

One Minnesota Budget



FY 2024-25 Revised Budget Recommendations

Senate Human Services Committee
March 20, 2023

A Package Centered Around People Served and Improving the Health & Human Services System



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



DHS Budget Package Pillars



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

Remaining one of the top 5 states in the nation for older adults and people with disabilities to live in.

Transform the health and human services system so that it simply works better for people.

Take a stand for Racial Justice, Gender Justice, Housing Justice, and Health Justice.

Increase our operational effectiveness and facilitate the co-creation of solutions with partners.

Summary of Total DHS Budget Package

Proposal Category	FY23	FY24/25	FY26/27	Total	Proposals
Children & Families		718,887	1,016,677	1,735,564	20
Long-Term Care & Workforce		566,138	965,661	1,531,799	20
Behavioral Health		187,004	199,346	386,350	10
Access to Healthcare		180,723	175,619	356,342	27
Housing & Homelessness		98,023	189,923	287,946	5
Direct Care & Treatment	4,829	107,510	124,344	236,683	5
Service Delivery Transformation		130,140	68,557	198,697	6
Agency Effectiveness		61,520	76,933	138,453	12
Other		18,722	18,158	36,880	9
Grand Total	4,829	2,068,667	2,835,218	4,908,714	114

Costs in thousands

DHS Budget Package: Human Services Jurisdiction

Proposal Category	2023	FY24/25	FY26/27	Total	Proposals
Long-Term Care & Workforce		566,138	965,661	1,531,799	20
Direct Care & Treatment	4,829	107,510	124,344	236,683	4
Behavioral Health		68,071	57,038	125,109	6
Service Delivery Transformation		25,921	22,240	48,161	1
Access to Healthcare		15,414	5,138	20,552	2
Other		1,000	1,000	2,000	1
Grand Total	4,829	784,054	1,175,421	1,964,304	34

Costs in thousands



New & Revised Proposals

Data-based Rates for Residential and Own Home Disability Services



Investments

FY 2024-25 - \$77M

FY 2026-27 - \$201M

- Implements a data-based rate methodology for intermediate care facilities for persons with developmental disabilities (IFC/DDs)
- Updates the timing of disability waiver rate system (DWRS) automatic inflationary updates so that rate increases are received sooner
- **NEW:** Uses newer data for automatic inflationary adjustments so that providers are able to compete for direct care staff
- **NEW:** Incorporates compensation thresholds that require a minimum percentage of revenue generated from rates to go to direct support professional compensation.

Older Adult Long Term Care Workforce Package



Investments

FY 2024-25 - \$41M

FY 2026-27 - \$100M

- Increases the home and community-based service rates delivered under the Elderly Waiver (EW), Alternative Care (AC), and Essential Community Supports (ECS) programs to address the unprecedented workforce shortage in the long-term care sector
- Increases the monthly budgets for people leveraging informal support networks using the Consumer-Directed Community Supports (CDCS) option under the EW and AC programs
- **NEW:** Adds a requirement that providers direct 80% of increased revenue resulting from rate increases toward compensation-related costs for employees and implements a new cost reporting requirement for EW, AC, and ECS providers

Addressing the Opioid Epidemic



Investments

FY 2024-25 - \$54M

FY 2026-27 - \$41M

Transformative reforms to increase equitable outcomes for people impacted by the opioid epidemic and to stop the tragic loss of life.

Components of this proposal include:

- Modifying the Opioid Epidemic Response Advisory Council (OERAC) membership to more equitably represent populations most impacted
- Dedicating resources to disproportionately impacted communities
- Ongoing funding for traditional healing grants and overdose prevention

NEW Components:

Removal of the current sunset on fees paid by opioid manufacturers and distributors – Will ensure that the state has ongoing resources to combat the opioid crisis caused by opioid manufacturers and distributors.

Funding for competency-based training for the SUD provider community
This provision expands work currently underway between the DHS and the University of Nevada to provide clinical training supporting the transition to American Society of Addiction Medicine (ASAM) standards.

