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Human Services

mn.gov/dhs

AT A GLANCE

- Health care programs (Medical Assistance, MinnesotaCare) — 1,168,680 people on average enrolled per month in 2019
- Supplemental Nutrition Assistance Program (SNAP) — over 426,000 people received help each month in 2019
- Minnesota Family Investment Program and Diversionary Work Program — about 29,000 families with low incomes assisted per month in 2019
- Child support — more than 332,000 custodial and noncustodial parents and their 230,000 children receive services
- Child care assistance — more than 15,349 families assisted in a month in 2019
- Adults receiving publicly funded mental health services — 16,493 people per month in 2019[1]
- Children and youth receiving publicly funded mental health services — 7,479 per month in 2019[2]
- DHS Direct Care and Treatment provided services to more than 12,000 individuals in 2019
- In FY 2019 DHS all funds spending was $17.8 billion[i]

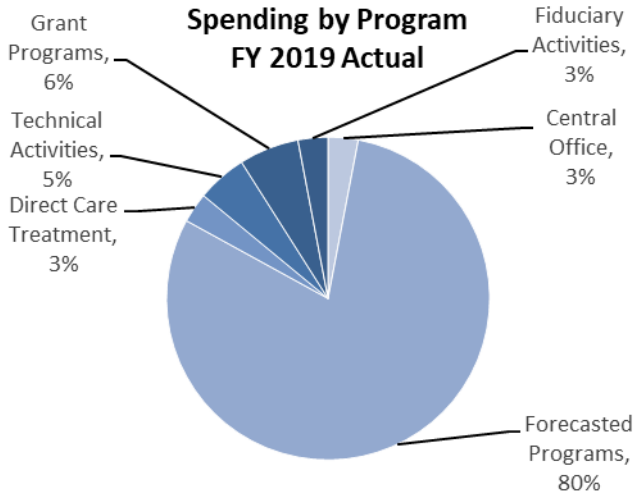
PURPOSE

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

- We focus on people, not programs.
- We provide ladders up and safety nets for the people we serve.
- We work in partnership with others; we cannot do it alone.
- We are accountable for results, first to the people we serve and, ultimately, to all Minnesotans.

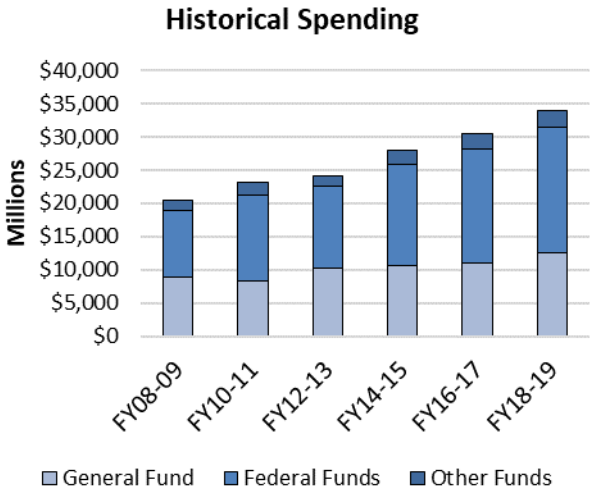
[1] 2019 URS report, MH-CLD
[2] Ibid.

BUDGET



Represents all funds spending. Forecasted Programs includes: Medical Assistance 89%, MinnesotaCare 3%, Economic support programs 6%, and other health care programs 2%. Direct Care and Treatment (DCT) includes Minnesota Sex Offender Program and State-Operated Services

Source: Budget Planning & Analysis System (BPAS)



Source: Consolidated Fund Statement

Minnesota has a strong tradition of providing human services for people in need so they can live as independently as possible, and of working to ensure that Minnesotans with disabilities are able to live, work and enjoy life in the most integrated setting desired. DHS provides oversight and direction for most health and human services programs, making sure providers meet service expectations. Most services are delivered directly to people by counties, tribes, health care providers or other community partners. Some DHS employees provide direct care and treatment to people with mental illness, chemical dependency and developmental disabilities as well as to individuals civilly committed for sex offender treatment. Examples of our work include:

- Health care programs which purchase medical care and related home- and community-based services for children, seniors, people with disabilities and people with low incomes.
- Economic assistance programs which provide assistance to low-income Minnesotans to help them move toward greater independence.
- Services to children who have suffered abuse or neglect, to assure their safety and well-being, and early intervention services to children at-risk of abuse or neglect.
- Grant programs to support local delivery of human services for populations in need, including recent refugee immigrant populations, adults and children with mental illness or substance abuse problems, people who are deaf or hard of hearing, seniors and vulnerable adults.
- Direct care provided through a statewide array of institutional and community-based services. Services are targeted to people experiencing mental illness, chemical dependency, developmental disabilities and/or an acquired brain injury, some of whom are civilly committed by the court because they may pose a risk to themselves or others.
- Residential services and treatment to people who are committed by the court as a sexual psychopathic personality or a sexually dangerous person.

STRATEGIES

We have launched the DHS Strategic Plan 2020-2022, with three key initiatives and nine goals. Work on 31 strategies under the goals will shape improved programs and services for the people DHS serves and will create a brighter future for Minnesota.

Key Initiative: Our Stand

Better health, fuller life and lower cost for Minnesotans working to achieve their highest potential.

Goals:

1. Extend the reach and impact of our programs across all communities.
2. Reduce disparities and make access to services easy.
3. Increase partnership, engagement and public confidence in our services.

Key Initiative: Culture of Equity

Commitment to a culture of equity that advances equitable outcomes for communities across Minnesota.

Goals:

1. Institutionalize equity practices across the agency.
2. Provide employees with the tools and skills to establish equity in the workplace.

Key Initiative: Operational Excellence

National ranking as a well-run state agency.

Goals:

1. Rebuild trust with our partners, with the people we serve and with all Minnesotans.
2. Improve workplace culture and employee experience.
3. Improve the delivery of technology across the human services system.
4. Reduce DHS's carbon footprint.

The Department of Human Services' overall legal authority comes from Minnesota Statutes chapters 245 (https://www.revisor.mn.gov/statutes?id=245) and 256. (https://www.revisor.mn.gov/statutes/?id=256) We list additional program-specific legal authority at the end of each budget activity narrative.

[i] Excludes Fiduciary and Technical Activities

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	6,286,751	6,322,373	6,439,370	6,377,297	7,858,126	8,014,003	7,909,527	8,041,092
1200 - State Government Special Rev	3,917	4,188	4,311	4,310	4,299	4,299	4,299	4,299
1251 - COVID-19 Minnesota			114	3,905				
2000 - Restrict Misc Special Revenue	352,425	390,702	300,396	141,165	152,773	144,217	157,245	150,036
2001 - Other Misc Special Revenue	425,570	422,655	365,636	605,254	543,334	547,333	539,166	539,821
2005 - Opiate Epidemic Response				8,389	10,674	12,577	10,674	12,577
2360 - Health Care Access	445,196	509,568	664,428	691,818	868,959	847,983	868,952	845,227
2403 - Gift	19	7	3	71	1,271	68	1,271	68
3000 - Federal	9,259,699	9,057,619	10,082,930	11,759,779	11,651,870	11,657,502	11,651,870	11,657,502
3001 - Federal TANF	268,270	264,459	228,844	278,538	277,221	272,169	291,026	287,644
3010 - Coronavirus Relief			24,057	247,480				
4100 - SOS TBI & Adol Ent Svcs	1,544	1,496	1,432	1,465	1,465	1,465	1,465	1,465
4101 - DHS Chemical Dependency Servs	15,367	14,179	16,378	19,038	19,070	19,070	19,070	19,070
4350 - MN State Operated Comm Svcs	111,722	113,473	111,996	116,344	111,163	95,394	111,163	95,394
4503 - Minnesota State Industries	1,562	1,148	1,164	1,606	1,606	1,606	1,606	1,606
4800 - Lottery	1,787	1,816	1,553	1,958	1,896	1,896	1,896	1,896
4925 - Paid Family Medical Leave								574
6000 - Miscellaneous Agency	33,964	26,664	16,859	215,893	214,492	214,492	214,492	214,492
6003 - Child Support Enforcement	591,132	587,214	615,778	640,415	640,415	640,415	640,415	640,415
Total	**17,798,924**	**17,717,559**	**18,875,249**	**21,114,725**	**22,358,634**	**22,474,489**	**22,424,137**	**22,513,178**
Biennial Change				4,473,490		4,843,149		4,947,341
Biennial % Change				13		12		12
Governor's Change from Base								104,192
Governor's % Change from Base								0
Expenditures by Program								
Central Office Operations	590,078	578,427	586,516	699,341	561,881	531,803	579,563	552,197
Forecasted Programs	14,171,148	14,056,010	15,071,521	16,285,172	18,104,531	18,425,883	18,115,941	18,401,136
Grant Programs	1,141,249	1,139,764	1,369,587	1,881,714	1,485,662	1,327,078	1,489,474	1,329,885
Direct Care and Treatment	485,908	507,104	523,308	555,862	531,216	515,444	566,426	559,193
Fiduciary Activities	621,844	610,831	629,799	851,088	849,687	849,687	849,687	849,687
Technical Activities	842,130	876,375	746,147	895,638	879,707	878,644	880,115	879,052

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
DHS Federal Admin Reimbursement	(53,432)	(50,952)	(51,630)	(54,090)	(54,050)	(54,050)	(57,069)	(57,972)
Total	**17,798,924**	**17,717,559**	**18,875,249**	**21,114,725**	**22,358,634**	**22,474,489**	**22,424,137**	**22,513,178**

Expenditures by Category

Compensation	594,792	637,612	684,219	724,254	684,483	666,700	725,226	720,191
Operating Expenses	1,076,924	1,061,727	963,447	1,190,141	788,955	760,915	801,512	771,975
Grants, Aids and Subsidies	15,564,104	15,462,613	16,643,054	18,597,448	20,282,133	20,443,811	20,297,355	20,421,871
Capital Outlay-Real Property	8,783	1,820	607					
Other Financial Transaction	607,754	604,739	635,552	656,972	657,113	657,113	657,113	657,113
Total Before DHS Federal Admin Reimbursement	**17,852,356**	**17,768,511**	**18,926,879**	**21,168,815**	**22,412,684**	**22,528,539**	**22,481,206**	**22,571,150**
DHS Federal Admin Reimbursement	(53,432)	(50,952)	(51,630)	(54,090)	(54,050)	(54,050)	(57,069)	(57,972)
Total	**17,798,924**	**17,717,559**	**18,875,249**	**21,114,725**	**22,358,634**	**22,474,489**	**22,424,137**	**22,513,178**
Total Agency Expenditures	17,798,924	17,717,559	18,875,249	21,114,725	22,358,634	22,474,489	22,424,137	22,513,178
Internal Billing Expenditures			68,310	95,125	94,430	94,311	94,838	94,719
Expenditures Less Internal Billing	**17,798,924**	**17,717,559**	**18,806,939**	**21,019,600**	**22,264,204**	**22,380,178**	**22,329,299**	**22,418,459**

Full-Time Equivalents	**6,749.17**	**6,995.97**	**7,122.24**	**7,091.22**	**6,931.92**	**6,715.67**	**7,241.66**	**7,077.21**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In	1,370	280,735	5,354	25,806				
Direct Appropriation	6,822,805	6,582,854	7,221,020	6,594,392	8,110,963	8,284,765	8,161,215	8,308,264
Receipts	754	896	794	935	1,280	1,380	1,280	1,380
Transfers In	117,076	151,405	121,355	90,193	47,022	23,191	46,322	22,491
Transfers Out	338,971	387,407	356,806	295,380	265,030	259,224	260,162	251,012
Cancellations	237,442	270,832	490,841	2,500				
Balance Forward Out	43,620	3,064	25,807					
Expenditures	**6,321,972**	**6,354,587**	**6,475,069**	**6,413,446**	**7,894,235**	**8,050,112**	**7,948,655**	**8,081,123**
DHS Federal Admin Reimbursement	(35,221)	(32,214)	(35,699)	(36,149)	(36,109)	(36,109)	(39,128)	(40,031)
Expenditures after Federal Admin Reimbursement	**6,286,751**	**6,322,373**	**6,439,370**	**6,377,297**	**7,858,126**	**8,014,003**	**7,909,527**	**8,041,092**
Biennial Change in Expenditures				207,543		3,055,462		3,133,952
Biennial % Change in Expenditures				2		24		24
Governor's Change from Base								78,490
Governor's % Change from Base								0
Full-Time Equivalents	3,915.24	4,121.31	4,297.23	4,319.41	4,257.95	4,224.67	4,560.69	4,569.21

1200 - State Government Special Rev								
Balance Forward In		375		11				
Direct Appropriation	4,274	4,287	4,299	4,299	4,299	4,299	4,299	4,299
Open Appropriation	18	19	22					
Transfers In		13						
Transfers Out		13						
Cancellations		492						
Balance Forward Out	375		11					
Expenditures	**3,917**	**4,188**	**4,311**	**4,310**	**4,299**	**4,299**	**4,299**	**4,299**
Biennial Change in Expenditures				516		(23)		(23)
Biennial % Change in Expenditures				6		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	37.31	37.82	37.00	37.99	37.99	37.99	37.99	37.99

1251 - COVID-19 Minnesota

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Balance Forward In				1,905				
Direct Appropriation			2,018	2,000	0	0	0	0
Balance Forward Out			1,904					
Expenditures			**114**	**3,905**				
Biennial Change in Expenditures				4,019		(4,019)		(4,019)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents				1.00				

2000 - Restrict Misc Special Revenue

Balance Forward In	51,676	58,611	73,764	30,017	24,917	23,237	24,917	23,237
Direct Appropriation	2,913							
Receipts	229,547	266,283	156,750	135,544	150,408	142,334	154,880	148,153
Transfers In	127,951	135,722	140,916	7,222	6,950	7,147	6,950	7,147
Transfers Out	7,254	11,165	41,132	6,701	6,265	6,462	6,265	6,462
Balance Forward Out	52,407	62,240	29,903	24,917	23,237	22,039	23,237	22,039
Expenditures	**352,425**	**390,702**	**300,396**	**141,165**	**152,773**	**144,217**	**157,245**	**150,036**
Biennial Change in Expenditures				(301,565)		(144,571)		(134,280)
Biennial % Change in Expenditures				(41)		(33)		(30)
Governor's Change from Base								10,291
Governor's % Change from Base								3
Full-Time Equivalents	194.48	206.70	157.73	165.07	163.25	162.84	170.25	179.84

2001 - Other Misc Special Revenue

Balance Forward In	136,110	123,783	31,027	20,267	17,544	17,544	17,544	17,544
Receipts	244,323	213,900	225,321	405,401	323,967	311,865	323,967	311,865
Transfers In	278,616	309,436	331,967	513,382	427,033	421,895	422,865	414,383
Transfers Out	176,631	197,109	202,410	316,252	207,666	184,981	207,666	184,981
Balance Forward Out	56,849	27,355	20,268	17,544	17,544	18,990	17,544	18,990
Expenditures	**425,570**	**422,655**	**365,636**	**605,254**	**543,334**	**547,333**	**539,166**	**539,821**
Biennial Change in Expenditures				122,665		119,777		108,097
Biennial % Change in Expenditures				14		12		11

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Governor's Change from Base								(11,680)
Governor's % Change from Base								(1)
Full-Time Equivalents	468.69	494.77	529.91	536.54	536.04	536.04	536.04	536.04

2005 - Opiate Epidemic Response

Direct Appropriation				13,828	10,674	12,577	10,674	12,577
Transfers Out				5,439				
Expenditures				**8,389**	**10,674**	**12,577**	**10,674**	**12,577**
Biennial Change in Expenditures				8,389		14,862		14,862
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents				2.00	2.00	2.00	2.00	2.00

2360 - Health Care Access

Balance Forward In	12	4,221	124	49				
Direct Appropriation	446,453	509,613	663,293	682,914	858,615	839,967	858,608	837,211
Open Appropriation	158	159	177	158	158	158	158	158
Receipts	36,577	35,552	30,816	37,386	38,264	35,309	38,264	35,309
Transfers In	14,177	20,963	3,863	3,806				
Transfers Out	27,443	34,843	15,061	14,554	10,137	9,510	10,137	9,510
Cancellations	5,964	7,359	2,802					
Balance Forward Out	564	1	50					
Expenditures	**463,407**	**528,306**	**680,359**	**709,759**	**886,900**	**865,924**	**886,893**	**863,168**
DHS Federal Admin Reimbursement	(18,211)	(18,738)	(15,931)	(17,941)	(17,941)	(17,941)	(17,941)	(17,941)
Expenditures after Federal Admin Reimbursement	**445,196**	**509,568**	**664,428**	**691,818**	**868,959**	**847,983**	**868,952**	**845,227**
Biennial Change in Expenditures				401,483		360,696		357,933
Biennial % Change in Expenditures				42		27		26
Governor's Change from Base								(2,763)
Governor's % Change from Base								(0)
Full-Time Equivalents	348.90	340.22	332.69	336.32	336.32	336.32	336.32	336.32

2400 - Endowment

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Balance Forward In	61	62	64	65	66	67	66	67
Receipts	1	1	1	1	1	1	1	1
Balance Forward Out	62	64	65	66	67	68	67	68

2403 - Gift

Balance Forward In	83	78	74	76	71	66	71	66
Receipts	10	3	4	66	1,266	66	1,266	66
Balance Forward Out	73	74	75	71	66	64	66	64
Expenditures	**19**	**7**	**3**	**71**	**1,271**	**68**	**1,271**	**68**
Biennial Change in Expenditures				49		1,265		1,265
Biennial % Change in Expenditures				190		1,703		1,703
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Balance Forward In	169,679	358,972	487,789	357,814	38,938	87	38,938	87
Receipts	9,359,557	9,183,676	9,952,953	11,440,903	11,613,019	11,657,502	11,613,019	11,657,502
Transfers In	200		50					
Transfers Out	200		50					
Balance Forward Out	269,538	485,029	357,812	38,938	87	87	87	87
Expenditures	**9,259,699**	**9,057,619**	**10,082,930**	**11,759,779**	**11,651,870**	**11,657,502**	**11,651,870**	**11,657,502**
Biennial Change in Expenditures				3,525,391		1,466,663		1,466,663
Biennial % Change in Expenditures				19		7		7
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	187.40	196.06	216.90	223.69	216.94	216.94	216.94	216.94

3001 - Federal TANF

Balance Forward In	62,989	61,366	60,907	92,800	99,523	83,328	99,523	83,328
Receipts	261,295	261,069	260,737	285,261	261,026	261,026	274,831	276,501
Balance Forward Out	56,014	57,976	92,800	99,523	83,328	72,185	83,328	72,185
Expenditures	**268,270**	**264,459**	**228,844**	**278,538**	**277,221**	**272,169**	**291,026**	**287,644**
Biennial Change in Expenditures				(25,347)		42,008		71,288

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Biennial % Change in Expenditures				(5)		8		14
Governor's Change from Base								29,280
Governor's % Change from Base								5
Full-Time Equivalents	11.89	14.92	16.30	17.46	17.46	17.46	17.46	17.46

3010 - Coronavirus Relief

Balance Forward In				105				
Direct Appropriation			24,162	246,471	0	0	0	0
Receipts				904				
Balance Forward Out			105					
Expenditures			**24,057**	**247,480**				
Biennial Change in Expenditures				271,537		(271,537)		(271,537)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

4100 - SOS TBI & Adol Ent Svcs

Balance Forward In	369	339	302	540	542	544	542	544
Receipts	1,506	1,458	1,670	1,467	1,467	1,467	1,467	1,467
Balance Forward Out	331	301	540	542	544	546	544	546
Expenditures	**1,544**	**1,496**	**1,432**	**1,465**	**1,465**	**1,465**	**1,465**	**1,465**
Biennial Change in Expenditures				(143)		33		33
Biennial % Change in Expenditures				(5)		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	23.93	23.17	21.40	20.50	20.05	19.84	20.05	19.84

4101 - DHS Chemical Dependency Servs

Balance Forward In	465	1,519	2,469	1,648				
Receipts	9,507	8,605	9,119	9,952	12,632	12,632	12,632	12,632
Transfers In	6,438	6,438	6,438	7,438	6,438	6,438	6,438	6,438
Balance Forward Out	1,043	2,383	1,648					
Expenditures	**15,367**	**14,179**	**16,378**	**19,038**	**19,070**	**19,070**	**19,070**	**19,070**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Biennial Change in Expenditures				5,870		2,724		2,724
Biennial % Change in Expenditures				20		8		8
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	121.08	122.98	141.33	145.97	142.97	141.46	142.97	141.46

4350 - MN State Operated Comm Svcs

Balance Forward In	1,208	2,744	6,396	8,992	6,596		6,596	
Receipts	104,064	106,102	102,895	98,919	98,445	89,272	98,445	89,272
Transfers In	9,090	10,981	11,697	15,029	6,122	6,122	6,122	6,122
Balance Forward Out	2,640	6,355	8,992	6,596				
Expenditures	**111,722**	**113,473**	**111,996**	**116,344**	**111,163**	**95,394**	**111,163**	**95,394**
Biennial Change in Expenditures				3,145		(21,783)		(21,783)
Biennial % Change in Expenditures				1		(10)		(10)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1,439.25	1,436.33	1,369.51	1,282.72	1,198.40	1,017.56	1,198.40	1,017.56

4503 - Minnesota State Industries

Balance Forward In	1,507	1,946	2,286	2,625	2,269	1,913	2,269	1,913
Receipts	1,920	1,454	1,502	1,250	1,250	1,250	1,250	1,250
Balance Forward Out	1,864	2,252	2,625	2,269	1,913	1,557	1,913	1,557
Expenditures	**1,562**	**1,148**	**1,164**	**1,606**	**1,606**	**1,606**	**1,606**	**1,606**
Biennial Change in Expenditures				60		442		442
Biennial % Change in Expenditures				2		16		16
Governor's Change from Base								0
Governor's % Change from Base								0

4800 - Lottery

Balance Forward In		81		62				
Direct Appropriation	1,896	1,896	1,896	1,896	1,896	1,896	1,896	1,896
Open Appropriation	1	0	1					
Cancellations	28	161	282					

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Balance Forward Out	81		62					
Expenditures	**1,787**	**1,816**	**1,553**	**1,958**	**1,896**	**1,896**	**1,896**	**1,896**
Biennial Change in Expenditures				(92)		281		281
Biennial % Change in Expenditures				(3)		8		8
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.00	1.00	1.08	1.00	1.00	1.00	1.00	1.00

4925 - Paid Family Medical Leave

Direct Appropriation								574
Expenditures								**574**
Biennial Change in Expenditures				0		0		574
Biennial % Change in Expenditures								
Governor's Change from Base								574
Governor's % Change from Base								

6000 - Miscellaneous Agency

Balance Forward In	3,289	3,848	4,612	4,400	3,400	3,373	3,400	3,373
Receipts	34,503	27,367	16,648	214,893	214,465	214,465	214,465	214,465
Transfers In	107							
Transfers Out	107							
Balance Forward Out	3,828	4,550	4,401	3,400	3,373	3,346	3,373	3,346
Expenditures	**33,964**	**26,664**	**16,859**	**215,893**	**214,492**	**214,492**	**214,492**	**214,492**
Biennial Change in Expenditures				172,124		196,232		196,232
Biennial % Change in Expenditures				284		84		84
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents		0.69	1.16	1.55	1.55	1.55	1.55	1.55

6003 - Child Support Enforcement

Balance Forward In	10,624	10,279	9,695	20,037	20,037	20,037	20,037	20,037
Receipts	590,826	586,630	626,121	640,415	640,415	640,415	640,415	640,415
Balance Forward Out	10,318	9,695	20,037	20,037	20,037	20,037	20,037	20,037
Expenditures	**591,132**	**587,214**	**615,778**	**640,415**	**640,415**	**640,415**	**640,415**	**640,415**
Biennial Change in Expenditures				77,848		24,637		24,637

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Biennial % Change in Expenditures				7		2		2
Governor's Change from Base								0
Governor's % Change from Base								0

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Direct				
Fund: 1000 - General				
FY2021 Appropriations	**7,280,910**	**7,280,910**	**7,280,910**	**14,561,820**
Base Adjustments				
All Other One-Time Appropriations		(1,735)	(1,735)	(3,470)
Current Law Base Change		752,849	1,003,578	1,756,427
Approved Transfer Between Appropriation		0	0	0
Forecast Open Appropriation Adjustment		(16,029)	(16,029)	(32,058)
November Forecast Adjustment	(692,529)	94,968	18,041	113,009
Forecast Base	**6,588,381**	**8,110,963**	**8,284,765**	**16,395,728**
Change Items				
Direct Care and Treatment Operating Adjustment		31,547	36,423	67,970
Self-Directed Workforce Union Contract		21,304	48,834	70,138
Combined Homelessness Proposal: Emergency Shelter, HMIS, Community Living Infrastructure Grants		10,716	10,752	21,468
Child Care Assistance Program (CCAP) Maximum Rate Update		10	2	12
Economic Assistance Cash Program Uniformity		544	1,837	2,381
Aabinoojiiyag-Wakanheza Un Thantanhanpi (Tribal Training and Certification Partnership)		1,012	993	2,005
Family First Prevention Services Act Implementation Requirements		1,136	1,227	2,363
School Linked Mental Health Grants (MDE)	6,011			
Federal Compliance for Northstar Care for Children		3,592	9	3,601
Address Supplemental Nutrition Assistance Program (SNAP) Error Rate		1,019	875	1,894
Case Management Redesign and Reform		700	200	900
Expanding Integrated Care for High-Risk Pregnant Women		998	668	1,666
Minnesota Health Care Program (MHCP) Extending 90-Day Prescription Refills and Dispensing Fee Change		(3,090)	(3,962)	(7,052)
Telemedicine Expansion in Minnesota Health Care Programs		2,687	3,407	6,094
Continuous Access to Public Transportation Through Non-Emergency Medical Transportation (NEMT)		31	35	66
Redesign Outreach Activities for Child and Teen Checkup Program		(802)	(1,603)	(2,405)
Waiver Reimagine Phase II		1,438	691	2,129
Ensuring Equitable Access to Aging and Disability Service Programs		190	235	425
Mental Health Uniform Service Standards		367	381	748
Compliance with Interoperability and Patient Access Regulations		402	100	502
FBI Compliance for Background Studies		904	381	1,285
DHS Operating Adjustment		6,310	12,620	18,930
BRC Strategy: Uniform Administration of the Pharmacy and Dental Benefits			(15,497)	(15,497)
BRC Strategy: Expand Use of Encounter Alerting System		(1,299)	(923)	(2,222)
Blue Ribbon Commission (BRC) Program Integrity Strategies		535	452	987
BRC Strategy: Family Foster Care Rate Tiers; Customized Living Program Integrity;and Obsolete Grants		(2,082)	(14,462)	(16,544)

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
BRC Strategy: Uniform Administration of Non-Emergency Medical Transportation		6	(21,833)	(21,827)
BRC Strategy: Durable Medical Equipment (DME) Rate Methodology		(725)	(1,865)	(2,590)
Substance Use Disorder Reform Package		(4,968)	(10,433)	(15,401)
Realigning Behavioral Health Grants		(2,666)	(2,665)	(5,331)
Realign Disability Grants		(4,474)	(4,474)	(8,948)
Acuity-Based Customized Living Rates and Closing Corporate Foster Care Moratorium Loophole		(342)	(1,911)	(2,253)
Refinance General Fund Spending in MFIP		(13,805)	(13,805)	(27,610)
Right Size Minnesota Food Assistance Program (MFAP) Grants		(700)	(700)	(1,400)
Rate Reform for Remote Service Provisions		(243)	(2,490)	(2,733)
Total Governor's Recommendations	**6,594,392**	**8,161,215**	**8,308,264**	**16,469,479**
Fund: 1200 - State Government Special Rev				
FY2021 Appropriations	**4,299**	**4,299**	**4,299**	**8,598**
Forecast Base	**4,299**	**4,299**	**4,299**	**8,598**
Total Governor's Recommendations	**4,299**	**4,299**	**4,299**	**8,598**
Fund: 1251 - COVID-19 Minnesota				
FY2021 Appropriations	**2,000**	**2,000**	**2,000**	**4,000**
Base Adjustments				
All Other One-Time Appropriations		(2,000)	(2,000)	(4,000)
Forecast Base	**2,000**	**0**	**0**	**0**
Total Governor's Recommendations	**2,000**	**0**	**0**	**0**
Fund: 2005 - Opiate Epidemic Response				
FY2021 Appropriations	**13,828**	**13,828**	**13,828**	**27,656**
Base Adjustments				
Current Law Base Change		5,379	5,379	10,758
November Forecast Adjustment		(8,533)	(6,630)	(15,163)
Forecast Base	**13,828**	**10,674**	**12,577**	**23,251**
Total Governor's Recommendations	**13,828**	**10,674**	**12,577**	**23,251**
Fund: 2360 - Health Care Access				
FY2021 Appropriations	**721,802**	**721,802**	**721,802**	**1,443,604**
Base Adjustments				
Current Law Base Change		155,495	91,454	246,949
Approved Transfer Between Appropriation		0	0	0
November Forecast Adjustment	(38,888)	(18,682)	26,711	8,029
Forecast Base	**682,914**	**858,615**	**839,967**	**1,698,582**
Change Items				

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
BRC Strategy: Uniform Administration of the Pharmacy and Dental Benefits			(2,747)	(2,747)
Blue Ribbon Commission (BRC) Program Integrity Strategies		(7)	(9)	(16)
Total Governor's Recommendations	**682,914**	**858,608**	**837,211**	**1,695,819**
Fund: 3010 - Coronavirus Relief				
FY2021 Appropriations	**246,471**	**246,471**	**246,471**	**492,942**
Base Adjustments				
All Other One-Time Appropriations		(246,471)	(246,471)	(492,942)
Forecast Base	**246,471**	**0**	**0**	**0**
Total Governor's Recommendations	**246,471**	**0**	**0**	**0**
Fund: 4800 - Lottery				
FY2021 Appropriations	**1,896**	**1,896**	**1,896**	**3,792**
Base Adjustments				
Approved Transfer Between Appropriation		0	0	0
Forecast Base	**1,896**	**1,896**	**1,896**	**3,792**
Total Governor's Recommendations	**1,896**	**1,896**	**1,896**	**3,792**
Fund: 4925 - Paid Family Medical Leave				
Change Items				
Paid Family Medical Leave Insurance			574	574
Total Governor's Recommendations			**574**	**574**
Open				
Fund: 2360 - Health Care Access				
Base Adjustments				
Forecast Open Appropriation Adjustment	158	158	158	316
Forecast Base	**158**	**158**	**158**	**316**
Total Governor's Recommendations	**158**	**158**	**158**	**316**
Dedicated				
Fund: 1000 - General				
Planned Spending	**2,769**	**1,280**	**1,380**	**2,660**
Forecast Base	**2,769**	**1,280**	**1,380**	**2,660**
Change Items				
Realigning Behavioral Health Grants	(1,000)			
Total Governor's Recommendations	**1,769**	**1,280**	**1,380**	**2,660**
Fund: 2000 - Restrict Misc Special Revenue				

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Planned Spending	**141,165**	**152,773**	**144,217**	**296,990**
Forecast Base	**141,165**	**152,773**	**144,217**	**296,990**
Change Items				
Background Studies Transition to Fee Schedule		4,043	5,390	9,433
Adding New Background Studies Partners		408	408	816
EIDBI Background Study		21	21	42
Total Governor's Recommendations	**141,165**	**157,245**	**150,036**	**307,281**
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	**605,254**	**543,334**	**547,333**	**1,090,667**
Forecast Base	**605,254**	**543,334**	**547,333**	**1,090,667**
Change Items				
Substance Use Disorder Reform Package		(4,168)	(7,512)	(11,680)
Total Governor's Recommendations	**605,254**	**539,166**	**539,821**	**1,078,987**
Fund: 2360 - Health Care Access				
Planned Spending	**37,395**	**38,264**	**35,309**	**73,573**
Forecast Base	**37,395**	**38,264**	**35,309**	**73,573**
Total Governor's Recommendations	**37,395**	**38,264**	**35,309**	**73,573**
Fund: 2403 - Gift				
Planned Spending	**71**	**1,271**	**68**	**1,339**
Forecast Base	**71**	**1,271**	**68**	**1,339**
Total Governor's Recommendations	**71**	**1,271**	**68**	**1,339**
Fund: 3000 - Federal				
Planned Spending	**11,759,779**	**11,651,870**	**11,657,502**	**23,309,372**
Forecast Base	**11,759,779**	**11,651,870**	**11,657,502**	**23,309,372**
Total Governor's Recommendations	**11,759,779**	**11,651,870**	**11,657,502**	**23,309,372**
Fund: 3001 - Federal TANF				
Planned Spending	**254,303**	**277,221**	**272,169**	**549,390**
Forecast Base	**254,303**	**277,221**	**272,169**	**549,390**
Change Items				
Economic Assistance Cash Program Uniformity			1,670	1,670
One-Time Minnesota Family Investment Payment	24,235			
Refinance General Fund Spending in MFIP		13,805	13,805	27,610
Total Governor's Recommendations	**278,538**	**291,026**	**287,644**	**578,670**
Fund: 4100 - SOS TBI & Adol Ent Svcs				

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Planned Spending	**1,465**	**1,465**	**1,465**	**2,930**
Forecast Base	**1,465**	**1,465**	**1,465**	**2,930**
Total Governor's Recommendations	**1,465**	**1,465**	**1,465**	**2,930**
Fund: 4101 - DHS Chemical Dependency Servs				
Planned Spending	**19,038**	**19,070**	**19,070**	**38,140**
Forecast Base	**19,038**	**19,070**	**19,070**	**38,140**
Total Governor's Recommendations	**19,038**	**19,070**	**19,070**	**38,140**
Fund: 4350 - MN State Operated Comm Svcs				
Planned Spending	**116,344**	**111,163**	**95,394**	**206,557**
Forecast Base	**116,344**	**111,163**	**95,394**	**206,557**
Total Governor's Recommendations	**116,344**	**111,163**	**95,394**	**206,557**
Fund: 4503 - Minnesota State Industries				
Planned Spending	**1,606**	**1,606**	**1,606**	**3,212**
Forecast Base	**1,606**	**1,606**	**1,606**	**3,212**
Total Governor's Recommendations	**1,606**	**1,606**	**1,606**	**3,212**
Fund: 6000 - Miscellaneous Agency				
Planned Spending	**215,893**	**214,492**	**214,492**	**428,984**
Forecast Base	**215,893**	**214,492**	**214,492**	**428,984**
Total Governor's Recommendations	**215,893**	**214,492**	**214,492**	**428,984**
Fund: 6003 - Child Support Enforcement				
Planned Spending	**640,415**	**640,415**	**640,415**	**1,280,830**
Forecast Base	**640,415**	**640,415**	**640,415**	**1,280,830**
Total Governor's Recommendations	**640,415**	**640,415**	**640,415**	**1,280,830**
DHS Federal Admin Reimbursement				
Fund: 1000 - General				
Forecast Federal Administrative Reimbursement	**(36,138)**	**(36,109)**	**(36,109)**	**(72,218)**
Change Items				
Self-Directed Workforce Union Contract		(32)	(24)	(56)
Combined Homelessness Proposal: Emergency Shelter, HMIS, Community Living Infrastructure Grants		(230)	(240)	(470)
Family First Prevention Services Act Implementation Requirements		(360)	(393)	(753)
School Linked Mental Health Grants (MDE)	(11)			
Address Supplemental Nutrition Assistance Program (SNAP) Error Rate		(212)	(237)	(449)
Case Management Redesign and Reform		(224)	(64)	(288)

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Expanding Integrated Care for High-Risk Pregnant Women		(34)	(39)	(73)
Telemedicine Expansion in Minnesota Health Care Programs		(10)		(10)
Waiver Reimagine Phase II		(191)	(203)	(394)
Ensuring Equitable Access to Aging and Disability Service Programs		(61)	(75)	(136)
Mental Health Uniform Service Standards		(126)	(124)	(250)
FBI Compliance for Background Studies		(132)	(117)	(249)
DHS Operating Adjustment		(847)	(1,694)	(2,541)
BRC Strategy: Uniform Administration of the Pharmacy and Dental Benefits			(377)	(377)
BRC Strategy: Expand Use of Encounter Alerting System		(317)	(422)	(739)
Blue Ribbon Commission (BRC) Program Integrity Strategies		(199)	(226)	(425)
BRC Strategy: Uniform Administration of Non-Emergency Medical Transportation			359	359
Acuity-Based Customized Living Rates and Closing Corporate Foster Care Moratorium Loophole		(44)	(46)	(90)
Total Governor's Recommendations	**(36,149)**	**(39,128)**	**(40,031)**	**(79,159)**
Fund: 2360 - Health Care Access				
Forecast Federal Administrative Reimbursement	**(17,941)**	**(17,941)**	**(17,941)**	**(35,882)**
Total Governor's Recommendations	**(17,941)**	**(17,941)**	**(17,941)**	**(35,882)**
Revenue Change Summary				
Dedicated				
Fund: 1000 - General				
Forecast Revenues	**935**	**1,280**	**1,380**	**2,660**
Total Governor's Recommendations	**935**	**1,280**	**1,380**	**2,660**
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	**135,544**	**150,408**	**142,334**	**292,742**
Change Items				
Background Studies Transition to Fee Schedule		4,043	5,390	9,433
Adding New Background Studies Partners		408	408	816
EIDBI Background Study		21	21	42
Total Governor's Recommendations	**135,544**	**154,880**	**148,153**	**303,033**
Fund: 2001 - Other Misc Special Revenue				
Forecast Revenues	**405,401**	**323,967**	**311,865**	**635,832**
Total Governor's Recommendations	**405,401**	**323,967**	**311,865**	**635,832**
Fund: 2360 - Health Care Access				
Forecast Revenues	**37,386**	**38,264**	**35,309**	**73,573**

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Total Governor's Recommendations	**37,386**	**38,264**	**35,309**	**73,573**
Fund: 2400 - Endowment				
Forecast Revenues	**1**	**1**	**1**	**2**
Total Governor's Recommendations	**1**	**1**	**1**	**2**
Fund: 2403 - Gift				
Forecast Revenues	**66**	**1,266**	**66**	**1,332**
Total Governor's Recommendations	**66**	**1,266**	**66**	**1,332**
Fund: 3000 - Federal				
Forecast Revenues	**11,440,903**	**11,613,019**	**11,657,502**	**23,270,521**
Total Governor's Recommendations	**11,440,903**	**11,613,019**	**11,657,502**	**23,270,521**
Fund: 3001 - Federal TANF				
Forecast Revenues	**261,026**	**261,026**	**261,026**	**522,052**
Change Items				
Economic Assistance Cash Program Uniformity			1,670	1,670
One-Time Minnesota Family Investment Payment	24,235			
Refinance General Fund Spending in MFIP		13,805	13,805	27,610
Total Governor's Recommendations	**285,261**	**274,831**	**276,501**	**551,332**
Fund: 4100 - SOS TBI & Adol Ent Svcs				
Forecast Revenues	**1,467**	**1,467**	**1,467**	**2,934**
Total Governor's Recommendations	**1,467**	**1,467**	**1,467**	**2,934**
Fund: 4101 - DHS Chemical Dependency Servs				
Forecast Revenues	**9,952**	**12,632**	**12,632**	**25,264**
Total Governor's Recommendations	**9,952**	**12,632**	**12,632**	**25,264**
Fund: 4350 - MN State Operated Comm Svcs				
Forecast Revenues	**98,919**	**98,445**	**89,272**	**187,717**
Total Governor's Recommendations	**98,919**	**98,445**	**89,272**	**187,717**
Fund: 4503 - Minnesota State Industries				
Forecast Revenues	**1,250**	**1,250**	**1,250**	**2,500**
Total Governor's Recommendations	**1,250**	**1,250**	**1,250**	**2,500**
Fund: 6000 - Miscellaneous Agency				
Forecast Revenues	**214,893**	**214,465**	**214,465**	**428,930**

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Total Governor's Recommendations	**214,893**	**214,465**	**214,465**	**428,930**
Fund: 6003 - Child Support Enforcement				
Forecast Revenues	**640,415**	**640,415**	**640,415**	**1,280,830**
Total Governor's Recommendations	**640,415**	**640,415**	**640,415**	**1,280,830**
Non-Dedicated				
Fund: 1000 - General				
Forecast Revenues	**445,504**	**448,432**	**458,581**	**907,013**
Change Items				
Direct Care and Treatment Operating Adjustment		6,909	7,756	14,665
Blue Ribbon Commission (BRC) Program Integrity Strategies		1,038	1,440	2,478
County Share for Child and Adolescent Behavioral Health Hospital (CABHH)		1,229	1,229	2,458
Total Governor's Recommendations	**445,504**	**457,608**	**469,006**	**926,614**
Fund: 1200 - State Government Special Rev				
Forecast Revenues	**4,395**	**4,395**	**4,395**	**8,790**
Total Governor's Recommendations	**4,395**	**4,395**	**4,395**	**8,790**

Change Item Title: Direct Care and Treatment Operating Adjustment

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	$31,547	$36,423	$36,423	$36,423
Revenues	($6,909)	($7,756)	($7,756)	($7,756)
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	$24,638	$28,667	$28,667	$28,667
FTEs Maintained	**260.49**	**299.79**	**299.79**	**299.79**

Recommendation:

Effective July 1, 2021, the Governor recommends appropriating $68 million in the FY 2022-23 biennium to provide an operating increase for the Department of Human Services (DHS) Direct Care and Treatment (DCT) services. This appropriation will provide the resources DCT needs to cover the full cost of care for 12,000 patients and clients with mental illness, chemical dependency and disabilities without further reduction in services at a time when there is extreme pressure to treat more and more individuals.

