"DHS 101"
Commissioner Jodi Harpstead
January, 2023

Department 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.

Employee Vision:

When <u>all</u> employees are embraced, respected and heard, we will build a collaborative, equitable, inclusive and anti-racist culture where we all thrive.

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- According to a recent consulting firm analysis, Minnesota ranks "High" for "Involvement of the Legislature." Some state legislatures pass broad statutes, leaving state agencies to do rule-making to shape their work. Almost everything that governs our work is in statute.

- Minnesota is one of 10 states that are state-funded, county- and tribal-administered for the delivery of human services. So as we rollout programs approved by the Legislature, we need to implement them through 87 counties and 11 tribal nations.

- In other words, "It's complicated!"

- And "Mistakes can happen!"

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Medicaid Program   **$ 16.6 Billion**

  Medicaid State Funds **5.7 Billion**
  Medicaid Fed.   Funds **10.9 Billion**

Direct Care and Treatment Services   **.6 Billion**

Other   **6.0 Billion**

Total DHS Annual Budget   **$ 23.2 Billion**

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- **Deputy Commissioner for Agency Effectiveness**
    Shireen Gandhi
    Finance, Compliance, Service Transformation, Process Improvement, Equity

- **Deputy Commissioner for Communications and Relations**
    Nikki Farago
    Legislative, County, Tribal, Community, Federal Relations
    Communications, Employee Culture, Office of Equity and Inclusion

- **Chief of Staff**
    Stacy Twite

- **General Counsel**
    Amy Akbay

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- A specialized behavioral health system for those others cannot or will not serve

- DCT serves 12,000 patients annually, has 5,000 employees and is about the size of the CentraCare Health System in central Minnesota

- Includes:

  - 12 inpatient psychiatric facilities (Anoka-Metro Regional Treatment Center and the Forensic Mental Health Program in St. Peter are the largest)

  - Five inpatient substance use disorder treatment facilities

  - Nation's largest secure sex offender treatment program in Moose Lake and St. Peter

  - Outpatient medical, psychiatric and special care dental services
  - Group homes, vocational programs and crisis services for more than 400 people with disabilities
- Achieved 1 of 4 steps on the way to the Malcolm Baldrige Quality Award

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- Conducts background studies to determine if a health and human services worker has committed an act that disqualifies them from providing care.

- Monitors compliance with licensing laws and rules and investigates maltreatment and licensing violations.

- Audits and investigates provider and recipient fraud, waste and abuse in public programs administered by DHS.

- Recent activities:
  - Refocused program integrity services on preventing and predicting financial fraud, waste and abuse, starting with proactive, data driven, equitable approaches in the Child Care Assistance Program.
  - Transforming the child care licensing system and modernizing child care licensing regulations.

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- **Healthcare Administration**
     Cynthia MacDonald, Assistant Commissioner

- **Children and Families Administration**
     Tikki Brown, Assistant Commissioner

- **Aging and Disabilities Services Administration**
     Natasha Merz, Interim Assistant Commissioner

- **Behavioral Health, Housing, and Deaf & Hard-of-Hearing Administration**
     Eric Grumdahl, Assistant Commissioner

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There is nothing more important for the MN Department of Human Services than to be Trustworthy for the people of Minnesota. Trustworthy to the people who depend on our services to live full lives in community. And Trustworthy to the taxpayers of MN whose resources we are entrusted with to use them properly, wisely, and effectively.

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Going forward, we intend to be as Trustworthy to the people of Minnesota for doing our work in a more flexible and responsive fashion as we are to the taxpayers of Minnesota to have a solid approach to accounting for funds spent – especially through an ongoing workforce shortage.

