Department of Human Services Overview

Commissioner Jodi Harpstead

Budget Director Elyse Bailey

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.
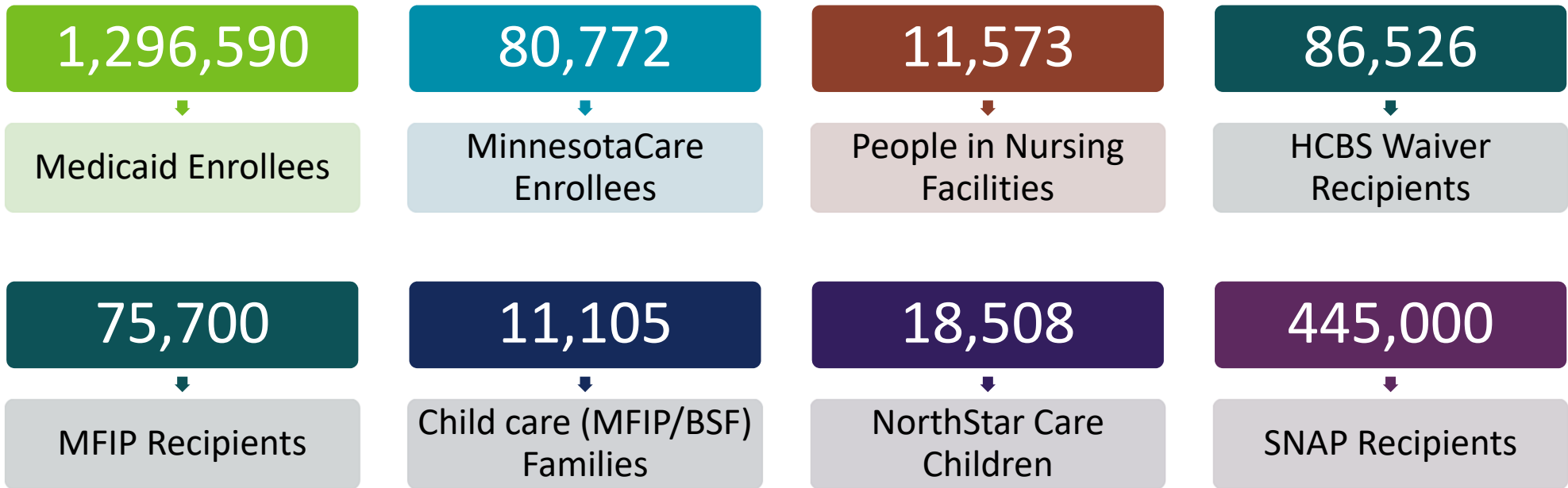
Human services system

Who we serve

Children and families
People with disabilities
Older Minnesotans

Who we serve: Average Monthly People

1,296,590	80,772	11,573	86,526
Medicaid Enrollees	MinnesotaCare Enrollees	People in Nursing Facilities	HCBS Waiver Recipients

75,700	11,105	18,508	445,000
MFIP Recipients	Child care (MFIP/BSF) Families	NorthStar Care Children	SNAP Recipients

Office of the Commissioner

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

- **Deputy Commissioner for Agency Relations and Culture**
    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

DEPARTMENT OF HUMAN SERVICES

Administrations

- **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

DHS Office of Inspector General
Kulani Moti, Inspector General

- 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.

DEPARTMENT OF HUMAN SERVICES

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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Recent Issues

- **High-Behavior Patients**

- **CCBHC**

- **Mobile Crisis Grants**

- **Fraud**

DHS COVID Activity

- 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

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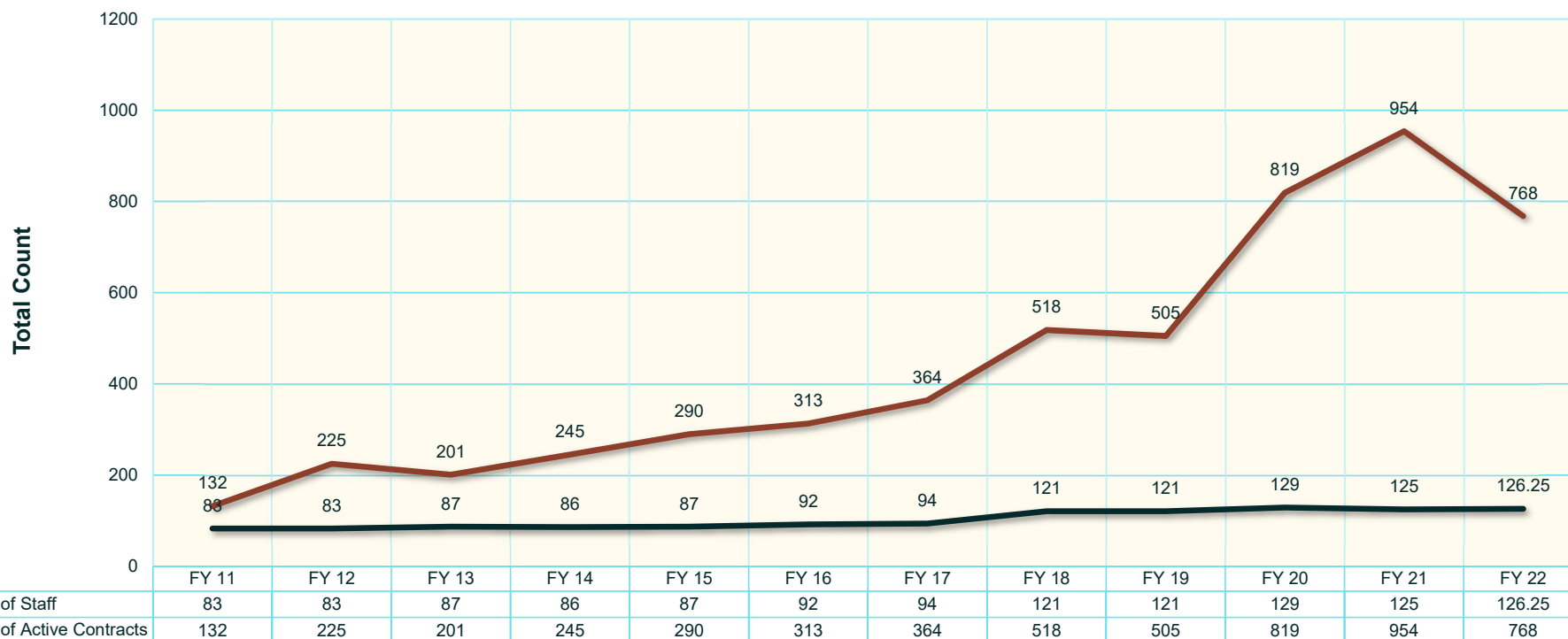
What Does the Contract Integration System <u>Do</u>?

- 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.