This funding request increases the total base appropriations for Direct Care and Treatment by approximately 9% for the FY 2022-23 biennium.

Rationale/Background:

DCT treatment facilities provide care 24 hours a day, 365 days a year. Because of the nature of their work, the facilities are by necessity staff-intensive operations. Personnel costs make up more than 85% of the total operating expenditures for DCT programs and services. Each year, compensation expenses rise due to growing insurance costs, non-discretionary step increases, and pension obligations. Negotiated labor contract settlements also play a major role in rising compensation costs.

Over the past four years, the Legislature has approved funding for approximately 550 new FTEs – mainly at DCT inpatient mental health facilities – to improve the safety and security for patients and staff by increasing the staff-to-patient ratios. When faced with fiscal pressures outside its control, the only cost-containment recourse DCT has is to hold positions open, which in turn reduces a program's ability to serve patients and clients. As a highly regulated health care system, DCT cannot operate programs without sufficient staffing to provide safe and effective treatment. To do so invites punitive action from state and federal regulators.

Without an increase in base funding, DCT will have no choice but to scale back and eliminate programs and services. Layoffs will be inevitable. Because there are substantial separation costs associated with layoffs, the resulting cuts to programs and services must go significantly deeper than the requested operating adjustment in order to generate enough savings to allow the administration to operate within available funding.

History of Direct Care and Treatment

The first state hospital in Minnesota opened at St. Peter in 1866 to care for people with mental illness. The 1989 Regional Treatment Center Task Force Legislative Report notes that the hospitals were the response to a social reform movement linking the therapeutic concept of "asylum" with the good of society. Social reformers believed that in peaceful rural settings, people with mental illness and intellectual disabilities would receive treatment and

shelter from abuse and exploitation. “At the same time, society would be protected from their sometimes threatening behaviors.” (Regional Treatment Center Task Force Legislative Report, https://mn.gov/mnddc/past/pdf/80s/89/89-RTC-RTC.pdf.)

Minnesota's system of state hospitals expanded rapidly, with the opening of Fergus Falls in 1890, Anoka in 1900, Willmar in 1912, Cambridge in 1925, Moose Lake in 1938, and Brainerd in 1958. At the peak of the state hospital system in 1960, the state, which was viewed as the primary provider of services to individuals with mental illness and developmental disabilities, operated 11 hospitals where more than 15,000 individuals received care each day.

During the 1960s, opinions regarding institutionalization changed and people began moving from state hospitals to community settings. Accordingly, by 1970, the population of individuals served in the state hospitals decreased to less than 9,000 per day.

In 1985, several of the state hospitals became regional treatment centers – offering both inpatient and outpatient services. Several hospitals closed and the state developed a more community-based approach to the care and treatment of the individuals formerly housed in these large facilities. Over time, many of the regional treatment centers also closed as the state consolidated its services.

Today’s Modern Integrated Health Care System

Today, DCT is a complex health care system that cares for 12,000 patients and clients each year, people that other community providers either cannot or will not serve. DCT operates:

- Eight acute care psychiatric hospitals in communities throughout Minnesota, including the only state-operate psychiatric hospital for children and teens;
- Secure and transitional residential facilities in St. Peter that provide secure, safe and effective treatment for patients civilly committed as mentally ill and dangerous;
- A secure forensic nursing home in St. Peter, which is the only state-operated facility of its kind in Minnesota;
- Three transitional facilities in Greater Minnesota for patients with mental illness who need inpatient treatment but not a hospital level of care;
- Five inpatient addiction treatment facilities;
- Five special-care dental clinics for patients with disabilities
- A statewide network of community-based residential and vocational services for people with disabilities; and
- The nation’s largest treatment program for civilly committed sex offenders, which operates campuses in Moose Lake and St. Peter

DCT employs nearly 36 psychiatrists and primary care physicians; 44 advanced-practice registered nurses; a much larger contingent of registered nurses and licensed practical nurses; and a wide variety of therapists and other health care professionals. Altogether, more than 5,000 staff provide services in DCT facilities. In addition, DCT contracts for professional services when necessary.

In 2021, DCT’s annual operational plan is taking several steps toward becoming an even more integrated health care delivery system. These include:

- Continuously improving the clinical quality, safety and outcomes of care while proactively identifying and addressing risk and health disparities;
- Ensuring comprehensive and individualized treatment and support delivered with a lens on safety, respect, equity, and dignity while working with community partners to assure consistency and continuity of care;

- Recruiting, retaining and developing a diverse and culturally responsive workforce while improving workplace culture and employee experience including support for equitable leadership development and succession planning;
- Maintaining and enhancing financial viability and stewardship to operate as an integrated health system; and
- Maintaining and preparing technology platforms and applications that address continuum of care needs, ensures staff, patient, technological advancements, and public safety resulting in a fully functioning electronic patient medical record and an integrated electronic health record to ensure continuum of care into the community.

Proposal:

This proposal increases base funding to allow DCT to cover projected costs without significantly impacting services to patients and clients.

Compensation increases as well as insufficient rate increases within DCT Enterprise programs resulted in the need for increased base funding.

DCT received one-time funding during the 2020 legislative session to address the FY 2021 deficit – and announced programmatic reductions that have reduced funding needs.

Equity and Inclusion:

Direct Care and Treatment (DCT) plays a vital role in the state's system of services for people with disabilities or behavioral health needs. DCT serves the patients and clients most in need – those whose conditions are so complex or severe that other providers cannot or will not serve them – without exception.

Fiscal Detail:

The recommended funding will close the gap between operating expenditures and available funding. Operating expenditures include personnel and non-personnel expense as well as indirect expense for enterprise programs. Available funding includes General Fund Appropriations as well as anticipated revenue from allowable rates for enterprise programs.

Personnel expense includes, but is not limited to: full- and part- time salary, overtime, premium pay, fringe benefits, and workers compensation and unemployment insurance.

Non-personnel expense includes: food, drugs, medical supplies, building maintenance and repairs, utilities, professional contracts, and all other costs associated with operating a health care system 24 hours a day, 365 days a year.

Indirect expense includes, but is not limited to: statewide, DHS and DCT overhead expense.

DCT bills Medical Assistance (MA), Medicare, counties, private health insurance and individual clients. Revenue collected from programs solely operating with general fund appropriations is deposited within the state's overall general fund and not retained by the program. Revenue collected from enterprise programs is retained by the program.

IT Related Proposals:

This proposals does not require additional IT support.

Results:

Funding this recommendation will ensure that DCT has the resources needed to maintain current staffing levels to continue to provide treatment and services to individuals with mental illness, developmental disabilities, substance use disorders, and those committed to the Minnesota Sex Offender Program.

Fiscal Tracking:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			24,638	28,667	53,305	28,667	28,667	57,334
HCAF								
Federal TANF								
Other Fund								
Total All Funds			24,638	28,667	53,305	28,667	28,667	57,334
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	61	MHSATS	13,743	14,906	28,649	14,906	14,906	29,812
GF	62	CBS	1,519	2,576	4,095	2,576	2,576	5,152
GF	63	Forensic Services	5,395	6,562	11,957	6,562	6,562	13,124
GF	64	MSOP	2,548	3,632	6,180	3,632	3,632	7,264
GF	65	DCT Operations	8,342	8,747	17,089	8,747	8,747	17,494
		Total Expenditures	31,547	36,423	67,970	36,423	36,423	72,846
GF	Rev2	Cost of Care Collections	(6,909)	(7,756)	(14,665)	(7,756)	(7,756)	(15,512)
		Net General Fund Impact	24,638	28,667	53,305	28,667	28,667	57,334
		FTE's Maintained						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	61	MHSATS	121.06	129.95		129.95	129.95	
GF	62	CBS	14.86	24.88		24.88	24.88	
GF	63	Forensic Services	44.96	54.15		54.15	54.15	
GF	64	MSOP	22.33	31.50		31.50	31.50	
GF	65	DCT Operations	57.28	59.30		59.30	59.30	
		Total FTEs Maintained	260.49	299.79		299.79	299.79	

Federal Citation:

N/A

Change Item Title: Self-Directed Workforce Union Contract

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	21,272	48,810	51,903	54,421
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	21,272	48,810	51,903	54,421
FTEs	**0**	**0**	**0**	**0**

Request:

The Governor recommends allocation of funds to meet the State of Minnesota's contractual obligations in the collective bargaining agreement with Service Employees International Union (SEIU) Healthcare Minnesota for FY 2022-2023. The overall cost to the general fund for the FY 22-23 biennium is $70.82 million and $106.4 million in FY 24-25.

Rationale/Background:

The 2013 Legislature authorized collective bargaining for individual providers of direct support services (Laws of Minnesota 2013, chapter 128, article 2). In August 2014, workers in self-directed programs in the state voted to form a union. The union includes workers in the Personal Care Assistance (PCA) Choice program, and the other self-directed programs, Consumer Directed Community Supports, and the Consumer Support Grant. This union's exclusive representative is the Service Employees International Union (SEIU). The current contract between the state of Minnesota and these workers' exclusive representative, SEIU Healthcare Minnesota, will expire June 30, 2021. The state completed negotiations for a new contract in January 2021 with SEIU. This proposal funds contractual obligations for FY 2022-2023 based on the terms of the negotiated contract.

This proposal increases impacted service rates and budgets in the Medical Assistance (MA) program in order to fund wage and benefit changes in the contract. While SEIU does not represent all Personal Care Assistance (PCA) workers, federal requirements do not allow differential payment rates based on union membership. The rate increase proposed for PCA services and CDCS and CSG budgets would provide funding to enable provider agencies and participant-employers to pay a wage floor of $14.40 once federal approval of the rate increase is achieved and a wage floor of $15.25 beginning July 1, 2022. The rate increase would also enable provider agencies and participant-employers to fund an improved paid time off benefit of 1 hour of paid time off for every 30 hours an individual provider works. Funding these terms and conditions better positions providers and participant-employers in Minneapolis and Saint Paul to meet local ordinances for minimum wages and sick and safe leave.

This proposal also includes both grant and administrative funding in the FY22-23 biennium to implement the agreement. This funding allows DHS to continue its work with bargaining unit members to develop voluntary training opportunities for individual providers, offering stipends for the completion of training, and tracking the completion of training requirements related to the enhanced rate in PCA services and enhanced budgets in CDCS and CSG. Additionally, funding is being sought for a new study of the feasibility of a tiered wage structure for individual providers. In the context of an ongoing direct support workforce shortage crisis, exploring ways to professionalize this workforce and create career advancement opportunities is a key strategy to recruit and retain direct support workers.

Proposal:

Funding the terms and conditions negotiated between the State and SEIU Healthcare Minnesota, which represents direct support workers in Personal Care Assistance Choice, Community First Services and Supports (CFSS), Consumer Directed Community Supports (CDCS), and Consumer Support Grants (CSG) programs, requires that the State increase the rate that Medical Assistance pays for personal care assistance (PCA) services as well as budgets for participants in Consumer-Directed Community Supports and the Consumer Support Grant program.

This proposal:

- Increases the wage floor from $13.25 to $14.40 beginning October 1, 2021 or upon federal approval, whichever is later;
- Increases the wage floor from $14.40 to $15.25 beginning July 1, 2022;
- Increases the paid time off (PTO) accrual rate to one hour for every 30 hours worked;
- Increases the number of paid holidays from five to seven by adding two floating holidays;
- Provides $1,000,000 in grants for training stipends for individual providers who have completed designated voluntary trainings;
- Provides $25,000 in FY22 for a new study of the feasibility of a tiered wage structure for individual providers to help explore ways to professionalize the workforce and create career advancement opportunities; and
- Provides $75,000 in FY22 and FY23 to administer the grants.

Fiscal Impact:

The primary fiscal impact of this proposal is due to the increase in rates for personal care assistance (PCA) services and increased budgets for participants in Consumer-Directed Community Supports (CDCS) and the Consumer Support Grant (CSG) program.

Below are the rate and budget increases as a result of the wage floor, PTO accrual, and holiday pay changes in the negotiated contract. As detailed in the table below, on each effective date, one increase will be implemented for the PCA and CSG programs and a separate increase will be implemented for the CDCS program. This will ensure that service rates and budgets reflect the cost required of agencies to implement wage floor and other benefit requirements in the agreement. The rate and budget increases in this proposal are subject to federal approval.

Effective Date	**Program**	**Percentage Increase**
Oct. 1, 2021, or upon federal approval, whichever is later	PCA/CSG	4.14%
	CDCS	1.58%
Additional rate increase on July 1, 2022	PCA/CSG	2.95%
	CDCS	0.81%
Total rate increase from current rate to July 1, 2022 rate as a result of the Collective Bargaining Agreement	*PCA/CSG*	7.22%
	CDCS	2.40%

In addition to MA program impacts, this proposal includes both grant and administrative funding as follows.

The grant costs for implementing the agreement include the following:

- $1,000,000 in grants for training stipends in FY22 to be spent in FY22 and FY23. This funding will be available in both years of the biennium. Each stipend is available for individual providers who have completed designated, voluntary trainings. This funding is one time and not ongoing.

The administrative costs in this proposal include:

- $25,000 in FY22 for a new study of the feasibility of a tiered wage structure for individual providers. This would help explore ways to professionalize the workforce and create career advancement opportunities to recruit and retain direct support workers.

- $75,000 in both FY22 and FY23 for administering the grants. This work includes enrolling workers in trainings, tracking the trainings that workers complete, ensuring that workers are eligible for stipends, and sending workers their stipends.

Equity and Inclusion:

PCA services are foundational services that meet the needs of a diverse population and support over 40,000 people to live in the community. Individual PCA workers go into people's homes to help them with day-to-day activities, such as bathing, eating, dressing and other activities of daily living. These services provide people with the support they need to remain in their homes.

The PCA program is one of the most diverse long-term service and support programs in Minnesota. In state fiscal year 2019, 54% of program participants were people of color or Native American, compared to a statewide population of 21%. Approximately 40% of PCA recipients were non-Hispanic white, compared to an estimated 79% of Minnesotans statewide.

People with disabilities and older adults who rely on direct support services to live, work, and participate in their communities are facing a severe shortage of workers to provide these essential services. The difficulty finding and retaining direct support workers puts people who rely on those services at risk of neglect and hospitalization. The workforce shortage jeopardizes their ability to remain in the most integrated settings possible in accordance with Minnesota's Olmstead Plan. Two primary strategies to mitigate the direct support workforce shortage are attracting additional workers to the profession and improving the retention rate of existing workers. Increased wages and benefits for workers is a tactic to advance both of those strategies. When comparing PCA rates to the average reimbursement rates for providing other home and community-based services, PCA rates are well below the average. PCA rates have not kept pace with other comparable home and community-based services. Services that provide similar levels of direct care activities as PCA services are paid, at minimum, 40% higher in the disability waivers. This proposal would be a step towards remediating that disparity.

The need for skilled caregiving for people with disabilities and older adults is an equity issue. The intersections of gender, race and immigration status are reflected in the defining characteristics of direct care workers.

While DHS does not have data to illustrate PCA worker demographics in Minnesota, the Census Bureau publishes national data on "personal care aides." According to Census data from 2017, females comprise 82.5% of personal care aides. The same data shows that people of color and Indigenous people are represented disproportionally in the profession. People who are Black comprised 23.3% of the personal care aide workforce, compared to 12% representation in the general population. American Indian/Other Native people comprised 1.2% of the personal care aide workforce, compared to 0.55% of the general population.

In engagement with stakeholders around PCA services, many participants have shared that PCA services offer a culturally appropriate service that allows for community members to support each other. These community connections are supported by the data with the high occurrence of minority populations both as the recipients of PCA and PCA workers.

IT Related Proposals:

There are no IT resources needed for this proposal.

Category	*FY 2022*	*FY 2023*	*FY 2024*	*FY 2025*	*FY 2026*	*FY 2027*
Payroll						
Professional/Technical Contracts						
Infrastructure						
Hardware						
Software						
Training						
Enterprise Services						
Staff costs (MNIT or agency)						
Total						
MNIT FTEs						
Agency FTEs						

Results:

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quality	Increased staff retention rates in self-directed programs, increasing continuity of care for people receiving services	New		
Quantity	Increased number of staff working in the PCA, CSG, and CDCS program	New		

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
General Fund			21,272	48,810	70,082	51,903	54,421	106,324
HCAF								
Federal TANF								
Other Fund								
Total All Funds			21,272	48,810	70,082	51,903	54,421	106,324
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	33 LW	Medical Assistance LW	15,165	36,582	51,747	38,927	40,816	79,743
GF	33 ED	Medical Assistance Elderly and Disabled	4,839	11,692	16,531	12,457	13,061	25,518
GF	34	Alternative Care	200	485	685	519	544	1,063
GF	55	Disability Grants	1,000	0	1,000			
GF	15	CSA admin	100	75	175			
GF	REV1	Admin FFP-32%	(32)	(24)	(56)			
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**

Statutory Change(s): Session law; 256B.0659; 256B.85

Change Item Title: Background Studies Transition to Fee Schedule

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	4,043	5,390	5,390	5,390
Revenues	(4,043)	(5,390)	(5,390)	(5,390)
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**7**	**17**	**17**	**17**

Recommendation:

The Governor recommends removing the background study fees from statute, unchanged since 2005, and implementing a fee schedule that allows the Department of Human Services (DHS) to recover the actual costs of completing background studies. The legislatively established fee of $20 for many study types is well below the $42 average cost to conduct a study. The result is a net loss of roughly $22 for each of those studies, resulting in an annual structural deficit of $2.8 million in FY 2020 which is estimated to grow to $3.1 million in FY 2021, and $3.5 million in FY 2022. In FY 2020, DHS was able to leverage available funds from other accounts to mitigate the shortfall, and is projected to be able to do so in FY 2021, as well. However, this flexibility is not available beginning in FY 2022. Publication of the fee schedule would reflect an initial increase of $22 for studies currently set at $20 to enable DHS to address the structural deficit and to fund critical background studies positions to support Minnesota's workforce needs and the safety of children and vulnerable adults.

The Governor also recommends planning for the establishment of a fingerprint-based Federal Bureau of Investigation (FBI) study as the baseline DHS background study for adults aged 18 and older with standardized tiers of background studies consistent with federal and state requirements. Having a higher standard for a baseline study would provide greater protection to individuals served by department and partner organization programs while streamlining the study requirements. Study subjects would have more opportunities to transfer study results to future employers, resulting in saved costs and time for those individuals.

Rationale/Background:

The Background Studies Division (BGS) is statutorily responsible for performing many complex functions within a highly regulated industry while also operating as a fee-for-service enterprise. The funding model for the division relies heavily on special revenue generated from fees to support the operation, provide social impact and benefit, and maintain long-term sustainability. Unfortunately, rising costs associated with conducting background studies, coupled with the division's expanding, statorily-driven work responsibilities has significantly outgrown the revenue provided for by the current staturorily fixed fee schedule.

Since DHS began conducting background studies, significant changes have been made to laws and standards for many health and human services programs. These programs serve ever-increasing numbers of the state's most vulnerable child and adult populations. As a result of the changes, more provider types are required to submit background studies on new hires, and in some cases, studies must be submitted for their existing employees as well.

At the same time, the market demand for qualified employees in sectors serving vulnerable populations continues to rise, escalating concerns from providers, trade associations, and other employers about statutory enactments specific to background studies. Study subjects, employers, providers, and community agencies cite direct and

indirect workforce impacts in the areas of recruitment, selection, hiring, employee turnover, and job retention across sectors because of statutory background studies requirements. These requirements impact the workforce and may create an unintended workforce disparity.

This proposal ensures the division is able to: (1) meet the increased demand for studies, (2) respond effectively to the increasing complexity of studies, (3) avoid and remedy study backlogs, (4) address the statutorily-set background study fee cap which has remained unchanged since 2005, (5) address escalating costs, often paid to third parties, to conduct background studies and criminal history searches, and (6) benefit providers and their employees by standardizing studies so they can be transferred between employers.

Under the current funding constraints imposed by a statutorily mandated fee schedule, the division is unable to meet its statutory responsibilities to conduct critical background studies for positions that support Minnesota's workforce needs and protects the safety of children and vulnerable adults. This proposal establishes a sustainable funding model for operations, infrastructure, and staffing capacity to enable the division to respond to current study requirements and plan for future growth.

Current financial pressures

DHS conducts background studies for over 50 provider types, encompassing over 33,000 entities, many of which have unique study requirements outlined in Minnesota Statutes chapter 245C. The number of background study applications received by DHS has continuously increased. For example, in FY 2018, DHS received 330,624 background study applications; in FY 2019, the number increased by 11% to 372,139. This is a trend that is expected to continue.

The increase in study applications is driven in large part by the state and federal expansion of the provider types whose employees are statutorily subject to background studies. Federal and state background study requirements have also changed significantly in the past four years and have added to the complexity of studies requiring more staff time to complete. For example, the federal Child Care and Development Block Grant Act now requires a fingerprint-based FBI background study for all child care providers, while the federal Family First Prevention Services Act requires fingerprint-based FBI background studies for any individual employed by licensed children's residential facilities in any role. This lack of consistency between study types creates confusion for study subjects, providers, and policymakers

Greater volume and complexity also increases the expense of conducting studies, which DHS has limited ability to control. Fees that may be charged to providers by DHS for background studies are legislatively established. For example, Minnesota Statutes, section 245C.10 requires the commissioner to recover the costs of certain employment studies through fees of no more than $20 per study. The $20 fee was established in 2005 and has not increased in 15 years, failing to keep pace with rising costs. Other study fees are set elsewhere in statute or through interagency contracts and are difficult to change to reflect actual costs.

Third-party costs incurred by DHS when conducting background studies have increased while DHS fees have remained stagnant. DHS pays fees to the Minnesota Bureau of Criminal Apprehension (BCA) for each study, as well as fees to the FBI when FBI studies are required. Those fees are entirely outside DHS's control. For instance, when the FBI increased its study fee in January 2018 from $17 to $18.25 per study, DHS was unable to respond in order to recover that expense. In addition to the BCA and FBI fees, DHS is required to pay 10% of the total expenditures as indirect costs to support statewide financial administration.

As the table below illustrates, the third party costs alone exceed the $20 fee by $3.25; consequently, DHS is losing $3.25 per study in addition to all costs associated with processing studies.

Fixed Third Party Costs: $23.25	Current Study Fee: $20	Costs Not Covered by Fee:
• BCA $5 • FBI $18.25	$23.25 - $20 = -$3.25	• Research • Help Desk • Legal Analysis/ Appeals • NETStudy 2.0 System • Policy Analysis • Project Management • Administration

The financial strain created by DHS's inability to recover third party costs such as FBI fees is compounded by the increased demand for FBI studies. There was a 3% increase in FBI studies in FY 2017, followed by a 5% increase in FY 2018. The number jumped 28% in FY 2019, with 87,848 of the total 105,677 newly-mandated FBI studies in the category of employment studies, which has a legislatively mandated fee of $20 that was set before the higher level of study was required.

While demands for background studies, along with their costs, have steadily increased over the past several years, available funding to support the processing of background studies has decreased. General fund appropriations for this program have remained largely flat, and due to third-party cost increases described above, revenue generated from the increasing number of background studies is insufficient to cover base programmatic costs.

FY2020 Special Revenue Costs	
Total Expenses	$8,389,589
Revenue Collected	$5,591,319
Over/Under **	**($2,798,270)**
** Paid by 2020 General Fund Allotment	
2021 Special Revenue Projected Costs	
Salary	$5,896,893
Non-salary	$2,775,166
Subtotal	$8,672,059
10% Indirect Cost	$867,206
TOTAL Projected Cost	**$9,539,265**
Estimated Revenue	$6,418,274
Over/Under	**($3,120,991)**

The average cost of processing a background study is currently over $42, resulting in a net loss of roughly $22 per study for many of the study types processed by DHS.

The Background Study program is in structural deficit. For several years, the program absorbed cost increases by drawing down on surpluses within its special revenue fund. However, these surpluses were finally exhausted in FY 2019. As shown in the table on the right, that deficit has grown 11.5% in the span of one year: from $2.8 million in FY2020 to a projected $3.1 million in FY2021. That rate of growth suggests a projected deficit of $3.5 million in FY2022.[1]

With statutory limits on the ability of DHS to recover the actual costs of background studies, the department cannot correct its structural deficit, nor invest in the staff and infrastructure necessary to respond in a timely manner to the ever-growing demand for studies, and to eliminate and prevent backlogs. These impacts increase the risk to vulnerable populations, and generates significant uncertainty for service providers and their employees.

Proposal:

This proposal removes the specific fees for background studies listed in statute. Instead, Minnesota Statutes, section 245C.10 would authorize DHS to publish a fee schedule each fiscal year, effective July 1, 2021. The schedule would be published on the DHS public website 90 days before going into effect and would specify cost components such as FBI, BCA, and DHS processing fees. The initial fee schedule would be posted July 1, 2021, for implementation September 1, 2021. For subsequent years, the schedule would be posted on March 1 and implemented on July 1.

The initial fee schedule would include a $22 per-study fee increase for all background studies currently listed in statute with a fee of $20, allowing DHS to recover the cost of conducting the study. For entities that contract with DHS for studies, the per-transaction fee increase will be incorporated into the contracts. The fee increase calculation is based on the following components:

- $5 charged by the BCA to DHS
- $18.25 charged by the FBI to DHS
- $18.75 DHS processing fee, covering study expenses, including initial research and determination, rap back (continuously updated criminal record information after study has been completed), due process for disqualifications, and systems maintenance and updates.

The additional fee revenue would allow the division to increase staffing levels, resulting in more timely processing of background studies, greater ability to address backlogs, investment in needed systems enhancements, and additional stakeholder engagement.

This proposal would also support planning necessary to establish the fingerprint-based FBI study as the baseline DHS background study for adults aged 18 and older, and would provide standardized tiers of background studies, each with consistent components and requirements across study types in the same tier. Increasing the rigor of the baseline DHS study to a FBI study would provide greater protection to individuals served by department and partner organization programs and would offer greater transparency for study subjects, programs, and policymakers. Study subjects would benefit from more opportunities to transfer results to future employers.

The tiers of background study components would align with state and federal law, and studies within each tier would have similar requirements. For example, depending on the requirements of a study type, searching the child abuse and neglect registry, completing a comprehensive out-of-state check, or reviewing professional licensing registries would be done in addition to the FBI study. This tier structure also would have workforce benefits. Increasing uniformity across programs would result in greater transferability of background study determinations for study subjects and programs. BGS would introduce proposed changes to create the standardized study tiers during the 2022 legislative session.

This proposal streamlines processes and offsets some of the increased fee costs for providers and background study subjects by aligning background study requirements. Aligning the study requirements (which have been splintered over time by federal and state law changes), paired with clarifying that the background study determination can be transferred to other provider types, will reduce repeat background studies and related fingerprinting. Those changes also will make the background study process more transparent for policymakers because they will have several options for study requirements with clear, consistent components rather than requirements that vary by individual study type.

The overarching goals of the proposal are greater transparency and accountability that will result in 1) improved safety for people served by programs, 2) streamlined processes for study subjects, and 3) greater transferability of background study determinations for study subjects and programs. The new fee schedule will reflect actual costs for various study elements while ensuring transparency via publication of those costs.

Fiscal Impact:

The overall impact of the proposal would provide additional revenue in the Background Studies Special Revenue Fund in the amount of $9,433,000 in the 2022-2023 biennium and $10,780,000 in the 2024-2025 biennium. There would be no cost to the general fund.

	FY 2022	FY 2023
Current Projected Annual Budget without Fee Increase	$7,287	$7,287
Proposed Fee Increase	**$4,043**	**$5,390**
- Eliminate Structural Deficit in Special Revenue Fund	*$3,583*	*$3,483*
- New FTEs Required to Meet Statutory Obligations	*$460 (7 FTEs)*	*$1,907 (17 FTEs)*

Without an increase in fees, in FY 2022 and 2023, the annual budget for the background studies division would be $7,287,000 ($869k in General Fund allocation and $6,418,000 in Special Revenue from background study fees). An additional $9,433,000 is needed in FY 2022-23 to correct the structural deficit in the Special Revenue account and meet all statutory obligations. Of this amount, $7,066,000 is needed to eliminate the structural deficit, with an additional $2,367,000 needed to add staff necessary to meet statutory obligations. These obligations include accommodating the growth in number and complexity of studies, including the permanent elimination of the backlog.

The proposed change to the fee schedule would apply to approximately 245,000 studies annually, resulting in estimated annual revenue of $10,461,000 in FY 2022, and $11,808,000 in FY2023-25 in the special revenue fund. The proposal will fund fund 7 essential FTEs to the Background Studies Division in fiscal year 2022 and 17 essential FTEs in fiscal years 2023-2025.

These additional FTE, several of which have been previously planned for but remain unfunded, will increase the division's capacity to conduct studies and permanently eliminate study backlogs, and provide critical infrastructure support in the areas of training, IT, and general operations. These additional staff will also be integral in the planning and implementation of the study standardization project described above. On-boarding of the FTEs are projected to begin in January 2022. These FTEs include:

- 2 FTE as project managers (Human Services Program Representatives 2 – (convert 1 current temp to permanent, add 1 new) to work with internal and external stakeholders to plan and implement legislative/policy changes and innovations within the division, create/update process documentation, and onboard new providers.
- 1 FTE as analyst (Human Services Project Consultant) to conduct on-going policy analysis, research and plan legislation related to standardized study tiers.
- 4 FTE as researchers (Human Services Program Representatives 1 – convert 2 current temp to permanent, add 3 new) to conduct background studies.
- 1 FTE as a lead researcher (Human Services Program Specialists 1)–to conduct background studies and provide guidance to other researchers.
- 3 FTE as operations support specialists (Human Services Program Specialists 1) to support research teams and the contact center.
- 1 FTE as a supervisor (Human Services Supervisor 3) to manage the enterprise training team.
- 1 FTE as a lead trainer (Human Services Program Representative 2)–to conduct training and provide guidance to other trainers.
- 2 FTE as trainers (Human Services Program Representative 1)–(convert 1 current temp to permanent, add 1 new) to conduct training for background studies customers.

- 1 FTE as customer support specialist lead (Human Services Program Representative 2)– technical call center staff interface and troubleshoot entity/accountholders NETStudy 2.0 Help Desk. Provide guidance to other customer support staff.
- 1 FTE as customer support specialist (Human Services Program Representative 1)– technical call center staff interface and troubleshoot entity/accountholders NETStudy 2.0 Help Desk.

No additional costs for systems changes are anticipated because the required changes could be incorporated into the existing scope of work of the DHS-contracted partner's development schedule.

Impact on Children and Families:

The proposal protects the health, safety, and rights of those receiving services from DHS and other state agency programs while contributing to the availability of an appropriately vetted workforce for providers serving vulnerable children and adults.

Equity and Inclusion:

The proposal affects the safety and quality of child care and other programs serving children and vulnerable adults. Greater transferability of background study determinations for study subjects gives those individuals eligible to work greater job flexibility.

Results:

Success will be measured by 1) improved safety for people served by programs, 2) streamlined processes for study subjects, 3) greater transferability of background study determinations for study subjects and programs, and 4) publication of a fee schedule that reflects actual costs and is clear to stakeholders.

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			0	0	0	0	0	0
HCAF								
Federal TANF								
Total All Funds			0	0	0	0	0	0
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
DED	Rev1	Background Studies Fee Revenue	(4,043)	(5,390)	(9,433)	(5,390)	(5,390)	(10,780)
DED	11	Eliminate Background Studies Structural Deficit	3,583	3,483	7,066	3,512	3,512	7,024
DED	11	Background Studies staff	460	1,907	2,367	1,878	1,878	3,756
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	11	OPS-Background Studies FTEs – 6 months in FY22	7	17		17	17	

[1] In FY 2020, DHS was able to mitigate the shortfall in the Special Revenue fund through refinancing costs with available federal Child Care Development Block Grant funding. Based on current projections, the agency will be forced to rely on these funds in FY 2021, as well. However, this funding will be exhausted at the end of FY 2021, with no new funds available for FY 2022.

Change Item Title: Combined Homelessness Proposal: Emergency Shelter, HMIS, Community Living Infrastructure Grants

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	$10,486	$10,512	$10,512	$10,512
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	$10,486	$10,512	$10,512	$10,512
FTEs	**2.0**	**2.0**	**2.0**	**2.0**

Recommendation:

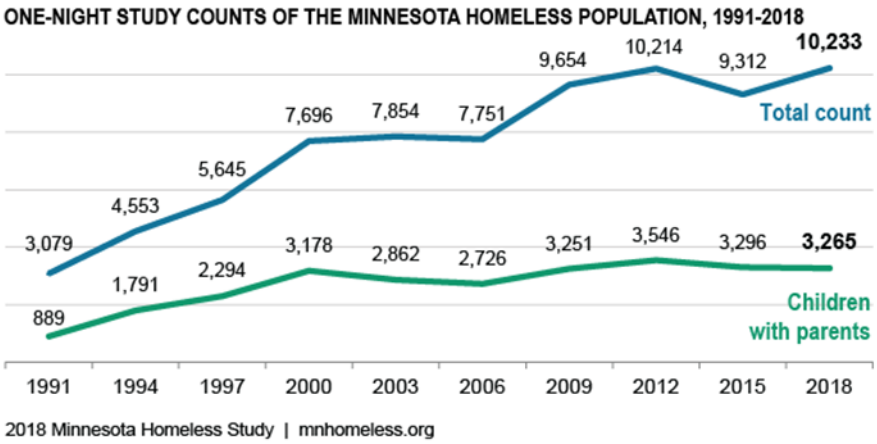
The Governor recommends critical investments to address the homelessness crisis in Minnesota. This proposal:

- Increases the biennial base funding for the state's Emergency Services Program by $10 million per biennium ($5 million per year) to provide more funding for emergency shelters. In addition to the increase in base funding, there is one FTE with this portion of the proposal;
- Establishes base funding for the Homeless Management Information System at $1 million per biennium ($500,000 per year), and;
- Increases funding in the Community Living Infrastructure Grant Program for counties and tribes to integrate housing into human services work by $10 million per biennium ($5 million per year). In addition to the added grant funding, there is one FTE with this portion of the proposal.

Rationale/Background:

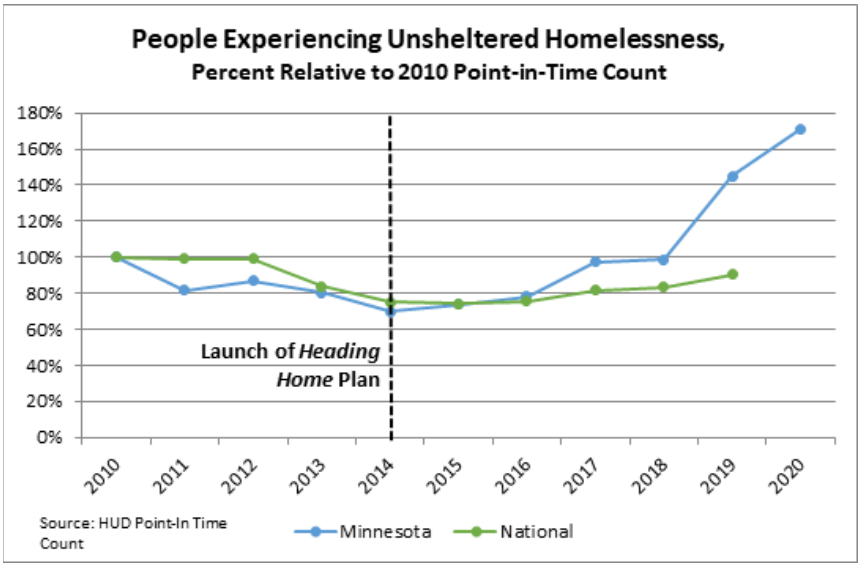
Homelessness is a crisis impacting communities all across the state. According to findings from the 2018 Minnesota Homeless Study's one-night count, the overall number of people in Minnesota experiencing homelessness increased from 9,312 in 2015 to 10,233 in 2018. This 10% jump from 2015 to 2018 is shown in Figure 1.