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Operation Swiss Watch Progress to Date

OSW Projects Complete and in Maintenance		Percent Complete*
Medicaid	OSW 1: Payments to MCOs on behalf of Deceased Beneficiaries	100%
Medicaid	OSW 2: Duplicate Person IDs	100%
Medicaid	OSW 8: MMIS Workarounds, Edits and Changes	100%
Medicaid	OSW 11: Child Welfare Targeted Case Management Expertise (Quick Hit)	100%
Medicaid	OSW 12: Authority for Medicaid Programs	100%
Contracts	OSW 17: Contract Review Submission Timelines (Quick Hit)	100%
Contracts	OSW 24: Contract and Grant Training Efforts (Quick Hit)	100%
Contracts	OSW 25: OGM Award Notice Process (Quick Hit)	100%
Agency-wide	OSW 26: Leadership Onboarding	100%
Both	OSW 27: Ensuring proper billing and reimbursement of Medicaid & Grant Contract	100%
Contracts	OSW 23: Contract Mgmt. FileNet and DocuSign	100%
Operationalized by Implementation Teams		
Contracts	OSW 20: Fiscal Management of Grant Contracts	100%
Contracts	OSW 18: Contract Data Accessibility and Reliability (connected to implementation of OSW 20)	100%
Contracts	OSW 22: Contract and Grant Workgroup (connected to implementation of OSW 20)	100%
OSW Projects In Progress		
Medicaid	Medicaid Decision Making Initiative (result of OSW 12)	90%
Medicaid	OSW 13: Consistency in Medicaid Program and Policy Communication	50%
Medicaid	OSW 14: Medicaid Policy Changes Impacting Tribes	50%

Operation Swiss Watch (OSW) is a collection of longer-term department efforts to improve accuracy in DHS Medicaid and contracting processes.

*Percent Complete notes DHS OCI involvement as part of an OSW initiative. In many cases, work continues in the business areas to implement and standardize the work.

What is the Medicaid Decision Making Initiative?

Objective:

- **Establish decision-making authority, approval requirements, and clear accountability for new Medicaid policy adoption, changes to policy and operations, and fiscal impacts**

Outcomes:

- **Assigns formal decision-making authority to the State Medicaid Director**
- **Brings together key leaders and subject matter experts across the agency to discuss and advise Medicaid policy and operations**
- **Establishes clear roles and shared definitions in the change and implementation processes**
- **Develops a formal and documented decision-making process utilizing an AgileApps database**

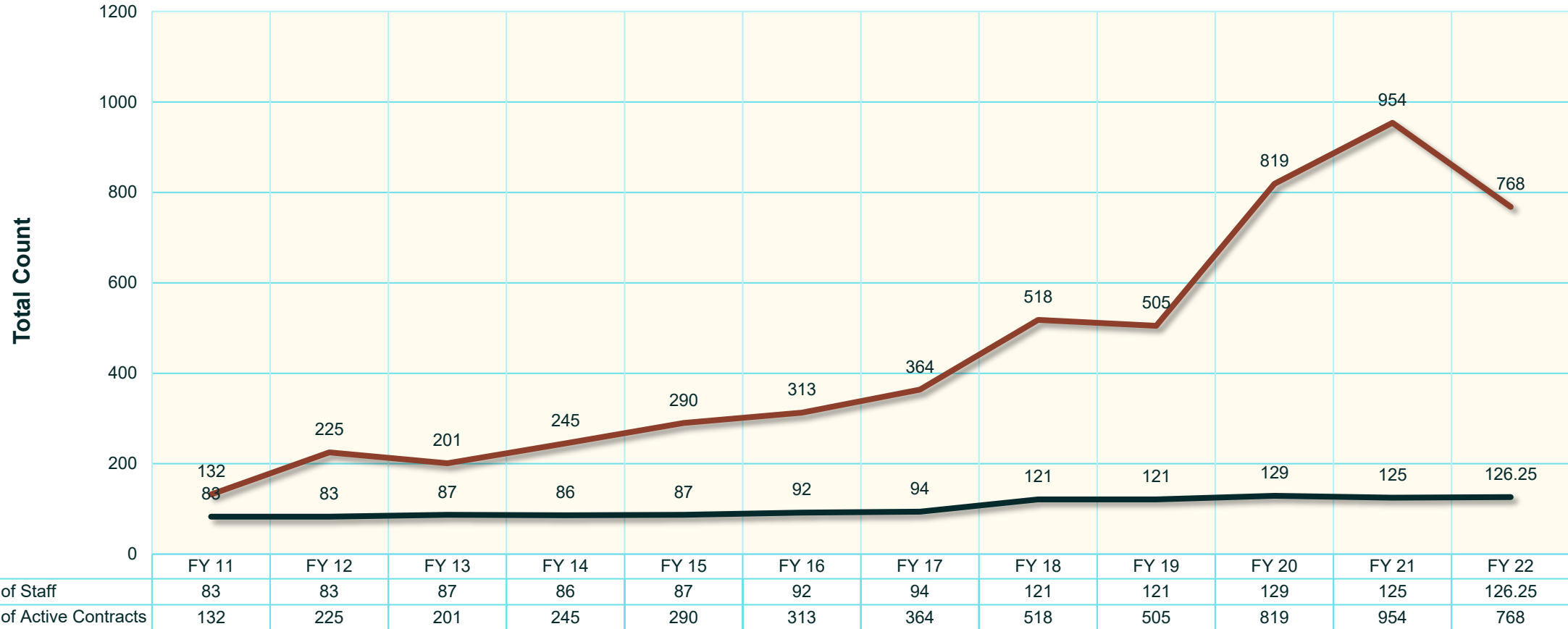# What Does the Contract Integration System <u>Do</u>?