SUBTRACT Progress in Grantmaking

- 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

- **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.**

- **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**

DHS's Biggest Possibilities for Minnesotans

- **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.**

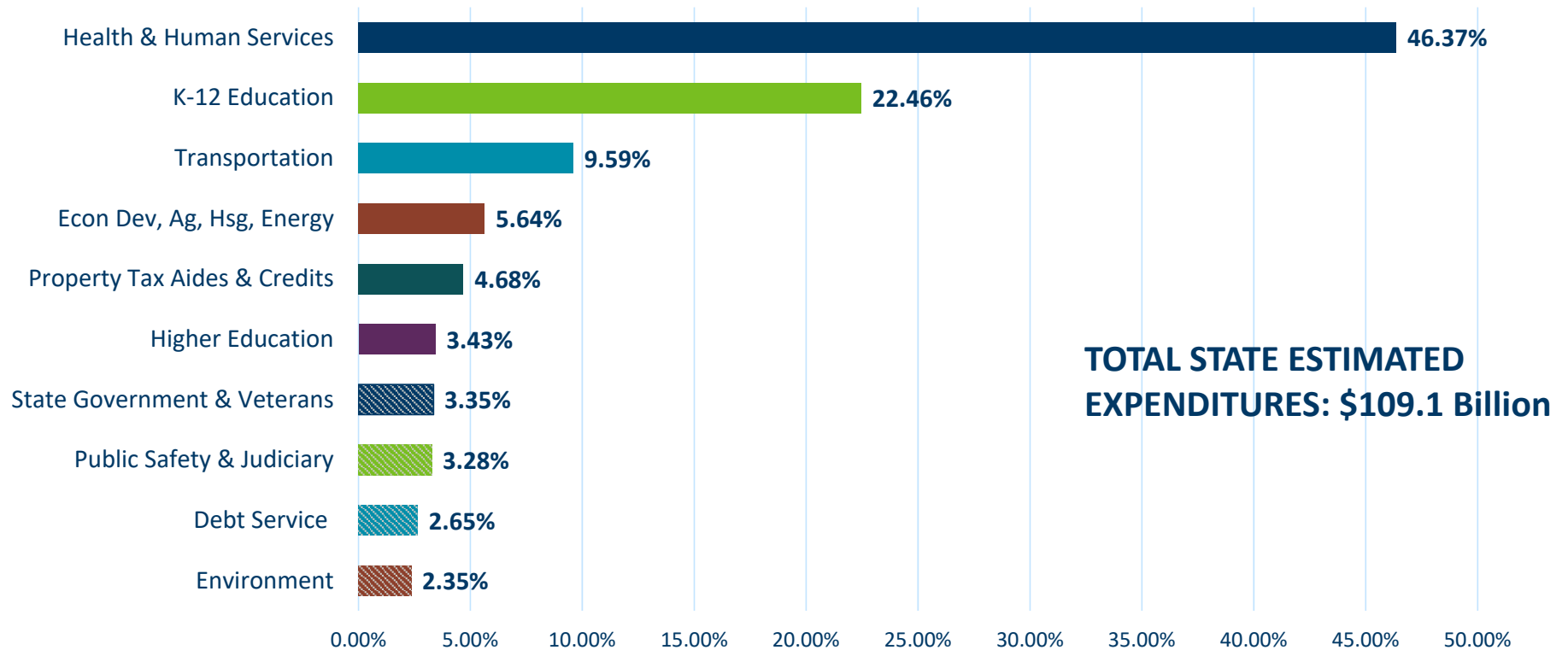- **Reduce our carbon footprint with fewer and solar-powered buildings, electric fleets and an educated workforce.**

- 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.

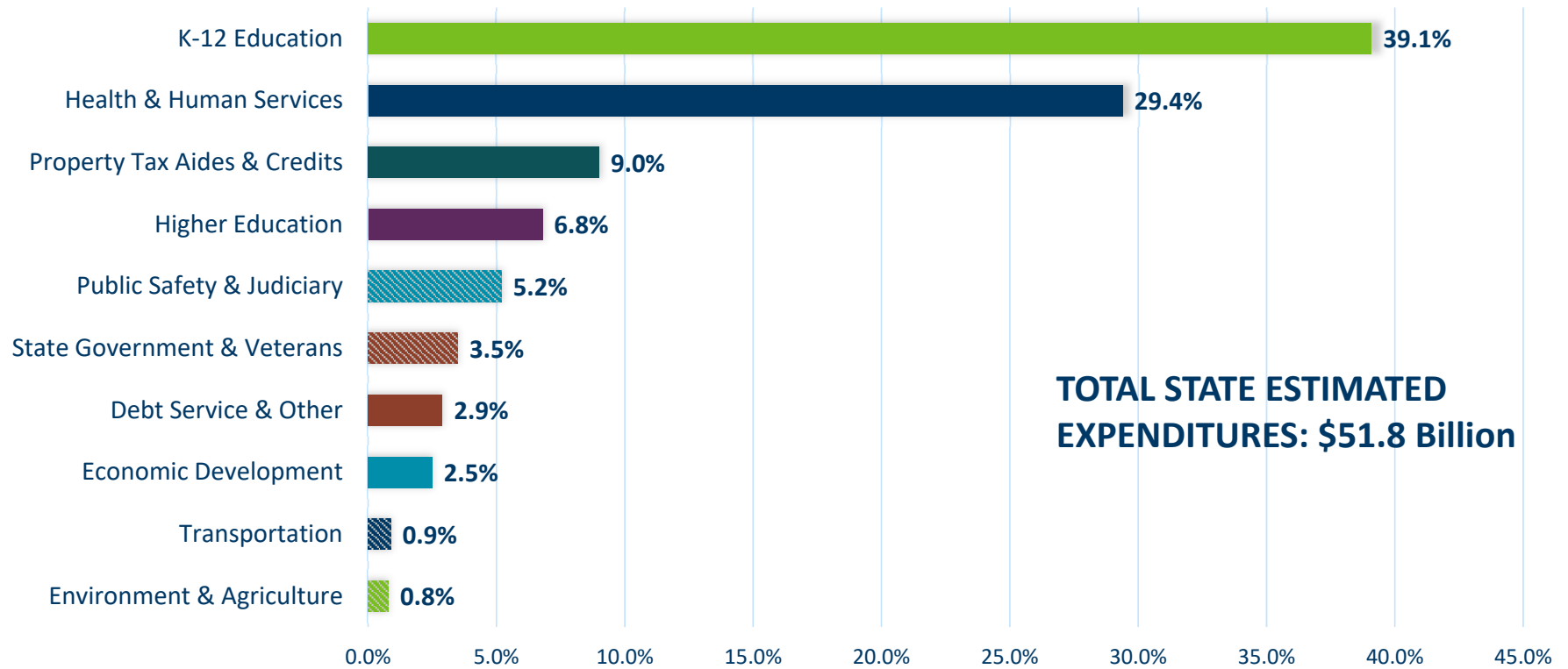- Make all of our work widely accessible to all Minnesotans.

- **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.**

FY 2022-23 biennium – All funds enacted budget

Health & Human Services — **46.37%**
K-12 Education — **22.46%**
Transportation — **9.59%**
Econ Dev, Ag, Hsg, Energy — **5.64%**
Property Tax Aides & Credits — **4.68%**
Higher Education — **3.43%**
State Government & Veterans — **3.35%**
Public Safety & Judiciary — **3.28%**
Debt Service — **2.65%**
Environment — **2.35%**

TOTAL STATE ESTIMATED EXPENDITURES: $109.1 Billion

Data from MMB Consolidated Fund Statement (November 2022)

FY 2022-23 biennium – General Fund enacted budget

Category	Percentage
K-12 Education	39.1%
Health & Human Services	29.4%
Property Tax Aides & Credits	9.0%
Higher Education	6.8%
Public Safety & Judiciary	5.2%
State Government & Veterans	3.5%
Debt Service & Other	2.9%
Economic Development	2.5%
Transportation	0.9%
Environment & Agriculture	0.8%

TOTAL STATE ESTIMATED EXPENDITURES: $51.8 Billion

Data from MMB Consolidated Fund Statement (November 2020)

Spending by fund

Federal
State
Health Care Access
Misc. Special Revenue
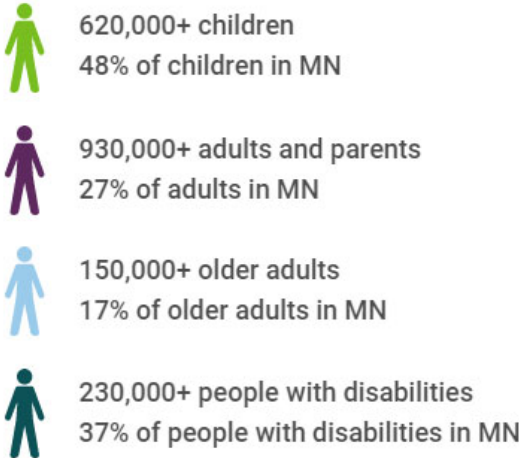Child Support
Others