Figure 1 - Minnesota Homeless Study Counts, 1991-2018



In that same time period, the number of people in unsheltered homelessness increased dramatically as well. This trend is represented by the 2020 Point-in-Time count conducted by the U.S. Housing & Urban Development Agency shown in Figure 2. This crisis of unsheltered homelessness has been made more visible by the emergence of homeless camps across the state.

Figure 2 –People Experiencing Unsheltered Homelessness 2010-2020



Minnesota does not have enough homeless shelter capacity to meet the current need. The number of people experiencing homelessness not accessing formal shelter services (i.e. doubled up or staying outside) increased 62% from 2015 to 2018, according to the 2018 Minnesota Homeless Study. There is a significant need for additional investments in viable emergency shelter options, especially in Greater Minnesota, and particularly for situations requiring more than a one to two-night motel voucher. Many population centers in suburban and exurban counties lack options for year-round shelter (e.g. Rochester, Willmar, Brainerd, Alexandria, and Fergus Falls).

The increasing rate of Minnesotans who are homeless and without shelter across the state highlights the critical role of emergency shelters in the continuum of homeless services. Access to shelter not only offers a place to stay, it serves as a vital connection to the coordinated entry system and housing opportunities. Shelters can also provide services and/or make referrals for people seeking assistance in a variety of areas—child care, employment, health care, and other identified needs. The state's Homeless Management Information System (HMIS) is a key element in making these connections. The system collects information from all homeless service providers throughout the state, regarding the more than 20,000 homeless beds in emergency shelters, transitional housing programs, permanent supportive housing providers, homeless prevention programs, and other service providers in contact with people experiencing homelessness.

Addressing homelessness statewide also requires investment in housing as a basic component of county and tribal human services work. The Community Living Infrastructure Grant, which began in 2018, is currently the state's only funding in this type of infrastructure. The grant supports the housing-related needs of people with disabilities, or other individuals who face significant barriers in transitioning into community living, including individuals who have experienced homelessness. Grant funding can be used in one or more of these areas:

1. Outreach and education about housing for individuals who are homeless or in institutions or other facility stays.
2. Housing resource specialists to assist and educate individuals, family members, providers, advocates, and human service professionals about housing resources and opportunities in their region; and

3. Administration and monitoring of the Housing Support program by counties or tribes.

County and tribal governments report that Community Living Infrastructure funds are essential to have capacity to respond to housing and homeless crises, including the increase in unsheltered homelessness and impacts from the global pandemic.

A multi-layered approach is necessary to tackle the crisis of homelessness in Minnesota. Specifically:

- Supporting individuals in crisis with Emergency Services Program Funding to expand overnight shelter options;
- Connecting Minnesotans experiencing homelessness with housing resourcing and opportunities through the Homeless Management Information System; and
- Integrating housing into county and tribal human services work through the Community Living Infrastructure Grant Program.

Proposal:

This proposal includes three parts: (1) Increasing base funding of the Emergency Services Program, (2) Supporting the Homelessness Management Information System, and (3) Increasing funding for the Community Living Infrastructure Grant Program. All of the three components are necessary to more fully address homelessness in Minnesota and would be effective on July 1, 2021.

1. *Increasing base funding of the Emergency Services Program*

   This proposal would add $5 million per year, $10 million per biennium, to the base funding for the Emergency Services Program (ESP). ESP funds are highly flexible, and this additional investment could be used to for a number of eligible activities, including:

   - Additional Shelter Beds: ESP funding can be used to increase available beds for individuals seeking emergency shelter.
   - Hotel/Motel Vouchers: This resource is vital for areas in Greater Minnesota where site-based facilities are less common. An increase in available funds would allow agencies to offer vouchers for longer stays, providing more time for participants to connect with staff on employment, housing, and other needs.
   - Increased Staffing for Housing Access: Agencies providing emergency overnight services are historically understaffed with high participant-to-staff ratios. As a result, many agencies rely on volunteers with limited training and/or contract with security companies rather than trained service professionals. Hiring additional, qualified staff significantly increases the likelihood that vulnerable adults and families will more quickly transition to housing through trauma-informed practices that meet the unique needs of this underserved population.

   The funding for this portion of the proposal would fund one FTE position in addition to the grant funds to manage a larger grant program and to ensure funded agencies are providing culturally relevant services to the diverse population of people who are homeless in Minnesota.

2. *Supporting the Homeless Management Information System*

   Over the years, the state has not consistently contributed towards the Homeless Management Information System, which has put pressure on other funding sources such as the Continuum of Care organizations and service providers. In addition, reliable funding will enhance the system's capacity to help the state and providers target state and federal homelessness resources more strategically. Consistent investment in the base for the biennium will be instrumental in helping the state better understand the homeless population and connect individuals and families to needed resources.

3. *Increasing funding for the Community Living Infrastructure Grant Program*

This funding allows counties and tribes to more fully integrate housing into their human services work, and this additional investment expands funding to 40 counties and seven tribes that are currently not served by the grant. An estimated additional 8,000 Minnesotans would be served as a result of the funding requested in this proposal, served through the work of the grant-funded Outreach/Housing Resource Specialists, and individuals overseeing the Administration/Monitoring of the Housing Support program. Here are some examples of that work:

Outreach/Housing Resource Specialists:

- People served by county and tribal human services get connected to housing-related resources to obtain and maintain housing through:
    - Community education, training and technical assistance on housing-related resources for people with disabilities
    - County and tribal staff education about housing-related resources to assist people with disabilities who are homeless or have housing instability to obtain and maintain housing
    - Inventory of housing units/opportunities for people with disabilities and housing instability

Administration and Monitoring of Housing Support:

- Staff capacity to serve more people with Housing Support resources, ensuring timely and quality care. These funds will increase local response to housing and homeless crisis in MN through:
    - Increased capacity to screen, onboard, train, and monitor new and existing providers
    - Increased capacity to conduct eligibility and individual budget determination for people who apply for and receive Housing Support

In addition to the added grant funding, there would also be one FTE with this portion of the proposal. The position will be to work with counties and tribes to strategically build their infrastructure to streamline access and information and processes to housing resources.

Fiscal Impact:

DHS is seeking a total of $20.998 million in FY 2022-2023 and $21.024 million in FY 2024-2025. The proposal includes an increase in the biennial base funding for the state's Emergency Services Program by $10 million per biennium ($5 million per year) to provide more funding for emergency shelters, and increases funding in the Community Living Infrastructure Grant Program for counties and tribes to integrate housing into human services work by $10 million per biennium ($5 million per year).

This proposal establishes base funding for the Homeless Management Information System (HMIS) at $1 million per biennium ($500,000 per year). There is an anticipated administrative Federal Financial Participation (FFP) revenue of 32% for the HMIS cost, resulting in a request of $680,000 for each biennium.

In addition to the increase in base funding, this proposal includes two FTEs in each biennium, $468,000 in FY 2022-2023 and $504,000 in FY 2024-2025. There is an anticipated administrative FFP revenue of 32% for the FTE cost, resulting in a request of $318,000 in the first biennium and $344,000 in the second biennium.

Impact on Children and Families:

This proposal aligns with the administration's priorities for children and families by providing emergency services during a housing crisis, which can be caused and/or amplified by financial, mental/physical health, or other challenges. Access to shelter not only offers a place to stay, it serves as a vital connection to the coordinated entry system and ensuing housing opportunities that can improve the lives of Minnesotans experiencing homelessness. Additionally, shelters can provide services and/or make referrals for families seeking assistance in a variety of areas—child care, employment, health care, mainstream benefits, and other identified needs.

Unaccompanied youth, ages 24 and younger, make up 15% of the homeless population. Additional ESP funds could be used to support youth specific programming. This could include outreach to youth in adult shelter systems, adding additional youth specific beds, and/or strengthening collaborative efforts among adult, youth, and family providers.

The complexity of generational poverty, traumatic experiences, and criminal backgrounds enmeshed with historically low vacancy rates across the state mean comprehensive support services are vital. Without adequate staffing to assist these populations in overcoming their housing barriers, many communities will continue to experience disproportionately high levels of homelessness.

Equity and Inclusion:

Broadly, homelessness results from the intersectionality of multiple, systemic shortcomings that marginalize subsets of the population. Individuals are discriminated against based on their racial and ethnic identity, sexual orientation and/or gender identity, and/or ability status. The impact of this disparate treatment and access to opportunities manifests in many ways—one being the experience of homelessness. Although far from solving inequitable systems, emergency shelters play a vital role in the immediate response to the needs of individuals and families.

Although homelessness impacts individuals and families of all races, ethnicities, ages, genders, sexual orientations, and abilities, subsets of the population are disproportionately impacted. As detailed in the most recent Wilder Research report,[1] racial disparities remain persistent across the state of Minnesota—most notably among the African American and American Indian populations. African Americans make up 39% of homeless adults, while being only 6.8% of the overall state population.[2] American Indians make up 8% of homeless adults, despite being only 1% of the statewide population.[2] Statewide statistics also highlight the representation of individuals identifying as LGTBQ among those experiencing homeless. More specifically, 9% of homeless adults and nearly 18% of homeless youth (24 and under) self-identified as LGTBQ. Finally, as summarized by Wilder, "83% of homeless adults have either significant mental illness, chronic health condition, substance abuse disorder, or evidence of a traumatic brain injury. 44% have more than one of those conditions."

IT Related Proposals:

Not applicable.

Results:

Emergency Services Program

Recipients of ESP funds enter individual level information into the Homeless Management Information System (HMIS). All funded entities submit an agency level report to DHS on an annual basis. For the purpose of statewide reporting, all aggregated agency information is summed into one report. Although gathering detailed information is difficult given the highly transient and vulnerable nature of the population, the following descriptive information is available: number safely sheltered, family type (with/without children), gender, age, race, ethnicity, physical and mental health condition, domestic violence status, living condition, income type, non-cash benefits, health insurance (type and Y/N), length of stay, destination at exit, and veteran status.

Additional funds will have a measurable impact on street outreach coverage targeted to engage unsheltered individuals and families; the availability of support services (i.e., mental health services, employment assistance, education connections, health care, etc.) in emergency shelters; and the number of emergency shelter beds

[1] Minnesota Homeless Reports and Fact Sheets

[2] QuickFacts Minnesota, U.S. Census Bureau, 2018.

available. These efforts will be measured through HMIS and qualitative information gathered from funded entities.

HMIS

The Housing & Support Services Division utilizes HMIS data to examine race of individuals receiving assistance, amount and source of the person's income, and housing stability.

Community Living Infrastructure Grants

The Housing and Support Services Division requests evaluative and outcomes data from grantees as part of each proposal. The data varies by community and looks different depending on the grantee and their project. Current grantees reported serving approximately 8,000 people annually, however this is likely an underrepresentation as it is impossible to track the full impact of education and outreach efforts. Counties and tribes have noted that these funds have resulted in many people finding and accessing housing that would not have otherwise.

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			10,486	10,512	20,998	10,512	10,512	21,024
HCAF								
Federal TANF								
Other Fund								
		Total All Funds						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	47	Children and Economic Support Grants (OEO)	5,000	5,000	10,000	5,000	5,000	10,000
GF	15	Homeless Management Information System	500	500	1,000	500	500	1,000
GF	REV1	FFP @ 32% (HMIS costs)	(160)	(160)	(320)	(160)	(160)	(320)
GF	56	Community Living Infrastructure Grant Program	5,000	5,000	10,000	5,000	5,000	10,000
GF	12	Children & Families (1 position)	108	126	234	126	126	252
GF	15	Community Supports (1 position)	108	126	234	126	126	252
GF	REV1	FFP @ 32% (2 FTEs)	(70)	(80)	(150)	(80)	(80)	(160)
		Requested FTE's	**2**	**2**		**2**	**2**	
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	12	Children & Families	1	1		1	1	
GF	15	Community Supports	1	1		1	1	

Change Item Title: Child Care Assistance Program Maximum Rate Update

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	10	2	2	10
Revenues	0	0	0	0
Other Funds				
Expenditures	10,948	36,570	35,521	49,710
Revenues	10,948	36,570	35,521	49,710
Net Fiscal Impact = (Expenditures – Revenues)	10	2	2	10
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends investing $47.5 million from the Child Care Development Fund and $12,000 from the general fund in the Fiscal Year 2022-2023 biennium for changes to the Child Care Assistance Program to update the maximum rates paid to child care providers to the 30th percentile of the most recent market survey. Updating the maximum rates supports families, children, and child care providers cross the state. This change is required for the Child Care Assistance Program to remain in federal compliance.

Rationale/Background:

This proposal impacts most providers and families receiving child care assistance with the intended result of improving access to the child care market and ensuring that Minnesota remains in compliance with federal Child Care and Development Block Grant regulations.

History

The Child Care Assistance Program pays a child care provider's charge or, if less, a maximum hourly, daily or weekly rate that is calculated based on state law. These rates are referred to as "maximum rates." Every 3 years the Department of Human Services conducts a statewide survey of prices charged by licensed family child care and licensed center child care providers, referred to as a "market rate survey." The 2020 legislature temporarily brought Minnesota into federal compliance by setting current maximum rates to at least the 25th percentile of prices reported in the 2018 market rate survey.

As a result, Minnesota met the minimum requirement through State Fiscal Year 2021. Since federal law requires maximum rates be set to the most recent market rate survey, Minnesota will again be out of compliance if the legislature does not update rates to the 2021 survey.

Impact of low rates on child care providers

When payment rates are too low, providers are less likely to serve families receiving child care assistance. Providers who choose to continue serving these families and accept the low payment rates often struggle to offer quality care, attract and retain good staff, purchase sufficient supplies, and maintain facilities. These providers are often left struggling to keep their doors open.[1] Updates to maximum rates support providers who serve families receiving child care assistance by ensuring they receive payment comparable to what they would receive from

[1] National Women's Law Center. Still shortchanging our youngest children: State payment rates for infant care 2018. https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2019/05/final_nwlc_2019_ShortchangChildReport.pdf

private pay families. Predictable revenues also support providers' ability to run their business when faced with unexpected challenges, such as COVID-19. Allowing maximum rates to increase with each new survey maintains alignment with the market.

Federal requirements and penalties

The Child Care and Development Block Grant Act of 2014 (Public Law 113-186; Section 5b(4)(A)) requires that states ensure Child Care Assistance Program eligible children have equal access to child care services provided to other children. The final federal Rule section 98.45 requires that rates be based on the most recent market rate survey.[2]

In the 2020 First Special Session, Minnesota came into federal compliance for updating rates to at least the 25th percentile of the 2018 market rate survey. Minnesota is conducting a new market rate survey in FY 2021. To be in federal compliance, Minnesota will need to implement new Child Care Assistance Program maximum rates based on the 2021 survey.

Child Care Assistance Program Maximum Rates for providers will need to be updated to at least the 25th percentile of that new survey to remain in federal compliance. Increasing rates to the 30th percentile demonstrates Minnesota's commitment to federal compliance.

Proposal:

This proposal updates maximum rates every 3 years after each market rate survey. Maximum rates would be set at the 30th percentile of the most recent rate survey or the rates in effect at the time of the update, whichever is greater. Many rates would increase, some rates would stay the same, and no rates would decrease.

The first update would be made in January 2022 following the 2021 rate survey. Maximum rates would then be updated every third January following the market rate survey.

Fiscal Impact:

The total direct care cost of updating Child Care Assistance Program maximum rates is $47.5 million in FY22-23 and $85.2 million in FY24-25. The direct care cost will be paid with additional federal Child Care and Development Block Grant funding. Projected additional Child Care and Development Block Grant funds available for investments in Child Care Assistance Program rates total $135 million for FY22-25, based on funds received in Federal Fiscal Year 2020. It is estimate that the reserve of additional funds receive above 2017 levels will be depleted in FY 2026 and that the ongoing additional CCDBG revenue of $34 million annual will be available. All additional new costs above this level will be funded with General Funds.

The Governor recommends investing the additional Child Care and Development Block Grant funds received over the Federal Fiscal Year 2017 levels, less those required for quality activities (12% under current federal law), in the Child Care Assistance Program after State Fiscal Year 2025. The amount of the additional Child Care and Development Block Grant funds shall first be appropriated to the Basic Sliding Fee Child Care Assistance Program in an amount up to $33.44 million to retain Basic Sliding Fee capacity related to increase costs due to rate increases and program improvements passed as part of this proposal and the Child Care and Development Block Grant-funded proposals passed during the 2019 and 2020 legislative sessions. Remaining Child Care and Development Block Grant funds will be invested in the Minnesota Family Investment Program Child Care Assistance Program.

MN.IT estimates an initial total cost of $17,940 ($9,867 state share), in State Fiscal Year 2022 with ongoing maintenance costs of $3,588 ($1,973 state share) in State Fiscal Year 2023. Additionally, MN.IT estimates the cost of updating rates will be $17,940 ($9,867 state share) every 3 years with ongoing maintenance costs.

[2] 45 CFR 98.45. "Equal Access." https://www.law.cornell.edu/cfr/text/45/98.45.

Impact on Children and Families:

The Child Care Assistance Program helps families pay for child care so that parents can work or go to school. It also helps ensure that children are well cared for and prepared to enter school ready to learn. The Child Care Assistance Program serves approximately 15,000 families and 30,000 children each month. An average of 3,265 providers receive Child Care Assistance Program payments each month. Counties and tribal agencies administer the Child Care Assistance Program.

Updating Child Care Assistance Program maximum rates after each market rate survey will help ensure families and children continue to receive child care assistance to access child care and reduce the need to pay out of pocket. Failing to update the maximum rate based on the most recent market rate survey puts access to the Child Care Assistance Program reimbursement at risk should providers decide not to accept child care assistance because the rates are too low, or should the federal government reduce Minnesota's funding for the Child Care Assistance Program due to noncompliance with federal law.

Equity and Inclusion:

If enacted, updating Child Care Assistance Program maximum rates to be based on the most recent market rate survey will increase access to affordable, quality child care for families receiving child care assistance by ensuring their Child Care Assistance Program maximum rates will to cover care with, theoretically, about 1/3 of child care providers. This proposal will benefit families of color, particularly African American families, and prove beneficial as parents and legal guardians pursue employment or educational opportunities. Providers serving children under a tribal Child Care Assistance Program will also see a rate increase.

In State Fiscal Year 2020, 69% of all children served by the Child Care Assistance Program were children of color, specifically African-American, Asian/Pacific Islander, Hispanic/Latino, multiple races, and American Indian children. Of all children served, 54% are African-American. Accordingly, any rate increase for children and families receiving child care assistance, and/or the providers who serve them, is likely to benefit African-American children.

IT Related Proposals:

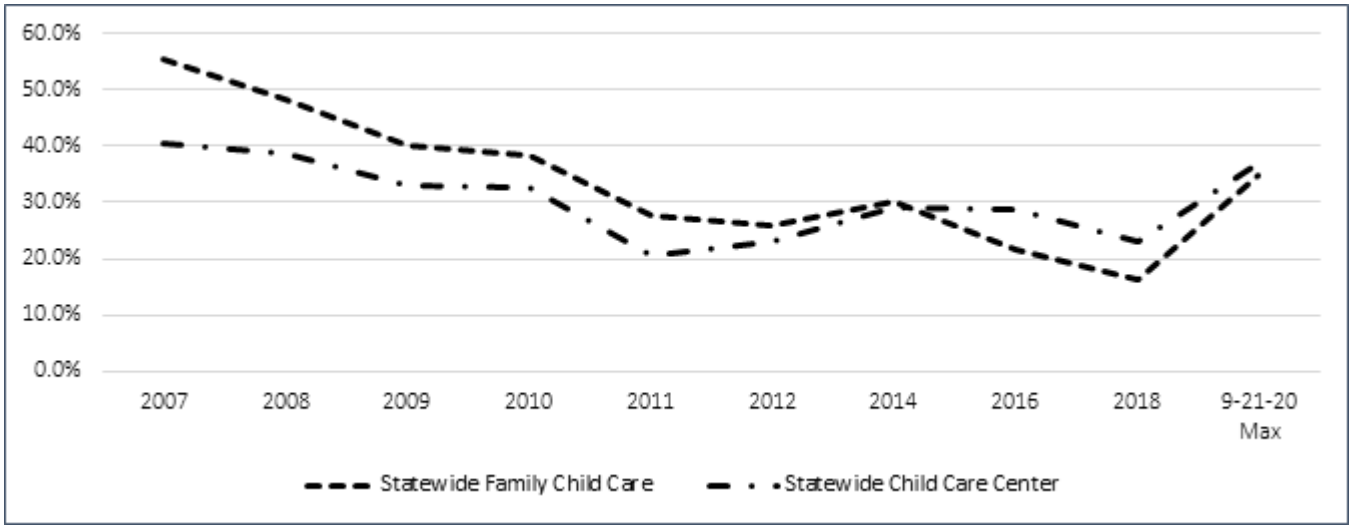
The Minnesota Electronic Child Care Systems, or MEC^2, the automated system that supports the Child Care Assistance Program, will need changes in order to implement this proposal. MN.IT estimates an initial total cost of $17,940 ($9,867 state share) in FY 2022 and $3,588 ($1,973 state share) in FY 2023. MN.IT estimates the ongoing maintenance cost at $3,588 ($1,973 state share). Additionally, MN.IT estimates the cost of updating a new rate will be $17,940 ($9,867 state share) every 3 years.

Results:

The last time some maximum rates were increased was in 2020. The graph below illustrates the percent of provider prices fully covered statewide, including the most recent increase to the 25th percentile of the 2018 Market Rate Survey. This proposal will allow more families to choose child care providers whose prices are fully covered by the CCAP maximum rates. This will create more accessibility to affordable, quality child care for

families receiving child care assistance by ensuring their Child Care Assistance Program maximum rates would cover prices charged by almost one-third of child care providers.

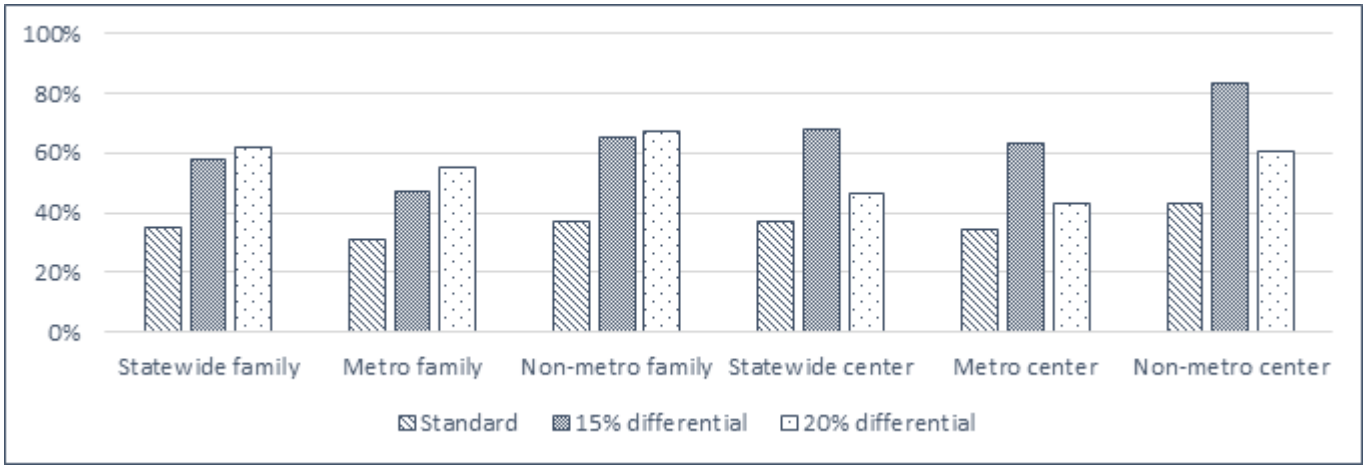
Provider prices fully covered by Standard Maximum Rates statewide, by percent



This proposal will also increase the accessibility to quality child care programs. Higher maximum rates may increase families' access to high quality providers by allowing the maximum rate paid by the Child Care Assistance Program to fully cover more (or an equivalent proportion) of their prices as compared to the prices charged by all providers. This measure indicates the impact of quality differentials by type of care.

Specifically, the 20 percent differential allows the prices charged by center-based four-star rated metro providers to be fully covered by the maximum subsidy in the same proportion as the prices of all metro center providers. The higher maximum rates offer coverage of the prices charged by all other types of quality providers at higher levels than the standard maximum rates.

Prices fully covered by Standard and Quality Differential Maximum Rates – September 2020



Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			10	2	12	2	10	12
HCAF								
Federal TANF								
Other Fund								
Total All Funds								
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	11	System Cost (MEC^2 state share @55%)	10	2	12	2	10	12
Fed	22	MFIP Child Care	6,985	24,114	31,099	24,479	34,319	58,798
Fed	42	BSF Child Care	3,963	12,456	16,419	11,042	15,391	26,433
Fed	REV	CCDBG federal funds	(10,948)	(36,570)	(47,518)	(35,521)	(49,710)	(85,231)
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**

Statutory Change(s):

Minnesota Statutes, Chapter 119B

Citation of Federal Law Requiring the Change:

Public Law 113-186 section 5 subd. 4 describes the payment rate requirements for provider reimbursement which can be found in 42 U.S. Code § 9858c- Application and Plan.

Change Item Title: Economic Assistance Cash Program Uniformity

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	544	1,837	26,724	34,539
Revenues	0	0	0	0
Other Funds				
Expenditures	0	1,670	8,694	8,674
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	544	3,507	35,418	43,233
FTEs	**0**	**0**	**0**	**0**

Recommendation:
The Governor recommends investments of $4.1 million in FY 2022-2023 and $78.7 million in 2024-2025 to simplify income support program administration and to make the programs more effective at supporting participants, particularly those who get jobs.

Rationale/Background:
Complex public assistance policies divert county staff time, set the stage for frequent errors, and create even more stress for people in crisis who have turned to assistance. The fact that the policies differ from program to program adds to the complexity and the possibility of confusion and errors. County staff spend more time on cash assistance cases than on Supplemental Nutrition Assistance Program (SNAP) cases. In 2018, the counties spent an average of about $128 per case per month to administer the Minnesota Family Investment Program (MFIP) and $42 per case per month to administer General Assistance (GA). That is compared to about almost $37 per case per month to administer the Supplemental Nutrition Assistance Program.

Cash assistance cases require monthly reporting for households with earnings and they use a budgeting method no other program uses.

This proposal would:

- Simplify the process of determining benefits.
- Support work by reducing the heavy paperwork burden currently put on recipients who get jobs.
- Enact changes in support of the Integrated Services Business Model counties and the Department have identified as a goal.
- Prepare for a more efficient, less expensive modernization of the IT system used to determine eligibility.

Proposal:
This proposal builds on legislation enacted in 2014 and 2015 that streamlined reporting, income calculations, and asset determination policies, by making many of those policies uniform across multiple programs, and by eliminating inefficient processes. This proposal creates more uniform methods for calculating benefits across public assistance programs and eliminates the administratively costly and time-consuming requirements of monthly reporting for all MFIP cases and some General Assistance cases.

This proposal will closely align Minnesota's policies for cash assistance programs with the federal Supplemental Nutrition Assistance Program.

The two cash programs would make two significant changes:

1. Use more current income for budgeting benefits:
   The Minnesota Family Investment Program and General Assistance would use income from the last 30 days to set benefit levels for a six-month period – as Supplemental Nutrition Assistance Program and Housing Support do. What occurs now is that benefits for a month are determined based on income from two months earlier. Minnesota is the only state that Department staff could identify that still uses this method (called retrospective budgeting) for its Temporary Assistance for Needy Families cash assistance program. The change in the budgeting method means:
   - Eligibility workers will only need to learn one basic budgeting process for public assistance and health care programs.
   - The people we serve can anticipate how their income will be treated across different programs.
2. Replace monthly reporting for many households with six month reporting
   Households with earnings would no longer have to report all changes every month. Instead, a six-month review would examine income and household composition to determine eligibility and benefit levels for the next six months. General Assistance households with at least $100 a month in earnings and all Minnesota Family Investment Program households would now be subject to six month reporting.
   - Households would still have to report changes in essential information that determine whether or not they are categorically eligible for the program at the time the change occurs. In the Minnesota Family Investment Program, for instance, this would mean reporting if the minor children left the household. For General Assistance, for instance, this would mean reporting if no longer being needed in the home to care for an ill or disabled household member.
   - Households would still have the option to report if their income fell or household membership grew before a scheduled six-month review.
   - The programs would be similar to Supplemental Nutrition Assistance Program, which does not require recipients to report all income changes between six-month reviews.

Fiscal Impact:

Cash assistance programs are forecast programs. These policy changes will lead to a change in the base funding for the programs. The cost for this program are $4.1 million in FY 2022-2023 and $78.7 in FY 2024-2025. $19.1 one-time TANF reserve funds are used to reduce the general fund costs. The general fund will become responsible for this portion in future years.

This program simplification will support a transition to a new eligibility IT system and a more streamlined eligibility process. Counties may also see administrative savings.

Impact on Children and Families:

Women make up half of Minnesota's population but are 82% of the adults enrolled in MFIP. There are approximately 64,000 children in families that have turned to the Minnesota Family Investment Program in October 2020. More than half the families that have turned to MFIP have a child younger than six. As a result, these policy changes will disproportionately benefit families with children and women by simplifying and aligning budgeting and reporting processes for cash assistance programs. These families will have more predictable and stable benefits to support housing, child care, and other necessary family expenses.

Equity and Inclusion:

Cash assistance programs reflect Minnesota's racial economic disparities. Poverty rates for African Americans and American Indians in Minnesota are about 4 times higher than the poverty rate for white Minnesotans. Unemployment rates for American Indian, African American, and Latinx workers are 2-3 times higher than white workers.

African Americans make up 33 percent of the MFIP caseload as compared to 7 percent of state residents. [1] American Indians make up 6 percent of the caseload as compared to 1.4 percent of state residents.[1] Overall, people of color and American Indians make up 64 percent of the Minnesota Family Investment Program caseload as compared to 21 percent of state residents. [2] In addition, at least 36 percent of families that turn to that program have a family member with serious health problems or a disability.[1] African Americans are the most likely to be employed while also receiving assistance and therefore are particularly subject to the increased reporting burdens imposed on employed participants.

More than half – 56% -- of the participants in General Assistance are white.[1]

The paperwork burden and the unpredictability caused by program complexity add to the stress already imparted by poverty and discrimination experienced by the people we serve. The vast majority of parents who turn to MFIP have just lost a job and are concentrated in retail, hotel, restaurant, health care, and temporary agency industries. These are the same agencies in which people of color and American Indians are most likely to be employed.[2] These jobs are subject to inconsistent work schedules, high turnover, and no benefits. These workers rarely receive unemployment insurance. The public assistance system they turn to during a time of crisis is unnecessarily complicated. These policy changes will disproportionately benefit those workers by simplifying and aligning budgeting and reporting processes for cash assistance programs.

IT Related Proposals:

These costs are total dollar estimates for changes to the MAXIS eligibility system.

MAXIS	2022	2023	2024	2025
Cost by System	$969,870	$726,708	$0	$74,612
Operational Cost	$0	$0	$300,433	$334,289
Total Cost	$969,870	$726,708	$300,433	$408,901
Total of All System Costs by Fiscal Year	**$969,870**	**$726,708**	**$300,433**	**$408,901**

Results:

County and tribal offices would recognize reduced administrative burden as illustrated by the following:

- County eligibility workers would no longer be examining and readjusting more than 13,000 cases a month.
- A monthly 5-page report form would no longer be used and in its place people receiving cash assistance would complete the same six-page form used by Supplemental Nutrition Assistance Program and health care programs for six month reviews. The 14 pages in the state's manual for eligibility workers on instructions about reporting would be reduced by almost half.

Cash assistance would more effectively support households where the adults are working and would more effectively help households, particularly children, move out of deep poverty and manage the destabilizing income volatility that low income households experience.

[1] Minnesota Family Investment Program and Diversionary Work Program: Characteristics of Cases and People, Minnesota Department of Human Services, 2018.

[2] QuickFacts Minnesota, U.S. Census Bureau, 2020.

[1] December 2019 General Assistance Report: Households and Enrollees, Minnesota Department of Human Services, 2020.

[2] MN Economic Disparities by Race and Origin, Minnesota Department of Employment and Economic Development, https://mn.gov/deed/assets/061020_MN_disparities_final_tcm1045-435939.pdf.

- The Housing Support Program introduced six month reporting and prospective budgeting for those with earnings in its program in 2015 and saw the number of recipients with earnings more than double in the years since then. MFIP would not expect a full doubling of earners: but would expect tosee an increase from the 40% of households receiving MFIP in an average month that already have earnings.
- Individuals who get jobs would no longer have to take on additional reporting requirements of completing a monthly 5-page form.
- About 44% of MFIP households experience extreme income volatility, meaning in any month they have a 30% chance of having no income or double their average monthly income.
    - This is particularly true of those with earnings. Low wage work often provides unstable income because of unpredictable schedules and shifts.
    - Research indicates that income volatility increases the risks of experiencing mental health problems and the rate of emergency room visits.
    - Having the public assistance benefits that supplement those earnings predictable for six-month periods makes predictable budgeting possible and sustaining work more likely.

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-24
General Fund			544	1,837	2,381	26,724	34,539	61,263
HCAF								
Federal TANF			0	1,670	1,670	8,694	8,694	17,388
Other Fund								
Total All Funds			544	3,507	4,051	35,418	43,233	78,651
Fund	**BACT#**	**Description**	**FY 20**	**FY 21**	**FY 20-21**	**FY 22**	**FY 23**	**FY 22-23**
GF	11	MAXIS System changes (State Share @ 55%)	544	400	944	165	225	390
GF	21	MFIP/DWP Cash Assistance	0	973	973	21,169	27,608	48,777
TANF	21	MFIP/DWP Cash Assistance	0	1,670	1,670	8,694	8,694	17,388
GF	22	MFIP Child Care Assistance Program	0	301	301	3,519	4,409	7,928
GF	23	General Assistance	0	163	163	1,871	2,297	4,168
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 20**	**FY 21**	**FY 20-21**	**FY 22**	**FY 23**	**FY 22-23**

Statutory Change(s):
Chapters 256D, 256I, 256J and 256P.

Change Item Title: One-Time Minnesota Family Investment Payment

Fiscal Impact ($000s)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
General Fund					
Expenditures	31	0	0	0	0
Revenues	0	0	0	0	0
Other Funds					
Expenditures	24,300	0	0	0	0
Revenues	0	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	24,331	0	0	0	0
FTEs	**0**	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends a one-time payment of up to $750 for families who participate in the Minnesota Family Investment Program (MFIP) to help address significant challenges faced during the COVID-19 pandemic. $24,300,000 in FY 2021 from the Temporary Assistance for Needy Families (TANF) reserve fund would be used for the one-time payment. This one-time payment is expected to help about 32,400 families, including 64,000 children.

Rationale/Background:

The Minnesota Family Investment Program (MFIP) provides income support and employment services to families with children in deep poverty. The vast majority of parents who turn to MFIP have just lost a job and are concentrated in hotel, restaurant, retail, and low-wage health care occupations – this was true before the pandemic. These are the families most impacted by the economic fallout of the pandemic. The number of families that have turned to MFIP has increased by more than 5,000 between March 2020 and November 2020.

Proposal:

This would provide a one-time payment of up to $750 to families who participate in the Minnesota Family Investment Program (MFIP) to help address significant challenges faced during the COVID-19 pandemic. This one-time payment is expected to help about 32,400 families.

Fiscal Impact:

$24,300,000 from the Temporary Assistance for Needy Families (TANF) reserve fund would be used for the one-time payment. A one-time cost of $57,277, with a state share of $31,000, is required to update the MAXIS system to support this investment.

Impact on Children and Families:
Women make up half of Minnesota's population but are 81% of the adults enrolled in the Minnesota Family Investment Program (MFIP). Currently, there are approximately 64,000 children in families receiving assistance from the Minnesota Family Investment Program. More than half the families that have turned to MFIP have a child younger than six. As a result, this one-time payment will disproportionately benefit families with children and women who have turned to MFIP.

Equity and Inclusion:
Minnesota's economic disparities are reflected in the families who have to turn to the Minnesota Family Investment Program (MFIP) due to a financial crisis. African Americans make up 33 percent of parents receiving MFIP as compared to 7 percent of state residents.[2] Overall, people of color and American Indians make up 64 percent of parents receiving MFIP as compared to 21 percent of state residents.[3] In addition, at least 36 percent of families that turn to MFIP have a family member with serious health problems or a disability.[2] This one-time payment will disproportionally benefit families of color and American Indian families who have turned to MFIP.

IT Related Proposals:
$31,000 in FY 2021 would be appropriated from the state General Fund to MNIT to administer the one-time payment. It will take at least 4 weeks to issue the one-time payment.

Results:
This one-time payment is expected to help about 32,400 families, including 64,000 children, currently participating in the Minnesota Family Investment Program.

[2] Minnesota Family Investment Program and Diversionary Work Program: Characteristics of Cases and People, Minnesota Department of Human Services, 2018.
[3] QuickFacts Minnesota, U.S. Census Bureau, 2020.

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 21	FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-24
General Fund			31						
HCAF									
Federal TANF			24,300						
Other Fund									
Total All Funds			24,331						
Fund	**BACT#**	**Description**	**FY 21**	**FY 23**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-24**
TANF	41	$750 Grant payment to MFIP Families	24,300						
GF	11	MAXIS System Change (State Share @ 55%)	31						
		Requested FTE's							
Fund	**BACT#**	**Description**		**FY 20**	**FY 21**	**FY 20-21**	**FY 22**	**FY 23**	**FY 22-23**

Statutory Change(s):
None.

Citation of Federal Law Requiring the Change (For federal compliance proposals only):
None.

Change Item Title: Aabinoojiiyag-Wakhanheza Un Thantanhanpi – For all the Children-Sacred Being Tribal Training and Certification Partnership

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	1,012	993	1,053	1,053
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,012	993	1,053	1,053
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends a $2.0 million investment in the 2022-23 biennium and $2.1 million in the 2024-25 biennium to meet the need for Indian Child Welfare Act (ICWA) and Minnesota Indian Family Preservation Act (MIFPA) training and development for county child welfare and child protection staff; and develop Indigenous child welfare training for American Indian tribes. This request provides funding to develop a Tribal Training and Certification Partnership (TTCP) – Aabinoojiiyag-Wakanheza Un Thantanhanpi – at the University of Minnesota Duluth Center for Regional and Tribal Child Welfare Studies (CRTCWS) to provide this training and establish ICWA and MIFPA training requirements for all county child welfare workers. This training is done in collaboration with other required trainings of the Training Academy.

Rationale/Background:

ICWA is a federal law passed in 1978 to recognize and honor the sovereignty of tribal nations and take one step toward reversing the grave injustices and trauma caused to American Indians by decades of institutionalized racism and government policies. MIFPA was passed in 1986 as a state law to codify and strengthen provisions of ICWA. Prior to the enactment of ICWA, federal, state and local governments, as well as religious authorities, forcibly took American Indian children away from their families and tribes through boarding school and adoption removals, resulting in forced assimilation into the dominant culture, that significantly impact well-being today.