Addressing the Opioid Epidemic *continued*



Family treatment program regulation simplification workgroup and start-up/capacity-building grants

Establishes a workgroup to co-create administrative and/or legislative solutions to improve access to and the quality of family treatment programs. Provides a \$10 appropriation for grants to family SUD treatment programs to improve existing facilities and expand access to new programs.

Requirements for treatment settings, schools, publicly funded housing programs, jails, and prisons to have Naloxone on-site

In order to save lives, this proposal leverages evidence-based harm reduction strategies by increasing access to naloxone. In addition to requirements, includes \$1.5M per year for training resources on administering Naloxone.

Implementation of a bad batch overdose surge text alert system

This near real-time central alert system will increase the timeliness, comprehensiveness, and access to overdose data for state and community partners to support a community-specific, multi-sector overdose spike response, as well as targeted overdose prevention and intervention efforts.

Investments

FY 2024-25 - \$54M

FY 2026-27 - \$41M

Addressing the Opioid Epidemic *continued*



Investments

FY 2024-25 - \$54M

FY 2026-27 - \$41M

Harm Reduction and Youth Public Awareness Campaign

Campaign will target the stigma of opioid use disorders and aim to prevent and educate youth of the dangers associated with opioids and other substances

Establishment and funding for safe recovery sites

\$12.5 million per year in start-up and capacity funding for organizations to operate up to 15 safe recovery sites. Sites could offer services and supplies, such as sterile needle exchange, safe injection spaces, Naloxone/Narcan, health monitoring, Fentanyl testing, FTIR testing machines, education and referrals to SUD treatment and recovery services, mental health services, housing, nutrition, healthcare, and holistic supports; and hygiene access.

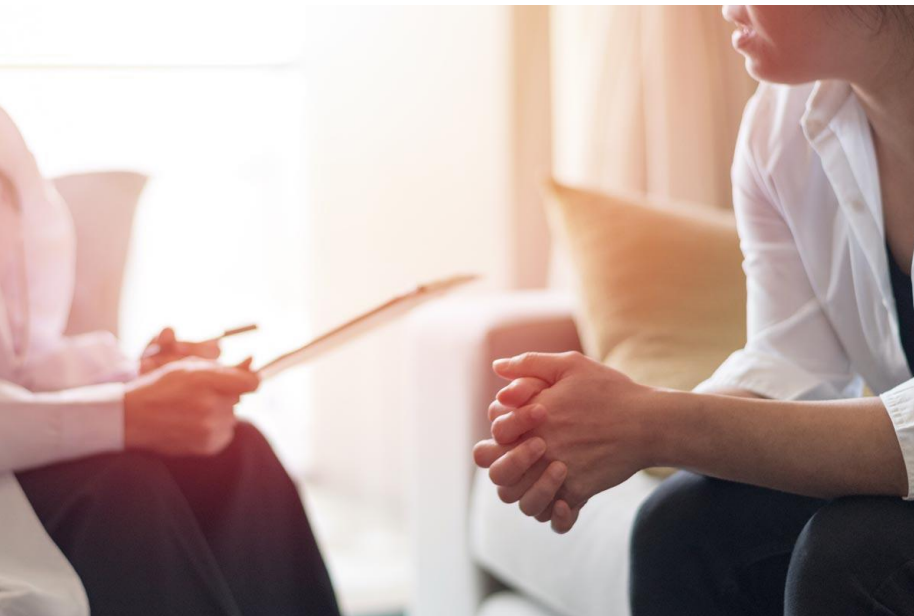
Funding for culturally-focused syringe service and needle exchange programs

Increases and expedites funding and supplies to Native and Black communities to purchase syringes, testing supplies, and naloxone.

Technical assistance center for culturally-specific organizations

Supports new and prospective culturally-specific providers to navigate systems and supports the expansion of culturally-specific programs.

NEW Acute Care Transitions



Establishes a comprehensive initiative to address the problem of people, including children, who are residing in hospitals because appropriate community-based services are not available or cannot meet their needs.