0   5B   10B   15B
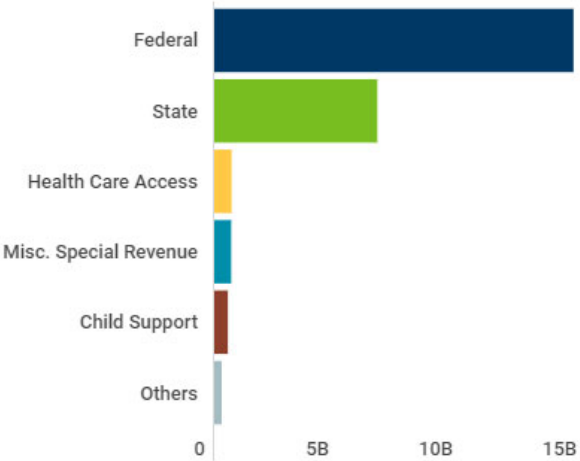
Definitions:
- Federal: Includes Federal and Federal + TANF
- State: Includes State General and State Government Special Rev
- Misc. Special Rev: Includes Restrict and other Misc. Special Rev
- Others: Include ARP State Fiscal Recovery, Coronavirus Relief, Opiate Response, SOS TBI & Adol Ent Svcs, DHS Chemical Dependency Svcs, MN State Industries, Lottery and Miscellaneous Agency.
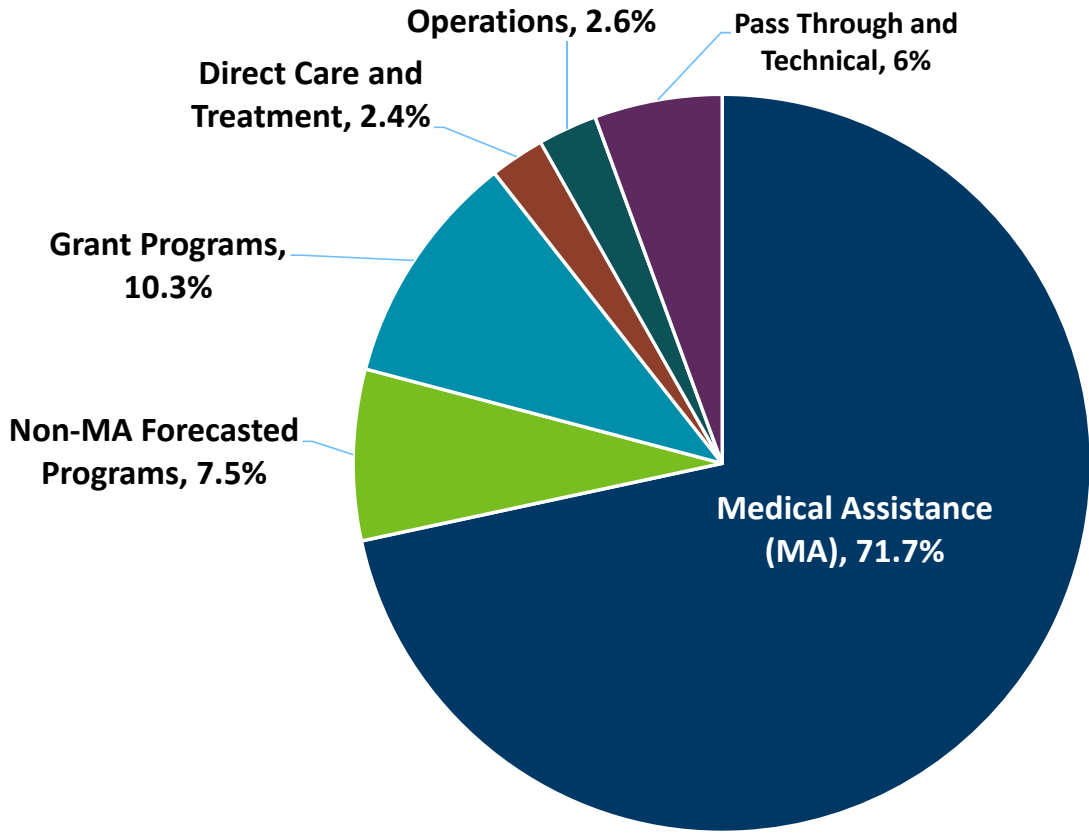
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Serves

620,000+ children
48% of children in MN

930,000+ adults and parents
27% of adults in MN

150,000+ older adults
17% of older adults in MN

230,000+ people with disabilities
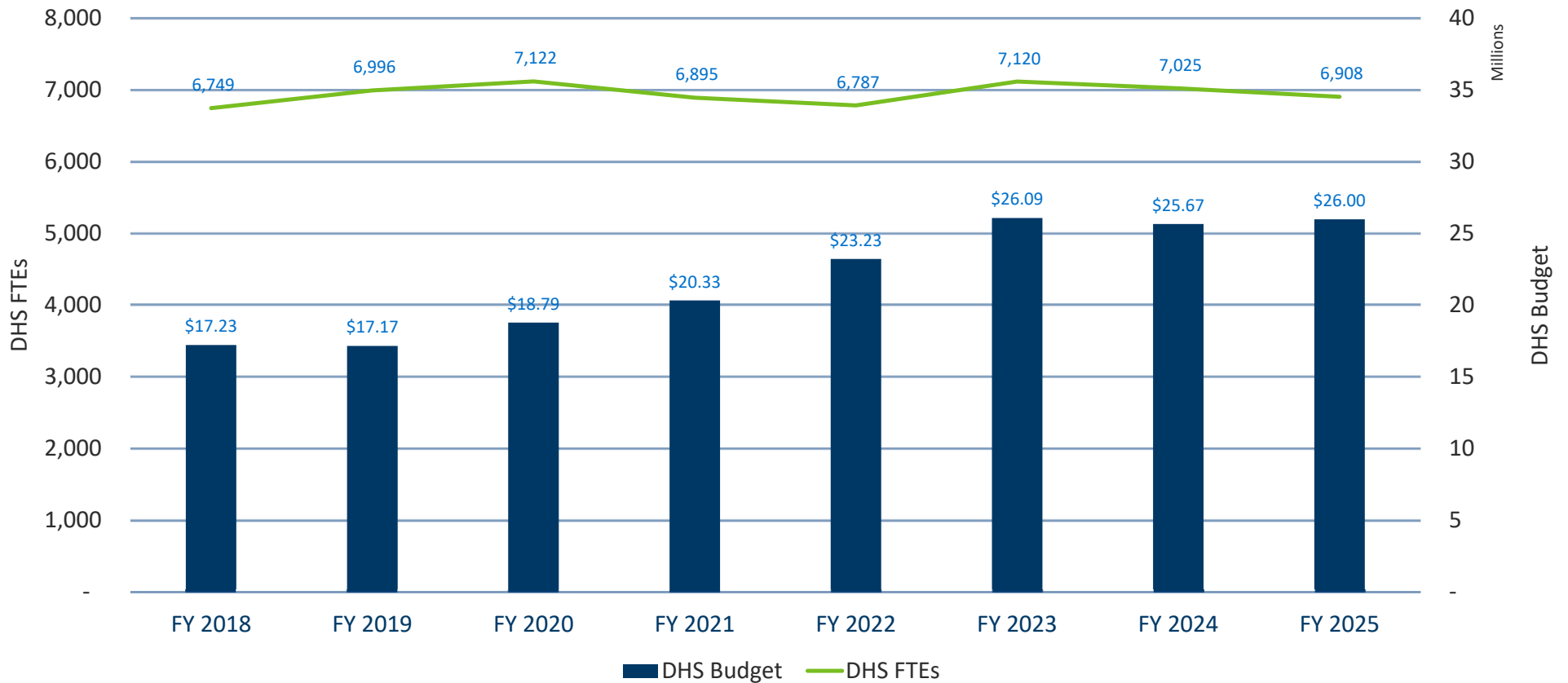37% of people with disabilities in MN