- **Moves our grants/contracts work into the 21st Century by converting the work from a paper to an electronic system for the first time in state history on a system called Agile Apps – not a decades-old mainframe system.**

- **Operates like on-line ordering applications that keep telling you that you can't place your order until you complete all the required fields.**

- **Saves all the documentation in a central system organized by grant category, date of the work, who completed the steps, etc.**

- **Allows us to pull data to show compliance levels, speed of the work, number of times certain steps are problematic, equity in grant making, etc.**
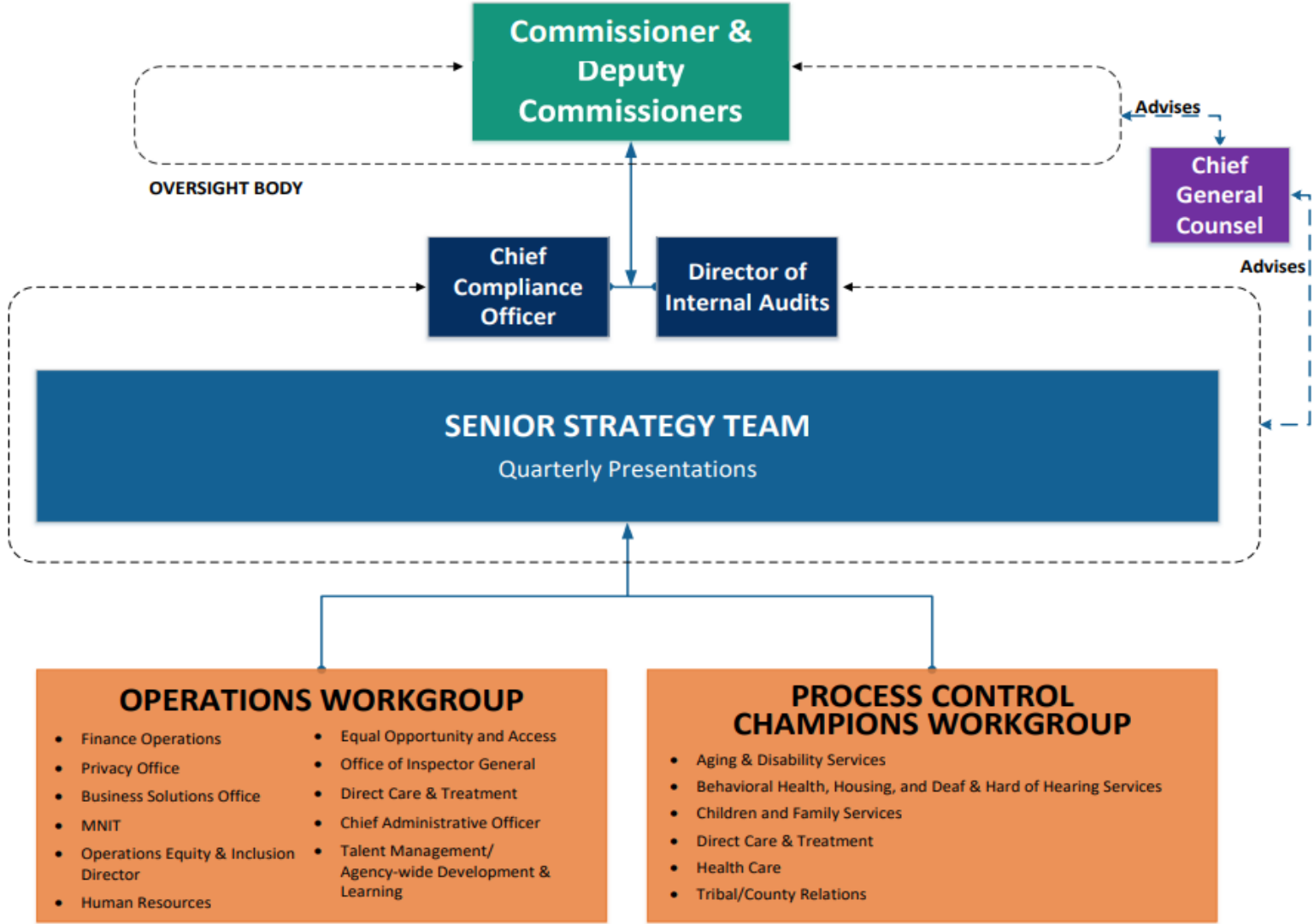
- Looking for additional opportunities to reduce the number of contracting/ grant-making steps and the length of time takes to get both single source and RFP grants out the door.