Minnesota leads the nation in disproportionality for American Indian children in the child welfare system. According to Children's Bureau data, American Indian children are 23 times more likely than white children in Minnesota to experience foster care. Unfortunately, rates of removal have continued to worsen in recent years. When compared to white children, American Indian children experience a higher rate of involvement in the child welfare system. According to 2019 Minnesota child welfare data, 1 American Indian children:

- Have the highest rates of contact with Minnesota's child protection system
- Are about 5 times more likely to be reported as abused or neglected than White children
- Are about 17 times more likely to experience foster care than White children

Several components that are both internal and external to the child welfare system influence these disparities: bias in identification and maltreatment reporting; child welfare worker bias; the impact of historical trauma; socioeconomic factors, including inequitable outcomes in education, health and corrections; poverty; institutional

[1] See: 2019 Out-of-Home Placement and Permanency Report; 2019 Child Maltreatment Report

racism and discriminatory practices; and the everyday stress related to experiencing prejudicial micro-aggressive behaviors in interactions with others. Ensuring uniform county training and compliance with ICWA and MIFPA are necessary tools in helping Minnesota eliminate disproportionality in the child welfare system. These tools provide opportunities for county workers to identify ways to prevent unnecessary removals of Indian children and maintain safely in their homes.

Maintaining family and cultural connections is essential to the well-being of American Indian children who need to enter the child protection system. If a child must be removed from their home, compliance with ICWA and MIFPA protects the rights of children to maintain those connections by requiring that child protection staff to work with a child's tribe and family to locate relatives and place the child with kin whenever possible.

In 2017, the Minnesota Legislature enacted section 477A.0126 providing counties with property tax aid to help defray the nonfederal share of out-of-home placement costs incurred specifically for the care of American Indian children. The statute also requires that counties be substantially compliant with ICWA requirements, providing that when a county is not compliant for two consecutive years, the county's aid under this section will be reduced by 50%.

- For property tax aids payable in 2021, 30 counties will have their 2021 property tax aid for out-of-home placements reduced by half due to ICWA noncompliance.

It is clear from ICWA reviews that counties need focused initial and ongoing ICWA, MIFPA, and cross-cultural training to create competency and consistency working with American Indian children, families and tribes. Additionally, enhanced training American Indian family preservation is needed for county child welfare workers and supervisors to reduce the disproportionate number of American Indian families involved in the Minnesota child welfare system including out-of-home placement. Focused ICWA training and compliance monitoring are cited in research as key strategies to increasing compliance with ICWA and ultimately reducing the disparate treatment of Indian families in the child welfare system.[2] It is clear that the majority of Minnesota counties failed to meet standards and are in need of training, however, that training is not funded.

Minnesota tribal child welfare programs have requested foundation child welfare training that is reflective of tribal traditional law, their Indigenous practice models, tribal sovereignty as it applies to child welfare, and consideration of tribal practices. This training does not exist as funded training for tribal programs.

The CRTCWS at UMD has been training child welfare workers for over 20 years and specializes in Indian child welfare and tribal issues. The CRTCWS has a cadre of highly specialized individuals on staff and contract who developed and already train the curriculum needed by child welfare workers. The CRTCWS would work with tribal nations to develop Indigenous child welfare training.

This proposal is a high priority for the 11 tribal nations in Minnesota and the ICWA Council, voiced through government to government consultations between leadership with DHS and the Governor's office.

Proposal:

The proposal would establish base funding for the TTCP, including regionalized and tribal geographic area training, experiential learning opportunities including simulations, worker/supervisor certification, and enhanced follow up for DHS identified compliance regions in need of training. Additionally, the TTCP will assist tribal nations with child welfare workforce training that is designed with tribal nations to meet unique Indigenous practice needs of tribal communities. The TTCP and Training Academy will consult on and integrate content and practice skills related to serving tribal child welfare families into overall foundation and ongoing worker training delivery.

[2] https://caseyfamilypro-wpengine.netdna-ssl.com/media/icwa-snapshot.pdf, 2015

Within twelve months of hire, and prior to serving as primary case manager or child welfare worker on cases involving American Indian children and families, county public child welfare workers and supervisors must complete a competency certificate specific to ICWA/MIFPA practice to ensure high and consistent standards of performance in serving American Indian children, families, and tribes. The best practice for a worker without ICWA/MIFPA certification following completion of Foundations training is to work in consultation with a supervisor or mentor with ICWA/MIFPA certification during their certification process in the event they must become the primary case worker. Competency domains will minimally include: ICWA, MIFPA, tribal sovereignty and self-determination, historical trauma, data analytics on system involvement and out-of-home placement, importance of American Indian cultural ceremonies and traditional healing, and knowledge about the eleven federally recognized tribes of Minnesota. Minnesota State Department of Human Services Child Safety and Permanency Division staff will take part in training specific to uphold ICWA and MIFPA, and partnering with American Indian families and tribes related to policy and practice guidance.

The proposal would require the TTCP to develop a mandatory, competency-based certification specific to ICWA/MIFPA practice for all new county child welfare workers who will be working on cases involving American Indian children and families and supervisors in the state, as well as any ongoing child welfare worker handling an ICWA case, to improve and maintain compliance.

Requirements of county child welfare workers and supervisors:

- Foundational training in ICWA/MIFPA, developed by experts with knowledge in ICWA and American Indian family preservation practice using innovative and impactful evidence-based teaching and learning methods incorporating the Minnesota Framework for Child Welfare Practice
- Advanced cross-cultural engagement training introducing interactive approaches to tribal worldview and tribal family dynamics intended to improve understanding and interaction between county staff and tribal organizations and families
- Simulation-based practice opportunities to demonstrate knowledge and skill competency in the application of ICWA/MIFPA policy

This proposal would appropriate funds to the Tribal Training and Certification Partnership (TTCP) at the University of Minnesota Duluth. This would require a new joint powers or contract between UMD and the department in order to draw down and pass through the federal reimbursement. The TTCP will require additional staffing to carry out increased training functions and frequency (e.g. curriculum development, evaluation, and trainer support). It will develop and provide a mandatory, competency-based ICWA/MIFPA specific certification with a focus on child welfare ICWA/MIFPA competency and compliance and tribally-specific Indigenous child welfare training. This strategy is designed with portions of the initial infrastructure and staffing implementation proposed to start July 1, 2021. Additional infrastructure, curriculum development and simulation-based training will be implemented in FY21, FY22, and FY23. Particular attention will be given to strategies that address consistency of practice skills impacting ICWA and prevention of child removal utilizing family preservation skills.

The TTCP would be responsive to the 11 Minnesota tribes, to ensure timely access to training and result in an overall reduction in tribal expenditures for training. This will allow tribes to realign funding to critical community prevention needs. Critically, this infrastructure will establish customized training solutions aligned and targeted to individual tribal needs.

Fiscal Impact:

This proposal provides funding for:

- Approximately $2.0 million for the 2022-23 and $2.1 million per biennium thereafter for the TTCP.

Impact on Children and Families:

This proposal would improve the quality of the child welfare services that American Indian children and families receive throughout the state from county and tribal social service agencies. With more comprehensive and

regional support for county social service agencies from DHS and additional focused training for child protection workers on the application of ICWA/MIFPA, it is anticipated that compliance rates for ICWA and MIFPA will increase and the disproportionate rate of American Indian children in out-of-home care will decrease. Counties will meaningfully engage American Indian families, communities, and tribes to keep American Indian children within their extended families and communities when they cannot remain at home. It is the intention of this proposal that more American Indian children and families will receive child welfare case management services that are more culturally responsive and appropriate.

Equity and Inclusion:

All geographic regions of child welfare workers – including county and tribal child welfare workers will be impacted by the changes contained in this proposal. Currently, American Indian children are disproportionately served by the child welfare system. There are also disparate outcomes for American Indian children for many measures being targeted by this proposal. In order to address these disparities, the proposed TTCP will develop training that challenges workers to consider both implicit and explicit bias in their work. Furthermore, a portion of the budget for the TTCP is specifically designated for consultation with cultural/community stakeholders and to design professional development experiences to address disparities and increase culturally responsive practice.

IT Related Proposals:

Not applicable.

Results:

Immediate results will include implementation of new worker training for ICWA compliance and certification because the TTCP will start training upon receipt of funds. Worker knowledge and competency to provide services to American Indian families will improve. Immediate results will include training and technical assistance to tribal Initiative programs. Additionally, it is expected that this investment will result in improving ICWA compliance statewide in measurable ways. The proposal also includes the development of a competency-based evaluation, as measured by knowledge and skills testing, which will allow the state to ensure adherence to Minnesota's established competencies regarding ICWA based child welfare work with American Indian children and families. This investment in Minnesota's child welfare workforce is expected to impact areas of significant need in Minnesota, including improved ICWA case work, improved ICWA compliance, improved ICWA outcomes.

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 24	FY 24-25
General Fund			1,012	993	2,005	1,053	1,053	2,106
HCAF								
Federal TANF								
Other Fund								
Total All Funds			1,012	993	2,005	1,053	1,053	2,106
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	12	Child Protection Training (State Share @ 57%)	1,012	993	2,005	1,053	1,053	2,106
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
			0	0		0	0	

Statutory Change(s):

None

Change Item Title: Family First Prevention Services Act Implementation Requirements

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	776	834	834	834
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	776	834	834	834
FTEs	**11**	**11**	**11**	**11**

Recommendation:

The Governor recommends investing $1.61 million in FY 2022-23 and $1.67 million in FY 2024-25 to continue implementing the Family First Prevention Services Act (FFPSA) in Minnesota. This proposal will increase staff capacity within the Department of Human Services (DHS) to certify providers and oversee FFPSA implementation requirements across the state. Non-compliance with new FFPSA children's residential treatment services requirements will jeopardize Minnesota's federal Title IV-E claims, which currently total $114 million annually.

Rationale/Background:

In recognition that too many children were experiencing foster care nationwide, the FFPSA created a new option for child welfare systems to receive federal reimbursement through Title IV-E for the delivery of evidence-based mental health and substance abuse prevention and treatment services, in-home parent skill-based programs, and kinship navigator services that prevent foster care for children at imminent risk of removal. In order to offset the upfront costs for these prevention services, the FFPSA placed stricter requirements on children's placements in congregate foster care settings, limiting federal funding reimbursement to those facilities meeting the new requirements. The stricter requirements were established to ensure better quality care in congregate care settings, but also to reduce the use of these types of very expensive congregate care settings.

New standards for children's residential services to meet federal Title IV-E requirements in Minnesota

Effective September 30, 2021, Title IV-E funding reimbursement will no longer be available for children and youth placed in child care institutions after 14 days unless the program is one of three types of specialized programs. These programs include Qualified Residential Treatment Programs (QRTPs), programs for children and youth that have been or are at-risk of becoming a sex trafficking victim, and programs for pregnant and parenting youth. Child care institutions in Minnesota are non-family foster care settings, licensed as children's residential facilities, and foster residence settings that hire staff to care for children. Children's residential facilities are licensed by either DHS or the Department of Corrections (DOC) and include mental health treatment programs and shelters, among others.

To ensure programs meet and adhere to federal standards for these types of programs, DHS is proposes that certification requirements be codified in the state Human Services Licensing Act, chapter 245A, in 2021 and be monitored by DHS's Licensing Division. The funding is needed to provide staff and systems to monitor programs' compliance with the new certification requirements. In addition to reviewing certifications for current DHS-licensed programs, certain programs that are currently monitored by counties, such as corporate foster homes, will need to be certified by DHS to meet the federal standards. Other programs that are licensed by DOC may require these certifications from DHS as well, to continue to be eligible to have the children they serve supported

by these federal Title IV-E dollars. DHS and DOC are working together to determine whether certification is needed. DHS's Child Safety and Permanency Division will maintain responsibility for determining Title IV-E eligibility for each facility once the facility has been licensed and certified by DHS's Licensing Division.

In order to ensure the necessity of placing a child in a residential setting, a child's strengths and needs must be assessed within 30 days of placement in a QRTP using an age-appropriate, evidence-based, validated, functional assessment tool. DHS considered the following currently utilized assessment tools: Structured Decision Making (SDM), MnCHOICES, and the Child and Adolescent Service Intensity Instrument (CASII). In consultation with the divisions that oversee these tools' administration, it was determined these tools do not meet the federal requirement. DHS determined the Child and Adolescent Needs and Strengths (CANS) assessment to be the most effective and appropriate tool for Minnesota to use for this purpose. Other states are also using the CANS assessment to fulfill the new requirement.

In the 2020 state legislative session, legislation was passed to conform Minnesota law to the federal requirements for QRTPs. These provisions go into effect on September 30, 2021. Without the staff needed to implement QRTP and other FFPSA facility certification and compliance requirements, an adequate supply of congregate foster care settings compliant with QRTP requirements, and an appropriate assessment tool, counties may experience difficulties obtaining federal Title IV-E reimbursement for eligible children placed in congregate foster care settings as of September 30, 2021.

Status of evidence-based practices (EBP) prevention services in Minnesota

There are several elements of the prevention services components of FFPSA that require state investment for Minnesota to be successful in reducing the costs associated with foster care. First, the act created a new federal Title IV-E Prevention Clearinghouse of evidenced-based services approved and eligible for Title IV-E reimbursement. Second, the act requires fidelity monitoring of any service included in Minnesota's Title IV-E prevention plan to be submitted to the federal government to ensure services are meeting the evidence-based standards, as well as an evaluation of any service that isn't in the well-supported category in the Clearinghouse. Finally, the act requires reporting of child-level outcomes to assess the effectiveness of any service provided through the Title IV-E prevention services plan.

The prevention services components of FFPSA are optional and states are not required to use the federal reimbursement option for evidenced-based prevention services. However, without investment in preventing children from entering out-of-home care, counties and tribes will not be able to benefit from possible cost savings that will result from fewer children needing foster care, and especially the most expensive type of care, congregate care. The importance of providing prevention services to children and families can't be overstated. Prevention services based in culturally appropriate practices are essential for Minnesota to address the overrepresentation of African American and American Indian children in our child protection system.

Proposal:

This proposal continues implementation of the FFPSA in Minnesota by providing the state resources necessary to maintain compliance with new Title IV-E requirements. It is essential that implementation needs are addressed during the 2021 session to meet the October 1, 2021 federal deadline for conformity, and to allow time for adequate preparation for future compliance and for appropriate services to children and families. The state would ensure that facilities meet the new federal standards by having DHS review and approve new certifications for licensed service providers.

Legislation enacted in 2019 and 2020 provided the resources and statutory changes needed to begin developing the state infrastructure regarding residential services. This proposal continues to prepare the state for implementation to reduce the risk of disruptions to children and families. This proposal is intended to meet the increased work of developing, implementing and monitoring the FFPSA/QRTP Title IV-E residential facilities by

providing 11 additional staff for the Child Safety and Permanency, Background Studies, and Licensing divisions to ensure Minnesota is compliant with federal law. Specifically, these positions include:

Child Safety and Permanency Division – 9 staff

- **QRTP policy staff** – 1 full time position is required to oversee and develop Title IV-E policy for QRTP placements and ongoing Title IV-E FFPSA work.
- **FFPSA facility approval staff** – 2 full time positions are needed to determine and maintain Title IV-E facility approval for QRTPs and other Title IV-E eligible facilities under FFPSA.
- **QRTP extended placement review staff** – 2 full time positions are needed to approve placements for every QRTP a child is placed in for more than 6 or 12 months, depending on the child's age.
- **Prevention Services policy staff** – 1 full time position to develop, implement, and monitor policy related to prevention services Title IV-E, including candidacy and prevention services expansion and grant monitoring.

Background Studies Compliance – 2 staff

- **Background studies compliance staff** – 2 full time positions to monitor and ensure compliance for enhanced FFPSA background studies requirements across Children's Residential Facilities and new QRTPs.

Licensing Division – 3 staff

Licensing certification and compliance staff - Funding will be used to provide staff and systems to monitor programs' compliance with the new certification requirements.

Purchase required QRTP assessment tool

- **Child and Adolescent Needs and Strengths (CANS) Tool** - One of the requirements for placement in a QRTP facility is a new 30-day assessment that assesses the strengths and needs of the child using an age-appropriate, evidence-based validated functional assessment that must be approved in the Title IV-E plan. Current assessment tools used by county social service agencies do not meet the requirements. The QRTP workgroup reviewed assessment tools. Over half of the states use the CANS assessment tool for out-of-home placement processes. Minnesota will need to purchase the Child and Adolescent Needs and Strengths (CANS) tool which is a proprietary instrument to comply with this requirement. The tool will be accessible on the DHS public website for use by independent qualified assessors. *Cost: The one-time general fund cost for this provision is $51,350.*

Capacity development related to FFPSA prevention services

Based on the MMB survey of evidence-based practices in Minnesota, the results of the federal Title IV-E Prevention Services Clearinghouse approvals, and a review of Medicaid-approved services in Minnesota, DHS recommends funding be provided to:

- Assist in the expansion of evidence-based prevention services approved by the federal Title IV-E Prevention Services Clearinghouse. DHS is proposing to initiate requests for grant proposals to assist service providers in being trained in and in increasing their capacity to provide EBP's, particularly in areas of the state lacking such services, including fidelity monitoring required by the federal act for any service eligible for IV-E reimbursement;
- Assist in the expansion of the evidence-base through research and evaluation of promising services either currently being used in Minnesota or that are included in Minnesota's Title IV-E Five Year Prevention Plan to support approval in the federal Title IV-E Prevention Clearinghouse. DHS is proposing to initiate requests for grant proposals to evaluate and support further development of promising services that meet the needs of children most disproportionately involved in the foster care system; and

- Support Minnesota tribes in the development of culturally appropriate research and evaluation of tribal cultural practices to meet the federal requirements of FFPSA. *Cost: The cost for this provision is $2,000,000 per year ongoing.*

Fiscal Impact:
Currently, the General Fund appropriation for state child welfare services administration is $16.9 million for FY22-23. This proposal represents a 9.5% change to state funding for the biennium. There will also be systems costs to enable the Licensing Division to implement the certification process for QRTPs.

Federal Title IV-E child welfare revenues to Minnesota currently total $114 million annually. Title IV-E covers foster care, adoption assistance, guardianship assistance, administration, training, and automated systems. Eligible service payments are matched at 50%. Administration and systems costs are matched at 50% of eligible costs and training is matched at 75 percent. The state pays the non-federal share of some of these activities and the counties pay the non-federal share of others. For some programs, the state and county split the non-federal share. FFPSA prevention services and administration is matched at 50%.

Non-compliance with the new federal QRTP requirements will jeopardize Minnesota's Title IV-E claims by making certain activities ineligible, such as residential placements that do not meet the new more restrictive standards. In 2018, almost $16.3 million was spent on children for residential treatment/congregate care placements. Federal reimbursement for these expenditures was approximately $6.1 million. Lost reimbursement that results from a lack of alignment with the new QRTP standards would primarily fall on county budgets.

Impact on Children and Families:
The capacity building created by this proposal should result in more children being able to remain safely with their family or kin, and when removal is necessary children are placed in relative or non-related family foster care settings. More children will be moving from congregate residential placements to family foster care placements. Families will receive prevention services that are culturally appropriate and meaningful, resulting in families remaining intact.

Equity and Inclusion:
Disproportionality among children experiencing out-of-home placement remains an ongoing challenge for the Minnesota child welfare system. This disproportionality parallels opportunity gaps experienced by children and families from communities of color and American Indian children and families across the state.

This proposal is expected to result in more children, including children of color and American Indian children, being served with their families or kin prior to a potential removal from the home and placement in foster care.

IT Related Proposals:
To create and monitor new certification process for child care institutions, this will require systems changes for the Licensing Division.

Results:

This phase of implementation of the FFPSA requirements should result in an increase in placements with relatives, increase the ability of relatives to care for children, and ensure families are able to provide the necessary supports for children who are candidates for being at imminent risk of entering foster care but who can safely remain in the child's home or in a kinship placement as long as services or programs that are necessary to prevent the entry of the child into foster care are provided. Efforts to support children and their families at risk of out-of-home placement should reduce the actual number and length of placements and the resulting costs associated with placements. Interim measures to reach this long term outcome of reducing the number of children in care, and in congregate care settings in particular, are to ensure that the appropriate services are available for eligible children.

The public Minnesota child welfare data dashboard can be found at https://mn.gov/dhs/partners-and-providers/news-initiatives-reports-workgroups/child-protection-foster-care-adoption/child-welfare-data-dashboard/ for the current status of existing child welfare measures, including data by race/ethnicity and by age of child. In addition, data is and will continue to be maintained on the number of allegations and substantiations of child maltreatment, as well as out-of-home placements of children, by race/ethnicity. Recent reports on child maltreatment can be found at https://edocs.dhs.state.mn.us/lfserver/Public/DHS-5408J-ENG and on out-of-home care and permanency at https://edocs.dhs.state.mn.us/lfserver/Public/DHS-5408Ja-ENG.

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Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-24
General Fund			776	834	1,610	834	834	1,668
HCAF								
Federal TANF								
Other Fund								
Total All Funds			776	834	1,610	834	834	1,668
Fund	**BACT#**	**Description**	**FY 20**	**FY 21**	**FY 20-21**	**FY 22**	**FY 23**	**FY 22-23**
GF	12	CSP Staff (.0 FTE)	612	705	1317	705	705	1410
GF	12	QRTP assessment tool	51	0	51	0	0	0
GF	11	Background Studies (2.0 FTE)	157	209	366	209	209	418
GF	11	Licensing MH/SUD/CRF (3.0 FTE)	306	313	619	313	313	626
GF	11	Licensing ELMS and LIL IT systems cost (State Share @ 50%)	10	0	10	0	0	0
GF	REV1	Administrative FFP @ 32%	(360)	(393)	(753)	(393)	(393)	(786)
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 20**	**FY 21**	**FY 20-21**	**FY 22**	**FY 23**	**FY 22-23**
GF	11	Operations	5	5		5	5	
GF	12	Children and Family Services	6	6		6	6	

Statutory Change(s):
Minnesota Statutes, Chapters 245A and 260C.

Citation of Federal Law Requiring the Change (For federal compliance proposals only):
Section 472 (k) of the Social Security Act or 42 USC 672 (k).

Change Item Title: School-Linked Mental Health Grants – Summer 2021

Fiscal Impact ($000s)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
General Fund					
Expenditures	6,000	0	0	0	0
Revenues	0	0	0	0	0
Other Funds					
Expenditures	0	0	0	0	0
Revenues	0	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	6,000	0	0	0	0
FTEs	**0**	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends increased funding for School-linked Mental Health Grants administered by the Department of Human Services to address an increased need for community mental health services, as a result of the COVID-19 pandemic. This proposal results in a $6 million general fund impact in FY 2021.

Rationale/Background:

More than ever, families are in need of clinical supports to effectively cope with mental health needs that have increased due to the COVID-19 pandemic. Minnesota's School-Linked Mental Health program helps schools and families identify and treat mental illness by providing assessments, counseling sessions, and tools for teachers and staff to help support students – all while keeping students close to home and in school.

Many children with mental health conditions lack access to the treatment and supports they need. Untreated mental health conditions can be a significant barrier to learning and educational success. To address this, Minnesota has pioneered efforts to bring mental health services to students through the school-linked mental health program.

Under Minnesota's model of school-linked mental health, which began in 2007, community mental health agencies place mental health professionals and practitioners in partnering schools to provide mental health services to students. These mental health providers also consult with teachers and provide care coordination as well as offer classroom presentations and school-wide trainings on mental health issues. In 2019, current grantees provided 20,957 students with school-linked mental health services in 1,116 schools buildings (53 percent of total public school buildings) across 328 school districts (58 percent of total school districts) located throughout Minnesota.

With appropriate identification, evaluation, and treatment, children and adolescents living with mental illnesses can achieve success in family life, in school, and in work. Outcome data shows that when children receive services through school-linked mental health their mental health symptoms decrease and their overall mental health improves.

School Linked Mental Health services have also proven particularly effective in reaching children who have never accessed mental health services. Many children with serious mental health needs are first identified through this program, including 45 percent of children who met the criteria for "severe emotional disturbances." In addition, the program has been effective in addressing equity in access to mental health services. Students of color

receiving school-linked mental health services were significantly more likely to be accessing mental health services for the first time compared to white students.

Proposal:

This proposal invests a total of $6 million in FY 2021: $4.976 million to address students' mental health and $1 million to support school staff. This also includes $35 thousand for overtime costs to amend existing contracts with grantees in FY 2021.

Increasing school-linked mental health grant funding will support the mental health needs of children, youth, and families during the COVID-19 pandemic. The funds will be distributed to school-linked mental health providers and other mental health providers who serve children and families with young children. The funds may be used to mitigate service interruptions and prioritize in-person services, purchase critical care supplies, cover public health-related training costs, and address the mental health needs of communities of color and American Indian communities related to the COVID-19 public health emergency.

This investment would serve approximately 8,100 students who are in need of mental health services in more than 1,100 school sites across Minnesota. Teachers in more than 1,100 school sites will have access to consultations with mental health professionals to process their struggles as they serve students with mental health needs. School-linked mental health staff will also partner with specialized instructional support personnel to support school wide efforts to mitigate the mental health impact on teachers and students.

The $5 million will add to current contracts for school-linked mental health providers as well as for providers serving children and families across the State. The Department of Human Services (DHS) will amend the current contracts and issue a quick call of proposals to provide the following services to children and families:

- Provide mental health and chemical health treatment to children.
- Provide support to families through family therapy, family education, peer support and connection with experienced parents.
- Services to meet the needs for children and families from Black, Indigenous, and People of Color (BIPOC) communities.
- Develop response system to meet unique challenges that children and families will face during the pandemic.
- Identify outcomes of the above-mentioned ventures to make informed decisions around sustainability.

In addition, this proposal addresses the vulnerability of educational staff to experience stress and vicarious trauma during this pandemic. $1 million of this proposal is designated for school staff to create spaces for teachers and other school staff to seek support. DHS will provide technical assistance support in collaboration with the Minnesota Department of Education (MDE). This can be done by a quick call of proposals from not-for-profit organizations across the state to run these programs. Funding will be administered through amendment of current contracts with school-linked mental health providers through DHS. In addition, DHS will issue a quick call for proposals issuing mini grants to providers serving children and families.

Fiscal Impact:

This proposal recommends an appropriation of $6 million to be used in FY 2021 to provide mental health and substance use disorder treatment and services to children, families, school teachers, and school staff. $4.976 million of this appropriation will be used for students' mental health support, and $1 million will be used for school staff mental health support. Another $354 thousand will be appropriated for overtime costs to amend grant contracts prior to the end of FY 2021.

Impact on Children and Families:

This proposal is providing direct mental health and substance use disorder services to Minnesota students and school staff. A student body and school workforce that has their mental health needs met will have a positive effect on the students' families and community, as well as that of school staff.

Equity and Inclusion:

The school-linked mental health program has been adjusted in recent years to support an expansion of culturally and linguistically diverse services and providers. This includes the first tribal school-linked program, an agency contracting with state academies for deaf/hearing impaired and blind/visually impaired students and allowing "practice groups" of providers to become eligible grantees in order to encourage small, culturally-specific providers access to the program to support students in their communities.

These grant dollars are intended to continue to develop and to sustain the statewide infrastructure necessary to ensure that children with mental health conditions, regardless of their insurance status or cultural background, receive evidence-based mental health services from highly-trained mental health professionals.

Results:

Success of this proposal will be measured as follows:

- Increase in the number of school districts and schools accessing mental health services through the grant
- Increase in the number of school districts and schools utilizing telemedicine delivery of mental health services
- Increase in the number of clinicians available to provide mental health treatment in a school setting
- Increase in the number of students of cultural minority groups receiving mental health services through the grant
- Improve early identification and interventions of mental health issues in elementary and middle school settings
- Improve system coordination and access for students who have been expelled or suspended from school

IT Related Proposals:

N/A

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 21	FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			6,000	0	0	0	0	0	0
HCAF									
Federal TANF									
Other Fund									
Total All Funds									
Fund	**BACT#**	**Description**	**FY 21**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	58	School-linked mental health providers- contracts	4,976	0	0	0	0	0	0
GF	58	School staff mental health support-contracts	1,000	0	0	0	0	0	0
GF	15	CSA Administration	35	0	0	0	0	0	0
GF	REV1	FFP @32%	(11)	0	0	0	0	0	0
		Requested FTE's							
Fund	**BACT#**	**Description**	**FY 21**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**

Change Item Title: Federal Compliance for Northstar Care for Children

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	3,592	9	9	9
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	3,592	9	9	9
FTEs	**0**	**0**	**0**	**0**

Recommendation:
The Governor recommends revising Northstar Adoption Assistance and Northstar Kinship Assistance laws to comply with federal law and promote equitable access to financial resources for permanent caregivers of children formerly in foster care. In order to make these changes, the Governor recommends a general fund appropriation of $3.55 million in FY 2022-23 for past underpayments to families. Additionally, the proposal requires a general fund investment of $52,000 in FY 2022-23 and $18,000 in FY 2024-25 for system updates to the Social Services Information System (SSIS).

Rationale/Background:
In July of 2019, the Department of Human Services (DHS) received notice from the federal government that Minnesota's Northstar Adoption Assistance statutes are out of compliance with federal law. This stemmed from a constituent's request that the federal government review Minnesota's Northstar Adoption Assistance program for compliance with federal requirements. The noncompliant section of Minnesota statutes requires DHS to automatically offset children's monthly Northstar Adoption Assistance payments, without the concurrence of adoptive parents, if children receive any of the following benefits before or after adoption finalization: retirement survivor's disability insurance, veteran's benefits, railroad retirement benefits, and black lung benefits. The federal Social Security Act does not allow automatic modification of these payments under this circumstance; instead, adoptive parents must be given the opportunity to negotiate the payment amount, based on the unique needs of the child and changing circumstances of the family. *See 42 U.S.C. § 673(a)(3), and Question 2, 8.2D.4, Child Welfare Policy Manual.*

Further review and discussion with federal partners resulted in another section of Minnesota statutes determined to be out of compliance with federal law. Currently, this section of Minnesota Statutes requires agencies to consider a child's income and resources when negotiating a monthly payment for Northstar Adoption Assistance. However, according to federal Title IV-E requirements, this negotiation process must be based on the unique needs of the child and the circumstances of the adoptive family; these do not include consideration of a child's income or resources. Additionally, under both federal and state law, it is not permissible to apply any kind of means test to either Northstar Adoption Assistance or Northstar Kinship Assistance; a mandated consideration of income and resources attributable to the child is akin to a means test. *See Minn. Stat., section 256N.25, subd. 2(b)(3); 45 CFR §1356.40(c); and Question 1, 8.2A.2, Child Welfare Policy Manual.*

As a result, the federal government placed Minnesota on a Program Improvement Plan (PIP), which requires DHS to bring Minnesota's laws, policies, and practices into compliance regarding this issue. If Minnesota does not complete the PIP, Minnesota will be considered out of compliance with federal law and unable to collect federal

Title IV-E reimbursement for Northstar Adoption Assistance, which could be up to $30 million per year. *See 45 CFR §§ 1355.35, 1355.36, and 1356.50.*

Because Minnesota statutes direct DHS to automatically offset these payments and consider income and resources attributable to the child during the negotiation process, it is necessary to change Minnesota statutes to bring Minnesota into compliance with federal law. Until statutory changes are made, DHS will issue a temporary policy bulletin that will end the practice of automatically offsetting Northstar Adoption Assistance payments, based on Minnesota Statutes, section 256N.28, subdivision 2 and subdivision 3. These subdivisions require DHS to comply with federal Title IV-E requirements, and allow DHS to specify procedures, requirements, and deadlines for administering Northstar Care for Children, and to review and modify them as needed.

Because many of the Title IV-E adoption assistance components apply to Title IV-E guardianship assistance, it is possible this will also impact Minnesota's Northstar Kinship Assistance program. The Northstar Kinship Assistance program is the state's implementation of the federal guardianship assistance program. Similar to federal laws on adoption assistance, federal law regarding the guardianship assistance program directs the state to negotiate agreements in consultation with relative custodians, including payment rates and when payment may be adjusted, based on the needs of the child and the unique circumstances of the family. *See 42 U.S.C. § 673(d)(1), Question 1, 8.5A, Child Welfare Policy Manual, and Question 4, 8.5, Child Welfare Policy Manual.* However, removing the automatic income offsets requirement, and the requirement to consider income and resources attributable to the child, only for Northstar Adoption Assistance and not Northstar Kinship Assistance would create a financial disparity between the two programs, resulting in inequitable access to post-permanency benefits for relative custodians. This goes against the original legislative intent in enacting Northstar Care for Children, which was to remove financial disincentives for permanency and to make stable benefits available to all caregivers—regardless of permanency disposition. *See Minn. Stat., section 256N.01 (c).*

The intended results are that Minnesota Statutes are compliant with federal law and the legislative intent of equity in permanency benefits for children in foster care under the Northstar Care for Children Act is maintained.

Proposal:

The Northstar Care for Children Act was signed into law in the 2013 legislative session and went into effect on January 1, 2015. This proposal is a change to an existing program. DHS is proposing to amend Minnesota Statutes, section 256N.26, subdivision 11 and subdivision 13, and section 256N.25, subdivision 2 and subdivision 3. Amending these sections will eliminate the requirement that DHS automatically offset Northstar Adoption Assistance and Northstar Kinship Assistance program payments, regardless of whether adoptive parents and relative custodians agree with the payment reduction. It will also remove the requirement that the negotiation process include consideration of a child's income and resources. This will place Minnesota statutes in compliance with federal law.

As an initial step to comply with Minnesota's PIP, the forecast for these two programs has been adjusted for current and ongoing payments to families. However, the PIP also requires that Minnesota provide back payments to families whose Northstar benefits were automatically offset. To make those payments, DHS requests $3.55 million, which is the total cumulative offset amount since January 1, 2015. DHS also requests $52,000 in FY 2022-23 and $18,000 each biennium thereafter for changes to the Social Services Information System (SSIS) necessary to implement these changes.

Without the statutory amendment and back payments to families, DHS stands to lose federal Title IV-E reimbursement for the Northstar Adoption Assistance program, and potentially the Northstar Kinship Assistance program. If this happens, both the state and local agencies who have financial responsibility for children receiving Northstar benefits will be held responsible for additional costs.

The effective implementation date for the policy changes is the date of enactment.

Fiscal Impact:
Net fiscal impact on the General Fund for this proposal is $3.55 million for the underpayment to families back to FY 2015. $52,000 in FY2022-23, and $18,000 in FY 2024-25 for updates to SSIS.

Currently, approximately 420 children have their Northstar Adoption Assistance and Northstar Kinship Assistance program payments automatically offset by, on average, $390.35 per month, as a result of receiving one of the four identified benefits.

Impact on Children and Families:
Because Northstar Adoption Assistance and Northstar Kinship Assistance program payments will no longer be automatically offset under this proposal if they receive certain benefits, children will have access to the full payment they are entitled to under federal law. An increase in monthly payment will help support stability in children's permanency, and allow for greater access to needed services and resources that may not have been available otherwise, such as child care, early education, health and mental health services, and more. Families who rely on services and resources that have household or child income limits will also be able to negotiate a lesser payment so they do not lose eligibility for these needed services and resources.

Equity and Inclusion:
There is significant racial and ethnic disproportionality for children of color experiencing and continuing in foster care. In 2018, American Indian children were 18.2 times more likely, children of two or more races were 5.1 times more likely, and African American/Black children were more than 2.9 times more likely than white children to experience out of home care. Children of color are also more likely to have their parents' rights terminated and thus enter state guardianship than white children: 2.7 times more likely for American Indian children and African American/Black children, and 3.9 times more likely for children of two or more races. Once under state guardianship, white children are more likely to be adopted than children of color. In 2018, for every 100 White children who were adopted, 70 American Indian children were adopted, 80 children of two or more races were adopted, and 70 African American/Black children were adopted. *See Minnesota's Out-of-home and Permanency Report, 2018.*

This proposal promotes equity by ensuring compliance with federal law and not penalizing permanent caregivers of children formerly in foster care who receive certain benefits. By including Northstar Kinship Assistance in this proposal, this proposal will promote equitable access to financial benefits for relative caregivers. Because the identified benefits that require an automatic income offset include benefits based on a parent's veteran or disability status, this proposal will also promote equity and inclusion for veterans and people with disabilities by removing financial barriers related to a person's veteran and disability status.

Additionally, because children with disabilities tend to experience and remain in out-of-home care at higher rates than children without disabilities, and disability status is considered a barrier to adoption, it is possible that this proposal will reduce disparities for children with disabilities remaining in out-of-home care by providing greater financial resources for adoptive parents and relative custodians to care for their children with disabilities. *See Minnesota's Out-of-home and Permanency Report, 2018; and Minnesota's disability statistics from the Minnesota State Demographic Center.*

DHS does not believe there are any negative impacts on the identified groups, although there may be perceived concerns from the identified groups regarding how the proposal will impact their families overall. To mitigate this effect, DHS plans on holding online learning and listening sessions in which families will be able to participate. DHS also intends to coordinate information sharing with adoption and kinship advocacy groups.

Results:
The performance measure used to assess these changes will be the successful completion of the Program Improvement Plan. This will be accomplished through implementation of this budget proposal, in addition to changes in program documentation and procedures

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-24
General Fund			3,592	9	3,601	9	9	18
HCAF								
Federal TANF								
Other Fund								
Total All Funds			3,592	9	3,601	9	9	18
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	11	SSIS Systems Costs @ 52% State Share	43	9	52	9	9	18
GF	26	Northstar Care for Children – Back Pay	3,549	0	3,549	0	0	0
		Requested FTEs						
Fund	**BACT#**	**Description**	**FY 20**	**FY 21**	**FY 20-21**	**FY 22**	**FY 23**	**FY 22-23**

Statutory Change(s):
Minn. Stat. §§ 256N.25 and 256N.26

Citations of Federal Law Requiring the Change (For federal compliance proposals only):
42 USC § 673(a)(3)
42 USC §§ 673(a)(3), 673(d)(1), (3)
45 CFR §1356.40(c)
45 CFR § 1355.35
45 CFS § 1355.36
45 CFS § 1356.50
Child Welfare Policy Manual: Question 1, 8.2A.2
Child Welfare Policy Manual: Question 1, 8.5A
Child Welfare Policy Manual: Question 2, 8.2D.4
Child Welfare Policy Manual: Question 4, 8.5

Change Item Title: Address Supplemental Nutrition Assistance Program (SNAP) Payment Error Rate

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	807	638	638	638
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	807	638	638	638
FTEs	**5**	**5**	**5**	**5**

Recommendation:
The Governor recommends an investment of $1.4 million in FY 2022-2023 and $1.3 million in FY 2024-2025 to reduce payment errors in administering SNAP benefits, both to improve customer service and to reduce the possibility of federal financial penalties. This request would fund improvements to MAXIS, make the required after-the-fact electronic verification of income more effective and more efficient, provide more training and streamline policy options and guidance, and increase capacity to perform federally mandated quality assurance reviews and management evaluations of local agency operations.