Definitions:
- Children: 0-17 years
- Adults and parents: 18-64 years
- Older adults: 65+ years
- Data source: DHS MAXIS and MMIS
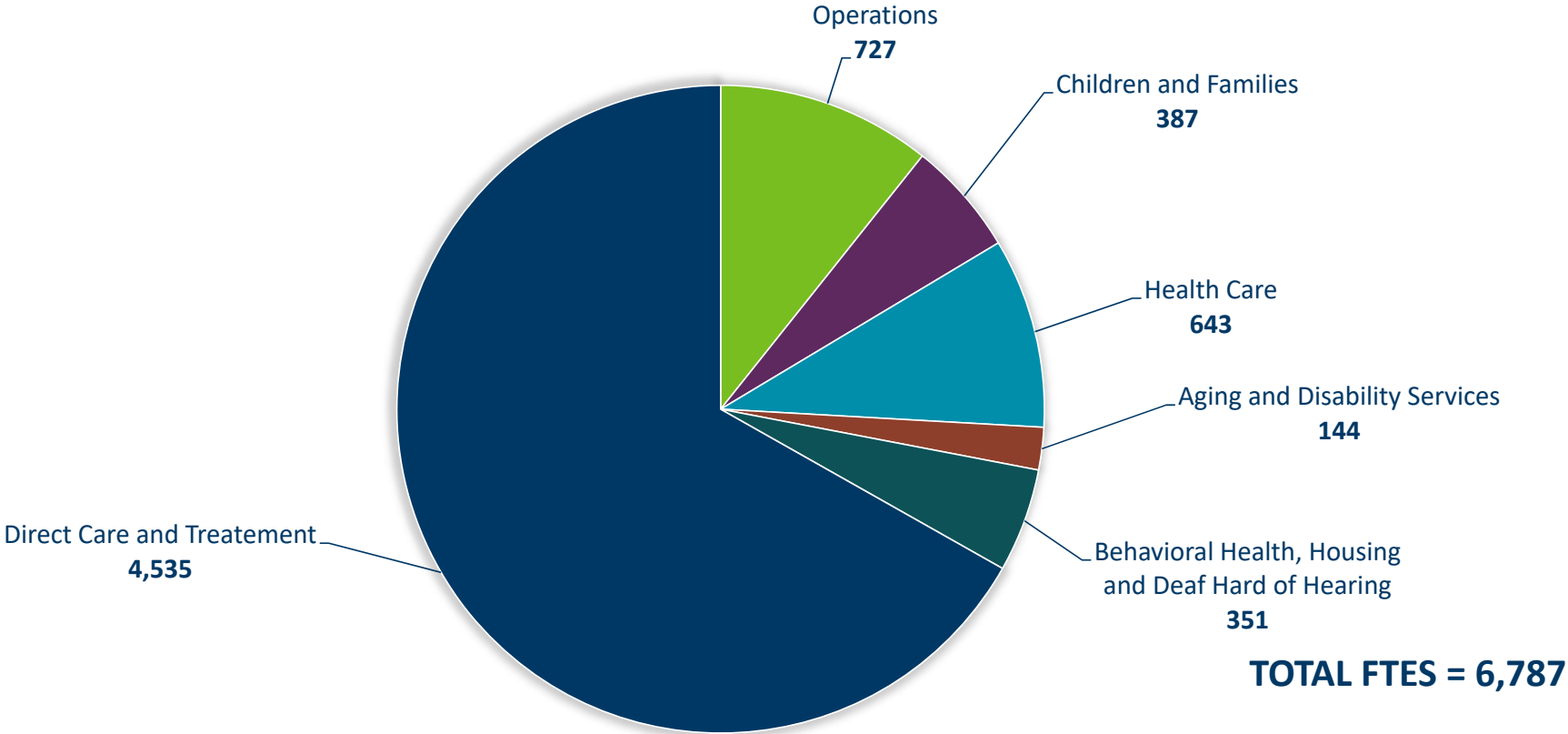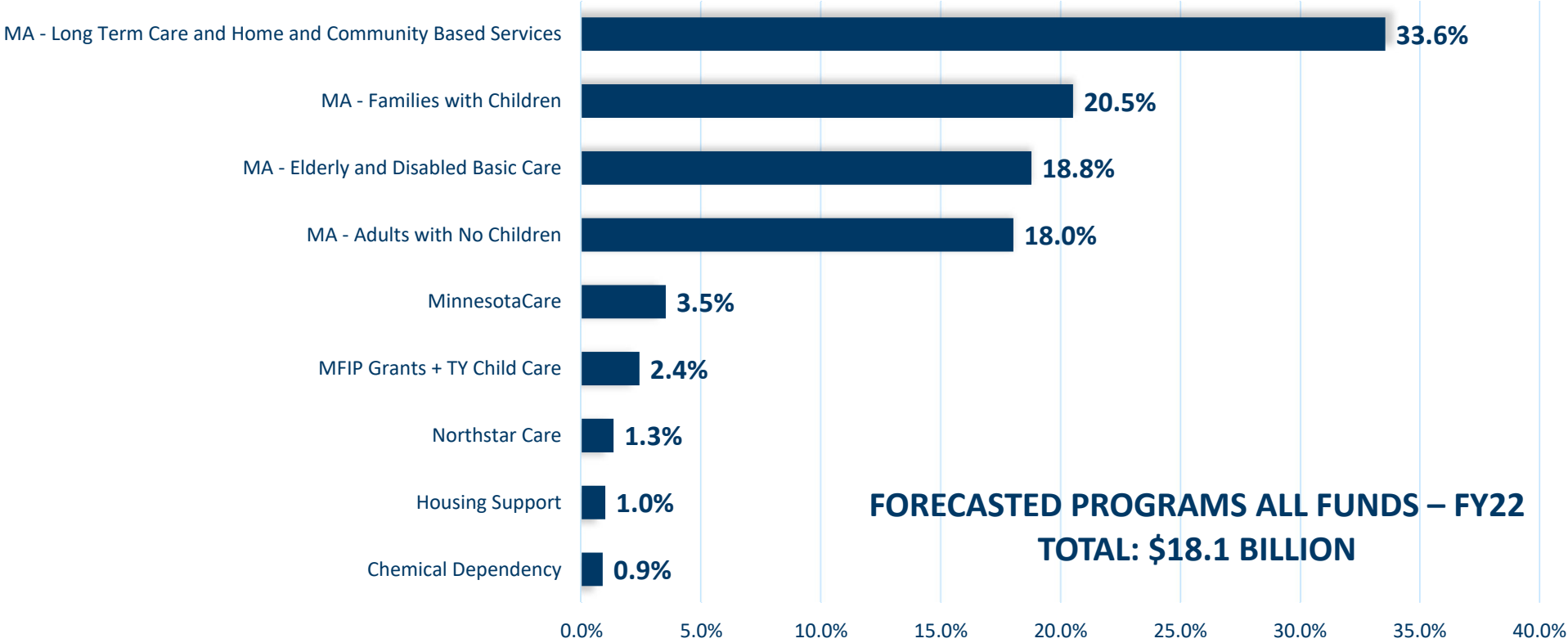
DHS FY 2022 Expenditures: $23.2 billion*

Operations, 2.6%

Pass Through and Technical, 6%

Direct Care and Treatment, 2.4%

Grant Programs, 10.3%

Non-MA Forecasted Programs, 7.5%

Medical Assistance (MA), 71.7%

Data Source: BPAS; November 2022 forecast

FY Increase in DHS FTEs and DHS Budget

FTEs by activity- FY2022

Operations
727

Children and Families
387

Health Care
643

Aging and Disability Services
144

Behavioral Health, Housing and Deaf Hard of Hearing
351

Direct Care and Treatement
4,535

TOTAL FTES = 6,787

Forecasted programs – November 2022 forecast

Chart: Forecasted Programs All Funds – FY22, Total: $18.1 Billion

Program	Percentage
MA - Long Term Care and Home and Community Based Services	33.6%
MA - Families with Children	20.5%
MA - Elderly and Disabled Basic Care	18.8%
MA - Adults with No Children	18.0%
MinnesotaCare	3.5%
MFIP Grants + TY Child Care	2.4%
Northstar Care	1.3%
Housing Support	1.0%
Chemical Dependency	0.9%