  - Initially identified 85 steps for RFPs and 61 for single source.

  - Will already reduce that number to 73/54, through CIS implementation as well as elimination of duplicative steps.

  - Full implementation of the CIS will cut another 10-12 steps in this process, resulting in an **almost 30% reduction in the number of steps to get grants out the door without compromising accountability and oversight**.

Example of Growth - Behavioral Health Division, Number of Contracts

Behavioral Health Division, Count of Staff compared with Number of Active Contracts by Fiscal Year (FY)

	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
# of Staff	83	83	87	86	87	92	94	121	121	129	125	126.25
# of Active Contracts	132	225	201	245	290	313	364	518	505	819	954	768

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Based on SWIFT data

Compliance Oversight and Reporting Structure

2022 – Mostly A Year of Solid Audit Findings

- **Managed Care Organizations: Personal Care Assistance Services Encounter Data and Oversight** – Generally Complied but need to renew efforts to revalidate providers.

- **Department of Human Services: Homelessness and Housing Support Grants** – Reaffirmed significant internal control deficiencies in grant management practices.

- **Child Protection Removals and Reunifications** – Minimal findings.

- **SFY21 Annual Comprehensive Financial Report (Issued February 2022)** – No DHS findings.

- **2021 Single Audit report (Issued May 2022)** –Went from 32 findings 2020 to 13. Identified no misspent or misappropriated funds in the 15 months of COVID-related funding audited to-date.

2022 – Mostly A Year of Solid Audit Findings

Medicaid Payment Error Rate Measurement (PERM)

Medicaid	National	Cycle 1	MN
Medicaid FFS	10.42%	3.72%	2.96%
Medicaid Managed Care	3.00%	0.00%	0.00%
Medicaid Eligibility	11.89%	5.36%	0.70%

CHIP	National	Cycle 1	MN
CHIP FFS	11.23%	2.44%	1.46%
CHIP Managed Care	62.00%	68.00%	0.00%
CHIP Eligibility	24.10%	10.46%	18.37%

EXAMPLE:

Housing and Homelessness Grant Audit found internal control deficiencies.

AND:

- It was a pandemic, and we were getting people off the street and into shelter.

- Our financial reconciliation is now complete with no sign of fraud or mis-spending.

- We had 5 other great audits in 2022.

- Passed 120 waivers of rules, regulations, guidance to get counties, tribes, providers, Minnesotans through the COVID shutdown.

- Each one required approval from DHS Legal, Finance, Compliance, MNIT, Equity Office, Asst Commissioners, Subject Matter Experts, MMB and Governor's Office.

- Most stood back up or codified as ongoing by the Legislature – prime example, telemedicine.