Rationale/Background:
Minnesota's SNAP payment error rate for FFY 2019 was 9.78%, triggering a requirement for a corrective action plan and putting Minnesota in "first year liability" status with USDA as it was higher than the national 6% threshold. As of September 2020, state-reported data shows Minnesota with a SNAP payment error rate of 10.11%. First year liability status is a warning with no fiscal penalty, but if the error rate is too high in FFY 2020, Minnesota will pay a penalty that must be passed on to local counties and tribes according to state law (256.01, subd. 2, paragraph (n)).

Minnesota currently has a corrective action plan in place with the U.S. Department of Agriculture (USDA) that is actively being implemented. DHS will know if the state is going to be sanctioned by June 30, 2021. The sanction could be between $1-5 million. According to USDA, the state can choose to pay 100 percent of the sanction directly to the federal government or the state can choose to reinvest 50 percent of the sanction amount into SNAP for program improvement activities that help reduce the payment error rate. However, new investment funds by the state will not be matched by federal funds. Under the second option, the remaining 50 percent of the sanction must be paid to federal government by September 30, 2021. The state cost of this proposal could be used towards the 50 percent of the sanction reinvested into SNAP, if necessary. By investing in this proposal now, Minnesota can proactively address the SNAP payment error rate to avoid future penalties.

Data analysis indicates that the majority of payment errors occur with county and tribal eligibility workers in documenting cases, processing cases too quickly without a review of completed work, and around specific case types. Complex eligibility rules, high eligibility worker turn-over and needing to learn and manage 2 or 3 distinct eligibility IT systems (MAXIS for cash and SNAP, MEC^2 for Child Care Assistance, and METS for health care) all contribute to payment errors.

Counties and tribes have made it clear that in order to reduce the SNAP payment error rate, important updates need to be made to MAXIS, the computer system used by state, county, and tribal human service agencies to

determine SNAP eligibility and benefit amounts. When MAXIS is not up to date, eligibility staff in counties and tribes must use manual system workarounds, a process that is inherently error prone.

Federal officials from USDA have made a number of recommendations, including:

- ***Staffing.*** Adjusting the state's SNAP staff complement to ensure adequate administrative ability to support counties and tribes in reducing the payment error rate. According to federal SNAP regulations (7 CFR 275.2), the "State agency shall employ sufficient State level staff to perform all aspects of the Performance Reporting System as required in this part of the regulations." Minnesota administered more than $515 million in SNAP benefits in 2019. Increased staffing would allow the state to:
    - Respond more quickly to caseload reports of payment errors, do deeper analysis on errors, and address root cause problems identified in that analysis.
    - Provide additional training and updates in policy changes for local eligibility workers.
    - Conduct more quality assurance reviews of cases and additional management evaluations of local agencies.
    - Develop and implement policy changes requested by the U.S. Department of Agriculture.

Investments in SNAP administration are eligible for a reimbursement of up to 32% from USDA. The federal funds are reinvested into the state's General Fund.

- ***MAXIS Updates.*** When MAXIS is not up to date, eligibility staff in counties and tribes must use manual system workarounds, a process that is inherently error prone. This proposal includes the following updates to MAXIS:
    - Scripts Project – Scripts are mini-programs/macros that can be used within the MAXIS system to help eligibility staff process benefits more efficiently and accurately. Counties and tribes have identified SCRIPTS as one of the most important initiatives to help reduce payment errors. There are currently no programmers at MNIT assigned to writing SCRIPTS programming for SNAP.
    - Electronic Disqualification Recipient System (eDRS) – This is a federally required system to determine if applicants are already receiving benefits in another state. The MAXIS system changes will update the MAXIS-eDRS interface due to eDRS system enhancements. Significant changes and improvements were instituted within eDRS to allow more precise and consistent data to be entered into the database and to improve data security standards within the system. As a result, the MAXIS system must also be updated to maintain required data security levels. This would help reduce the SNAP payment error rate and contribute to program integrity.
    - Income and Eligibility Verification System (IEVS) – DHS, counties, and tribes could improve the effectiveness and efficiency of the income and eligibility verification system by focusing on discrepancies more likely to need worker action on the MAXIS eligibility system. The MAXIS system changes will update the MAXIS-IEVS interface and SNAP-only cases will be added back to MAXIS IEVS Interface. These changes would reduce the burden on eligibility workers and help reduce the SNAP payment error rate.

Proposal:

Effective July 1, 2021, this proposal would provide funding for 5 FTEs for the administration of SNAP in the areas of training, policy development and implementation, quality control, IT operations, and management evaluation. This proposal would also fund several updates to the MAXIS eligibility system that have been requested by county and tribal human services agencies.

Fiscal Impact:

Administrative costs are based on the following FTE's and an average hire date of October 1, 2021:

- 1 SNAP Management Evaluation Reviewer;
- 1 SNAP Policy Specialist;
- 1 SNAP Trainer; and

- 1 SNAP Quality Control Reviewer.

The proposal also includes system costs for updates to the MAXIS eligibility system for:

- Updating the Electronic Disqualification Recipient System (eDRS);
- Updating the Income and Eligibility Verification System (IEVS); and
- Dedicating 1 MNIT FTE to work on MAXIS scripts for SNAP.

If Minnesota receives a sanction, 50% of the sanction can be reinvested into SNAP for program improvement activities that help reduce the payment error rate. However, new investment funds by the state will not be matched by federal funds. The state cost of this proposal could be used towards the 50% of the sanction reinvested into SNAP, if necessary. DHS will know if the state is going to be sanctioned by June 30, 2021.

Impact on Children and Families:

Almost half of SNAP recipients in Minnesota are children. Families with children suffer when their benefits are calculated incorrectly. Families receiving SNAP benefits must repay overpaid benefits, even when the error is not their fault, according to federal law. In FFY 2019, 65% of payment errors were due to county and tribal human services agencies. Reducing the payment error rate would mean families with children receiving SNAP benefits would be more likely to receive the correct benefit amount and would be less likely to be burdened with repaying overpaid benefits.

Equity and Inclusion:

SNAP reflects Minnesota's racial and economic disparities. People of color and American Indians are 21 percent of the state's population[1] but 44 percent of the SNAP caseload.[2] African Americans are 26 percent of the SNAP caseload[2], even though they are only 7 percent of the state's population.[1] Reducing the payment error rate would mean American Indian and African American families receiving SNAP benefits would be more likely to receive the correct benefit amount.

IT Related Proposals:

Category	*FY 2022*	*FY 2023*	*FY 2024*	*FY 2025*
System/Contract Vendor – IEVS Interface	206,202	41,240	41,240	41,240
System/Contract Vendor – eDRS Interface	295,342	59,068	59,068	59,068
Staff costs (MNIT) – Scripts FTE	143,520	143,520	143,520	143,520
Total	**645,064**	**243,828**	**243,828**	**243,828**
MNIT FTEs	1	1	1	1

[1] QuickFacts Minnesota, U.S. Census Bureau, 2019.

[2] Characteristics of People and Cases on the Supplemental Nutrition Assistance Program, Minnesota Department of Human Services, 2018.

Results:
The SNAP payment error rate is based on results of state SNAP case reviews, and measures the accuracy of benefits issued. States are sanctioned by USDA's Food and Nutrition Service if the payment error rate exceeds a certain threshold. Generally, states must be under 6%. However, the national error rate and other factors are included in the formula USDA uses to determine fiscal penalties for error rates. Based on Minnesota's 2019 payment error rate, Minnesota is in first year liability status. First year liability status is a warning, with no fiscal penalty. If Minnesota is in sanction status based on FFY 2020 results, we will be faced with a penalty. The national error rate has been steadily increasing since a 2013 nationwide audit revealed biased quality control practices in all but a handful of states. Minnesota was one of the states with unbiased practices.

Year	Minnesota SNAP Payment Error Rate	National SNAP Payment Error Rate
2015	5.96%	3.47%
2016	6.72%	4.60%
2017	7.33%	5.80%
2018	9.04%	6.50%
2019	9.78%	7.36%

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-24
General Fund			807	638	1,445	638	638	1,276
HCAF								
Federal TANF								
Other Fund								
		Total All Funds	807	638	1,445	638	638	1,276
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	11	MAXIS system update (State share @55%)	276	55	331	55	55	110
GF	11	MAXIS Operations (1 FTE, State share @ 55%)	79	79	158	79	79	158
GF	12	Children and Families (4 FTEs)	664	741	1,405	741	741	1,482
GF	REV1	FFP @ 32%	(212)	(237)	(449)	(237)	(237)	(474)
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	11	MN.IT @ DHS (1 FTE)	1	1		1	1	
GF	12	Children and Families (4 FTEs)	4	4		4	4	

Statutory Change(s):
None.

Citation of Federal Law Requiring the Change (For federal compliance proposals only):
According to federal SNAP regulations (7 CFR 275.2), the "State agency shall employ sufficient State level staff to perform all aspects of the Performance Reporting System as required in this part of the regulations."

Change Item Title: Case Management Redesign and Reform

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	476	136	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	476	136		
FTEs	**0**	**0**	**0**	**0**

Recommendation:
The Governor recommends establishing a statewide methodology for rates paid to county case management subcontractors and an investment of $612,000 in FY 2022-23 to support the development of comprehensive case management redesign in the next biennium.

Rationale/Background:
The redesign of Medicaid-funded case management services builds upon decades of work and is a long-standing goal of the Minnesota legislature, DHS, counties, Tribes, communities, and stakeholders. The initiative is co-led by executive leadership within DHS, county leadership, and Tribal nations. In addition to State, Tribal and county leadership, the case management redesign initiative includes close partnership with communities and stakeholders.

The Center for Medicare and Medicaid Services (CMS) has notified the State that the current rates and payment methodologies for targeted case management services are not in compliance with Sec. 1902(a)(30)(A) of Title XIX[1]. Below is a summary of CMS concerns:

- Bundled Payments: Bundled payments can result in payments made for services that may or may not actually be rendered to the beneficiary or for services that may not be covered by Medicaid.
- County Negotiated Rates: This method of rate determination does not demonstrate a uniform, state-wide rate setting methodology approved by the state Medicaid agency and it does not meet the requirements to provide a comprehensive description of the methods and standards used to set payment rates.
- Rates Distributed Among a Team of Contracted Vendors: This may violate the requirement of direct payment to providers.
- Certification of County Certified Public Expenditure (CPE): A county as a governmental agency cannot certify the cost of the rate when it is also the provider.

The changes included in this proposal are necessary steps to demonstrate Minnesota's commitment to moving forward with comprehensive case management redesign efforts resolving federal compliance issues raised by CMS. Federal Medicaid participation for case management services is approximately $177 million dollars annually. Failure to address CMS' compliance concerns in a manner that is sustainable represents an untenable risk to counties, Tribes, and Minnesotans who rely on case management services.
Beyond the immediate needs to address CMS concerns and comply with federal Medicaid payment requirements reflected in this proposal, the long-term goal of the case management redesign initiative is to improve the overall

[1] 42 U.S.C. 1396a(a)(30)(A)

health and wellbeing of people by improving the quality of and access to Medicaid case management services. DHS is committed to bringing forward a comprehensive case management redesign proposal during the 2023 legislative session to address remaining federal compliance issues, fully define the foundational definition and expectations for case management service delivery, and redefine eligible targeted populations.

The redesign of Medicaid-funded case management services will require a multi-phased approach to legislative changes. The comprehensive approach to redesigning case management services includes:

- Federally compliant rate methodologies for case management services, including
  - Transparent and consistent rate methodologies for all providers
  - County rate methodology that complies with federal payment requirements when local funds are used to pay the non-federal Medicaid share
- Eligibility criteria for targeted case management services that makes case management support available to individuals and families earlier. The reconfiguration of eligibility criteria for targeted case management services will transform targeted case management services into a prevention-focused service model that is specifically designed to reduce health outcome disparities in Minnesota's Medical Assistance (MA) population.
- Service definitions and standards. Service definitions and expectations for case management services will focus on addressing "social drivers of health", meaning the social, environmental, and economic conditions and policies that drive individual's and family's opportunities to achieve full health. Case management services will connect individuals and families to existing supports and services to remove barriers caused by the social drivers of health in order to ensure that individuals and families are able to more effectively engage with medical, behavioral health, or substance use disorder treatment or long-term supports and services.
- Outcome measures. Outcome measures will show how well case management services are addressing individual and family needs and goals.
- Training and staff qualification requirements. Training and staff qualification requirements to ensure that all case managers have the training necessary to deliver culturally responsive, trauma-informed support. Establish qualification requirements that builds the case management provider base and increases the number of case management support personnel that is more reflective of the ethnic and racial populations served by MA.
- Defined polices and payment methodologies for Tribal targeted case management services

Proposal:

The redesign of Medicaid-funded case management services will require a multi-phased approach to legislative changes. During the 2021 legislative session, DHS will focus on:

1. Meeting the CMS expectation that payment rates are under the control of the State Medicaid agency by developing a statewide subcontractor methodology for targeted case management rate(s).
2. Obtaining funding necessary to bring Minnesota's case management services into full compliance with Medicaid payment system and bring forward a comprehensive case management proposal in 2023.
3. Supporting Minnesota Tribes in the development of a Tribal targeted case management benefit.

1) Meet CMS expectation that payment rates are under the control of the State Medicaid agency by developing a statewide subcontractor methodology for targeted case management rate(s).

This change is in direct response to CMS' demand that Minnesota have a uniform, statewide rate setting methodology for subcontracted providers. Under current law, counties directly negotiate and contract with vendors providing targeted case management services on behalf of the counties. The 2021 legislative proposal will mandate that the counties utilize a rate setting methodology that is created and overseen by the State Medicaid agency (DHS).

Federal approval is required prior to implementation of a new statewide methodology for subcontracted providers. DHS committed to attempting to bring a legislative proposal forward during the 2021 legislative session in order to amend our Medicaid state plan amendment by July 1, 2021. Because these changes will require adjustments to current contracts and processes, DHS will work with counties to develop an implementation plan. There are no system changes required to implement this change. However, counties may need technical assistance in developing their rates using the new statewide methodology.

2) Obtain funding necessary to bring Minnesota's case management services into full compliance with Medicaid payment system and bring forward a comprehensive case management proposal in 2023.

DHS will commit to bringing forward a comprehensive case management redesign proposal during the 2023 legislative session to address the remaining federal compliance issues, fully define the foundational definition and expectations for case management service delivery, and redefine eligible targeted populations.
Funds in this proposal are intended to support contracts with vendors to:

- Conduct fiscal analysis needed to establish federally compliant payment methodologies for all MA-funded case management services ($500,000)
    - Case management rates, and the accounting practices required to maintain local financing of case management services, must be transparent, consistent, and sustainable for counties.
    - Minnesota has a very complex funding structure for case management services that relies on local county governments to fund the non-federal share. Ongoing fiscal analysis through a contracted vendor is required to support rate development and to analyze the impact of any proposed rate methodology on state and local funds. Transparency and outside analysis are required for this work to proceed.
- Develop reporting measures to determine outcomes for case management services to increase continuous quality improvement ($150,000)
    - DHS has worked with the Management Analysis Division at MMB, through an interagency agreement, to conduct a national and state scan of existing quality and outcomes measures and to develop a plan for identifying outcome measures across all case management services.
    - Funds will be used to support this ongoing work with MMB.
- Develop case management training across case management services ($50,000)
    - Case managers will need clear and consistent training requirements and support in order to provide quality case management services and meet foundational expectations. Funds will be used to support a vendor in scanning existing trainings, identifying training needs, and developing training tools across all case management services.

3) Support Minnesota Tribes in the development of a Tribal targeted case management benefit.

Administrative funds are also needed to support the development of Medicaid payment rates for a Tribal targeted case management service ($200,000).

DHS will consult with Tribal nations to develop a Tribal targeted case management service to bring forward in the 2023 legislative session. Several states (OR, AK, etc.) have used the authority in Title XIX to create a targeted case management service for American Indians or Alaska Natives (AI/AN). By using flexibility in federal Medicaid law to establish a targeted case management service developed by Minnesota Tribes and Tribal providers, Minnesota can make progress in reducing health outcome disparities for AI/AN people and families.

The DHS Office of Indian Policy and Tribal Liaisons have worked with Tribal Nations and the American Indian advisory councils to facilitate the development of initial Tribal case management recommendations. We will build on these initial recommendations and continue intentional consultation and collaboration to in the development of a future service.

Tribal consultation and collaboration is an essential component of case management redesign. In 2016, the Minnesota Indian Affairs Council (MIAC) passed a resolution regarding case management redesign calling for

- active and authentic engagement of tribal representation in all discussions relative to case management redesign,
- recommendations made on behalf of tribal children and families be provided a unique and independent status of recommendations made on behalf of non-Indian children, adults, and families, and
- Government-to-Government consultation, as required by Governor's Executive Order

DHS, as a state governmental entity, must partner closely with Tribal nations to ensure all policies honor and uphold Tribal sovereignty. We must work with Tribal nations and Urban Indian providers as we consider development of a Tribal targeted case management service and to accurately analyze the potential impact on Tribal providers as we revise county rate setting methodologies.

Fiscal Impact:

In 2021, DHS is seeking a total of $900,000 from the general fund to pay for the financial and policy expertise necessary to develop the 2023 case management proposal. There is an anticipated administrative FFP revenue of 32%, resulting in a request of $612,000.

Impact on Children and Families:

In 2023, DHS plans on bringing forward changes that will significantly improve the quality and consistency of case management services and changes that will make case management services available to children and their families earlier. Under current law, the configuration of the "target" populations eligible for case management services creates gaps and unnecessary delays in access to support. By reconfiguring the target populations and the criteria required to establish eligibility for case management services, children and their families will be able to access the support of a case manager ***earlier***. In practical terms, this means that rather than waiting for their child to require hospitalization or crisis services, a family with a child who is beginning to experience mental illness would be able to get the help identifying treatment and support options. In addition, the family would also get help identifying public benefits and supports to social or economic barriers that may prevent their child from being able to consistently engage in treatment and other support services. DHS is also planning on expanding children's case management eligibility to include case management services for children with developmental disabilities. Under current law, children with developmental disabilities are not eligible for MA-funded case management services unless the child meets an institutional level of care.

The 2023 case management proposal will include clearer definitions of what the core components of case management are, and clarity around a case manager's role and responsibility. Case managers will be expected to ensure that they are working with the child and the child's family to meet the family's basic needs. These changes are in direct response to what DHS has heard multiple time from communities– families need help getting affordable housing, they need help getting enough nutritious food, and they need help with transportation. By addressing these social drivers of health, case management can improve the efficacy of all MA-covered treatments and services, and help to reduce health disparities for all Minnesota children and their families.

Finally, the development of a Tribal Targeted Case Management model will directly address the demand made by Tribes and Tribal providers to have case management services for American Indian or Alaska Native (AI/AN) children that reflects the unique strength and vibrancy of Tribal culture. Structural racism and the impact of historic policies aimed at Minnesota's Tribal communities has resulted in health outcome disparities for AI/AN that are the worst in the state as compared to all other racial and ethnic groups. By using the flexibility in federal Medicaid law to establish a targeted case management service model developed by Minnesota Tribes and Tribal providers, Minnesota can make progress in reducing health outcome disparities for AI/AN children and their families.

Equity and Inclusion:

According to the U.S. Office of Minority Health:

> Health disparities adversely affect groups of people who have systematically experienced greater social and/or economic obstacles to health based on characteristics historically linked to discrimination or exclusion (e.g. race or ethnic group; religion, socioeconomic status; gender; age; mental health; cognitive, sensory or physical disability; sexual orientation; or geographic location.)

Case management services are a crucial part of DHS' efforts to reduce health disparities. Minnesota's racial disparities in terms of both economic stability and health outcomes have been well documented. A body of evidence on the "social drivers of health" (i.e. stable housing, stable and sufficient income, adequate nutrition, and reliable transportation) has emerged over the past decade that demonstrates the intersection between poverty and a person's health and wellness. According to the National Academy of Medicine in a 2017 article; "Medical care is estimated to account for only 10-20 percent of the modifiable contributors to healthy outcomes for a population. The other 80 to 90 percent are sometimes broadly called the SDoH: health-related behaviors, socioeconomic factors, and environmental factors." Case management services help remove barriers to successful engagement in health care, education, and employment. Case management is a tool that allows a person and their family to develop a trusting relationship with a person who is able to help them identify what their needs are and the resources available to address those needs. Practically speaking, this can mean something as simple as a case manager providing assistance to a family in filling out the necessary forms to renew their healthcare coverage, obtain food stamps, or apply for housing subsidies.

Minnesota has one of the nation's lowest uninsured rates. Approximately, 1.1 million Minnesotans are covered through Medical Assistance. Minnesota's Medical Assistance covered benefit set is one of the most generous Medicaid benefit sets in the nation. Despite that, Minnesota has been shown to have one of the nation's highest rates of health disparities by race and ethnicity. The answer to reducing health disparities in Minnesota is therefore not likely to be found in a further expansion of covered benefits, but rather in developing effective methods of ensuring that all Minnesotans are able to successfully engage in available public benefits, social supports, medical, behavioral health, and substance use disorder treatment.

Case management is a unique Medical Assistance service in that it is not a treatment or clinical service. Instead, case management is a service that directly addresses the social determinants of health. Case management is a tool that helps remove barriers to successful engagement in health care, education, and employment. Case management is not a silver bullet or a magic wand, it is limited by the extent to which resources are available to meet the needs of the people served. However, we know that if a person or family is better able to access existing income, housing, food, and transportation supports they are more likely to be more successful in terms of health care utilization and engagement.

IT Related Proposals:

The 2021 proposal does not include any IT related changes. At the most basic level, the impact of 2021 proposal to establish a statewide county subcontractor rate methodology will be measured by the continuation of federal financial participation with Minnesota's MA-funded targeted case management services.

Results:

The impact of 2021 proposal to establish a statewide county subcontractor rate methodology will be measured by the continuation of federal financial participation with Minnesota's MA-funded targeted case management services.

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			476	136	612	0	0	0
HCAF								
Federal TANF								
Other Fund								
Total All Funds								
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	15	Case Management contracts	500	200	700	0	0	0
GF	13	Rate development for Tribal TCM	200	0	200	0	0	0
GF	REV1	FFP @ 32%	(224)	(64)	(288)			
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**

Change Item Title: Expanding Integrated Care for High-Risk Pregnant Women (ICHRP)

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	964	629	353	353
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	964	629	353	353
FTEs	**1**	**1**	**1**	**1**

Recommendation:

The Governor recommends investing in the Integrated Care for High Risk Pregnancies (ICHRP) grant program to support communities experiencing disparities in birth outcomes. This proposal expands services for African American women in the Twin Cities metropolitan area and will build additional regional care collaboratives centered around Duluth, Bemidji, and the Twin Cities for American Indian women. This proposal has a net General Fund impact of $1.6 million of additional expenditures in the FY2022-2023 biennium and $706,000 additional expenditures in the FY2024-2025 biennium.

Rationale/Background:

The ICHRP model identifies women at high risk of having adverse birth outcomes due to stressors like homelessness, hunger, untreated mental illness or substance use disorders, and institutional racism. It does this by assessing women for these risk factors and other needs and helping them obtain resources, such as housing referrals, behavioral health care, and food supports. Reducing these stresses during pregnancy reduces the chance of early, preterm delivery, infants with low birthweights and their attendant costs. ICHRP connects women with community-based paraprofessionals who share the same cultural and ethnic heritage as the women they serve.

What makes ICHRP innovative is the way in which community partners are designing and driving the work. A community collaborative is in the lead. The partners include: nonprofit organizations committed to reducing racial and ethnic disparities in birth outcomes that are well-placed to identify women (and often families) in need of services; social service providers geared toward meeting the needs of diverse clients; clinics that employ community health workers and other para-professionals to provide direct, billable services to patients needing assistance with navigating the complex systems (and lack of systems) for social and behavioral health services; prenatal clinics and birthing hospitals; and professional facilitators. All of this is done in a culturally specific environment, meaning the work is designed, delivered, coordinated, and continuously improved by people from similar racial and ethnic heritage as the women being served. While ICHRP care teams are reimbursed through Medical Assistance funding for the portions of the service that involve direct care to women, the ICHRP model relies on community leadership to establish and maintain local, collaborative systems for identifying and serving pregnant women.

Minnesota has some of the nation's worst disparities for birth outcomes for African Americans and American Indians. Native American (14.4 percent) and Black (9.3 percent) women have higher rates of giving birth prematurely than white women (8.6 percent) as well as having a newborn with low birth weight (8.8 percent, 9.5 percent, and 5.9 percent, respectively). Within Medical Assistance births, the low birth weight rate is around 7.3

percent for whites, and around 13.5 percent for African Americans. (Rates of low birth weight for other racial/ethnic groups are similar to, or no more than two percentage points higher than, the white rate.) About 8 in 10 of Minnesota's African American births are to mothers who are insured by Medical Assistance. Prematurity, low birth weight, and neonatal opiate withdrawal are the leading causes of costly neonatal intensive care unit admissions, and these adverse birth outcomes are known to be strongly associated with lifelong health problems like illnesses that affect breathing, feeding and digestive problems, cerebral palsy, and intellectual and/or developmental delays that lead to challenges in school.

Proposal:

The Governor recommends investing an additional $1.1 million into the existing grant to support infrastructure costs of forming and maintaining community-led collaborations that are not billable to Medical Assistance in order to begin to bring the ICHRP model to scale, amplifying its reach, impact on health, and savings to the state.

Currently, ICHRP is targeted at reducing disparities in the African American community. Previously, ICHRP also supported five tribally led care collaboratives, which narrowly targeted prenatal maternal opioid use. When federal funding to address the opioid epidemic became available, tribes elected to use that federal funding, and ICHRP no longer funds these highly specialized programs. Opioid use is an especially harmful risk to pregnancy outcome, but affects only a small fraction of pregnancies. Recognizing that the American Indian community also experiences significant disparities in general birth outcomes, such as prematurity and infant mortality, this proposal, in addition to expanding the African-American community model, will build new community-led collaborations in up to three regions of the state -- the Bemidji, Duluth, and Twin Cities areas -- where the highest concentrations of American Indian births occur within the Medical Assistance program.

The program's direct impact on lowering risks for prematurity and associated low birth weight is expected to offset program expenditures significantly, through higher-weight births and consequent reduction of newborn admissions to costly neonatal intensive care units. About half the costs of the program over two biennia are offset by fee-for-service Medical Assistance program savings. Projected savings are conservatively calculated assuming a 15 percent reduction in low birth weight births among African American and American Indian women enrolled in fee-for-service. This estimate is based on published data from other states' experience with similar Medicaid initiatives. This proposal does not reflect the larger savings that will accrue over time to the prepaid medical assistance program (most pregnant women receiving medical assistance are enrolled in managed care by the time they give birth), because the state will not see those savings until they show up in the actuarial calculations used in the managed care contracting processes. There is significant potential for longer term savings to Medical Assistance by decreasing the number of children born preterm and/or with low birthweight and therefore decreasing the number of subsequent medical visits, adaptive equipment, special education, and even likelihood of requiring Medical Assistance as an adult.

Impact on Children and Families:

By definition, ICHRP has multi-generational impact, since it is focused on improving pregnancy outcomes. To do this, ICHRP directly engages mothers and fathers and continues throughout the perinatal period. Qualitative data from the 2019 ICHRP Legislative Report demonstrates this: "In addition to helping women abstain from drug abuse during pregnancy, grantees are also preventing child removal and family disruption. Programs focus on improving overall health, social and economic outcomes for their clients. For example, Fond du Lac reported that 29 of its 32 graduates are now working full-time. In White Earth, 100 [percent] of the mothers engaged in the MOMS and UMOMS programs have been able to bring their babies home with them from the hospital. ICHRP grantees report that clients are frequently able to surmount overwhelming obstacles (including losing child custody, homelessness, extreme poverty, transportation challenges, and lack of sober family and friend supports) to engage successfully in treatment and recovery support services. These parents in recovery are inspiring hope among providers and those in tribal communities that change is possible in the context of a collaborative approach to care that is culturally rooted, non-judgmental, and community-driven."

Equity and Inclusion:
This is a community-led program that reduces health disparities among African American and American Indian pregnant women and their babies and helps foster and repair trust between the Department of Human Services (DHS) and historically under-resourced communities. The disparity for African Americans and American Indians in infant mortality, largely driven by differences in prematurity, is two to three times the rate for whites. The pilot program has proven successful in engaging communities and in improving the health and stability of participating women. All women in the program are comprehensively assessed for unmet needs and connected to supports and services. The pilot was not large enough to result in meaningful reduction of disparities population-wide. This proposal scales up the ICHRP work so that it can have more meaningful impact to broader populations. To do this, DHS must continue to build trust with impacted communities as well as educate clinicians on the model and implementation.

To date ICHRP has been a proof of concept model—a demonstration that the state of Minnesota could actually co-create solutions to a long standing racial health disparity, and share its power with and successfully engage communities that have been historically under-resourced in a way that had not been done before in Minnesota's Medicaid program. To this end, it was not setup for traditional data collection or to deliver the discrete return on investment (ROI) measures that policymakers and politicians have become accustomed to using to determine the value of a program. The African American ICHRP model alone has worked with more than 4,520 mothers and families through individual services, in-person and virtual educational sessions, and by reaching 30,000 community members and health care professionals through print media messages, webinars, and radio programming. Going forward, DHS and ICHRP partners will be building in more traditional data collection and analysis as this proposal brings the program to scale.

IT Related Proposals:
No IT systems changes are necessary to implement this proposal.

Results:
ICHRP has been data-driven from the outset, but the pilot was too small to produce statistically reliable results. Anecdotal evidence is strong that participating women have enjoyed more successful birth outcomes and that fewer of their children are placed out of the home. Moving forward and with the communities' continued guidance, evaluation will include qualitative attributes and quantitative outcomes such as:

- Structural integrity of collaborative relationships
    - Number of prenatal clinics and birthing hospitals in service area with functional partnering relationships
    - Number and adequacy of referral pathways for specific, screened risk conditions
    - Number of postpartum clients transitioned with warm handoffs for postpartum and pediatric care and for early childhood developmental support
    - Number of community events held, number of people reached via events and multimedia campaigns
- Engagement of high risk Medicaid enrollees in the target communities
    - Number of enrollees engaged as clients
    - Number (FTEs) of high-risk maternity care navigators employed among collaborative partners
    - Risk factors for adverse birth outcomes among ICHRP clients compared to non-clients
- Outcomes those in target communities who have been served by ICHRP compared to those not served
    - Number/percent of mothers carrying to term
    - Number/percent of infants born with low birth weight
    - Diagnostic referral and use of substance use disorder treatment services for clients screened positive

- Prevention of child removal/family disruption
- Use of/connection to social supports and services

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			964	629	1,593	353	353	706
HCAF								
Federal TANF								
Other Fund								
Total All Funds			964	629	1,593	353	353	706
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	33FC	MA Grants	(208)	(554)	(762)	(830)	(830)	(1,660)
GF	51	ICHRP Grant	1,100	1,100	2,200	1,100	1,100	2,200
GF	13	HCA Admin (1 FTE)	106	122	228	122	122	244
GF	REV1	FFP @ 32%	(34)	(39)	(73)	(39)	(39)	(78)
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	13	DHS FTE	1	1		1	1	

Statutory Change(s):
Minnesota Statutes § 256B.79

Federal law or regulation to which this proposal complies:
NA

Change Item Title: MHCP Extending 90-Day Prescription Refills and Dispensing Fee Change

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	(3,090)	(3,962)	(3,971)	(3,980)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(3,090)	(3,962)	(3,971)	(3,980)
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends permanently expanding access to a 90-day supply for select prescriptions in Minnesota Health Care Programs (MHCP), lowering the current pharmacy dispensing fee based on the 2020 Cost of Dispensing Survey results, and modifying the reimbursement of dispensing fees for compounded IV solutions. Under this proposal, the dispensing fee will change from $10.48 per prescription to $9.91. This proposal will help lower the program expenditures for the outpatient pharmacy benefit and ensure that MHCP members can continue to receive a larger supply of select medications. This proposal will reduce General Fund expenditures by $7.1 million in the FY2022-2023 biennium and by $7.9 million in the FY2024-2025 biennium.

Rationale/Background:

State law limits the dispensed quantity of prescription drugs for Medical Assistance enrollees to a 34-day supply (Minnesota Statutes § 256B.0625, subd. 13) unless a larger amount is authorized by the Commissioner. MinnesotaCare rules follow these Medical Assistance limits. During the COVID-19 public health emergency, the Department of Human Services (DHS) implemented a waiver under the Governor's Executive Authority to extend the supply of select medications to 90-days.

In 2019, the legislature funded a cost of dispensing survey to be conducted every three years, beginning in SFY 2020. The results of the Minnesota survey measure whether the current dispensing fee is too high, too low, or sufficient. The survey results indicate that the current dispensing fee pays more than the provider's costs for dispensing drugs to fee-for-service MHCP members. This proposal aligns the measured costs of dispensing with the reimbursement rate paid to pharmacies for providing pharmaceutical and dispensing services. The current dispensing fee of $10.48 was based on the 2017 Cost of Dispensing Survey from the state of Indiana.

Proposal:

This proposal makes three changes to current MHCP pharmacy policy.

First, it will codify a modified version of the 90-day supply waiver implemented during the COVID-19 pandemic and allow for a larger day supply of certain non-controlled substance, low cost maintenance medications to be filled on a single claim, maximizing flexibility in healthcare delivery for members and providing savings by paying a single dispensing fee instead of three monthly dispensing fees. The list of drugs would be modified to allow all low cost generic drugs to be filled in up to a 90 day supply but will minimize the potential of waste due to discontinued prescriptions that require more frequent dosing changes or high cost brand name drugs that present less of an opportunity for cost savings relative to the cost of the drug.

Second, this proposal aligns the pharmacy dispensing fee with the results of the 2020 Cost of Dispensing Survey conducted by the Department of Human Services (DHS). Based on the results of the survey, this proposal seeks to revise the current dispensing fee of $10.48 to the new statewide average cost of dispensing of $9.91.

Tribal providers are paid the IHS encounter rate for pharmacy services. This proposal does not modify the encounter rate and should have no impact on tribal providers.

Finally, this proposal also makes a technical correction to the payment of multiple dispensing fees for pharmacy claims for compounded IV drug claims. Most compounded IV pharmacy claims are not paid with a dispensing fee because they are supplied by home infusion therapy providers that are paid for their administrative costs through a per diem. The subset of claims that are paid multiple dispensing fees based on the current law would be changed to only receive a single dispensing fee regardless of the quantity of drug dispensed. This would align with the way all other drugs are reimbursed and would correct a technical issue that was not addressed in the 2019 Outpatient Drug Rule compliance package.

Impact on Children and Families:

This proposal builds on a healthy start by ensuring members have access to pharmacy services through the Medical Assistance benefit. As an optional benefit, it is more important than ever to ensure the pharmacy program is administered efficiently in this economic downturn to prevent calls for it to be eliminated. This proposal allows for expanded flexibility in an enrollee's ability to obtain certain low cost prescription drugs. This proposal does not mandate that a member must fill a 90-day supply of a drug if it does not fit into their treatment plan; instead, it allows them to fill up to a 90-day supply.

Equity and Inclusion:

Transportation to covered services is commonly cited as a barrier to accessing health care within public programs. Allowing for members to acquire a larger supply of certain medications at one time provides an opportunity for members to reduce their number of trips to a pharmacy. As transportation presents a barrier to the lowest income members, this proposal would support their ability to maximize their health outcomes and provides greater flexibility in the delivery of their health care. Additionally, by paying a fair rate to pharmacy providers based on Minnesota data, this proposal would ensure one provider type is not unfairly benefited, or harmed, by paying a rate that is inappropriately high or low due to the use of another state's data for rate setting.

IT Related Proposals:

This proposal requires changes in MMIS. The state share of these costs are reflected in the fiscal detail below.

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			(3,090)	(3,962)	(7,052)	(3,971)	(3,980)	(7,951)
HCAF								
Federal TANF								
Other Fund								
Total All Funds			(3,090)	(3,962)	(7,052)	(3,971)	(3,980)	(7,951)
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	33ED	MA Grants	(2,812)	(3,538)	(6,350)	(3,544)	(3,550)	(7,094)
GF	33FC	MA Grants	(104)	(132)	(236)	(132)	(132)	(264)
GF	33AD	MA Grants	(183)	(294)	(477)	(297)	(300)	(597)
GF	11	State share of systems costs (MMIS @ 29%)	9	2	11	2	2	4
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**

Statutory Change(s):

Minnesota Statutes § 256B.0625, subd. 13 and 13e

Federal law or regulation to which this proposal complies:

42 CFR 447.502-522

Change Item Title: Telemedicine Expansion in Minnesota Health Care Programs

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	2,677	3,407	3,531	3,663
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,677	3,407	3,531	3,663
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends making changes to coverage of some treatment services delivered via telemedicine within the Medical Assistance and MinnesotaCare programs in order to expand opportunities to access needed care. This proposal is informed by a report completed by the Department of Human Services (DHS) that included engagement from providers including patient feedback they collected and review of available evidence and claims data. This proposal increased General Fund expenditures by $6.1 million in the FY2022-2023 biennium and by $7.2 million in the FY2024-2025 biennium.

Rationale/Background:

Due to COVID-19, temporary changes were made to the Medical Assistance and MinnesotaCare programs under the Governor's Executive Order authority to expand services that could be delivered via telemedicine. The changes to telemedicine were later codified in state law and currently extend to June 30, 2021. These temporary changes were made to ensure members could receive needed access to care in a new socially distanced environment. Community engagement was significantly limited due to the rapidly evolving pandemic. Changes to telemedicine included:

- Removing the limit of three telemedicine visits per week;
- Expanding the list of mental health and substance use providers eligible to provide telemedicine services; and
- Temporarily considering services delivered by phone as telemedicine.

A review of the changes made and the impacts on patient care was completed including a review of available evidence, claims data, and focus group discussions with providers across the state and across the treatment spectrums of behavioral health and physical health.[1] The Governor's executive authority did not include making changes to rates, so services provided under the temporary changes were for the most part billed and paid the same as if the patient had been seen in person. This proposal reflects the results published in the report.

Proposal:

This proposal expands coverage of telemedicine to include additional treatment services performed by additional providers who conduct treatment deemed by the provider to be safe and effective using real time, two-way interactive audio and visual technology. Coverage is allowed with consent of the patient and when in person options are not available or telemedicine is preferred by the patient. All applicable federal regulations regarding

[1] Minnesota Department of Human Services (2020), Telemedicine Utilization Report, Telehealth and Telemedicine during the COVID-19 Pandemic, https://mn.gov/dhs/assets/telemedicine-utilization-report-2020_tcm1053-458660.pdf.

privacy and security must still be followed and the provider must have a current telemedicine agreement filed with DHS. This proposal does not include coverage of treatment services provided by telephone, as that warrants further review with respect to patient safety and efficacy of treatment, as well as modifications to payment rates that should reasonably be considered.