FORECASTED PROGRAMS ALL FUNDS – FY22
TOTAL: $18.1 BILLION

Minnesota Health Care Program FY 2022
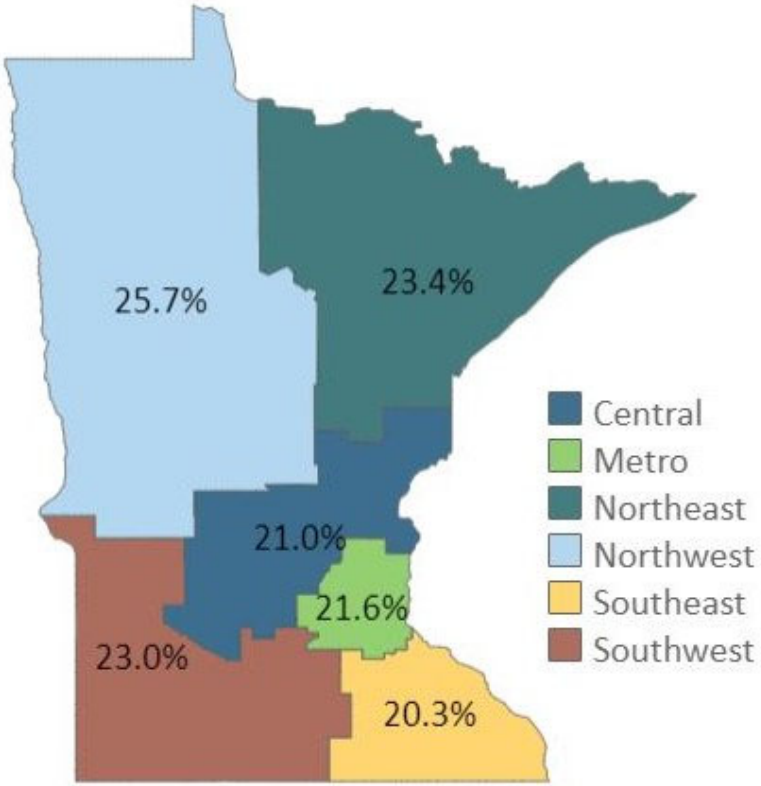
Medical Assistance

- $16.5 billion total ($5.4 billion state)

- 1.3 million people enrolled per month

MinnesotaCare

- $637 million total ($55 million state)

- 105,928 people enrolled per month

MA Enrollment Distribution (CY 2021)

Region	MA Participants	Percentage of Population on MA	Percentage of Total MA Population
7-County Metro	682,258	21.6%	54.2%
Central	154,262	21.0%	12.3%
Northeast	76,089	23.4%	6.0%
Northwest	148,595	25.7%	11.8%
Southeast	105,141	20.3%	8.4%
Southwest	91,349	23.0%	7.3%
Minnesota	**1,257,694**	**22.1%**	**100.0%**

Medical Assistance Demographics: Race/Ethnicity (CY2021)

Overall Population	Race	MA Participants
7.4%	African American/Black	19.8%
1.4%	American Indian	3.1%
5.4%	Asian or Pacific Islander	7.3%
5.8%	Hispanic	9.9%
77.2%	White	46.2%
2.8%	Two or more races	5.7%
0.0%	Unknown	8.0%

Total Medical Assistance expenditures by fund
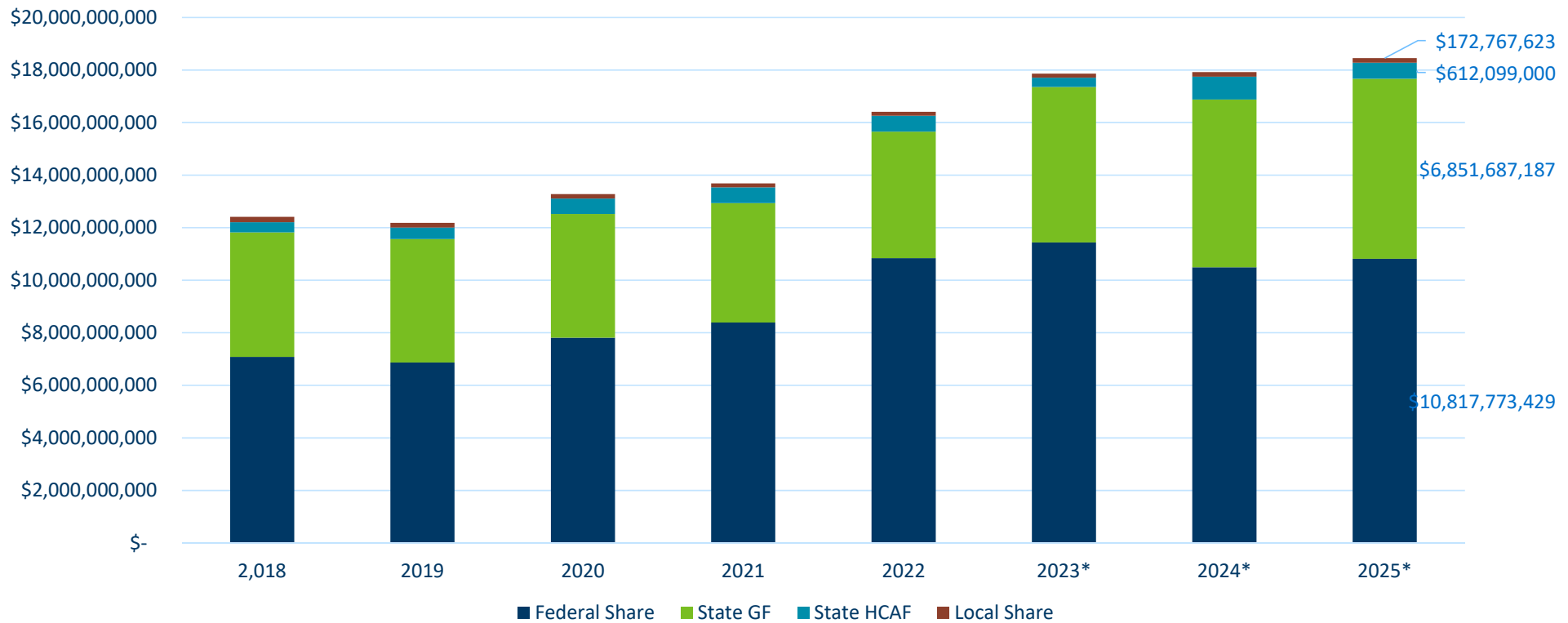
*forecasted

