## Agency Purpose

The Minnesota Department of Human Services (DHS) helps people meet their basic needs so they can live in dignity and achieve their highest potential.

**Ensuring basic health care for low-income Minnesotans, DHS administers**

- Medical Assistance (MA), Minnesota's Medicaid program for low-income seniors, children and parents, and people with disabilities.
- MinnesotaCare for residents who don't have access to affordable private health insurance and don't qualify for other programs.
- General Assistance Medical Care (GAMC), primarily for adults without dependent children.

**Helping Minnesotans support their families**

DHS works with counties and tribes to help low-income families with children achieve self-sufficiency through programs such as the Minnesota Family Investment Program (MFIP), the Diversionary Work Program (DWP), child support enforcement, child care assistance, food support, refugee cash assistance, and employment services.

**Aiding children and families in crisis**

DHS supports families to ensure that children in crisis receive the services they need quickly and close to home so they can lead safe, healthy, and productive lives. DHS guides statewide policy in child protection services, out-of-home care, and permanent homes for children.

**Assisting people with disabilities**

DHS promotes independent living for people with disabilities by encouraging community-based services rather than institutional care. DHS sets statewide policy and standards for care and provides funding for developmental disability services, mental health services, and chemical health services. DHS also provides services for people who are deaf or hard-of-hearing through its regional offices in Bemidji, Duluth, Mankato, Moorhead, Rochester, St. Cloud, St. Paul, St. Peter, and Virginia.

**Direct care services**

DHS provides an array of programs serving people with mental illness, developmental disabilities, chemical dependency, or acquired brain injury and people who pose a risk to society. These services include 16-bed psychiatric hospitals being developed in Alexandria, Annandale, Baxter, Bemidji, Cold Spring, Fergus Falls, Rochester, St. Peter, and Wadena; a mental health crisis center in Mankato; Anoka-Metro Regional Treatment Center; Minnesota State Operated Community Services, which provides day training, habitation, and residence services to people with disabilities; and Community Support Services,

### At A Glance

**Health care programs**

- Almost 662,000 people served in FY 2005
- Medical Assistance (MA) — 483,000 people
- MinnesotaCare — 142,000 people
- General Assistance Medical Care (GAMC) — 37,000 people

**Economic assistance programs**

- Food Support — 250,000 people per month
- Minnesota Family Investment Program (MFIP) and Diversionary Work Program (DWP) cases — 40,000 families
- General Assistance — 14,100 people
- More than 407,000 parents assisted through Child Support Enforcement
- $595 million in child support payments collected in FY 2005
- 16,900 families received child care assistance for 30,000 children in FY 2005

**Child welfare services**

- Of more than 14,700 children in out-of-home placement in 2005, more than 10,500 children received care from foster families.
- About 6,000 children were cared for by adoptive parents or relatives who receive financial assistance and support for children's special needs in calendar year 2005.
- 732 children under state guardianship were adopted in calendar year 2005.

**Mental health services**

- 108,040 adults received publicly-funded mental health services in 2005.
- 41,524 children received publicly-funded mental health services in 2005.

**Operations and two-year state budget**

- FY 2006-07 $8.2 billion General Fund budget
- FY 2006-07 $17.8 billion all funds budget
- 87% of DHS' general fund budget is spent on health care and long-term care programs and related services
- 43,000 health care providers
- 41 million health encounters and claims processed
- Approximately 97% of DHS' budget goes toward program expenditures
- Approximately 3% of DHS' budget is spent on central office administration

which supports people with disabilities in the community and in crisis homes. DHS also provides treatment for people civilly committed as sexual psychopathic personalities and/or sexually dangerous persons in the Minnesota Sex Offender Program at Moose Lake and St. Peter; people committed as mentally ill and dangerous at the Minnesota Security Hospital in St. Peter; and people who are developmentally disabled and present a risk to society at the Minnesota Extended Treatment Options Program in Cambridge.

**Promoting independent living for seniors**
DHS supports quality care and services for older Minnesotans so they can live as independently as possible. Quality assurance and fiscal accountability for the long-term care provided to low-income elderly people, including both home and community-based services and nursing home care, are key features.

## Operations

DHS has a wide variety of customers and business partners, including the state's 87 counties and 43,000 health care providers. DHS provides significant operational infrastructure to Minnesota's human services programs, most of which are provided at the county level.

DHS licenses about 26,400 service providers, including group homes, treatment programs for people with chemical dependency, mental illness, or developmental disabilities, child care providers, and foster care providers. DHS also monitors their compliance with Minnesota laws and rules, investigates reports of possible maltreatment, and completes background studies on individuals who provide direct care.

DHS' operations support other providers who directly serve Minnesotans. DHS oversees significant computer systems support for: MAXIS, which determines eligibility for economic assistance programs; PRISM, the child support enforcement system; the Medicaid Management Information System (MMIS), which pays medical claims for publicly-funded health care programs; the Social Service Information System (SSIS), an automated child welfare case management system for child protection, children's mental health, and out-of-home placement; and $MEC^2$, the Minnesota Electronic Child Care system.

## Budget

DHS is one of the state's largest agencies, comprising 34.4% of the state's total spending from all sources. DHS's FY 2006-07 budget from all funding sources totals $17.8 billion. Of the total budget for the biennium, $8.2 billion comes from general fund tax dollars. The remaining $9.7 billion comes from federal revenue and other funds, such as the Health Care Access Fund, Enterprise Fund and agency fund. Approximately 6,350 full-time-equivalent employees work for DHS.

**Contact**

Minnesota Department of Human Services
Cal R. Ludeman, Acting Commissioner
P.O. Box 64998
Saint Paul, Minnesota 55164-0998
Phone: (651) 431-2709

World Wide Web Home Page: http://www.dhs.state.mn.us

General Information:
Phone: (651) 431-2000
TTY/TDD: (800) 627-3529

For information on how this agency measures whether it is meeting its statewide goals, please refer to http://www.departmentresults.state.mn.us.

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 3,969,272 | 4,200,021 | 4,200,021 | 4,200,021 | 8,400,042 |
| **Forecast Base** | **3,969,272** | **4,189,858** | **4,459,565** | **4,765,020** | **9,224,585** |
| Change | | (10,163) | 259,544 | 564,999 | 824,543 |
| % Biennial Change from 2006-07 | | | | | 13.1% |
| **State Government Spec Revenue** | | | | | |
| Current Appropriation | 534 | 534 | 534 | 534 | 1,068 |
| **Forecast Base** | **534** | **534** | **534** | **534** | **1,068** |
| Change | | 0 | 0 | 0 | 0 |
| % Biennial Change from 2006-07 | | | | | 0% |
| **Health Care Access** | | | | | |
| Current Appropriation | 283,517 | 366,837 | 366,837 | 366,837 | 733,674 |
| **Forecast Base** | **283,517** | **333,630** | **443,043** | **437,187** | **880,230** |
| Change | | (33,207) | 76,206 | 70,350 | 146,556 |
| % Biennial Change from 2006-07 | | | | | 42.6% |
| **Federal Tanf** | | | | | |
| Current Appropriation | 273,355 | 303,905 | 303,905 | 303,905 | 607,810 |
| **Forecast Base** | **273,355** | **283,188** | **236,345** | **236,610** | **472,955** |
| Change | | (20,717) | (67,560) | (67,295) | (134,855) |
| % Biennial Change from 2006-07 | | | | | -15% |
| **Lottery Cash Flow** | | | | | |
| Current Appropriation | 1,481 | 1,606 | 1,606 | 1,606 | 3,212 |
| **Forecast Base** | **1,481** | **1,606** | **1,456** | **1,456** | **2,912** |
| Change | | 0 | (150) | (150) | (300) |
| % Biennial Change from 2006-07 | | | | | -5.7% |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 3,768,327 | 4,120,293 | 4,459,565 | 4,765,021 | 9,224,586 |
| State Government Spec Revenue | 519 | 549 | 534 | 534 | 1,068 |
| Health Care Access | 271,775 | 329,496 | 443,043 | 437,187 | 880,230 |
| Federal Tanf | 270,760 | 294,176 | 236,289 | 236,554 | 472,843 |
| Lottery Cash Flow | 1,383 | 1,704 | 1,456 | 1,456 | 2,912 |
| **Statutory Appropriations** | | | | | |
| General | 55,664 | 40,323 | 58,488 | 61,101 | 119,589 |
| Health Care Access | 20,670 | 19,244 | 20,809 | 21,003 | 41,812 |
| Misc Special Revenue | 284,311 | 331,328 | 158,574 | 155,390 | 313,964 |
| Federal | 3,833,429 | 4,091,752 | 4,333,530 | 4,589,676 | 8,923,206 |
| Miscellaneous Agency | 621,732 | 832,469 | 829,740 | 829,595 | 1,659,335 |
| Gift | 37 | 40 | 36 | 36 | 72 |
| Endowment | 1 | 1 | 1 | 1 | 2 |
| Revenue Based State Oper Serv | 75,381 | 77,443 | 77,443 | 77,443 | 154,886 |
| Mn Neurorehab Hospital Brainer | 17,616 | 17,470 | 17,470 | 17,470 | 34,940 |
| Dhs Chemical Dependency Servs | 17,535 | 18,574 | 18,574 | 18,574 | 37,148 |
| **Total** | **9,239,140** | **10,174,862** | **10,655,552** | **11,211,041** | **21,866,593** |

Dollars in Thousands

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Expenditures by Category*** | | | | | |
| Total Compensation | 412,475 | 475,464 | 453,378 | 443,981 | 897,359 |
| Other Operating Expenses | 311,309 | 398,759 | 348,193 | 340,015 | 688,208 |
| Capital Outlay & Real Property | 531 | 77 | 77 | 77 | 154 |
| Payments To Individuals | 7,017,005 | 7,603,090 | 8,230,418 | 8,802,506 | 17,032,924 |
| Local Assistance | 873,963 | 1,044,195 | 968,771 | 969,892 | 1,938,663 |
| Other Financial Transactions | 623,857 | 653,277 | 652,774 | 652,629 | 1,305,403 |
| Transfers | 0 | 0 | 1,941 | 1,941 | 3,882 |
| **Total** | **9,239,140** | **10,174,862** | **10,655,552** | **11,211,041** | **21,866,593** |
| ***Expenditures by Program*** | | | | | |
| Agency Management | 64,736 | 73,522 | 68,108 | 67,852 | 135,960 |
| Revenue & Pass Through Expend | 1,014,233 | 1,312,031 | 1,274,572 | 1,273,847 | 2,548,419 |
| Children & Economic Assist Gr | 1,105,089 | 1,215,579 | 1,236,365 | 1,265,465 | 2,501,830 |
| Children & Economic Asst Mgmt | 88,220 | 105,323 | 101,184 | 98,985 | 200,169 |
| Health Care Grants | 3,615,552 | 3,903,698 | 4,317,715 | 4,682,276 | 8,999,991 |
| Health Care Management | 78,385 | 102,876 | 85,321 | 78,539 | 163,860 |
| Continuing Care Grants | 2,900,049 | 3,003,656 | 3,151,200 | 3,329,957 | 6,481,157 |
| Continuing Care Management | 31,377 | 42,790 | 37,757 | 37,187 | 74,944 |
| State Operated Services | 341,499 | 415,387 | 383,330 | 376,933 | 760,263 |
| **Total** | **9,239,140** | **10,174,862** | **10,655,552** | **11,211,041** | **21,866,593** |
| ***Full-Time Equivalents (FTE)*** | **6,559.5** | **7,128.0** | **6,898.3** | **6,898.3** | |

## Program Description

The purpose of the Agency Management program is to provide financial, legal, regulatory, management (e.g., personnel, telecommunications, and facility management), and information technology support to all Department of Human Services policy areas and programs.

## Budget Activities

This program includes the following budget activities:

⇒ Financial Operations
⇒ Legal and Regulatory Operations
⇒ Management Operations
⇒ Technology Operations

Dollars in Thousands

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 46,899 | 46,782 | 46,782 | 46,782 | 93,564 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | (1,546) | (1,538) | (3,084) |
| Fund Changes/consolidation | | | 95 | 95 | 190 |
| **Forecast Base** | **46,899** | **46,782** | **45,331** | **45,339** | **90,670** |
| **State Government Spec Revenue** | | | | | |
| Current Appropriation | 415 | 415 | 415 | 415 | 830 |
| **Forecast Base** | **415** | **415** | **415** | **415** | **830** |
| **Health Care Access** | | | | | |
| Current Appropriation | 5,164 | 5,242 | 5,242 | 5,242 | 10,484 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | 2,593 | 2,465 | 5,058 |
| Current Law Base Change | | | 37 | 80 | 117 |
| **Forecast Base** | **5,164** | **5,242** | **7,872** | **7,787** | **15,659** |
| **Federal Tanf** | | | | | |
| Current Appropriation | 222 | 222 | 222 | 222 | 444 |
| **Forecast Base** | **222** | **222** | **222** | **222** | **444** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 44,824 | 49,538 | 45,331 | 45,339 | 90,670 |
| State Government Spec Revenue | 429 | 415 | 415 | 415 | 830 |
| Health Care Access | 5,749 | 8,352 | 7,872 | 7,787 | 15,659 |
| Federal Tanf | 163 | 222 | 222 | 222 | 444 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 12,441 | 13,698 | 12,966 | 12,787 | 25,753 |
| Federal | 1,130 | 1,297 | 1,302 | 1,302 | 2,604 |
| **Total** | **64,736** | **73,522** | **68,108** | **67,852** | **135,960** |
| ***Expenditures by Category*** | | | | | |
| Total Compensation | 31,259 | 37,894 | 36,797 | 36,830 | 73,627 |
| Other Operating Expenses | 33,477 | 35,628 | 28,440 | 28,151 | 56,591 |
| Transfers | 0 | 0 | 2,871 | 2,871 | 5,742 |
| **Total** | **64,736** | **73,522** | **68,108** | **67,852** | **135,960** |

# HUMAN SERVICES DEPT

## Program: AGENCY MANAGEMENT

Program Summary

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| *Dollars in Thousands* | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Expenditures by Activity*** | | | | | |
| Financial Operations | 12,470 | 12,231 | 10,630 | 10,915 | 21,545 |
| Legal & Regulatory Operations | 11,588 | 13,292 | 15,126 | 14,993 | 30,119 |
| Management Operations | 3,790 | 4,824 | 5,007 | 4,991 | 9,998 |
| Technology Operations | 36,888 | 43,175 | 37,345 | 36,953 | 74,298 |
| **Total** | **64,736** | **73,522** | **68,108** | **67,852** | **135,960** |
| ***Full-Time Equivalents (FTE)*** | **434.5** | **496.7** | **496.7** | **496.7** | |

## Activity Description

Financial Operations manages the financial processes and reporting to support agency programs. Financial Operations assures fiscal integrity of agency programs by maintaining standards and procedures that are consistent with state and federal law and appropriate business practices.

## Population Served

Because Financial Operations provides services to all Department of Human Services (DHS) policy and operations areas, virtually all agency clients benefit directly or indirectly.

### Activity at a Glance

- ♦ Develops and manages $17.8 billion biennial budget.
- ♦ Processes approximately $4.5 billion in annual receipts.
- ♦ Develops financial reports and analyses for about 290 grant programs.
- ♦ Manages federal Single Audit Act activities for more than 280 organizations that receive federal human services funding.
- ♦ Prepares expenditure forecasts for more than 10 agency programs.

## Services Provided

Financial Operations forecasts program expenditures and revenues, prepares reports and analyses of expenditures and revenues, and prepares fiscal notes projecting the effects of policy changes. Specific forecasting activities include:

- ♦ producing the November and February program expenditure and enrollment forecasts;
- ♦ reporting and analyzing county expenditures;
- ♦ reporting and analyzing federal funding and revenues;
- ♦ preparing internal management reports on administrative and grant expenditures; and
- ♦ producing fiscal notes and other projections of the fiscal impact of policy changes.

Financial Operations provides agency-wide accounting and financial support, including:

- ♦ establishing financial procedure guidelines for all agency fiscal activities;
- ♦ managing accounts receivable and ensuring collection of funds from all possible sources;
- ♦ maintaining fiscal records through the Minnesota Accounting and Procurement System (MAPS) and generating, distributing, and maintaining the accounting reports on state, federal, and other funds expended by the agency; and
- ♦ updating and maintaining computer interfaces and seeking new technology to improve agency fiscal operations and to enable more efficient financial transactions with customers and business partners.

Financial Operations is responsible for development and management of the agency's biennial, supplemental, and capital budgets.

Financial Operations activities include development and management of ongoing fiscal policies and strategies to support policy objectives, meet changing federal requirements, and ensure fiscal accountability.

Financial Operations provides technical assistance to internal and external customers, by:

- ♦ providing resources and technical assistance for agency policy staff and county staff on grants and allocations, potential revenue enhancement programs, MAPS operations and reporting, program fiscal requirements, federal claiming, reports, and payments, and statewide program costs and revenues;
- ♦ improving our understanding of county, tribal, and other local partners' perspectives through DHS-county fiscal staff exchanges, partnering with counties on the annual Association of Minnesota Social Service Accountants conference, participating in regional and topical meetings with counties, tribes, collaboratives, and other partners, attending Minnesota Association of County Social Service Administrators (MACSSA) committees, best practices, and other groups; and
- ♦ improving fiscal education and training opportunities for agency staff, counties, tribes, and other business partners through the use of current technology, on-site visits, interactive video, and the web.

Financial Operations includes internal auditing to provide management with an independent appraisal of the agency's fiscal management and programmatic controls. It is a managerial control that functions by measuring and evaluating the effectiveness of other department control mechanisms. Activities include:

- evaluating the agency's system of internal controls, conducting management-requested operational reviews, and auditing counties, grantees, contractors, and vendors for fiscal and compliance requirements;
- investigating suspected or alleged misuse of state resources;
- acting as the agency's liaison for external audit groups;
- managing the agency's federal single audit report requirements; and
- operating a computer forensic laboratory to assist and the agency's human resources division and other state agencies with personnel investigations.

Financial Operations includes Health Care Programs Audits and Evaluation, which provides the department with recipient eligibility verification for the MinnesotaCare and Medical Assistance programs required under state statute and federal regulations pertaining to Medicaid Eligibility Quality Control (MEQC). In accordance with a federal waiver to the MEQC regulations, subpopulations of enrollees and applicants eligible for federal financial participation are randomly audited. Activities also include:

- eligibility reviews of State Children's Health Insurance Program (SCHIP) enrollees; and
- issuing recommendations to the program areas on training for eligibility workers, clarifying policy, and enhancing DHS/county procedures.

Financial Operations includes the Payment Error Rate Measurement (PERM) unit. PERM is a federal requirement to review medical assistance (MA) and SCHIP in the areas of claims processing, medical necessity, and recipient eligibility. Although Minnesota is in the first year of providing claim information to the federal government, the federal regulations are still pending. The federal government has contracted with consultants to conduct the claims and medical reviews, but is currently requiring the states to conduct the eligibility reviews.

## Historical Perspective

The past 15 years have brought significant increases in the complexity of program funding and budgeting rules. For example, the Temporary Assistance for Needy Families (TANF) block grant replaced the open entitlement Aid to Families with Dependent Children (AFDC); and the health care access fund (HCAF) was created to segregate funding for MinnesotaCare from the General Fund.

Increased use of program fees and premiums and greater complexity in program funding mechanisms and requirements have all had an impact on Financial Operations' work flow, compelling greater use of technology for efficiency. The department has developed and maintained electronic interfaces between computer systems within the department and between DHS, statewide, and county systems. Expectations have also increased for the use of electronic transfers of funds among DHS business partners.

The Internal Audits Office was established in November 1995 to provide the department with an independent evaluation of its operations and to coordinate mandatory audit requirements for federal program funds. The office has developed a computer forensic service to assist DHS' Human Resource Division and other state agencies in personnel investigations. In 2006, Health Care Programs Audits and Evaluation and PERM functions were incorporated under Internal Audits to better align agency functions. These sections were previously located in Children and Family Services and Health Care business areas.

## Key Measures

⇒ *Assure prompt payment within 30 days to debtors.* Of the total payment volume in FY 2006, 98.6% were paid within 30 days.

| **Type of Payment** | **Volume** |
|---|---|
| Checks | 9,000 |
| Inter/Intra agency | 23,000 |
| Electronic | 52,000 |
| Total Payment Volume in SFY 2006 | 84,000 |

⇒ *Meet timely deposit requirements within 24 hours of receipt.* Of the total receipts volume in FY 2006, at least 99% are deposited within 24 hours. Infrequently, a check must be held longer than the 24 hours because follow-up identification is required with the payee.

| **Type of Receipt** | **Volume** |
|---|---|
| Checks | 670,000 |
| Electronic | 130,000 |
| Federal Draws | 4,200 |
| Total Receipt Volume in SFY 2006 | 814,200 |

⇒ *Number and percentage of Department Results measures which show improvement and progress toward reaching targets (for those with targets).* More information on DHS measures and results is available on the web: www.departmentresults.state.mn.us.

## Activity Funding

Financial Operations is funded primarily with appropriations from the General Fund and health Care Access Fund and from federal funds.

## Contact

For more information about Financial Operations, contact:

- Assistant Commissioner, Finance and Management Operations Dennis W. Erickson, (651) 431-2900
- Management and Budget Office Director Jane Wilcox Hardwick, (651) 431-2908
- Financial Operations Director Marty Cammack (651) 431-3742
- Reports and Forecasts Director George Hoffman, (651) 431-2940
- Office of Internal Audits Director David Ehrhardt, (651) 431-3619

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT

## Program: AGENCY MANAGEMENT

### Activity: FINANCIAL OPERATIONS

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 10,473 | 10,473 | 10,473 | 10,473 | 20,946 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | (3,497) | (3,205) | (6,702) |
| **Forecast Base** | **10,473** | **10,473** | **6,976** | **7,268** | **14,244** |
| **Health Care Access** | | | | | |
| Current Appropriation | 848 | 879 | 879 | 879 | 1,758 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | (129) | (179) | (308) |
| Current Law Base Change | | | 37 | 80 | 117 |
| **Forecast Base** | **848** | **879** | **787** | **780** | **1,567** |
| **Federal Tanf** | | | | | |
| Current Appropriation | 122 | 122 | 122 | 122 | 244 |
| **Forecast Base** | **122** | **122** | **122** | **122** | **244** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 8,940 | 8,285 | 6,976 | 7,268 | 14,244 |
| Health Care Access | 664 | 1,007 | 787 | 780 | 1,567 |
| Federal Tanf | 64 | 122 | 122 | 122 | 244 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 2,622 | 2,570 | 2,493 | 2,493 | 4,986 |
| Federal | 180 | 247 | 252 | 252 | 504 |
| **Total** | **12,470** | **12,231** | **10,630** | **10,915** | **21,545** |
| ***Expenditures by Category*** | | | | | |
| Total Compensation | 8,839 | 9,428 | 9,343 | 9,343 | 18,686 |
| Other Operating Expenses | 3,631 | 2,803 | 1,092 | 1,377 | 2,469 |
| Transfers | 0 | 0 | 195 | 195 | 390 |
| **Total** | **12,470** | **12,231** | **10,630** | **10,915** | **21,545** |
| ***Full-Time Equivalents (FTE)*** | **125.3** | **122.8** | **122.8** | **122.8** | |

## Activity Description

The Office of Compliance unites the department's legal, regulatory and audit activities to assure agency compliance with all state, federal, and constitutional requirements. It includes Appeals and Regulations, Licensing, and the department's Legal Manager.

Legal and Regulatory Operations maintains legal standards by which the agency operates and by which clients gain access to services. Appeals and Regulations develops and implements statutory and regulatory standards for fair hearings, contested case hearings, and contracting; provides legal analysis and/or advice regarding data privacy and contract development/management; writes rules, which define client benefits; and publishes bulletins concerning program changes and other issues affecting agency clients and programs. The Licensing Division licenses programs that serve children and vulnerable adults, conducts background studies on individuals who have direct contact with clients, and investigates allegations of maltreatment. The department's Legal Manager provides oversight and strategic direction to the department's large and complex legal activities.

### Activity at a Glance

- ♦ Regulates 27,000 licensed programs annually.
- ♦ Conducts 225,000 background studies each year.
- ♦ Annually investigates 750 maltreatment allegations.
- ♦ Reviews and approves more than 2,000 contracts per year.
- ♦ Conducts more than 6,500 administrative fair hearings per year.
- ♦ Annually responds to more than 500 data privacy inquiries.
- ♦ Manages and provides legal advice and direction on hundreds of agency legal matters per year.

## Population Served

Because Legal and Regulatory Operations supports all Department of Human Services (DHS) policy areas, virtually all agency clients are served directly or indirectly.

Direct client contact includes meeting with clients through the fair hearing process and through licensing a wide range of services, including those for people with mental illness, chemical dependency, developmental disabilities and for providers of foster care, child placement and adoption services, and child care. Indirect contact includes county licensing oversight and approving grant contracts for delivery of client services.

## Services Provided

The Appeals and Regulatory Division provides legal support and rule-making activities for all department programs, manages grants and contracts for department services, and resolves disputes with clients, license holders, and long-term care facilities by:

- ♦ conducting administrative fair hearings annually for applicants and recipients of service whose benefits have been denied, reduced, or terminated;
- ♦ resolving appeals by applicants denied licenses or by providers whose licenses are suspended or revoked; and
- ♦ handling appeals by Medical Assistance (MA) and General Assistance Medical Care service providers, principally MA long-term care payment rate appeals;

License review, quality assurance, and license issuance activities include:

- ♦ licensing, monitoring, and investigating human services programs at any given time, including issuing approximately 5,000 new licenses annually;
- ♦ conducting approximately 225,000 background studies on people who provide direct contact services in programs licensed by DHS and the Minnesota Department of Health (MDH);
- ♦ investigating approximately 1,250 complaints about the quality of services provided in licensed programs, including approximately 750 investigations of abuse or neglect of children and vulnerable adults;
- ♦ issuing approximately 475 licensing sanctions per year;

- processing approximately 1,500 requests for administrative reconsideration of disqualifications based on background study information, maltreatment investigation findings, and licensing actions; and
- defending licensing decisions in fair hearings, contested case hearings, district court, and the Minnesota Court of Appeals.

## Historical Perspective

The appeals and regulations work initially focused on hearings for applicants and recipients of DHS health care and welfare benefits. Although the number of hearings has remained relatively constant over time, the nature of hearings has changed from relatively simple, single-issue eligibility appeals to more complicated medical and social services appeals.

The department has assumed responsibility for certain licensing and provider appeals and review of child and vulnerable adult maltreatment determinations. In 1996, the federal government passed the Health Insurance Portability Accountability Act (HIPAA), a complex federal law designed to provide protections to health care consumers and save administrative costs for health care providers. The HIPAA regulations set standards for electronic transmissions, electronic safeguards, and privacy protections for the handling of private health care information. Appeals and Regulations is responsible for ensuring DHS' implementation of and compliance with the HIPAA privacy regulations.

In 1991 the legislature enacted a background study system. In 1995 and 2001 the legislature expanded DHS' responsibility to include background studies on people providing services in programs licensed by the Minnesota Department of Health and the Minnesota Department of Corrections. In 1995 the legislature transferred responsibility for many vulnerable adult maltreatment investigations from counties to DHS, and, in 1997, transferred certain responsibility for maltreatment of minors investigations from counties to DHS. Regulatory simplification and the press for greater consistency across agencies has led to efforts like the current interagency children's residential facilities rule that sets standards for children placed in out-of-home settings, whether those children come into human services or corrections programs. More recent events affecting the work of the Licensing Division include new chemical dependency licensing rules, a newly designed adult mental health system, and the expansion of due-process requirements.

All aspects of Legal and Regulatory Operations have been affected significantly by two trends: more and faster-changing types of service models, which challenge traditional licensing and regulatory approaches; and the demands of clients, business partners, and DHS staff for more use of electronic government services for basic information dissemination and for interactive business transactions.

## Key Measures

⇒ *Final decisions in Fair Hearings issued within statutory deadlines.* In FY 2005 and FY 2006, the department met the statutory deadline in 88% and 91% of the cases, respectively.

⇒ *License review backlog.* Approximately 2,000 license reviews are completed annually. The license review backlog decreased from 636 to 546 programs in FY 2006, with significant reductions in the license review backlog for child care centers (from 117 to 21 or 1.3% of the child care centers) and programs serving persons with development disabilities (from 346 to 191 or 11.6% of the programs serving persons with developmental disabilities).

⇒ *Statutory timelines in assessing reports of alleged maltreat are met.* DHS continues to meet statutory timelines in assessing reports of alleged maltreatment within 24 hours, determining an initial disposition within five days, and providing notification of the initial disposition to reporters of alleged maltreatment within five days. In FY 2006, over 4,000 reports were received, 794 reports were assigned for field investigation, and 740 maltreatment field investigations were completed.

⇒ *Time to complete a background study.* The background study unit completed 224,561 background studies in FY 2006. There was an increase of 61,882 studies, or 38%, over the 162,679 background studies completed in FY 2005. Turn around time for background studies went from 13.4 days in FY 2005 to 7.6 days in FY 2006.

⇒ *Number and percentage of Department Results measures which show improvement and progress toward reaching targets (for those with targets).* More information on DHS measures and results is available on the web: www.departmentresults.state.mn.us

## Activity Funding

Legal and Regulatory Operations is funded primarily with appropriations from the General Fund, Health Care Access Fund, state government Special Revenue Fund, federal funds, and from fees.

## Contact

For more information about Legal and Regulatory Operations, contact:

- ♦ Chief Compliance Officer, Anne Barry, (651) 431-3212
- ♦ Appeals and Regulations Director, Rae Bly, (651) 431-3596
- ♦ Licensing Director, Jerry Kerber, (651) 296-4473
- ♦ DHS Legal Manager, David Rowley (651) 431-2913

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: AGENCY MANAGEMENT
### Activity: LEGAL & REGULATORY OPERATIONS

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 9,983 | 9,636 | 9,636 | 9,636 | 19,272 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | 639 | 600 | 1,239 |
| Fund Changes/consolidation | | | 95 | 95 | 190 |
| **Forecast Base** | **9,983** | **9,636** | **10,370** | **10,331** | **20,701** |
| **State Government Spec Revenue** | | | | | |
| Current Appropriation | 415 | 415 | 415 | 415 | 830 |
| **Forecast Base** | **415** | **415** | **415** | **415** | **830** |
| **Health Care Access** | | | | | |
| Current Appropriation | 319 | 319 | 319 | 319 | 638 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | 555 | 555 | 1,110 |
| **Forecast Base** | **319** | **319** | **874** | **874** | **1,748** |
| **Federal Tanf** | | | | | |
| Current Appropriation | 100 | 100 | 100 | 100 | 200 |
| **Forecast Base** | **100** | **100** | **100** | **100** | **200** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 7,150 | 8,456 | 10,370 | 10,331 | 20,701 |
| State Government Spec Revenue | 429 | 415 | 415 | 415 | 830 |
| Health Care Access | 751 | 884 | 874 | 874 | 1,748 |
| Federal Tanf | 99 | 100 | 100 | 100 | 200 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 2,209 | 2,387 | 2,317 | 2,223 | 4,540 |
| Federal | 950 | 1,050 | 1,050 | 1,050 | 2,100 |
| **Total** | **11,588** | **13,292** | **15,126** | **14,993** | **30,119** |
| ***Expenditures by Category*** | | | | | |
| Total Compensation | 9,982 | 11,750 | 11,338 | 11,299 | 22,637 |
| Other Operating Expenses | 1,606 | 1,542 | 1,452 | 1,358 | 2,810 |
| Transfers | 0 | 0 | 2,336 | 2,336 | 4,672 |
| **Total** | **11,588** | **13,292** | **15,126** | **14,993** | **30,119** |
| ***Full-Time Equivalents (FTE)*** | **137.4** | **178.5** | **178.5** | **178.5** | |

### Activity Description

Management Operations promotes and supports workplace performance through its responsibility for the department's public policy direction, external relations, communication oversight, equal employment opportunity and affirmative action plan implementation and human resources activities.

**Activity at a Glance**

- Provides agency-wide decision making.
- Provides human resources support for more than 6,350 full-time equivalent employees.
- Provides personnel services to 70 counties.

### Population Served

Because Management Operations supports all Department of Human Services (DHS) policy and operations areas, virtually all agency businesses and clients are served directly or indirectly.

### Services Provided

Management Operations provides the following services:

- agency leadership, public policy direction, and legislative liaison activity;
- communication oversight for interactions with clients, business partners, the media, legislators and their staff, other state agencies, counties, tribes and the federal government;
- human resources management services for DHS Central Office, State Operated Services, and 70 counties including:
  - ⇒ personnel recruitment, selection, redeployment, compensation, classification, performance evaluation, and training;
  - ⇒ labor relations, grievance arbitration, and negotiations of supplemental agreements and memoranda of understanding; and
  - ⇒ health, safety, wellness, workers compensation and complaint investigation activities;
- development of a culturally competent workforce through equal opportunity and affirmative action plan implementation, Americans with Disabilities Act coordination, diversity training, and civil rights enforcement;
- coordination of department communications efforts by:
  - ⇒ responding to inquiries from news media;
  - ⇒ preparing information that helps the public understand the department's policies; and
  - ⇒ publishing news releases and fact sheets on the department's web site;
- coordination of ongoing consultation with tribal governments and, where appropriate, state and federal agencies, relating to the implementation of DHS services on Indian reservations and urban Indian communities;
- customer relations activities for the department to ensure that constituents receive timely and helpful responses to inquiries and requests for assistance;
- orchestration of agency-wide policy development so that it synchronizes with the direction of the department's Senior Management Team, the commissioner, and the governor; and
- legislative activities include managing the department's legislative process, working with staff on the development of human services proposals, and following the sequence of human services-related legislation from introduction through final actions.

### Historical Perspective

For human resource management, a significant development has been the increase in Minnesota's minority and non English-speaking populations in the past decade. As a result, the department has increased efforts to recruit and retain staff with new language and communications skills and to develop a more diverse and culturally competent work force. Other significant changes are the continued movement of State Operated Services from the large institutions to small, community-based facilities and services, along with the increasing difficulty in recruiting health care staff and the aging of the workforce.

## Key Measures

⇒ *Employees with a current performance review on file.* A goal within HR is for employees to have a current performance review on file. Current is now defined as received in HR within 30 days of the due date for the review. Previously, performance reviews were required to be on file in HR within 90 days of the due date. Under the 90-day guideline, 65% and 98% of employees had current performance reviews on file in FY 2005 and FY 2006, respectively.

⇒ *Renewal of adoption of the Minnesota Merit System Equal Employment Opportunity and Affirmative Action Guidelines for all Minnesota Merit System County Human Services agencies.*

⇒ *Completion of comprehensive Civil Rights Plans (policies and procedures for equal opportunity in service delivery, handling complaints, providing notice of disability rights, and contacting enforcement agencies, and contracts to provide non-discriminatory service) for all county human service agencies*. As of the 1st quarter of FY 2007, comprehensive Civil Rights Plans had been completed for 35 counties. The goal is for all 87 counties to have such plans completed by the end of the fiscal year.

⇒ More information on Department of Human Services measures and results is available on the web: www.departmentresults.state.mn.us.

## Activity Funding

Management Operations is funded primarily from appropriations from the General Fund, Health Care Access Fund and from federal funds.

## Contact

For more information about Management Operations, contact:

- Chief of Staff Lynne Singelmann, (651) 431-2918
- Communications Director Terry Gunderson, (651) 431-2912
- Human Resources Director Martha J. Watson, (651) 431-2999
- Legislative Coordinator Steve Barta, (651) 431-2916
- Tribal Relations Representative Vernon LaPlante, (651) 431-2910
- Equal Employment, Affirmative Action and Civil Rights Acting Director Kazoua Kong-Thao, (651) 431-3037

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: AGENCY MANAGEMENT
### Activity: MANAGEMENT OPERATIONS

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 3,281 | 3,281 | 3,281 | 3,281 | 6,562 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | 951 | 935 | 1,886 |
| **Forecast Base** | **3,281** | **3,281** | **4,232** | **4,216** | **8,448** |
| **Health Care Access** | | | | | |
| Current Appropriation | 68 | 68 | 68 | 68 | 136 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | 161 | 161 | 322 |
| **Forecast Base** | **68** | **68** | **229** | **229** | **458** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 3,035 | 3,915 | 4,232 | 4,216 | 8,448 |
| Health Care Access | 63 | 229 | 229 | 229 | 458 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 692 | 680 | 546 | 546 | 1,092 |
| **Total** | **3,790** | **4,824** | **5,007** | **4,991** | **9,998** |
| ***Expenditures by Category*** | | | | | |
| Total Compensation | 3,186 | 4,094 | 4,233 | 4,455 | 8,688 |
| Other Operating Expenses | 604 | 730 | 774 | 536 | 1,310 |
| **Total** | **3,790** | **4,824** | **5,007** | **4,991** | **9,998** |
| ***Full-Time Equivalents (FTE)*** | **47.7** | **55.3** | **55.3** | **55.3** | |

## Activity Description

Technology Operations promotes and supports workplace performance through its responsibility for the department's physical facility, video and telephone communications, and the department's technical infrastructure, working closely with Department of Human Services (DHS) programs and operations to ensure a solid foundation for future technological development.

## Population Served

Technology Operations provides services to all DHS policy and operations areas. Virtually all agency businesses, human services providers, and clients benefit directly or indirectly.

## Services Provided

Information Technology Services (ITS) provides:

- desktop software and hardware and support (data storage and backup, virus control, help desk) for 6,400 workstations;
- department-wide e-mail system;
- telephone systems and related interactive response technology;
- an agency-wide converged (data and voice) network, Voice over Internet Protocol, servers, data storage;
- leadership for strategic information resource management planning;
- direction for information policy, standards and practices;
- leadership for IT architectural future directions and services;
- strategic planning with DHS program areas and county service directors on the use of technology to better serve clients;
- planning and development with DHS program areas to ensure cross-agency systems coordination and compatibility;
- maintenance of and assistance for users of the DHS Data Warehouse and Executive Information System (EIS), which extract data for program analysis from multiple service delivery systems;
- development and maintenance of information security and standards;
- coordination of technology projects agency-wide through the Projects Management Office;
- application development and support;
- planning with counties and other partners to keep computer systems compatible and planning for upgrades;
- maintenance of the department's public, internal and county web sites;
- consultation with program areas about improving business strategies through the use of electronic government services and web services technology; and
- representation of DHS' interests at statewide technology forums.

Management Operations provides:

- electronic document system support and services, including high volume document conversion facilities, workflow development, and technical design and support of imaging applications;
- tele-health care and tele-human services network development among the many communities of video-conferencing users in Minnesota's human service field;
- facility planning, design and management;
- physical building access controls and security;

### Activity at a Glance

- Provides desktop support to more than 6,000 users.
- Maintains DHS computer network, internal and public web sites.
- Coordinates cross-agency technology issues with Office of Technology, Intertech.
- Supports the Data Warehouse and Executive Information System.
- Manages five central-office locations and 45 locations throughout Minnesota.
- Provides leadership and support for tele-health care development across Minnesota.
- Develops enterprise application - making vital documents available to business partners and the public in 11 languages and millions of electronic documents available to over 1,000 users.
- Manages enterprise-wide administrative services such as procurement, mail, physical access controls and security.

- visitor management, conference facility management and information services;
- inventory and property management;
- purchasing services and commodity contracts; and
- electronic publication of more than 3,000 department documents in a searchable centralized repository (eDocs) making them available on demand for business partners and the public; and
- translation and electronic publication of more than 1,500 documents in up to 11 non-English languages for customers with limited English proficiency.

## Historical Perspective

In 1995 the Chief Information Officer (CIO) position was established to lead DHS IT and related strategic planning within the department. The department continues to face a growing demand for electronic services through web technology to communicate and conduct government business, as it is the bridge that human services workers use to gather information from the many sources necessary to do their work. Clients, business partners, and other levels of government increasingly expect that DHS will use web technology for electronic government services in a variety of areas.