This proposal makes the following specific changes:

- Removes the current limit of three times per week for telemedicine services.
- Clarifies that the enrollee's home is an allowable originating site for covered telemedicine services.
- Clarifies that psychiatric care provider service for Assertive Community Treatment (ACT) may be provided via telemedicine when necessary to ensure the continuation of psychiatric and medication services, and to maintain statutory requirements for psychiatric care provider staffing levels.
- Clarifies that the services and responsibilities for psychiatric providers for Intensive Rehabilitative Mental Health Services (IRMHS) may be provided via telemedicine when necessary to prevent disruption in services or to maintain the required psychiatric staffing level.
- Clarifies that Early Intensive Developmental Behavioral Intervention (EIDBI) "coordinated care conference" and "individual intervention" services may be provided via telemedicine.
- Allows treatment provided via a real time, two-way interactive audio and visual telemedicine visit to satisfy the face to face requirement for consideration of reimbursement under the payment methods that apply to a federally qualified health center (FQHC), rural health clinic (RHC), Indian health service (IHS) or 638 tribal clinic, and certified community behavioral health clinic if the service would have otherwise qualified for payment if performed in person.
- Adds providers to the list of those whose services can be covered if performed via telemedicine that complies with applicable requirements.

Impact on Children and Families:

This proposal would allow families and children additional flexibilities when seeking health care services for treatment. In the event that the pandemic is ongoing after July 2021, when the current telemedicine expansion authorities expire, these flexibilities will allow for continued access to care in a socially distanced world while still ensuring those who need or prefer in person care still receive effective treatment. Into the future, after the pandemic, these changes will offer reasonable flexibility, helping reduce barriers such as lack of transportation, when families and children need medical services.

Equity and Inclusion:

This proposal expands the format in which enrollees can receive health care services, in this case, allowing for additional services via telemedicine. Providing options to members on how to access care increases the ability to seek and find culturally competent care that best meets their needs. In addition, this makes treatment services more accessible in rural areas of the state where providers may not have offices in locations convenient for enrollees, reducing the amount of time enrollees must take off from work or accommodate child care arrangements to receive treatment.

IT Related Proposals:

Some IT changes may be necessary to effectuate the changes under consideration.

Results:

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Percentage of physical health services delivered via telemedicine	.1%	6%	June 2019 and 2020
Equity	Percentage of non-white members receiving services via telemedicine	13%	20%	Prior to March 2019 and after March 2019

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
General Fund			2,677	3,407	6,084	3,531	3,663	7,194
HCAF								
Federal TANF								
Other Fund								
Total All Funds			2,677	3,407	6,084	3,531	3,663	7,194
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	33ED	MA Grants	1,468	1,890	3,358	1,959	2,032	3,991
GF	33AD	MA Grants	69	89	158	92	96	188
GF	33FC	MA Grants	1,107	1,425	2,532	1,477	1,532	3,009
GF	11	State Share of Systems Changes (MMIS @ 29%)	13	3	16	3	3	6
GF	15	CSA Admin (Contract	30		30			0
GF	Rev1	FFP @ 32%	(10)		(10)			0
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**

Statutory Change(s):
Minnesota Statutes § 256B.0625, subdivision 3b

Federal law or regulation to which this proposal complies: N/A

Change Item Title: Continuous Access to Public Transportation Through NEMT

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	31	35	35	35
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	31	35	35	35
FTEs	**0**	**0**	**0**	**0**

Recommendation:
The Governor recommends expanding the use of public transit passes for individuals on the Medical Assistance and MinnesotaCare programs who can be well served by public transit. This proposal has a General Fund cost of $66,000 in the FY2022-2023 biennium and $70,000 in the FY2024-2025 biennium.

Rationale/Background:
The Medical Assistance and MinnesotaCare programs attempt to eliminate transportation as a barrier to care by providing seven different modes of transportation within the Non-Emergency Medical Transportation (NEMT) benefit. Members are matched with the mode of transportation that best meets their transportation needs, taking into account availability of providers, as well as any physical or cognitive factors. Members receive the most cost effective but appropriate transportation option that will best meet their needs.

For individuals well served by public transit in their communities, one option is to receive a monthly public transit pass if it is cost effective. In order to receive a monthly pass, it must be determined that the individual uses enough public transit for medical appointments that the monthly pass would be less expensive than paying for each individual ride.

Proposal:
This proposal will eliminate the cost effective test for a monthly transit pass under the NEMT benefit. Enrollees who live in an area with public transit, and who are well served by public transit, will automatically be eligible for a monthly pass, which will allow them to access other locations for housing, employment, food, and other daily needs.

Impact on Children and Families:
This proposal capitalizes on the Medical Assistance and MinnesotaCare programs attempts to eliminate transportation barriers and extends that to other parts of enrollees' lives. This opportunity will allow individuals to maximize use of public transit to travel to educational programs, work, and other necessary activities.

Equity and Inclusion:
Transportation is frequently cited as a barrier for individuals served by the Medical Assistance and MinnesotaCare programs. According to the American Hospital Association, over 3.5 million individuals do not obtain medical care due to transportation access. This proposal extends the public transit benefit already being offered and allows

individuals who would be well served by public transit to maximize the use of public transit for other needs in their lives such as education, work, and more.

IT Related Proposals:

This proposal has no IT components. Monthly bus passes are already offered in the NEMT program on a more limited basis.

Results:

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Equity	Number of monthly bus passes issued in FFS	14,634	15,267	FY2018/2019

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
General Fund			31	35	66	35	35	70
HCAF								
Federal TANF								
Other Fund								
Total All Funds			31	35	66	35	35	70
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	33ED	MA Grants	14	15	29	15	15	30
GF	33AD	MA Grants	2	2	4	2	2	4
GF	33FC	MA Grants	15	18	33	18	18	36
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**

Statutory Change(s):

Minnesota Statutes § 256B.0625, subd. 17

Federal law or regulation to which this proposal complies: NA

Change Item Title: Redesign Outreach Activities for Child and Teen Checkup Program

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	(802)	(1,603)	(1,603)	(1,603)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(802)	(1,603)	(1,603)	(1,603)
FTEs	**0**	**0**	**0**	**0**

Recommendation:
The Governor proposes to redesign outreach services to children and families to ensure more children are accessing critical preventative health care services within the Medical Assistance program. This proposal reduces General Fund expenditures by $2.4 million in the FY 2022-2023 biennium and by $3.2 million in the FY 2024-2025 biennium.

Rationale/Background:
Child and Teen Checkups (C&TC) is Minnesota's version of the federally required Early, Periodic, Screening, Diagnosis, and Treatment (EPSDT) program. The program is aimed at identifying and addressing early issues that may impact a child's overall health and development, with well-child checkups being the foundation of the program.

A critical component of the C&TC program is child and family outreach to notify them of upcoming well-child visits and to provide resources to support attending those appointments, such as interpreter and transportation services. Minnesota's participation rate at C&TC appointments has remained steady for years and trends below national standards. Department of Human Services (DHS) data also shows that the current outreach model executed under contract by counties and tribes lags in timing and may not be the most effective way to reach families.

Proposal:
This proposal would add the C&TC outreach activities to the Integrated Health Partnership (IHPs) contracts, which serve nearly 50 percent of children on Medical Assistance. The IHP model aims to reach better health outcomes for enrollees by aligning the many incentives for providers and having them be responsible for the health outcomes of their patients. Given the alignment of the goals between IHPs and the C&TC program, this proposal will make IHPs responsible for the outreach for this critical preventative health benefit. To support the IHPs in this responsibility, they will receive enhancements to the existing data and reports they are already receiving, as well as an enhanced population-based payment of $12 annually per child. IHPs will also be held to enhanced accountability metrics for the children and teens attributed to them. These additional costs are offset by expenditure reductions for the current contracts with counties to conduct this work.

Impact on Children and Families:
This change will enhance children's participation in critical well-child visits. Having the IHP responsible for outreach means that the provider picked by the patient will be the one reaching out to remind them of upcoming appointments and emphasize the importance of these preventative visits. In the current model,

counties and tribes perform the outreach, entities that patients are not necessarily familiar with. Additionally, some providers already report performing independent outreach to their patients and patients' families currently.

Equity and Inclusion:

Well-child visits are a critical preventative health service which are important for all kids, but especially for communities of color, which are known to experience greater health disparities. Having the provider entity that the child/family picked to serve them, where an established relationship already exists, will yield better outreach results. This model has the added benefit of allowing the provider, who has an established relationship with the family, to tailor their message using consistent clinic messaging and allowing for more culturally competent outreach.

IT Related Proposals:

This proposal does not require IT systems changes.

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			(802)	(1,603)	(2,405)	(1,603)	(1,603)	(3,206)
HCAF								
Federal TANF								
Other Fund								
Total All Funds			(802)	(1,603)	(2,405)	(1,603)	(1,603)	(3,206)
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	33FC	MA Grants	(802)	(1,603)	(2,405)	(1,603)	(1,603)	(3,206)
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**

Statutory Change(s):

Minnesota Statutes § 256B.0755; 256B.0625, subd. 58

Federal law or regulation to which this proposal complies:

NA

Change Item Title: Waiver Reimagine Phase II

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	1,247	488	845	(8,212)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,247	488	845	(8,212)
FTEs	**5**	**5**	**8.5**	**10**

Recommendation:

The governor recommends transforming the disability waiver system to promote equitable distribution of resources, program sustainability, and increased choice for Minnesotans with disabilities who use waiver services. This proposal will implement the second phase of Waiver Reimagine, a strategic redesign of the disability waiver service system that modernizes and streamlines administrative management of the disability waiver system. This proposal has a cost of $1.7 million in the FY 2022-2023 biennium and a net savings of about $7.4 million in the FY 2024-2025 biennium.

Rationale/Background:

Over 57,000 Minnesotans with disabilities live, work and engage in their communities with support from home and community-based waiver services (HCBS). These programs are administered by the Minnesota Department of Human Services (DHS), counties, and tribes. The four disability waivers – the Brain Injury (BI), Community Alternative Care (CAC), Community Access for Disability Inclusion (CADI), and Developmental Disabilities (DD) waivers – have eligibility criteria, services, administrative requirements, and resource allocation methods. While each of the programs provide critical supports, people with disabilities and other stakeholders agree that the disability waiver system is complex to navigate and should be easier to understand and use.

Identifying Solutions for System Transformation: Waiver Reimagine Research

In 2018, the state commenced the Waiver Reimagine Project aimed to identify holistic recommendations to simplify the disability waiver programs, promote equitable distribution of resources, and expand choice for service recipients through strategic system-level improvements. The 2017 legislature required the state to conduct two studies to identify efficiencies, simplifications, and improvements through reconfiguring the waiver program structures and to recommend an individual budgeting model for disability waiver recipients, linking a person's needs to the amount spent in their service plan. Together these studies informed the Waiver Reimagine project.

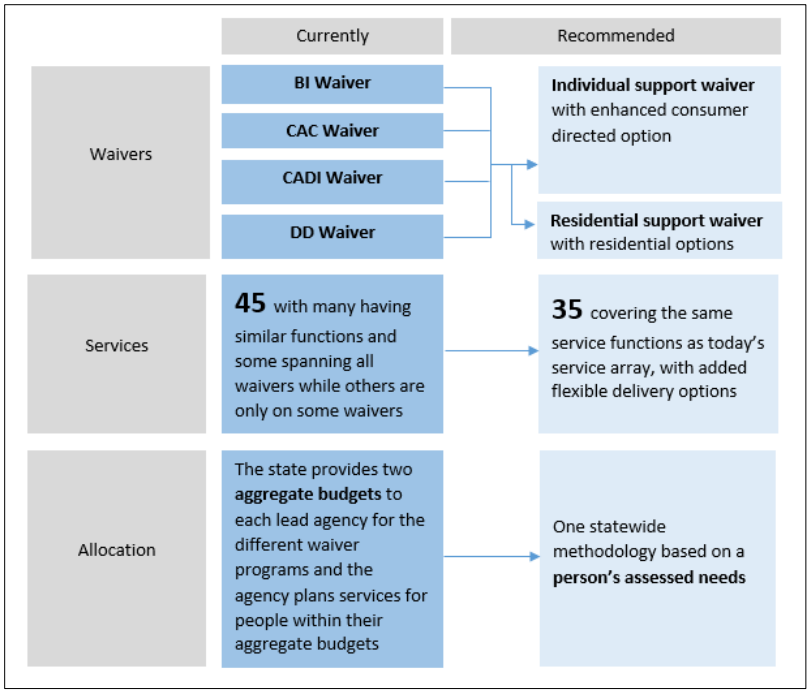
Summarizing this research, the 2019 Waiver Reimagine legislative report provides a detailed explanation of the project, including the analysis, stakeholder engagement, and recommendations. These recommendations include the following:

- A simplified service menu across waivers to make programs more understandable and accessible;
- Consistent policies and procedures across the waivers;
- Reconfiguration of the waivers from four to two based on supports a person needs rather than their diagnosis;
- Allocating resources based on each person's assessed needs through an individual budget;

- Enhanced resources available to people and families about their supports; and
- Online portal to allow personalized and secure access to health information.

Together these recommendations will make it easier for people and families to access supports that best fit their lives, and they will ensure that resources are distributed equitably across the state. The graph below illustrates the largest system changes in the Waiver Reimagine project recommendations and how they compare to the current disability waiver system.

Waiver Reimagine Project recommendations



Phase One: Preparing the System for Transformation

Following the initial research period and legislative report recommendations, the 2019 Minnesota Legislature authorized DHS to begin the implementation of Waiver Reimagine through a two-phase process. The 2019 legislative changes authorized the first phase of Waiver Reimagine to prepare the system for final transformation and required DHS to return with final recommendations for the second phase. This proposal finalizes system transformation through the second phase.

The table below illustrates the changes proposed each phase.

Phase 1: FY2019-2021	Phase 2: FY2022-2024
• Continued stakeholder engagement • Statute, rule, policy, and waiver plan review and modification • Technical system development • Streamline services available • Enhance resources available to people and families about their supports • Finalize budget allocation method	• Seek legislative approval in 2021 session for individualized budget methodology • Seek federal approval post 2021 session • Continued stakeholder engagement • Prepare a communication and technical assistance plan • Implement a transition to new waiver and allocation structure beginning January 2023

Prior to Waiver Reimagine, different but sometimes similar services were available across the four waivers. As part of the phase one work, services available across the four waivers were streamlined to a consistent benefit set. This change was fundamental to ensuring a smooth transition to the new waiver structure.

In addition to streamlining the service menu across the waivers, research and planning continued throughout phase one. This included continued research about the successes and challenges experienced by other states that attempted similar efforts as well as comprehensive data analyses of Minnesota's existing services that support people with disabilities in the finalization of the proposed individualized budget methodology. In addition to this continued research, preparation and development of the phase two recommendations contained in this proposal were informed by the 2020 legislative policy requirement for the reconfiguration of the disability waiver system to emphasize employment first, independent living first, and self-direction first policies.[1]

Proposal:

This proposal seeks legislative authority to implement phase II of the Waiver Reimagine project. This proposal will:

- Combine the four disability waivers into a two waiver structure that reflects support needs based on the type of living setting in which the person resides; and
- Allocate resources using an individualized budget that links a person's needs to a range of service plan costs.

Reconfiguration of the Disability Waivers from Four to Two

This proposal seeks authority to transition the BI, CAC, CADI, and DD waivers into two home and community-based services waivers:

- One waiver that serves people living independently or at home with family; and
- One waiver that serves people living in residential settings.

The reconfigured waiver structure simplifies the waiver programs by aligning waivers based on where people choose to live, rather than their diagnosis. Both waivers encompass the existing four levels of care and other eligibility criteria associated with the BI, CAC, CADI and DD waivers. As a result, eligibility requirements will remain essentially unchanged for people who use services. This change will create consistency between the two waivers, make them easier to understand and navigate, and be more responsive to a person's needs, circumstances and preferences.

The two waivers will support the disability waiver system to emphasize employment first, independent living first, and self-direction first policies. These new waivers will allow DHS to launch a program that is not connected to historical, diagnostic-specific waivers, and to target services and supports for people based on where they live. Any differences in service arrays between the two waivers will be due to service limitations based on living setting.

A two waiver structure will simplify administration of the program. For people who access services, the changes will make the program easier to understand and provide more options, control and flexibility when choosing services and supports. Lead agencies (counties and Tribal Nations) and service providers will operate within a program focused on what services and supports a person needs and rather than a person's diagnostic criteria. Having fewer administrative complexities aligns with the Department's goal to shift toward a person-centered system. Removing system complexities also improves cross-governmental collaboration with federal partners, the state legislature, and state agencies.

In order to implement a reconfigured structure, the State must receive legislative approval to develop a proposed waiver plan for submission to The Centers for Medicare and Medicaid Services (CMS). Additional changes required to implement a reconfigured waiver structure include updates to existing systems; identifying and adapting statutes, rules, and policies; developing a transition plan from the existing waiver structure to the reconfigured structure; and continuing to engage with people with disabilities, lead agencies, service providers, and advocates about this change.

[1] See 256B.0911 subd. 1 as amended by Chapter 2, Article 4, Section 2

Implementation of an Individualized Budget Model

This proposal also seeks the legislative authority to transition the waivers from the current county-based budgeting system to an individual budget model across the recommended reconfigured waiver programs. Minnesota county and tribal agencies currently manage costs for the BI, CAC, CADI, and DD waiver programs within aggregate budgets for all people served by the waivers in their county or tribe. Each lead agency manages one budget for the DD waiver and a different, combined budget for the BI, CAC, and CADI waivers. If a person's service needs change, resulting in changes in service costs, the lead agency must balance this individual's cost with the overall need of all current and potential service recipients. Transitioning to an individual budgeting model will assure equitable access to needed services across the state and increase the efficiency and effectiveness of resource management.

An individualized budget model will promote self-direction and increase the control that people with disabilities may choose to exercise over their services. Individualized budgets will ensure people will understand the financial resources available to them to purchase services. They will also have the ability to pick some services areas for self-direction and maintain traditional services at the same time. Self-direction options will be available on both waivers. Expanding and emphasizing self-direction empowers people with disabilities to have more control and choice in planning services and supports that are important to them and for them. This self-direction model is consistent with 2020 legislation that established "self-direction first" statutory guidelines. (Minn.Stat.§256B.4905)

The new individual budget model is not expected to impact current service utilization trends, however budgets were designed to mitigate perverse incentives that could lead a person to choose a more costly, less integrated service over a more integrated service. The proposed individualized budgets are expected to reduce the average cost of services for residential participants by 6.9%. The average cost of services for non-residential waiver participants is expected to increase by 10.5%.

Since 2018, DHS has been developing and refining an individual budget methodology based on public and expert feedback. This multi-year effort included extensive stakeholder input from people, advocates, providers, and lead agencies across Minnesota; statistical analysis of multiple years of service, assessment, and spending data; recalibration and reconsideration to incorporate updated person-centered policy, new and streamlined services and augmented rates; and input and analysis from national experts on disability waivers and individual budgeting. This proposal recommends a budget methodology that reflects this work.

The individual budget methodology in this proposal was developed with the following fundamental values:

- *Transparency:* Each person can review publicly available and plain language information about support ranges and associated budgets. They will understand how their assessed need and support range match to their budget.
- *Flexibility:* Each person can choose the services and supports they need and want to purchase within their budget range.
- *Person-centered decision making:* Each person can access their budget and be empowered to make informed decisions about their life, services, and supports.
- *Self-direction:* Each person can self-direct none, some, or all of certain services. This will encourage those who did not want to go "all in" on self-direction previously to try it out and see how it fits into their life.
- *Administrative simplification:* Lead agencies will no longer have to manage a lead agency budget to be divided amongst people; instead the state will manage individual budgets on a state-wide level and lead agencies can focus on supporting people with disabilities build fuller lives.

The individual budgeting methodology recommended in this proposal uses support ranges that are determined by a person's assessed needs, including their health and behavioral support needs. Following an assessment, people will access a support range to which they will then use to plan for services. This methodology uses separate support ranges for adults and children, recognizing the distinct and changing supports needed by children throughout their development. All support ranges are informed by current service costs and usage of people using

waiver services today and they incorporate the different costs for different service models to ensure consistency with Disability Waiver Rate System (DWRS) rate methodologies.

The support ranges in this proposal, along with how they were developed, are detailed in the 2019 Waiver Reimagine legislative report.

Transition planning for reconfiguration and individual budgets
Transitioning from a county-based, aggregate budget method to implementing individual budgets will require a detailed transition plan. To ensure a successful transition, DHS will:

In 2021:

- Seek federal authority to reconfigure waivers through development, seeking public comments, and submission of waiver plans to the Centers for Medicare and Medicaid Services (CMS)
- Seek federal authority to implement individual budget methodology through development, seeking public comments, and submission of waiver plans to the Centers for Medicare and Medicaid Services
- Support lead agencies to prepare for internal transitions of budget management and waiver assessment and case management

In 2022 through 2024:

- Update and align multiple systems including, but not limited to MMIS, MAXIS, MnCHOICES, and the Waiver Management System
- Transition people from current waiver program to reconfigured waiver program with individual budgeting at their annual assessment
- Continue to seek input, ideas, and feedback from people, advocates, counties and tribal nations, and providers about implementation and transition

Fiscal Impact:

This proposal will impact state spending through the following:

- Medical Assistance (MA) spending under the four disability waivers will be impacted by the implementation of individual budgets based on each person's assessed needs. The determination of these budgets ("support ranges") are calculated based on current program costs and population needs across all four waiver programs. By moving to individual budgets, service authorizations will be more consistent across program participants with similar needs.
- This proposal will require changes to multiple systems to transition waiver programs from four to two and to implement an individual budgeting model. These changes are needed to ensure that assessment, eligibility, service authorization, and payment systems can support the new program structures.
- This proposal will include administrative resources needed to ensure a smooth and transparent transition, including: updating reporting, communication, and policy resources, and providing assistance and training to lead agencies, providers, program participants and other stakeholders.

Impacts to Medical Assistance waiver spending:

- The new waiver model will no longer use lead agency-level budgets. Lead agencies will use MnCHOICES assessments to determine a service plan for each waiver enrollee which specifies types and amounts of service, as they do now. Under this proposal, the service plan will be subject to individual budget limits.
- This proposal is not expected to change trends in program enrollment or caseloads. All fiscal impacts are assumed to be a result of changes to the average cost of services per person.
- Based on historical service utilization trends, this fiscal analysis estimates that about 41% of waiver enrollees receive residential services and make up about 65% of total waiver payments. Based on recent data trends, the proportion of waiver payments for residential participants is expected to grow by an

average of 1% per year. Half of that growth is assumed to be a result of growth in the number of recipients and half is a result of the increasing cost of services.
- The new individual budget model is expected to reduce the average cost of services for residential participants by 6.9%. The average cost of services for non-residential waiver participants is expected to increase by 10.5%.
- To allow for systems implementation, these changes are assumed effective September 1, 2024. There would be a 12-month transition period during which new waiver enrollees would begin enrolling in the new waiver programs at their annual reassessment.
- The existing disability waivers received federal funds through 1915(c) authority. It is assumed that the new waivers would also be approved under 1915(c) authority and would therefore have to satisfy cost neutrality conditions.

Administrative resources:

This proposal will need the following administrative resources in order to implement:

- The Disability Services Division within the Community Supports Administration will need the following FTE's and administrative resources:
    - Three FTE's for outreach, communication, training, and technical assistance for counties and Tribal Nations on a reconfigured waiver structure, budgeting method, and transition. One of the FTE's will be hired in FY 22 and the other two FTE's will be hired in FY 24 as implementation begins.
    - One FTE which will continue a temporary position that was funded through SFY 2021 as part of Phase I of Waiver Reimagine.
    - One FTE is continued funding for a temporary position that was funded through SFY 2021 as part of Phase I Waiver Reimagine to develop communications, trainings, draft content for forms, policy manuals, CBSM, and instructions to providers and counties.
    - $100,000 for outreach, research and planning costs in FY 24 and FY 25.
- Contract funding for the Lead Agency Review is needed to update monitoring protocols to align with new waiver structure, and expand case file review support during the transition period from four waiver to two waivers starting in FY 24. This funding includes $50,000 in FY 24 and $120,000 in FY 25.
- One FTE allocated to the Financial Operations Division for Operational planning for CMS federal reporting requirement on waiver expenditures, including updates to reporting infrastructure. This position will continue monitoring during the transition to ensure waiver expenditures are reported consistent with close-out requirements.
- The following FTE's will be needed for the Health Care Administration:
    - One FTE starting in FY 22 to cover 75% of one MPS trainer's time and 25% of one MPS communication planner's time to participate in technical workgroup meetings to ensure changes will be operational for MN–ITS users, perform user testing and develop user guides; to develop trainings for providers and provider call center reps; to collaborate on forms, draft provider news and updates, revise the MHCP provider manual and maintain a communication plan.
    - Three additional FTE for Provider Enrollment are expected to start six months before implementation.

Systems costs are noted below in the IT section.

Equity and Inclusion:

This proposal affects over 57,000 Minnesotans with disabilities across the state who receive home and community-based services on the BI, CAC, CADI and DD waiver programs. This proposal implements strategies that will promote equitable distribution of resources across the state by streamlining the system to make it easier to navigate and restructuring the system to be centered around people's needs. DHS is committed throughout the

restructuring of the home and community-based services system to create improved opportunities to measure and address disparities people receiving waiver services experience.

Equity through reconfiguration of waiver programs

The two new waivers will allow DHS to launch a program that is not connected to historical, diagnostic-specific waivers. Access to the reconfigured waiver structure is based upon a person's assessment and choice of preferred living arrangement. The changes will make the program easier to understand and provide more options, control and flexibility when choosing services and supports.

Within the waivers, the rates of waiver access by racial groups is disparate. In FY 2019, the DD waiver racial demographics show a population with 82% white people and 16% Black, Indigenous, and People of Color (BIPOC) compared with the BI, CAC and CADI waivers racial demographics having a 70% white people and 29% BIPOC. The overall state demographics of Minnesota in 2019 were 79.1% white and 20.9% BIPOC. There has been a historical bias regarding the DD waiver being perceived as being a more comprehensive waiver, by providing more robust services to support people's needs around the clock compare to the other three waivers. This has been problematic for two primary reasons.

First, there is a long standing history in the clinical world of under-diagnosing black children with intellectual or developmental disabilities (I/DD) or a related condition and over-diagnosing black children, especially males, with behavioral conditions. This has limited access to the DD waiver for black children, in part due to a diagnostic based waiver structure. Bias in diagnostic assessments is outside the scope of this project; however, one of the intended outcomes of waiver reimagine is to have the reconfigured waivers encompass existing four levels of care and other eligibility requirements. This moves the diagnostic criteria into the background, ensures that, regardless of diagnosis, access to services is available and based on assessment and person's choice.

Second, there are biases associated with people who are diagnosed with I/DD which are reinforced by having a diagnostic based waiver structure. Some of these biases are that people with I/DD cannot recognize harmful situations and cannot direct their own care. These abelist assumptions lead to around the clock staffing and barriers to living independently or having independent time without a caregiver present. DHS has created robust policies to shift away from these abelist ideas and the waiver reimagine program is another step in the direction of self-direction and person-centered choice for people receiving services.

Both waivers will encompass the existing four levels of care and other eligibility criteria associated with the four current waivers to ensure continued service access for people presently receiving services. The anticipated outcome would be removal of implicit bias created by a person's diagnosis and a focus on assessed needs of a person and person's choice in services.

Equity through person-centered individual budgets and expanded self-direction

The individual budget model developed through this proposal will enhance equity for people with disabilities across Minnesota by distributing waiver service dollars based on a person's unique support needs, regardless of waiver program and regional location.

This proposal will enhance the authority, flexibility, and accountability people with disabilities and their families' exercise over their services by providing information about the available budget, as well as providing resources that people can use to help plan for services. These strategies will support all people with disabilities and families by providing more information to help them plan for their future and choose the right service, at the right time.

Individual budgets will be tied to a person's support needs instead of lead agency allocations. The budget ranges and support range descriptions will be public information, empowering the person to understand their budget and plan their services and supports alongside their case manager.

As people are assigned support ranges based on their needs, DHS will be able to compare data and gather deeper insights on potential equity issues. Although people within each support range are unique, their spending ranges will be equal. Access and equity issues could be identified using this data which DHS can use to improve program access and administrative accountability.

A person's diagnosis will no longer dictate choices for them when the waivers reconfigured from four waivers, based on diagnoses, to two waivers, based on where a person's lives. Both waivers will have self-directed service options. A person can choose to self-direct all, some, or no services. The self-direction first policy allows people with disabilities to have choice and control over who they employ and how their services and supports are delivered.

IT Related Proposals:

These systems changes are estimated to take approximately 3 years and 2 months to complete and cost a total of approximately $2.061 million for initial development. These systems changes impact MMIS, MAXIS, SSIS, MNCHOICES, Reports and Forecast and MPSE.

This proposal requires systems changes to incorporate new waiver programs, procedure codes, revised frameworks, program requirements and edits. Systems changes are also needed for updating rules and logic in MMIS screening documents, service agreements and claims to align with all federal reporting requirements, as well as the creation of new reports and procedures for new waivers and incorporate new waivers into existing reports to CMS.

The funding will also include building capacity and functionality for individual budgeting in MNCHOICES and MMIS. The MnCHOICES Support Planning Application will be updated to connect the assessment outcomes to the individual support ranges. The MnCHOICES Support Planning Application will interface with MMIS to update with the individual's support range.

The following state share of costs were used for the various systems:

- MNCHOICES, MPSE and Reports and Forecasts is assumed to have a 50% state share
- MMIS assumed to have a 29% state share
- MAXIS assumed to have a 55% state share
- SSIS assumed to have a 60% state share.

The table below shows both state and federal share of the estimated cost of this proposal:

Category	*FY 2022*	*FY 2023*	*FY 2024*	*FY 2025*	*FY 2026*	*FY 2027*
Payroll	2,061,732	110,000	110,000	343,200	343,200	343,200
Professional/Technical Contracts						
Infrastructure						
Hardware						
Software						
Training						
Enterprise Services						
Staff costs (MNIT or agency)						
Total	2,061,732	110,000	110,000	343,200	343,200	343,200
MNIT FTEs						
Agency FTEs						

Results:

This proposal will result in increased access to the right service at the right time. Changes in service access will be measured through standardized access measurements defined and established through the Home and Community Based Services Access Project currently being conducted through calendar year 2018.

This proposal also seeks to improve the experiences of people with disabilities accessing disability waiver programs as measured through the National Core Indicators and LTSS Improvement Tool efforts.

This proposal will provide resources to people with disabilities and their families to assist in planning their future and making decisions about their services. Surveys and website data will be conducted to determine the usage and effectiveness of tools.

This proposal will expand the capacity to provide quality benefits planning and as a result will help reduce the barrier of fear of the impact work could have on benefits many people face. The following performance measures would be implemented: increase the number of people who have more monthly income and equal or better healthcare coverage after benefits counseling; increase the number of people who are interested in work and have community employment as a goal in their service plan; and increase the number of people who have a benefit plan associated with working.

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			1,247	488	1,735	845	(8,212)	(7,367)
HCAF								
Federal TANF								
Other Fund								
Total All Funds			1,247	487	1,734	845	(8,212)	(7,367)
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	15	CSA admin	380	399	779	722	759	1,481
GF	13	HCA Admin	107	111	218	264	445	709
GF	14	CCOA (LAR)	0	0	0	50	120	170
GF	11	Operations	108	126	234	126	126	252
GF	REV1	FFP@32% for administrative costs	(190)	(204)	(394)	(372)	(464)	(836)
GF	11	MMIS system- state share 29%	273	0	273	0	46	46
GF	11	MAXIS system- state share 55%	36	0	39	0	8	8
GF	11	SSIS- state share- 60%	39	0	61	0	7	7
GF	11	MPSE- state share 50%	10	0	10	0	2	2
GF	11	Reports and Forecast- 50%	109	0	109	0	22	22
GF	11	MNCHOICES	375	55	430	55	55	110
GF	33 LW	Medical Assistance waivers	0	0	0	0	(9,338)	(9,338)
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	**15**	**CSA admin**	**3**	**3**		**5**	**5**	
GF	13	HCA Admin	1	2		2.5	4	
GF	11	Operations admin	1	1		1	1	

Statutory Change(s): Individual budgeting: amending parts of 256B0.0916; 256B.092; 256B.49
Reconfiguration: amending 256B.49 subd.11 and 256B.092 subd. 5 likely adding a new paragraph to each section for authority to reconfigure.

Change Item Title: Ensuring Equitable Access to Aging and Disability Service Programs

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	129	160	0	0
Revenues				
Other Funds				
Expenditures				
Revenues				
Net Fiscal Impact = (Expenditures – Revenues)	129	160	0	0
FTEs	**1**	**1**	**0**	**0**

Recommendation:

The Governor recommends conducting an evaluation to identify and address barriers to equitable access to home and community-based services for people with disabilities and older adults. This evaluation will partner with communities of color, lead agencies, and tribal nations to understand institutional biases and make recommendations to eliminate them. In total, this proposal has a one-time cost of $289,000 in the FY 22-23 biennium.

Rationale/Background:

Research across home and community-based services (HCBS) show clear differences in patterns of enrollment, service use, and self-reported satisfaction by race/ethnicity. These differences suggest the existence of disparities among people of color and American Indians in accessing HCBS programs.

The HCBS waiver programs, which provide a more robust set of services, are much less diverse than the state plan personal care assistance (PCA) program. In 2018, about 60% of PCA participants were people of color or Native American. In comparison, about 14% of DD waiver participants and 27% of participants in the other three disability waiver programs were people of color or Native American. Understanding why these differences is exist is key to understanding whether there are disparities that prevent some people from accessing the full home and community-based service benefit.

The formal and informal assessment and support planning processes are the first doorway to services, so further understanding how communities of color and American Indians experience them will inform policy and operational efforts to reduce potential disparities in HCBS programs. Identifying institutional biases and promising practices to address them will improve the assessment process for many communities. The process of exploring racial/ethnic disparities in the HCBS assessment and support planning processes will help ensure equitable access for all people with disabilities and older adults.

DHS is currently engaged in phase one of a multi-phase project to identify racial/ethnic disparities in waiver access with a specific focus on the assessment process. This project will examine institutional biases built into policies and practices and make recommendations to address them. In addition, this project will work to identify and share practices that are successfully addressing disparities. The project's first phase has been partially funded through Moving Home Minnesota (a federal demonstration project through CMS).

Working with partners at the University of Minnesota and Purdue University, the first phase is focused on setting the stage for the next phases by analyzing service and assessment data and conducting an inventory of existing

research to understand and measure racial/ethnic disparities in the assessment process for HCBS programs. A key part of the analysis process is feedback from community stakeholders that are involved in aspects of the assessment process. This includes a review of the findings by an advisory board of community members. The advisory board includes membership from affected communities who have a working knowledge of human services and their specific communities. This feedback will determine the approach for the project's second phase.

Proposal:

This strategy proposes resources and the implementation of the next phase of the project. The strategy will result in identifying systemic or policy changes that will remove barriers for racial and ethnic minorities to access waiver services. This phase of the project will be focused on working directly with stakeholders using a continuous improvement approach to understand the assessment process from their perspectives. In this phase we plan to:

- Partner with communities and people requesting HCBS services to understand their experiences,
- Partner with lead agencies to systematically review assessment processes with an equity lens, and
- Engage with stakeholders providing HCBS services.

The goal is to partner with community members in development of future work which includes:

- Conducting qualitative research, such as:
    - Holding focus groups of people of color throughout Minnesota to understand and document their experiences with accessing HCBS services. In order to ensure broad and equitable engagement, participants will be compensated for their time and feedback.
    - Conducting case study evaluations of lead agency assessment processes to understand promising practices and areas for improvement.
- Identifying best practices to share throughout the HCBS system
- Recommending changes to policies and practices that will increase equity throughout the HCBS programs.
- Ensuring communities of color (African-American, American Indian, Asian American, Latinx, people who are multiracial, etc.) are engaged in the process and can see how their feedback is implemented in system, policy or other changes.

Equity and Inclusion:

This strategy is specifically focused on ensuring equitable access to services for BIPOC people with disabilities and older adults. It will explore institutional biases built into policies and processes, and make recommendations to address them.

More information about LTSS demographics is available on the LTSS demographic dashboard. In addition, Minnesota measures the performance of our HCBS programs, including trends by race/ethnicity on the LTSS performance measures dashboard. This strategy is intended to produce further evidence that inform policies to address disparities.

Fiscal Detail:

This proposal includes $160,000 to contract with a third party evaluator to develop and implement qualitative research with community members and lead agency partners. It also includes one full-time staff person to manage the contract, evaluation plan, and communicate the results.

Results:

This proposal will identify systematic or policy changes that will remove barriers for racial and ethnic minorities to access waiver services. The project will work directly with stakeholders using a continuous improvement approach to understand the assessment process from their perspectives. This project will seek to develop systematic measures to examine disparities in the assessment process; develop recommendations that identify potential methods to address disparities; and develop a framework/methodology for lead agencies to use to assess racial/ethnic disparities in assessment.

Fiscal Tracking:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			129	160	289	0	0	0
Total All Funds			129	160	289	0	0	0
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	14	Evaluation contract	50	110	160	0	0	0
GF	14	CCOA Admin - 1 FTE	140	125	265	0	0	0
GF	REV1	Admin FFP	(61)	(75)	(136)	0	0	0
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	14	CCOA Admin	1	1	1			

Statutory Change(s)

Change Item Title: Mental Health Uniform Service Standards

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	241	257	257	174
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	241	257	257	174
FTEs	**3**	**3**	**3**	**2**

Recommendation:

The Governor recommends a multi-phase reform and simplification of the regulations and service standards for Minnesota's mental health care system. This initiative will align common standards to reduce administrative burden, refocus the standards on supporting quality and equitable services, and establish a unified licensing framework to build accountability where it matters. This is a system wide improvement effort, but has a particular focus on the barriers facing children of color and Native Americans.

Rationale/Background:

Minnesota has a long history of establishing an innovative range of community-based mental health care services to meet the needs of our communities, providing hope and recovery for families and individuals who are impacted by mental illnesses. Our mental health care system includes services ranging from school-linked mental health care that helps children build resiliency and develop the skills they need, to intensive residential treatment that can help individuals avoid hospitalization or transition back into the community.

As Minnesota innovated over time, the standards that guide our range of mental health care services have become increasingly complex. Our current mental health care service standards are located in various statutes, rules and other authorities, some dating to the 1950s. Many providers and key stakeholders have raised significant concerns about the prescriptiveness and complexity of these regulations – even a diligent provider can find themselves out of compliance with this web of laws, potentially facing denied payments or other challenges.