- Big project ahead – County/Tribe re-certification of recipient eligibility for Medicaid/MNcare starting in April, 2023 and ending in March, 2024:

  - Usual annual re-certification volume – 1.2 million

  - Post-COVID volume – 1.5 million

  - Data now up to 3 years old

DHS Service Delivery Transformation Goals

- Investigate **digital service options** to reduce administrative burden on all partners and customers

- Support **innovation and efficiency** by providing stakeholders with more **direct access to DHS systems and data**

- **Improve our methods of measuring and tracking public outcomes** through ongoing system and service enhancements

- **Collaborate across teams and agencies** to collectively deliver for the people we serve and meet the needs of all Minnesotans

- **Support equity initiatives** by giving a direct voice to impacted populations about their needs during the decision making process including residents, providers, counties, Tribal Nations and DHS staff

- **From 2018-2022:**

    - **Our overall budget grew by 30%, while our office staff grew by 2%.**

    - **Our Medicaid budget grew by 31%, while our staff declined by 2.74%.**

- **With the rapid influx of COVID state and federal dollars as well as state surpluses, our usual formulas for FTEs in individual fiscal notes did not keep up with the need in HR, Finance, Compliance, and Legal.**

- **Workforce shortage doesn't help either.**

- **Expect requests for additional staffing to get funding out to providers as soon as possible after session.**

- **Improving efficiencies by investing in automation and technology tools to improve service delivery.**

- **Streamlining processes and workflows to reduce the time and resources it takes to do our work.**

- **Improving financial controls, program integrity and program oversight.**

- **Subtraction!! Eliminating unnecessary steps and working smarter.**

- **But even these efforts are not enough.**

- **In FY 2022 DHS overhead was 2.69%. Without more staff, DHS overhead will remain low at or below 3%.**

Excellence

Trustworthiness

Flexibility

Responsiveness

Caring Leadership

Diversity, Equity, Inclusion, Belonging and Anti-Racism

Learning and Development

Engagement

- **Just rolling out now**

- **Outside, qualitative research of what it's like to work at DHS**

- **Shows us the work we need to do to embed our new Standards of Culture in the organization for years to come**

- **High-Behavior Patients**

- **CCBHC**

- **Fraud**

- Develop a short, powerful set of metrics of disparity – income, employment, housing, longevity, hospital admissions – build equity into the walls of DHS and see the metrics MOVE.

- Demo new population-specific healthcare models like IHP, Population-specific Total Cost of Care

- Expand MH/Addiction facility capacity and integrate Behavioral Health strategies with Housing Strategies

- Take a stand for Racial Justice, Gender Justice, Housing Justice, Health Justice

- Initiate work to make Minnesota the best place for all children – including Black, Brown, and Indigenous children - to grow up.

- AND keep MN in the top 5 states nationwide for older adults and people with disabilities to live in.

- Demo new models for older adults and people with disabilities to live in integrated settings in a workforce shortage.

- Remove any unnecessary barriers to patient progress through the MSOP and other civilly committed DCT services.

- Reduce our carbon footprint with fewer and solar-powered buildings, electric fleets and an educated workforce.

- Develop robust approaches to co-creating our work.

- KNOW who gets our grants and move that measurement to those who most need our services to live full lives in community.

- Build out our systems and processes to create a seamless state-funded, county/tribal-administered Full Human Services System.

- Subtract unnecessary rules and regulations that don't impact health and safety or prevent fraud or abuse for a time of workforce shortage.

- Become a systems Product Organization committed to the integration of Human Services.

- Make all of our work widely accessible to all Minnesotans.

- Improve DHS's capacity as a flexible, agile, responsive customer service organization.

- Lock in Trustworthiness with our Compliance Plan, Medicaid Decision-Making Process, and Contract Integration System.

- Achieve the Malcolm Baldrige Award for DCT.

- Move to the 5th or 6th pillar of our Anti-Racism/Multicultural Continuum and accelerate progress in the inclusion of the LGBTQIA2S+ community, Veterans, and People with Disabilities.

- Work toward the realization of our Employee Vision Statement, making DHS a Best Place to Work and to develop careers, promoting from within whenever possible.