



DHS Modernization Update

Key Elements of Modernization Vision

Reinvent human services delivery by meeting the needs of residents, counties, Tribal Nations, and providers—creating a better, easier experience for everyone

Key Elements of the Vision:

Person-centered services

- Focus on people’s needs and lived experiences while reducing pain points for clients, providers, counties, Tribal Nations, and staff

Integrated, modern digital platforms

- Replace aging systems with connected tools

Simpler access to services

- “No wrong door” to apply, update, or interact—online, mobile, or in person

Streamlined processes

- Reduce duplication and administrative burden

Data-driven and outcome-focused

- Use modern data and analytics to measure outcomes and improve decision

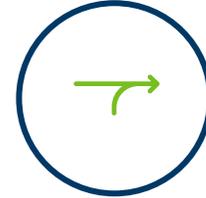
Collaborative delivery model

- Align DHS, counties, Tribal Nations, providers, and community partners through shared service delivery and integrated operations

Service Delivery Transformation (SDT) and Modernization Overview

Legislative approval provided in 2023 for a multi-year strategic funding to move human services toward new vision by:

- *Enhancing infrastructure*
- *Bringing in expertise*
- *Adjusting the approach to managing services*



Simplify and streamline delivery systems

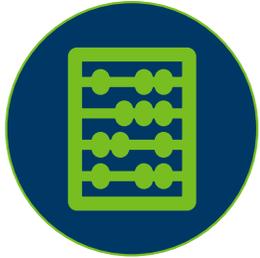


Reduce administrative burden on counties, tribes and providers



Modernize legacy systems that serve millions of Minnesotans

Navigating Modernization



DHS has an administrative budget of 2-3%, which includes all staffing and systems spending.

- Set by legislature, does not keep pace with increases in program complexity and expenditures
- IT budget is 1.3% of total operating expenses compared to the peer average of 4.1%
- Both DHS staffing and IT resources are needed ongoing to both modernize and maintain systems



Demand for systems work exceeds available resources and prioritization of work is a challenge.

- Each legislative session, there are dozens of new initiatives passed into law requiring systems changes
- Between 2023 – 2026, DHS had agency splits, MA unwinding, and over 100 legislative systems initiatives
- There are also federal mandates, technical infrastructure fixes, and maintenance requirements
- These items, many with mandated effective dates, compete for limited resources with modernization



Modernization funds are largely one-time investments.

- Modernization related projects represent only 5% of the portfolio of IT projects
- While these investments were significant, sustained and transformational modernization requires ongoing investment in MNIT and DHS base funding

In Flight Modernization / Program Change Activities

Modernization Landscape

Current Modernization Landscape

Service Delivery Transformation (SDT)	Medicaid Enterprise System (MES)	Program Changes	Technology Modernization Fund (TMF)	MNIT DHS	Other
<ul style="list-style-type: none"> • METS User Experience Audit focused on remediating case worker manual workarounds • Enterprise Architecture to develop IT Modernization roadmap and support MES • Provider licensing and reporting hub • Medicaid interoperability 	<ul style="list-style-type: none"> • Eligibility Rules Modernization POC (Business Rules Engine) • Modular APIs and System Interoperability <i>Under analysis:</i> • Intelligent Document Processing • Call Center Virtual Assistants • Workflow & Process Automation • Eligibility Inquiry Triage • Data Quality & Identity Resolution • AI QA for Eligibility Scripts 	<ul style="list-style-type: none"> • HR1 Eligibility and Enrollment Redesign • Waiver Reimagine • 1115 Re-entry Waiver • 2025 Legislative Disability Waiver Changes • School Behavioral Health Billing Codes • Expansion of MA for Former Foster Care Basis of Eligibility • Dental Administrator • MAXIS Issuance and Infopac Reports • MMIS Interface - Federal Medicaid Reporting 	<ul style="list-style-type: none"> • Data Lakehouse (Databricks) • Integration Platform as a Service (Boomi) • Enterprise data management (data access via Informatica) • Enterprise Data Catalog 	<ul style="list-style-type: none"> • Cloud Migration • LoginMN • Implementation of Appian Workflow Management • Architecture Planning and Application Security - Middleware Upgrades • Creation of performance management capability • Addition of product/Agile coaching function • Expansion of Salesforce product team • Microsoft's CoPilot (AI) 	<ul style="list-style-type: none"> • Permit Future Pregnancies • Migrate eligibility of non-MAGI • Pre and post-payment Payment Integrity • Provider Screening • County Separation • HCCS IVR Phone System • Interoperability Rule: Patient Access APIs • SSIS Staff Activity Enhancement for Targeted Case Management Redesign • Enterprise Solution for Public Dashboards • QHP Eligibility System Transition Project (QEST) • MAARC