Information Technology Services continues to coordinate department-wide projects such as the technology aspects of the Health Insurance Portability and Accountability Act (HIPAA) implementation, technology infrastructure, including voice and data network convergence, security infrastructure, server replacement, centralized data storage, and electronic government services

In 2006 DHS has completed construction of the Elmer L. Andersen Human Services Building and remodeling of its largest leased facility, consolidating a number of its locations and providing space more appropriate to the program and technology needs of the agency's work. DHS has major investments in technology with major computer systems supporting welfare and health care benefits statewide. Technology, such as virtual presence communications and electronic document management system (EDMS), are increasingly part of the spectrum of services Management Operations provides.

## Key Measures

⇒ *ITS activities are documented and prioritized in alignment with agency priorities.* This is a newly identified performance measure for which appropriate measurement tools are under development.

⇒ *All systems and applications deemed critical to core agency business will invest in appropriate levels of redundancy to ensure replication of critical data*. This is a newly identified performance measure for which appropriate measurement tools are under development.

⇒ *All systems and applications deemed critical to core agency business will comply with documented agency standards under the guidance of enterprise information systems architecture rules, guidelines and best practices*. This is a newly identified performance measure for which appropriate measurement tools are under development.

⇒ *Number and percentage of Department Results measures which show improvement and progress toward reaching targets (for those with targets).* More information on Department of Human Services measures and results is available on the Web: http://www.departmentresults.state.mn.us/

## Activity Funding

Technology Operations is funded with appropriations from the General Fund and Health Care Access Fund and from matching funds.

**Contact**
For more information about Technology Operations, contact:

- Chief Information Officer Johanna Berg, (651) 431-2115
- ITS Operations Director Chris Zehoski, (651) 431-2149
- Chief Information Security Officer Barry Caplin, (651) 431-2143
- Office of Strategic Planning Director Mary Arvesen (651) 284-3453
- Management Operations Director Linda Nelson (651) 431-2205

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: AGENCY MANAGEMENT
### Activity: TECHNOLOGY OPERATIONS

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 23,162 | 23,392 | 23,392 | 23,392 | 46,784 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | 361 | 132 | 493 |
| **Forecast Base** | **23,162** | **23,392** | **23,753** | **23,524** | **47,277** |
| **Health Care Access** | | | | | |
| Current Appropriation | 3,929 | 3,976 | 3,976 | 3,976 | 7,952 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | 2,006 | 1,928 | 3,934 |
| **Forecast Base** | **3,929** | **3,976** | **5,982** | **5,904** | **11,886** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 25,699 | 28,882 | 23,753 | 23,524 | 47,277 |
| Health Care Access | 4,271 | 6,232 | 5,982 | 5,904 | 11,886 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 6,918 | 8,061 | 7,610 | 7,525 | 15,135 |
| **Total** | **36,888** | **43,175** | **37,345** | **36,953** | **74,298** |
| ***Expenditures by Category*** | | | | | |
| Total Compensation | 9,252 | 12,622 | 11,883 | 11,733 | 23,616 |
| Other Operating Expenses | 27,636 | 30,553 | 25,122 | 24,880 | 50,002 |
| Transfers | 0 | 0 | 340 | 340 | 680 |
| **Total** | **36,888** | **43,175** | **37,345** | **36,953** | **74,298** |
| ***Full-Time Equivalents (FTE)*** | **124.1** | **140.1** | **140.1** | **140.1** | |

## Program Description

This program contains the Department of Human Services (DHS) revenue and pass through expenditures. These revenues and pass-through expenditures involve complex inter-fund accounting transactions that often result in duplicate data within the state's standard biennial budget system reports. Isolating the results of these transactions within the Revenue and Pass-Through Program simplifies the fiscal pages for DHS's other programs and activities. For example, to not skew the Child Support Enforcement Grant budget activity, DHS's $500 million annual child support collection (revenue) and payment (pass-through expenditure) activity is reflected here.

## Revenues

Department of Human Services (DHS) collects or processes revenues in excess of $4.5 billion annually. State law determines whether this revenue is *dedicated revenue* to DHS (i.e. earmarked for specific programs) or *non-dedicated revenue* to the state.

Approximately 80% of the annual revenue is dedicated revenue. Examples include child support collections, federal grants, program premiums, recoveries and refunds, cost of care billings, fees, and federal administrative reimbursement.

Approximately 20% of the annual revenue is non-dedicated revenue. Examples include surcharges, recoveries and refunds, cost of care billings, fees, and federal administrative reimbursement.

## Pass-Through

DHS's pass-through expenditures are approximately $1 billion annually. Generally, pass-through expenditures are the result of transactions between funds. Examples include child support payments, transfers, and federal administrative reimbursement.

## Federal Administrative Reimbursement

Eligible state administrative costs are reimbursed from federal grants at various percentages, known as the federal financial participation (FFP) rates. Not all state administrative costs are eligible for federal reimbursement. For example, expenditures that support state-only programs do not earn FFP.

DHS maintains a federally approved cost allocation plan that draws reimbursement for the federal share of state administrative expenditures. In this case, state administrative expenditures are defined to state costs (including the DHS central office) as well as county/local costs.

DHS's central office federal administrative reimbursement exceeds $100 million annually. Unless otherwise specified in state law, federal administrative reimbursement earned on General Fund and Health Care Access Fund expenditures is non-dedicated revenue to the state. State law dedicates the federal administrative reimbursement earned on major system and other selected expenditures to DHS. Approximately one-third of federal administrative reimbursement revenue is non-dedicated revenue to the General Fund, while DHS retains roughly two-thirds of such revenue.

Historically, the DHS central office has drawn the following average FFP rates, based on cost allocation within the state fund in which the administrative expenditure is incurred:

| | |
|---|---|
| General Fund/ Health Care Access Fund | 40% |
| Major Systems – PRISM | 66% |
| Major Systems – Social Services Information System (SSIS) | 50% |
| Major Systems – MAXIS | 45% |
| Major Systems – Medicaid Management Information System (MMIS) | 65% |

For simplicity and consistency, DHS budget initiatives and fiscal note estimates are based on these historic central office average FFP rates.

| | Dollars in Thousands | | | | |
|---|---|---|---|---|---|
| | Current | | Forecast Base | | Biennium |
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **Federal Tanf** | | | | | |
| Current Appropriation | 59,321 | 57,047 | 57,047 | 57,047 | 114,094 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | (700) | (700) | (1,400) |
| End-of-session Estimate | | | 213 | 662 | 875 |
| November Forecast Adjustment | | (425) | (475) | (435) | (910) |
| **Forecast Base** | **59,321** | **56,622** | **56,085** | **56,574** | **112,659** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| Federal Tanf | 57,635 | 91,057 | 56,029 | 56,518 | 112,547 |
| **Statutory Appropriations** | | | | | |
| General | 0 | 16 | 16 | 16 | 32 |
| Misc Special Revenue | 5,554 | 4,943 | 5,000 | 4,983 | 9,983 |
| Federal | 347,048 | 402,234 | 399,823 | 398,795 | 798,618 |
| Miscellaneous Agency | 603,996 | 813,781 | 813,704 | 813,535 | 1,627,239 |
| **Total** | **1,014,233** | **1,312,031** | **1,274,572** | **1,273,847** | **2,548,419** |
| ***Expenditures by Category*** | | | | | |
| Other Operating Expenses | 123,923 | 134,276 | 132,203 | 131,158 | 263,361 |
| Payments To Individuals | 46 | 179,001 | 178,977 | 178,977 | 357,954 |
| Local Assistance | 282,523 | 360,380 | 325,095 | 325,584 | 650,679 |
| Other Financial Transactions | 607,741 | 638,374 | 638,297 | 638,128 | 1,276,425 |
| **Total** | **1,014,233** | **1,312,031** | **1,274,572** | **1,273,847** | **2,548,419** |
| ***Expenditures by Activity*** | | | | | |
| Revenue & Pass Through Expend | 1,014,233 | 1,312,031 | 1,274,572 | 1,273,847 | 2,548,419 |
| **Total** | **1,014,233** | **1,312,031** | **1,274,572** | **1,273,847** | **2,548,419** |

## Program Description

The purpose of the Children's and Economic Assistance Grants program is to provide cash, food support, child care, housing assistance, job training, and work-related services to increase the ability of families and individuals to transition to economic stability and to keep children safe and support their development.

## Budget Activities

⇒ Minnesota Family Investment Program/Diversionary Work Program (MFIP/DWP) Grants
⇒ Support Services Grants
⇒ MFIP Child Care Assistance Grants
⇒ Basic Sliding Fee (BSF) Child Care Assistance Grants
⇒ Child Care Development Grants
⇒ Child Support Enforcement Grants
⇒ Children's Services Grants
⇒ Children and Community Services Grants
⇒ General Assistance Grants
⇒ Minnesota Supplemental Aid Grants
⇒ Group Residential Housing Grants
⇒ Refugee Services Grants
⇒ Other Children's and Economic Assistance Grants

# HUMAN SERVICES DEPT

## Program: CHILDREN & ECONOMIC ASSIST GR

Program Summary

| Dollars in Thousands | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 374,126 | 412,974 | 412,974 | 412,974 | 825,948 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | (310) | (310) | (620) |
| Biennial Appropriations | | | 500 | 0 | 500 |
| Current Law Base Change | | | 10,025 | 11,327 | 21,352 |
| End-of-session Estimate | | | 56,818 | 62,818 | 119,636 |
| Fund Changes/consolidation | | | (25) | (25) | (50) |
| November Forecast Adjustment | | 5,445 | 7,585 | 6,115 | 13,700 |
| Program/agency Sunset | | | (1,500) | (1,500) | (3,000) |
| **Forecast Base** | **374,126** | **418,419** | **486,067** | **491,399** | **977,466** |
| **Health Care Access** | | | | | |
| Current Appropriation | 0 | 250 | 250 | 250 | 500 |
| **Technical Adjustments** | | | | | |
| Current Law Base Change | | | 0 | (250) | (250) |
| **Forecast Base** | **0** | **250** | **250** | **0** | **250** |
| **Federal Tanf** | | | | | |
| Current Appropriation | 213,346 | 246,140 | 246,140 | 246,140 | 492,280 |
| **Technical Adjustments** | | | | | |
| Current Law Base Change | | | (36,588) | (36,588) | (73,176) |
| End-of-session Estimate | | | (12,369) | (10,527) | (22,896) |
| November Forecast Adjustment | | (20,292) | (18,341) | (20,407) | (38,748) |
| **Forecast Base** | **213,346** | **225,848** | **178,842** | **178,618** | **357,460** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 366,055 | 426,470 | 486,067 | 491,399 | 977,466 |
| Health Care Access | 0 | 250 | 250 | 0 | 250 |
| Federal Tanf | 211,989 | 201,641 | 178,842 | 178,618 | 357,460 |
| **Statutory Appropriations** | | | | | |
| General | 7,233 | 8,556 | 8,444 | 8,444 | 16,888 |
| Misc Special Revenue | 6,166 | 8,018 | 4,440 | 3,923 | 8,363 |
| Federal | 499,133 | 555,379 | 545,129 | 569,864 | 1,114,993 |
| Miscellaneous Agency | 14,483 | 15,240 | 13,168 | 13,192 | 26,360 |
| Gift | 30 | 25 | 25 | 25 | 50 |
| **Total** | **1,105,089** | **1,215,579** | **1,236,365** | **1,265,465** | **2,501,830** |
| ***Expenditures by Category*** | | | | | |
| Other Operating Expenses | 792 | 4,390 | 670 | 122 | 792 |
| Payments To Individuals | 650,539 | 675,721 | 732,354 | 761,829 | 1,494,183 |
| Local Assistance | 438,069 | 520,980 | 489,279 | 489,428 | 978,707 |
| Other Financial Transactions | 15,689 | 14,488 | 14,062 | 14,086 | 28,148 |
| **Total** | **1,105,089** | **1,215,579** | **1,236,365** | **1,265,465** | **2,501,830** |

# HUMAN SERVICES DEPT

## Program: CHILDREN & ECONOMIC ASSIST GR

Program Summary

| | Dollars in Thousands | | | | |
|---|---|---|---|---|---|
| | Current | | Forecast Base | | Biennium |
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Expenditures by Activity*** | | | | | |
| Mfip/Dwp Grants | 274,624 | 272,083 | 272,168 | 273,352 | 545,520 |
| Support Services Grants | 100,662 | 122,425 | 111,381 | 111,381 | 222,762 |
| Mfip Child Care Assistance Gr | 98,353 | 111,856 | 118,279 | 115,945 | 234,224 |
| Bsf Child Care Assistance Gr | 69,588 | 96,148 | 87,963 | 90,837 | 178,800 |
| Child Care Development Gr | 10,861 | 10,198 | 10,010 | 10,010 | 20,020 |
| Child Support Enforcement Gr | 4,595 | 5,016 | 4,995 | 4,995 | 9,990 |
| Children'S Services Grants | 92,907 | 118,469 | 108,301 | 107,565 | 215,866 |
| Children & Community Serv Gr | 101,454 | 101,465 | 101,231 | 101,231 | 202,462 |
| General Assistance Grants | 33,041 | 38,303 | 39,885 | 40,262 | 80,147 |
| Minnesota Supplemental Aid Gr | 30,299 | 30,748 | 31,068 | 31,429 | 62,497 |
| Group Residential Housing Gr | 75,886 | 86,380 | 92,487 | 98,757 | 191,244 |
| Refugee Services Grants | 11,366 | 18,288 | 17,309 | 17,310 | 34,619 |
| Other Child And Econ Asst Gr | 201,453 | 204,200 | 241,288 | 262,391 | 503,679 |
| **Total** | **1,105,089** | **1,215,579** | **1,236,365** | **1,265,465** | **2,501,830** |

## Activity Description

Minnesota Family Investment Program (MFIP) and the Diversionary Work Program (DWP) Grants pays for cash grants for families participating in the MFIP and the DWP and for food assistance for MFIP families. MFIP is Minnesota's program for the federal Temporary Assistance to Needy Families (TANF) block grant. DWP is a short-term, work-focused program to help families avoid longer-term assistance.

**Activity at a Glance**

- Provides assistance for 40,000 families (or 113,000 people) a month-- two-thirds of which are children

## Population Served

To be eligible for MFIP, a family must include a minor child or a pregnant woman and meet citizenship, income, and asset requirements. MFIP is aimed at moving parents quickly into jobs and out of poverty. Most parents are required to work; through MFIP they receive help with health care, child care, and employment services.

Most parents with minor children are eligible to receive cash assistance for a total of 60 months in their lifetime. Families reaching the 60-month time limit are eligible for extensions if they meet certain categorical requirements. Most families reaching the 60-month limit are those with multiple and serious barriers to employment. Families of color are also disproportionately represented in this group.

DWP, which began 7-1-2004, now includes many of the families who would have in the past applied for MFIP. DWP is a four-month, work-focused program. Families applying for DWP must develop and sign an employment plan before they can receive any assistance. After families have an employment plan, they can receive financial assistance to meet their basic needs and other supports, such as food, child care, and health care assistance. Shelter and utilities costs are paid directly to landlords, mortgage companies, or utility companies. Participation in the program does not count against the 60-month life-time limit on cash assistance. Some families are excluded from DWP, including adults and children with disabilities, adults over 60, teen parents finishing high school, child-only cases, and families who have received TANF or MFIP in the past 12 months or for 60 months.

## Services Provided

This activity funds the cash assistance grants of the MFIP and DWP programs and food assistance for MFIP. Supports outside the welfare system, such as health care, child care, child support, housing, and tax credits, are important components to Minnesota's welfare approach. Working families on MFIP receive earning supplements, leaving assistance when their income is approximately 15% above the federal poverty level.

Parents on MFIP who fail to work or follow through with activities to support their families will have their assistance cut by 10% or more depending upon how long they have been out of compliance. Parents on DWP who do not cooperate with their employment plan will have their cases closed and are not eligible for cash assistance until their four months of DWP ends.

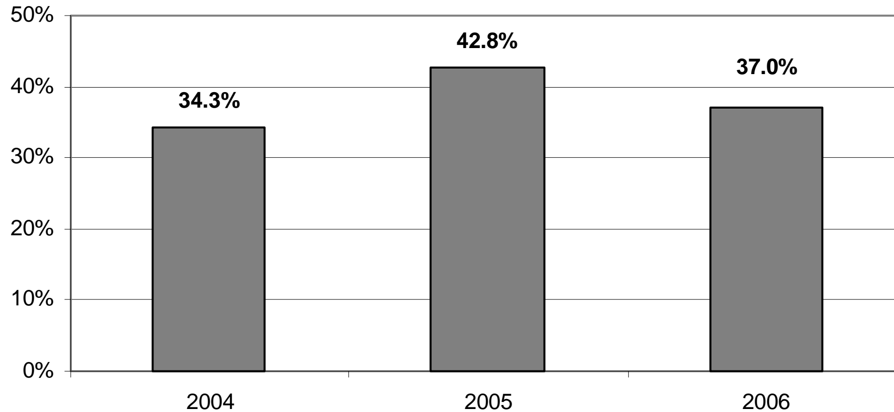
## Historical Perspective

MFIP was initially piloted in seven counties as a state welfare reform effort. After passage of the federal welfare reform law, MFIP was implemented statewide in 1998 as the state's TANF program. MFIP includes employment and training and food support. In February 2006, Congress reauthorized the TANF program through 2010 with the passage of the Deficit Reduction Act of 2005 (Public Law 109-171). The new provisions make it more difficult for states to meet work participation rates and required the U. S. Department of Health and Human Services to issue regulations that define work activities and procedures for verifying and monitoring work activities.

Minnesota has experienced national success with MFIP. In September 2005, more than 70% of MFIP families followed over a three-year period had either left assistance or were on MFIP and were working 30 or more hours per week. DWP was enacted by the 2003 legislature and implemented in July 2004. Each month more than 1,000 cases is diverted to this new program, with a monthly average caseload of 3,700 families. Some of these families are expected to transition to MFIP after completing four months of DWP.

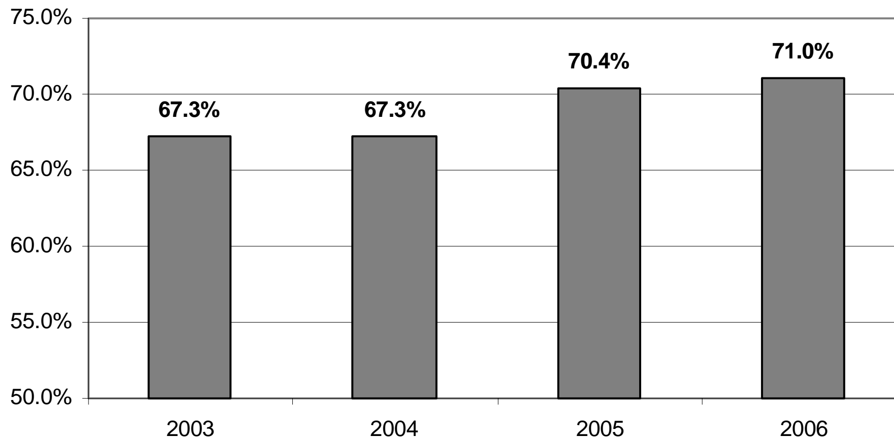
## Key Measures

⇒ *MFIP Self-Support Index (percent of adults working 30+ hours or off MFIP cash assistance three years later)*




*The MFIP Work Participation Rate is the Percentage of MFIP cases in which the parent is fully engaged in employment or employment-related activities (according to federal Temporary Assistance for Needy Families (TANF) program rules, usually 130 hours per month.) The decline for FY 2006 occurred because Minnesota instituted a universal participation policy requiring cases that had previously been exempted to participate in work activities and be included in the measure.*

⇒ *MFIP Work Participation Rate (percent of adults participating in work activities for specified hours per week)*




*The MFIP Three-year Self-supporting Index is a performance measure that tracks whether adults in the Minnesota Family Investment Program are either (1) working an average of 30 or more hours per week or (2) no longer receiving MFIP cash payments three years after a baseline measurement quarter. Participants who leave MFIP due to the 60-month time limit are not counted as meeting the criteria for success on this measure unless they are working 30 or more hours per week before they reach the time limit.*

More information on Department of Human Services measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

### Activity Funding

MFIP/DWP Grants is funded primarily with appropriations from the General Fund and from the federal TANF block grant, which replaced AFDC in 1996.

### Contact

For more information on the Minnesota Family Investment Program/Diversionary Work Program Grants, contact

- Assistant Commissioner Chuck Johnson, (651) 431-3835
- Transition to Economic Stability Division Director Ann Sessoms, (651) 431-4006

Information is also available on the DHS web site: http://www.dhs.state.mn.us

# HUMAN SERVICES DEPT

## Program: CHILDREN & ECONOMIC ASSIST GR

### Activity: MFIP/DWP GRANTS

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 34,204 | 38,993 | 38,993 | 38,993 | 77,986 |
| **Technical Adjustments** | | | | | |
| End-of-session Estimate | | | 11,520 | 9,722 | 21,242 |
| November Forecast Adjustment | | 12,284 | 10,099 | 11,753 | 21,852 |
| **Forecast Base** | **34,204** | **51,277** | **60,612** | **60,468** | **121,080** |
| **Federal Tanf** | | | | | |
| Current Appropriation | 109,355 | 106,920 | 106,920 | 106,920 | 213,840 |
| **Technical Adjustments** | | | | | |
| End-of-session Estimate | | | (12,369) | (10,527) | (22,896) |
| November Forecast Adjustment | | (20,292) | (18,341) | (20,407) | (38,748) |
| **Forecast Base** | **109,355** | **86,628** | **76,210** | **75,986** | **152,196** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 33,869 | 51,277 | 60,612 | 60,468 | 121,080 |
| Federal Tanf | 105,310 | 86,628 | 76,210 | 75,986 | 152,196 |
| **Statutory Appropriations** | | | | | |
| General | 3,869 | 4,555 | 4,444 | 4,444 | 8,888 |
| Federal | 117,093 | 116,140 | 117,734 | 119,262 | 236,996 |
| Miscellaneous Agency | 14,483 | 13,483 | 13,168 | 13,192 | 26,360 |
| **Total** | **274,624** | **272,083** | **272,168** | **273,352** | **545,520** |
| ***Expenditures by Category*** | | | | | |
| Other Operating Expenses | (49) | 0 | 0 | 0 | 0 |
| Payments To Individuals | 254,506 | 253,493 | 254,041 | 255,212 | 509,253 |
| Local Assistance | 4,967 | 4,852 | 4,815 | 4,804 | 9,619 |
| Other Financial Transactions | 15,200 | 13,738 | 13,312 | 13,336 | 26,648 |
| **Total** | **274,624** | **272,083** | **272,168** | **273,352** | **545,520** |

## Activity Description

Support Services Grants provides employment, education, training, and other support services to help low-income families and people avoid or end public assistance dependency. These grants also fund a portion of county administration for the Minnesota Family Investment Program (MFIP) and the Diversionary Work Program (DWP).

### Activity at a Glance

- Provides MFIP employment services to 12,600 people per month
- Provides Food Stamp employment services to 1,600 people per month

## Population Served

This activity serves two core groups

- participants in MFIP and DWP; and
- recipients of food stamps, or food support, through the Food Support Employment and Training (FSET) program.

## Services Provided

Support Services Grants includes the MFIP consolidated funds, which are allocated to counties and tribes, and FSET funding. This includes work programs that are co-managed by the Department of Human Services (DHS) and the Minnesota Department of Employment and Economic Development (DEED). DEED oversees state workforce centers that work with county agencies to evaluate the needs of each recipient and develop an individualized employment plan.

County and local employment service providers refer participants to services including

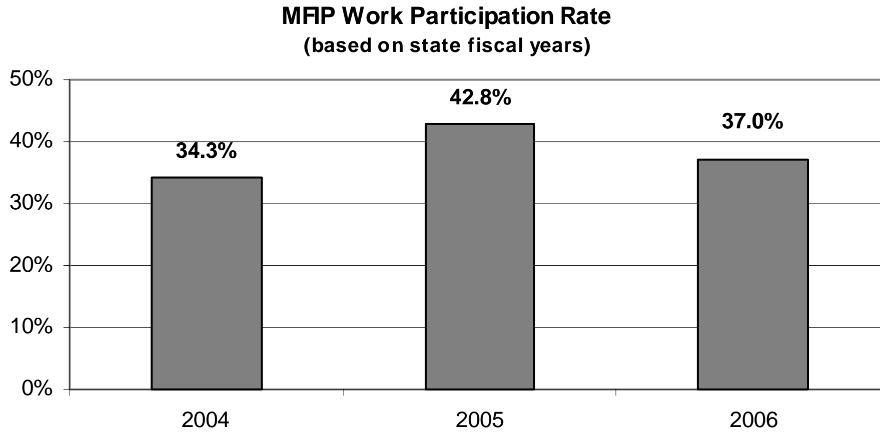
- job search, job counseling, job interview skills, skill development, and training services;
- adult basic education, intensive work literacy, high school completion classes, general equivalency diploma (GED)/high school equivalency coaching, and training currently limited to 24 months;
- English proficiency training;
- county emergency need programs that help low-income families with housing crises;
- assistance and referral to other services, such as child care, medical benefits programs, and chemical dependency and mental health services; and
- small business development (for a small group of recipients who may be good candidates to become self-employed).

## Historical Perspective

The 2003 legislature created the MFIP consolidated fund, combining funding for a number of family support programs for MFIP participants. The MFIP consolidated fund allows counties, tribes, and nonprofits to continue successful approaches to moving MFIP families to work. A number of separate programs, including Emergency Assistance for families, were repealed. Service agreements for each county set outcomes, which include county performance measures.

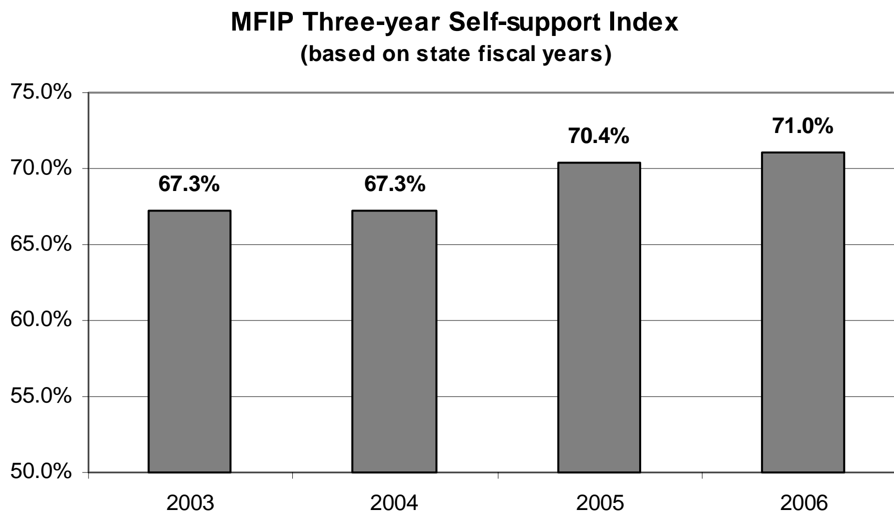
## Key Measures

⇒ *MFIP Self-Support Index (percent of adults working 30+ hours or off MFIP cash assistance three years later)*




*The MFIP Work Participation Rate is the Percentage of MFIP cases in which the parent is fully engaged in employment or employment-related activities (according to federal Temporary Assistance for Needy Families (TANF) program rules, usually 130 hours per month.) The decline for FY 2006 occurred because Minnesota instituted a universal participation policy requiring cases that had previously been exempted to participate in work activities and be included in the measure.*

⇒ *MFIP Work Participation Rate (percent of adults participating in work activities for specified hours per week)*




*The MFIP Three-year Self-supporting Index is a performance measure that tracks whether adults in the Minnesota Family Investment Program are either (1) working an average of 30 or more hours per week or (2) no longer receiving MFIP cash payments three years after a baseline measurement quarter. Participants who leave MFIP due to the 60-month time limit are not counted as meeting the criteria for success on this measure unless they are working 30 or more hours per week before they reach the time limit.*

More information on Department of Human Services measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

## Activity Funding

Support Services Grants is funded with appropriations from the General Fund and federal funds.

## Contact

For more information on Support Services Grants, contact

- Assistant Commissioner Chuck Johnson, (651) 431-3835
- Transition to Economic Stability Division Director Ann Sessoms, (651) 431-4006

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: CHILDREN & ECONOMIC ASSIST GR
### Activity: SUPPORT SERVICES GRANTS

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 8,697 | 8,715 | 8,715 | 8,715 | 17,430 |
| **Forecast Base** | **8,697** | **8,715** | **8,715** | **8,715** | **17,430** |
| **Federal Tanf** | | | | | |
| Current Appropriation | 102,594 | 102,632 | 102,632 | 102,632 | 205,264 |
| **Forecast Base** | **102,594** | **102,632** | **102,632** | **102,632** | **205,264** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 8,682 | 8,715 | 8,715 | 8,715 | 17,430 |
| Federal Tanf | 91,953 | 113,676 | 102,632 | 102,632 | 205,264 |
| **Statutory Appropriations** | | | | | |
| Federal | 27 | 34 | 34 | 34 | 68 |
| **Total** | **100,662** | **122,425** | **111,381** | **111,381** | **222,762** |
| ***Expenditures by Category*** | | | | | |
| Other Operating Expenses | (600) | 250 | 0 | 0 | 0 |
| Payments To Individuals | 22,065 | 27,179 | 27,179 | 27,179 | 54,358 |
| Local Assistance | 79,197 | 94,996 | 84,202 | 84,202 | 168,404 |
| **Total** | **100,662** | **122,425** | **111,381** | **111,381** | **222,762** |

## Activity Description

The Minnesota Family Investment Program (MFIP) Child Care Assistance Grants provides financial subsidies to help low-income families pay for child care so that parents may pursue employment or education leading to employment. This program is supervised by the Department of Human Services and administered by county social services agencies.

**Activity at a Glance**

- Purchases child care for nearly 15,000 children in 8,200 families each month

## Population Served

Families who participate in welfare reform activities are served through the (MFIP) child care program which includes MFIP and Transition Year (TY) subprograms.

## Services Provided

The following families are eligible to receive MFIP or TY child care assistance: 1) MFIP and Diversionary Work Program (DWP) families who are employed or pursuing employment or are participating in employment, training, or social services activities authorized in an approved employment services plan; and 2) employed families who are in their first year off MFIP or DWP (transition year). As family income increases, so does the amount of child care expenses paid by the family in the form of co-payments.

Care must be provided by a legal child care provider over the age of 18; providers include registered (non-licensed) providers, licensed family child care, and licensed child care centers.

As directed by law, the commissioner establishes maximum payment rates for Child Care Assistance Grants by county, type of provider, age of child, and unit of time covered.

## Historical Perspective

MFIP child care was called AFDC (Aid to Families with Dependent Children) child care and funded by federal Title IV(A) funds prior to the 1996 federal welfare reform act. Demand for child care assistance has increased as parents participating in welfare reform are required to work or look for work. The 2003 legislature made reforms to the Child Care Assistance Program (CCAP) to focus on these lowest income working families and control future growth in the program, while helping balance the state budget.

## Key Measures

***Percent of providers covered by maximum rates in SFYs 2005, 2006 and 2007***

**% of providers covered by maximum rates**

| SFY 2005[a] | | SFY 2006[b] | | SFY 2007 | |
|---|---|---|---|---|---|
| Family Child Care | Child Care Centers | Family Child Care | Child Care Centers | Family Child Care | Child Care Centers |
| 68.4% | 56.8% | 59.8% | 52.1% | 65.3% | 54.5% |

**% of RURAL providers covered by maximum rates**

| SFY 2005[a] | | SFY 2006[b] | | SFY 2007 | |
|---|---|---|---|---|---|
| Family Child Care | Child Care Centers | Family Child Care | Child Care Centers | Family Child Care | Child Care Centers |
| 71.5% | 59.7% | 61.2% | 53.9% | 67.7% | 57.5% |

**% URBAN of providers covered by maximum rates**

| SFY 2005[a] | | SFY 2006[b] | | SFY 2007 | |
|---|---|---|---|---|---|
| Family Child Care | Child Care Centers | Family Child Care | Child Care Centers | Family Child Care | Child Care Centers |
| 64.4% | 55.6% | 57.6% | 51.3% | 61.4% | 53.1% |

NOTE: Percent of providers covered is calculated by dividing the number of providers with actual rates at or below the maximum CCAP payment rate by the total number of all providers in that geographic area. Provider actual rates are measured by the most currently completed market survey.

[a] CCAP maximum rates were frozen by the legislature from SFY 2003 through SFY 2005.

[b]The legislature mandated that the maximum rates paid by CCAP be changed on 7-1-2005 and 1-1-2006. The percent of providers covered for SFY 2006 are calculated based on the CCAP maximum rates for the period of 1-1-2006 through 6-1-2006.

More information on Department of Human Services measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

### Activity Funding

MFIP Child Care Assistance Grants is funded with appropriations from the General Fund and from federal funds.

### Contact

For more information on MFIP Child Care Assistance Grants, contact

- Assistant Commissioner Chuck Johnson, (651) 431-3835
- Transition to Economic Stability Division Director Ann Sessoms, (651) 431-4006
- Child Care Assistance Manager Cherie Kotilinek, (651) 431-4005

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: CHILDREN & ECONOMIC ASSIST GR
### Activity: MFIP CHILD CARE ASSISTANCE GR

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 49,944 | 36,368 | 36,368 | 36,368 | 72,736 |
| **Technical Adjustments** | | | | | |
| End-of-session Estimate | | | 36,311 | 35,785 | 72,096 |
| November Forecast Adjustment | | (2,994) | 2,309 | 501 | 2,810 |
| **Forecast Base** | **49,944** | **33,374** | **74,988** | **72,654** | **147,642** |
| **Federal Tanf** | | | | | |
| Current Appropriation | 0 | 35,191 | 35,191 | 35,191 | 70,382 |
| **Technical Adjustments** | | | | | |
| Current Law Base Change | | | (35,191) | (35,191) | (70,382) |
| **Forecast Base** | **0** | **35,191** | **0** | **0** | **0** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 49,944 | 33,374 | 74,988 | 72,654 | 147,642 |
| **Statutory Appropriations** | | | | | |
| Federal | 48,409 | 78,482 | 43,291 | 43,291 | 86,582 |
| **Total** | **98,353** | **111,856** | **118,279** | **115,945** | **234,224** |
| ***Expenditures by Category*** | | | | | |
| Payments To Individuals | 14,476 | 13,500 | 15,809 | 14,001 | 29,810 |
| Local Assistance | 83,877 | 98,356 | 102,470 | 101,944 | 204,414 |
| **Total** | **98,353** | **111,856** | **118,279** | **115,945** | **234,224** |

## Activity Description

Basic Sliding Fee (BSF) Child Care Assistance Grants provides financial subsidies to help low-income families pay for child care so that parents may pursue employment or education leading to employment. This program is supervised by the Department of Human Services and administered by county social services agencies.

### Activity at a Glance

- ♦ Purchases child care for 15,000 children in 8,700 families each month

## Population Served

Low-income families who are not connected to the Minnesota Family Investment Program (MFIP) or the Diversionary Work Program (DWP) are served through the BSF child care program.

## Services Provided

BSF Child Care Assistance Grants help families pay child care costs on a sliding fee basis. As family income increases, so does the amount of child care expenses paid by the family. When family income reaches 250% of the federal poverty guidelines, family co-payments generally meet or exceed the cost of care.

- ⇒ BSF child care helps pay the child care costs of low-income families not currently participating in MFIP or DWP or in their first year after leaving MFIP or DWP. Families who have household incomes at or under 175% of the federal poverty guidelines when they enter the program and less than 250% of the federal poverty guidelines when they leave the program, and who participate in authorized activities, such as employment, job search, and job training, are eligible for BSF child care.
- ⇒ At Home Infant Care (AHIC) allows BSF eligible families with children under one year of age to receive a subsidy for a period of up to 12 months, while staying at home with their infant (and any other children). The family receives 90% of the amount that would be paid to a licensed family child care provider for infant care in the county of the family's residence. Three percent of state funds are set aside within the BSF Child Care Assistance Grants for AHIC.

Care must be provided by a legal child care provider over the age of 18; providers include registered (non-licensed) providers, licensed family child care and licensed child care centers. As directed by the legislature, the commissioner establishes maximum payment rates for Child Care Assistance Grants by county, type of provider, age of child and unit of time covered.

## Historical Perspective

The BSF program was developed in the 1970s as a pilot program serving 24 counties in recognition that child care was essential to the employment of low-income families. The demand for child care assistance has steadily increased over time as the number of eligible families has increased. The 2003 legislature made reforms to the Child Care Assistance Program to focus on the lowest income working families and control future growth.

## Key Measures

*Percent of providers covered by maximum rates in SFYs 2005, 2006 and 2007*

**% of providers covered by maximum rates**

| SFY 2005[a] | | SFY 2006[b] | | SFY 2007 | |
|---|---|---|---|---|---|
| Family Child Care | Child Care Centers | Family Child Care | Child Care Centers | Family Child Care | Child Care Centers |
| 68.4% | 56.8% | 59.8% | 52.1% | 65.3% | 54.5% |

**% of RURAL providers covered by maximum rates**

| SFY 2005[a] | | SFY 2006[b] | | SFY 2007 | |
|---|---|---|---|---|---|
| Family Child Care | Child Care Centers | Family Child Care | Child Care Centers | Family Child Care | Child Care Centers |
| 71.5% | 59.7% | 61.2% | 53.9% | 67.7% | 57.5% |

**% URBAN of providers covered by maximum rates**

| SFY 2005[a] | | SFY 2006[b] | | SFY 2007 | |
|---|---|---|---|---|---|
| Family Child Care | Child Care Centers | Family Child Care | Child Care Centers | Family Child Care | Child Care Centers |
| 64.4% | 55.6% | 57.6% | 51.3% | 61.4% | 53.1% |

NOTE: Percent of providers covered is calculated by dividing the number of providers with actual rates at or below the maximum CCAP payment rate by the total number of all providers in that geographic area. Provider actual rates are measured by the most currently completed market survey.

[a] CCAP maximum rates were frozen by the legislature from SFY 2003 through SFY 2005.

[b]The legislature mandated that the maximum rates paid by CCAP be changed on 7-1-2005 and 1-1-2006. The percent of providers covered for SFY 2006 are calculated based on the CCAP maximum rates for the period of 1-1-2006 through 6-30-2006.

More information on Department of Human Services measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

## Activity Funding

BSF Child Care Assistance Grants is funded by appropriations from the General Fund and from the federal Child Care and Development Fund (CCDF), which includes Temporary Assistance to Needy Families (TANF) transfer funds and county contributions.

## Contact

For more information on BSF Child Care Assistance Programs, contact:

- Assistant Commissioner Chuck Johnson, (651) 431-3835
- Transitions to Economic Stability Division Director Ann Sessoms, (651) 431-4006
- Child Care Assistance Manager Cherie Kotilinek, (651) 431-4005

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT

## Program: CHILDREN & ECONOMIC ASSIST GR

### Activity: BSF CHILD CARE ASSISTANCE GR

Budget Activity Summary

| | Dollars in Thousands | | | | |
|---|---|---|---|---|---|
| | Current | | Forecast Base | | Biennium |
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 7,503 | 36,467 | 36,467 | 36,467 | 72,934 |
| **Technical Adjustments** | | | | | |
| Current Law Base Change | | | 4,829 | 6,131 | 10,960 |
| **Forecast Base** | **7,503** | **36,467** | **41,296** | **42,598** | **83,894** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 7,548 | 36,467 | 41,296 | 42,598 | 83,894 |
| **Statutory Appropriations** | | | | | |
| Federal | 62,040 | 59,681 | 46,667 | 48,239 | 94,906 |
| **Total** | **69,588** | **96,148** | **87,963** | **90,837** | **178,800** |
| ***Expenditures by Category*** | | | | | |
| Payments To Individuals | 15,888 | 5,500 | 5,500 | 5,500 | 11,000 |
| Local Assistance | 53,700 | 90,648 | 82,463 | 85,337 | 167,800 |
| **Total** | **69,588** | **96,148** | **87,963** | **90,837** | **178,800** |

## Activity Description

Child Care Development Grants promote school readiness and improve the quality and availability of child care in Minnesota by providing consumer education to parents and the public and providing activities that increase parental choice.

