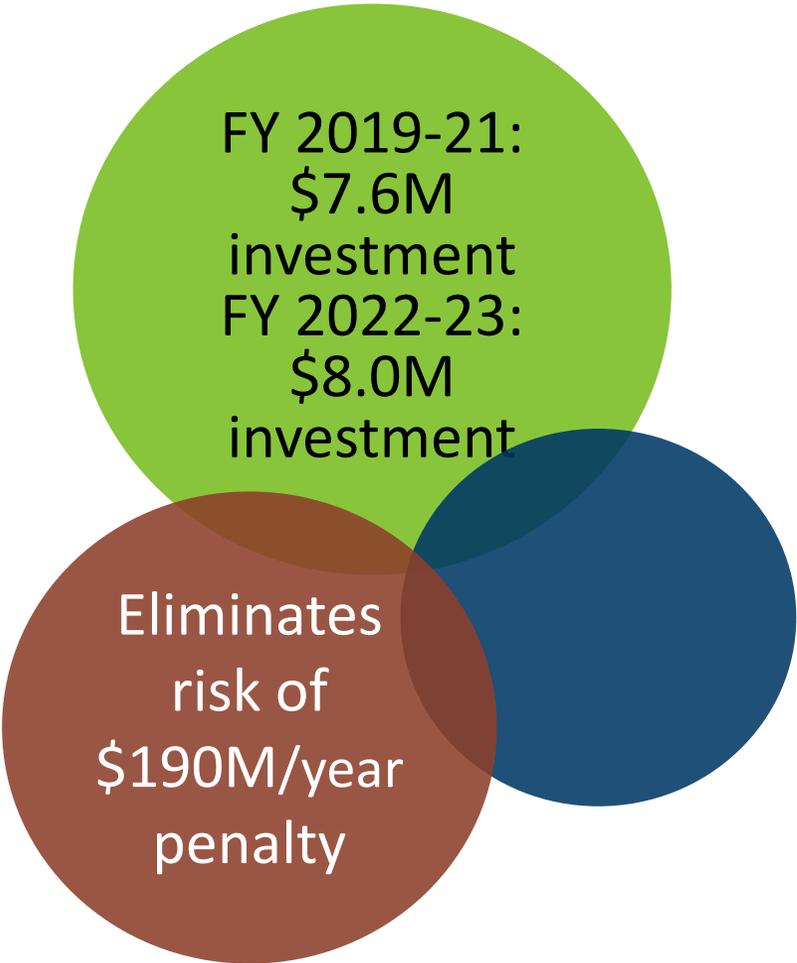


All Funds
investment
\$815K in FY
2020-21

Federal compliance, technical changes and other needs

Federal compliance with outpatient pharmacy rule

Pg. 165-157



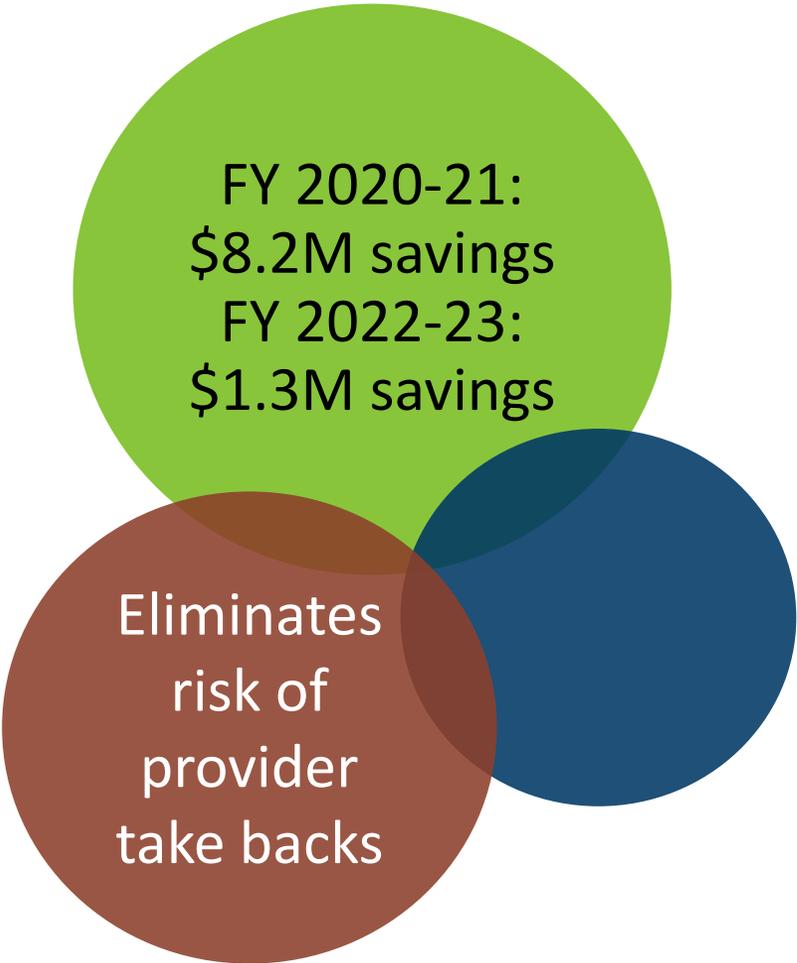
FY 2019-21:
\$7.6M
investment
FY 2022-23:
\$8.0M
investment

Eliminates
risk of
\$190M/year
penalty

- Brings Minnesota into compliance with the federal 2016 Covered Outpatient Drugs final rule by:
 - Updating the reimbursement for medications under fee-for-service Medical Assistance to reflect the actual cost
 - Increasing the professional dispensing fee for pharmacy providers
 - Aligning reimbursement with federal requirements for drugs purchased through the 340B program

Updating durable medical equipment payment methodology

Pg. 168-169



FY 2020-21:
\$8.2M savings
FY 2022-23:
\$1.3M savings

Eliminates
risk of
provider
take backs

- Changes the Medicaid reimbursement rate for durable medical equipment covered by Medicaid to the Medicare rate.
- Simplifies the reimbursement formula for products that don't have a Medicare rate to ensure the state pays a fair, predictable and efficient rate.
- Prevents the administrative burden and financial insecurity of having to recover overpayments from providers.

Community supports proposals

Pg. 191-199

- Early Intensive Developmental and Behavioral Intervention criminal background studies
- HIV statute language updates
- Semi-Independent Living Services Grant program funding restructuring
- Separate skilled nursing visit code
- Community First Services and Supports eligibility for pregnant women

Deaf and hard of hearing services proposals

Pg. 179-190

- Modernization of the Telephone Equipment Distribution program
- Greater Minnesota sign language interpreting service capacity

Health care proposals

Pg. 170-171, 200-209

- Medical Assistance for Employed Persons with Disabilities federal conformity
- Updating Indian Health Services provider payments
- Improving Medical Assistance benefit recovery
- Clarify and strengthen provider screening and enrollment
- Aligning application assistance payments

Better government proposals

Pg. 172-176, 210-218

- Child care federal compliance and fees for certified license-exempt centers
- Background study federal compliance
- False Claims Act compliance
- Prohibition on imputation of income to incarcerated child support payers
- Homeless Management Information System

Budget for One Minnesota



Questions?



Alex Kotze, Chief Financial Officer

Dave Greeman, Budget Director