For example, there are forty-seven different locations in statute, rule, or variances to rule where Minnesota defines what qualifies a person as a "mental health professional." Among these different locations, there are ten substantively different sets of language, each of which has at least one omission or error.

The current regulatory structure is also unjustifiably complex. Under current law, some mental health care services are licensed, some are certified, and some have no clear oversight. This means that various areas of DHS including provider enrollment and the behavioral health and licensing divisions are conducting similar reviews of the same providers, often at different times. This complexity has serious implications – providers report significant costs associated with hours spent on duplicative or unproductive compliance activities, and DHS has limited ability to effectively and consistently regulate these services and support providers in delivering high quality person- and family-centered mental health care. For example, the complexity of current regulations around telemedicine was a significant issue when providing rapid guidance to providers seeking to safely serve their clients during the COVID-19 pandemic.

Integrated care is the future of behavioral health care, including mental health care, substance use disorder treatment and physical health care. It must be connected to community resources, particularly housing supports, where untreated illness can be a major driver of homelessness. The current standards simply don't support this. There are too many silos and outdated requirements, and providers working towards integration face many barriers.

As Minnesota continues to build on the integrated care model of Certified Community Behavioral Health Clinics (CCBHCs), it is vital to begin streamlining the service standards providers must meet. Since 2017, mental health professionals, advocacy groups, provider associations, Tribes, counties, and other community partners have participated in the design and work to create new, unified standards. Much of the proposed language has been available for review, discussion, and improvement during this process, and reflects significant discussion from all involved.

Proposal:

This proposal, which is the first phase of the Mental Health Uniform Service Standards (USS) project, takes steps to support our mental health care system to ensure that we are managing our state's resources wisely and getting the best outcomes for our investments.

Specifically, this proposal creates a common "core" of standards that apply to all mental health care programs and begins to transition the regulatory structure of our mental health care system to a unified licensing structure. When standards are clear and consistent, providers can spend more time delivering their full range of services and less time at their desks navigating confusing and ambiguous compliance requirements. When the timelines for completing or approving documents are realistic, providers are better able to focus on developing trusting therapeutic relationships and delivering high quality services. A unified licensing structure ensures greater consistency in the guidance given to providers, supports meaningful integration, centralizes reporting and investigations of complaints, and provides the enforcement tools necessary to protect Minnesotans.

Under this proposal, the licensures to transition to the unified regulatory structure are residential crisis stabilization (RCS) and intensive residential treatment services (IRTS). For services currently certified by the Behavioral Health Division, this proposal includes conforming changes to apply the new common "core" of standards. These services will transition to the unified licensing structure in future phases of the project upon further legislative authorization. The regulation of "mental health centers and clinics" (commonly referred to as Rule 29 Clinics) will be modernized, with much more flexible standards replacing now outdated requirements that do not deliver significant value.

Additionally, this proposal combines mobile crisis standards for adults and children to eliminate unintentional differences, and clarifies how mobile crisis teams can work with family members and other third parties calling on behalf of someone in need of crisis assistance. This proposal will also repeal outdated administrative rules governing outpatient mental health services and codify in state law the components that are still relevant.

Finally, this proposal directs DHS to collaborate with partners and stakeholders and return in subsequent legislative sessions to transition the remaining mental health care services to the unified licensing framework. This planning work will identify ways to further align mental health and substance use disorder service requirements where possible to promote and support models of integrated care. The proposal also requires DHS to develop a licensing fee schedule for this new framework and to solicit community input to set fees in a way that is fair to providers, incentivizes efficient reviews, and appropriately raises revenue to offset regulatory costs. This fee schedule would be proposed to the Legislature in a future session.

Fiscal Impact:

With such a complicated present state, significant analysis is necessary to maximize opportunities for simplification, while still ensuring health, safety and the integrity of public funding. These trade-offs are important

as changes can have unintended consequences. Stakeholders have requested that DHS provide detailed information on what potential changes would be made in each service area. The resources in this proposal are intended to ensure a smooth transition with sufficient support for providers in navigating the change.

To facilitate this regulatory transformation, this proposal appropriates $497,000 from the General Fund in fiscal years 2022-2023 and $429,000 in fiscal years 2024-2025. This includes ongoing licensing staff to implement the unified licensing framework, and temporary staffing for policy analysis and stakeholder engagement to provide transparent and accurate understanding of how changes would impact different providers. While the ultimate goal of this project will be to reduce administrative complexity for both DHS and providers, the work of untangling the current structure does require initial resources.

The two new FTEs in the Licensing Division will support a smooth transition for both providers and people receiving services by providing individualized technical assistance and training, creating operational templates and tools for providers, and processing variance requests for providers who want to transition to new standards early. The top priority will be in helping providers understand and comply with client rights under the new residential discharge standards and investigating complaints of unfair discharges. This is a major priority for counties, mental health advocates, homeless shelters, and DHS. IRTS programs do need to ensure that they are maintaining an appropriate level of care, and are ensuring the safety of all clients. But unplanned and hasty discharges have negative impacts on other parts of the system as well as the client. To better ensure the well-being of clients and the quality of our safety net services, Minnesota needs to formalize the expectations for communication and planning before a person is discharged by an IRTS program.

The FTE in the CCIR Division will ensure transparency of decision making related to the USS project, avoiding unintended consequences by meaningfully engaging and partnering with the community throughout implementation of this proposal and through the development of future phases of the project. This includes ongoing support to stakeholders and partners (for example, creation of accessible documents summarizing research and policy analysis), and additional engagement with communities directly served to ensure we're hearing from a variety of sources. The proposal would require federal approval for changes impacting Medical Assistance services, and DHS is targeting July 1, 2022 as the effective date for the first services to be licensed or certified under the new standards.

Impact on Children and Families:
The Mental Health Uniform Service Standards proposal directly addresses several challenges that many children and families experience when attempting to access mental health care services in the current state. Particularly impactful changes included in this proposal are changes to how diagnostic assessments and individual treatment plans are used in service delivery. Additional discussion specific to children of color and Native American children is in the Equity and Inclusion section.

The diagnostic assessment is used to determine what (if any) mental illness is affecting the client, for service authorization, and to inform treatment planning. The new diagnostic assessment standards included in this proposal integrate an age-appropriate and evidence-based diagnostic classification for infants, toddlers and preschool children to ensure these young Minnesotans receive accurate diagnoses and the most appropriate mental health care services. The new diagnostic assessment standards also increase flexibility for mental health providers to complete the assessment in a more family-centered way, allowing providers to build rapport and trust with children and families before asking some of the most sensitive assessment questions.

This proposal also makes changes to the requirements for individual treatment plans in a way that maintains the focus on family engagement while reducing arbitrary barriers to services that many children currently experience. Specifically, school-based and Children's Therapeutic Services and Supports (CTSS) providers have noted significant challenges related to the current requirement for a parent or guardian to review and physically sign the child's treatment plan every 90 days. Frequently, a child will come to services on their own if the provider is based

in the school, or be brought to services by a non-custodial relative who is caring for the child or assisting with transportation. Parents who are facing their own mental health challenges, working multiple jobs, or experiencing housing instability are particularly hard pressed to meet up or return the paperwork on time. If the provider does not have a signed treatment plan, the child's needed mental health services may be interrupted.

This proposal extends the treatment plan authorization period from 90 days to 180 days in most situations, which better reflects the time it takes to build recovery and resiliency, and allows more flexibility for how the child's treatment plan is approved, including allowing the parent or guardian to approve the plan via documented phone call. This proposal also includes specific provisions allowing a mental health professional an additional 30-day grace period when the professional is actively working toward re-engagement. Minnesota's focus on family engagement is critical to a child's treatment – this proposal continues to emphasize collaboration with parents or guardians. However, this proposal restructures the family engagement requirements in a way that prioritizes continuity of service and recognizes the access barrier that physically signed paperwork can present.

In developing these changes to how diagnostic assessments and individual treatment plans are implemented in services, the agency consulted providers and other stakeholders with experience as family members, as well as advocacy groups with significant connections to families of children served.

Equity and Inclusion:

This proposal will advance equity in mental health care in Minnesota by promoting more accurate diagnoses and increased retention in services among non-majority populations, and mitigating bias in residential programs' decisions to discharge clients.

In order to get high quality mental health care, families and individuals need to build trust with their provider and be able to convey the full picture of what they are experiencing. When this assessment process is both rigid and rushed, the most significant consequences fall on families and individuals already experiencing disparities: people of color, Native Americans, and people using an interpreter to access services. Providers serving and representing these communities had significant input in identifying ways in which the current mental health care regulatory standards contribute to client distrust of or disengagement in services.

For example, one provider told DHS about trying to collect a trauma history, which is a required element in the diagnostic assessment, from a client who was a refugee known to have faced violence in their homeland. The language the provider and client shared, however, does not have a word for "trauma" – there was simply not enough time to build a shared understanding of the concept of trauma and explore the client's experience with trauma. Similarly, a Tribal provider also raised concerns with how the rigidity of the current diagnostic assessment process requires the provider to ask many sensitive questions on the first visit; particularly when serving an elder in the community, raising these topics too soon could be perceived as disrespectful and inauthentic. Other providers noted the disproportionate number of children of color, particularly Black children, diagnosed with conditions like "oppositional defiant disorder." These providers raised concerns about misdiagnoses resulting from the current state of inflexible requirements that can rush the diagnostic process. A hasty diagnostic process may miss a child's history of trauma or Adverse Childhood Experiences (ACES), and leave the child with less effective treatment.

To address these concerns, this proposal makes changes in the assessment and service authorization language. Specifically, this language will address a significant number of access issues that racial and ethnic minorities experience, by allowing providers and clients more time to develop trusting and therapeutic relationships before the provider is required to ask some of the most sensitive diagnostic assessment questions. This allows providers and clients to reach the correct diagnosis in a more humane way, and plan treatment accordingly. The Department intends to measure this impact through analysis of disaggregated diagnostic data and disaggregated trends in persistence in treatment.

Another significant impact on equity is related to the new discharge standards for adult residential mental health programs that the community negotiated after robust discussion. One of the most common complaints that the DHS Licensing Division receives is complaint of unfair discharge – anecdotally, clients from non-majority populations are more likely to feel they have been unfairly discharged. The circumstances leading to provider-initiated discharge are often subjective, leaving ample opportunity for bias to seep into the decision-making process. The current lack of documentation and reporting requirements related to discharge, however, prevent us from fully understanding the scope of this equity issue in Minnesota. But research continues to find that implicit bias pervades the mental health system and affects the ways in which providers interpret and respond to a client's symptoms.

Two elements of the proposed discharge standards for adult residential mental health programs will support more equitable delivery of mental health services. First, the service termination review process for provider-initiated discharges will require license holders to slow down and be more deliberate in their decisions to discharge clients; this will allow providers to review the circumstances leading up to the decision, and consider the ways in which implicit bias may have influenced staff interpretation and response to a client's symptoms. Second, the increased minimum requirements for documentation of the circumstances leading to a client's discharge will allow the DHS Licensing Division to investigate complaints of unfair client discharge

IT Related Proposals:

Prior versions of this proposal have included a more extensive IT ask. This revision removes this cost. While DHS remains committed to finding paperless solutions for license holders in the future, this work will require resources that are not available in the short term. A minor change to update licensing software to reflect the new license types is included.

Results:

DHS will conduct a provider survey starting with the current state of the regulatory system and continuing through implementation of the first phase of development. The Department intends to survey providers throughout the additional phases of this project. Providers will rank the clarity and consistency of the feedback they receive, the level of effort required to schedule and respond to site visits from DHS, and the availability of DHS-sponsored training or technical assistance to improve their practice. This will measure the extent to which the transition works for providers and how time and resources previously used for approving providers is being redeployed in support of improved service quality. DHS will look for reductions in health disparities by examining trends in the rate of diagnosis for conditions that are commonly over-identified in people of color and Native Americans.

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			241	257	498	257	174	431
HCAF								
Federal TANF								
Other Fund								
Total All Funds								
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	11	Licensing USS Admin	186	250	436	250	250	500
GF	13	HCA USS Admin	136	122	258	122	0	122
GF	REV1	Administrative FFP @32%	(103)	(119)	(222)	(119)	(80)	(199)
GF	11	Systems ELMS Cost	45	9	54	9	9	18
GF	REV1	Systems ELMS FFP @50%	(23)	(5)	(28)	(5)	(5)	(10)
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	11	Licensing – 1 for 9 & 1 for 6 mo. in FY22	2	2		2	2	
GF	13	Community Care Integration – 1 for 12 mo. in FY22	1	1		1		

Change Item Title: Compliance with Interoperability and Patient Access Regulations

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	402	100	25	25
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	402	100	25	25
FTEs	**0**	**0**	**0**	**0**

Recommendation:
The Governor recommends funding resources to meet requirements of the Centers for Medicare & Medicaid Services (CMS) Interoperability and Patient Access Rule. This federal regulation finalizes new policies that require Medicaid payers to make it easier for patients to access and share their own health information via application programming interfaces (APIs) on internet enabled devices of their choice (such as smartphones) and moves the healthcare system toward greater interoperability. Complying with the CMS requirements requires a General Fund investment of $502 thousand in the FY2022-2023 biennium and an investment of $50 thousand in the FY2024-2025 biennium.

Rationale/Background:
Lack of seamless data exchange in healthcare has historically detracted from patient care, leading to poor health outcomes and higher costs. CMS published the Interoperability and Patient Access Rule to establish policies that break down barriers in the nation's health system to enable better patient access to their health information, improve interoperability, and promote innovation, while reducing the burden on payers and providers. By ensuring systems can communicate in a more seamless and consistent manner, patients and their healthcare providers will have the opportunity to be more informed, enabling better care and spending less in the long term on complex processes to integrate and communicate information. In a future where data flows freely and securely between payers, providers, and patients, the health care system can achieve truly coordinated care, improved health outcomes, and reduced costs.

The changes called for by the new rule aim to make it easier for clients to access their own health information, which will require DHS to adopt new technologies and data-sharing standards to adapt to the new digital world. The CMS rule focuses on requirements for organizations that provide products for CMS sponsored programs including Medicare, Medicaid, and the Affordable Care Act plans on the federal exchange. The CMS rule makes reference to standards and requirements established in the Health and Human Services Office of the National Coordinator for Health Information Technology (ONC) 21st Century Cures Act: Interoperability, Information Blocking rule.

Proposal:
This proposal implements the system changes required to comply with the new federal regulations on interoperability standards which enable DHS to improve the delivery of health information to patients and providers and moves the healthcare system toward greater interoperability. This includes:

- *Patient Access*: Provide patients secure and easy access to their claims and encounter information, including cost, as well as a defined subset of their clinical information through third-party applications of

their choice. Claims data, used in conjunction with clinical data, can offer a broader and more holistic understanding of an individual's interactions with the health care system, leading to better decision-making and better health outcomes.

- *Provider Directory*: Make provider directory information publicly available. Making this information broadly available will encourage innovation by allowing third-party application developers to access information so they can create services that help patients find providers for care and treatment, as well as help clinicians find other providers for care coordination, in the most user-friendly and intuitive ways possible. Making this information more widely accessible is also a driver for improving the quality, accuracy, and timeliness of this information.
- *Payer-to-Payer Data Exchange*: CMS-regulated payers are required to exchange certain patient clinical data at the patient's request, allowing the patient to take their information with them as they move from payer to payer over time to help create a cumulative health record with their current payer. Having a patient's health information in one place will facilitate informed decision-making, efficient care, and, ultimately, can lead to better health outcomes.
- *Improving the Dually Eligible Experience*: Update reporting requirements and the frequency of Federal-State Data Exchanges of certain enrollee data for individuals dually eligible for both Medicare and Medicaid, from a monthly to a daily exchange to improve the dual eligible beneficiary experience, ensuring beneficiaries are getting access to appropriate services and that these services are billed appropriately the first time, eliminating waste and burden.

DHS and MNIT are in the process of creating a plan for addressing the requirements in the rule for submission to CMS. This includes identification of potentially overlapping projects and possible options for meeting the requirements in the most efficient way. This will include coordination with DHS's Medicaid Managed Care Organizations, MNsure, and the Minnesota Department of Health.

Effective dates within the rule vary by component beginning January 1, 2021 with enforcement starting July 1, 2021. Given the extent of changes required, it is expected to take greater than 6 months to achieve basic compliance with the earliest components.

While the specific IT solution to come into compliance with this rule is still being explored, DHS anticipates that funds will be used to complete the following work:

- Create a secure, standards-based API that allows patients to easily access their claims and encounter information, including cost, as well as formulary information;
- Make standardized, web-enabled information about provider networks available;
- Update the frequency of exchange of data with Medicare for individuals dually eligible for Medicare and Medicaid from monthly to daily to ensure beneficiaries are getting access to appropriate services and that these services are billed appropriately the first time, eliminating waste and administrative burden;
- Review and identify other impacts of the rule and the companion Information-Blocking provisions in the CURES Act rule on existing DHS policies, processes, and contracts.

Implementing these components will require DHS and MNIT staff to analyze and identify impacts, plan for implementation, and operationalize the new policies. It will also require system architects, security analysts, and data architects to learn the new standards, facilitate mapping of required data components, and establish or contract with eligible vendors for mechanisms to authenticate and respond to API requests.

The systems changes that MNIT will complete are estimated to require 13,022 hours of work, take approximately 24 months to complete, and cost a total of $1,273,801 for initial development. An additional $375,000 in state funds will be directed for work at DHS to engage a vendor in policy and process development as well as requirements for service delivery transformation efforts that are need in preparation and throughout implementation of the revised policies. Both MNIT and DHS vendor costs will draw down a 90 percent federal

funds match. CMS has indicated states are eligible for enhanced matching dollars when following established interface guides and security standards, which DHS intends to do.

Equity and Inclusion:
All enrollees will be positively impacted by these proposed changes. Compliance with this rule furthers DHS's efforts at achieving a business model that includes racially and culturally appropriate considerations to support an equitable service delivery system, utilizing a person-centered framework, using the social determinants of health to identify root causes of an individual or family's need for services, and using a multi-generational approach which takes into account the needs of the whole family. In developing that new business model, stakeholder feedback was gathered from representatives of historically marginalized groups of people. In addition, the new business model's ongoing development and implementation will be intentionally inclusive and offer opportunities for broad stakeholder input and collaboration, including people served and advocates. Overall, the change to the business model will reduce or eliminate disparities for all groups.

Impact on Children and Families:
This proposal accelerates efforts of other initiatives and innovations that require the connection and coordination of health services. Families with children who have special health needs will especially benefit because of the many health providers and payers involved in the person's care. Making it easier for individuals to have a longitudinal record of important health history is particularly helpful for families who make transitions between providers or payers as they move and age.

IT Related Proposals:
The necessary systems changes are estimated to require 13,022 hours of work, take approximately 24 months to complete, and cost of a total of $1,273,801 for initial development.

Results:
The primary result of the proposal is compliance with new regulations because enforcement carries potential penalties of up $1 million per violation for failing to share the required patient requested data.

While the extent to which beneficiaries will take advantage of being able to access their data under the new policies is unknown, tracking of which APIs and volume of request is required. This will allow evaluating how often we are satisfying patient data requests, and the extent to which the health outcomes for those patients may differ from those who do not.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Number of requests received and fulfilled by patients for their own data	0	0	2020
Equity	Rate of requests by persons living with a disability, by ethnicity group, and geographic region is proportionate to population in order to identify needed outreach or communication about availability of the APIs	0	0	2020

Fiscal Tracking:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			402	100	502	25	25	50
HCAF								
Federal TANF								
Other Fund								
Total All Funds			402	100	502	25	25	50
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	11	State Share of Systems Costs (APD @ 90%)	127	0	127	25	25	50
GF	11	HCA Admin (Contract)	275	100	375	0	0	0
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**

Statutory Change(s):

Rider

Federal Citation:

42 CFR 431.60
85 FR 25642, 25642-25961

Change Item Title: Background Studies Federal Compliance

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	772	264	195	195
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	772	264	195	195
FTEs	**4**	**3.5**	**2**	**2**

Recommendation:
The Governor recommends appropriating $1,036,000 in FY 2022-23 and $390,000 in FY 2024-25 for the Department of Human Services (DHS), Background Studies Division to fund systems changes and provide operational support necessary to bring Minnesota Statutes, chapter 245C (Department of Human Services Background Studies Act) into compliance with federal regulations.

These changes include updating Minnesota Statutes, chapter 245C to include all Minnesota statutory references and federal citations necessary to comply with Federal Bureau of Investigation (FBI) requirements to share study subject data with DHS. The update will also include the addition of background study requirements currently contained in other chapters governing specific providers of services for children and vulnerable adults. These changes also add language to Minnesota Statutes chapter 245C to bring Minnesota into compliance with the federal Child Care and Development Block Grant (CCDBG) law (42 USC § 9858f) and regulations (45 CFR § 98.43).

Rationale/Background:
DHS needs to make two changes to the background studies statute to come into compliance with federal regulations. The first change will ensure DHS can continue to receive necessary data about study subjects from the Federal Bureau of Investigations (FBI). Without these changes, the Minnesota Bureau of Criminal Apprehension (BCA) may be prohibited from sharing FBI fingerprint-based state and federal criminal history records information with DHS. DHS cannot conduct studies that require those records if the BCA is prohibited from sharing that information. Several study types, including guardianships, foster care, and employment studies throughout many health and human services programs would be affected.

Each of the background study types requiring a fingerprint-based FBI study must identify the federal law that gives DHS the authority to receive national criminal history record information. Currently, DHS uses three of the four options for the basis of authority for individual study types:

- Public Law 92.544
- Child Care and Development Block Grant (CCDBG) law (42 USC § 9858f) and regulations (45 CFR § 98.43)
- Adam Walsh Child Protection and Safety Act of 2006 (Public Law 109-248, Social Security Act Title IV-E)

Discussions with the FBI and BCA have continued to uncover areas where the background study program designed and operated by DHS over the last 20 years does not easily fit the requirements under Public Law 92.544. Data sharing restrictions under P.L. 92.544 would require considerable changes to the program, and costs to partner agencies to come into compliance. Based on those discussions, in conjunction with OIG Legal, the Background Studies Division has determined that a better course of action would be to update the basis of authority for a

number of background study types completed by DHS to the National Child Protection Act, as amended by the Volunteers for Children Act (NCPA/VCA (42 U.S.C. § 5119a(a)(3) and Title 34, U.S.C. Section 40102)). The NCPA/VCA allows more flexibility to DHS as an agency designated by the state authorized agency (BCA) to request FBI fingerprint-based background check information. Most of DHS's study types not covered under a specific federal statute qualify under this designation, as the NCPA/VCA covers individuals providing services for children, the elderly, and individuals with disabilities.

The second change to the background study statute will ensure DHS is in compliance with federal CCDBG requirements and continues to receive funding under that program without penalty. The CCDBG law (42 USC § 9858f) and regulations (45 CFR § 98.43) require a cleared background study as a condition of all types of employment in a regulated child care setting. Current state law prohibits child care providers from hiring a person who is disqualified under Minnesota Statutes section 245C.14, but if a current staff member is subsequently disqualified after employment, the person is only prohibited from direct contact with program participants rather than prohibiting them from working in the facility or setting in any capacity.

Proposal:

This proposal makes changes to Minnesota Statutes**,** chapter 245C to ensure the department has the authority to continue to submit and receive FBI data, and to make determinations for background studies, by updating the basis of authority for DHS to receive national and state criminal history record information.

Updating the basis of authority to NCPA/VCA for a majority of provider types will require significant systems changes. The NCPA/VCA requires that each study subject submitting fingerprints must receive and submit a signed consent notice, where current practice is to provide a privacy notice. This change would require new functionality for the NETStudy 2.0 system. In addition, the NCPA/VCA requires DHS to have processes in place for a study subject to receive a copy of their report and to appeal any information it contains. These processes necessitate changing study subjects' disqualification letters to state how the study subject can submit a data request.

The systems updates are necessary for accurate and clear communication with study subjects and providers about employment status and due process. Temporary staff will coordinate the systems changes and ensure a smooth transition to operations under the new statutory language through meetings with stakeholders and training during implementation. The additional staff will also assist other DHS divisions by researching background study requirements in their respective statutes and providing technical assistance for updating their language as necessary. The background studies division does not currently have adequate staff to give providers and other divisions within DHS support at the level they will need to work with these changes in study processes**.**

The statutory language has been developed in collaboration with the BCA to ensure it meets FBI compliance requirements.

Other key components of the statutory updates include:

- Inclusion in chapter 245C of background study requirements currently in the chapters governing specific programs. Currently, the specific requirements for many programs are included in the program-specific chapters and not 245C. This proposal would add all background studies requirements to 245C. As a result, 245C would contain both standard background study requirements as well as any unique requirements for each study type, clarifying DHS's statutory authority and making requirements transparent for study subjects and employers.
- Creation of a new section within 245C codifying the process for alternative studies that are completed by DHS, which forwards study results to state and tribal agencies to make a determination of eligibility. Section 245C.03 currently includes both study types for which DHS makes the determination of eligibility and study types for which other state and tribal agencies make the determination. This proposal would add section 245C.031 to break out the alternative studies. Having the two study types in individual

sections makes the different requirements and processes clearer for study subjects, employers, and policymakers.

DHS would implement the updated Minnesota Chapter 245C effective July 1, 2021.

DHS will also update statute to require regulated child care settings to separate from employment any current staff member — regardless of role — who is disqualified under Minnesota Statutes section 245C.14.

DHS would implement the provision for regulated child care settings effective January 1, 2022, to allow time for necessary systems changes and stakeholder engagement.

Fiscal Impact:

This proposal also invests $1,036,000 in FY 2022-23 and $390,000 in FY 2024-25 to provide the funding necessary for systems changes and provider and study subject support throughout implementation of the statutory changes.

Changes to NETStudy 2.0 are estimated to cost $166,400 in FY 2022. Updating the basis of authority and implementing a new signed consent process will require extensive systems changes to the Background Studies NETStudy 2.0 system. Implementation of the provision for regulated child care settings also requires systems changes to NETStudy 2.0 to split regulated child care settings into two provider types, thereby adding a new provider type. The changes will be completed by DHS's external contractor for the NETStudy 2.0 system.

Changes to the Adobe Experience Manager (AEM) system are estimated to cost $685,937 in FY 2022-23 and $261,280 in FY 2024-25. Changing the basis of authority for DHS to receive national and state criminal history record information will require systems AEM takes data from the NETStudy 2.0 system and provides the appropriate letter to inform the study subject about the result of the study. NCPA/VCA requires that a study subject have access to their report if so desired. As a result, all disqualification letters generated within AEM need to be updated to have clear instructions on the process to obtain information and ask for an appeal. The change also requires other AEM updates to fully automate the new processes, and to reflect the new child care provider types. These changes will be completed by MNIT. AEM systems costs are listed below as 50% of the total cost to reflect the state share of the cost.

This proposal requires 4 FTEs in FY 2022-2023, and transitions to 2 FTE in FY2024-2025, to support implementation of these provisions:

- 1 17L (temporary). This position will meet with stakeholders and conduct training related to the updated statutory language and will work with other DHS program areas and partners to research and update background study requirements in their respective statutes. This position will also serve as the project manager for the signed consent project, including related stakeholder engagement. Lastly, this position will coordinate the necessary systems changes related to the child care provision. Without this level of coordination and support, study subjects and providers will lack necessary information to transition to the new statutory language, and other DHS divisions will have duplicative statutory language.
- 1 11L (temporary). This position will assist with the technical aspects of the signed consent project and will provide NET Study 2.0 subject matter expertise. This position will update the training manual and will provide other technical support.
- 2 8L. These positions will provide triage support for the manual processes of collecting and verifying consent forms before system upgrade completion. After systems changes are operational, the positions will address studies stopped by NETStudy 2.0 because of information contained in or missing from submitted consent forms.

DHS calculates fringe benefits at 30% of salary and overhead costs at $14,000 up front (paid in fiscal year 2022) and $1,300 per month per FTE ongoing.

Impact on Children and Families:
Without access to FBI fingerprint-based state and federal criminal history records information, DHS would not be able to meet many requirements of Minnesota Statutes, chapter 245C as well as federal laws and regulations. As a result, DHS would not be able to ensure the safety of Minnesota's vulnerable populations. Lack of compliance with CCDBG requirements could result in penalties that impact the resources available to child care throughout the state.

Equity and Inclusion:
The proposal affects the safety and quality of child care and other programs serving children and vulnerable adults. Changes would increase the pool of available workers who are appropriately vetted for those programs.

Results:
Success will be measured by FBI acceptance of the clarifying language and DHS authorization to receive FBI and Minnesota criminal history results for study subjects as needed to complete background studies. State compliance with CCDBG requirements will be an additional measure of success.

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			772	264	1,036	195	195	390
HCAF								
Federal TANF								
Other Fund			0	0	0	0	0	0
Total All Funds			**772**	**264**	**1,036**	**195**	**195**	**390**
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	11	Systems State Share (AEM @ 50%)	327	16	343	65	65	130
GF	11	P/T Vendor Contracts for NETStudy 2.0	$166	$0	166	0	0	0
SR	11	Move vendor funds to Special Revenue	(166)	0	(166)	0	0	0
SR	11	P/T Vendor contracts for NETStudy 2.0	166	0	166	0	0	0
GF	11	Background Studies staff	411	365	776	191	191	382
GF	Rev1	OPS Admin FFP @ 32%	(132)	(117)	(249)	(61)	(61)	(122)
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	11	OPS-Background Studies FTEs	4	3.5		2	2	0

Change Item Title: Adding New DHS Background Study Partners

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	408	408	408	408
Revenues	(408)	(408)	(408)	(408)
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends a change to Minnesota Statutes chapter 245C (Department of Human Services Background Studies Act) authorizing the Department of Human Services (DHS) to conduct background studies for the Professional Educator Licensing and Standards Board (PELSB) and MNSure.

Rationale/Background:

The 2019 Legislature required PELSB to contract with DHS to conduct background studies for first-time teaching license applicants. The requirement was added to Minnesota Statutes, chapter 122A (Teachers and other educators) but not Minnesota Statutes, chapter 245C (Human Services background studies).

During implementation of the policy change, the Minnesota Bureau of Criminal Apprehension (BCA) raised concerns about DHS's authority to conduct background studies for PELSB. The Federal Bureau of Investigation (FBI) reviewed the statute change to determine if the new language met the requirements of Public Law 92-544, which controls access to FBI criminal history record information. On April 24, 2020, the FBI determined that Minnesota Statutes, section 122A.18, subd. 8 does not qualify for DHS access to FBI criminal history record information. As a result, DHS does not have access to the criminal history record information necessary to conduct background studies for first-time applicants for licenses for educators.

DHS has been completing background studies for MNsure navigators, in-person assisters, and consumer assistant partners in the Licensing Information System (LIS), the precursor to NETStudy 2.0, through a master contract relationship. MNsure must be added to chapter 245C in order to clarify roles and to ensure compliance with the requirements of Public Law 92-544 to allow MNsure to transition to the NETStudy 2.0 system.

Proposal:

This proposal adds clarifying language to chapter 245C that will bring the statute into compliance to allow DHS to receive FBI records that are critical for PELSB's licensure of new teachers and MNSure's employment of vetted staff. DHS will continue to work with the BCA to ensure the new language will provide the necessary authority from the FBI to conduct background studies for PELSB and MNSure. DHS will also continue to work with PELSB and MNSure so that they are aware of the FBI approval status and other aspects of policy implementation.

Fiscal Impact:

The proposal is cost neutral to the general fund. The new PELSB studies will generate an estimated fee revenue of $816,000 in the 2022-2023 biennium in the Special Revenue Fund, and $816,000 in the 2024-2025 biennium. The fee revenue is anticipated to offset costs for completing background studies in the same fund during the same period. The fee revenue is based on an estimate of 8,000 new background studies at a cost of $51 per study.

There is no additional revenue or costs related to adding MNsure to the statute as the change is not expected to impact either the number or cost of the studies conducted.

Impact on Children and Families:

The proposal helps to ensure the safety of children and vulnerable adults by vetting applicants for teacher licensure and for MNsure navigators, in-person assisters, and consumer assistant partners.

Equity and Inclusion:

The proposal affects the safety of students and schools throughout the state. Changes would increase the statewide pool of available teachers who are appropriately vetted. The proposal also affects the safety of people seeking assistance from MNsure navigators, in-person assisters, and consumer assistant partners and would increase the availability of appropriately vetted staff for those positions.

Results:

Success will be measured by DHS having the clear statutory authority to receive FBI and Minnesota criminal history results for study subjects and to forward data to PELSB and MNSure.

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund				0	0	0	0	0
HCAF								
Federal TANF								
Other Fund								
Total All Funds				0	0	0	0	0
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
DED	Rev1	Background Studies Fee Revenue	(408)	(408)	(816)	(408)	(408)	(816)
DED	Exp	Background Studies Expenditures	408	408	816	408	408	816
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	11	OPS-Background Studies FTEs		0	0	0	0	0

Change Item Title: Withdrawal Management License Fee

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends establishing a routine annual license fee for withdrawal management programs that get a standalone license according to the standards in Minnesota Statutes, chapter 245F. This proposal does not include a fiscal impact, as there are no costs to the department to implement this proposal.

Rationale/Background:

The withdrawal management program licensing requirements were enacted in 2015 to provide a higher level of medical services to assist clients with more acute withdrawal symptoms and to allow Minnesota to add withdrawal management services to the Medicaid benefit set. Historically, a lower level of this type of service has been provided by detoxification programs; however, these services are not covered by Medicaid and counties are typically responsible for the cost of detoxification program services. An annual license fee was not established with the licensing standards in 2015 as the intention was for the withdrawal management program license to replace the detoxification program license at which point an annual license fee was to be established. However, due to differences between the two types of programs in the intensity of services provided, admission eligibility requirements, and funding sources, the department now allows programs to be licensed as a detoxification program, a withdrawal management program, or both.

Currently there are 17 licensed detoxification programs and five of these programs are also dually licensed as a withdrawal management program. Presently there are no programs that are only licensed as a withdrawal management program. However, if a program transitions to only providing the higher level of services required by a withdrawal management program license, the detoxification program annual license fee will no longer apply to that program and no funds will be received to offset the department's activities related to ensuring the health and safety of people receiving services in the program.

DHS licensing identified this as an issue and is proposing this change to ensure that all license holders at least partially defray the costs of being regulated. Withdrawal management providers were consulted regarding this proposal during a provider association meeting at the end of September.

Proposal:

Under this proposal, the following annual license fees will be established according to the licensed capacity of the program as follows:

- 1 to 24 persons capacity – $760 license fee
- 25 to 49 persons capacity – $960 license fee
- 50 or more persons capacity – $1,160 license fee

These fees are based on the current fees required for detoxification programs. If a withdrawal management program is concurrently licensed as a detoxification program, only the detoxification program annual license fee will be required to be paid by the license holder. Currently the 17 detoxification programs account for a total of $13,920 in annual license fees. If a license fee is not established, this amount of money will no longer be received if all of these programs transition to only providing withdrawal management services.

Impact on Children and Families:

This proposal will make children, youth, and families safer by ensuring that the oversight of these programs is appropriately funded. People receiving withdrawal management services are assisted with their acute medical needs and are assisted with accessing substance use disorder treatment. Access to necessary treatment is essential to ensuring that people with substance use disorders are able to care for their children and families.

Equity and Inclusion:

A disproportionate number of people receiving services from these programs are people of color and from indigenous communities. This proposal will ensure that the oversight of these programs is funded in part by a provider license fee which will help safeguard the health and safety of people from these groups that receive services in these programs.

IT Related Proposals:

There are no IT costs related to this proposal.

Fiscal Detail:

None

Change Item Title: Agency-Wide Operating Adjustment

Fiscal Impact ($000s)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
General Fund					
Expenditures	0	5,463	10,926	10,926	10,926
Revenues	0	0	0	0	0
Other Funds					
Expenditures	0	0	0	0	0
Revenues	0	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	5,463	10,926	10,926	10,926
FTEs	**0**	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends additional funding of $6.310 million in FY 2022 and $12.620 million in each subsequent year from the general fund to maintain the current level of service delivery at the Department of Human Services (DHS). These appropriations are partially offset by federal financial participation of $847,000 in FY 2022 and $1.694 million in each subsequent year.

This represents a less than 1.1 percent increase in the Department's General Fund operating and Direct Care and Treatment (DCT) General Fund and Enterprise budget in FY 2022-23.

Rationale/Background:

The operating increases recommended in FY 2022 and FY 2023 fund a portion of the projected cost increases in the upcoming biennium. Each year, the cost of doing business rises—including growing costs for employer-paid health care contributions and other salary and compensation-related costs. Other operating costs, like rent and lease, fuel and utilities, IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year without enacted increases. This is particularly acute for the Department's Direct Care and Treatment (DCT) services that must maintain 24/7 operations in secure treatment settings.

Agencies face challenging decisions to manage these costs within existing budgets, while maintaining the services Minnesotans expect. To manage costs, most agencies find ways to become more efficient with existing resources. For the Department of Human Services, efficiencies have already been implemented to produce savings in FY 2021 and these efficiencies will continue into FY 2022 and FY 2023 along with additional efficiencies including:.

- Over the last four years, the number of licensed programs has increased 16 percent with no corresponding increase in the number of licensing staff. In response, the Office of Inspector General Licensing Division has begun to streamline and automate many functions within licensing to reduce paper forms and workflows when possible. One specific example of this effort is the development and initial roll-out of ELICI (electronic licensing inspection checklist information), a web-based monitoring tool, to help ensure more accurate collection of licensing compliance data creating web-based forms that allow data integration with Licensing's data base; creating paperless workflows. The new ELICI on-site data collection tool has reduced the amount of time licensors spend preparing correction orders, which will help licensors successful complete annual on-site visits while also managing higher caseloads each year. These tools and efforts will allow us to respond to more provider applications and change requests with the same staff complement from 3-4 years ago.

- The Deaf and Hard-of-Hearing Services Division of DHS has been able to reduce eight positions through attrition (four administrative support positions and four manager positions) by making greater use of electronic, web-based communications and streamlining administrative processes, all of which increase the number of staff managers in the Division are able to supervise. These reforms have saved approximately $607,000 per year, which can be used to address other priorities for serving deaf and hard-of-hearing persons in the state.
- Direct Care and Treatment (DCT) is a complex health care system that cares for 12,000 patients and clients each year, people that other community providers either cannot or will not serve. DCT is continuously improving the clinical quality, safety and outcomes of care while proactively identifying and addressing risk and health disparities and ensuring comprehensive and individualized treatment and supports are delivered with a lens on safety, respect, equity, and dignity. DCT is also continuously evaluating programs and services. Over the past year, Forensic Services has been able to increase bed capacity without increased costs by shifting treatment units around. The Minnesota State Operated Community Services (MSOCS) program continues to accelerate the transition of homes to private provider to focus on providing services to clients with complex behavioral needs (most recently working with Hennepin County to transition 10 homes within the next 6 month). Due to sufficient community capacity, DCT was able to close an Intensive Residential Treatment Services (IRTS) facility in St. Paul and transitioned staff to open positions at Anoka Metro Regional Treatment Center (AMRTC) saving approximately $1.8 million per year. DCT also discontinued a satellite sex offender treatment service program at the Department of Correction Prison in Moose Lake saving an addition $900,000 per year.