Appropriations

Service Delivery Transformation Appropriations

The 2023 legislature appropriated service delivery transformation funds to DHS in 5 specific buckets. Originally, the resources were for ongoing modernization; the 2023 legislature converted most of the funds one-time, with the intention of utilizing the one-time appropriation over multiple years. Below is what has been allocated to date.

SDT Investment	Original Appropriations	Unallocated
Transforming Service Delivery (DHS & DCYF)	\$48M	\$10.5M
Licensing Systems Transformation	\$21M	\$0 - Fully allocated
Improving Minnesota Eligibility Technology System (METS) Functionality <i>*Some unallocated funds will be spent on HR-1 implementation, not yet included.</i>	\$31M	\$22M*
Medicaid Management Information Systems (MMIS)	\$10.6M	\$4.6M
Total state appropriation	\$110.6M	
Total state funds unallocated		\$37.1M

Modernization Nets Positive Results

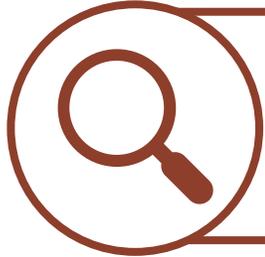
For Counties and Tribal Partners



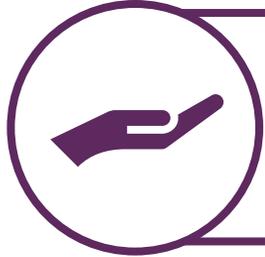
Fewer Systems



Less Manual Rework



Improved Oversight and Compliance



More Time for Clients

Modernization Success Stories

MN Eligibility Technology System (METS) Continuous Coverage Unwind Project

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- The Legislature appropriated \$36 million in funding to support county and Tribal Nations handle the extra work from the Medicaid unwind.
 - DHS staff helped local agencies and Tribal Nations manage backlogs and process renewals, especially for mixed-household cases.
 - The state built a multi-phase communication plan to keep partners informed throughout the unwind.
 - DHS ran several outreach campaigns and shared toolkits with counties, Tribal Nations, health plans, and navigators so they could better support enrollees.
 - DHS launched the Renewal Date Lookup Tool, which let people easily check when their renewal was coming up.

Outcomes

- ✓ **Clearer, predictable communication**
- ✓ **More people keep their coverage**
- ✓ **Fewer manual renewals to process**
- ✓ **Less backlog for County and Tribal partners**

Modernization Success Stories

MN Eligibility Technology System (METS) Auto Renewals

Ex Parte (Auto) Renewals

- Ex parte (auto) renewals mean the state checks whether someone still qualifies for Medicaid using official sources, instead of asking the person to fill out forms.
- At the start of the unwind, only *17% of renewals happened automatically; current figures are above 76%*.
- Higher automatic renewal rates promote accurate coverage. Fewer eligible people lose Medicaid because they missed paperwork, and counties and Tribes spend less time processing routine cases so they can focus on the more complicated ones.
- The improved auto-renewal rates *saved an estimated 115,725 processing worker hours* during the unwinding period

Outcomes

- ✓ **Less paperwork for Minnesotans**
- ✓ **More people retain coverage accurately**
- ✓ **From 17% to 75+% automation**
- ✓ **Empowers County and Tribal partners to do more**
- ✓ **Saves worker time**

Modernization Success Stories

Enterprise Data & Analytics for Program Integrity and Service Delivery

Strategic Capability Delivered: Modern analytics helps Minnesota ensure public programs operate efficiently, detect fraud earlier, and deliver services faster and more transparently to residents, counties, and providers.

Capability Enables:

Fraud Detection & Program Integrity

- Identify unusual billing patterns, utilization spikes, and provider outliers
- Risk scoring to prioritize investigations and audits

Operational Intelligence

- Monitor application processing times, service utilization, and program performance
- Identify operational bottlenecks affecting counties, tribes, and providers
- Enable leadership to make data-driven policy and operational decisions

Public Transparency

- Public dashboards showing program performance and service delivery metrics
- Improves accountability and builds trust with legislators and the public

Outcomes

- ✓ Stronger fraud detection and prevention
- ✓ Faster and more informed service delivery decisions
- ✓ Reduced administrative burden for counties and providers
- ✓ Increased transparency and accountability for public programs
- ✓ Reliable data sharing



Modernization Success Stories

New Digital Platform Unifying Provider Licensing & Oversight

Strategic Capability Delivered: A single, modern system for provider licensing, registration, and program participation. It replaces scattered processes with one secure place for onboarding, updates, and communication.