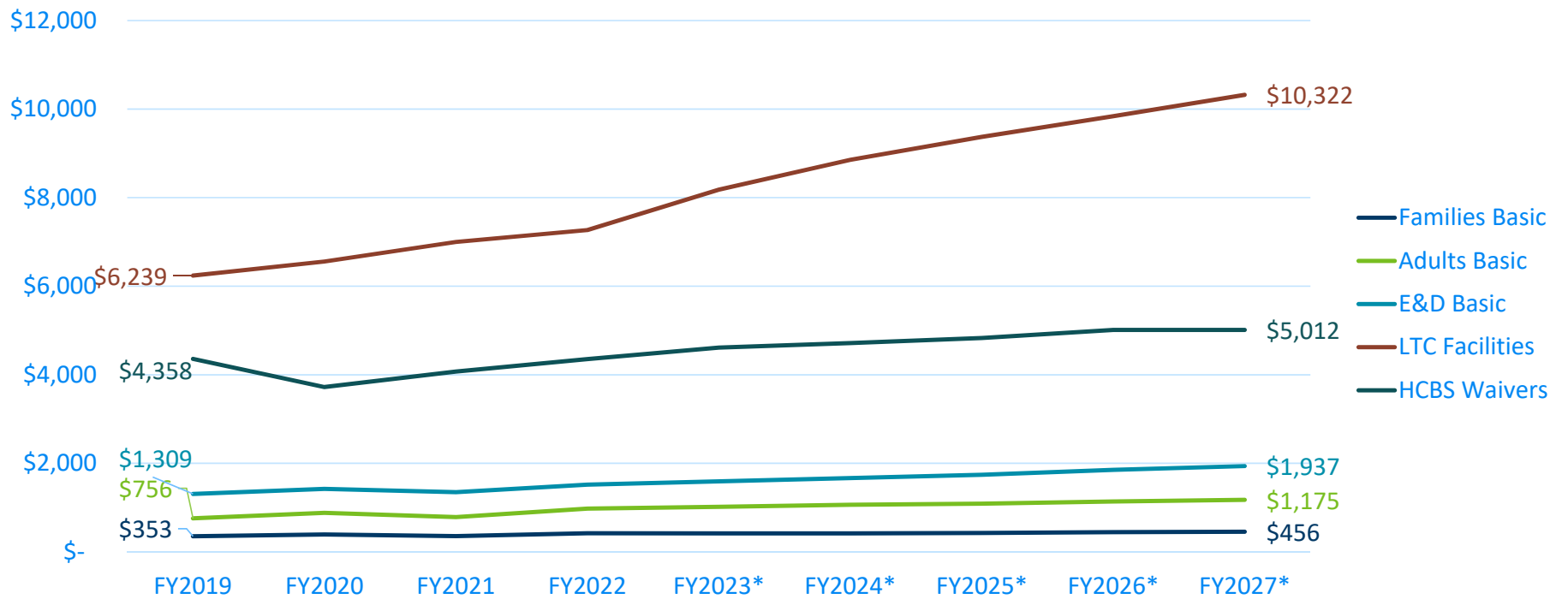# Medical Assistance actual FY2022

Average monthly enrollees

- 187,182
- 278,707
- 830,701

Legend:
- Elderly & disabled (inc. LTC)
- Children & families
- Adults w/o children

Total expenditures (state and federal) = $16.5 billion

- $9.5B
- $3.7B
- $3.3B

MA Average Monthly Cost Per Enrollee

Cost by Eligibility Category—All Funds

Legend:
- Families Basic
- Adults Basic
- E&D Basic
- LTC Facilities
- HCBS Waivers

LTC Facilities: $6,239 (FY2019) → $10,322 (FY2027*)
HCBS Waivers: $4,358 (FY2019) → $5,012 (FY2027*)
E&D Basic: $1,309 (FY2019) → $1,937 (FY2027*)
Adults Basic: $756 (FY2019) → $1,175 (FY2027*)
Families Basic: $353 (FY2019) → $456 (FY2027*)

Y-axis: $12,000, $10,000, $8,000, $6,000, $4,000, $2,000, $-

X-axis: FY2019, FY2020, FY2021, FY2022, FY2023*, FY2024*, FY2025*, FY2026*, FY2027*

DHS End of Session 2020 Forecast

*Projected

Non-MA Forecasted Programs (FY2022)

Program	Spending
MinnesotaCare	$ 637 million
Minnesota Family Investment Program (Cash and Food)	$ 337 million
Child Care	$ 100 million
Behavioral Health Fund	$ 160 million
Northstar	$ 242 million
Housing Support	$ 179 million
General Assistance	$ 50 million
Minnesota Supplemental Assistance	$ 50 million