This proposal includes 3 Components:

Time-Limited Premium Payment for High-Acuity Admissions

To increase the number of providers serving people with high-acuity, this temporary state-funded program provides payments to offset additional provider costs to serve a person with complex, high-acuity needs.

Payments are based on costs directly related to serving the individual person and that are not reimbursed through the typical Medicaid rate or other funding.

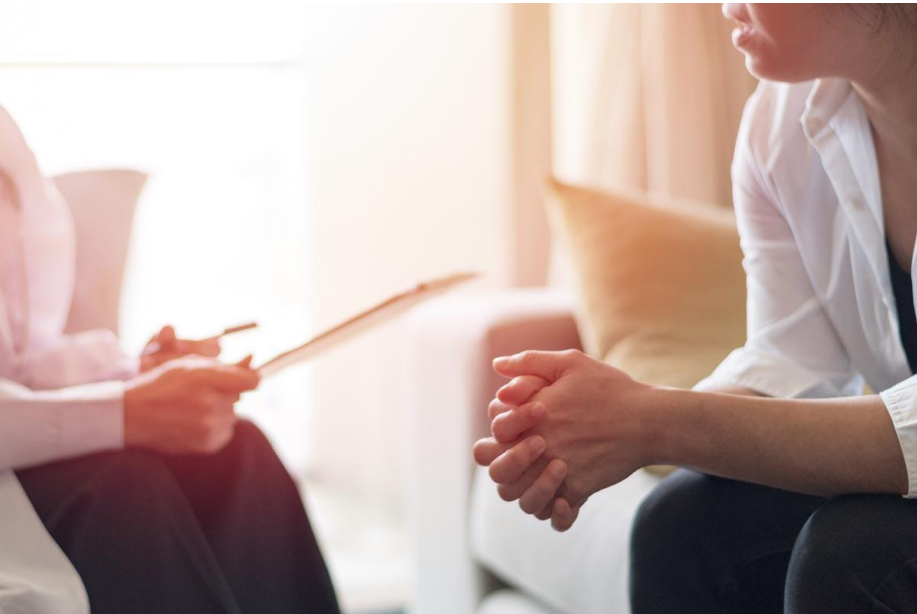
Funding is a one-time appropriation of \$21.3 million available until spent or through June 30, 2026.

Investments

FY 2024-25 - \$27M

FY 2026-27 - \$12M

NEW Acute Care Transitions *continued*



Investments

FY 2024-25 - \$27M

FY 2026-27 - \$12M

Establishment of an organizational endorsement system

Creates a special endorsement status for providers who demonstrate competency to deliver supports to people with high acuity needs.

Providers with endorsement will have access to enhanced resources, such as a consultative clinical panel, grant programs, person-centered planning, and positive support training.

Supporting Older Adults with High Behavioral Health Support Needs

Expands the Elderly Waiver (EW) program by offering an enhanced budget for people who have complex needs, require intensive support to live in the community, and who meet a defined eligibility threshold.

Will serve people ready to leave Anoka Metro Regional Treatment Center (AMRTC), Minnesota Security Hospital, a Community Behavioral Health Hospital, or who are hospitalized in the community and on a waiting list for AMRTC.

Additional New Proposals



Addressing the HIV Epidemic in Minnesota

\$12.1M in the 2024-25 biennium to prevent immediate and drastic funding reductions during a time of escalated community need. This will ensure that DHS can continue to deliver needed services for people with HIV, meeting increased need due to sustained or increased levels of transmission.

Direct Care and Treatment FY 2023 Operating Deficiency

\$4.8 million in FY 2023 to address the operating deficiency for DCT services caused by workforce pressures. This appropriation will provide the resources DCT needs to continue providing services to patients.

MA Enteral Feeding Product Rate Methodology Change

Establishes a new rate methodology for enteral nutrition and supplies in the Medical Assistance program. The new methodology would be set using a percentile of submitted charges for specific products in order to account for the uniqueness and pricing variability for each product. Investment of \$3M in FY24/25 and \$5M in FY26/27.

Thank You!