



FY2022-23 Revised Supplemental Budget Recommendations

March 30, 2022

Approach to the Revised Budget

- Tackle the workforce shortage through multiple strategies, building upon previous investments and leveraging federal dollars
- Prioritize investments in order to ensure that people have access to the services and supports that they need – from a health care, behavioral health, child care, housing, and other human service system perspective.

Revised Supplemental Budget Package Summary

	FY22-23 Biennium	FY24-25 Biennium
General Fund (GF)	\$433.8 million	\$1.696 billion
Health Care Access Fund (HCAF)	\$66.0 million	\$114.3 million
Federal Funds (CCDF)	\$68.5 million	\$6.8 million
Temporary Assistance for Needy Families (TANF) Fund	\$7 thousand	\$69.5 million
Opioid Epidemic Response Account	\$551 thousand	\$3.2 million
Total	\$568.8 million	\$1.789 billion

Maintenance of coverage in public health care programs

- March 2020: DHS stopped most annual eligibility renewals, other eligibility checks and most adverse action on enrollment
- Condition of enhanced federal funding through the Families First Coronavirus Response Act



Return to Standard Procedures in MHCP

- When the federal emergency ends, the Department of Human Services must resume and complete renewals within 12 months for each one of these 1.4 million Minnesotans.
- This proposal:
 - Phases in a return to normal, provides project management, and support to Navigator organizations, counties, and tribes
 - Gives enrollees time to spend down assets and extends forgiveness of unpaid MA-EPD premiums, ensuring continued access to health care coverage for people with disabilities;
 - Provides resources for electronic income verification and capacity to conduct disability determinations
 - Seeks to ensure continued access to critical services including supports for older adults, people with disabilities, and treatment and recovery support for people with behavioral health needs

Workforce Revitalization

- Multiple strategies to revitalize the direct support workforce in services for people with disabilities, older adults, housing, and behavioral health
- \$167 million in FY22/23 and \$102 million in FY24/25, with ongoing impacts in many investments and over \$121 million in additional federal funding leveraged
- Total all funds: \$390 million
- Includes:
 - Workforce Incentive Fund
 - Behavioral Health Workforce Investments
 - Rate Increase for PCA/CFSS
 - Operational Strategies



Workforce

Workforce Incentive Fund

- Total of \$138 million: \$118 million for Medical Assistance (MA) providers of specified disability, older adult, substance use, and housing services and \$20 million for mental health providers
- Eligible Workers: Direct care worker earning a wage of \$30/hr or less (average less than \$15)
- Maximum total incentive payments of \$5,000 per worker
- Flexible to meet the needs of each provider in their community
- Eligible Uses Include:
 - Retention, incentive, and bonus payments
 - Loan or tuition reimbursement
 - Payment for child care or transportation costs
- Estimated to benefit between 28,000 and 250,000 workers serving over 340,000 people

Investments in Behavioral Health Workforce

- Peer Training to expand the peer workforce (\$1 million per year ongoing)
- Ongoing Expansion of Cultural and Ethnic Infrastructure grant (CEMIG) by \$5 million per year
- Create a new, ongoing behavioral health provider workforce grant for providers who serve in rural and underserved communities (\$5 million per year)
- Grant funds will reimburse providers for supervision costs of interns and clinical trainees and provide funding to reimburse staff for master's degree tuition costs in mental health fields and the cost of licensing and exam fees

Ongoing Rate Increases - PCA/CFSS

- Personal Care Assistance (PCA) and Community First Services and Supports (CFSS) services are foundational in meeting the needs of a diverse population, providing in-home support with day-to-day activities, such as bathing, eating, dressing and other activities of daily living
- 2021 Legislature passed the rate framework into law, but it was only implemented at 75.45%, meaning that the wages of workers will remain lower than other occupations
- This proposal provides an ongoing rate increase of 5.4%
- \$214 million over the budget horizon, with \$93 million state costs
- This proposal will impact over 45,000 people receiving services and over 40,000 workers per month.

Expanding Direct Support Resources and Tools

- \$510 million in FY22/23 and \$1.6 million in FY24/25 to update and develop new web content, resources, and materials to support matching, recruitment, and retention efforts
- Expands existing web content to additional audiences
- Develops new content for people needing supports on:
 - Resources and methods for reducing reliance on paid caregivers
 - Best practices for recruiting, retaining and managing paid caregivers
- Designs and builds new tools for people looking for work and people needing supports by modifying existing enterprise web tools to support people who live together in finding a shared worker

Expanding Culture of Safety Initiative

- \$660,000 in FY22/23 and \$1.5 million in FY24/25
- Expands the Home and Community Based Services (HCBS) Culture of Safety pilot project statewide to improve safety and accountability in the HCBS system
- Data shows that safety science improves workforce retention as a result of cultural changes in the workplace
- 3 new Regional Quality Councils to complement the current 4 across the state
- Provides reimbursement to lead agencies and providers to participate in the systematic incident reviews

Other Revised Budget Recommendations

- Increased investment for Emergency Services Program (ESP)
- Opioid treatment program (OTP) rate integrity
- HCBS FMAP spending plan technical changes
- Removal of TANF refinancing
- Collective bargaining obligations

Thank You!