May 2020 Interim Budget Projections

MinnesotaCare forecast trends

Annual Forecasted Spending – Total $
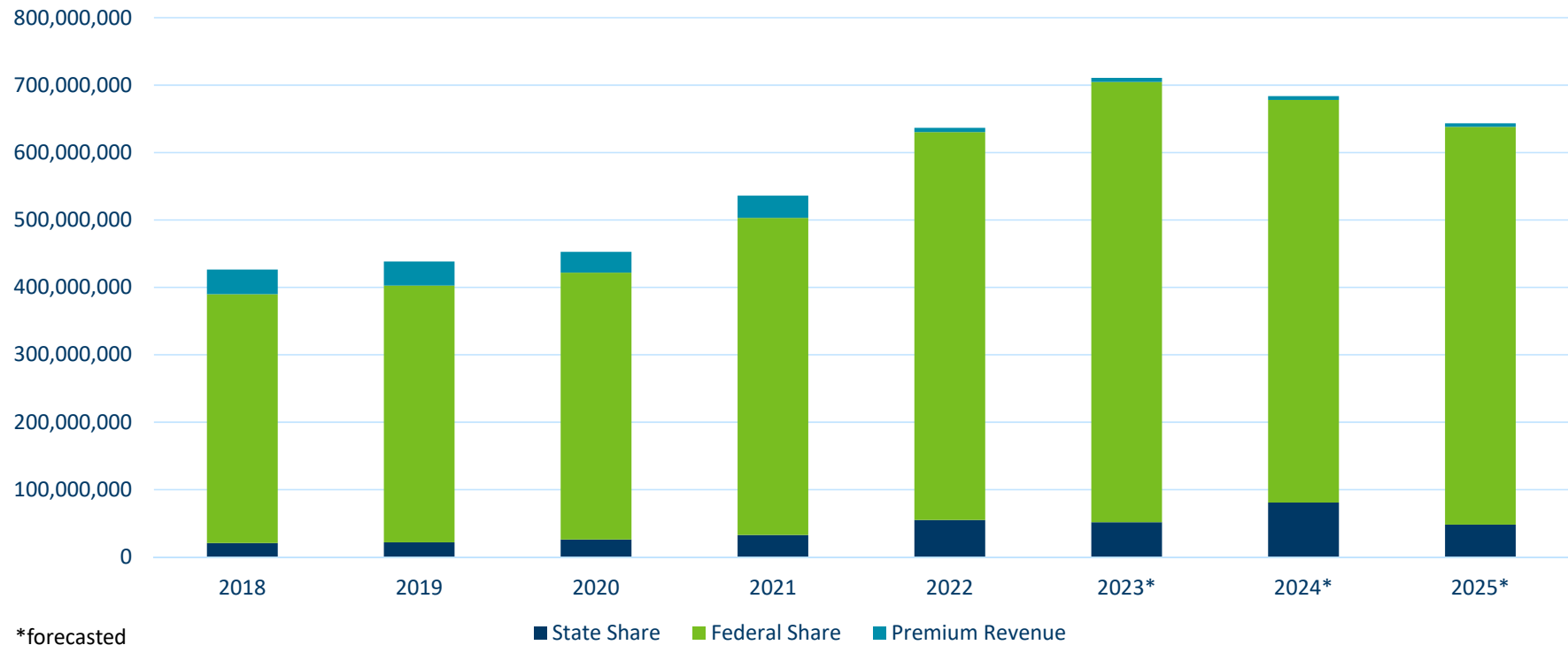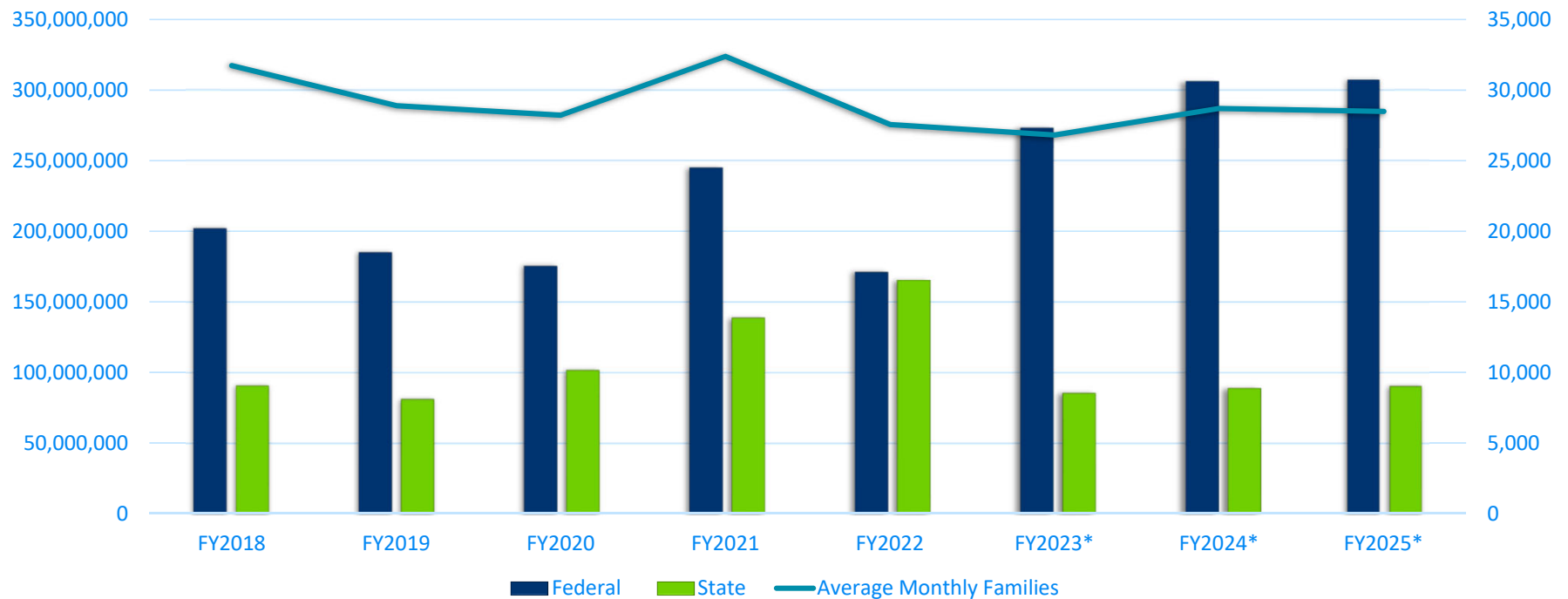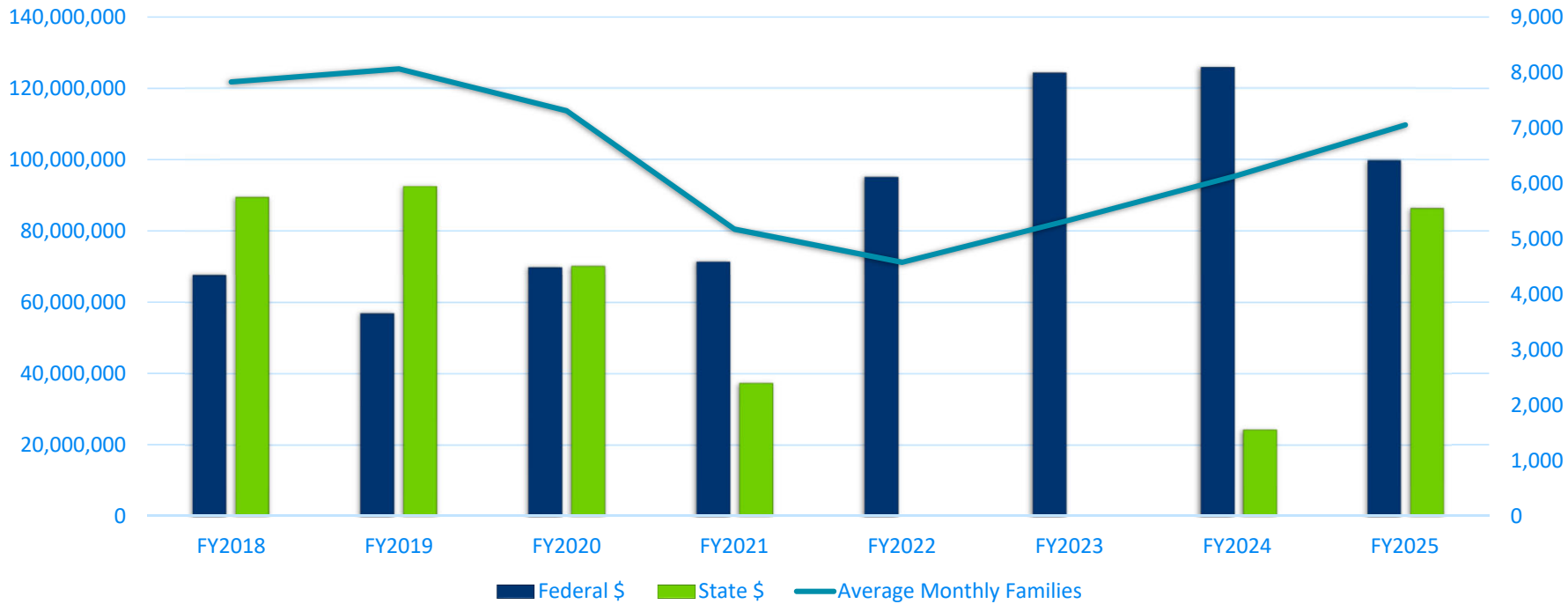

*forecasted

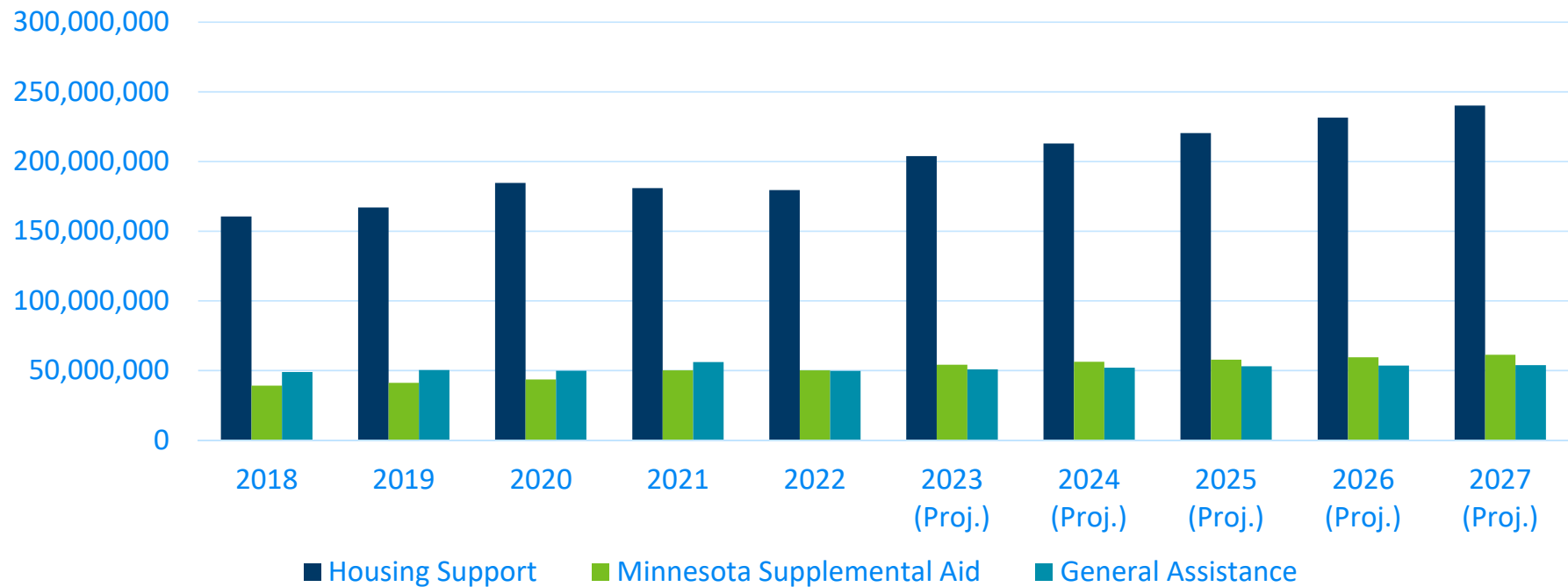# Minnesota Family Investment Program (MFIP)