**Activity at a Glance**

- Provides 20,000 child care referrals annually
- Awards 2,300 grants per year to providers to improve the quality and availability of child care
- Makes 42 loans annually to improve child care facilities
- Supports training for 35,000 participants attending classes and 450 scholarships for provider education and training each year

## Population Served

⇒ Three out of four Minnesota families use child care for their children under age 13 and these children spend an average of 24 hours a week in care.
⇒ Approximately 200,000 Minnesota children under age 13 spend time in licensed child care arrangements.
⇒ There are over 14,000 child care businesses and an estimated 150,000 family, friend, and neighbor caregivers in Minnesota.

## Services Provided

The department works with public and private agencies and individuals to promote school readiness through education and training and by providing a state infrastructure to support quality and availability of child care. These efforts include

- Professional development for child care teachers and caregivers
  ⇒ Training is delivered by child care resource and referral (CCR&R) programs and other partners.
  ⇒ Training topics include child growth and development, learning environment and curriculum, interactions with children and youth, health and safety, caring for children with special needs, business practices, and providing culturally responsive child care.
- Child care referrals
  ⇒ Referrals include personalized information and guidance for parents on selecting quality child care.
  ⇒ Referrals are delivered through local child care resource and referral programs at no cost to parents.
- Grants and financial supports
  ⇒ Grants and loans enable child care programs to improve facilities, start up or expand services, access training, and purchase equipment and materials.
  ⇒ Scholarships for higher education and bonus compensation help retain individuals working in child care and Head Start programs.
- Consultation, mentoring, coaching, and technical assistance
  ⇒ These resources provide support to individual child care practitioners and caregivers to build their knowledge and skills to meet the needs of individual children, meet licensing standards, and improve program quality.

Other key elements include

- ongoing mechanisms for community-level input on programs and policies through advisory committees for major program components;
- research and evaluation to guide policy and program development to target resources effectively; and
- local control of grant priorities for grants administered by CCR&R sites.

## Historical Perspective

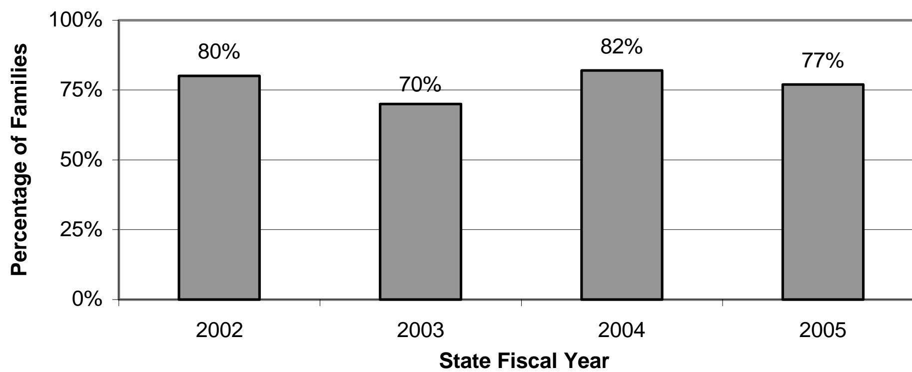
The 1988 Minnesota Legislature established the Child Care Development program to respond to increased demand for quality child care and the need for a statewide infrastructure for parents and communities to respond to these needs. Since that time, Child Care Development Grants program has awarded statewide and local-level grants to

- support child care providers in improving quality;

- develop the child care infrastructure to provide referral services to parents and professional development, technical assistance, and facilities improvements to child care providers; and
- conduct research and evaluation to identify child care needs and improve program effectiveness.

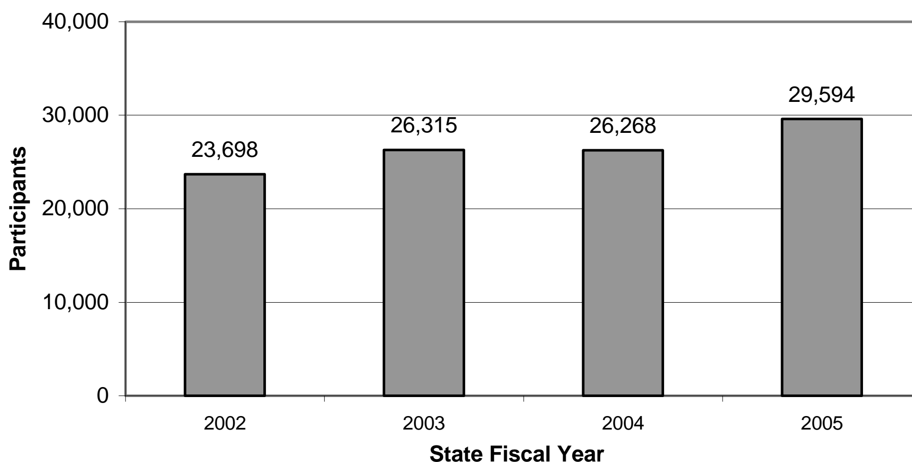
## Key Measures

⇒ *The percentage of families using child care referral services who report increased ability to seek and select quality child care.*




Results of a follow-up survey of parents who had used child care referral services. The survey is performed annually by Wilder Research.

⇒ *The number of participants attending child care resource and referral training.*



More information on Department of Human Services measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

## Activity Funding

Child Care Development Grants is funded with appropriations from the General Fund and from federal funds.

## Contact

For more information on Child Care Development Grants, contact

- Assistant Commissioner Chuck Johnson, (651) 431-3835
- Community Partnerships Director James Huber, (651) 431-3854
- Child Development Services Director Deborah Swenson-Klatt, (651) 431-3862

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: CHILDREN & ECONOMIC ASSIST GR
### Activity: CHILD CARE DEVELOPMENT GR

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 1,540 | 1,540 | 1,540 | 1,540 | 3,080 |
| **Technical Adjustments** | | | | | |
| Fund Changes/consolidation | | | (25) | (25) | (50) |
| **Forecast Base** | **1,540** | **1,540** | **1,515** | **1,515** | **3,030** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 1,504 | 1,515 | 1,515 | 1,515 | 3,030 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 62 | 138 | 0 | 0 | 0 |
| Federal | 9,295 | 8,545 | 8,495 | 8,495 | 16,990 |
| **Total** | **10,861** | **10,198** | **10,010** | **10,010** | **20,020** |
| ***Expenditures by Category*** | | | | | |
| Other Operating Expenses | 48 | 0 | 0 | 0 | 0 |
| Payments To Individuals | 2 | 0 | 0 | 0 | 0 |
| Local Assistance | 10,811 | 10,198 | 10,010 | 10,010 | 20,020 |
| **Total** | **10,861** | **10,198** | **10,010** | **10,010** | **20,020** |

## Activity Description

Child Support Enforcement Grants help families receive child support, an important component in helping many families become self-sufficient and stay off welfare.

## Population Served

Child Support Enforcement serves both families who receive public assistance and those who are non-public assistance clients.

**Activity at a Glance**

- Collects $595 million in child support
- Serves 407,000 custodial and non-custodial parents
- Administers 249,300 child support cases

## Services Provided

Services provided by the state and counties to help families in Minnesota receive child support include

- establishing paternity;
- establishing and modifying orders for child support, medical support, and child care support;
- collecting and disbursing support;
- enforcing support orders, including:
  - ⇒ intercepting income tax refunds and lottery winnings when child support is not paid and investigating income sources of non-paying parents, and
  - ⇒ locating non-paying parents;
- using various tools to collect support, including suspension of driver's licenses and various state occupational licenses for non-payment, new hire reporting by employers, and working with financial institutions to move money directly from bank accounts.

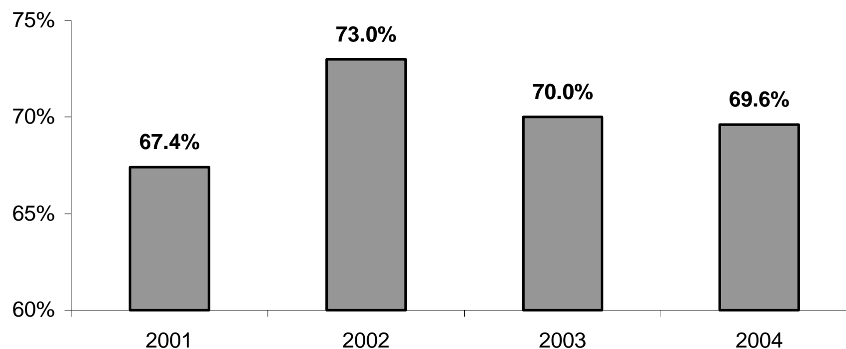
## Historical Perspective

Although most child support cases do not currently receive public assistance, about 65% of the non-public assistance cases received public assistance at one time. Most child support is collected from wage withholding by employers.

## Key Measures

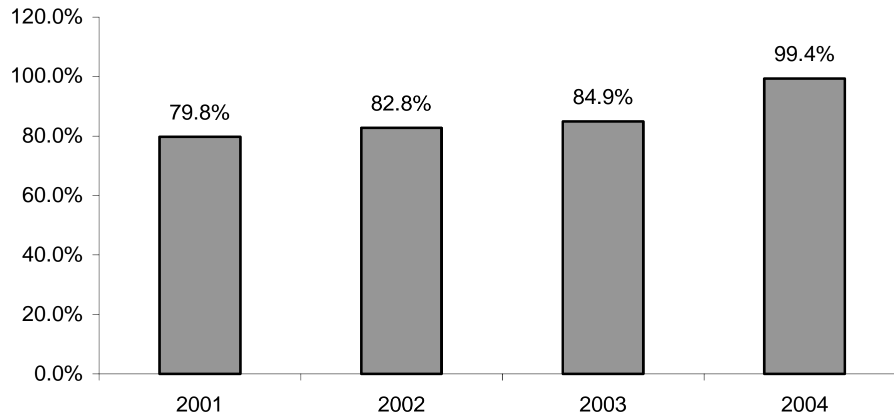
⇒ *Child support collection rate*

**Current Child Support Collections Rate**
**(based on federal fiscal years)**




This measure is the percent of dollars ordered for child support, divided by the total dollars paid by the non-custodial parent. This measure is one of five federal performance measures used to determine incentive payments to states, and subsequently to counties, by the federal government.

⇒ Paternity establishment rate




The measure is the percentage of paternities established for children in the Title IV-D caseload not born in marriage. This measure in one of five federal performance measures used to determine incentive payments to states, and subsequently to counties, by the federal government.

More information on Department of Human Services measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html

## Activity Funding

Child Support Enforcement Grants is funded with appropriations from the General Fund and from federal funds.

## Contact

For more information on Child Support Enforcement Grants, contact

- Assistant Commissioner Chuck Johnson, (651) 431-3835
- Child Support Enforcement Division Director Wayland Campbell, (651) 431-4403

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: CHILDREN & ECONOMIC ASSIST GR
### Activity: CHILD SUPPORT ENFORCEMENT GR

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 3,255 | 3,705 | 3,705 | 3,705 | 7,410 |
| **Forecast Base** | **3,255** | **3,705** | **3,705** | **3,705** | **7,410** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 3,205 | 3,655 | 3,705 | 3,705 | 7,410 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 1,245 | 1,216 | 1,166 | 1,166 | 2,332 |
| Federal | 145 | 145 | 124 | 124 | 248 |
| **Total** | **4,595** | **5,016** | **4,995** | **4,995** | **9,990** |
| ***Expenditures by Category*** | | | | | |
| Other Operating Expenses | (371) | 0 | 0 | 0 | 0 |
| Payments To Individuals | 371 | 90 | 90 | 90 | 180 |
| Local Assistance | 4,595 | 4,926 | 4,905 | 4,905 | 9,810 |
| **Total** | **4,595** | **5,016** | **4,995** | **4,995** | **9,990** |

## Activity Description

Children's Services Grants fund statewide child welfare and community-based children's mental health services.

## Population Served

Children's Services Grants fund services for children who are at risk of abuse or neglect, have been abused or neglected, are in out-of-home placements, are in need of adoption, are under state guardianship, or have an emotional disturbance and need mental health services. Children's Services Grants affect the lives of:

- children who are abused or neglected and need child protection services;
- children who are in out-of-home placements because they cannot live safely with their parents or need care which cannot be provided within their homes;
- children who need mental health services;
- children who are waiting for immediate adoption; and
- families through the Children's Trust Fund.

### Activity at a Glance

In 2005:

- 8,000 children were determined to be abused or neglected
- 14,700 children were in out-of-home placements
- 23,000 children received county-administered mental health services
- More than 730 children under state guardianship were adopted

## Services Provided

Children's Services Grants funds adoption, child protection, homeless youth services, and children's mental health services through counties, tribes, local service collaboratives, schools, nonprofits, and foundations.

Children's Services Grants funds the following:

- Family Assessment Response and other services to families referred to child protection;
- services to prevent child abuse and neglect;
- services for women to prevent fetal alcohol syndrome;
- services to prevent homelessness for older youth leaving long-term foster care;
- recruitment of foster and adoptive families and specialized services to support the adoption of children under state guardianship;
- Adoption Assistance for children with special needs who were under state guardianship and have been adopted;
- Relative Custody Assistance for children with special needs whose custody is transferred to relatives;
- Indian child welfare services; and
- children's community-based mental health services.

## Historical Perspective

The focus of child welfare has evolved over the years. Most recently, Children's Services Grants have been used to:

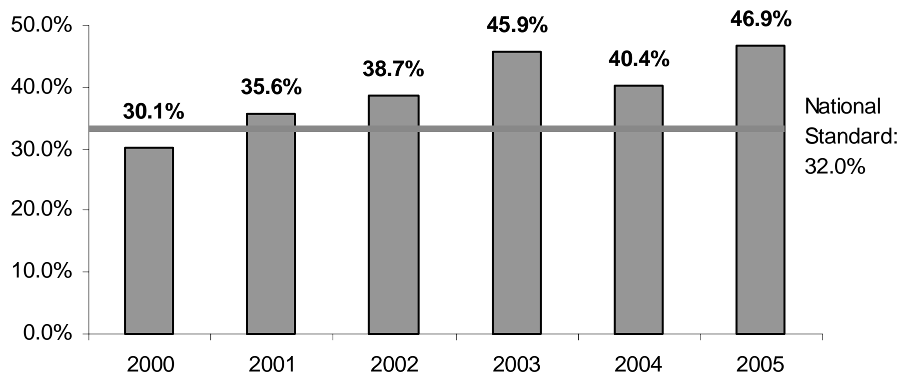
- reform the child welfare system through innovative efforts such as the American Indian Child Welfare Initiative, the Minnesota Child Welfare Training System, and the Children's Justice Initiative;
- find and support permanent families for children who cannot be reunited with their families through the Public/Private Adoption Initiative, Concurrent Permanency Planning, and Minnesota Adoption Support and Preservation Network;
- meet the needs of children with severe emotional disturbance and their families through supporting flexible, child- and family-centered services provided by children's mental health collaboratives; introducing children's mental health screenings into pediatric clinics during well-child visits; piloting a database of 1,600 published studies on children's mental health that provide clinicians with evidence-based treatment guidance by matching diagnosis with demographic characteristics; and training hundreds of mental health professionals, primary care physicians, and Head Start staff in early childhood mental health development and primary care physicians in the identification of mental health problems and subsequent treatment; reducing inappropriate custody relinquishment for children in residential treatment for mental health care; and

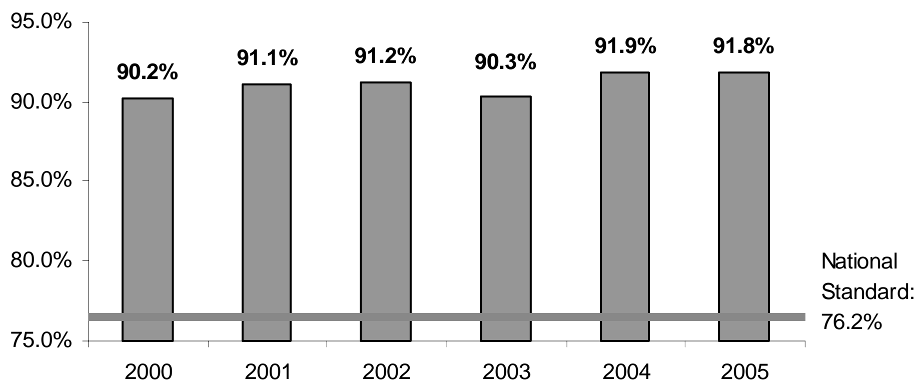
- implement statewide mental health screening for children in the child welfare and juvenile justice systems and expand the Children's Therapeutic Services and Supports (CTSS) in schools and elsewhere.

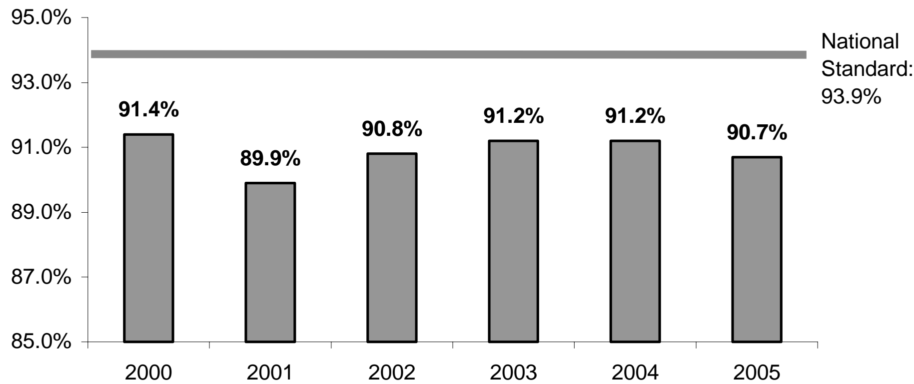
## Key Measures

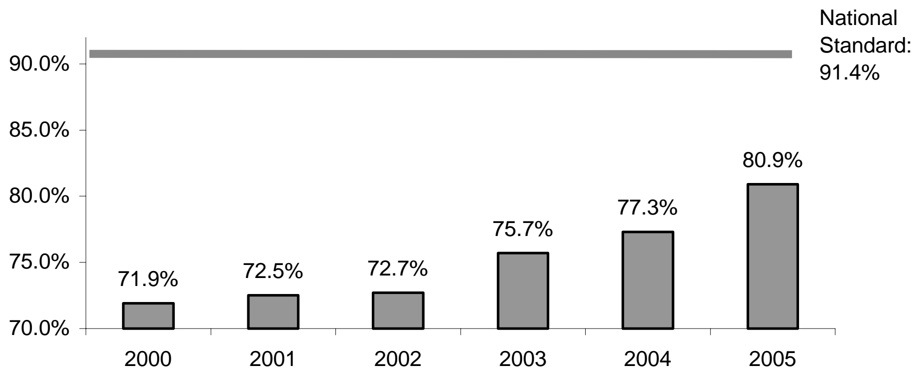
The underlying factor common to the four measures listed below is that more children will live in safe and permanent homes.

⇒ *Percent of Children who were adopted in fewer than 24 months from the time of the latest removal from their home.*
⇒ *Percent of children reunified in less than 12 months from the time of the latest removal from their home.*
⇒ *Percent of children who do not experience repeated abuse or neglect within 12 months of a prior report.*
⇒ *Percent of children who entered foster care who did not have a prior out-of-home placement in the previous 12 months.*






More information on Department of Human Services measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

## Activity Funding

Children's Services Grants is funded primarily with appropriations from the General Fund and from federal funds.

## Contact

For more information about Children's Services Grants, contact

- Assistant Commissioner Chuck Johnson, (651) 431-3835
- Children's Mental Health Director Glenace Edwall, (651) 431-2326
- Child Safety and Permanency Director Erin Sullivan-Sutton, (651) 431-4664

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: CHILDREN & ECONOMIC ASSIST GR
### Activity: CHILDREN'S SERVICES GRANTS

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 40,527 | 47,308 | 47,308 | 47,308 | 94,616 |
| **Technical Adjustments** | | | | | |
| Current Law Base Change | | | 3,954 | 3,954 | 7,908 |
| **Forecast Base** | **40,527** | **47,308** | **51,262** | **51,262** | **102,524** |
| **Health Care Access** | | | | | |
| Current Appropriation | 0 | 250 | 250 | 250 | 500 |
| **Technical Adjustments** | | | | | |
| Current Law Base Change | | | 0 | (250) | (250) |
| **Forecast Base** | **0** | **250** | **250** | **0** | **250** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 40,728 | 55,745 | 51,262 | 51,262 | 102,524 |
| Health Care Access | 0 | 250 | 250 | 0 | 250 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 4,576 | 6,270 | 2,971 | 2,454 | 5,425 |
| Federal | 47,573 | 56,179 | 53,793 | 53,824 | 107,617 |
| Gift | 30 | 25 | 25 | 25 | 50 |
| **Total** | **92,907** | **118,469** | **108,301** | **107,565** | **215,866** |
| ***Expenditures by Category*** | | | | | |
| Other Operating Expenses | 411 | 125 | (941) | (1,489) | (2,430) |
| Payments To Individuals | 38,963 | 43,475 | 44,081 | 45,581 | 89,662 |
| Local Assistance | 53,533 | 74,869 | 65,161 | 63,473 | 128,634 |
| **Total** | **92,907** | **118,469** | **108,301** | **107,565** | **215,866** |

## Activity Description

Children and Community Services Grants provides funding to counties to purchase or provide social services for children and families.

### Activity at a Glance

- Funds services in 87 counties
- Serves 350,000 people annually
- Provides services for clients who experience abuse, neglect, poverty, disability, chronic health conditions, or other factors that may result in poor outcomes or disparities

## Population Served

These funds provide services to clients who experience dependency, abuse, neglect, poverty, disability, chronic health conditions, mental health conditions, or other factors that may result in poor outcomes or disparities, as well as services for family members to support those individuals. Services are provided to people of all ages who are faced with a wide variety of service needs. Historically, these grants have supported the following populations:

- children in need of protection;
- pregnant adolescents and adolescent parents and their children;
- abused and neglected children under state guardianship;
- adults who are vulnerable and in need of protection;
- people over age 60 who need help living independently;
- children and adolescents with emotional disturbances and adults with mental illness;
- people with developmental disabilities;
- people with substance abuse issues;
- parents with incomes below 70% of state median income who need child care services for their children; and
- children and adolescents at risk of involvement with criminal activity.

## Services Provided

County boards are responsible for coordinating formal and informal systems to best support and nurture children and adults within the county who meet the requirements in the Children and Community Services Act. This includes assisting individuals to function at the highest level of ability while maintaining family and community relationships.

Children and Community Services Grants services focus on the following activities and outcomes:

- preventing or remedying neglect, abuse or exploitation of children and adults unable to protect their own interests;
- preserving, rehabilitating, or reuniting families;
- achieving or maintaining self-sufficiency, including reduction or prevention of dependency;
- identifying mental health disorders early and providing treatment based on the latest scientific evidence;
- preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and
- referring or admitting for institutional care people for whom other forms of care are not appropriate.

Children and Community Services Grants support the following services:

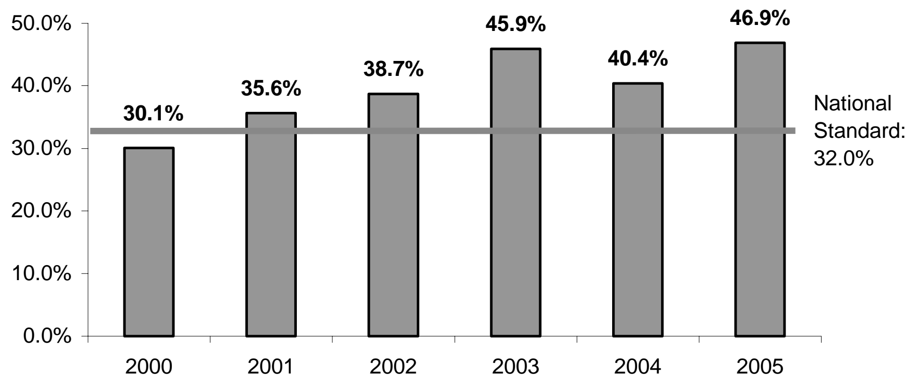
- adoption services;
- case management services;
- counseling services;
- foster care services for adults and children;
- protective services for adults and children;
- residential treatment services;
- special services for people with developmental, emotional, or physical disabilities;
- substance abuse services;
- transportation services; and
- public guardianship.

## Historical Perspective

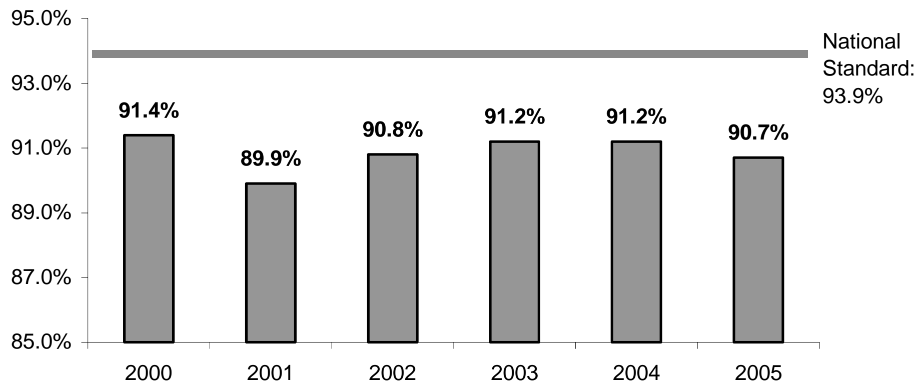
The Children and Community Services Act (CCSA), which was enacted by the 2003 legislature, consolidated 15 separate state and federal children and community services grants, including Title XX, into a single grant program. The CCSA gives counties more flexibility to ensure better outcomes for children, adolescents, and adults in need of services. The act also simplifies the planning and administrative requirements of the previous Community Social Services Act. It includes criteria for counties to limit services if CSSA funds are insufficient.

## Key Measures

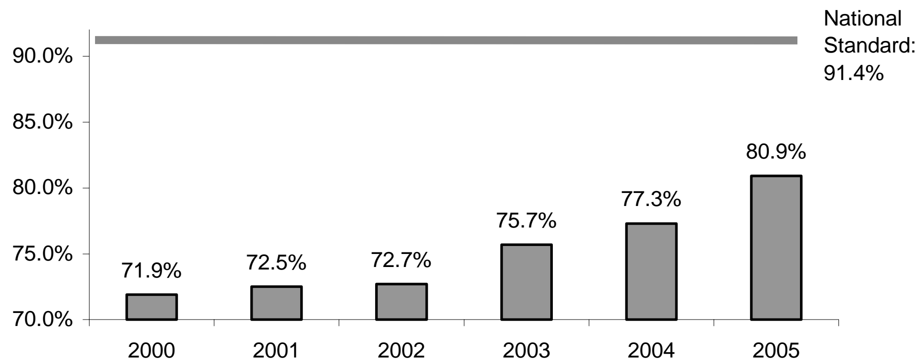
⇒ *Percent of children who were adopted in fewer than 24 months from the time of latest removal from their home.*



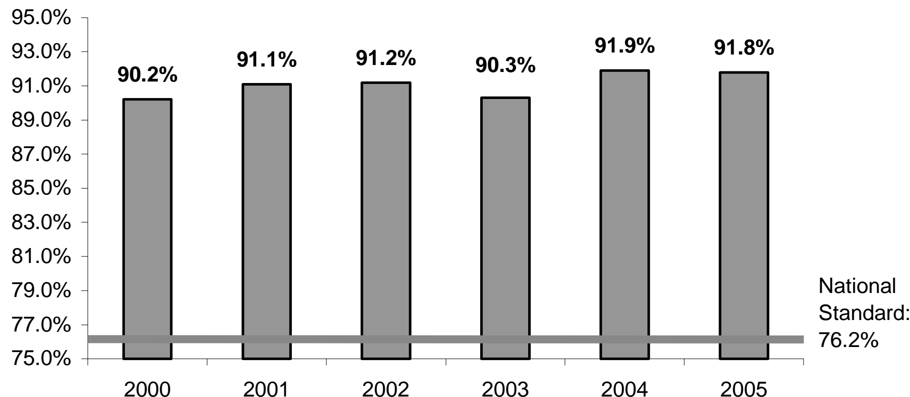

⇒ *Percent of children who do not experience repeated abuse or neglect within 12 months of a prior report.*



⇒ Percent of children who entered foster care who did not have a prior out-of-home placement in the previous 12 months.




⇒ *Percent of children reunified in less than 12 months from the time of the latest removal from their home.*




More information on Department of Human Services measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

## Activity Funding

Children and Community Services Grants is funded with appropriations from the General Fund and from federal funds.

## Contact

For more information on Children and Community Services Grants, contact

- Assistant Commissioner Chuck Johnson, (651) 431-3835
- Community Capacity and Planning Director Ralph McQuarter, (651) 431-3858

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT

## Program: CHILDREN & ECONOMIC ASSIST GR

### Activity: CHILDREN & COMMUNITY SERV GR

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 68,492 | 68,498 | 68,498 | 68,498 | 136,996 |
| **Technical Adjustments** | | | | | |
| Current Law Base Change | | | 3 | 3 | 6 |
| **Forecast Base** | **68,492** | **68,498** | **68,501** | **68,501** | **137,002** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 68,492 | 68,498 | 68,501 | 68,501 | 137,002 |
| **Statutory Appropriations** | | | | | |
| Federal | 32,962 | 32,967 | 32,730 | 32,730 | 65,460 |
| **Total** | **101,454** | **101,465** | **101,231** | **101,231** | **202,462** |
| ***Expenditures by Category*** | | | | | |
| Local Assistance | 101,454 | 101,465 | 101,231 | 101,231 | 202,462 |
| **Total** | **101,454** | **101,465** | **101,231** | **101,231** | **202,462** |

## Activity Description

General Assistance (GA) Grants provide monthly cash supplements for individuals and childless couples, who cannot fully support themselves, usually due to illness or disability, to help meet some of their monthly maintenance and emergency needs. GA is a state-funded program and an important safety net for low-income Minnesotans.

**Activity at a Glance**

- Provides monthly cash assistance grants for 14,100 people
- Average cash assistance grant is $167.88

## Population Served

Program participants must fit into one of 15 categories of eligibility specified in state statutes, which are primarily defined in terms of inability to work and disability, and meet income and resource limits. Applicants or recipients are generally required to apply for benefits from federally funded disability programs for which they may qualify.

## Services Provided

GA Grants currently provide cash assistance of $203 for single people and $260 for married couples. Special funding is available when a person or family lacks basic need items for emergency situations, which threaten health or safety.

GA recipients are usually eligible for payment of medical costs through the General Assistance Medical Care program or the Medical Assistance program.

## Historical Perspective

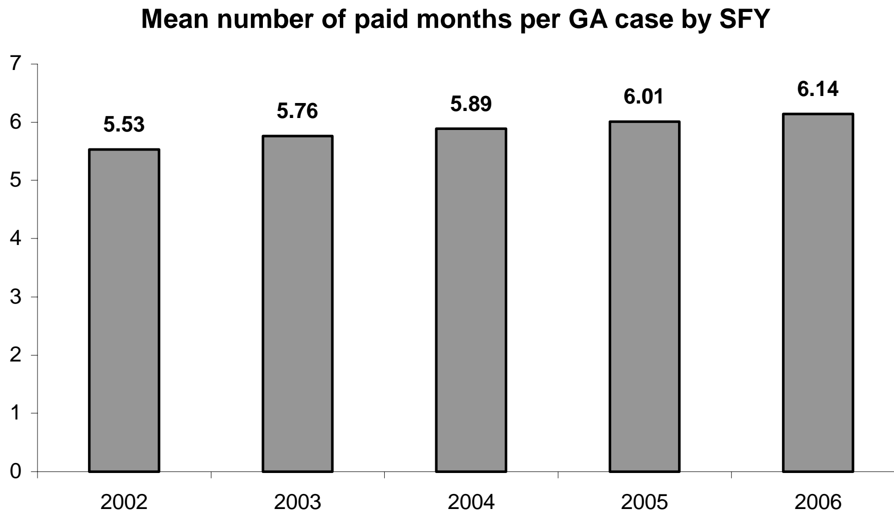
The Minnesota Legislature established the General Assistance Program in 1973. The original program provided assistance to low-income people who did not qualify for federal assistance. In the early 1980s, the legislature changed the program by increasing the GA grant to the current $203 for single people and $260 for married couples, and by targeting assistance to people who meet certain standards of un-employability as determined and certified by a licensed physician, licensed consulting psychologist, licensed psychologist, or vocational specialist.

In 1998, families with children were moved from GA to the Minnesota Family Investment Program, immediately reducing the number of people served on GA each month from 15,000 to 11,000. Since that time, the average number of people served on GA has ranged from a low of roughly 7,800 a month in FY 2000 to the current average of 14,106 a month with an average payment of $167.88 per person for FY 2006.

In FY 2001, payments for women staying in battered women's shelters were transferred out of the GA program, into the Department of Corrections' Crime Victims Services.

## Key Measures

⇒ ***Mean number of paid months per GA case by state fiscal year.*** GA is temporary for some recipients while they overcome an emergency situation, a temporary problem, or are waiting for approval for other forms of assistance. For others with more intractable barriers to self-support, assistance is needed for a longer term.




More information on Department of Human Services measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

## Activity Funding

General Assistance Grants are funded with appropriations from the state General Fund.

## Contact

For more information on General Assistance Grants, contact:

- ♦ Assistant Commissioner Chuck Johnson, (651) 431-3835
- ♦ Community Living Supports Director Janel Bush, (651) 431-3838

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: CHILDREN & ECONOMIC ASSIST GR
### Activity: GENERAL ASSISTANCE GRANTS

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 33,363 | 35,104 | 35,104 | 35,104 | 70,208 |
| **Technical Adjustments** | | | | | |
| End-of-session Estimate | | | 1,120 | 1,368 | 2,488 |
| November Forecast Adjustment | | 1,199 | 1,661 | 1,790 | 3,451 |
| **Forecast Base** | **33,363** | **36,303** | **37,885** | **38,262** | **76,147** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 31,292 | 36,303 | 37,885 | 38,262 | 76,147 |
| **Statutory Appropriations** | | | | | |
| General | 1,749 | 2,000 | 2,000 | 2,000 | 4,000 |
| **Total** | **33,041** | **38,303** | **39,885** | **40,262** | **80,147** |
| ***Expenditures by Category*** | | | | | |
| Other Operating Expenses | 719 | 0 | 0 | 0 | 0 |
| Payments To Individuals | 32,322 | 37,803 | 39,385 | 39,762 | 79,147 |
| Local Assistance | 0 | 500 | 500 | 500 | 1,000 |
| **Total** | **33,041** | **38,303** | **39,885** | **40,262** | **80,147** |

## Activity Description

Minnesota Supplemental Aid (MSA) Grants provides a state-funded monthly cash supplement to people who are eligible for federal Supplemental Security Income (SSI) benefits and are disabled, aged, or blind.

> **Activity at a Glance**
>
> ♦ Provides 28,500 people with disabilities or over age 65 with a cash supplement each month.

## Population Served

To receive MSA benefits, a person must be

- ♦ age 65 or older;
- ♦ blind or have severely impaired vision; or
- ♦ disabled and age 18 or older.

MSA is available to individuals with assets up to $2,000 and couples with assets up to $3,000 and limited income.

## Services Provided

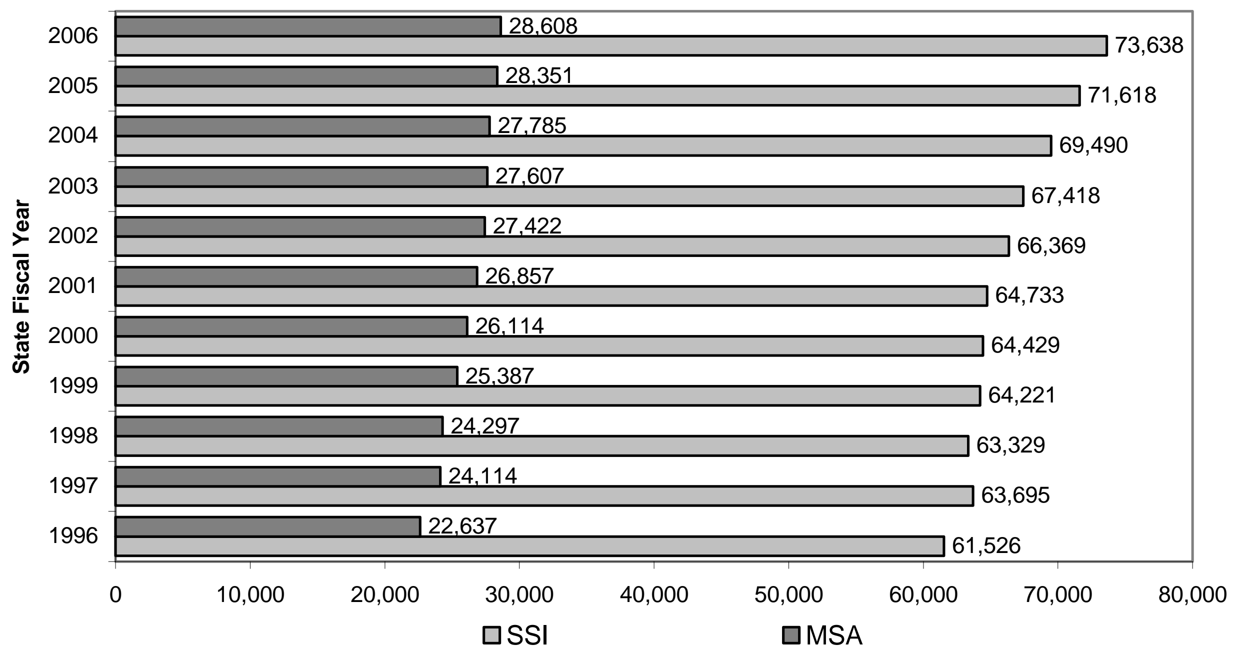
MSA standards are adjusted annually by the amount of the cost of living adjustment (COLA) in SSI. The monthly MSA grant is based on the difference between the recipient's monthly income and the appropriate MSA standard. As of 1-1-2006, MSA standards are $664 each month to individuals living alone and $995 each month to couples. Federal SSI funds pay most of the MSA standards, although payment amounts vary depending upon a number of factors. MSA monthly grants average approximately $86.

## Historical Perspective

The legislature established the MSA program in 1974. The program serves as the federally mandated supplement to Minnesota recipients of the SSI program.

## Key Measures

⇒ *The number of adults receiving SSI who are also receiving MSA.*




** MSA totals include some SSI eligible persons who only receive MSA due to SSI income*

More information on Department of Human Services (DHS) measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

## Activity Funding

Minnesota Supplemental Aid Grants is funded with appropriations from the General Fund.