Capability Enabled:

- One provider record — licensing, certifications, and program participation all in one profile.
- One place to apply and update — providers use a single system instead of multiple forms and portals.
- Better coordination — state, counties, and providers work from the same information.
- Fully online process — applications, documents, and status updates in one digital workflow.
- Less paperwork — fewer manual steps and faster processing.

The Hub is a core building block of Minnesota's modernization effort, creating a connected system that improves service delivery and strengthens oversight.

Outcomes

- ✓ **Reduced administrative burden for providers, counties, and state staff**
- ✓ **Improved provider oversight and compliance monitoring**
- ✓ **Stronger program integrity through better provider data**
- ✓ **Foundation for a unified provider ecosystem across human services programs**

Modernization Success Stories

Medicaid Management Information System (MMIS) Pharmacy Module

BEFORE

Delayed prescription access with limited customer support hours resulted in a frustrating prior authorization process and delays in access to meds

AFTER



40%

Reduced the amount of prior authorization (PA) requests by 40%

+

99.8%

completing 99.8% of PA requests within one business day

The Future of SDT Modernization

Planned use of Remaining Funds

Transforming Service Delivery: DHS, DCYF, MNIT

- Sustain progress: Extend current product teams and transformation efforts for an additional year to maintain momentum.
- Targeted improvements: Fund high-impact, one-time enhancements that reduce burden for clients and workers and improve coordination across programs.
- Prepare for modernization: Continue strengthening enterprise architecture, data governance, and product management to reduce risk and cost in future system modernization.

Licensing Systems Transformation: DHS, DCYF, MNIT

- The platform will be expanded in phases to include additional provider types, including foster care and Medicaid providers.

The Future of SDT Modernization

Planned use of Remaining Funds

Minnesota's Medicaid Enterprise Systems (MES): DHS, MNIT



- Modernize MES to increase agility, starting with an externalized eligibility rules engine using a competitive “bake-off” approach.
- Deliver near-term improvements that reduce manual work and improve user experience.
- Advance API integration to support pre-payment review, county access to State data, and connections to legacy systems.

Improving MN Eligibility Technology System (METS) Functionality: DHS, MNsure, MNIT



- Funds will be used to comply with significant changes required by HR-1 to comply with federal requirements.
- Additional upcoming work will pilot solutions that improve outcomes for populations currently served through legacy systems and upgrades to MNIEAM and METS.

Medicaid Management Information Systems (MMIS): DHS, MNIT



- Continue building shared infrastructure that supports future Medicaid system modernization, such as upgrading MNIEAM for several MMIS sub-systems.

Roadmap: The Path Forward for SDT Modernization

Phase 1 - Foundations (Now - Q3 2026)

- Deploy foundational architecture + integration layers (Boomi, Databricks, LoginMN).
- Expand design system alignment and modern UI standards across systems.
- Solidify enterprise data governance + metadata catalog.
- Continue SDT product team support and METS/MES quick wins.
- Advance MAXIS integration layer implementation.
- Align modernization work across DHS, DCYF, and MNIT under unified governance
- MES Proof of Concept(s) focused on business agility and near-term improvements.

Phase 2 - Connected Capabilities (Q3 2026 - Q1 2027)

- Address manual workarounds
- Enhance MES modular services (eligibility rules, APIs, automation).
- Advance METS functionality improvements tied to HR-1.
- Launch shared analytics dashboards for program integrity + performance monitoring.
- Complete phase 3 strategy and planning for payment integrity
- Select high-value MES POC's and plan for implementation

Phase 3 - Enterprise Modernization (2027 and beyond)

- Begin phased modernization of major systems using platform-based architecture.
- Establish unified case management, eligibility, and provider solutions across agencies.
- Shift from one-time to ongoing modernization funding for enterprise capabilities.
- Deliver a truly connected human services ecosystem for residents, counties, Tribal Nations, and providers.
- Productionalize high-value MES capabilities

Thank You!