



FY2022-23 Revised Supplemental Budget Recommendations

March 28, 2022

Revised Budget Recommendations

- Resources to support health care renewals after federal public health emergency ends
- New investments in Minnesota Health Care Programs
- Increased investments to combat opioid crisis
- Technical changes/fixes

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

A person wearing a dark suit jacket over a light-colored button-down shirt is seated at a desk. They are holding a magnifying glass with a gold-colored frame over a document. The document appears to be a financial statement or invoice, with various numbers and text visible. The person's left hand is resting on the document. In the background, there are stacks of papers and a binder with metal rings. The overall scene suggests a professional setting focused on financial review or compliance.

Compliance and Continuous Improvement

Compliance, Continuous Improvement, and IT

- Continuous Improvement and Compliance Expansion (*FY2023-2025: \$4.8 million*) | p. 247
 - Additional resources for financial audits and contracting divisions will be used to hire additional auditors and contract staff to ensure compliance, auditing, and reports are carried out agency wide, leading to increased efficiency and reduced waste.
 - Funds to cover subpoena expenses for pharmaceutical drug price litigation DHS is not a party to. This litigation has resulted in extensive document discovery requests that DHS must comply with.
- Service Delivery Transformation Continuation (*FY2023-2025: \$77.5 million*) | p. 67
 - Funding to support IT systems work to transform human service delivery to create an integrated, person-centered experience.
 - This includes IT work on the MNbenefits application for expansion to additional programs, and investments to strengthen the state's existing IT infrastructure and new vendor supported systems.

Licensing and Background Studies

- Critical Resources for Licensing (*FY2023-2025: \$9.2 million*) | p. 75
 - Additional licensing staff are needed in order to respond to the growth in the number of foster care and home and community based licensed services (HCBS).
 - Providing additional staff will decrease the time it takes to conduct HCBS licensing visits, increase the timeliness of foster care reviews, and support the agency meeting statutory timelines for maltreatment complaints.
- Emergency Background Studies Credits (*FY2023-2025: \$3.3 million*) | p. 252
 - One-time funding to credit providers for costs incurred from emergency background studies conducted during the peacetime emergency following resubmission of studies for federal and state compliance.

A photograph of a male doctor in a white coat using a stethoscope to examine a young child. The child's mother is smiling and looking on. The scene is set in a bright, modern medical office.

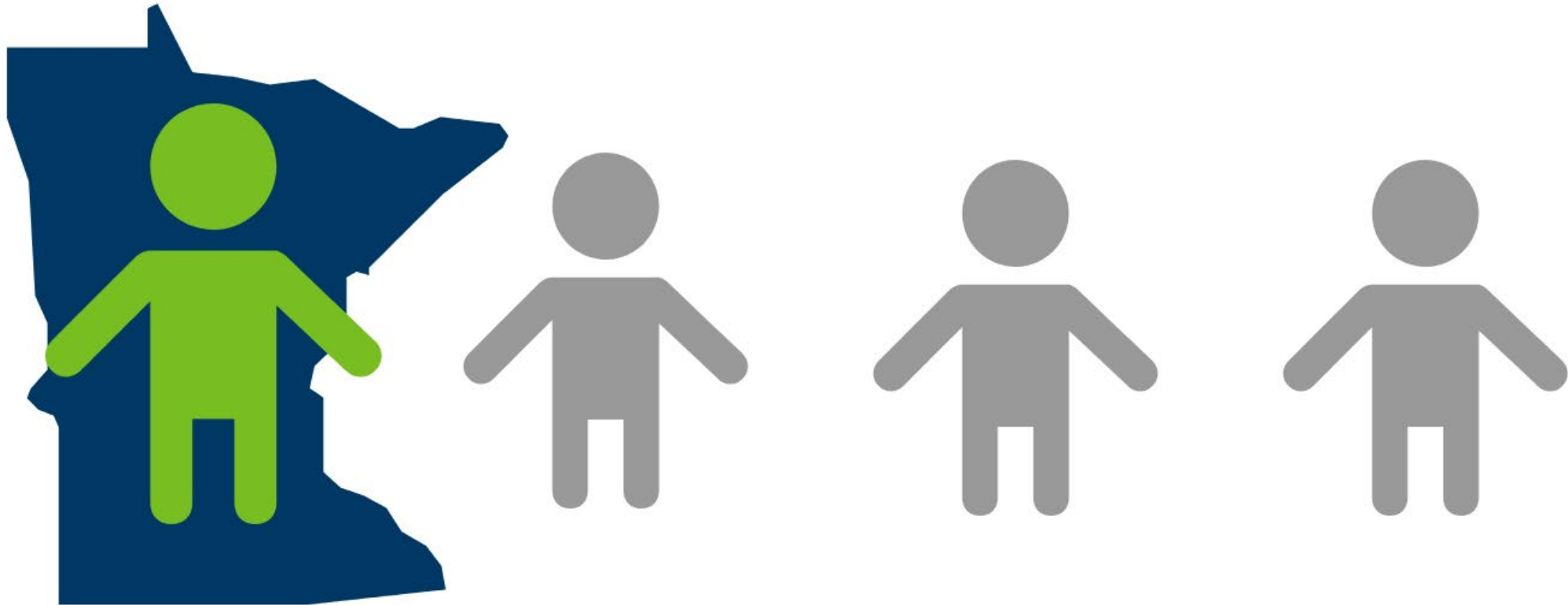
Health/health care

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



One in four Minnesotans get health care coverage through Medical Assistance and MinnesotaCare