## Contact

For more information on MSA Grants, contact:

- Assistant Commissioner Chuck Johnson, (651) 431-3835
- Community Living Supports Director Janel Bush, (651) 431-3838

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: CHILDREN & ECONOMIC ASSIST GR
### Activity: MINNESOTA SUPPLEMENTAL AID GR

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 30,030 | 31,352 | 31,352 | 31,352 | 62,704 |
| **Technical Adjustments** | | | | | |
| End-of-session Estimate | | | 847 | 1,693 | 2,540 |
| November Forecast Adjustment | | (1,204) | (1,731) | (2,216) | (3,947) |
| **Forecast Base** | **30,030** | **30,148** | **30,468** | **30,829** | **61,297** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 29,948 | 30,148 | 30,468 | 30,829 | 61,297 |
| **Statutory Appropriations** | | | | | |
| General | 351 | 600 | 600 | 600 | 1,200 |
| **Total** | **30,299** | **30,748** | **31,068** | **31,429** | **62,497** |
| ***Expenditures by Category*** | | | | | |
| Other Operating Expenses | 14 | 0 | 0 | 0 | 0 |
| Payments To Individuals | 30,285 | 30,748 | 31,068 | 31,429 | 62,497 |
| **Total** | **30,299** | **30,748** | **31,068** | **31,429** | **62,497** |

## Activity Description

Group Residential Housing (GRH) Grants provides income supplements for room, board, and other related housing services for people whose illnesses or disabilities prevent them from living independently. In order for its residents to be eligible for GRH payments, a setting must be licensed by the Department of Human Services (DHS) as an adult foster home or by the Department of Health as a board and lodging establishment, a supervised living facility, a boarding care home, or, in some cases, registered as a housing-with-services establishment.

### Activity at a Glance

- ♦ GRH provides room and board in 4,300 settings for an average of 15,000 recipients a month.
- ♦ The basic GRH room and board rate is $737 per month.

## Population Served

- ⇒ There are more than 4,300 GRH settings serving a monthly average of 15,000 recipients who are unable to live independently in the community due to illness or incapacity.
- ⇒ GRH settings serve a variety of people, including persons with mental retardation, mental illness, chemical dependency, physical disabilities, advanced age, or brain injuries.
- ⇒ People receiving GRH often also receive services through Medical Assistance (MA) Home Care, a home and community-based waiver under Title XIX of the Social Security Act, or mental health grants. In these cases, the GRH rate is restricted to the room and board rate only. The combination of GRH room and board supports and Medical Assistance services enables people to live in their communities rather than in institutions.

## Services Provided

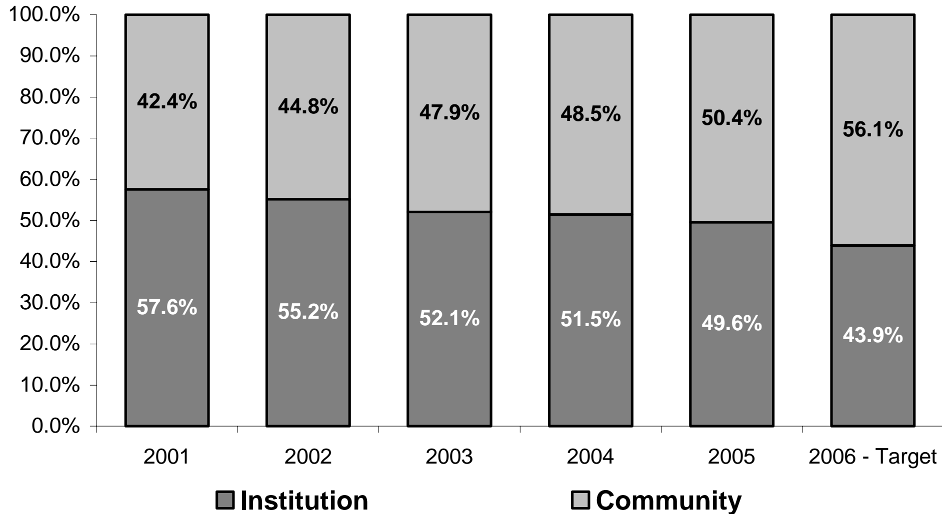
- ⇒ GRH separately identifies housing costs from services and provides a standard payment rate for housing for aged, blind, and disabled persons in certain congregate settings.
- ⇒ GRH is a supplement to a client's income to pay for the costs of room and board in specified licensed or registered settings.
- ⇒ Currently, the basic GRH room and board rate is $737 per month, which is based on a statutory formula. The maximum GRH payment rate for settings that provide services in addition to room and board is $467.05 per month. In limited cases, and upon county and state approval, GRH will also fund up to $467.05 per month (based on documented costs) for people whose needs require specialized housing arrangements.
- ⇒ Although GRH is 100% state-funded, these rates are offset by the recipient's own income contribution (usually Supplemental Security Income or Social Security Retirement or Disability Insurance contributions of at least $603).
- ⇒ GRH also pays for basic support services, such as oversight and supervision, medication reminders, and appointment arrangements, for people who are ineligible for other service funding mechanisms such as home and community-based waivers or home care.

## Historical Perspective

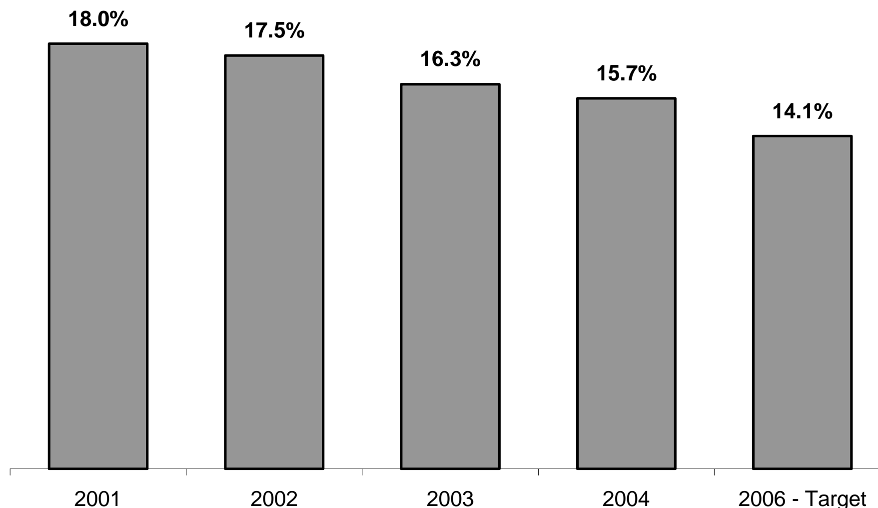
GRH was once part of the Minnesota Supplemental Aid (MSA) Program but was made a separate program in the mid-1990s. There is currently a moratorium on the addition of GRH beds with a rate that exceeds the base rate of $737 per month.

## Key Measures

⇒ *Proportion of elders receiving publicly funded services in institutional vs. community settings*




⇒ *Percent of people with serious and persistent mental illness served in institutional settings*




More information on Department of Human Services measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

## Activity Funding

Group Residential Housing Grants is funded with appropriations from the General Fund.

## Contact

For more information on Group Residential Housing, contact

- Assistant Commissioner Chuck Johnson, (651) 431-3835
- Community Living Supports Director Janel Bush, (651) 431-3838

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 80,307 | 89,130 | 89,130 | 89,130 | 178,260 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | (310) | (310) | (620) |
| End-of-session Estimate | | | 7,020 | 14,250 | 21,270 |
| November Forecast Adjustment | | (3,840) | (4,753) | (5,713) | (10,466) |
| **Forecast Base** | **80,307** | **85,290** | **91,087** | **97,357** | **188,444** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 74,622 | 84,980 | 91,087 | 97,357 | 188,444 |
| **Statutory Appropriations** | | | | | |
| General | 1,264 | 1,400 | 1,400 | 1,400 | 2,800 |
| **Total** | **75,886** | **86,380** | **92,487** | **98,757** | **191,244** |
| ***Expenditures by Category*** | | | | | |
| Other Operating Expenses | 228 | 0 | 0 | 0 | 0 |
| Payments To Individuals | 75,658 | 86,380 | 92,487 | 98,757 | 191,244 |
| **Total** | **75,886** | **86,380** | **92,487** | **98,757** | **191,244** |

## Activity Description
Refugee Services Grants provides federally funded services to help refugees resettle in Minnesota and become self-sufficient.

## Population Served
Refugees are people lawfully admitted to the United States who are unable to return to their own home country because of a well-founded fear of persecution.

### Activity at a Glance

Monthly average of refugees receiving resettlement services
- ♦ Refugee Cash Assistance 960
- ♦ Refugee Medical Assistance 560
- ♦ Social Services 534

## Services Provided
Refugee Cash Assistance/Refugee Medical Assistance (RCA/RMA) is federal funding for cash and medical assistance for needy refugees who do not qualify for the Minnesota Family Investment Program (MFIP) or Medical Assistance (MA).

Social services provide refugees with culturally appropriate and bilingual employment services through contracts with nonprofit and ethnic-based community organizations. Services are generally limited to refugees during their first five years in this country, with priority given to those in their first year.

A wide range of other services is provided to help refugees adjust to life in the United States. Examples of these services are referral and information, translation and interpreter services, family literacy and English language instruction, and preparation for citizenship.

## Historical Perspective
Over the last five years (2001-2005), Minnesota resettled approximately 18,000 refugees from 47 ethnic nationalities or political nations. Most of the refugees came from Somalia, Laos, Ethiopia, and the former Soviet Union. In 2005, Minnesota ranked second in the United States for refugee arrivals.

## Key Measures
⇒ *Refugee families are economically self-supporting*
- ♦ Wage rate at job placement
- ♦ 90-day job retention rate

More information on Department of Human Services (DHS) measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

## Activity Funding
Refugee Services Grants is funded with appropriations from federal funds

## Contact
For more information on Refugee Services Grants, contact
- ♦ Assistant Commissioner Chuck Johnson, (651) 431-3835
- ♦ Community Living Supports Director Janel Bush, (651) 431-3838

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: CHILDREN & ECONOMIC ASSIST GR
### Activity: REFUGEE SERVICES GRANTS

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Expenditures by Fund*** | | | | | |
| **Statutory Appropriations** | | | | | |
| Federal | 11,366 | 18,288 | 17,309 | 17,310 | 34,619 |
| **Total** | **11,366** | **18,288** | **17,309** | **17,310** | **34,619** |
| | | | | | |
| ***Expenditures by Category*** | | | | | |
| Other Operating Expenses | 323 | 2,249 | 1,606 | 1,606 | 3,212 |
| Payments To Individuals | 5,503 | 6,020 | 6,019 | 6,020 | 12,039 |
| Local Assistance | 5,540 | 10,019 | 9,684 | 9,684 | 19,368 |
| **Total** | **11,366** | **18,288** | **17,309** | **17,310** | **34,619** |

## Activity Description

Other Children's and Economic Assistance Grants provides funding for food, housing, and other services to low-income families and individuals in transition to economic stability.

### Activity at a Glance

- ♦ Provides food support to more than 250,000 people each month
- ♦ Provides transitional housing to 5,100 people annually
- ♦ Provides assistance to 250,000 households through Community Action Agencies annually

## Population Served

Eligible recipients include

- ♦ low-income families and individuals needing assistance to meet basic nutritional needs;
- ♦ individuals and families who are at risk of homeless and need housing and supportive services until they are able to move into stable, permanent housing; and
- ♦ low-income households that need services and support to achieve long-term economic stability.

## Services Provided

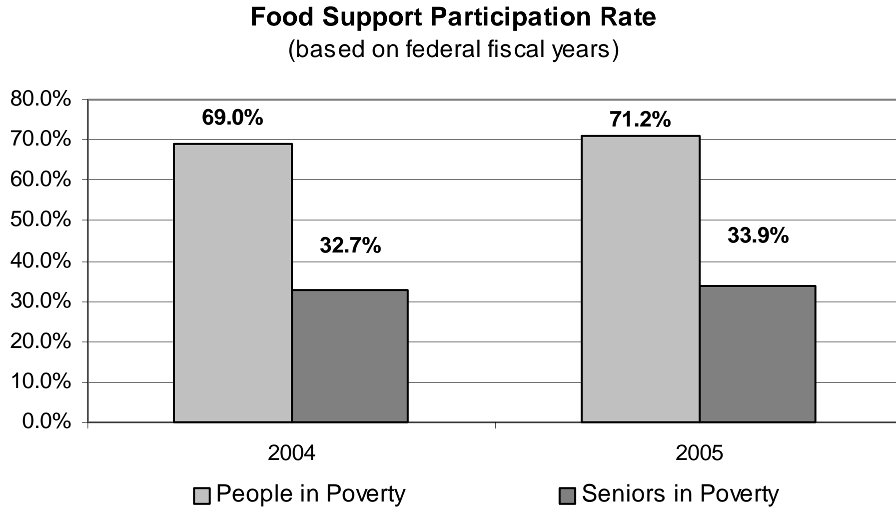
- ⇒ Supportive Housing Services Grants address the needs of long-term homeless individuals and families.
- ⇒ The Supportive Housing/Managed Care Pilot Project in Ramsey and Blue Earth counties provides integrated employment services, supportive services, housing, and health care for people who are homeless. The state appropriation for the pilot project sunsets 6-30-2007
- ⇒ The Transitional Housing Program (THP) provides grants for programs that provide transitional housing and supportive services to homeless people for up to 24 months so that they can find stable, permanent housing.
- ⇒ Minnesota Community Action Grants provide low-income citizens with the information and skills necessary to become more self-reliant through a statewide network of Community Action Agencies. Services are designed locally, based on community assessments, and aimed at ending poverty through high-impact strategies.
- ⇒ Emergency Services Program funds shelters and other organizations to provide emergency shelter and essential services to homeless persons.
- ⇒ Food shelves provide food to low-income individuals and families who have exhausted other resources to meet their basic nutrition needs. Food banks, food shelves, on-site meal programs, and shelters provide food through the Minnesota Food Shelf Program, The Emergency Food Assistance Program, and Community Food and Nutrition Program.
- ⇒ Family Assets for Independence in Minnesota (FAIM) helps low-wage earners acquire financial assets and move out of poverty through matched savings accounts and financial education.
- ⇒ Food support is provided through Electronic Benefit Transfer, Food Support Expedited Benefits, and Food Support Cashout Supplemental Security Income.
- ⇒ The Minnesota Food Assistance Program provides state-funded grants to legal non-citizens who are no longer eligible for federal food support.
- ⇒ Fraud-prevention grants are awarded to counties to fund early fraud detection and collection efforts for public assistance programs.

## Historical Perspective

Homeless programs were developed in the 1980s in response to the increasing numbers of children and families experiencing homelessness. The 2005 legislature appropriated $5 million/year for Supportive Housing Services grants to serve families and individuals experiencing long-term homelessness. Certain legal non-citizens lost eligibility for federal food support in the 1990s and the state responded by creating the Minnesota Food Assistance Program. Family Assets for Independence in Minnesota is part of a national asset building initiative that also began in the 1990s. It came from the recognition that low income families are often excluded from financial opportunities for asset development that is available to middle and upper income families.

## Key Measures

⇒ *Food Support Participation Rate for People in Poverty*
⇒ *Food Support Participation Rate for Seniors in Poverty*




*These measures are the percent of people (adults and children) in poverty and seniors (adults age 65 and older) statewide that are the beneficiaries of Food Support (the federal Food Stamp program.) These participation rates are a performance measure for the federal Food Stamp Program. It is based on eligibility data from each federal fiscal year and population data from the 2000 U.S. Census.*

More information on Department of Human Services (DHS) measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

## Activity Funding

Other Children's and Economic Assistance Grants is funded with appropriations from the General Fund and from federal funds.

## Contact

For more information on Other Children's and Economic Assistance Grants, contact

- Assistant Commissioner, Chuck Johnson, (651) 431-3835
- Transition to Economic Stability Division Director Ann Sessoms, (651) 431-4006
- Community Partnerships Division Director James Huber, (651) 431-3854
- Program Assessment and Integrity Division Director Ramona Scarpace, (651) 431-3839

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: CHILDREN & ECONOMIC ASSIST GR
### Activity: OTHER CHILD AND ECON ASST GR

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 16,264 | 15,794 | 15,794 | 15,794 | 31,588 |
| **Technical Adjustments** | | | | | |
| Biennial Appropriations | | | 500 | 0 | 500 |
| Current Law Base Change | | | 1,239 | 1,239 | 2,478 |
| Program/agency Sunset | | | (1,500) | (1,500) | (3,000) |
| **Forecast Base** | **16,264** | **15,794** | **16,033** | **15,533** | **31,566** |
| **Federal Tanf** | | | | | |
| Current Appropriation | 1,397 | 1,397 | 1,397 | 1,397 | 2,794 |
| **Technical Adjustments** | | | | | |
| Current Law Base Change | | | (1,397) | (1,397) | (2,794) |
| **Forecast Base** | **1,397** | **1,397** | **0** | **0** | **0** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 16,221 | 15,793 | 16,033 | 15,533 | 31,566 |
| Federal Tanf | 14,726 | 1,337 | 0 | 0 | 0 |
| **Statutory Appropriations** | | | | | |
| General | 0 | 1 | 0 | 0 | 0 |
| Misc Special Revenue | 283 | 394 | 303 | 303 | 606 |
| Federal | 170,223 | 184,918 | 224,952 | 246,555 | 471,507 |
| Miscellaneous Agency | 0 | 1,757 | 0 | 0 | 0 |
| **Total** | **201,453** | **204,200** | **241,288** | **262,391** | **503,679** |
| ***Expenditures by Category*** | | | | | |
| Other Operating Expenses | 69 | 1,766 | 5 | 5 | 10 |
| Payments To Individuals | 160,500 | 171,533 | 216,695 | 238,298 | 454,993 |
| Local Assistance | 40,395 | 30,151 | 23,838 | 23,338 | 47,176 |
| Other Financial Transactions | 489 | 750 | 750 | 750 | 1,500 |
| **Total** | **201,453** | **204,200** | **241,288** | **262,391** | **503,679** |

## Program Description

Children and Economic Assistance Management is the administrative support component for Children and Economic Assistance Grants. It is responsible for policy development, program implementation, grants management, training and technical assistance to counties, tribes, and grantees, quality assurance, and for managing and operating computer systems support.

## Budget Activities

⇒ Children and Economic Assistance Administration
⇒ Children and Economic Assistance Operations

Dollars in Thousands

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 42,559 | 42,641 | 42,641 | 42,641 | 85,282 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | 1,294 | 1,276 | 2,570 |
| Current Law Base Change | | | (88) | (88) | (176) |
| Fund Changes/consolidation | | | 25 | 25 | 50 |
| **Forecast Base** | **42,559** | **42,641** | **43,872** | **43,854** | **87,726** |
| **Health Care Access** | | | | | |
| Current Appropriation | 261 | 261 | 261 | 261 | 522 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | 91 | 91 | 182 |
| Current Law Base Change | | | (12) | (12) | (24) |
| **Forecast Base** | **261** | **261** | **340** | **340** | **680** |
| **Federal Tanf** | | | | | |
| Current Appropriation | 466 | 496 | 496 | 496 | 992 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | 700 | 700 | 1,400 |
| Current Law Base Change | | | 0 | 0 | 0 |
| **Forecast Base** | **466** | **496** | **1,196** | **1,196** | **2,392** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 10,368 | 12,109 | 43,872 | 43,855 | 87,727 |
| Health Care Access | 106 | 340 | 340 | 340 | 680 |
| Federal Tanf | 973 | 1,256 | 1,196 | 1,196 | 2,392 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 69,116 | 81,267 | 46,239 | 45,058 | 91,297 |
| Federal | 7,657 | 10,351 | 9,537 | 8,536 | 18,073 |
| **Total** | **88,220** | **105,323** | **101,184** | **98,985** | **200,169** |
| ***Expenditures by Category*** | | | | | |
| Total Compensation | 45,607 | 50,680 | 50,985 | 50,345 | 101,330 |
| Other Operating Expenses | 42,559 | 54,291 | 49,977 | 48,640 | 98,617 |
| Local Assistance | 54 | 352 | 222 | 0 | 222 |
| **Total** | **88,220** | **105,323** | **101,184** | **98,985** | **200,169** |
| ***Expenditures by Activity*** | | | | | |
| Children & Families Admin | 18,883 | 23,412 | 21,784 | 19,970 | 41,754 |
| Children & Families Operations | 69,337 | 81,911 | 79,400 | 79,015 | 158,415 |
| **Total** | **88,220** | **105,323** | **101,184** | **98,985** | **200,169** |
| ***Full-Time Equivalents (FTE)*** | **639.6** | **662.5** | **662.5** | **662.5** | |

## Activity Description

Children's and Economic Assistance Administration provides policy development, program implementation, grants management, training, and technical assistance to counties, tribes and grantees. This activity provides other administrative support for programs funded through Children's and Economic Assistance Grants.

### Activity at a Glance

- Develops policy for children and economic assistance programs
- Provides administrative support to child welfare and children's mental health grantees
- Works with counties, tribes, and other providers to implement best practices
- Provides training and technical assistance to direct service providers
- Implements federal changes

## Population Served

Services are provided to

- families and individuals who receive economic assistance;
- children who receive child support enforcement services;
- families who receive child care assistance services;
- children who are at risk of abuse or neglect, in out-of-home placements, in need of adoption, under state guardianship, or have an emotional disturbance and need mental health services; and

direct service workers in 87 counties who receive policy assistance, technical support, and training.

## Services Provided

Children's and Economic Assistance Administration

- provides technical support and policy interpretation for 87 county human services agencies through training, instructional manuals, policy assistance, and system support help desks;
- assists with case management;
- implements and monitors grant projects;
- conducts pilot programs to improve service delivery and outcomes;
- implements policy changes and develops and analyzes legislation;
- administers Limited English Proficiency (LEP) services;
- administers social services, cash assistance, and employment services to refugees;
- assures and documents compliance with state and federal laws;
- conducts quality assurance reviews of county practices; and
- manages intergovernmental relations.

## Key Measures

See Key Measures for Children and Economic Assistance Grants..

More information on Department of Human Services (DHS) measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

## Activity Funding

Children's and Economic Assistance Administration is funded primarily with appropriations from the General Fund and from federal funds.

## Contact

For more information on Children's and Economic Assistance Administration, contact:

- Assistant Commissioner Chuck Johnson, (651) 431-3835

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: CHILDREN & ECONOMIC ASST MGMT
### Activity: CHILDREN & FAMILIES ADMIN

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 7,838 | 7,832 | 7,832 | 7,832 | 15,664 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | 871 | 853 | 1,724 |
| **Forecast Base** | **7,838** | **7,832** | **8,703** | **8,685** | **17,388** |
| **Federal Tanf** | | | | | |
| Current Appropriation | 452 | 496 | 496 | 496 | 992 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | 700 | 700 | 1,400 |
| Current Law Base Change | | | 0 | 0 | 0 |
| **Forecast Base** | **452** | **496** | **1,196** | **1,196** | **2,392** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 6,762 | 8,315 | 8,703 | 8,686 | 17,389 |
| Federal Tanf | 973 | 1,256 | 1,196 | 1,196 | 2,392 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 3,491 | 4,280 | 3,076 | 2,280 | 5,356 |
| Federal | 7,657 | 9,561 | 8,809 | 7,808 | 16,617 |
| **Total** | **18,883** | **23,412** | **21,784** | **19,970** | **41,754** |
| ***Expenditures by Category*** | | | | | |
| Total Compensation | 13,582 | 15,319 | 14,817 | 14,693 | 29,510 |
| Other Operating Expenses | 5,247 | 7,741 | 6,745 | 5,277 | 12,022 |
| Local Assistance | 54 | 352 | 222 | 0 | 222 |
| **Total** | **18,883** | **23,412** | **21,784** | **19,970** | **41,754** |
| ***Full-Time Equivalents (FTE)*** | **203.4** | **199.4** | **199.4** | **199.4** | |

### Activity Description

Children's and Economic Assistance Operations provides the computer systems and quality assurance infrastructure necessary to deliver services through Children's and Economic Assistance Grants.

**Activity at a Glance**

- Provides benefits to more than 500,000 people through MAXIS annually
- Provides child support services to 407,000 custodial and non-custodial parents annually
- Provides child care assistance to 16,900 families annually
- Provides data support for services to 8,000 children who are determined to be victims of abuse or neglect and 14,700 children in out-of-home placements annually
- SSIS tracks services to 182,000 clients in 90,000 child welfare-related cases annually

### Population Served

Children's and Economic Assistance Operations serves

- Minnesotans who receive economic assistance benefits through MAXIS;
- families who receive child care assistance services through Minnesota Electronic Childcare System ($MEC^2$), which is part of MAXIS;
- children who receive child support enforcement services through PRISM;
- families and children who receive social services through Social Service Information System (SSIS); and
- state and county workers, who use MAXIS, PRISM, and $MEC^2$, and county social service workers who use SSIS.

### Services Provided

Children's and Economic Assistance Operations supports economic assistance programs by

- operating and maintaining the eligibility and delivery systems for Food Support, General Assistance, Minnesota Supplemental Aid, Minnesota Family Investment Program (MFIP), Diversionary Work Program, Child Care Assistance Program, Medical Assistance (MA), General Assistance Medical Care, Group Residential Housing, Minnesota Food Assistance Program, and Emergency General Assistance;
- collecting and distributing child support payments, locating absent parents, establishing paternity, and enforcing of court orders;
- conducting federally mandated quality control reviews, payment accuracy assessments and administrative evaluations for MFIP, Food Support, MA, and child support;
- administering the Electronic Benefit Transfer (EBT) system;
- providing centralized mailing of benefits, forms, and legal notices to clients;
- managing program integrity (fraud prevention) and control functions;
- collecting and analyzing data trends and activities that determine program effectiveness, establish program error levels to prevent recipient fraud, and support long-range planning; and
- managing claims and recoveries of overpayments for the cash public assistance program, including the Treasury Offset Program;
- supporting county social service workers by automating routine tasks, helping determine client needs, and providing timely information on children who have been maltreated, are in out-of-home placement, or who are awaiting adoption; and
- managing and overseeing counties' work in child protection, out-of-home placement, adoption, and foster care services.
- 

### Key Measures

See Key Measures for Children and Economic Assistance Grants.

More information on Department of Human Services (DHS) measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

### Activity Funding

Children's and Economic Assistance Operations is funded with appropriations from the General Fund, and the Health Care Access Fund, and from federal funds.

**Contact**
For more information on Children's and Economic Assistance Operations, contact

- Assistant Commissioner Chuck Johnson, (651) 431-3835
- Child Support Enforcement Division Director Wayland Campbell, (651) 431-4403
- Transition Support Systems Division Director Kate Wulf, (651) 431-4069
- SSIS Division Director Gwen Wildermuth (651) 431-4748
- Program Assessment & Integrity Division Director Ramona Scarpace, (651) 431-3839

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: CHILDREN & ECONOMIC ASST MGMT
### Activity: CHILDREN & FAMILIES OPERATIONS

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 34,721 | 34,809 | 34,809 | 34,809 | 69,618 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | 423 | 423 | 846 |
| Current Law Base Change | | | (88) | (88) | (176) |
| Fund Changes/consolidation | | | 25 | 25 | 50 |
| **Forecast Base** | **34,721** | **34,809** | **35,169** | **35,169** | **70,338** |
| **Health Care Access** | | | | | |
| Current Appropriation | 261 | 261 | 261 | 261 | 522 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | 91 | 91 | 182 |
| Current Law Base Change | | | (12) | (12) | (24) |
| **Forecast Base** | **261** | **261** | **340** | **340** | **680** |
| **Federal Tanf** | | | | | |
| Current Appropriation | 14 | 0 | 0 | 0 | 0 |
| **Forecast Base** | **14** | **0** | **0** | **0** | **0** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 3,606 | 3,794 | 35,169 | 35,169 | 70,338 |
| Health Care Access | 106 | 340 | 340 | 340 | 680 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 65,625 | 76,987 | 43,163 | 42,778 | 85,941 |
| Federal | 0 | 790 | 728 | 728 | 1,456 |
| **Total** | **69,337** | **81,911** | **79,400** | **79,015** | **158,415** |
| ***Expenditures by Category*** | | | | | |
| Total Compensation | 32,025 | 35,361 | 36,168 | 35,652 | 71,820 |
| Other Operating Expenses | 37,312 | 46,550 | 43,232 | 43,363 | 86,595 |
| **Total** | **69,337** | **81,911** | **79,400** | **79,015** | **158,415** |
| ***Full-Time Equivalents (FTE)*** | **436.2** | **463.1** | **463.1** | **463.1** | |

## Program Description

Health Care Grants purchases preventive and primary health care services, such as physician services, medications, and dental care, for low-income families with children, pregnant women, elderly people, and people with disabilities. More than 662,000 Minnesotans receive health care assistance through this grant area each year.

Within Health Care Grants, Medical Assistance and MinnesotaCare receive both state and federal funds. Medical Assistance (MA) is financed and operated jointly by the state and the federal government. The federal share of MA costs for the state, known as the federal medical assistance percentage (FMAP), is based on the state's per capita income and is recalculated annually.

MinnesotaCare also receives both state and federal funding, with state funds coming from the health care access fund. Federal funding for MinnesotaCare is received under the Prepaid Medical Assistance Project Plus waiver and a State Children's Health Insurance Program (SCHIP) waiver

## Budget Activities

⇒ MinnesotaCare Grants
⇒ MA Basic Health Care Grants – Families and Children
⇒ MA Basic Health Care Grants – Elderly and Disabled
⇒ General Assistance Medical Care Grants
⇒ Other Health Care Grants

# HUMAN SERVICES DEPT

## Program: HEALTH CARE GRANTS

Program Summary

| | Dollars in Thousands | | | | |
|---|---|---|---|---|---|
| | Current | | Forecast Base | | Biennium |
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 1,687,564 | 1,809,925 | 1,809,925 | 1,809,925 | 3,619,850 |
| **Technical Adjustments** | | | | | |
| End-of-session Estimate | | | 137,760 | 351,693 | 489,453 |
| Fund Changes/consolidation | | | 150 | 150 | 300 |
| November Forecast Adjustment | | 28,142 | 3,006 | 2,330 | 5,336 |
| **Forecast Base** | **1,687,564** | **1,838,067** | **1,950,841** | **2,164,098** | **4,114,939** |
| **Health Care Access** | | | | | |
| Current Appropriation | 255,212 | 336,505 | 336,505 | 336,505 | 673,010 |
| **Technical Adjustments** | | | | | |
| End-of-session Estimate | | | 97,447 | 101,883 | 199,330 |
| November Forecast Adjustment | | (33,207) | (20,467) | (28,079) | (48,546) |
| **Forecast Base** | **255,212** | **303,298** | **413,485** | **410,309** | **823,794** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 1,669,959 | 1,830,912 | 1,950,841 | 2,164,098 | 4,114,939 |
| Health Care Access | 251,614 | 299,766 | 413,485 | 410,309 | 823,794 |
| **Statutory Appropriations** | | | | | |
| General | 45,516 | 28,442 | 46,646 | 49,186 | 95,832 |
| Health Care Access | 20,670 | 19,244 | 20,809 | 21,003 | 41,812 |
| Misc Special Revenue | 18,461 | 27,075 | 75 | 75 | 150 |
| Federal | 1,609,332 | 1,698,259 | 1,885,859 | 2,037,605 | 3,923,464 |
| **Total** | **3,615,552** | **3,903,698** | **4,317,715** | **4,682,276** | **8,999,991** |
| ***Expenditures by Category*** | | | | | |
| Other Operating Expenses | 311 | 475 | 475 | 475 | 950 |
| Payments To Individuals | 3,595,092 | 3,883,648 | 4,294,520 | 4,657,610 | 8,952,130 |
| Local Assistance | 20,149 | 19,575 | 23,650 | 25,121 | 48,771 |
| Transfers | 0 | 0 | (930) | (930) | (1,860) |
| **Total** | **3,615,552** | **3,903,698** | **4,317,715** | **4,682,276** | **8,999,991** |
| ***Expenditures by Activity*** | | | | | |
| Minnesotacare Grants | 451,152 | 488,907 | 608,673 | 579,947 | 1,188,620 |
| Ma Basic Health Care Grant-F&C | 1,331,964 | 1,460,143 | 1,628,179 | 1,817,926 | 3,446,105 |
| Ma Basic Health Care Grant-E&D | 1,513,525 | 1,647,576 | 1,857,488 | 2,048,937 | 3,906,425 |
| Gamc Grants | 288,785 | 278,223 | 222,616 | 234,707 | 457,323 |
| Other Health Care Grants | 26,746 | 27,909 | 759 | 759 | 1,518 |
| Prescription Drug Program | 3,380 | 940 | 0 | 0 | 0 |
| **Total** | **3,615,552** | **3,903,698** | **4,317,715** | **4,682,276** | **8,999,991** |

## Activity Description

MinnesotaCare Grants pay for health care services for Minnesotans who do not have access to affordable health insurance. There are no health condition barriers, but applicants must meet income and other program guidelines to qualify. Enrollees pay a premium based on income.

### Activity at a Glance

- ♦ Purchases health care for approximately 142,000 enrollees
- ♦ Assists low-income, working families and adults who cannot afford health insurance
- ♦ Invests in preventive health care that makes Minnesota one of the healthiest states in the country
- ♦ Supports families transitioning from welfare to work

## Population Served

Enrollees typically are working families and people who do not have access to affordable health insurance:

⇒ Children, parents with children under 21, and pregnant women must have household incomes at or below 275% of the federal poverty guidelines (FPG). In FY 2005, an average of 109,000 people were enrolled under these categories.

⇒ Adults (age 21 and over) without children must have household incomes at or below 175% FPG; however, those with income greater than 75% FPG but no greater than 175% FPG are entitled to a limited benefit set. In FY 2005, an average of 32,000 people were enrolled under this category (14,000 people in the MinnesotaCare Limited Benefit set and 18,000 people with incomes under 75% FPG).

⇒ Except for certain low-income children, applicants are not eligible if they have other health insurance (including Medicare), have access to coverage through their employer and the employer's share of the premium is 50% or more, have had access to such coverage in the past 18 months, or have had other insurance within the past four months.

| Income as a percent of federal poverty guidelines (FPG) | Approximate percent of MinnesotaCare households May 2005 |
|---|---|
| ≤100 | 39.6% |
| 101% - 150% | 32.4% |
| 151% - 175% | 11.9% |
| 176% - 200% | 7.3% |
| 201% - 275% | 8.5% |
| >275% | 0.4% |

The average enrollee premium for FY 2005 was $23 per person per month. The premium for some low-income children is as little as $4 per month.

Adults (except pregnant women) must also meet asset limits. A household size of one can own up to $10,000 in assets; a household size of two or more can own up to $20,000. Some assets, like homestead property and burial funds, are not counted.

## Services Provided

MinnesotaCare pays for many basic health care services. The Department of Human Services (DHS) contracts with managed care health plans to provide services. Covered services include

- ♦ medical transportation (emergency use only for non-pregnant adults);
- ♦ chemical dependency treatment;
- ♦ chiropractic care;
- ♦ doctor and health clinic visits;
- ♦ dental services;
- ♦ emergency room services;
- ♦ eye checkups and prescription eyeglasses (some restrictions apply) - $25 co-pay on eyeglasses for non-pregnant adults;

- home care, such as a nurse visit or home health aide;
- hospice care;
- immunizations;
- laboratory and X-ray services;
- medical equipment and supplies;
- mental health services;
- most prescription drugs - $3 co-pay for non-pregnant adults;
- rehabilitative therapy; and
- hospitalization
  - ⇒ no dollar limit for children under 21 and pregnant women;
  - ⇒ no dollar limit for adults who have a child under 21 in their home and whose income is equal to or less than 175% FPG; and
  - ⇒ all other adults have a $10,000 limit per year – 10% co-pay (up to $1,0000 co-pay).

Children under 21 and pregnant women also have coverage for the following services

- personal care attendant services;
- nursing home or intermediate care facilities;
- private duty nursing;
- non-emergency medical transportation; and
- case management services.

Adults without children between 75% and 175% of FPG have coverage with a benefit set limited to

- up to $10,000 per year in patient services - 10% co-pay (up to $1,0000 co-pay);
- up to $10,000 per year for chemical dependency residential treatment;
- physician - $5 co-pay on non-preventive services;
- chiropractic;
- laboratory and X-ray services;
- outpatient hospital - $50 emergency room co-pay;
- ambulatory surgical center; and
- prescription drugs - $3 co-pay, $20/month maximum.

## Historical Perspective

MinnesotaCare was enacted in 1992 to provide health care coverage to low-income people who do not have access to affordable health care coverage.

The program was implemented in October 1992 as an expansion of the Children's Health Plan. (The Children's Health Plan began in July 1988 and provided comprehensive outpatient health care coverage for children ages one through 17 years.) MinnesotaCare initially covered families with children whose income was at or below 185% of FPG. In January 1993, the program was expanded to cover families with children whose income was at or below 275% of FPG. In October 1994, MinnesotaCare became available to adults without children whose income was at or below 125% of FPG. The income guideline for adults without children was raised to 135% of FPG in July 1996 and was raised again to 175% of FPG one year later.

In 1995, the federal government approved an amendment to the Prepaid Medical Assistance Program §1115 Waiver (known as PMAP+ or Phase One of the MinnesotaCare Health Care Reform Waiver) allowing for the provision of federal Medicaid matching funds for children and pregnant women in MinnesotaCare with incomes at or below 275% of FPG. This was followed by an amendment approved in 1999 that allows federal Medicaid matching funds for MinnesotaCare parents and caretakers with incomes up to 275% of FPG. PMAP+ waiver

provisions also allow for different cost sharing and benefits for parents and caretakers in MinnesotaCare than in MA.

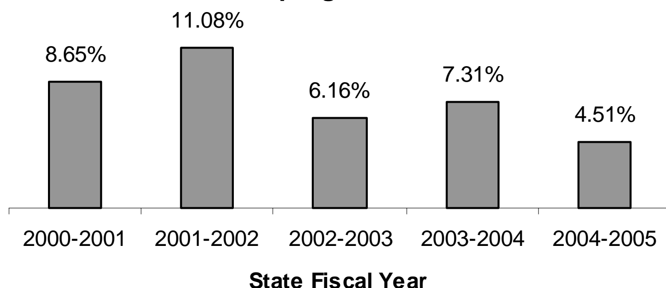
In December 2004, a request for a three-year extension for the PMAP+ waiver was submitted to the federal government. In May 2005, Minnesota received approval from the federal Centers for Medicare and Medicaid Services for the three-year extension.

Minnesota also uses funds from the State Children's Health Insurance Program (S-CHIP) which was created by Congress in 1997 to help states cover more low-income children and families. The PMAP+ Waiver, in combination with the S-CHIP §1115 Waiver, has been an essential component of Minnesota's effort to develop innovative ways to achieve its long standing goal of continuously reducing the number of Minnesotans who do not have health insurance.

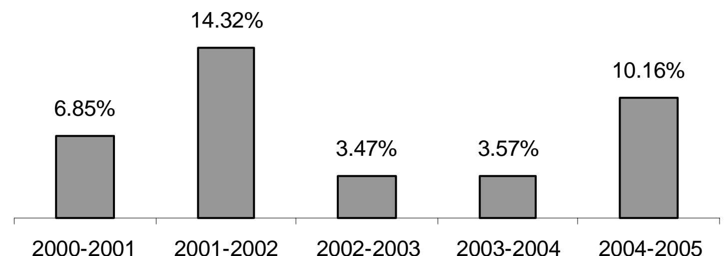
In 2003, benefits for MinnesotaCare adults without children with income over 75% of FPG but no greater than 175% of FPG were limited to certain core services and capped at $5,000 per year. The $5,000 cap was lifted in 2005, and coverage for diabetic supplies and equipment and mental health services was added to the MinnesotaCare benefit set for adults without children.

## Key Measures

⇒ *Cost increases in Minnesota health care programs.* DHS is taking steps to improve program integrity and efficiency. This means making sure that eligible Minnesotans — and only those eligible — are able to enroll in Minnesota Health Care Programs (MHCP). It also involves automating the current enrollment process to ensure that consistent guidelines are followed when adding or retaining individuals in MHCP.