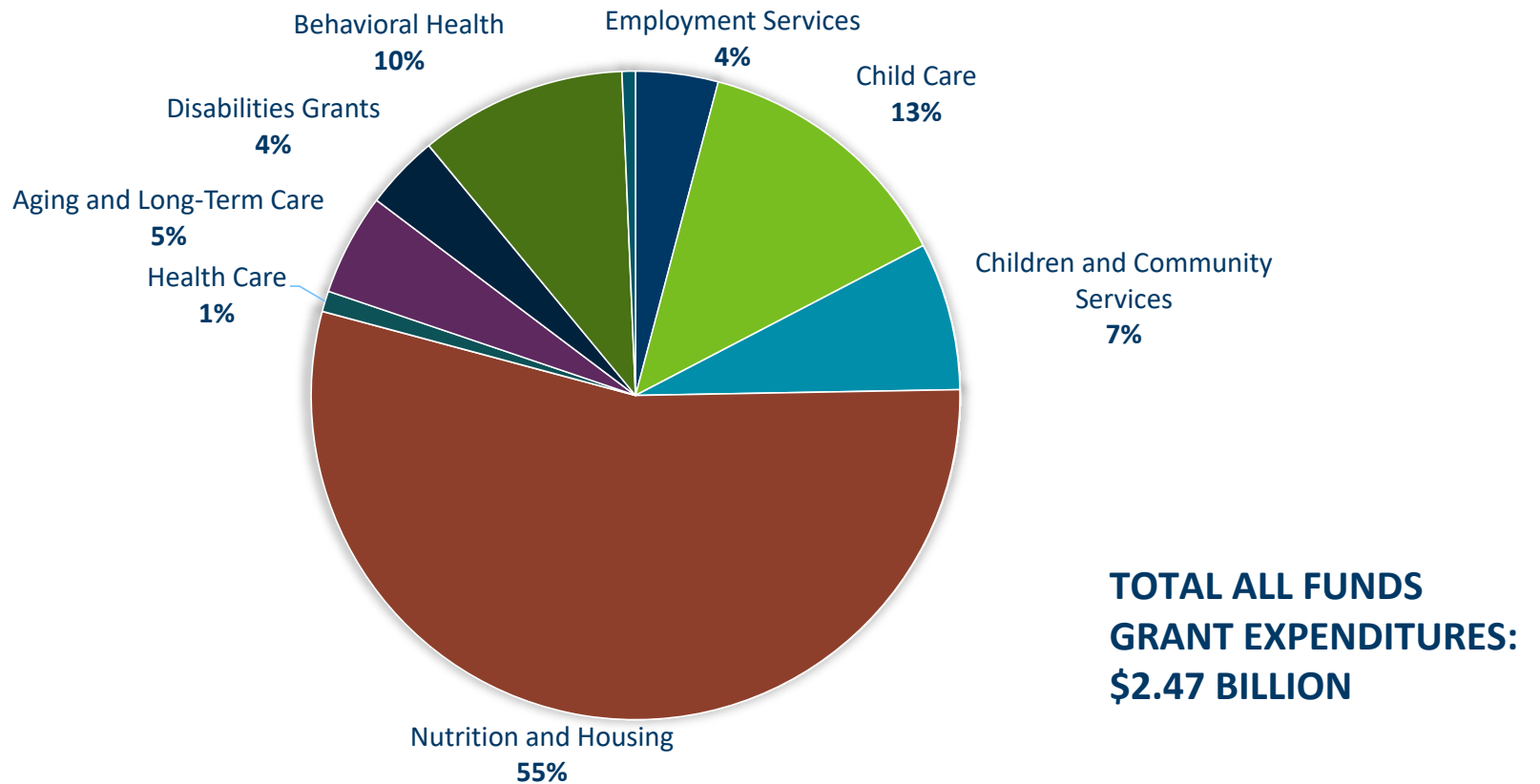## Expenditures and Families Served

Expenditures and Families Served

General Assistance, Minnesota Supplemental Aid, and Housing Support

Non-MFIP Cash Assistance Expenditures

Legend: Housing Support, Minnesota Supplemental Aid, General Assistance

Behavioral Health
10%

Employment Services
4%

Disabilities Grants
4%

Child Care
13%

Aging and Long-Term Care
5%

Health Care
1%

Children and Community Services
7%

Nutrition and Housing
55%

TOTAL ALL FUNDS GRANT EXPENDITURES: $2.47 BILLION

DHS Grant Expenditures Over Time

TOTAL EXPENDITURES BY FISCAL YEAR (IN THOUSANDS)

Fiscal Year	General Fund	Federal and Other
FY 2018	$375,892	$765,357
FY 2019	$389,113	$750,651
FY 2020	$409,945	$581,543
FY 2021	$420,932	$1,823,884
FY 2022	$471,913	$1,910,054
FY 2023*	$582,209	$2,204,505
FY 2024*	$494,649	$1,751,034
FY 2025*	$459,038	$1,627,511
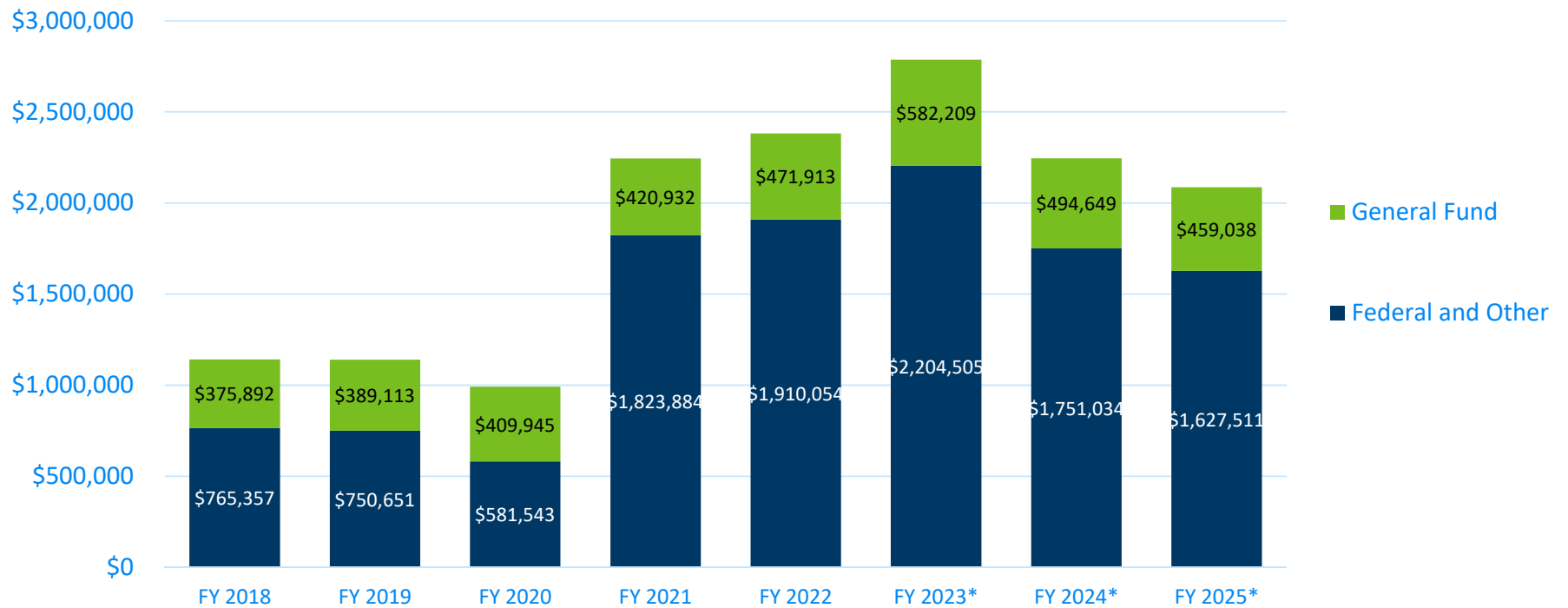
Resources on the DHS Budget

- Department of Human Services November Forecast

- DHS Biennial Budget Book

- DHS Fiscal Reports & Forecasts

- DHS Legislative Information

DEPARTMENT OF HUMAN SERVICES

Questions?