Restarting renewals will create or exacerbate:

- Health and well-being impacts
- Workload issues
- Fundamental state infrastructure issues
- Economic impacts

Biggest challenge since implementing the ACA

POLITICO

HEALTH CARE

Next big health crisis: 15M people could lose Medicaid when pandemic ends

State audits could lead to as many as 15 million people, including 6 million children, losing their health insurance, according to one analysis.



npr MPRnews

SIGN IN

NPR SHOP

DONATE

NEWS CULTURE MUSIC PODCASTS & SHOWS SEARCH

Shots HEALTH NEWS FROM NPR

POLICY-ISH

Why millions on Medicaid are at risk of losing coverage in the months ahead

February 14, 2022 · 11:11 AM ET

RACHANA PRADHAN

FROM KHN

Natalie Shure / February 22, 2022

The Medicaid Time Bomb Is Ticking Loudly

Tens of millions of people could get booted off their health care in a matter of months—but it's an avoidable disaster.



BILL CLARK/CQ ROLL CALL/GETTY IMAGES

Responding to COVID-19 in MHCP

P. 16

Investment
FY 2022-23:
\$9.454M
FY 2024-25:
\$3.109M

Helps DHS
return to
standard
policies and
procedures

6 FTEs

- Investing in project management resources
- Supporting navigator organizations
- Expanding capacity for disability determinations
- Giving some enrollees more time to spend down excess assets
- Continuing suspension of premium collection for Employed Persons with Disabilities
- Phasing in a return to standard policies and procedures
- Continuing to suspend periodic data matching for METS cases
- Additional funding for electronic income verification



Supporting American Indian Communities

Supporting American Indian Communities

- Supporting Tribal Providers and Payments (*FY2023-2025: \$889,000*) | p. 266
 - Provides the supports necessary to help the state comply with the federal “Four Walls” policy, which goes into effect 9 months after the end of the federal COVID-19 public health emergency
- Supporting Urban American Indians in Minnesota Health Care Programs (*FY2023-2025: \$7.5 million*) | p. 270
 - Provides grant funding to the Indian Health Board of Minneapolis to expand efforts aimed at keeping eligible urban American Indians enrolled in Medicaid, improving access to quality health care, and to increase COVID-19 vaccination rates

A close-up photograph of a red marker with a black cap, positioned over a checklist. The checklist consists of four square boxes arranged diagonally from the top-left towards the bottom-right. Each box contains a red checkmark. The marker's tip is currently touching the bottom-right corner of the fourth box, as if it has just finished or is about to finish marking it. The background is a plain, light-colored surface.

Federal Compliance and Technical Clean-Up

Compliance and Technical-Clean Up

- MA Clinical Trials (*budget neutral*) | p. 287
 - Aligns MA coverage of routine patient costs associated with participating in qualifying clinical trials with recent federal guidance
- Clarifying MCHP Enrollee Error Overpayments (*budget neutral*) | p. 291
 - Sets standards for addressing and recovering enrollee overpayments so the process is consistent statewide
- Newborn Screening Fee Increase Technical (*FY2023-2025: \$11,000*) | p. 301
 - Modifies MA payment rates to allow payment for newborn screening at the MDH rate when the screening is provided in an outpatient setting



Initial Governor's Budget Health Care Recommendations

Improving Health Care Access and Coverage

- Increasing health care access and affordability (*FY2023-2025: \$162.9 million*) | p. 26
 - Improving the applicant and enrollee experience, including enhancements to the consumer portal, investments in community-driven health care improvements, and investments in address validation software.
 - Simplifying MinnesotaCare premiums by maintaining the reduced premium scale enacted under the American Rescue Plan Act past their scheduled expiration of December 31, 2022
- Establishing 12 months of continuous MA eligibility for children under 21 (*FY2023-2025: \$42.1 million*) | p. 35
 - Revised effective date of January 1, 2024 to align with necessary systems work
- Expanding MA coverage to former foster care youth who were in foster care and enrolled in MA on their 18th birthday in any state (*FY2023-2025: \$1.1 million*) | p. 236

Improving Health Equity

- Removing the doula supervision requirement (p. 242)
- Expanding MinnesotaCare coverage to undocumented children under age 21 (p. 26)
- Improving equitable access to COVID-19 vaccination through community-based outreach (p. 231)





Opiate Epidemic Response

Opiate Settlement and OERAC Updates

P. 222



Investment
FY 2022-23:
\$2.673M
FY 2024-25:
\$5.334M

Increases
cultural
responsivity
of services

4 FTEs

- Expands membership of Opiate Epidemic Response Advisory Council (OERAC) to include a representative from each federally recognized American Indian tribe **and two members representing urban American Indian populations. 50 percent of the council must represent people who have lived experience with opiate use disorder.**
- Requires that at least 40 percent of the OERAC grants are awarded to projects that have culturally responsive components.
- Continues existing funding for traditional healing grants **and overdose prevention grants** in the base, starting in FY 2025, which are currently set to expire.
- **Establishes onetime funding for culturally responsive grants for disproportionately impacted communities to prevent and address opiate use disorder through housing, education, and aftercare.**
- Adds a reporting structure to measure how settlement dollars are used, including measuring outcomes through impact evaluations.

Thank You!