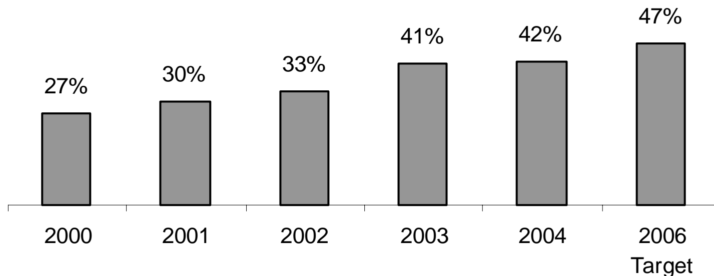



*Note: Figures represent growth in cost per person from one state fiscal year to the next (July to June).*

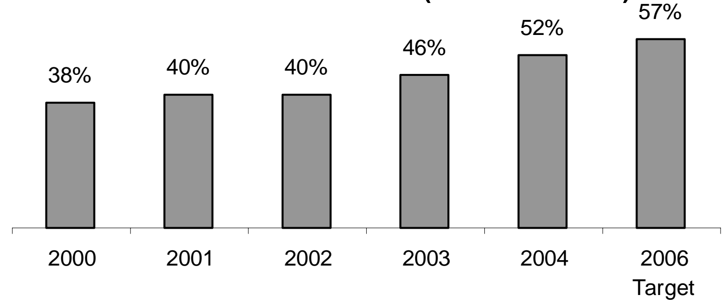



*Note: Figures represent growth in cost per person from one calendar year to the next.*

⇒ *For children enrolled in Minnesota health care programs, percent who receive the expected number of well-child visits.* The 2004 data indicates that for children enrolled in the managed care Prepaid Medical Assistance Programs (PMAP), 42% of those in the first 15 months of life received the recommended number of well-child visits for their age group. The comparable number for children enrolled in the MinnesotaCare managed care program is 52%. In general, publicly funded managed care programs lag behind commercial managed care program performance on this measure.



*All data in this chart is for enrollees in public funded managed care programs.*



*All data in this chart is for enrollees in public funded managed care programs.*

More information on DHS measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

## Activity Funding

MinnesotaCare Grants is funded with appropriations from the Health Care Access Fund, from federal funds, and from enrollee premiums.

## Contact

For more information on MinnesotaCare Grants, contact

- Assistant Commissioner for Health Care Brian Osberg, (651) 431-2189
- Health Care Eligibility and Access Director Kathleen Henry, (651) 431-2301
- Health Plan Development and Purchasing Director Karen Peed, (651) 431-2511

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: HEALTH CARE GRANTS
### Activity: MINNESOTACARE GRANTS

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **Health Care Access** | | | | | |
| Current Appropriation | 255,212 | 332,973 | 332,973 | 332,973 | 665,946 |
| **Technical Adjustments** | | | | | |
| End-of-session Estimate | | | 99,307 | 105,415 | 204,722 |
| November Forecast Adjustment | | (33,207) | (20,467) | (28,079) | (48,546) |
| **Forecast Base** | **255,212** | **299,766** | **411,813** | **410,309** | **822,122** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| Health Care Access | 251,614 | 299,766 | 411,813 | 410,309 | 822,122 |
| **Statutory Appropriations** | | | | | |
| Health Care Access | 20,670 | 19,244 | 20,809 | 21,003 | 41,812 |
| Federal | 178,868 | 169,897 | 176,051 | 148,635 | 324,686 |
| **Total** | **451,152** | **488,907** | **608,673** | **579,947** | **1,188,620** |
| ***Expenditures by Category*** | | | | | |
| Payments To Individuals | 451,152 | 488,907 | 608,673 | 579,947 | 1,188,620 |
| **Total** | **451,152** | **488,907** | **608,673** | **579,947** | **1,188,620** |

## Activity Description

Medical Assistance (MA) Basic Health Care Grants–Families and Children purchases health care services for the poorest Minnesotans. It is different than MinnesotaCare as its income guidelines are lower, it does not have premiums, and it pays retroactively for medical bills incurred. MA Basic Health Care Grants includes funding for the Minnesota Family Planning Program (MFPP).

**Activity at a Glance**

- ♦ Purchases preventive and primary health care for 336,000 people (FY 2005 average)
- ♦ Acts as a safety net health care program for the lowest income Minnesotans
- ♦ Is the state's largest publicly-funded health care program

## Population Served

Local county agencies determine eligibility for MA within federal and state guidelines. MA Basic Health Care Grants–Families and Children serves

- ♦ pregnant women with incomes at or below 275% of the federal poverty guidelines (FPG);
- ♦ infants under age two with incomes at or below 280% of the FPG;
- ♦ children ages two through 18 at or below 150% of the FPG; and
- ♦ parents, relative caretakers, and children ages 19 and 20 at or below 100% of the FPG.

Families and children with income over the MA limits may qualify through a spend-down provision if incurred medical bills exceed the difference between their income and 100% of the FPG.

Adults (except pregnant women) must also meet asset limits. A household size of one can own up to $10,000 in assets; a household size of two or more can own up to $20,000. Some assets, like homestead property and burial funds, are not counted.

Enrollees who become ineligible for MA because of increased earned income or child/spousal maintenance may be eligible for transitional MA for four to twelve months.

MA provides retroactive coverage for medical bills incurred up to three months before the date of application.

The Department of Human Services (DHS) determines eligibility for the MFPP. Certified providers may determine temporary eligibility. The MFPP serves men and women between ages 15 and 50 with incomes at or below 200% of the FPG.

## Services Provided

DHS purchases most services for this population through capitated rate contracts with health plans. In most areas of the state, MA parents and children have multiple health plans from which to choose.

MA basic health care services include

- ♦ physician services - $3 co-pay on non-preventive services;
- ♦ ambulance and emergency room services - $6 co-pay on non-emergency, emergency room visits;
- ♦ laboratory and X-ray services;
- ♦ rural health clinics;
- ♦ chiropractic services - $3 co-pay;
- ♦ early periodic screening, diagnosis, and treatment;
- ♦ mental health, alcohol, and drug treatment;
- ♦ inpatient and outpatient hospital care;
- ♦ eyeglasses and eye care - $3 co-pay on eyeglasses;
- ♦ immunizations;
- ♦ medical transportation, supplies, and equipment;
- ♦ prescription medications - $3 co-pay on brand names, $1 co-pay on generic - $20 per month maximum;

- dental care;
- home care
- hospice;
- nursing home; and
- rehabilitative therapies.

The following people do not have to pay co-pays: pregnant women, children under age 21, people residing in or expecting to reside for more than 30 days in a nursing home or other long-term care facility, people receiving hospice care, MFPP enrollees, and people in the Refugee Medical Assistance Program.

## Historical Perspective

In 1966—less than a year after Congress established the Medicaid program under Title XIX of the Social Security Act—Minnesota began receiving federal matching funds for the state's MA program. In 1998, federal matching funds were appropriated by Congress for the State-Children's Health Insurance Program (SCHIP) under Title XXI of the Social Security Act. In 1999, Minnesota began receiving SCHIP funds for coverage provided to some low-income children enrolled in MA and later for other health care expenditures as well.

By accepting federal matching funds, states are subject to federal regulations, but have some flexibility concerning coverage of groups, covered services, and provider reimbursement rates.

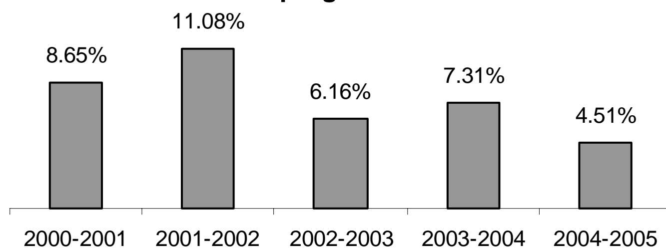
Minnesota's MA program has expanded since the mid-1980s. The expansions have focused primarily on low-income, uninsured, or under-insured children, as well as eligibility changes to better support seniors and people with disabilities in their own homes or in small, community-based settings. In 2002, the income limit for children was increased for children ages two through 18 to 175% of the FPG. This standard was reduced in 2003 to 150% of FPG.

Since the 1970s, Minnesota's approach to purchasing basic health care benefits under MA has evolved from strictly fee-for-service to increased use of more contracts with health plans to deliver care for a fixed, or capitated, amount per person. Purchasing with capitated contracts provides more incentive for cost-effective and coordinated care and access to the same health care providers as the general public.

## Key Measures

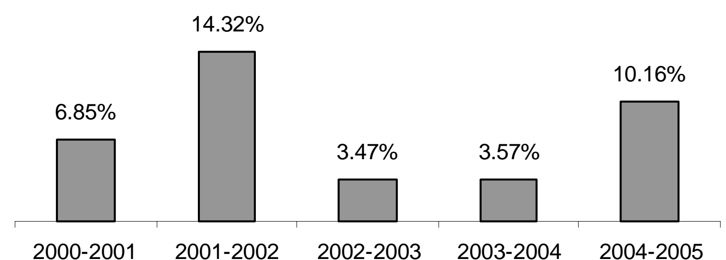
⇒ *Cost increases in Minnesota health care programs.* DHS is taking steps to improve program integrity and efficiency. This means making sure that eligible Minnesotans — and only those eligible — are able to enroll in Minnesota Health Care Programs (MHCP). It also involves automating the current enrollment process to ensure that consistent guidelines are followed when adding or retaining individuals in MHCP.

**Minnesota Health Care Programs - Fee-for-service program cost increase**




*Note: Figures represent growth in cost per person from one state fiscal year to the next (July to June).*

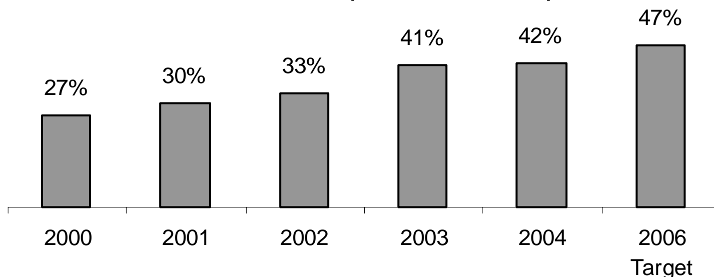
**Minnesota Health Care Programs - Managed care cost increases**




*Note: Figures represent growth in cost per person from one calendar year to the next.*

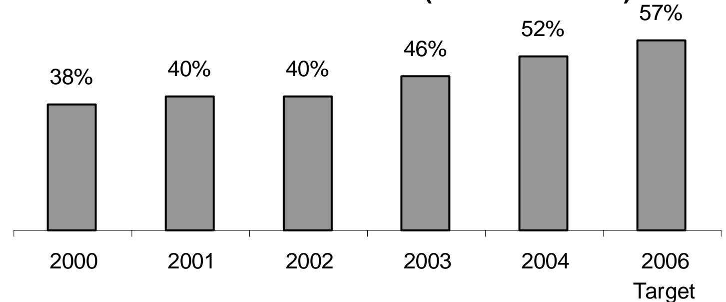
⇒ *For children enrolled in Minnesota health care programs, percent who receive the expected number of well-child visits.* The 2004 data indicates that for children enrolled in the managed care Prepaid Medical Assistance Programs (PMAP), 42% of those in the first 15 months of life received the recommended number of well-child visits for their age group. The comparable number for children enrolled in the MinnesotaCare managed care program is 52%. In general, publicly funded managed care programs lag behind commercial managed care program performance on this measure.

**Well-child visits for PMAP clients (Prepaid Medical Assistance Program) in the first 15 months of life (6 or more visits)**




*All data in this chart is for enrollees in public funded managed care programs.*

**Well-child visits for MinnesotaCare clients in the first 15 months of life (6 or more visits)**




*All data in this chart is for enrollees in public funded managed care programs.*

More information on DHS measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html

## Activity Funding

MA Basic Health Care Grants–Families and Children is funded with appropriations from the General Fund and from federal Medicaid funds.

## Contact

For more information about MA Basic Health Care Grants–Families and Children, contact

- Assistant Commissioner for Health Care Brian Osberg, (651) 431-2189
- Health Care Eligibility and Access Director Kathleen Henry, (651) 431-2301
- Health Plan Development and Purchasing Director Karen Peed, (651) 431-2511
- State Medicaid Director Christine Bronson, (651) 431-2914

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: HEALTH CARE GRANTS
### Activity: MA BASIC HEALTH CARE GRANT-F&C

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 579,056 | 643,106 | 643,106 | 643,106 | 1,286,212 |
| **Technical Adjustments** | | | | | |
| End-of-session Estimate | | | 91,996 | 193,187 | 285,183 |
| November Forecast Adjustment | | 11,029 | (18,666) | (26,012) | (44,678) |
| **Forecast Base** | **579,056** | **654,135** | **716,436** | **810,281** | **1,526,717** |
| **Health Care Access** | | | | | |
| Current Appropriation | 0 | 3,532 | 3,532 | 3,532 | 7,064 |
| **Technical Adjustments** | | | | | |
| End-of-session Estimate | | | (1,860) | (3,532) | (5,392) |
| **Forecast Base** | **0** | **3,532** | **1,672** | **0** | **1,672** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 586,471 | 657,667 | 716,436 | 810,281 | 1,526,717 |
| Health Care Access | 0 | 0 | 1,672 | 0 | 1,672 |
| **Statutory Appropriations** | | | | | |
| General | 45,516 | 28,442 | 46,646 | 49,186 | 95,832 |
| Federal | 699,977 | 774,034 | 863,425 | 958,459 | 1,821,884 |
| **Total** | **1,331,964** | **1,460,143** | **1,628,179** | **1,817,926** | **3,446,105** |
| ***Expenditures by Category*** | | | | | |
| Payments To Individuals | 1,315,238 | 1,441,006 | 1,607,761 | 1,796,398 | 3,404,159 |
| Local Assistance | 16,726 | 19,137 | 21,348 | 22,458 | 43,806 |
| Transfers | 0 | 0 | (930) | (930) | (1,860) |
| **Total** | **1,331,964** | **1,460,143** | **1,628,179** | **1,817,926** | **3,446,105** |

## Activity Description

Medical Assistance (MA) Basic Health Care Grants–Elderly and Disabled purchases preventive and primary health care services for Minnesota's low-income elderly (65 years or older), blind people, and people with disabilities. These funds also help many low-income Minnesotans pay Medicare premiums and co-payments.

**Activity at a Glance**

- Purchases health care for approximately 53,000 elderly Minnesotans and 94,000 people with disabilities (FY 2005 average)
- Helps 5,200 elderly and 1,400 people with disabilities pay Medicare premiums and co-payments (FY 2005 average)

## Population Served

Local county agencies determine eligibility for MA within federal and state guidelines. Minnesotans eligible for full MA coverage include

- Elderly people and people with disabilities who have incomes at or below 100% of the federal poverty guidelines (FPG) (by family size) and
- people with incomes over the MA limit who may qualify if their incurred medical bills exceed the difference between their income and the spend-down standard of 75% of the FPG (by family size).

The asset limit is $3,000 for a single person and $6,000 for a couple. Some assets, like homestead property and burial funds, are not counted.

MA provides coverage for medical bills incurred up to three months before the date of application.

Additionally, several thousand Minnesotans receive help paying Medicare costs only, rather than comprehensive MA coverage. MA covers all Medicare Part A and B cost-sharing including premiums for Medicare enrollees with incomes at or below 100% of the FPG. MA covers the Medicare Part B premium for Medicare enrollees with incomes between 100% and 120% of the FPG. Medicare enrollees with incomes between 120% and 135% of the FPG, receive coverage of the Part B premium only through 9-30-2007. Higher asset limits apply to these enrollees: $10,000 for a single person and $18,000 for a couple.

Over 6,600 MA enrollees with disabilities receive full MA coverage under the Medical Assistance for Employed Persons with Disabilities (MA-EPD) program. To be eligible for MA-EPD, an individual must

- be certified disabled by either the Social Security Administration or the State Medical Review Team;
- have gross monthly wages or countable self-employment earnings greater than $65 per month and have Medicare, Social Security, and applicable state and federal income taxes withheld by the employer or paid by the self-employed enrollee;
- be at least 16 but under 65 years of age;
- meet the $20,000 asset limit;
- pay a premium based on the enrollee's earned and unearned monthly income and family size; and
- pay an unearned income obligation equal to one-half percent of gross unearned income.

Since January 2004, all MA-EPD eligible enrollees pay premiums. In CY 2005, monthly premiums averaged between $45 and $55. As of December 2005, a majority of enrollees had a monthly gross earned income of less than $800 per month.

## Services Provided

The Department of Human Services (DHS) purchases services for people with disabilities and some elderly people. MA basic health care services include

- physician services - $3 co-pay on non-preventive services;
- ambulance and emergency room services - $6 co-pay on non-emergency, emergency room visits;
- rural health clinics;
- chiropractic services - $3 co-pay;
- early periodic screening, diagnosis, and treatment;
- mental health, alcohol, and drug treatment;

- inpatient and outpatient hospital care;
- eyeglasses and eye care - $3 co-pay on eyeglasses;
- immunizations;
- medical supplies and equipment;
- prescription medications - $3 brand name co-pay, $1 generic co-pay - $20 per month maximum;
- dental care;
- medical transportation;
- rehabilitation therapies; and
- hospice.

The following people do not have to pay co-pays: people residing in or expecting to reside for more than 30 days in a nursing home or other long-term care facility, people receiving hospice care, and people in the Refugee Medical Assistance Program.

## Activity Funding

MA coverage of long-term care services, such as nursing home and waiver services, are funded through the Continuing Care portion of the DHS budget.

## Historical Perspective

Medical Assistance has long served as a health care safety net for people with disabilities and elderly residents who have low income or have medical expenses that can be used to reduce income to the income limit. For many, MA acts as a supplement to Medicare, helping low-income Medicare enrollees pay premiums and co-payments.

In 1966, less than a year after Congress established the Medicaid program under Title XIX of the Social Security Act, Minnesota began receiving federal matching funds for the state's Medical Assistance program. By accepting federal matching funds, states are subject to federal regulations concerning program administration, but have certain options concerning coverage of groups and services and provider reimbursement rates.

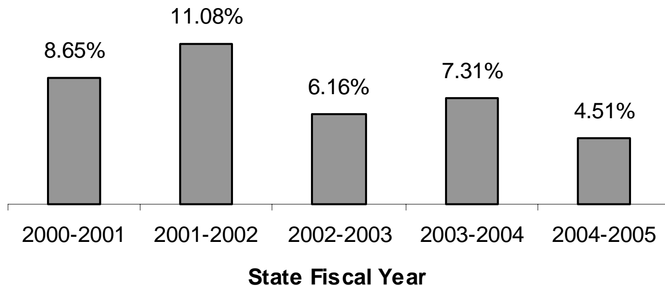
Prior to 2001, the income limits for most MA elderly and disabled people were about 69% of the FPG.

In July 1999, Minnesota added the MA-EPD program that allows people with disabilities to earn income and still qualify for or buy into MA. As of December 2005, 90% of enrollees have Medicare as their primary health care coverage, while MA-EPD covers additional services such as prescription drugs and personal care services.

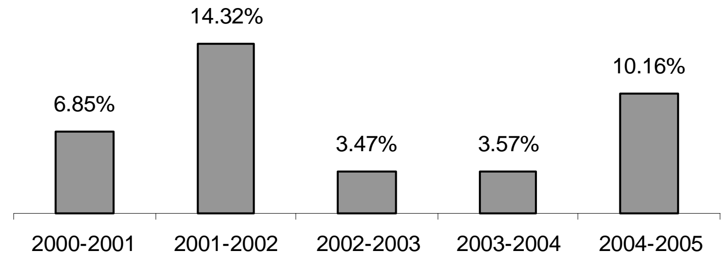
Since the 1970s, Minnesota's approach to purchasing basic health care benefits for seniors enrolled in MA has evolved from strictly fee-for-service to increased use of more contracts with health plans to deliver care for a fixed, or capitated amount per person. Purchasing with capitated contracts provides more incentive for cost-effective and coordinated care and access to the same health care providers as the general public.

## Key Measures

⇒ *Cost increases in Minnesota health care programs.* DHS is taking steps to improve program integrity and efficiency. This means making sure that eligible Minnesotans — and only those eligible — are able to enroll in Minnesota Health Care Programs (MHCP). It also involves automating the current enrollment process to ensure that consistent guidelines are followed when adding or retaining individuals in MHCP.

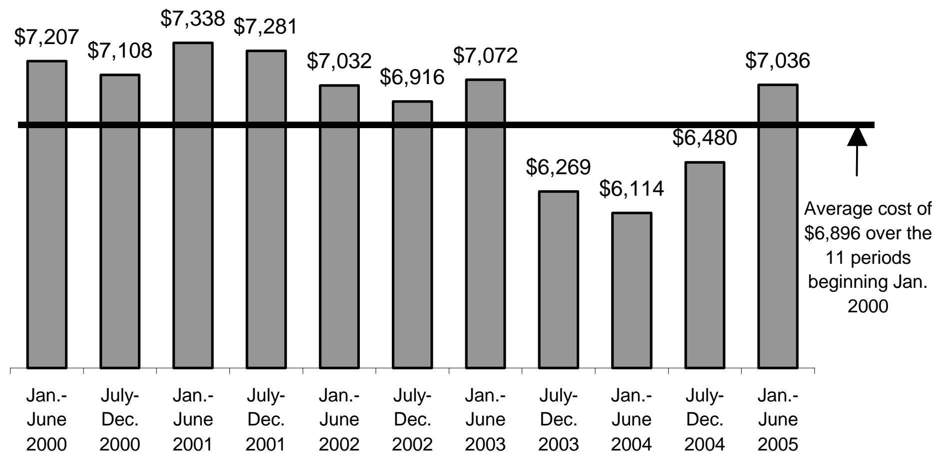


Note: Figures represent growth in cost per person from one state fiscal year to the next (July to June).

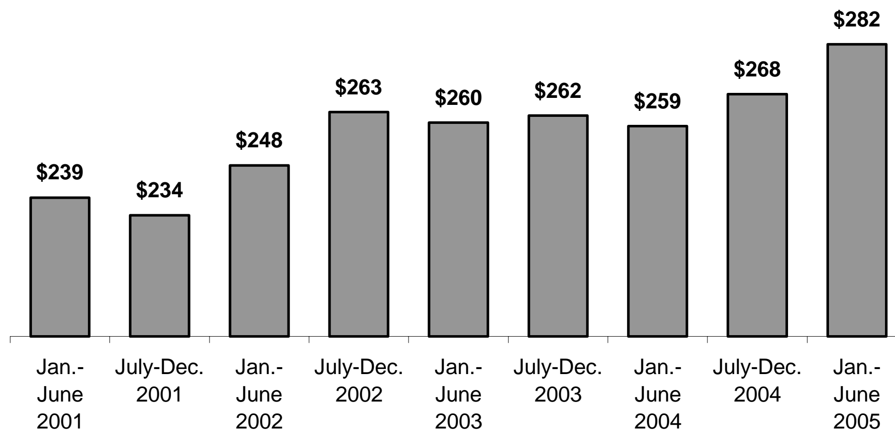


Note: Figures represent growth in cost per person from one calendar year to the next.

⇒ *Inpatient hospital average monthly cost per enrollee.* The most recently measured average monthly cost for inpatient hospital services was $7,036 for the first half of 2005.




⇒ *Pharmacy average monthly cost per enrollee.* The most recently measured average monthly cost per enrollee for prescriptions was $282 per month for the first half of 2005.




More information on Department of Human Services' measures and results is available on the web: www.departmentresults.state.mn.us/hs/index.html.

## Activity Funding

More information on Department of Human Services' measures and results is available on the web: www.departmentresults.state.mn.us/hs/index.html.

## Contact

For more information about MA Basic Health Care Grants–Elderly and Disabled, contact:

- Assistant Commissioner for Health Care Brian Osberg, (651) 431-2189
- Health Care Eligibility and Access Director Kathleen Henry, (651) 431-2301
- Health Plan Development and Purchasing Director Karen Peed, (651) 431-2511
- State Medicaid Director Christine Bronson, (651) 431-2914

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: HEALTH CARE GRANTS
### Activity: MA BASIC HEALTH CARE GRANT-E&D

Budget Activity Summary

Dollars in Thousands

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 805,697 | 895,996 | 895,996 | 895,996 | 1,791,992 |
| **Technical Adjustments** | | | | | |
| End-of-session Estimate | | | 102,278 | 205,219 | 307,497 |
| November Forecast Adjustment | | 9,654 | 13,306 | 17,686 | 30,992 |
| **Forecast Base** | **805,697** | **905,650** | **1,011,580** | **1,118,901** | **2,130,481** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 783,365 | 893,723 | 1,011,580 | 1,118,901 | 2,130,481 |
| **Statutory Appropriations** | | | | | |
| Federal | 730,160 | 753,853 | 845,908 | 930,036 | 1,775,944 |
| **Total** | **1,513,525** | **1,647,576** | **1,857,488** | **2,048,937** | **3,906,425** |
| ***Expenditures by Category*** | | | | | |
| Payments To Individuals | 1,513,525 | 1,647,347 | 1,855,395 | 2,046,483 | 3,901,878 |
| Local Assistance | 0 | 229 | 2,093 | 2,454 | 4,547 |
| **Total** | **1,513,525** | **1,647,576** | **1,857,488** | **2,048,937** | **3,906,425** |

## Activity Description

General Assistance Medical Care (GAMC) Grants pays for health care services for low-income Minnesotans who are ineligible for Medical Assistance (MA) or other state or federal health care programs–-primarily low-income adults between the ages of 21 and 64 who do not have dependent children.

**Activity at a Glance**

- Pays for preventive and primary health care for approximately 37,000 Minnesotans not eligible for either MinnesotaCare or Medical Assistance (FY 2005 average)
- Serves primarily low-income adults without children

## Population Served

Local county agencies determine eligibility for GAMC within state guidelines. GAMC serves

- primarily single adults between ages 21 and 64 who do not have dependent children; and
- people receiving General Assistance (GA) cash grants.

Eligibility criteria include

- household income may not exceed 75% of the federal poverty guidelines (FPG), except that people with incomes between 75% and 175% of the FPG may qualify for inpatient hospitalization costs and physicians' services incurred during the hospitalization; and
- assets may not exceed $1,000 per household for full coverage, although some assets like homestead property and burial funds are not counted. For hospital-only coverage, assets may not exceed $10,000 for a household of one person and $20,000 for a household of two or more persons.

Coverage is available for medical bills incurred no earlier than the date of application.

## Services Provided

Department of Human Services (DHS) purchases services for over half of this population through capitated rate contracts with health plans.

Services provided under GAMC include

- inpatient and outpatient hospital care;
- drugs and medical supplies - $3 brand name co-pay, $1 generic co-pay;
- physician services - $3 co-pay for non-preventive services;
- immunizations;
- hearing aids;
- alcohol and drug treatment;
- medical equipment and supplies;
- prosthetics;
- emergency-room services - $25 co-pay on non-emergency, emergency room visits;
- dental care;
- chiropractic services - $3 co-pay;
- medical transportation - emergency only;
- eye exams and eyeglasses - $25 co-pay on eyeglasses; and
- public health nursing services.

The hospital-only (GHO) program covers

- inpatient hospital services;
- physicians' services received during the inpatient hospitalization; and
- services of a certified registered nurse anesthetist (CRNA) for hospitals that have elected not to include these charges in the inpatient daily rate.

## Historical Perspective

The legislature established the state-funded GAMC program in 1976.

GAMC paid for the same broad range of medical services as MA until 1981, when coverage was restricted to seven major services: inpatient hospital care, outpatient hospital care, prescription drugs, physician services, medical transportation, dental care, and community mental health center day treatment. Since then, many services have been added back into coverage.

In 1989, provisions were added that make a person who gives away certain property ineligible for GAMC for a designated penalty period. In 1995, the time during which such transfers are examined was increased from 30 to 60 months prior to application.

Through 1990, the state paid 90% of the costs and counties paid 10%. Beginning in 1991, the state began reimbursing the 10% county share.

In 2003, the following eligibility provisions were eliminated

- coverage for people with incomes over 75% of the FPG who incurred medical bills exceeding the difference between their income and this limit; this provision, known as spenddown, was replaced with the hospital-only option up to the 175% of the FPG income cap;
- coverage for bills incurred before the date of application; coverage was previously available for bills incurred in the month before the application; and
- coverage for undocumented and non-immigrant people.

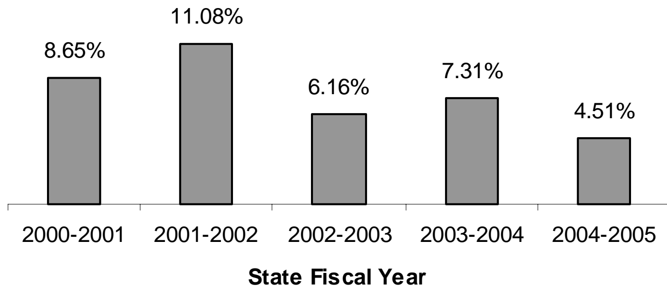
Beginning in September 2006, certain GAMC applicants and enrollees are required to transition to MinnesotaCare. These applicants and enrollees will move from GAMC coverage to MinnesotaCare coverage with a six-month transition period. County agencies will pay MinnesotaCare premiums for these enrollees during the transition period. At the end of the six-month period, enrollees will be re-determined for MinnesotaCare and the county agency's obligation to pay the MinnesotaCare premium ends.

GAMC applicants and enrollees are exempt from the requirement to transition to MinnesotaCare and will remain on GAMC if they are otherwise eligible and they are

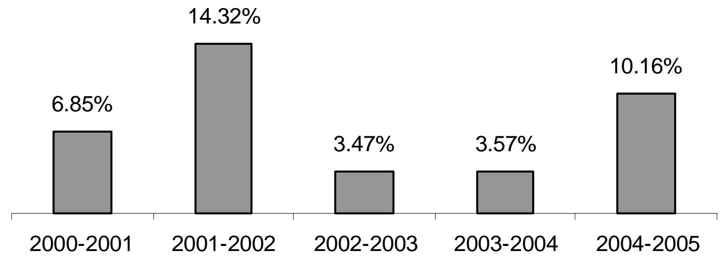
- recipients of General Assistance or Group Residential Housing payments;
- individuals who have applied for and are awaiting a determination of eligibility for Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) by the Social Security Administration;
- individuals who have applied for and are awaiting a determination of blindness or disability from the State Medical Review Team;
- individuals who are homeless or who fail to meet permanent resident requirements of MinnesotaCare;
- individuals who have Medicare due to a diagnosis of end-stage renal disease;
- individuals who have private health insurance;
- individuals who are incarcerated and meet the criteria for continued GAMC as an incarcerated person; and
- individuals who receive treatment through the Consolidated Chemical Dependency Treatment Fund.

## Key Measures

⇒ *Cost increases in Minnesota health care programs.* DHS is taking steps to improve program integrity and efficiency. This means making sure that eligible Minnesotans — and only those eligible — are able to enroll in Minnesota Health Care Programs (MHCP). It also involves automating the current enrollment process to ensure that consistent guidelines are followed when adding or retaining individuals in MHCP.

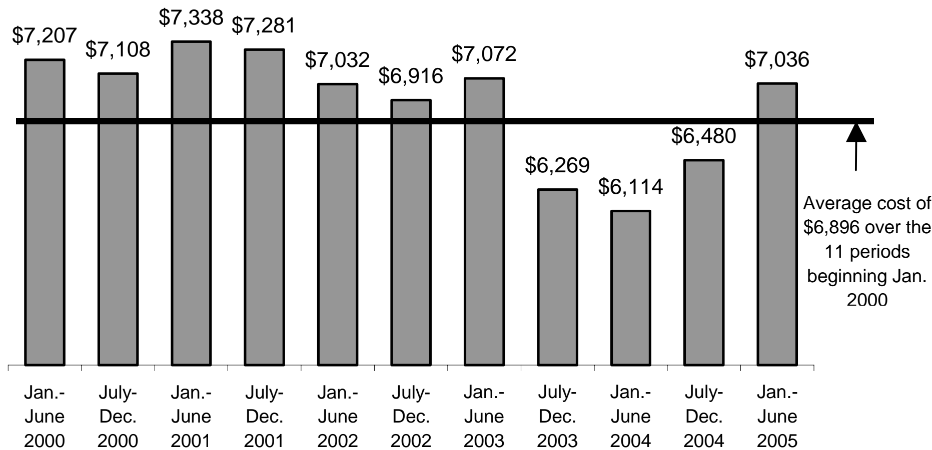



*Note: Figures represent growth in cost per person from one state fiscal year to the next (July to June).*

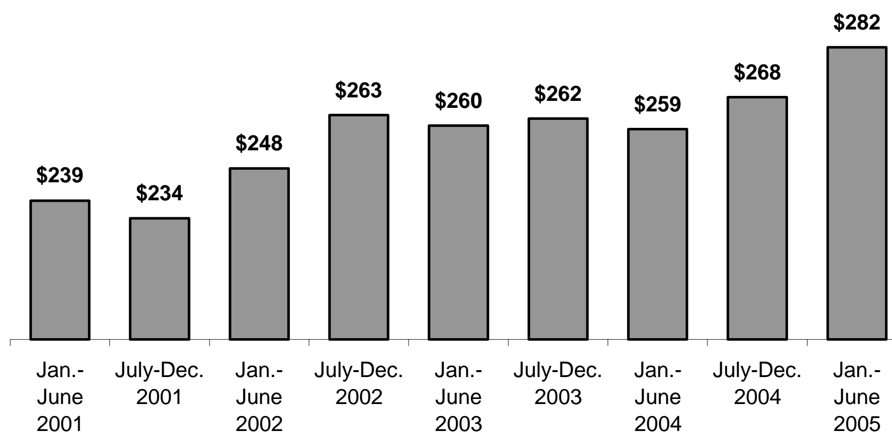



*Note: Figures represent growth in cost per person from one calendar year to the next.*

⇒ *Inpatient hospital average monthly cost per enrollee.* The most recently measured average monthly cost for inpatient hospital services was $7,036 for the first half of 2005.



⇒ *Pharmacy average monthly cost per enrollee.* The most recently measured average monthly cost per enrollee for prescriptions was $282 per month for the first half of 2005.




More information on DHS measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

## Activity Funding

General Assistance Medical Care Grants is funded with appropriations from the General Fund.

## Contact

For more information on General Assistance Medical Care Grants, contact

- Assistant Commissioner for Health Care Brian Osberg, (651) 431-2189
- Health Care Eligibility and Access Director Kathleen Henry, (651) 431-2301
- Health Plan Development and Purchasing Director Karen Peed, (651) 431-2511

Information is also available on the DHS web site: http://www.dhs.state.mn.us

# HUMAN SERVICES DEPT
## Program: HEALTH CARE GRANTS
### Activity: GAMC GRANTS

Budget Activity Summary

| | Dollars in Thousands | | | | |
|---|---|---|---|---|---|
| | Current | | Forecast Base | | Biennium |
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 290,961 | 270,764 | 270,764 | 270,764 | 541,528 |
| **Technical Adjustments** | | | | | |
| End-of-session Estimate | | | (56,514) | (46,713) | (103,227) |
| November Forecast Adjustment | | 7,459 | 8,366 | 10,656 | 19,022 |
| **Forecast Base** | **290,961** | **278,223** | **222,616** | **234,707** | **457,323** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 288,785 | 278,223 | 222,616 | 234,707 | 457,323 |
| **Total** | **288,785** | **278,223** | **222,616** | **234,707** | **457,323** |
| ***Expenditures by Category*** | | | | | |
| Payments To Individuals | 288,785 | 278,223 | 222,616 | 234,707 | 457,323 |
| **Total** | **288,785** | **278,223** | **222,616** | **234,707** | **457,323** |

## Activity Description

Other Health Care Grants contains four elements

- U Special Kids grant;
- Oral Health Pilot grant, one-time funding for the start-up costs of an oral health program
- The Winona Community Foundation Dental Grant; and
- Monitor MA Prepaid Health Plan grants.

**Activity at a Glance**

- Provides funding for focused health care grants.

## Population Served

This activity provides services to Medical Assistance (MA) and General Assistance Medical Care (GAMC) enrollees.

## Services Provided

U Special Kids grant creates and funds a pilot intensive care coordination program for children who are unable to participate in University/Fairview's U Special Kids intensive care coordination program because of the program's metro-area location.

The Oral Health Pilot grant will assist a contractor to organize the care system to an oral health program designed to improve access to care and improve patient outcomes in a more cost-effective manner than the existing purchasing models for dental services.

The Winona Community Foundation grant is an income grant to the Department of Human Services (DHS). The foundation advances funds to DHS in amounts sufficient to keep a balance of about $75,000, until all grant fund ($600,000) are depleted. DHS matches these funds with federal funds in the same manner it matches legislatively appropriated funds with federal funds. DHS makes add-on payments to any dentist in Winona County who sees MA patients. The amount of the add-on payment is 20% more than would otherwise be paid by DHS or the health plan for the service. This program is administered in tandem with the legislatively-appropriated Critical Access Dental Payment Program.

The Monitor MA Prepaid Health Plans grants include expenditures incurred through interagency agreements with the Minnesota Department of Health (MDH). The state matching funds are provided by MDH while DHS claims 50% federal financial participation.

## Historical Perspective

Prior to the 2005 legislative session, Minnesota Health Care Program Outreach grants and County Prepaid Medical Assistance Program (PMAP) grants operated out of this budget activity. The Health Care Program Outreach grants were eliminated in the 2005 legislative session. County PMAP grants were phased out in the 2003 legislative session with grants to counties ending in FY 2004.

Funds for the U Special Kids and the Oral Health Pilot grants were appropriated in the 2005 legislative session. One-time funding to the Board of Dentistry was transferred to DHS to fund the Oral Health Pilot grant. Ongoing funding was provided for the U Special Kids grants.

## Activity Funding

Other Health Care Grants is funded from appropriations from the General Fund, from private grants, and from federal funds.

### Contact

For more information on Other Health Care Grants, contact

- Assistant Commissioner for Health Care Brian Osberg, (651) 431-2189
- Health Plan Development and Purchasing Director Karen Peed, (651) 431-2511

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: HEALTH CARE GRANTS
### Activity: OTHER HEALTH CARE GRANTS

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 7,537 | 59 | 59 | 59 | 118 |
| **Technical Adjustments** | | | | | |
| Fund Changes/consolidation | | | 150 | 150 | 300 |
| **Forecast Base** | **7,537** | **59** | **209** | **209** | **418** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 7,958 | 359 | 209 | 209 | 418 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 18,461 | 27,075 | 75 | 75 | 150 |
| Federal | 327 | 475 | 475 | 475 | 950 |
| **Total** | **26,746** | **27,909** | **759** | **759** | **1,518** |
| ***Expenditures by Category*** | | | | | |
| Other Operating Expenses | 311 | 475 | 475 | 475 | 950 |
| Payments To Individuals | 23,012 | 27,225 | 75 | 75 | 150 |
| Local Assistance | 3,423 | 209 | 209 | 209 | 418 |
| **Total** | **26,746** | **27,909** | **759** | **759** | **1,518** |

## Program Description

Health Care Management is the administrative support component of Basic Health Care Grants. It is responsible for policy development and implementation, enrollment, purchasing, payment, and quality assurance for health care services. Health Care Management coordinates with Continuing Care Management on the Medicaid-funded activities within Continuing Care Grants.

## Budget Activities

⇒ Health Care Policy Administration
⇒ Health Care Operations

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 27,148 | 26,659 | 26,659 | 26,659 | 53,318 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | (997) | (880) | (1,877) |
| Current Law Base Change | | | 3,465 | 1,820 | 5,285 |
| Fund Changes/consolidation | | | (150) | (150) | (300) |
| **Forecast Base** | **27,148** | **26,659** | **28,977** | **27,449** | **56,426** |
| **Health Care Access** | | | | | |
| Current Appropriation | 22,880 | 23,381 | 23,381 | 23,381 | 46,762 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | (2,650) | (2,556) | (5,206) |
| Current Law Base Change | | | (675) | (2,824) | (3,499) |
| **Forecast Base** | **22,880** | **23,381** | **20,056** | **18,001** | **38,057** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 9,970 | 13,680 | 28,977 | 27,449 | 56,426 |
| Health Care Access | 14,306 | 19,847 | 20,056 | 18,001 | 38,057 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 53,926 | 69,133 | 36,072 | 32,873 | 68,945 |
| Federal | 183 | 216 | 216 | 216 | 432 |
| **Total** | **78,385** | **102,876** | **85,321** | **78,539** | **163,860** |
| ***Expenditures by Category*** | | | | | |
| Total Compensation | 45,680 | 52,195 | 47,925 | 45,597 | 93,522 |
| Other Operating Expenses | 32,705 | 50,681 | 37,396 | 32,942 | 70,338 |
| **Total** | **78,385** | **102,876** | **85,321** | **78,539** | **163,860** |
| ***Expenditures by Activity*** | | | | | |
| Health Care Admin | 4,558 | 5,423 | 9,344 | 8,192 | 17,536 |
| Health Care Operations | 73,827 | 97,453 | 75,977 | 70,347 | 146,324 |
| **Total** | **78,385** | **102,876** | **85,321** | **78,539** | **163,860** |
| ***Full-Time Equivalents (FTE)*** | **759.9** | **824.2** | **824.2** | **824.2** | |

## Activity Description

Health Care Administration is responsible for developing and implementing health care policy related to Basic Health Care Grants.

## Activity at a Glance

- Develops health care policy for services to approximately 662,000 people served by Minnesota Health Care Programs
- Negotiates with service providers on contracts to serve enrollees
- Determines rates for services and works with the health care marketplace to get best coverage at the most affordable prices
- Consults with the federal government to stay in compliance with federal law and negotiates waivers to current program rules
- Monitors health care outcomes for enrollees

## Population Served

In an average month in FY 2005, approximately 662,000 Minnesotans were enrolled in Minnesota's publicly-funded health care programs.

Health Care Administration works with many entities to serve enrollees including

- 44,000 health care providers, including nine managed health care plans;
- approximately 24 state health care professional organizations;
- the federal Centers for Medicare and Medicaid Services; and
- Minnesota's counties and tribes.

## Services Provided

Health Care Administration is responsible for

- developing health care program policy and leading implementation of policy initiatives;
- developing payment policies, including fee-for-service and managed care rates, that promote cost-effective delivery of quality services to Medical Assistance (MA), General Assistance Medical Care (GAMC), and MinnesotaCare;
- monitoring health plans to ensure contract compliance, value, and access;
- conducting surveys and research to monitor quality of care provided and health status of program enrollees;
- working with the federal government to ensure compliance with Medicaid laws and rules;
- negotiating waivers to federal laws and rules to allow expanded access and coverage, payment initiatives, enhanced federal matching funds, and demonstration projects to improve care and services for various enrollee groups;
- working with various partners to plan and implement changes needed to comply with the federal Health Insurance Portability and Accountability Act (HIPAA);
- providing oversight of county and tribal administration of state policies and rules; and
- planning and development of improved eligibility and enrollment systems, including a planned web-based HealthMatch system to make programs more accessible and administration more efficient.

## Historical Perspective

Minnesota is consistently a national leader in promoting and implementing policy and payment initiatives that improve access, quality, and cost-effectiveness of services provided through publicly-funded health care programs.

Federally mandated and state-initiated expansions to health care program eligibility over the past 15 years have improved access to health care for low-income, special need, and uninsured Minnesotans. At the same time, program eligibility requirements have become more complex requiring intense resources.

Changes in approaches to purchasing services for enrollees have evolved over the past two decades from strictly fee-for-service to more managed care contracting. This has changed the nature of management in this area to include sophisticated, capitated rate setting and risk adjustment, contract management, performance measurement, and more complex federal authority mechanisms, while continuing to improve fee-for-service rate setting and service coverage definition.

In the past decade, Department of Human Services (DHS) implemented two managed care demonstration programs for seniors and adults with physical disabilities to provide cost-effective, coordinated Medicare and Medicaid services. Both programs, the Minnesota Senior Health Options and Minnesota Disability Health Options, incorporate home- and community-based services to reduce the need for nursing home care.

Finally, as DHS increasingly contracts for day-to-day administration of primary health care services, more attention can be given to initiatives that better manage rapidly increasing health care costs. For example, the Health Care Administration has recently implemented unique volume-based purchasing agreements within fee-for-service.

## Key Measures

See key measures for Health Care Grants.

More information on DHS measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

## Activity Funding

Health Care Administration is funded with appropriations from the General Fund and Health Care Access Fund and from federal funds.

## Contact

For more information on Health Care Administration, contact

- Assistant Commissioner for Health Care Brian Osberg, (651) 461-2189
- State Medicaid Director Christine Bronson, (651) 431-2914
- Health Care Eligibility and Access Director Kathleen Henry, (651) 431-2301
- Performance Measurement and Quality Improvement Director Vicki Kunerth, (651) 431-2618
- Health Plan Development and Purchasing Director Karen Peed, (651) 431-2511

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT

## Program: HEALTH CARE MANAGEMENT

### Activity: HEALTH CARE ADMIN

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 10,405 | 10,436 | 10,436 | 10,436 | 20,872 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | (5,050) | (4,487) | (9,537) |
| Current Law Base Change | | | 3,469 | 1,754 | 5,223 |
| Fund Changes/consolidation | | | (150) | (150) | (300) |
| **Forecast Base** | **10,405** | **10,436** | **8,705** | **7,553** | **16,258** |
| **Health Care Access** | | | | | |
| Current Appropriation | 7,564 | 7,221 | 7,221 | 7,221 | 14,442 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | (5,066) | (4,473) | (9,539) |
| Current Law Base Change | | | (1,521) | (2,114) | (3,635) |
| **Forecast Base** | **7,564** | **7,221** | **634** | **634** | **1,268** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 4,158 | 4,853 | 8,705 | 7,553 | 16,258 |
| Health Care Access | 398 | 567 | 634 | 634 | 1,268 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 0 | 3 | 5 | 5 | 10 |
| Federal | 2 | 0 | 0 | 0 | 0 |
| **Total** | **4,558** | **5,423** | **9,344** | **8,192** | **17,536** |
| ***Expenditures by Category*** | | | | | |
| Total Compensation | 2,287 | 2,549 | 2,759 | 2,759 | 5,518 |
| Other Operating Expenses | 2,271 | 2,874 | 6,585 | 5,433 | 12,018 |
| **Total** | **4,558** | **5,423** | **9,344** | **8,192** | **17,536** |
| ***Full-Time Equivalents (FTE)*** | **36.2** | **31.4** | **31.4** | **31.4** | |

## Activity Description

Health Care Operations provides the infrastructure necessary for effective and efficient health care purchasing and delivery for Basic Health Care Grants. This includes administering the Medicaid Management Information System (MMIS), a centralized medical payment system. It also supports other department functions, including administering managed care contracts, conducting eligibility determinations, and conducting quality improvement and data analysis program management.

### Activity at a Glance

- Processes over 23.4 million fee-for-service medical claims (2005 data)
- Collects or avoids costs amounting to $82.2 million from third-party insurers liable for some payment of services provided to program enrollees
- Operates MMIS

## Population Served

Health Care Operations makes payments to providers, health plans, and, in certain cases, counties for the more than 662,000 Minnesotans enrolled in Medical Assistance (MA), General Assistance Medical Care (GAMC), and MinnesotaCare. Health Care Operations works directly with

- approximately 44,000 health care service providers, including inpatient and outpatient hospitals, nursing homes, dentists, physicians, mental health professionals, home care providers, and pharmacists;
- approximately 24 health care provider professional organizations;
- financial and social services staff in Minnesota's 87 counties;
- health plans and other insurers; and
- the federal Centers for Medicare and Medicaid Services.

## Services Provided

Health Care Operations is responsible for

- operating centralized payment systems MMIS for MA, MinnesotaCare, and GAMC;
- maintaining health care provider enrollment agreements;
- supporting enrollee communication and outreach efforts;
- maintaining online system availability for claims operation, customer services, and eligibility verification for 44,000 providers;
- supporting enhanced electronic claim activity to increase processing efficiency and decrease administrative costs, including maintaining a viable point-of-sale system for pharmacy;
- developing HealthMatch, the Department of Human Services' (DHS's) web-based application and eligibility system for publicly funded health care programs;
- operating a web-based electronic commerce environment for health care claim submission and other government-to-business electronic transactions;
- supporting the collection of premiums for MinnesotaCare and MA for Employed Persons with Disabilities (MA-EPD), spenddowns for Minnesota Senior Health Options and Minnesota Disability Health Options, and development of financial control programs capable of supporting additional premium-based health care purchasing concepts;
- identifying all liable third parties required to pay for medical expenses before expenditure of state funds and recovering costs from other insurers, which includes maximizing Medicare participation in the cost of all services for dually-eligible enrollees, with emphasis on long-term care and home health services; and
- administering the medical care surcharge to ensure maximum receipt of surcharge funds from nursing care facilities and inpatient hospitals in compliance with federal laws and regulations.

## Historical Perspective

The current MMIS was implemented in 1994, replacing a system that had been operational since 1974. Since that time the number of fee-for-service claims has grown to 23.4 million in FY 2005, and the number of encounter claims (record of a service provided) from prepaid managed care plans has grown to 18 million. Complexity in health care delivery strategies and in eligibility criteria to ensure focused eligibility for very specific populations has required that MMIS be flexible and scalable. In addition, the accelerated rate of change in computing

technology and the movement toward electronic government services for citizens has required ongoing strategic investments in health care systems.

### Key Measures

See key measures for Health Care Grants.

More information on DHS measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

### Activity Funding

Health Care Operations is funded primarily with appropriations from the General Fund and Health Care Access Fund and from federal funds.

### Contact

For more information on Health Care Operations, contact

- Assistant Commissioner for Health Care Brian Osberg, (651) 431-2189
- Assistant Commissioner for Finance and Management Operations Dennis W. Erickson, (651) 431-2900
- Health Care Operations Director Larry Woods, (651) 431-3082

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: HEALTH CARE MANAGEMENT
### Activity: HEALTH CARE OPERATIONS

Budget Activity Summary

Dollars in Thousands

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 16,743 | 16,223 | 16,223 | 16,223 | 32,446 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | 4,053 | 3,607 | 7,660 |
| Current Law Base Change | | | (4) | 66 | 62 |
| **Forecast Base** | **16,743** | **16,223** | **20,272** | **19,896** | **40,168** |
| **Health Care Access** | | | | | |
| Current Appropriation | 15,316 | 16,160 | 16,160 | 16,160 | 32,320 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | 2,416 | 1,917 | 4,333 |
| Current Law Base Change | | | 846 | (710) | 136 |
| **Forecast Base** | **15,316** | **16,160** | **19,422** | **17,367** | **36,789** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 5,812 | 8,827 | 20,272 | 19,896 | 40,168 |
| Health Care Access | 13,908 | 19,280 | 19,422 | 17,367 | 36,789 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 53,926 | 69,130 | 36,067 | 32,868 | 68,935 |
| Federal | 181 | 216 | 216 | 216 | 432 |
| **Total** | **73,827** | **97,453** | **75,977** | **70,347** | **146,324** |
| ***Expenditures by Category*** | | | | | |
| Total Compensation | 43,393 | 49,646 | 45,166 | 42,838 | 88,004 |
| Other Operating Expenses | 30,434 | 47,807 | 30,811 | 27,509 | 58,320 |
| **Total** | **73,827** | **97,453** | **75,977** | **70,347** | **146,324** |
| ***Full-Time Equivalents (FTE)*** | **723.7** | **792.8** | **792.8** | **792.8** | |

## Program Description

Continuing Care Grants serve over 350,000 people. Some receive ongoing personal care services, including the 36,400 people per month who are at risk of institutional placement who instead receive waiver services in the community and the 23,800 people who receive mental health case management. Other people need only occasional assistance, such as the 90,000 people who call the Senior Linkage Line® each year or the 83,000 people who receive congregate or home-delivered meals.

Continuing Care Grants provide an important health care safety net for some of Minnesota's most vulnerable people. Continuing Care Grants pay for chronic health care services, long-term care in residential settings, at-home care, mental health services, chemical dependency treatment, and social services for older Minnesotans and people with disabilities. These grants also provide information and resources to older Minnesotans and those with disabilities so they can be independent, retain or improve their quality of life, and contribute to their communities. The state partners with counties, health plans, community-based public agencies, private nonprofit agencies, private for-profit agencies, and others to deliver services.

Medicaid-funded Continuing Care Grants – Medical Assistance (MA) Long-Term Care Facilities and MA Long-Term Care Waivers -- are coordinated with the department's Health Care Grants and are supported by approximately $4.2 billion in state and federal funds. MA, Minnesota's Medicaid program, is financed and operated jointly by the state and the federal government. The federal share of MA costs for the state, known as the federal medical assistance percentage (FMAP), is based on the state's per capita income and is recalculated annually. The current MA FMAP rate is 50%.

## Budget Activities

⇒ Aging and Adult Services Grants
⇒ Alternative Care Grants
⇒ MA Long Term Care Facilities Grants
⇒ MA Long Term Care Waivers and Home Care Grants
⇒ Adult Mental Health Grants
⇒ Deaf and Hard of Hearing Grants
⇒ Chemical Dependency Entitlement Grants
⇒ Chemical Dependency Non-Entitlement Grants
⇒ Other Continuing Care Grants

# HUMAN SERVICES DEPT
## Program: CONTINUING CARE GRANTS
Program Summary

Dollars in Thousands

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 1,515,097 | 1,590,640 | 1,590,640 | 1,590,640 | 3,181,280 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | 310 | 310 | 620 |
| Current Law Base Change | | | 2,476 | 2,591 | 5,067 |
| End-of-session Estimate | | | 73,303 | 161,251 | 234,554 |
| Fund Changes/consolidation | | | 5,062 | 5,062 | 10,124 |
| November Forecast Adjustment | | (43,750) | (45,348) | (38,584) | (83,932) |
| **Forecast Base** | **1,515,097** | **1,546,890** | **1,626,443** | **1,721,270** | **3,347,713** |
| **Health Care Access** | | | | | |
| Current Appropriation | 0 | 750 | 750 | 750 | 1,500 |
| **Forecast Base** | **0** | **750** | **750** | **750** | **1,500** |
| **Lottery Cash Flow** | | | | | |
| Current Appropriation | 1,333 | 1,383 | 1,383 | 1,383 | 2,766 |
| **Technical Adjustments** | | | | | |
| Current Law Base Change | | | (150) | (150) | (300) |
| **Forecast Base** | **1,333** | **1,383** | **1,233** | **1,233** | **2,466** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 1,431,624 | 1,476,169 | 1,626,443 | 1,721,270 | 3,347,713 |
| Health Care Access | 0 | 750 | 750 | 750 | 1,500 |
| Lottery Cash Flow | 1,235 | 1,556 | 1,308 | 1,308 | 2,616 |
| **Statutory Appropriations** | | | | | |
| General | 2,915 | 3,309 | 3,382 | 3,455 | 6,837 |
| Misc Special Revenue | 109,172 | 116,799 | 44,345 | 46,296 | 90,641 |
| Federal | 1,355,103 | 1,405,073 | 1,474,972 | 1,556,878 | 3,031,850 |
| **Total** | **2,900,049** | **3,003,656** | **3,151,200** | **3,329,957** | **6,481,157** |
| ***Expenditures by Category*** | | | | | |
| Other Operating Expenses | 671 | 1,034 | 773 | 773 | 1,546 |
| Payments To Individuals | 2,766,238 | 2,859,714 | 3,019,902 | 3,199,425 | 6,219,327 |
| Local Assistance | 133,140 | 142,908 | 130,525 | 129,759 | 260,284 |
| **Total** | **2,900,049** | **3,003,656** | **3,151,200** | **3,329,957** | **6,481,157** |

| | Dollars in Thousands | | | | |
|---|---|---|---|---|---|
| | Current | | Forecast Base | | Biennium |
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Expenditures by Activity*** | | | | | |
| Aging And Adult Services Gr | 35,562 | 35,039 | 34,603 | 34,591 | 69,194 |
| Altlernative Care Grants | 43,516 | 34,248 | 38,774 | 43,888 | 82,662 |
| Ma Ltc Facilities Grants | 1,034,873 | 1,010,854 | 1,002,096 | 987,493 | 1,989,589 |
| Ma Ltc Waivers & Home Care Gr | 1,578,914 | 1,698,986 | 1,858,228 | 2,037,804 | 3,896,032 |
| Adult Mental Health Grants | 60,441 | 66,048 | 62,174 | 61,416 | 123,590 |
| Deaf & Hard Of Hearing Grants | 1,706 | 1,715 | 1,720 | 1,720 | 3,440 |
| Cd Entitlement Grants | 105,153 | 108,203 | 117,767 | 127,364 | 245,131 |
| Cd Non-Entitlement Grants | 12,452 | 13,479 | 13,465 | 13,265 | 26,730 |
| Other Continuing Care Grants | 27,432 | 35,084 | 22,373 | 22,416 | 44,789 |
| **Total** | **2,900,049** | **3,003,656** | **3,151,200** | **3,329,957** | **6,481,157** |

## Activity Description

Aging and Adult Services Grants pays for non-medical social services and provides funding for communities to develop informal services to keep older people engaged in their communities.

## Population Served

To be eligible for most of the services paid through these grants, people must be age 60 or older. Although not means-tested, services are targeted to people with the greatest social and economic needs. This conforms to eligibility criteria under the Older Americans Act (OAA), which also provides federal funding for a number of these services.

## Services Provided

Aging and Adult Services grants provide:

- nutritional services including meals, grocery delivery, and nutrition education counseling;
- transportation, chore services, and other social support services;
- diabetes, blood pressure screening, and other health promotion services;
- mentoring of families and children through older adult volunteer community services projects;
- care and one-on-one attention for special needs children (through the Foster Grandparents Program);
- assistance with daily activities for frail older adults;
- information and assistance through Senior LinkAge Line,® the online database Minnesotahelp.info, and long-term care planning tools;
- counseling about Medicare, supplemental insurance, and long-term care insurance options;
- comprehensive prescription drug expense assistance, including Medicare Part D, to Minnesotans of all ages;
- respite and other supportive assistance to family caregivers, including options for consumer-directed supports; and
- expansion and development of more home and community service and housing options.

### Activity at a Glance

- Provides congregate dining to 65,000 people and home-delivered meals to 18,000 people annually
- Provides social service support services to 219,000 people and health care promotion to 9,000 people annually
- Supports nearly 16,000 participants per year who provide services through the Retired and Senior Volunteer Program (RSVP), Foster Grandparents, and Senior Companions
- Provides more than 90,000 callers per year with one-to-one information and counseling through the Senior LinkAge Line®
- Funds 202 new projects to expand home and community-based service options for more than 61,000 older people and increase informal capacity by 15,000 volunteers since September 2002 through the Community Service/Service Development grant program

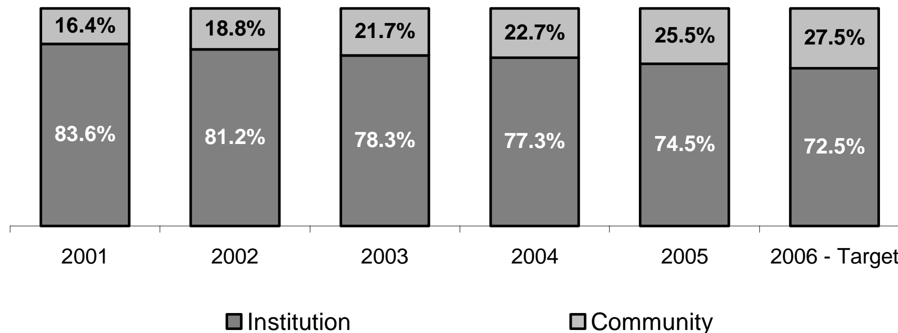
## Historical Perspective

The OAA was passed by Congress in 1965 at the same time the Medicaid program was established and began to fund nursing home care. The OAA's purpose was to assist elderly people to live as independently as possible and avoid premature institutionalization. The state's federal OAA funds are administered through the Minnesota Board on Aging to provide less formal, community-based services, including volunteer services.

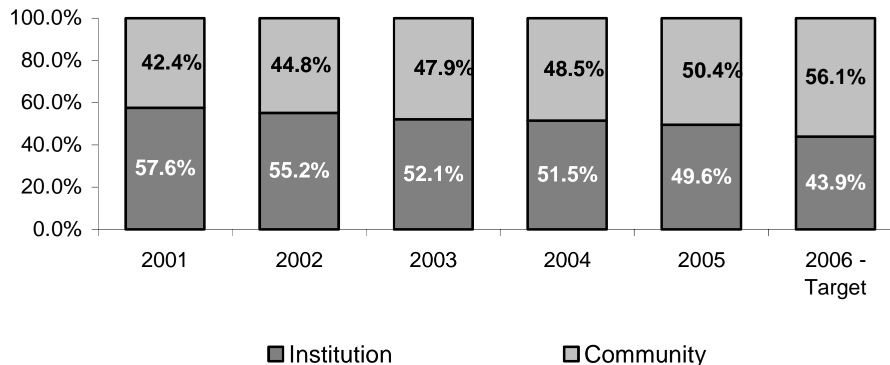
Federal OAA funding is distributed by the proportion of older adults in a state relative to the total older adults in the country. Although Minnesota has seen an increase of more than 50,000 older adults over the last decade, other states have seen a proportionately greater increase. Federal funding for these programs and services has remained static since 2002. State funding has been appropriated to supplement federal OAA funds; in 2003 state funding for these grants was reduced by 15%.

## Key Measures

⇒ *Proportion of public-funded long-term care funds expended in institutional care versus community care settings*




⇒ *Proportion of elders served in institutional vs. community settings*




More information on Department of Human Services (DHS) measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html

## Activity Funding

Aging and Adult Services Grants is funded with appropriations from the General Fund and with federal funds.

## Contact

- Assistant Commissioner for Continuing Care Loren Colman, (651) 431-2560
- Legislative and Fiscal Operations Manager Sue Banken, (651) 431-2559

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: CONTINUING CARE GRANTS
### Activity: AGING AND ADULT SERVICES GR

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 13,954 | 13,960 | 13,960 | 13,960 | 27,920 |
| **Forecast Base** | **13,954** | **13,960** | **13,960** | **13,960** | **27,920** |
| | | | | | |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 15,181 | 13,960 | 13,960 | 13,960 | 27,920 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 387 | 409 | 352 | 352 | 704 |
| Federal | 19,994 | 20,670 | 20,291 | 20,279 | 40,570 |
| **Total** | **35,562** | **35,039** | **34,603** | **34,591** | **69,194** |
| | | | | | |
| ***Expenditures by Category*** | | | | | |
| Local Assistance | 35,562 | 35,039 | 34,603 | 34,591 | 69,194 |
| **Total** | **35,562** | **35,039** | **34,603** | **34,591** | **69,194** |

## Activity Description

Alternative Care (AC) is a state-funded program that pays for at-home care and community-based services for older adults who are at risk of becoming eligible for Medical Assistance (MA) nursing facility care within four-and-one-half months. It provides eligible older adults with in-home and community-based services and supports similar to federally-funded home and community-based programs.

### Activity at a Glance

- ♦ Pays for in-home community-based services for low-income elderly Minnesotans
- ♦ Helps adults 65 years and older stay in their own homes longer by providing an alternative to nursing home care
- ♦ Serves an average of 4,984 persons per month
- ♦ Costs an average of $1,011 per person per month, compared to $3,293 per person in a nursing facility

## Population Served

To be eligible for AC, a person must be age 65 or older, assessed as needing nursing facility level of care, and have income and assets inadequate to fund nursing facility care for more than 135 days. The person must also be capable of paying a monthly program participation fee and have needs that can be met within available resources.

In FY 2005, the AC program provided services for 4,984 elderly persons per month at an average monthly cost of $1,011 per person. This compared to a $3,293 average monthly cost of nursing facility care during the same time period.

## Services Provided

Alternative Care provides funding for:

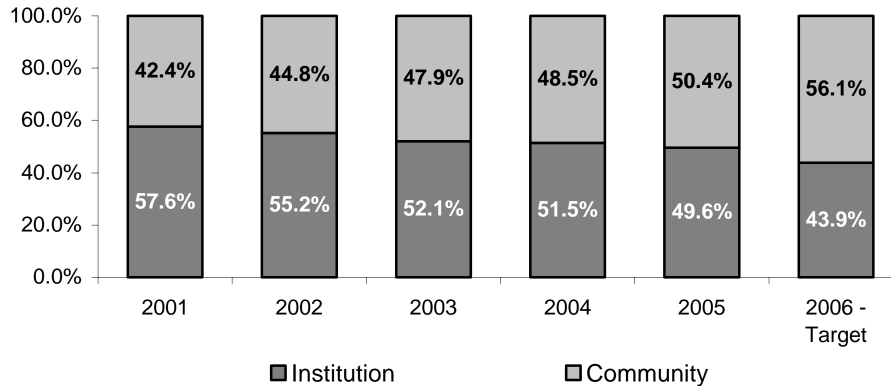
- ♦ respite care, both in-home and at approved facilities, to provide a break for caregivers;
- ♦ case management to ensure that program access and services planned, authorized, and provided are appropriate;
- ♦ adult day care;
- ♦ personal care services to assist with activities of daily living;
- ♦ homemaker services;
- ♦ companion service;
- ♦ caregiver training and education to provide caregivers with the knowledge and support necessary to care for an elderly person;
- ♦ chore services to provide assistance with heavy household tasks such as snow shoveling;
- ♦ home health nursing and aide services;
- ♦ transportation to AC-related services and community activities;
- ♦ nutrition services;
- ♦ AC service-related supplies and equipment;
- ♦ telehomecare services; and
- ♦ other authorized consumer-directed services and discretionary services that are part of the person's plan of care.

## Historical Perspective

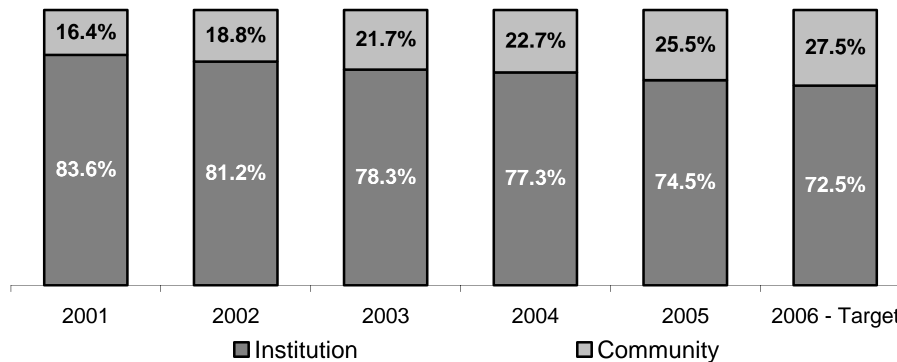
The AC program was implemented in 1981. Its purpose is to provide older adults at risk of nursing facility placement with in-home and community-based services to assist them to remain at home. Funding is allocated to local lead agencies to provide for service delivery under individual service plans. The agencies are responsible for managing their allocations to serve eligible persons. There were three major legislative changes made to the program effective September 2005 that resulted in nearly a 30% caseload reduction during FY 2006. The changes eliminated some covered services, repealed liens, and reduced financial program eligibility criteria.

## Key Measures

⇒ *Proportion of elders served in institutional vs. community settings*




⇒ *Proportion of public-funded long-term care funds expended in institutional vs. community settings*




More information on Department of Human Services (DHS) measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

## Activity Funding

Alternative Care Grants is funded with appropriations from the General Fund and with enrollee premiums.

## Contact

For more information on Alternative Care Program, contact

- Assistant Commissioner for Continuing Care Loren Colman, (651) 431-2560
- Legislative and Fiscal Operations Manager Sue Banken, (651) 431-2559

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: CONTINUING CARE GRANTS
### Activity: ALTLERNATIVE CARE GRANTS

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | **FY2006** | **FY2007** | **FY2008** | **FY2009** | **2008-09** |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 58,278 | 47,613 | 47,613 | 47,613 | 95,226 |
| **Technical Adjustments** | | | | | |
| Current Law Base Change | | | 1,835 | 2,657 | 4,492 |
| **Forecast Base** | **58,278** | **47,613** | **49,448** | **50,270** | **99,718** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 40,601 | 30,939 | 35,392 | 40,433 | 75,825 |
| **Statutory Appropriations** | | | | | |
| General | 2,915 | 3,309 | 3,382 | 3,455 | 6,837 |
| **Total** | **43,516** | **34,248** | **38,774** | **43,888** | **82,662** |
| ***Expenditures by Category*** | | | | | |
| Payments To Individuals | 43,516 | 34,248 | 38,774 | 43,888 | 82,662 |
| **Total** | **43,516** | **34,248** | **38,774** | **43,888** | **82,662** |

## Activity Description

Medical Assistance (MA) Long-Term Care (LTC) Facilities Grants pays for nursing facility (NF) care, intermediate care facilities for people with mental retardation or related conditions (ICF/MR), and day training and habilitation (DT&H) for people who are ICF/MR residents.

**Activity at a Glance**

- ♦ Provides nursing facility and boarding care home services to 34,000 people per month
- ♦ Provides ICF/MR services to 2,000 residents per month
- ♦ Provides DT&H services to 13,000 people per year

## Population Served

MA enrollees who require nursing facility or ICF/MR services must apply and be deemed eligible for LTC services. There are nearly 624 long-term care (LTC) facilities that serve about 36,000 people per month in this budget activity. The following data are from reporting year 2005 for nursing facilities and from FY 2005 for ICFs/MR:

⇒ There are 400 MA-certified NF and boarding care homes with 37,200 beds serving an average of 34,000 people per month at an average daily rate of $146. Of these residents, 62% receive MA and 38% privately pay for their care, receive Medicare, or have other payment means.

⇒ There were 224 MA-certified ICFs/MR. Of these facilities, 150 are six beds or fewer and 74 have more than six beds. ICFs/MR served an average of 1,962 recipients per month receiving an average payment of $5,825 per resident. In FY 2005, 12 ICFs/MR were closed and 158 additional beds were decertified due to downsizing.

Funding for DT&H services is contained in three different budget activities: MA Long-Term Care Facilities Grants for those people residing in ICFs/MR, MA Long-Term Care Waivers and Home Care Grants for mental retardation or related condition waiver recipients, and Children and Community Services Grants available to all eligible people. There are 275 DHS-licensed DT&H service sites in Minnesota serving approximately 13,000 people with developmental disabilities. These sites served an average of 1,679 ICF/MR recipients per month receiving an average MA payment of $1,617 per person.

People who reside in an ICF/MR now have the flexibility and choice to receive an alternative option to DT&H, called “service during the day.” This means that ICF/MR recipients have a choice of day services, as do people who receive a home and community-based waiver.

## Services Provided

Nursing facilities provide 24-hour care and supervision in a residential-based setting. Housing and all other services are provided as a comprehensive package, including, but not limited to nursing and nursing assistant services, help with activities of daily living and other care needs, housing, meals, medication administration, activities and social services, supplies and equipment, housekeeping, linen, and personal laundry, and therapy services (at an extra cost).

ICFs/MR, located in 62 counties, provide 24-hour care, active treatment, training, and supervision to persons with mental retardation or related condition. They range in size from four beds to 64 beds. Some ICFs/MR are less medically oriented than nursing facilities and provide outcome-based services for personal needs. Many facilities now provide services for persons with aging conditions such as Alzheimer’s and also contract for in-home hospice care. All ICFs/MR must provide functional skill development, opportunities for development of decision making skills, opportunities to participate in the community, and reduced dependency on care providers. Like nursing facilities, an ICF/MR provides a package of services, which include housing and food.

DT&H services are licensed supports providing persons with mental retardation or a related condition help to develop and maintain life skills, participate in the community, and engage in productive and satisfying activities. DT&H services include supervision, training and assistance in self-care, communication, socialization and behavior management; supported employment and work-related activities; community-integrated activities, including the use of leisure and recreation time; and training in community survival skills, money management, and therapeutic activities that increase adaptive living skills of a person.

### Historical Perspective

Use of NFs grew rapidly with the establishment of the federal Medicaid program in the 1960s. Federal matching funds for the state's publicly-funded health care programs provided an incentive for investment in the development of nursing homes. Medicaid expenditures grew as people who qualified for NF services accessed this entitlement. In the 1980s, a moratorium was placed on development of new NFs and efforts were made to develop less expensive home and community-based alternatives. Today, older adults are choosing to receive services in their own homes. NF utilization has been declining and NFs are more often used for short-term care and rehabilitation following hospitalization. Recent efforts to "rightsize" the industry and to provide financial stability include provisions for bed layaway, higher rates for short lengths of stay, planned bed closure, and creation of single-bed rooms.

Efforts to improve the quality of nursing home services have now expanded beyond the historic regulatory approach and include measuring quality, publicly disclosing rankings based on those measures, and using the quality measures as a factor in determining payment rates. The quality measure used include:

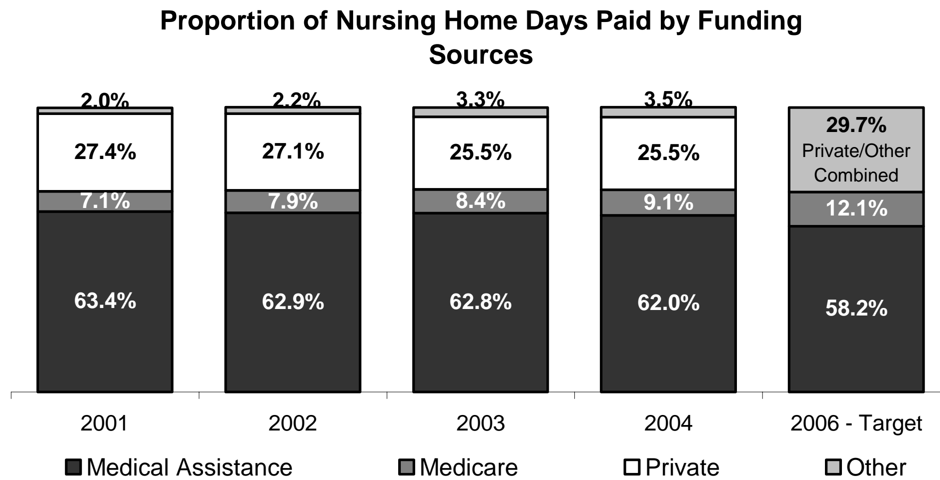
- resident face-to-face surveys on quality of life and satisfaction;
- level of direct care staffing;
- retention of direct care staff;
- use of staff from temporary agencies;
- Minnesota quality indicators based on assessments of residents;
- deficiency findings from Minnesota Department of Health inspections;
- turnover of direct care staff; and
- proportion of beds in single-bed rooms.

ICFs/MR are another Medicaid-funded entitlement service. Before the 1970s, virtually all public services for people with developmental disabilities were paid for with state funds and delivered in large state institutions. In 1971, Congress authorized Medicaid funding for ICF/MR services. To qualify for Medicaid reimbursement, ICFs/MR had to be MA-certified and comply with federal standards. Smaller ICFs/MR developed in the 1970s and early 1980s to aid in deinstitutionalizing people with disabilities from large state-run institutions. After a moratorium was placed on the development of new ICFs/MR in the mid-1980s, people began receiving services in their own homes. Since that time, the number of people served in ICFs/MR has been steadily declining.

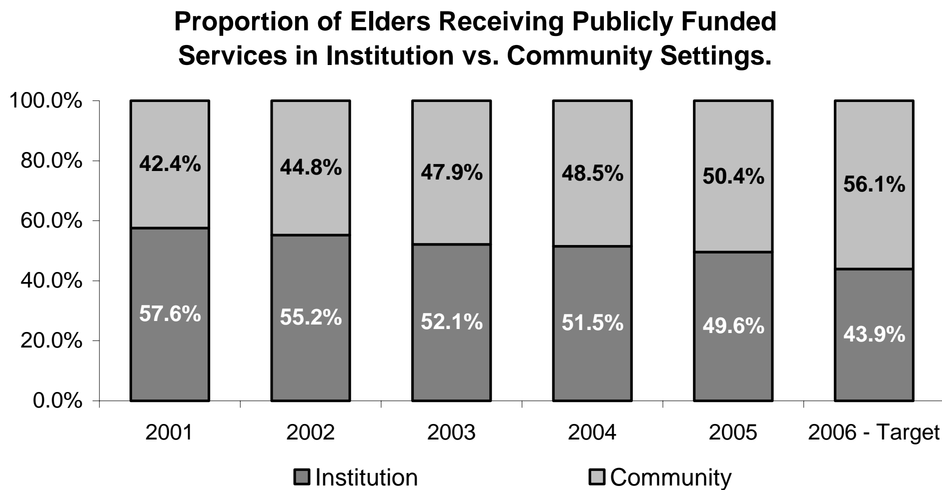
DT&H services have been operating for over 35 years and currently provide an average of 230 days of service per year.

## Key Measures

⇒ *Proportion of nursing home days paid by funding source.*

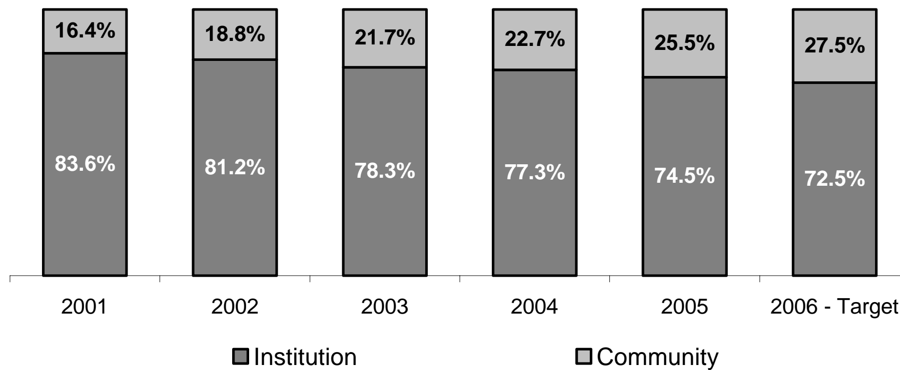



⇒ Proportion of elders served in institutional vs. community settings.



⇒ Proportion of public-funded long-term care funds expended in institutional vs. community settings.

**Proprotion of Publicly Funded Long-term Care Services Expended in Institutions versus Community Settings.**




More information on Department of Human Services (DHS) measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

## Activity Funding

MA Long Term Care Facilities Grants is funded with appropriations from the General Fund and from federal Medicaid funds.

## Contact

For more information on MALTC Facility Grants, contact:

- Assistant Commissioner for Continuing Care Loren Colman, (651) 431-2560
- Legislative and Fiscal Operations Manager Sue Banken, (651) 431-2559

Information is also available on the DHS web site: http://www.dhs.state.mn.us

# HUMAN SERVICES DEPT
## Program: CONTINUING CARE GRANTS
### Activity: MA LTC FACILITIES GRANTS

Budget Activity Summary

| | Dollars in Thousands | | | | |
|---|---|---|---|---|---|
| | Current | | Forecast Base | | Biennium |
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 501,185 | 501,021 | 501,021 | 501,021 | 1,002,042 |
| **Technical Adjustments** | | | | | |
| End-of-session Estimate | | | (13,733) | (27,187) | (40,920) |
| November Forecast Adjustment | | (19,486) | (7,413) | 3,054 | (4,359) |
| **Forecast Base** | **501,185** | **481,535** | **479,875** | **476,888** | **956,763** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 509,346 | 498,209 | 493,931 | 486,725 | 980,656 |
| **Statutory Appropriations** | | | | | |
| Federal | 525,527 | 512,645 | 508,165 | 500,768 | 1,008,933 |
| **Total** | **1,034,873** | **1,010,854** | **1,002,096** | **987,493** | **1,989,589** |
| ***Expenditures by Category*** | | | | | |
| Payments To Individuals | 1,034,873 | 1,010,854 | 1,002,096 | 987,493 | 1,989,589 |
| **Total** | **1,034,873** | **1,010,854** | **1,002,096** | **987,493** | **1,989,589** |

## Activity Description

Medical Assistance (MA) Long-Term Care (LTC) Waivers and Home Care Grants pays for a collection of medical and health care-related support services that enable low-income Minnesotans, who are elderly or who have disabilities, to live as independently as possible in their communities. LTC waivers refer to home and community-based services available under a federal Medicaid waiver as an alternative to institutional care. Home Care grants fund home health aides, skilled nursing, and physical, occupational, speech, and respiratory therapy.

### Activity at a Glance

- ♦ Supports 36,400 people per month, who are at risk of placement in an institution, in the community through long-term care waivers
- ♦ Provides MA personal care and private duty nursing to 9,600 people per month
- ♦ Provides home health care services to 6,100 people per month

## Population Served

Home care and LTC waivers serve MA-enrolled people of all ages, including infants and older adults. To receive LTC waivers, a person must be eligible for Medicaid, in need of a 24-hour plan of care, and would otherwise receive care in an institution. These programs serve an average of 52,100 people per month.

Below are the five MA LTC Waivers administered by the department:

⇒ *Mental Retardation/Related Conditions (MR/RC)*: Also known as the Developmental Disability (DD) Waiver, this waiver is for individuals with mental retardation or a related condition who need the level of care provided at an ICF/MR. In FY 2005 the waiver served 14,430 average monthly recipients at a cost of $4,871 per month.

⇒ *Elderly Waiver (EW)*: This waiver is for individuals who are over 65 years old and need the level of care provided at a nursing facility. In FY 2005 the waiver served 9,073 average monthly recipients at a cost of $1,073 per month.

⇒ *Community Alternative for Disabled Individuals (CADI)*: Serves individuals who are disabled and require the level of care provided in a nursing home. In FY 2005 the waiver served 7,831 average monthly recipients at a cost of $1,324 per month.

⇒ *Traumatic Brain Injury (TBI):* This waiver is for individuals with a traumatic or acquired brain injury who need the level of care provided in a nursing home or neurobehavioral hospital. In FY 2005 the waiver served 1,109 average monthly recipients at a cost of $4,623 per month.

⇒ *Community Alternative Care (CAC):* CAC serves individuals who are chronically ill and need the level of care provided at a hospital. In FY 2005 the waiver served 182 average monthly recipients at a cost of $3,584 per month.

## Services Provided

Home care includes a range of medical care and support services provided in a person's home and community. MA home care services are authorized based on medical necessity along with a physician's statement of need. MA home care services include: assessments by public health nurses; home health aide visits; nurse visits; private duty nursing services; personal care services; occupational, physical, speech and respiratory therapies; and medical supplies and equipment.

LTC waivers, which are also known as home and community-based waiver programs, provide a variety of services that assist people to live in the community instead of going into or staying in an institutional setting. In addition to case management and caregiver supports, waivers can offer: in-home, residential, medical, and behavioral supports; customized day services, including employment supports; transitional services when leaving an institution; transportation; home modifications; and other goods and services based upon the assessed needs of the person.

Consumer-Directed Community Supports (CDCS) is a waiver service that provides Minnesotans increased flexibility in determining and designing supports that best meet their needs. In March 2004, the Centers for Medicare and Medicaid Services approved the CDCS service across all LTC waivers. Implementation in all Minnesota counties started April 2005.

## Historical Perspective

Home and community-based waivers were established under section 1915(c) of the federal Social Security Act of 1981. These waivers are intended to correct the institutional bias in Medicaid by allowing states to offer a broad range of home and community-based services to people who may otherwise be institutionalized.

In 1999 the United States Supreme Court in Olmstead v. L.C. clarified that Title II of the American with Disabilities Act (ADA) includes supporting people in the most integrated settings possible. The decision applies to people of any age who have a disability, including mental illness. During 2006, CADI and TBI waivers have helped more than 14,000 individuals either to relocate from an institution to the community or to remain in their homes or communities with support services. This number includes 5,174 individuals with a mental health diagnosis who might otherwise receive supports in an institution.

Also in 1999, the legislature required the state to increase the MR/RC waiver caseload until all forecasted funds appropriated to the waiver were expended. In accordance with this legislation, the state allowed "open enrollment" for a three-month period in FY 2001. Over 5,000 recipients were added to the program during the open enrollment period.

In 2003 the legislature required a phase-in of Elderly Waiver (EW) services and 180 days of nursing facility care to the basic Medicaid managed care package. The new product for seniors is Minnesota Senior Care Plus and is currently available in 20 counties.

In 2004 the federal Centers for Medicare and Medicaid Services (CMS) approved statewide expansion of Minnesota Senior Health Options (MSHO). MSHO, which has been operating in Minnesota since 1997, is a voluntary alternative for “dual eligible seniors” ages 65 and older. MSHO plans assume full risk for both Medicare and Medicaid services: primary, acute, and long-term care (including 180 days of nursing home); the full menu of EW services in the community; and, more recently, the Medicare Part D drug benefit.

Currently, 63% of EW clients are receiving services through MSHO or Minnesota Senior Care Plus, which are managed by health plans. Fee-for-service EW services, which are managed by the counties, comprise 37% of EW clients.

The 2006 legislature provided additional CADI and TBI slots for eligible individuals who were receiving personal care assistance (PCA) services from a provider who was billing for a service delivery model other than individual or shared care on 3-1-2006. DHS estimates that up to 400 individuals currently receiving state plan PCA services may choose home and community-based waivers as an alternative.

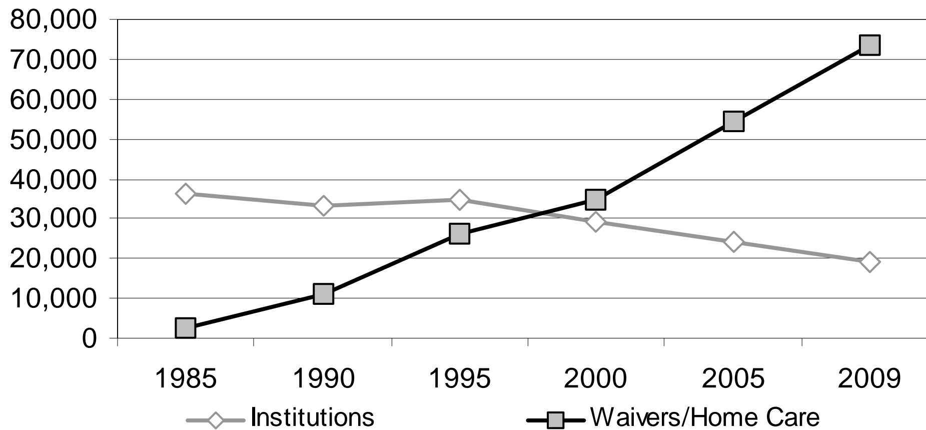
## Key Measures

⇒ *Number of AC and waiver recipients receiving consumer-directed community services (CDCS).*

| Program/ Waiver | AC | CAC | CADI | EW | MR/RC | TBI |
|---|---|---|---|---|---|---|
| Number of Recipients* | 11 | 31 | 144 | 18 | 1,313 | 11 |

**As of June 30, 2006*

⇒ *Number of elderly and disabled individuals receiving services in home and community-based settings versus institutions.* In 2005, 70% were receiving services in home and community-based settings. By 2009 it is anticipated that 80% of those receiving long-term care services will be in home and community-based settings.




* Institutions includes nursing facilties, ICF/MR facilities and State Regional Treatment Centers. State operated community services and non-federally funded RTC Care are not included.
** Waiver/home care caseloads include MA home and community-based waivers, EW-EC, Home Health Agency Services, Personal Care, Private Duty Nursing Services and Alternative Care.

More information on Department of Human Services measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

## Activity Funding

MA Long-Term Care Waivers and Home Care Grants is funded with appropriations from the General Fund and from federal Medicaid funds.

## Contact

For more information on MA long-term care waivers and home care grants, contact:

- Assistant Commissioner for Continuing Care Loren Colman, (651) 431-2560
- Legislative and Fiscal Operations Manager Sue Banken, (651) 431-2559

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT

## Program: CONTINUING CARE GRANTS

### Activity: MA LTC WAIVERS & HOME CARE GR

Budget Activity Summary

Dollars in Thousands

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 809,879 | 882,796 | 882,796 | 882,796 | 1,765,592 |
| **Technical Adjustments** | | | | | |
| End-of-session Estimate | | | 83,693 | 180,993 | 264,686 |
| November Forecast Adjustment | | (24,264) | (32,390) | (39,437) | (71,827) |
| **Forecast Base** | **809,879** | **858,532** | **934,099** | **1,024,352** | **1,958,451** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 789,457 | 849,493 | 934,099 | 1,024,352 | 1,958,451 |
| **Statutory Appropriations** | | | | | |
| Federal | 789,457 | 849,493 | 924,129 | 1,013,452 | 1,937,581 |
| **Total** | **1,578,914** | **1,698,986** | **1,858,228** | **2,037,804** | **3,896,032** |
| ***Expenditures by Category*** | | | | | |
| Payments To Individuals | 1,578,914 | 1,698,986 | 1,858,228 | 2,037,804 | 3,896,032 |
| **Total** | **1,578,914** | **1,698,986** | **1,858,228** | **2,037,804** | **3,896,032** |

## Activity Description

Adult Mental Health Grants serves Minnesotans with mental illness, spurs development of non-institutional treatment options, and pays for mental health services for people when they cannot afford to pay. This activity supports the overall objective of promoting assistance for people to live independently, when possible, and, when not, to live in treatment settings that are clean, safe, caring, and effective. These grants are used in conjunction with other funding, particularly Medical Assistance (MA) and Group Residential Housing.

### Activity at a Glance

- ♦ Provides mental health case management to 23,800 adults annually
- ♦ Provides community support services to 19,250 people annually
- ♦ Provides residential treatment to 2,200 people annually
- ♦ Provides crisis housing to 420 people annually
- ♦ Provides services to 9,200 homeless people annually
- ♦ Provides compulsive gambling treatment to 800 people annually

## Population Served

Approximately 98,000 Minnesota adults have serious and persistent mental illness (SPMI). Of this group, 73,000 adults with SPMI are estimated to need publicly-subsidized mental health services. This compares to about 34,600 people who actually received these services in 2005 (based on county reports to the Community Mental Health Reporting System).

These grants serve primarily adults with serious mental illness. (This definition does not include people with developmental disabilities or chemical dependency unless these conditions co-exist with mental illness.) This grant area includes a few grants that serve both adults and children. (Grants that serve solely children are in the Children's Services Grants budget activity.)

## Services Provided

Mental Health Grants support a variety of services:

⇒ *Adult Mental Health Initiative/Integrated Fund* supports the expansion and ongoing implementation of community-based services and development of alternative service delivery models to reduce reliance on facility-based care. As part of this initiative, regional treatment center staff are integrating into the community mental health delivery system. In most of the state, this also includes integration of the separate grants listed below. Integration of grants at the county level allows administration to be more effective and efficient.

⇒ *Grants for Community Support Services for Adults with Serious and Persistent Mental Illness (Adult Rule 78)* are awarded to counties for client outreach, medication monitoring, independent living skills development, employability skills development, psychosocial rehabilitation, day treatment, and case management if MA is inadequate or not available. These funds are allocated by formula, primarily based on a county's population. In addition, these grants include a separate allocation which is based on the amount each county formerly received as the state share of MA case management, adjusted by the number of people now being served by each county.

⇒ *Adult Residential Grants (Rule 12)* pay the non-MA share of the program component of intensive residential treatment facilities for people with mental illness. These grants are now fully integrated into the Adult Mental Health Initiative/Integrated Fund.

⇒ *Crisis Housing* provides financial help when people are hospitalized and need help to maintain their current housing. Eligible people need to be in inpatient care for up to 90 days and have no other source of income to pay housing costs.

⇒ *Moose Lake Regional Treatment Center (RTC) Alternatives* pays for non-MA contract beds in community hospitals up to 45 days per admission for people who are committed or who would be committed if these community services were not available. This is part of a package of expanded community mental health services for the area formerly served by the Moose Lake RTC, which closed in 1995.

⇒ *Federal Mental Health Block Grant* funds are used to demonstrate innovative approaches based on best practices that, based on evaluation results, could be implemented statewide. Of the federal block grant, Minnesota has allocated about half for children's mental health. At least 25% is used for Indian mental health

services, not more than 15% for planning and evaluation, and not more than 5% for statewide administration. Grants provided for Indian mental health services fund nine projects on reservations and two in the metro.

⇒ *Projects for the Homeless (PATH)* funds, from the federal McKinney Act, are provided to counties to address mental illness among the homeless. Grants to counties are made in combination with Rule 78 Community Support Program funds.

⇒ *Compulsive Gambling Treatment and Education* funds inpatient and outpatient treatment programs on an individual client, fee-for-service basis. The program also pays for research, public education and awareness efforts, in-service training for treatment providers, and a statewide toll-free, 24-hour helpline. In state FY 2006, the helpline received 2,258 calls for assistance with compulsive gambling problems.

## Historical Perspective

Federal restrictions that prohibit the use of MA for adults in Institutions for Mental Diseases (IMDs) have required the state to rely on state general fund grant programs to a much larger degree than programs serving other populations, such as the elderly or developmentally disabled. During the past four years, Minnesota has made progress in expanding the range of non-residential community mental health services and maximizing federal reimbursement for these services. Intensive Residential Treatment, Crisis Response Services, Adult Rehabilitative Mental Health Services, and Assertive Community Treatment have been added as benefits under the MA program. These services are intended to assist with reducing reliance on more costly institutional care.

Over 80% of the funds in this activity are used by counties to pay for staff providing direct services to adults with serious mental illness.

## Key Measures

⇒ *Percent of adults with serious mental illness (SMI) served by the public sector who retain community tenure for six months following discharge from an acute or intensive residential care setting.* This measure gives an indication of the robustness of the community-based system to provide the range of services that allow individuals to be as independent as possible in the community. 64% of persons discharged from acute care or intensive residential care settings during FY 2005 were still living in the community six months later.

⇒ *Average length of stay for SMI adults in an acute care or intensive residential treatment setting.* This measure also provides an indication of the community-based service system's ability to support adults with SMI in independent community living. In CY 2005, the average length of stay in acute care or intensive residential settings was 20.5 days.

⇒ *Percent of SMI population who are receiving public mental health services.* This indicator, often referred to as the "penetration rate," measures access to needed services. In CY 2005, 22% of the state's estimated population of adults were receiving publicly funded mental health services.

More information on Department of Human Services measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

## Activity Funding

Mental Health Grants is funded with appropriations from the General Fund, Lottery Fund, and Special Revenue Fund, as well as from federal funds.

## Contact

For further information about Mental Health Grants, please contact:

- Assistant Commissioner for Chemical and Mental Health Services Wes Kooistra, (651) 431-2323
- Mental Health Director Sharon Autio, (651) 431-2228
- Legislation and Fiscal Operations Manager Don Allen, (651) 431-2325

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: CONTINUING CARE GRANTS
### Activity: ADULT MENTAL HEALTH GRANTS

Budget Activity Summary

Dollars in Thousands

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 46,731 | 47,516 | 47,516 | 47,516 | 95,032 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | 310 | 310 | 620 |
| Current Law Base Change | | | 428 | (322) | 106 |
| Fund Changes/consolidation | | | 5,062 | 5,062 | 10,124 |
| **Forecast Base** | **46,731** | **47,516** | **53,316** | **52,566** | **105,882** |
| **Health Care Access** | | | | | |
| Current Appropriation | 0 | 750 | 750 | 750 | 1,500 |
| **Forecast Base** | **0** | **750** | **750** | **750** | **1,500** |
| **Lottery Cash Flow** | | | | | |
| Current Appropriation | 1,333 | 1,383 | 1,383 | 1,383 | 2,766 |
| **Technical Adjustments** | | | | | |
| Current Law Base Change | | | (150) | (150) | (300) |
| **Forecast Base** | **1,333** | **1,383** | **1,233** | **1,233** | **2,466** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 53,542 | 56,821 | 53,316 | 52,566 | 105,882 |
| Health Care Access | 0 | 750 | 750 | 750 | 1,500 |
| Lottery Cash Flow | 1,235 | 1,556 | 1,308 | 1,308 | 2,616 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 380 | 466 | 340 | 340 | 680 |
| Federal | 5,284 | 6,455 | 6,460 | 6,452 | 12,912 |
| **Total** | **60,441** | **66,048** | **62,174** | **61,416** | **123,590** |
| ***Expenditures by Category*** | | | | | |
| Other Operating Expenses | 193 | 381 | 219 | 219 | 438 |
| Local Assistance | 60,248 | 65,667 | 61,955 | 61,197 | 123,152 |
| **Total** | **60,441** | **66,048** | **62,174** | **61,416** | **123,590** |

## Activity Description

Deaf and Hard of Hearing Grants provides core services that enable Minnesotans who are deaf, deafblind, or hard of hearing to gain and maintain the ability to live independently and participate in their communities.

There are approximately 67,000 Minnesotans who are deaf and 497,000 with some hearing loss. These grants serve:

- people in need of sign language interpreting services;
- children and adults who have a sensory loss of hearing and vision (deafblind);
- people who have a dual hearing loss and a mental illness;
- children with a hearing loss ages 0-21 in need of specialized psycho-social assessments; and
- people in need of live local news captioning services.

### Activity at a Glance

- Serves 19,000 people a year
- Provides sign language interpreter and other services that allow people to access essential services, including emergency and crisis services and live local news programming
- Pays for specialized services that allow some of the most vulnerable Minnesotans, including those who are deafblind and those who are seriously and persistently mentally ill, to live in their communities

## Services Provided

Sign language interpreter referral services allow deaf, hard of hearing, and deafblind Minnesotans to access core services such as courts, educational programs, mental health services, law enforcement, and medical care. Interpreter referral services are provided by community-based vendors. Services include:

- coordinating and placing qualified sign language and oral and cued-speech interpreters;
- coordinating emergency on-call interpreters and advocacy services;
- providing technical assistance to agencies and consumers on how to work effectively with interpreters; and
- building capacity to increase the number of qualified and certified interpreters throughout Minnesota.

Deafblind grants support adults who are both deaf and blind so they can live independently and stay in their own homes. Grants also provide deafblind children and their families with services that result in enhanced community integration and teach siblings and parents the skills needed to support the deafblind child within their families. Services are provided by community-based, specialized service providers and through a consumer-directed service program. Services include:

- client needs assessments;
- one-to-one support service providers for deafblind adults;
- interveners and communication support for deafblind children and their families; and
- assistive technology and equipment.

Specialized mental health services are provided through statewide grants. They are awarded to community-based, specialized service providers to assist deaf, hard of hearing, and deafblind Minnesotans with behavior disorders or mental illness to live in their communities. Services include:

- community support services consisting of residential support/outreach services and a drop-in center;
- inpatient and outpatient therapy, family counseling services, and service providers who are skilled in communicating with deaf, hard of hearing, and deafblind people;
- specialized children's psychological assessments that serve as the foundation for determining needed service and intervention strategies;
- community educational opportunities for families, schools, and mental health providers; and
- specialized support groups for deafblind persons.

Real-time television captioning grants allow deaf, deafblind and hard of hearing consumers in greater Minnesota to access live local news programming from some public and commercial television stations.

## Historical Perspective

In the early 1980s, the Hearing-Impaired Services Act (now called the Deaf and Hard of Hearing Services Act) was created to ensure that deaf, deafblind, and hard of hearing people have access to appropriate human services statewide. This act established regional offices throughout Minnesota to provide direct services to individuals, families, and agencies regarding issues related to hearing loss. In addition to the regional offices, the legislature appropriated grant funds to address highly specialized service needs for certain deaf, hard of hearing, and deafblind populations. The Deaf and Hard of Hearing regional offices also house the Telephone Equipment Distribution (TED) program. TED provides adaptive equipment to people with a hearing or speech loss or mobility impairment who need such equipment to access the telephone system. The TED program is funded by special revenues through an interagency agreement with the Department of Commerce.

In 1985 the Minnesota Legislature created the Minnesota Commission Serving Deaf and Hard of Hearing (MCDHH). The primary focus of this commission is to work as the principal agency that advocates for equal opportunity for Minnesotans who are deaf, hard of hearing, and deafblind as opposed to providing direct services as is done through the Deaf and Hard of Hearing Services regional offices and grant programs. The MCDHH's purpose through its board is to convene stakeholders; identify barriers that prevent success in education, employment, and access to services; propose policy and program solutions; and make recommendations to the governor, legislature, and state departments.

## Key Measures

⇒ *Percent of certified interpreters throughout Minnesota and percent of interpreting service requests filled.*

| Measure | Target number | FY 2006 Outcome | |
|---|---|---|---|
| Interpreters who pass national certification within one year of training | 50% | 60% | |
| Percent of interpreter service requests filled | 95% | 97%<br>*Requests with more than 24 hours advance notice* | 91%<br>*All requests, including last minute* |

⇒ *Percent of families receiving services through grant-funded programs that see improvement in their child's emotional/behavioral/social skills within the home, school, and community*.*

| Population | Target percentage of families that will see improvement | Outcome: families reporting improvement |
|---|---|---|
| Children with hearing loss and mental health issues | | |
| --Psychosocial assessments and training | 95% | 95% |
| --Itinerant mental health services | 85% | 90% |
| Children with dual sensory hearing and vision loss | 100% | 100% |

**Information obtained from family satisfaction surveys and other outcome information collected and provided by grantees.*

⇒ *Percent of families receiving services through grant-funded programs that see* improvement *in their child's emotional/behavioral/social skills within the home, school, and community*.*

| Population | Target percentage | Outcome: Maintained independence | Outcome: Decreased level of independence | |
|---|---|---|---|---|
| | | | *Temporary; returns to previous level independence* | *Permanent* |
| Adults who are deafblind | 100% | 92% | 0% | 8% |
| Senior citizens who are deafblind | 100% | 93% | 3% | 4% |
| Adults with mental illness | 75% | 93% | 7% | 0% |

**Information obtained from family satisfaction surveys and other outcome information collected and provided by grantees.*

More information on Department of Human Services (DHS) measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

### Activity Funding

Deaf and Hard of Hearing Grants is funded with appropriations from the General Fund.

### Contact

For more information on Deaf and Hard of Hearing Grants, contact

- Assistant Commissioner for Continuing Care Loren Colman, (651) 431-2560
- Legislative and Fiscal Operations Manager Sue Banken, (651) 431-2559

Information also is available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT

## Program: CONTINUING CARE GRANTS

### Activity: DEAF & HARD OF HEARING GRANTS

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | **FY2006** | **FY2007** | **FY2008** | **FY2009** | **2008-09** |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 1,454 | 1,475 | 1,475 | 1,475 | 2,950 |
| **Technical Adjustments** | | | | | |
| Current Law Base Change | | | 5 | 5 | 10 |
| **Forecast Base** | **1,454** | **1,475** | **1,480** | **1,480** | **2,960** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 1,440 | 1,475 | 1,480 | 1,480 | 2,960 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 68 | 240 | 240 | 240 | 480 |
| Federal | 198 | 0 | 0 | 0 | 0 |
| **Total** | **1,706** | **1,715** | **1,720** | **1,720** | **3,440** |
| ***Expenditures by Category*** | | | | | |
| Other Operating Expenses | 1 | 0 | 0 | 0 | 0 |
| Local Assistance | 1,705 | 1,715 | 1,720 | 1,720 | 3,440 |
| **Total** | **1,706** | **1,715** | **1,720** | **1,720** | **3,440** |

## Activity Description

The purpose of the Chemical Dependency Entitlement Grants activity is to provide treatment to eligible people who have been assessed as in need of treatment for chemical abuse or dependency. This activity is administered through the Consolidated Chemical Dependency Treatment Fund (CCDTF).

### Activity at a Glance

- ♦ Provides coverage of CD treatment for 25,000 people annually
- ♦ Average cost per admission is $3,922
- ♦ 299 treatment programs participate in the CCDTF
- ♦ Approximately 50% of all treatment admissions in the state are paid for by the CCDTF
- ♦ The number of treatment admissions has increased by an average of 7% per year over the last three years (CY04-CY06)

## Population Served

Chemical dependency (CD) treatment services are provided to anyone who is found by an assessment to be in need of care and is financially eligible, unless the needed services are to be provided by a managed care organization in which the person is enrolled.

The CCDTF has three tiers of eligibility, although this budget activity covers only Tier I:

- ⇒ Tier I is the entitlement portion. Eligible individuals are people who are enrolled in Medical Assistance (MA) or General Assistance Medical Care (GAMC), receive Minnesota Supplemental Assistance (MSA), or meet the MA, GAMC, or MSA income limits (100% of federal poverty guidelines).
- ⇒ Tier II includes people who are not eligible for MA, but whose income does not exceed 215% of federal poverty guidelines. (This tier was last funded in 2003.)
- ⇒ Tier III includes people with incomes between 215% and 412% of federal poverty guidelines. (This tier was last funded in 1990.)

## Services Provided

The CCDTF pays for four types of chemical dependency treatment:

- ♦ inpatient chemical dependency treatment;
- ♦ outpatient chemical dependency treatment;
- ♦ halfway house services; and
- ♦ extended care treatment.

Approximately 50% of all state treatment admissions for Minnesota residents are paid for through the CCDTF. The local county social service agency or American Indian tribal entity assesses a person's need for chemical dependency treatment. A treatment authorization is made based on uniform statewide assessment and placement criteria outlined in the Department of Human Services (DHS) Rule 25. Most treatment providers in the state accept CCDTF clients.

Under the Prepaid Medical Assistance Program (PMAP), primary inpatient and outpatient chemical dependency treatment are covered services. For PMAP recipients, CCDTF payments are limited to halfway house placements and extended care treatment, which are not included in managed care contracts.

Under a new assessment standard being implemented in January 2008, individuals will be placed according to their specific needs rather than simply into one of the four types of treatment.

## Historical Perspective

The CCDTF was created in 1988 to consolidate a variety of funding sources for chemical dependency treatment services for low-income, chemically-dependent Minnesota residents. The CCDTF combines previously separated funding sources – MA, GAMC, General Assistance, state appropriations, and federal block grants - into a single fund with a common set of eligibility criteria. Counties pay at least 15% of CD treatment costs to maintain a local maintenance of effort.

## Key Measures

⇒ *The percentage of clients completing chemical dependency treatment.* Treatment completion has been found to be a strong indicator of continued sobriety after treatment. The DHS Drug and Alcohol Abuse Normative Evaluation System (DAANES) collects a number of data elements from all chemical dependency programs regardless of the admission's funding source. Below are completion results of all statewide treatment admissions in previous years:

2003 – 64.9%
2004 – 65.7 %
2005 – 63.7%

Treatment completion is also affected by the client's primary drug addiction. Below is the percent of treatment completion by primary drug for publicly funded clients in CY 2004:

| | | | |
|---|---|---|---|
| Methamphetamine | 58.5% | Crack | 58.4% |
| Alcohol | 64.3% | Marijuana | 56.7% |
| Cocaine | 56.9% | Other | 54.6% |

⇒ *The percentage of youth using alcohol, marijuana and tobacco in the past 30 days.* The Minnesota Student Survey is conducted every three years and was last administered in the spring of 2004 to public school students in Grades 6, 9, and 12. Of the 342 public operating districts, 301 (88%) agreed to participate. Student participation was voluntary and administered anonymously. Across the state, approximately 77% of public school sixth graders, 73% of public school ninth graders, and 49% of public school twelfth graders participated in the 2004 Minnesota Student Survey. Overall participation across the three grades was approximately 66%. Below are the results of the survey:

| Age Groups | Used Alcohol in the Past 30 Days | Smoked Cigarettes in the Past 30 Days | Used Marijuana in the Past 30 Days |
|---|---|---|---|
| 6th Graders | 5% | 3% | 2% |
| 9th Grade Males | 26% | 14% | 12% |
| 9th Grade Females | 29% | 16% | 11% |
| 12th Grade Males | 50% | 29% | 22% |
| 12th Grade Females | 46% | 28% | 16% |

More information on DHS measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

## Activity Funding

Chemical Dependency Entitlement Grants is funded with appropriations from the General Fund and from federal funds.

## Contact

For more information on Chemical Dependency Entitlement Grants, contact

- Chemical Health Director Donald Eubanks, (651) 431-52457
- Legislative and Fiscal Operations Manager Don Allen, (651) 431-2325

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: CONTINUING CARE GRANTS
### Activity: CD ENTITLEMENT GRANTS

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 67,960 | 80,026 | 80,026 | 80,026 | 160,052 |
| **Technical Adjustments** | | | | | |
| End-of-session Estimate | | | 3,343 | 7,445 | 10,788 |
| November Forecast Adjustment | | 0 | (5,545) | (2,201) | (7,746) |
| **Forecast Base** | **67,960** | **80,026** | **77,824** | **85,270** | **163,094** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 0 | 0 | 77,824 | 85,270 | 163,094 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 105,153 | 108,203 | 39,943 | 42,094 | 82,037 |
| **Total** | **105,153** | **108,203** | **117,767** | **127,364** | **245,131** |
| ***Expenditures by Category*** | | | | | |
| Payments To Individuals | 102,740 | 105,740 | 115,143 | 124,579 | 239,722 |
| Local Assistance | 2,413 | 2,463 | 2,624 | 2,785 | 5,409 |
| **Total** | **105,153** | **108,203** | **117,767** | **127,364** | **245,131** |

## Activity Description

Chemical Dependency (CD) Non-entitlement Grants pays for statewide prevention, intervention, treatment support, recovery maintenance, and case management services, including culturally appropriate services and support. A combination of state and federal dollars supports this activity.

### Activity at a Glance

- Provides prevention services to more than 28,500 youth each year
- Provides intervention and case management services to 1,700 pregnant women and women with children annually
- Provides intervention and case management services, including treatment supports and recovery maintenance, to an additional 7,000 individuals in special populations each year
- Provides training for 2,700 chemical dependency professionals annually

## Population Served

CD Non-Entitlement Grants serve:

- people who receive prevention services with a focus on youth and families;
- individuals who receive intervention and case management services, including pregnant women, women with dependent children, and other special populations who receive intervention and case management services; and
- chemical dependency treatment professionals and prevention specialists who receive training on best practices.

## Services Provided

State-funded non-entitlement grants support:

- community drug and alcohol abuse prevention for American Indians; and
- treatment support and recovery maintenance services for American Indians.

Federally-funded non-entitlement grants support:

- community drug and alcohol abuse prevention for communities of color;
- women's treatment supports including subsidized housing, transportation, child care, parenting education, and case management;
- intervention and case management services, including treatment supports and recovery maintenance services for the following special populations: elderly, disabled, individuals with dual diagnoses of mental illness and chemical dependency, individuals experiencing chronic homelessness, and people involved in the criminal justice system;
- a statewide prevention resource center that provides alcohol and other drug abuse education, information, and training to Minnesota counties, tribes, local communities, and organizations; and
- annual inspection of tobacco retailers and law enforcement agency survey to measure the degree of compliance with state laws prohibiting the sale of tobacco products to youth.

Beginning in 2006, statewide prevention activities are delivered through a seven-region prevention system. Regional Prevention Coordinators in each region will be responsible for assessing community needs and readiness for prevention activities. They will also be assisting the state in planning and implementing evidence-based prevention programs to reduce substance abuse and related problems through training, technical assistance, and coalition building.

Non-entitlement funds also support the dissemination of approximately 550,000 pieces of prevention material, over 260,000 web hits on alcohol, tobacco, and other drug abuse prevention, 30,300 requests for information handled by prevention resource centers, over 1,200 pieces of alcohol, tobacco, and other drug prevention material translated into Spanish, Hmong, Lao, and Somali, and over 200 public service announcements developed and disseminated to over 2,000 outlets.

## Historical Perspective

The Consolidated Chemical Dependency Treatment Fund (CCDTF) has three tiers of eligibility. Tier I is funded through the CD Entitlement Grants budget activity. Tier II includes people who are not eligible for Medical Assistance (MA) or General Assistance Medical Care (GAMC), do not receive Minnesota Supplemental Assistance (MSA), but whose income does not exceed 215% of federal poverty guidelines.

CD Non-entitlement Grants historically funded Tier II and Tier III of the Consolidated Chemical Dependency Treatment Fund (CCDTF), which provided treatment services for low-income individuals not eligible for entitlement-based treatment. Tier II was last funded in 2003. Tier III includes individuals with incomes between 215% and 412% of federal poverty guidelines. Tier III was last funded in 1990. As a result, current CD Non-Entitlement Grants are outside of the CCDTF.

Over the last decade, as research studies indicated that the prevalence of substance abuse was higher for certain populations or that some groups did not succeed in chemical dependency treatment at the same rate as the general population, specific improvement efforts were established. These efforts were designed to build prevention strategies and treatment support services that focus on the unique strengths and needs of these various populations. The need for these specialized models of prevention and treatment has grown as counties and tribes recognize the role substance abuse plays in difficult Temporary Assistance to Needy Families and Child Welfare cases.

## Key Measures

⇒ *The percentage of clients completing chemical dependency treatment.* Treatment completion has been found to be a strong indicator of continued sobriety after treatment. The Minnesota Department of Human Services Drug and Alcohol Abuse Normative Evaluation System (DAANES) collects a number of data elements from all chemical dependency programs regardless of the admission's funding source. Below are completion results of all statewide treatment admissions in previous years:

2003 – 64.9%
2004 – 65.7 %
2005 – 63.7%

Treatment completion is also affected by the client's primary drug addiction. Below is the percent of treatment completion by primary drug for publicly funded clients in CY 2004:

| | | | |
|---|---|---|---|
| Methamphetamine | 58.5% | Crack | 58.4% |
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| Cocaine | 56.9% | Other | 54.6% |

⇒ *The percentage of youth using alcohol, marijuana and tobacco in the past 30 days.* The Minnesota Student Survey is conducted every three years and was last administered in the spring of 2004 to public school students in Grades 6, 9, and 12. Of the 342 public operating districts, 301 (88%) agreed to participate (88%). Student participation was voluntary and administered anonymously. Across the state, approximately 77% of public school sixth graders, 73% of public school ninth graders, and 49% of public school twelfth graders participated in the 2004 Minnesota Student Survey. Overall participation across the three grades was approximately 66%. Below are the results of the survey:

| Age Groups | Used Alcohol in the Past 30 Days | Smoked Cigarettes in the Past 30 Days | Used Marijuana in the Past 30 Days |
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| 9th Grade Females | 29% | 16% | 11% |
| 12th Grade Males | 50% | 29% | 22% |
| 12th Grade Females | 46% | 28% | 16% |

More information on DHS measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

## Activity Funding

Chemical Dependency Non-Entitlement Grants are funded with appropriations from the General Fund and from federal funds.

## Contact

For more information on Chemical Dependency Non-Entitlement Grants, contact

- Chemical Health Director Donald Eubanks, (651) 431-2457
- Legislative and Fiscal Operations Manager Don Allen, (651) 431-2325

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: CONTINUING CARE GRANTS
### Activity: CD NON-ENTITLEMENT GRANTS

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 1,055 | 1,055 | 1,055 | 1,055 | 2,110 |
| **Forecast Base** | **1,055** | **1,055** | **1,055** | **1,055** | **2,110** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 1,055 | 1,055 | 1,055 | 1,055 | 2,110 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 676 | 825 | 875 | 675 | 1,550 |
| Federal | 10,721 | 11,599 | 11,535 | 11,535 | 23,070 |
| **Total** | **12,452** | **13,479** | **13,465** | **13,265** | **26,730** |
| ***Expenditures by Category*** | | | | | |
| Other Operating Expenses | 142 | 130 | 130 | 130 | 260 |
| Payments To Individuals | 666 | 675 | 675 | 675 | 1,350 |
| Local Assistance | 11,644 | 12,674 | 12,660 | 12,460 | 25,120 |
| **Total** | **12,452** | **13,479** | **13,465** | **13,265** | **26,730** |

## Activity Description

Other Continuing Care Grants includes a variety of programs:

⇒ Family Support Grants (FSG) provides cash assistance to families to purchase supports for a child with a disability.
⇒ Consumer Support Grants (CSG) helps people with functional limitations and their families purchase supports needed to live as independently as possible.
⇒ Semi-Independent Living Skills (SILS), which are administered through each county, assist adults with mental retardation or a related condition live successfully in their community.
⇒ HIV/AIDS grants cover services specifically for HIV-infected people to help maintain insurance coverage and provide early intervention and cost-effective care. As payer of last resort, the stop-gap services are provided to individuals who are not eligible for similar benefits through Minnesota Health Care Programs, such as Medical Assistance (MA) or General Assistance Medical Care (GAMC).

### Activity at a Glance

- The FSG program serves 1,650 children at an annual average cost of $2,483 per child
- The CSG program serves 850 individuals at an annual average cost of $9,870 per recipient
- SILS serve 1,600 adults with disabilities at an annual average cost of $4,920 per recipient
- HIV/AIDS programs help 1,400 people living with HIV/AIDS pay for HIV-related prescription drugs, insurance costs, dental, nutritional, mental health, and case management services. The program serves over 20% of the people with known HIV infection in Minnesota

## Population Served

⇒ FSG serves families whose annual adjusted gross income is less than $82,657 and who have a child with a certified disability.
⇒ CSG is available for people who are eligible for MA and for some people eligible for FSG.
⇒ SILS serves people who are at least 18 years old, have mental retardation or a related condition, require a level of support that is not at a level that would put them at risk of institutionalization, and require systematic instruction or assistance to manage activities of daily living.
⇒ HIV/AIDS programs serve people living with HIV who have incomes under 300% of the federal poverty guideline (FPG) and cash assets under $25,000.

## Services Provided

⇒ FSG provides cash to families to offset the higher-than-average cost of raising a child with a certified disability. Families with more than one child with a disability may apply for a grant for each eligible child. The maximum grant per family is $3,000 per year per eligible child. Allowable expenses include computers, day care, educational services, medical services, respite care, specialized clothing, special dietary needs, special equipment and transportation.
⇒ CSG helps families purchase home care, adaptive aids, home modifications, respite care, and other assistance with the tasks of daily living. Recipients receive a grant amount less than or equal to the state share of the amount of certain long-term care services they would receive under MA or FSG.
⇒ SILS is used by adults with mental retardation or a related condition to purchase instruction or assistance with nutrition education, meal planning and preparation, shopping, first aid, money management, personal care and hygiene, self-administration of medications, use of emergency resources, social skill development, home maintenance and upkeep, and transportation skills.
⇒ HIV/AIDS programs assist enrollees with premiums to maintain private insurance, co-payments for HIV-related medications, counseling, dental services, the cost of enteral nutrition, and case management.

## Historical Perspective

Beginning in 1983 with SILS and FSG, Minnesota established programs that emphasize self reliance, personal responsibility, and consumer direction for people with disabilities. In 1995, Minnesota took another step by offering the CSG program, which lets people choose to access state MA funds through a cash and counseling

model. These programs have laid the ground work for the consumer-directed options now available across all Minnesota long-term care waivers.

The HIV/AIDS program began in 1987. At the core of its creation was the desire to keep private insurance policies in place for HIV+ people and at the same time provide access to a limited scope of additionally needed services and products. Demand for the program continues to climb as the number of people living with HIV in Minnesota increases.

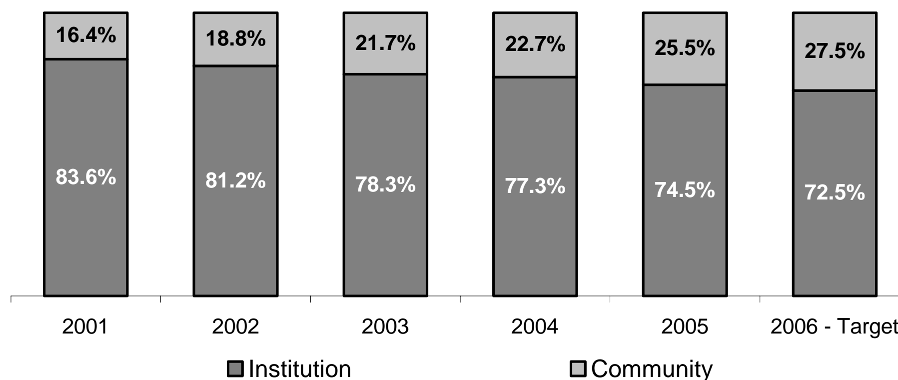
New infections, longer life spans for infected individuals, increases in infections among people younger than 25, and growing uninsured rates all contribute to rising program enrollment. Epidemiological studies show that people contracting HIV are jncreasingly likely to be poor, women, people of color, and people with more complex needs and fewer resources. Continually evolving treatments and research make HIV an ever-changing and complex disease to manage. It is also a disease with escalating treatment costs.

To make access to services more streamlined at the state level, responsibility for case management of services to people with HIV was consolidated at the Department of Human Services (DHS) in 2001. In 2004, in response to increasing budget pressures, the HIV/AIDS program implemented a cost-sharing requirement for individuals enrolled in the program. As of May 2006, more than 450 individuals have been assessed a cost share, with only eight people being deemed programmatically ineligible due to failure to pay. A tightening of policies, staff commitment, and client follow-through have supported the cost-sharing strategies in bringing fiscal balance to the program through FY 2008. In Minnesota, both state and federal funding has remained static.

## Key Measures

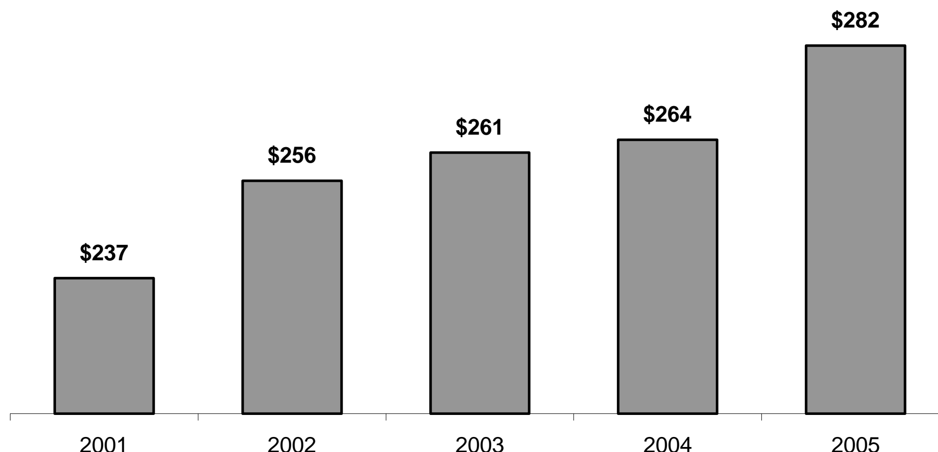
⇒ *Proportion of public-funded long-term care funds expended in institutional vs. community settings.*

**Proprotion of Publicly Funded Long-term Care Services Expended in Institutions versus Community Settings.**



⇒ Pharmacy average monthly cost per recipient.

**Pharmacy Average Annual Cost Per Recipient**




More information on DHS measures and results is available on the Web: http://www.departmentresults.state.mn.us/hs/index.html

## Activity Funding

Other Continuing Care Grants is funded with appropriations from the General Fund and from federal funds.

## Contact

For more information on Health Care Grants-Other Assistance, contact

- Assistant Commissioner for Continuing Care Loren Colman, (651) 431-2560
- Legislative and Fiscal Operations Director Sue Banken (651) 431-2559

Information is also available on the DHS web site: http://www.dhs.state.mn.us

# HUMAN SERVICES DEPT
## Program: CONTINUING CARE GRANTS
### Activity: OTHER CONTINUING CARE GRANTS

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 14,601 | 15,178 | 15,178 | 15,178 | 30,356 |
| **Technical Adjustments** | | | | | |
| Current Law Base Change | | | 208 | 251 | 459 |
| **Forecast Base** | **14,601** | **15,178** | **15,386** | **15,429** | **30,815** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 21,002 | 24,217 | 15,386 | 15,429 | 30,815 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 2,508 | 6,656 | 2,595 | 2,595 | 5,190 |
| Federal | 3,922 | 4,211 | 4,392 | 4,392 | 8,784 |
| **Total** | **27,432** | **35,084** | **22,373** | **22,416** | **44,789** |
| ***Expenditures by Category*** | | | | | |
| Other Operating Expenses | 335 | 523 | 424 | 424 | 848 |
| Payments To Individuals | 5,529 | 9,211 | 4,986 | 4,986 | 9,972 |
| Local Assistance | 21,568 | 25,350 | 16,963 | 17,006 | 33,969 |
| **Total** | **27,432** | **35,084** | **22,373** | **22,416** | **44,789** |

## Program Description
Continuing Care Management is the administrative component for the service areas funded by Continuing Care Grants. It also coordinates with Health Care Management on the Medicaid-funded Continuing Care Grant activities.

### Program at a Glance

- Performs statewide human services planning and develops and implements policy
- Obtains, allocates, and manages resources, contracts, and grants
- Sets standards for services development and delivery and monitors for compliance and evaluation
- Provides technical assistance and training to county agencies and supports local innovation and quality improvement efforts
- Assures a statewide safety net capacity

## Population Served
This program serves elderly Minnesotans and citizens with disabilities who need long-term care, including persons with physical and cognitive disabilities, deafness or hearing loss, emotional disturbances, mental illness, HIV/AIDS, and chemical dependency.

## Services Provided
Department of Human Services (DHS) Continuing Care Grants staff administers programs and services that are used by over 350,000 Minnesotans. This work is accomplished by working with citizens, counties, legislators, grantees, other state agencies, and providers.

In addition to the normal management functions, which apply to all people served, Continuing Care Management performs unique specialized activities. Direct constituent services include:
- statewide regional service centers which help deaf, deafblind, and hard-of-hearing people access community resources and the human services system;
- the Telephone Equipment Distribution Program, which helps people with hearing loss or communication disabilities access the telephone system with specialized equipment;
- HIV/AIDs programs which help people obtain and maintain needed health care coverage;
- ombudsman services for older Minnesotans which assist consumers in resolving complaints and preserving access to services; and

Staff assistance and administrative support are provided to a number of councils and boards including:
- The Minnesota Commission Serving Deaf and Hard of Hearing People;
- The Minnesota Board on Aging;
- The State Advisory Council on Mental Health;
- Alcohol and Other Drug Abuse Advisory Council;
- American Indian Advisory Council on Alcohol and Other Drug Abuse;
- American Indian Advisory Council on Mental Health; and
- Traumatic Brain Injury Service Integration Advisory Committee.

## Historical Perspective
Historically, most people needing long-term care services received them in institutions. Over the years, priorities, values, and expectations changed. Today, people have more individualized and better quality options.

Staff in Continuing Care Management administer a broad array of services for this diverse population. In addition to administering ongoing operations of programs and services, some recent achievements include:
- redesigning highly specialized mental health services for individuals who have both a hearing loss and mental illness by shifting resources from institutional care under State Operated Services to a statewide technical assistance/consultation mobile response team (starting in Fall 2006);
- describing the demographic realities of the state's aging population and working with many constituencies to prepare responses to these profound changes;
- implementing strategies of the long-term care task force that reform Minnesota's long-term care system for the elderly, which includes administering the voluntary, planned closure of nursing facility beds and expanding use of home and community-based services through grants and other mechanisms to develop community capacity;

- implementing a range of new and expanded community-based mental health services in partnership with counties, consumers, family members, providers, and other key stakeholders to provide services closer to the person's home community;
- working with community partners in the public and private sectors through the Minnesota Mental Health Action Group to transform the mental health system to one that is accessible and responsive to consumers and guided by clear goals and outcomes;
- taking actions necessary to increase flexibility, reduce access barriers, and promote consumer choice and control with the home care and waivered services covered by Medical Assistance;
- managing cost growth in home and community based waiver programs while reducing reliance on hospital and institutional care;
- working with consumers, family members, county agencies, provider organizations, and advocates to develop community options for younger persons with disabilities currently residing in institutional settings;
- developing the Minnesota Senior Health Options (MSHO) and Minnesota Disability Health Options (MDHO) projects that integrate health and long-term care for elderly and younger persons with disabilities who are eligible for both Medicaid and Medicare;
- working with American Indian stakeholders to clarify desired outcomes of culturally appropriate substance abuse and mental health services;
- working with members of the Ethiopian, Oromo, Somali, and Southeast Asian communities in Minnesota to obtain federal grant funds to improve resettled refugees' access to mainstream continuing care services;
- publishing the Minnesota Nursing Home Report Card online, in collaboration with the Minnesota Department of Health; and
- working with the Senior LinkAge Line and Disability Linkage Line staff to assist the Centers for Medicare and Medicaid with enrollment in Medicare Part D plans and solving problems for individuals who are dually eligible.

## Key Measures

See key measures for budget activities within the Continuing Care Grants program.

More information on Department of Human Services measures and results is available on the Web: http://www.departmentresults.state.mn.us/hs/index.html.

## Program Funding

Continuing Care Management is funded with appropriations from the General Fund, state government Special Revenue Fund, Lottery Fund and from federal funds.

## Contact

For more information on Continuing Care Management, contact:

- Fiscal and Legislative Operations Manager Sue Banken, (651) 431-2559
- Legislative and Budget Manager Don Allen, (651) 431-2325

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 15,043 | 15,032 | 15,032 | 15,032 | 30,064 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | 1,249 | 1,141 | 2,390 |
| Current Law Base Change | | | (331) | (320) | (651) |
| Fund Changes/consolidation | | | 945 | 945 | 1,890 |
| **Forecast Base** | **15,043** | **15,032** | **16,895** | **16,798** | **33,693** |
| **State Government Spec Revenue** | | | | | |
| Current Appropriation | 119 | 119 | 119 | 119 | 238 |
| **Forecast Base** | **119** | **119** | **119** | **119** | **238** |
| **Health Care Access** | | | | | |
| Current Appropriation | 0 | 448 | 448 | 448 | 896 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | (34) | 0 | (34) |
| Current Law Base Change | | | (124) | (448) | (572) |
| **Forecast Base** | **0** | **448** | **290** | **0** | **290** |
| **Lottery Cash Flow** | | | | | |
| Current Appropriation | 148 | 148 | 148 | 148 | 296 |
| **Forecast Base** | **148** | **148** | **148** | **148** | **296** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 14,370 | 19,207 | 16,895 | 16,798 | 33,693 |
| State Government Spec Revenue | 90 | 134 | 119 | 119 | 238 |
| Health Care Access | 0 | 191 | 290 | 0 | 290 |
| Lottery Cash Flow | 148 | 148 | 148 | 148 | 296 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 2,940 | 3,733 | 3,453 | 3,438 | 6,891 |
| Federal | 13,780 | 18,843 | 16,592 | 16,424 | 33,016 |
| Miscellaneous Agency | 43 | 520 | 250 | 250 | 500 |
| Gift | 6 | 14 | 10 | 10 | 20 |
| **Total** | **31,377** | **42,790** | **37,757** | **37,187** | **74,944** |
| ***Expenditures by Category*** | | | | | |
| Total Compensation | 18,618 | 22,837 | 20,947 | 20,811 | 41,758 |
| Other Operating Expenses | 12,759 | 19,953 | 16,810 | 16,376 | 33,186 |
| **Total** | **31,377** | **42,790** | **37,757** | **37,187** | **74,944** |
| ***Expenditures by Activity*** | | | | | |
| Continuing Care Management | 31,377 | 42,790 | 37,757 | 37,187 | 74,944 |
| **Total** | **31,377** | **42,790** | **37,757** | **37,187** | **74,944** |
| ***Full-Time Equivalents (FTE)*** | **268.9** | **302.2** | **302.2** | **302.2** | |

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 15,043 | 15,032 | 15,032 | 15,032 | 30,064 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | 1,249 | 1,141 | 2,390 |
| Current Law Base Change | | | (331) | (320) | (651) |
| Fund Changes/consolidation | | | 945 | 945 | 1,890 |
| **Forecast Base** | **15,043** | **15,032** | **16,895** | **16,798** | **33,693** |
| **State Government Spec Revenue** | | | | | |
| Current Appropriation | 119 | 119 | 119 | 119 | 238 |
| **Forecast Base** | **119** | **119** | **119** | **119** | **238** |
| **Health Care Access** | | | | | |
| Current Appropriation | 0 | 448 | 448 | 448 | 896 |
| **Technical Adjustments** | | | | | |
| Approved Transfer Between Appr | | | (34) | 0 | (34) |
| Current Law Base Change | | | (124) | (448) | (572) |
| **Forecast Base** | **0** | **448** | **290** | **0** | **290** |
| **Lottery Cash Flow** | | | | | |
| Current Appropriation | 148 | 148 | 148 | 148 | 296 |
| **Forecast Base** | **148** | **148** | **148** | **148** | **296** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 14,370 | 19,207 | 16,895 | 16,798 | 33,693 |
| State Government Spec Revenue | 90 | 134 | 119 | 119 | 238 |
| Health Care Access | 0 | 191 | 290 | 0 | 290 |
| Lottery Cash Flow | 148 | 148 | 148 | 148 | 296 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 2,940 | 3,733 | 3,453 | 3,438 | 6,891 |
| Federal | 13,780 | 18,843 | 16,592 | 16,424 | 33,016 |
| Miscellaneous Agency | 43 | 520 | 250 | 250 | 500 |
| Gift | 6 | 14 | 10 | 10 | 20 |
| **Total** | **31,377** | **42,790** | **37,757** | **37,187** | **74,944** |
| ***Expenditures by Category*** | | | | | |
| Total Compensation | 18,618 | 22,837 | 20,947 | 20,811 | 41,758 |
| Other Operating Expenses | 12,759 | 19,953 | 16,810 | 16,376 | 33,186 |
| **Total** | **31,377** | **42,790** | **37,757** | **37,187** | **74,944** |
| ***Full-Time Equivalents (FTE)*** | **268.9** | **302.2** | **302.2** | **302.2** | |

## Program Description

State Operated Services (SOS) provides treatment and support services to persons with mental illness, acquired brain injury, chemical addiction, and developmental disabilities. Services for these individuals are provided by the department at community and campus-based programs, and residences, located throughout Minnesota.

SOS also provides treatment to those committed by the courts as mentally ill and dangerous, sexual psychopathic personality, or a sexually dangerous person and persons committed as mentally retarded and who a court has determined pose a risk to public safety. These services are referred to as state operated forensic services and are located in Moose Lake, St. Peter, and Cambridge.

## Budget Activities

⇒ Mental Health Services
⇒ Minnesota Sex Offender Program
⇒ Minnesota Security Hospital and the Minnesota Extended Treatment Options Program
⇒ Enterprise Services

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 259,976 | 255,368 | 255,368 | 255,368 | 510,736 |
| **Technical Adjustments** | | | | | |
| Current Law Base Change | | | 11,873 | 5,547 | 17,420 |
| Fund Changes/consolidation | | | (6,102) | (6,102) | (12,204) |
| **Forecast Base** | **259,976** | **255,368** | **261,139** | **254,813** | **515,952** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 221,157 | 292,208 | 261,139 | 254,813 | 515,952 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 6,535 | 6,662 | 5,984 | 5,957 | 11,941 |
| Federal | 63 | 100 | 100 | 56 | 156 |
| Miscellaneous Agency | 3,210 | 2,928 | 2,618 | 2,618 | 5,236 |
| Gift | 1 | 1 | 1 | 1 | 2 |
| Endowment | 1 | 1 | 1 | 1 | 2 |
| Revenue Based State Oper Serv | 75,381 | 77,443 | 77,443 | 77,443 | 154,886 |
| Mn Neurorehab Hospital Brainer | 17,616 | 17,470 | 17,470 | 17,470 | 34,940 |
| Dhs Chemical Dependency Servs | 17,535 | 18,574 | 18,574 | 18,574 | 37,148 |
| **Total** | **341,499** | **415,387** | **383,330** | **376,933** | **760,263** |
| ***Expenditures by Category*** | | | | | |
| Total Compensation | 271,311 | 311,858 | 296,724 | 290,398 | 587,122 |
| Other Operating Expenses | 64,112 | 98,031 | 81,449 | 81,378 | 162,827 |
| Capital Outlay & Real Property | 531 | 77 | 77 | 77 | 154 |
| Payments To Individuals | 5,090 | 5,006 | 4,665 | 4,665 | 9,330 |
| Local Assistance | 28 | 0 | 0 | 0 | 0 |
| Other Financial Transactions | 427 | 415 | 415 | 415 | 830 |
| **Total** | **341,499** | **415,387** | **383,330** | **376,933** | **760,263** |
| ***Expenditures by Activity*** | | | | | |
| Mental Health Services | 131,244 | 147,737 | 117,933 | 117,862 | 235,795 |
| Minnesota Sex Offender Srvcs | 40,092 | 62,410 | 67,161 | 60,810 | 127,971 |
| Msh & Meto | 59,630 | 91,662 | 84,748 | 84,773 | 169,521 |
| Enterprise Services | 110,533 | 113,578 | 113,488 | 113,488 | 226,976 |
| **Total** | **341,499** | **415,387** | **383,330** | **376,933** | **760,263** |
| ***Full-Time Equivalents (FTE)*** | **4,456.6** | **4,842.4** | **4,612.7** | **4,612.7** | |

## Activity Description

State Operated Services' (SOS) Mental Health Services provide specialized treatment and related supports for persons with mental illness (MI). These services are provided in community behavioral health hospitals and intensive residential treatment centers, through direct outreach services to people, and at the Anoka-Metro Regional Treatment Center (RTC).

**Activity at a Glance**

- Mental health services provided inpatient and residential services to approximately 3,200 people, with an average daily population of 384 in FY 2006.

## Population Served

Mental Health Services provides treatment to adults with serious mental illness.

## Services Provided

Mental Health Services includes inpatient psychiatric services at community-based behavioral health hospitals. By serving patients as close as possible to their home communities, their natural support structures can aid and support treatment. Each patient receives an assessment of their mental, social, and physical health by a variety of medical professionals; an individual treatment plan, including medication management and 24-hour nursing care; and individualized discharge planning for transitioning back to an appropriate setting in the community. These hospitals are currently located in Bemidji, Wadena, Baxter, Alexandria, Fergus Falls, St. Peter, Rochester, Annandale, Cold Spring, Willmar, and the Anoka-Metro RTC. While the department continues to provide adult mental health programs on RTC campuses; located at Brained, Fergus Falls, and Willmar; these programs are expected to be closed during FY 2007. By the beginning of FY 2008, individuals with serious and persistent mental illness and other coexisting disorders will be served in community settings.

Additional services are also provided, in partnership with county social service agencies and mental health providers. These include:

⇒ Adult Rehabilitative Mental Health Services (ARMHS): These services instruct, assist, and support individuals in such areas as relapse prevention, transportation, illness management and life skills.

⇒ Assertive Community Treatment (ACT) Teams: These teams, which serve as "hospitals without walls," providing intensive, around-the-clock supports to people with serious mental illness in their homes, at work, and elsewhere in the community by multidisciplinary treatment teams to stabilize individuals to avoid entering a facility.

⇒ Crisis Response: This service provides mobile crisis teams to short-term crisis stabilization beds, to assist those individuals experiencing a crisis and requiring specialized treatment.

## Historical Perspective

Minnesota's policy for services for people with disabilities has emphasized a broad array of community based treatment and support options enabling people to access the most appropriate care as close to their home community and natural support system as possible. This policy direction has resulted in the reduction in the reliance of care provided in large institutions of the past.

## Key Measures

⇒ *Average length of stay for adults with serious mental illness (SMI) in an acute care or intensive residential treatment setting.* This measure also provides an indication of the community-based service system's ability to support adults with SMI in independent community living. In CY 2005, the average length of stay in acute care or intensive residential settings was 20.5 days.

More information on Department of Human Services measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

## Activity Funding

This activity is funded by appropriations from the General Fund.

## Contact

For more information on SOS Services, contact

- State Operated Services Chief Executive Officer Mike Tessneer, (651) 431-2369
- State Operated Services Chief Operating Officer Fran Bly, (651) 431-3688

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: STATE OPERATED SERVICES
### Activity: MENTAL HEALTH SERVICES

Budget Activity Summary

| | *Dollars in Thousands* | | | | |
|---|---|---|---|---|---|
| | **Current** | | **Forecast Base** | | **Biennium** |
| | **FY2006** | **FY2007** | **FY2008** | **FY2009** | **2008-09** |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 145,393 | 118,668 | 118,668 | 118,668 | 237,336 |
| **Technical Adjustments** | | | | | |
| Fund Changes/consolidation | | | (6,102) | (6,102) | (12,204) |
| **Forecast Base** | **145,393** | **118,668** | **112,566** | **112,566** | **225,132** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 124,625 | 141,472 | 112,566 | 112,566 | 225,132 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 5,747 | 5,605 | 5,017 | 4,990 | 10,007 |
| Federal | 63 | 100 | 100 | 56 | 156 |
| Miscellaneous Agency | 808 | 560 | 250 | 250 | 500 |
| Endowment | 1 | 0 | 0 | 0 | 0 |
| **Total** | **131,244** | **147,737** | **117,933** | **117,862** | **235,795** |
| ***Expenditures by Category*** | | | | | |
| Total Compensation | 107,945 | 117,785 | 90,778 | 90,778 | 181,556 |
| Other Operating Expenses | 22,444 | 29,336 | 26,880 | 26,809 | 53,689 |
| Capital Outlay & Real Property | 1 | 0 | 0 | 0 | 0 |
| Payments To Individuals | 811 | 616 | 275 | 275 | 550 |
| Local Assistance | 28 | 0 | 0 | 0 | 0 |
| Other Financial Transactions | 15 | 0 | 0 | 0 | 0 |
| **Total** | **131,244** | **147,737** | **117,933** | **117,862** | **235,795** |
| ***Full-Time Equivalents (FTE)*** | **1,567.5** | **1,563.1** | **1,333.4** | **1,333.4** | |

## Activity Description

The Minnesota Sex Offender Program (MSOP) provides specialized treatment for individuals committed by the courts as either a sexual psychopathic personality (SPP), or a sexually dangerous person (SDP), in a secure treatment setting.

**Activity at a Glance**

- The Minnesota Sex Offender Program provided services to 315 individuals in FY 2006.

## Population Served

The MSOP serves people who have been committed as SPP or SDP. The majority of persons committed to this program have been referred by the Department of Corrections (DOC), upon completion of their criminal sentences, to individual counties for consideration of civil commitment.

## Services Provided

Once an individual is civilly committed, they receive intensive, inpatient treatment. The philosophy of treatment is based on cognitive-behavioral techniques, and include strategies to prevent individual sex offenders from relapsing. Group therapy is the main form of treatment. Within the MSOP, populations are subdivided by level of functioning, willingness to participate in treatment, and avoidance of criminal-type activity. This is to encourage individuals to participate in treatment, and segregate others who are hindering progress.

MSOP services are in the process of being transitioned gradually from the St. Peter campus to the MSOP-Annex on the grounds of the Minnesota Correctional Facility-Moose Lake. This population will be transitioned from the MSOP-Annex site to the new modified “K” building on the MSOP-Moose Lake campus once construction is completed. The transition is expected to be completed in FY 2009, and when finished, the MSOP will be located entirely in Moose Lake.

## Historical Perspective

Over the past several years, the MSOP has experienced significant population growth. Efforts are underway to enhance treatment methods and security and to create operational efficiencies to assure that cost effective services are provided.

## Key Measures

⇒ *Percent of MSOP population in work service.* Sex offender treatment involves work services, education, recreation, and treatment. Work service is a critical part of the sex offender treatment program and is one four components in the MSOP program (work, education, recreation, and treatment). Currently 75% of the MSOP residents participate in work services.

⇒ *Percent of MSOP population participating in sex offender treatment.* The current participation rate is 70%. The MSOP program is currently developing specialized treatment models for patients who have refused treatment or have failed in existing models.

More information on Department of Human Services measures and results is available on the web: http://www.departmentresults.state.mn.us/hs/index.html.

## Activity Funding

The MSOP is funded by appropriations from the General Fund.

## Contact

For more information on SOS Services, contact:

- State Operated Services Chief Executive Officer Mike Tessneer, (651) 431-2369
- State Operated Services Chief Operating Officer Fran Bly, (651) 431-3688

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: STATE OPERATED SERVICES
### Activity: MINNESOTA SEX OFFENDER SRVCS

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 45,515 | 57,131 | 57,131 | 57,131 | 114,262 |
| **Technical Adjustments** | | | | | |
| Current Law Base Change | | | 9,215 | 2,864 | 12,079 |
| **Forecast Base** | **45,515** | **57,131** | **66,346** | **59,995** | **126,341** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 39,226 | 61,595 | 66,346 | 59,995 | 126,341 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 159 | 150 | 150 | 150 | 300 |
| Miscellaneous Agency | 707 | 665 | 665 | 665 | 1,330 |
| **Total** | **40,092** | **62,410** | **67,161** | **60,810** | **127,971** |
| ***Expenditures by Category*** | | | | | |
| Total Compensation | 29,179 | 42,261 | 51,476 | 45,125 | 96,601 |
| Other Operating Expenses | 10,114 | 19,255 | 14,791 | 14,791 | 29,582 |
| Payments To Individuals | 799 | 894 | 894 | 894 | 1,788 |
| **Total** | **40,092** | **62,410** | **67,161** | **60,810** | **127,971** |
| ***Full-Time Equivalents (FTE)*** | **519.1** | **718.9** | **718.9** | **718.9** | |

## Activity Description

The Minnesota Security Hospital (MSH) and the Minnesota Extended Treatment Options (METO) program is operated by State Operated Services (SOS) and provides specialized treatment and related supports for persons committed by the courts as mentally ill and dangerous (MI&D), or with mental retardation (MR) who have been deemed a public safety risk by the courts.

**Activity at a Glance**

- All Minnesota Security Hospital programs provide services to 314 individuals in FY 2006.
- The Minnesota Extended Treatment Options program provides services to 45 individuals in FY 2006.

## Population Served

This budget activity serves:

- Persons who are committed as MI&D;
- people who have been committed as MI&D, SPP, SDP – or those on medical release from the Minnesota Department of Corrections (DOC) – who are in need of nursing home level of care;
- persons who are committed as MR who pose a public safety risk; and
- persons who have received a court-ordered evaluation of their competency, or court-ordered treatment to restore competency prior to standing trial for an offense.

## Services Provided

Services for those committed by the courts as MI&D are provided at the MSH in St. Peter. The MSH is a secure treatment facility that provides multi-disciplinary treatment serving adults and adolescents from throughout the state, who are admitted pursuant to judicial or other lawful orders, for assessment and/or treatment of acute and chronic major mental disorders. MSH also provides comprehensive, court-ordered forensic evaluations; including competency to stand trial and pre-sentence mental health evaluations. The MSH also operates a transition program that provides a supervised residential setting offering social rehabilitation treatment to increase self-sufficiency and build the skills necessary for a safe return to the community. In addition, the MSH operates a forensic nursing facility which provides services to those individuals who are in need of nursing home level of care and are committed as MI&D, SPP, SDP, or those on medical release from the DOC.

Services for individuals committed as MR who pose a public safety risk are provided at the METO program in Cambridge. METO provides specialized services for adults from across the state with the focus of treatment on changing client behavior and identifying necessary supports that will permit them to safely return to the community. In addition, staff provide technical assistance, provider training and education, and crisis intervention services for these clients.

## Historical Perspective

Over the past several years, the services provided by the MSH and METO have seen significant population growth. Efforts are underway to enhance treatment methods and security and to create operational efficiencies, and to ensure that cost effective services are provided.

## Key Measures

⇒ *Percent of patients who are qualified for community-based treatment and supervision and are receiving community-based treatment and supervision.* SOS is developing community-based treatment options for patients who no longer need the level of security and supervision in the of the MSH and METO programs. It is estimated that these programs will be available during fiscal year 2008.

### Activity Funding

The MSH and the METO program are funded by appropriations from the General Fund.

### Contact

For more information on SOS Services, contact

- State Operated Services Chief Executive Officer Mike Tessneer, (651) 431-2369
- State Operated Services Chief Operating Officer Fran Bly, (651) 431-3688

Information is also available on the DHS web site: http://www.dhs.state.mn.us

# HUMAN SERVICES DEPT
## Program: STATE OPERATED SERVICES
### Activity: MSH & METO

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Direct Appropriations by Fund*** | | | | | |
| **General** | | | | | |
| Current Appropriation | 69,068 | 79,569 | 79,569 | 79,569 | 159,138 |
| **Technical Adjustments** | | | | | |
| Current Law Base Change | | | 2,658 | 2,683 | 5,341 |
| **Forecast Base** | **69,068** | **79,569** | **82,227** | **82,252** | **164,479** |
| ***Expenditures by Fund*** | | | | | |
| **Direct Appropriations** | | | | | |
| General | 57,306 | 89,141 | 82,227 | 82,252 | 164,479 |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 629 | 817 | 817 | 817 | 1,634 |
| Miscellaneous Agency | 1,695 | 1,703 | 1,703 | 1,703 | 3,406 |
| Endowment | 0 | 1 | 1 | 1 | 2 |
| **Total** | **59,630** | **91,662** | **84,748** | **84,773** | **169,521** |
| ***Expenditures by Category*** | | | | | |
| Total Compensation | 49,416 | 64,339 | 66,997 | 67,022 | 134,019 |
| Other Operating Expenses | 7,656 | 24,716 | 15,144 | 15,144 | 30,288 |
| Capital Outlay & Real Property | 5 | 0 | 0 | 0 | 0 |
| Payments To Individuals | 2,561 | 2,607 | 2,607 | 2,607 | 5,214 |
| Other Financial Transactions | (8) | 0 | 0 | 0 | 0 |
| **Total** | **59,630** | **91,662** | **84,748** | **84,773** | **169,521** |
| ***Full-Time Equivalents (FTE)*** | **805.9** | **998.7** | **998.7** | **998.7** | |

## Activity Description

State Operated Services' (SOS) Enterprise Services operate in the marketplace with other providers, funded solely through revenues collected from third-party payment sources. These services focus on providing treatment and residential care for adults and children who may pose a public safety risk with chemical dependency, acquired brain injury, behavioral health issues, and developmental disabilities.

## Population Served

Enterprise Services programs serve

- ♦ people with chemical abuse or dependency problems;
- ♦ people with acquired brain injuries;
- ♦ children and adolescents with severe emotional disturbances; and
- ♦ people who are developmentally disabled (DD).

### Activity at a Glance

- ♦ Provides treatment for chemical abuse or dependency to approximately 4,733 people annually.
- ♦ Provides services to approximately 160 clients with acquired brain injuries per year.
- ♦ Provides treatment for emotional disturbances to approximately 500 children and adolescents per year.
- ♦ Provides services to approximately 470 people in community residential sites across Minnesota.
- ♦ Provides day treatment and habilitation to approximately 750 people with developmental disabilities.

## Services Provided

Enterprise Services includes a variety of programs:

- ⇒ Chemical Addiction Recovery Enterprise (CARE) programs provide inpatient and outpatient treatment to persons with chemical dependency and substance abuse problems. Programs are operated in Anoka, Brainerd, Carlton, Fergus Falls, St. Peter, and Willmar.
- ⇒ The Minnesota Neurorehabilitation Services (MNS), located at Brainerd, provides outreach and intensive rehabilitation services to people with acquired brain injury who have challenging behaviors. The MNS program serves the entire state of Minnesota.
- ⇒ Child and Adolescent Behavioral Health Services (CABHS) provides an array of services ranging from in-home crisis intervention to hospital level of care. CABHS does this with its own staff and by partnering with other caregivers and contracting with private providers. This is a statewide program providing hospital-level care in Brainerd and Willmar.
- ⇒ SOS community-based residential services for people with disabilities typically are provided in four-bed group homes. Individual service agreements are negotiated with the counties for each client based on his/her needs. Clients take advantage of and are integrated into the daily flow of their community.
- ⇒ Day Training and Habilitation (DT&H) programs provide vocational support services to people with disabilities and include evaluation, training, and supported employment. Individual service agreements are negotiated for each client.

## Historical Perspective

Changes in the funding structure for chemical dependency treatment moved SOS chemical dependency programs into enterprise services in 1988. In 1999, the legislature adopted statutory language that allowed SOS to establish other enterprise services. These services are defined as the range of services, which are delivered by state employees, needed by people with disabilities, and are fully funded by public or private third-party health insurance or other revenue sources. SOS specializes in providing these services to vulnerable people for whom no other providers are available or for whom SOS may be the provider selected by the payer. As such, these services fill a need in the continuum of services for vulnerable people with disabilities by providing services not otherwise available.

## Key Measures

⇒ *Percent of people civilly committed to chemical dependency treatment who receive services in the appropriate secure setting.* Currently, when a person is civilly committed for chemical dependency treatment, options include providing a secure setting with an improper level of access to appropriate treatment, or providing appropriate treatment with an improper level of security. The SOS CARE program will be developing added security capacity during FY 2008 to ensure proper treatment at the proper site.

## Activity Funding

Enterprise Services is supported solely through collections from third party payment sources including:

- ♦ Commercial and private insurance;
- ♦ individual or self-pay; and
- ♦ publicly funded payers (such as counties, Medical Assistance, Medicare, or the Consolidated Chemical Dependency Treatment Fund.).

## Contact

For more information on Enterprise Services, contact:

- ♦ State Operated Services Chief Executive Officer Mike Tessneer, (651) 431-2369
- ♦ State Operated Services Chief Operating Officer Fran Bly, (651) 431-3688

Information is also available on the DHS web site: http://www.dhs.state.mn.us.

# HUMAN SERVICES DEPT
## Program: STATE OPERATED SERVICES
### Activity: ENTERPRISE SERVICES

Budget Activity Summary

*Dollars in Thousands*

| | Current | | Forecast Base | | Biennium |
|---|---|---|---|---|---|
| | FY2006 | FY2007 | FY2008 | FY2009 | 2008-09 |
| ***Expenditures by Fund*** | | | | | |
| **Statutory Appropriations** | | | | | |
| Misc Special Revenue | 0 | 90 | 0 | 0 | 0 |
| Gift | 1 | 1 | 1 | 1 | 2 |
| Revenue Based State Oper Serv | 75,381 | 77,443 | 77,443 | 77,443 | 154,886 |
| Mn Neurorehab Hospital Brainer | 17,616 | 17,470 | 17,470 | 17,470 | 34,940 |
| Dhs Chemical Dependency Servs | 17,535 | 18,574 | 18,574 | 18,574 | 37,148 |
| **Total** | **110,533** | **113,578** | **113,488** | **113,488** | **226,976** |
| ***Expenditures by Category*** | | | | | |
| Total Compensation | 84,771 | 87,473 | 87,473 | 87,473 | 174,946 |
| Other Operating Expenses | 23,898 | 24,724 | 24,634 | 24,634 | 49,268 |
| Capital Outlay & Real Property | 525 | 77 | 77 | 77 | 154 |
| Payments To Individuals | 919 | 889 | 889 | 889 | 1,778 |
| Other Financial Transactions | 420 | 415 | 415 | 415 | 830 |
| **Total** | **110,533** | **113,578** | **113,488** | **113,488** | **226,976** |
| ***Full-Time Equivalents (FTE)*** | **1,564.1** | **1,561.7** | **1,561.7** | **1,561.7** | |

Dollars in Thousands

| | Actual FY2006 | Budgeted FY2007 | Current Law FY2008 | Current Law FY2009 | Biennium 2008-09 |
|---|---|---|---|---|---|
| ***Non Dedicated Revenue:*** | | | | | |
| **Departmental Earnings:** | | | | | |
| General | 56,783 | 54,077 | 65,644 | 66,094 | 131,738 |
| **Grants:** | | | | | |
| General | 3,019 | 17,652 | 17,815 | 18,304 | 36,119 |
| **Other Revenues:** | | | | | |
| General | 107,056 | 144,276 | 107,483 | 100,690 | 208,173 |
| Health Care Access | 4,196 | 5,129 | 4,219 | 4,092 | 8,311 |
| **Taxes:** | | | | | |
| General | 205,282 | 206,081 | 209,706 | 214,606 | 424,312 |
| **Total Non-Dedicated Receipts** | **376,336** | **427,215** | **404,867** | **403,786** | **808,653** |
| ***Dedicated Receipts:*** | | | | | |
| **Departmental Earnings (Inter-Agency):** | | | | | |
| Misc Special Revenue | 108 | 125 | 100 | 100 | 200 |
| **Departmental Earnings:** | | | | | |
| General | 5,200 | 5,594 | 5,667 | 5,740 | 11,407 |
| Health Care Access | 20,644 | 19,244 | 20,809 | 21,003 | 41,812 |
| Misc Special Revenue | 8,002 | 8,513 | 7,821 | 7,665 | 15,486 |
| Federal | 18,027 | 13,770 | 14,055 | 13,667 | 27,722 |
| Miscellaneous Agency | 1 | 0 | 0 | 0 | 0 |
| Revenue Based State Oper Serv | 72,953 | 78,003 | 78,003 | 78,003 | 156,006 |
| Mn Neurorehab Hospital Brainer | 17,331 | 17,533 | 17,533 | 17,533 | 35,066 |
| Dhs Chemical Dependency Servs | 15,337 | 18,825 | 18,825 | 18,825 | 37,650 |
| **Grants:** | | | | | |
| General | 52,788 | 31,836 | 50,904 | 53,444 | 104,348 |
| Misc Special Revenue | 56,970 | 64,362 | 37,158 | 38,041 | 75,199 |
| Federal | 3,794,048 | 4,123,219 | 4,315,494 | 4,581,806 | 8,897,300 |
| **Other Revenues:** | | | | | |
| General | 5,387 | 8,571 | 8,460 | 8,460 | 16,920 |
| Health Care Access | 26 | 0 | 0 | 0 | 0 |
| Misc Special Revenue | 103,044 | 113,923 | 106,935 | 105,278 | 212,213 |
| Federal | 24,452 | 960 | 960 | 960 | 1,920 |
| Miscellaneous Agency | 620,510 | 658,609 | 658,163 | 658,018 | 1,316,181 |
| Gift | 21 | 16 | 14 | 14 | 28 |
| Endowment | 2 | 1 | 1 | 1 | 2 |
| Revenue Based State Oper Serv | 793 | 1,073 | 1,073 | 1,073 | 2,146 |
| Mn Neurorehab Hospital Brainer | 117 | 101 | 101 | 101 | 202 |
| Dhs Chemical Dependency Servs | 215 | 200 | 200 | 200 | 400 |
| **Other Sources:** | | | | | |
| Miscellaneous Agency | 3,044 | 181,782 | 181,482 | 181,482 | 362,964 |
| **Total Dedicated Receipts** | **4,819,020** | **5,346,260** | **5,523,758** | **5,791,414** | **11,315,172** |
| **Agency Total Revenue** | **5,195,356** | **5,773,475** | **5,928,625** | **6,195,200** | **12,123,825** |