Efficiencies will continue in the next biennium; however, cost growth will continue to put pressure on budgets and without additional resources, service delivery erodes. For Department of Human Services, this means:

- Program closures and staff lay-offs within Direct Care and Treatment resulting in reduced bed capacity and increased waitlist for mental health treatment.
- Reduced capacity to support consumers and respond to inquiries and requests for assistance from providers in health care programs
- Delays in the completion of systems modernization and maintenance work which will have an impact on counties, clients and providers
- Increased delays in completing requests for licenses for child care and home and community-based services
- Reduced capacity to complete background studies will result in delays and growing backlogs
- Reduced ability to investigate allegations of fraud in health care and child care programs, which results in lower amounts of recovery revenue from investigations

Proposal:

The Governor recommends increasing agency operating budgets to support the delivery of current services. This increase is below the assumed level of inflation, acknowledging continued efficiencies achieved by the Department of Human Services. For DHS, this funding will cover part of the employee compensation and insurance cost growth under the current labor agreement as well as a portion of the anticipated growth in the next contract.

This proposal does not duplicate the Governor's other recommendation for an operating increase targeted specifically to Direct Care and Treatment. This is because DCT is excluded from the portion of this operating increase related to the current labor contract costs because those costs are accounted for in the DCT-specific operating adjustment. DCT is included in the portion of this operating adjustment related to future labor contract costs because those costs are not accounted for in the DCT operating adjustment.

Results:

This proposal is intended to allow the Department to continue to provide current levels of service and information to the public.

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-24
General Fund			5,463	10,926	16,389	10,926	10,926	21,852
HCAF								
Federal TANF								
Other Fund								
Total All Funds			5,463	10,926	16,389	10,926	10,926	21,852
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	11	DHS Central Office	2,647	5,294	7,941	5,294	5,294	10,588
GF	65	DCT General Fund	3,663	7,326	10,989	7,326	7,326	14,652
GF	REV1	Admin FFP @32%	-847	-1,694	-2,541	-1,694	-1,694	-3,388
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 20**	**FY 21**	**FY 20-21**	**FY 22**	**FY 23**	**FY 22-23**

Change Item Title: Uniform Administration of Pharmacy and Dental Benefits

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	(15,874)	39,374	9,207
Revenues	0	0	0	0
Health Care Access Fund				
Expenditures	0	(2,747)	(731)	(3,836)
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	(18,621)	38,643	5,371
FTEs	0	3	3	3

Recommendation:

Effective January 2023, the Governor recommends streamlining the administration of the pharmacy benefit in the Medical Assistance program and the dental benefit in the Medical Assistance and MinnesotaCare programs. This approach focuses on the immediate challenges of affordability and access related to prescription drugs and dental care. This proposal has a net savings to the General Fund and Health Care Access Fund of $18.6 million in the FY 2022-23 biennium and a cost of $44 million in the FY 2024-2025 biennium. This proposal assumes the net general fund savings in FY 2022-23 is applied against the $100 million Blue Ribbon Commission (BRC) reduction target enacted in 2019.

Rationale/Background:

Many factors contribute to the increasing costs of healthcare, including the rapid increase of prescription drug prices. In Medical Assistance, these increases have been substantial, with pharmacy service spending per enrollee increasing by 9.7 percent between 2018 and 2021. These increases have been significantly more rapid in the managed care pharmacy benefit than in the fee-for-service (FFS) benefit.

Access to dental care is another major problem in Minnesota, especially in areas of greater Minnesota. While Minnesotans served by public health care programs have dental coverage, that coverage has not always translated into access to care, as 60 percent of children in the Medical Assistance program did not see a dentist in 2017 and 2018. Studies performed by DHS in 2014 and 2015 showed that due to administrative complexity, overall low reimbursement rates, and uneven and disparate rate structures that go to only a small number of providers that are already well beyond capacity to serve additional patients, many dentists, and particularly small clinics in rural areas of the state, are discouraged from serving public program enrollees. Minnesota is currently under a corrective action order from the Center for Medicaid and Medicare Services (CMS) due to substandard dental access rates for children.

Without dental coverage, people access care in the emergency room and are often prescribed drugs to manage pain without resolution of the dental issue. A comprehensive approach that restructures both the administrative and payment structure for dental services is needed to address the lack of dental care access.

Proposal:

This proposal seeks to address the issue of rising costs for health coverage and the lack of access to dental services by:

- Establishing a uniform system for managing pharmacy benefits across Medical Assistance in order to reduce prescription drug prices while ensuring access to a comprehensive pharmacy benefit.
- Restructuring payments and administration of dental benefits across both Medicaid Assistance and MinnesotaCare to support providers and to increase and ensure access to dental services.

Reduce prescription drug prices statewide:
Under this proposal, the Department of Human Services (DHS) will administer the pharmacy benefit for Medical Assistance beginning in 2023. Currently, pharmacy benefits are either administered by DHS or the Managed Care Organizations (MCOs) through their Pharmacy Benefit Managers (PBMs). By moving management of the pharmacy benefit to DHS, the state will have greater visibility and transparency into drug pricing and operations. This new pharmacy program will rely on the state's preferred drug list process, which is established and maintained transparently with consumer and provider input.

Improving Access to Dental Care:
This proposal establishes a simpler and more efficient model for purchasing dental benefits through a common administrative structure, updated payment methodology, and increased provider rates. Implementing a streamlined structure for dental services will result in increased administrative efficiencies for providers, and improve the consumer experience.

Additionally, this proposal will equalize payment rates by providing a 54 percent rate increase over the current Medical Assistance fee schedule for adult dental services and a 24.4 percent rate increase for children's dental services. The rate increase for children's dental services is lower because children's dental services rates are currently higher than the rates for adults. This investment is made possible by repurposing both the critical access and rural dental add-on payments for an across-the-board increase that will remove the payment disparities among dental providers across the state.

Administrative simplification combined with repurposing current rate add-ons received by a limited number of providers allows for an equitable rate structure that pays all dentists the same rates for providing the same services. This helps to create an environment where dental practices throughout Minnesota, including rural areas, can serve all people in their communities. Accessible local dental care also reduces the long distances people on state health care programs currently must travel to receive dental care, if they are able to find a provider that will see them.

Lastly, this proposal will create a quality incentive program in partnership with the Dental Services Advisory Committee to recognize dental practices who are meeting and exceeding quality standards. This incentive program will help offset the additional investments made by clinics and recognize practices going above and beyond in advancing the health outcomes of their patients.

Equity and Inclusion:

Minnesotans served by Medical Assistance and MinnesotaCare have had a persistent challenge in accessing dental services. More than 60 percent of children serviced by the program did not see a dentist in 2017 and 2018. This proposal aims to increase dental access rates to those found among individuals served by private insurance. Making dental care accessible to people in their local communities strengthens those communities by helping to reduce inequities that exist across racial, ethnic, and socio-economic groups. The combination of these two initiatives allows for the state to administer the pharmacy benefit more efficiently and reinvest the savings from administrative costs and PBM profits into the Medical Assistance dental benefit. The investment in Minnesotans served by public programs, rather than administrative costs and PBM profits, strongly supports the administration's commitment to the Minnesota Health Care Program enrollees serve rather than preserving existing administrative structures.

IT Related Proposals:

This proposal will require IT changes to implement the new rates and administrative structure for dental. This proposal also relies on the modernization of the pharmacy claims processing system, but this modernization work is already prioritized and occurring independently of this legislative proposal.

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY22	FY23	FY22-23	FY24	FY25	FY24-25
General Fund				(15,874)	(15,874)	39,374	9,207	48,581
HCAF				(2,747)	(2,747)	(731)	(3,836)	(4,567)
Federal TANF								
Other Fund								
Total All Funds				(18,621)	(18,621)	38,643	5,371	44,014
Fund	**BACT#**	**Description**	**FY22**	**FY23**	**FY22-23**	**FY24**	**FY25**	**FY24-25**
GF	33ED	MA Grants	0	(4,550)	(4,550)	4,693	(1,060)	3,633
GF	33AD	MA Grants	0	(1,382)	(1,382)	4,047	1,227	5,274
GF	33FC	MA Grants	0	(13,440)	(13,440)	24,391	2,355	26,746
HCAF	31	MNCare Grants	0	(3,176)	(3,176)	(2,028)	(4,712)	(6,740)
GF	33	MA Grants (Dental Administrator)	0	2,691	2,691	5,389	5,402	10,791
HCAF	31	MNCare Grants (Dental Administrator)	0	429	429	868	876	1,744
GF	13	HCA FTEs (0,3,3,3)	0	429	429	386	386	772
GF	13	HCA Admin (Prior Auth Contract)	0	750	750	1,500	1,500	3,000
GF	TRI	HCAF to GF Transfer	0	0	0	(429)	0	(429)
HCAF	TRO	HCAF to GF Transfer	0	0	0	429	0	429
GF	REV1	FFP @ 32%	0	(377)	(377)	(604)	(604)	(1,208)
GF	11	Systems State Share (MMIS @ 29%)	0	5	5	1	1	2
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY22**	**FY23**	**FY22-23**	**FY24**	**FY25**	**FY24-25**
		DHS FTEs		3		3	3	

Statutory Change(s):

Minnesota Statutes §§ 256B.76, subd. 2; 256B.0625, subd. 9; 256L.11, subd. 6a and 7

Change Item Title: Expand Use of Encounter Alerting System

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	(1,616)	(1,345)	(1,301)	(1,258)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(1,616)	(1,345)	(1,301)	(1,258)
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends expanding the Minnesota Encounter Alerting Service to improve care and lower the health care costs of Minnesota Health Care Program enrollees. This reduces General Fund expenditures by $3.0 million in the FY 2022-2023 biennium and by $2.6 million in the FY 2024-2025 biennium. This proposal assumes the net general fund savings in FY 2022-23 is applied against the $100 million Blue Ribbon Commission (BRC) reduction target enacted in 2019.

Rationale/Background:

Fragmented care is expensive; the sooner a provider who is accountable for coordinating a person's care can be informed of a health event, the more effectively they can support recovery, transitions between care settings, and avoid re-hospitalization. This proposal expands efforts to implement more timely communication from an emergency room, hospital, or long-term care facility to a person's care team.

This is a cost savings strategy which would expand participation in the Minnesota Encounter Alerting Service (MN EAS) so that more Minnesota Health Care Program enrollees have improved access to coordinated care. Participation in the MN EAS was piloted by providers participating in accountable care arrangements and has been a critical tool for timely coordination of transitions of care. Notifications from 171 sources result in the successful delivery of over 100,000 alerts per month. The Department of Human Services (DHS) contributes attributed patient panels for Integrated Health Partnerships (IHPs), and providers who perform care coordination can upload additional consenting panels.

The Centers for Medicare and Medicaid Services (CMS) and the Office of the National Coordinator (ONC) recently published companion rules which impact policies around the interoperability of health information. Under the new rule, hospitals are required to send event notifications as a condition of provider participation in Medicare and Medicaid. The Minnesota Encounter Alerting Service will make it easier for hospitals to meet this requirement. The new ONC rule includes a definition of a health information network, which would include the MN EAS because it facilitates the sharing of information between unaffiliated providers.

Proposal:

This proposal expands onboarding efforts to additional Medicaid providers, encourages participation of other payer panels, and ensures sustainable funding of the MN EAS system. While a majority of the hospitals in the state are now sending notifications to the service, work remains to connect additional community providers to the service. On average, one-quarter (25 percent) of the notices generated can be matched and delivered to a

subscribing participant's care coordination panel. Expanding the service to additional care coordination panels would extend the benefit realized by IHPs and existing participants to additional providers.

The expansion to additional providers and payer panels also makes it easier for providers to use consistent workflows and the alerts for Medicaid and Medicare consumers can be matched at a higher rate to the appropriate care team. Basic onboarding of new providers typically takes three weeks and requires minimal time of staff for review of agreements and training and workflow discussions. For systems desiring deeper integration into existing infrastructure and workflow tools, the resources required may be higher. As a result, savings can be realized within a short time after bringing on additional providers.

In addition to expanding onboarding efforts, this proposal funds work necessary to maintain and expand the Encounter Alerting Service, and clarifies authority for DHS to operate the service to ensure providers have a cost-effective option for satisfying the hospital alerting requirement in the CMS Interoperability Rule.

This proposal is estimated to generate savings of $4.5 million total dollars in the next biennium. These savings would be realized through expected reductions in readmissions as a result of care teams receiving notifications of adverse events in a timely fashion so that appropriate transitions of care occur for patients with complex medical conditions.

Medicare beneficiaries who had transitional case management following a discharge had a significantly lower overall mean cost ($3,358 vs. $3,033).[1] Minnesota has relatively low rates of using that service[2] and a functioning Admission/Discharge/Transfer system would aid and enable this. Studies indicate that if the necessary follow-up is not provided after an ER visit or hospitalization, recovering patients are more susceptible to complications and illness, resulting in worse health outcomes and costly readmissions (Kirsch, Kothari, Ausloos, Gundrum & Kallies, 2015). Also, people who are not seen by their primary provider within 30 days of an ER or hospital admission have a 10x greater risk of readmission (Moran, Davis, Moran, Newman, & Mauldin, 2012).

Impact on Children and Families:

The strategy applies to persons covered by Minnesota Health Care Programs who receive treatment in an emergency room, hospital, or long-term care (LTC) facility and the providers who serve them. For a consumer, health care is more cohesive, and the support needed during a care setting transition can be arranged sooner. This impact can be experienced immediately as evidenced by family and patient stories shared by participants who describe a sense of relief or re-assurance that their care team was on the same page and knew about an event so they could help with follow-up. For health care providers in hospital or ER settings, the service reduces administrative burden (i.e., phoning/faxing) and allows for critical health event information to be communicated seamlessly to a patient's primary provider.

The service ensures that the provider can receive the information securely even if they are not on the same electronic health record (EHR) system or part of the same health system. For primary care providers or other care coordination staff, less time is spent searching and seeking updated clinical information and there are improved health outcomes because the critical information was pushed to them right away when there was still time to intervene. For providers who have traditionally not been able to participate in e-health exchange, this service provides a low cost, high value way to receive necessary notifications.

Equity and Inclusion:

The service promotes cohesive and supportive health care for the enrollee, while promoting a reduction in cost, administrative burden, and time for individuals covered by Medical Assistance or Medicare receiving treatment in an emergency room, hospital, or long-term care facility. Populations that benefit most from this strategy are

[1] https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6583218/

[2] https://data.cms.gov/Medicare-Physician-Supplier/Medicare-ProviderUtilization-and-Payment-Data-Phy/fs4p-t5eq/data

those who experience high use of the emergency room as their main source of care, including persons who are homeless and persons with mental illness. The availability of this care coordination tool allows provider systems who disproportionately serve these populations to receive these important event notifications.

IT Related Proposals:

Systems modifications are not needed for this proposal.

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			(1,616)	(1,345)	(2,961)	(1,301)	(1,258)	(2,559)
HCAF								
Federal TANF								
Other Fund								
Total All Funds			(1,616)	(1,345)	(2,961)	(1,301)	(1,258)	(2,559)
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	33AD	MA Grants	(2,289)	(2,243)	(4,532)	(2,199)	(2,156)	(4,355)
GF	13	HCA Admin (Contract)	990	1,320	2,310	1,320	1,320	2,640
GF	REV1	FFP @ 32%	(317)	(422)	(739)	(422)	(422)	(844)
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**

Statutory Change(s):

Minnesota Statutes §256.01, subd. 28

Federal law or regulation to which this proposal complies:

CMS Interoperability and Patient Access final rule (CMS-9115-F)

21st Century Cures Act: Interoperability, Information Blocking, and the ONC Health IT Certification Program, 45 CFR 170 and 171

Change Item Title: Blue Ribbon Commission (BRC) Program Integrity Strategies

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	336	226	226	226
Revenues	(1,038)	(1,440)	(1,440)	(1,440)
Other Funds				
Expenditures	(7)	(9)	(9)	(9)
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(709)	(1,223)	(1,223)	(1,223)
FTEs	**6**	**6**	**6**	**6**

Recommendation:

The Governor recommends an investment in staff with offsetting savings to:

- Expand the Department of Human Services' s (DHS) capacity to investigate and prevent fraud in the Medical Assistance (MA) program;
- Increase funding for the Fraud Prevention Investigation (FPI) grant program to provide counties and tribes with additional resources to investigate recipient fraud in human services programs; and
- Expand training and informational resources to improve third party liability (TPL) recoveries in Minnesota Health Care Programs (MHCP).

The proposal would fund an additional 5 FTE to staff the Office of Inspector General's Financial Fraud and Abuse Investigation Division (FFAID) that oversees MA providers, and 1 FTE to lead the Health Care Administration's (HCA) expansion of TPL work. It would also enable counties and tribes to hire additional fraud investigators.

The Governor further recommends amending Minn. Stat. § 256.983, Subdivisions 1 through Subdivisions 4 to explicitly include tribal governments as direct recipients of FPI grant funding, subject to the programmatic requirements applicable to county grant applicants. This would align with language included in Subdivision 5, related to child care providers' financial misconduct, which states that "a county *or tribal agency* may conduct investigations of financial misconduct by child care providers" and specifies proof requirements related to those investigations.

These proposals are supported within recommendations of the Blue Ribbon Commission on Health and Human Services, which was tasked by the 2019 Legislature and the Governor to develop an action plan for transforming the health and human services system, recognizing the significant savings to be realized from these programs. This proposal results in net General Fund savings of $1.9 million in the FY 2022-23 biennium and $2.4 million in the FY2024-25 biennium. This proposal assumes the net general fund savings in FY 2022-23 is applied against the $100 million Blue Ribbon general fund reduction target enacted in 2019.

Rationale/Background:

Nearly 17% of the U.S. gross domestic product is spent on health care costs, and it is estimated that 10-25% of that spending is the result of fraud, waste, and abuse. These staggering figures represent a very high price tag, both financially and in perceptions related to the integrity and value of our health care system. Approximately 23% of the population in Minnesota (nearly 1.2 million people) receives their health care coverage through Medicaid (called Medical Assistance or MA in Minnesota). In 2019, the total cost of this coverage was

approximately $12.5 billion in state and federal funds that was paid to 240,000 Medicaid providers. The federal Centers for Medicare & Medicaid Services published a recent Payment Error Rate Measurement report that estimates - nationwide – 14.9% of Medicaid payments were made improperly. In most cases, these errors are the result of providers failing to meet legally required record-keeping and documentation requirements, which are categorized as abuse of taxpayer-funded health care.

As the state Medicaid agency, the Minnesota Department of Human Services (DHS) is federally required to implement a surveillance and utilization control program that investigates improper payments, including billing activities and the delivery of health services by providers and the use of health services by recipients. The program must safeguard against unnecessary or inappropriate MA payments or excess use of MA services. This is accomplished through post-payment review that allows for correction of misutilization practices.

This proposal recommends increasing the post-payment review capability and capacity of DHS's Office of Inspector General, the Health Care Administration, and its county and tribal partners to detect and take appropriate action to prevent fraud, waste, and abuse of MA funds. This will be accomplished through process enhancements and incremental expansion of investigatory capacity within FFAID's Surveillance and Integrity Review Section (SIRS) and Fraud Prevention Investigation (FPI) grants program, as well as HCA's TPL recoveries program.

SIRS Investigation Expansion – During 2019, SIRS recovered $7.05 million in improper payments of state and federal funds. SIRS also terminated, suspended or stopped payments to 80 MA providers who had been paid $10.2 million in the preceding 12 months. The capacity to investigate Minnesota's 240,000 Medicaid providers is limited and, as a result, attaining recoveries is difficult and rarely occurs. The result is multi-million dollar losses in MA.

A 2020 Evaluation Report prepared by the Office of the Legislative Auditor (OLA) on DHS Oversight of Personal Care Assistance found that "… DHS's investigations are not always prompt. This is due, at least in part, to the high volume of complaints received by DHS compared to its limited workforce." The report identified the need for DHS to further develop and standardize its investigative practices and devise a plan for timely investigation of suspected fraud, waste, and abuse.

By strengthening the policy framework, improving internal process efficiency, and expanding investigatory capacity, the Department has the opportunity to demonstrate a significant return on investment by identifying and recouping overpayments, discouraging aberrant behavior of providers and recipients of public assistance, and instilling the public's trust and confidence in program integrity.

FPI Expansion – Through the FPI program, the Office of Inspector General's Financial Fraud and Abuse Investigation Division (FFAID) presently works with counties to investigate recipient fraud. The division currently administers a $3.9 million ($2.3 million state funds, $1.6 million federal funds) annual grant program that funds investigator positions in counties and regions covering 86 of Minnesota's 87 counties.

Increased investment in the FPI program, coupled with a change in statutory language to include tribal agencies, will permit DHS to better address the on-going need for recipient fraud prevention and detection activities throughout Minnesota. Increased FPI funding will allow for additional staffing in regions where investigators are spread thin and in more populated counties where the caseload is greatest, and to expand in areas that have not been a part of the program. Additional funding for recipient investigations will enable counties and tribal agencies to: 1) react more quickly to reports of public benefit fraud, 2) complete investigations in a timelier manner, and 3) stop distribution of benefits sooner to those who are not eligible.

In accordance with Minnesota Statutes, section 256.983, the program has operated on a cost-neutral basis for 30 years. When all program benefits are considered, the program has returned at least $4 for every $1 spent on the

program. Previous incremental increases in the FPI grant program has demonstrated proportionate increases in return on investment. This trend is dependent upon county human services workers making fraud referrals to investigators when they see conflicting information or suspect that fraud is occurring. The cost savings are also dependent upon having investigator positions filled. In several FPI regions in the state, just one investigator is responsible for investigations in multiple counties. Turnover in these positions reduces overall benefits derived until the positions can be filled and new staff are trained.

All Minnesota counties are statutorily required (256.986) to submit to DHS a state fiscal year plan to coordinate county duties related to the prevention, investigation, and prosecution of fraud in public assistance programs. The state partners with grant and non-grant funded counties, helping to stretch the limited funds used to conduct investigations. This is done through training, monitoring work products, and assuring that grant programs are run cost effectively, as required by state statute. Resources that counties contribute to maintain investigative programs include the hiring and supervision of additional employees, as well as providing technological resources, equipment, office space, grant oversight, additional training, and vehicles.

Improving TPL Recoveries – DHS undertakes a variety of activities to ensure Medical Assistance, Minnesota's Medicaid program, is the payer of last resort. In certain cases, relating to estate recovery and subrogation, DHS relies on attorneys outside the agency to enforce or pursue recovery. In estate recovery, it is up to the county-based prosecutors to enforce these statutes in a uniform manner across the state. While DHS provides litigation support to counties when requested, it is clear that there could be better training and education to ensure consistent, equitable, and legally sound application of statutes across the many counties.

Similarly, in the area of recovery in personal injury or casualty cases, DHS relies on personal injury/trial attorneys to litigate these cases on behalf of enrollees. Statute requires that these attorneys notify DHS and resolve the Medicaid payments related to the accident or injury. It is unclear whether trial attorneys are universally aware of these requirements, nor do they adhere to all the notification requirements in statute.

In total, DHS and county partners collect approximately $61 million worth of recoveries of Medical Assistance benefits paid on behalf of enrollees every year. This number would be increased by developing training and resource materials, as well as legal forms, to assist the counties in doing their recovery work.

Proposal:

SIRS Investigation Expansion – This proposal adds 5 FTE (3 investigators and 2 operation analysts) staff to the SIRS unit, bringing the total number of budgeted investigatory staff to 35 FTEs. The additional FTEs will increase SIRS investigative capacity and allow the unit to cover more MA provider types that warrant surveillance, investigation, and intervention. The full cost of each investigator position (Human Services Program Representative) is approximately $125,000. The full cost of each operations support position (Human Services Program Specialist) is approximately $102,000. The state would recoup 32% of total personnel costs under a federal financial participation arrangement.

In the recent past, expanding investigatory capacity has focused solely on additional investigators without providing for additional operational support. This results in limited capacity to further develop and standardize investigative and operational practices and an inability to support administrative takes associated with investigations and the issuance of overpayments. This limits investigators' ability to devote time more exclusively to investigatory work. This proposal includes two operations analyst positions that would effectively increase the investigatory capacity of investigators by relieving them of administrative work and operational tasks that currently limit their caseload capacity and slow timely completion of investigations.

In previous budget proposals to increase investigatory capacity, a standard multiplier of $125,000 per investigator was used to calculate the return-on-investment. Recognizing that return-on-investment depends on broader operation and administrative support necessary for efficient and effective investigation activities, the

methodology was updated to include both investigators and operation and administrative support. The new methodology is aligned with industry standards for calculating return-on-investment from fraud, waste, and abuse prevention activities, and specifies a 5-to-1 savings ratio for staff investments across all position types. In this methodology, the contributions of investigators and operation and administrative personnel are equally included. Half of return on investment may be attributed to savings to the state, with the other half returned to the federal government.

FPI Expansion – This proposal adds $425,000 from the state general fund to the existing FPI grant program. With the federal match, it will increase grant funding by $736,000, for a total ongoing budget for grants of approximately $4.6 million. Grant funds will increase the number of investigators in a given county, tribe, or region and fund positions in counties and tribes that are not currently participating in this program.

This proposal would allow for the hiring of approximately seven additional FPI investigators in counties and tribal agencies. This number assumes an average of $100,000 in personnel costs per FPI investigator under the grant. The average takes into consideration that the cost of an FPI investigator varies significantly across the state. For example, an investigator who is a sworn peace officer has a much higher cost than a non-sworn investigator. Additionally, there is a significant difference in the personnel costs in greater Minnesota compared with the metro area.

In addition, this proposal would amend Minn. Stat. § 256.983, Subdivisions 1 through Subdivisions 4 to explicitly include tribal agencies as direct recipients of FPI grant funding, subject to the programmatic requirements applicable to county grant applicants. The proposed revision will change "counties" to "counties and tribal agencies" throughout the subdivisions of the statute.

The additional funds made available to counties and tribal agencies under this proposal will be used to significantly expand fraud prevention activities within the State, helping to ensure the appropriate utilization of taxpayer funds. The cost of this proposal are offset by benefit savings from unpaid claims that were determined to represent real or potential fraud. In FY 2022, the overall net fiscal impact is projected to be $86,000 in savings to the General Fund, which assumes total savings of approximately $518,000 as additional investigators are brought onboard in the first year. By FY 2023, all new investigators would be onboard and total projected savings are $689,000 across multiple public assistance programs. This results in total savings of approximately $689,000, and a net fiscal impact of $264,000 in savings to the General Fund in FY 2023 and each year thereafter.

Improving TPL Recoveries – This proposal would authorize and fund DHS to work with the county-based prosecutors, the Minnesota County Attorney Association (MCAA), the elder/estate planning bar, and the trial attorney group, Minnesota Association for Justice, to create educational resources related to the Medicaid program, recovery from probate and non-probate assets, DHS's process for seeking recovery or subrogation, and DHS's approach to resolution of these cases on behalf of the Medicaid program. This proposal will:

1. Establish web content/resources
2. Produce and publish training materials – i.e. trust guide, Medicaid Tort Recovery materials – and provide trainings to relevant stakeholders
3. Complete and publish litigation support materials/forms for county attorneys to utilize to defend and initiate lawsuits involving health care
4. Complete and record trainings for attorneys to access

The resources developed will be utilized in ongoing trainings of stakeholders.

To develop these resources, DHS requests 1 FTE that will lead this work. The additional costs of the FTE are offset by the increased recovery revenues to the General Fund. It's assumed that probate recoveries will increase by 2.5 percent and tort recoveries will increase by 10 percent.

These increased resources will assist with third party liability work at the county level and improved understanding of Medicaid requirements for private attorneys resulting in more consistent enforcement and application of Medicaid laws pertaining to payer of last resort.

Impact on Children and Families:
There are potential, unintended impacts that may occur from halting fraud, waste, and abuse, including the limiting of provider options for vulnerable populations in underserved locations across the state. In strengthening the policy framework and expanding investigatory capacity within DHS, counties, and tribes, the Department will develop equitable standards for Medical Assistance providers to work to address unintended consequences, including the impact on vulnerable populations if their provider were to become ineligible as a result of fraud investigations. These may include making provisions to help connect MA recipients with new providers.

The proposal to expand TPL recovery resources has minimal impact on children and families, except to the extent that families and their attorneys must navigate the estate recovery system when a loved one dies. There may also be a benefit to educating and providing resources for attorneys in cases where a child is injured and is seeking recovery from a third party insurer. Providing their attorneys with information about Medicaid and benefit recovery can be useful to these families and children as they prepare trust documentation and settle their lawsuits.

Equity and Inclusion:
Strengthening the State of Minnesota's overall approach to combating fraud, waste, and abuse impacts a variety of populations: most notably, providers subject to investigatory scrutiny of billing practices to determine fraudulent activities. Recipients and other vulnerable populations may indirectly benefit from improved program integrity and more effective stewardship of resources allocated for public assistance.

This proposal also affirms the eligibility of Tribal Nations to receive FPI grant funding, which will significantly expand fraud investigatory capabilities within these communities and help to ensure appropriate utilization of taxpayer funds. The access to these funds was identified as a priority during the tribal consultation process. Further, the program will develop equity standards for grant recipients aimed at minimizing unintended consequences of fraud prevention activities that have the potential to increase risks to vulnerable populations (e.g. access to health services), and encourage counties to embed equity and inclusion principles in the recruitment of investigators. Finally, the program will continue its focus on the equitable distribution of grant funding across Minnesota counties and tribal agencies. Annual reporting from grant recipients will be used to assess success and inform programmatic changes to help ensure equitable distribution of funds.

Finally, providing county attorneys and the private bar with useful instruction and resources relating to the federally required estate recovery and subrogation activities surrounding the Medical Assistance program will ensure that these attorneys approach the system with consistent information and will ensure more consistent outcomes for our members. This information will also be helpful to unrepresented parties and ensure an even playing field for all those enrollees who are subject to benefit recovery and third-party liability requirements in the Medicaid program.

IT Related Proposals:
This proposal does not require any IT system changes.

Results:
SIRS investigations represent a net savings to the General Fund, attributable to actions taken following the identification of overpayments to MA providers. In 2019, SIRS recovered $7.05 million in federal and state funds. The methodology for calculating the return on investment is based on industry standards set by the National Health Care Anti-Fraud Association (NHCAA). Expenditures in the form of salaries for both SIRS investigative and non-investigative staff (i.e., management, data and legal teams, and support staff) are offset by a combination of

"revenue." This includes: 1) actual recoveries, 2) savings associated with pre-payment denials of claims, 3) prevented loss indicated from actual change in provider billing behavior from the previous 12 months, and 4) court ordered restitution. The state's share of savings included in the budget table reflects 50% of the total return on investment; the remaining return on investment is attributed to the federal share and not counted as savings to the state.

Additionally, providers found to have committed significant program violations because of fraudulent or abusive conduct are terminated or suspended from MA and other public programs. Recovering funds paid to these providers is very difficult, but by removing them from the program, fraudulent payments to that provider cease. An increase in program integrity staff, will increase the number of fraudulent providers who are removed from public programs. For example, in 2019, SIRS terminated, suspended and/or implemented a payment withhold on 80 MA providers who were paid a total of $10.2 million the year preceding the SIRS action. A well-recognized benefit to provider investigations activity is prevented loss of funds associated with terminating, suspending, and/or implementing a payment withholds. The result is that 80 former MA providers are no longer able to obtain millions of dollars in public funds.

The FPI grant program results in benefit savings derived from unpaid claims that were determined by investigators to represent real or potential fraud. Other benefits of FPI grant funding include the identification of overpayments. FPI investigators identified $10.3 million in overpayments across multiple assistance programs in 2019. Considering the totality of benefits, FPI program grants historically return at least four dollars for every dollar of state and federal funding.

Finally, the TPL program's annual recoveries in 2019 were $60.7 million, representing a $5 million (9%) increase from 2016 recoveries.

Fiscal Tracking:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			(702)	(1,214)	(1,916)	(1,214)	(1,214)	(2,428)
HCAF			(7)	(9)	(16)	(9)	(9)	(18)
Federal TANF								
Other Fund								
Total All Funds			**(709)**	**(1,223)**	**(1,932)**	**(1,223)**	**(1,223)**	**(2,446)**
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	11	County FPI Grants	425	425	850	425	425	850
GF	11	SIRS Fraud Investigations Activities (5 FTE)	515	585	1,100	585	585	1,170
GF	13	HCA Admin (1 FTE)	106	122	228	122	122	244
GF	21	TANF Cash	(118)	(157)	(275)	(157)	(157)	(314)
GF	33	Federal Medical	(197)	(263)	(460)	(263)	(263)	(526)
GF	33	State Medical	(13)	(17)	(30)	(17)	(17)	(34)
GF	22	Child Care (MFIP)	(30)	(40)	(70)	(40)	(40)	(80)
GF	42	Child Care (BSF)	(17)	(23)	(40)	(23)	(23)	(46)
GF	23	General Assistance (GA)	(26)	(34)	(60)	(34)	(34)	(68)
GF	24	Minnesota Supplemental Aide (MSA)	(22)	(29)	(51)	(29)	(29)	(58)
GF	25	Housing Support	(88)	(117)	(205)	(117)	(117)	(234)
GF	REV1	Administrative FFP @ 32%	(199)	(226)	(425)	(226)	(226)	(452)
GF	REV2	Recoveries and Savings	(1,038)	(1,440)	(2,478)	(1,440)	(1,440)	(2,880)
HCAF	31	MinnesotaCare	(7)	(9)	(16)	(9)	(9)	(18)
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
		DHS OIG FTE	5	5		5	5	
		DHS HCA FTE	1	1		1	1	

Change Item Title: BRC Proposals: Family Foster Care Rate Tiers; Customized Living Program Integrity; and Obsolete Grants

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	(2,082)	(14,462)	(15,940)	(20,601)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(2,082)	(14,462)	(15,940)	(20,601)
FTEs	**0**	**0**	**0**	**0**

Recommendation:
The Governor recommends implementing Blue Ribbon Commission cost saving strategies impacting state spending on services for persons with disabilities. This proposal results in reduced General Fund expenditures of $16.5 million in the FY 2022-23 biennium and $28.1 million in the FY 2024-25 biennium. This proposal assumes the net general fund savings in FY 2022-23 is applied against the $100 million Blue Ribbon Commission reduction target enacted in 2019.

Rationale/Background:
The 2019 Legislature authorized the Blue Ribbon Commission on Health and Human Services to develop an action plan "to advise and assist the legislature and governor in transforming the health and human services system to build greater efficiencies, savings, and better outcomes for Minnesotans." Specifically, the legislation charged the Commission to identify strategies in the final action plan that would enable the legislature to enact future legislation that would reduce health and human services expenditures by $100,000,000 for the biennium beginning July 1, 2021.

The Commission met throughout 2019 and 2020 to solicit proposals from the community, analyze and organize strategies, and to gather feedback from community partners and stakeholders. Following this process, the Commission published a final report and submitted it to the Legislature.

Proposal:
This proposal includes the implementation of strategies identified by the Blue Ribbon Commission to control the cost of Minnesota's disability service system.

1. **Curb Residential Service Costs.** This strategy includes one substrategy identified in the Blue Ribbon Commission's final report to reduce the cost of disability residential costs. For purposes of this proposal, residential services are defined as: housing-with-services settings where Customized Living Services are delivered and Community Residential Services licensed under Minnesota Statutes §245A.023. In fiscal year 2019, Minnesota spent $229 million on Customized Living Services provided under the disability waivers.

   Customized Living Program Integrity
   Customized Living ("CL") is a residential service composed of a package of regularly scheduled, health-related, and supportive services provided to a person 18 years or older who resides in a qualified, registered housing-with-services establishment. This strategy curbs the growth of CL services under the

Brain Injury (BI) and Community Access for Disability Inclusion (CADI) waivers by ensuring program integrity and controlling service rates.

Daily service rates are calculated by utilizing a rate tool that totals the average supports provided to a person within a day. In order to ensure the integrity of the support hours entered in the customized living rate tool, this proposal places a limit of 24 hours of daily support that may be entered in the rate tool for BI and CADI waiver recipients. In fiscal year 2019, about 2% of people who received BI/CADI customized living had a rate that included more than 24 hours of support per day.

This limit would be applied to supports in the rate tool that are measured in units of time. Supports, such as transportation mileage and meals, would not count towards a 24-hour limit of supports. Additionally, these limits would not apply to people using Elderly Waiver (EW) supports, as EW uses other methods of controlling service costs.

2. **Family Residential Services Rate Reform.** This strategy implements a tiered rate structure recommended in the Family Foster Care Rate Methodology legislative report and included in the Blue Ribbon Commission's report. Family Residential Services are ongoing residential care and supportive services for people living in a home where the license holder also resides. This proposal will change the family residential services rate-setting methodology to a rate that aligns with people's assessed needs, as well as future individual budget structure proposed by the Waiver Reimagine project. This change would be implemented beginning January 1, 2022 or upon federal approval, whichever is later.

   The current methodology for calculating family residential services is based on a prospective, cost-based framework for corporate residential (corporate foster care/community residential services) providers. Reliance on this methodology has resulted in rates that are inconsistent throughout the state and do not have a direct relationship to the actual day-to-day support needs of the person who receives the service.

   This proposal uses six of the Waiver Reimagine individual budget support ranges to assign a family residential services rate, ensuring that the rate adjusts with a person's needs. The tiered rate amounts will be based on historic rates that have been found to better align with people's needs. The seven tiers and initial corresponding rates are as follows:

Support range	Proposed daily rate
1: People with low general support needs, typical health and behavioral needs	$133.56
2: People with moderate general support needs, typical health and behavioral needs	$161.06
L: People with low or moderate support needs, high health and/or behavioral needs	$174.17
3: People with high general support needs, typical health and behavioral needs	$209.82
4: People with extensive general support needs, typical health and behavioral needs	$209.82
H: People with high or extensive general support needs, high health and/or behavioral needs	$262.79

   The current family residential services rate-setting methodology rebases once every two years to account for changes in inflation and typical wages. The next rate rebasing is scheduled for July 1, 2022. This proposal allows for the proposed rates to be updated every two years to account for inflation. The next inflationary update for the proposed rate would happen on July 1, 2024 under this proposal.

3. **Discontinue Disability Services Grants**

DWRS Transition Grant (Total savings in the FY22/23 biennium is $576,000)
This strategy repeals the Disability Waiver Rate System (DWRS) transition grant passed by the 2018 legislature. This grant was intended to assist providers whose revenues would most significantly be impacted by the 2020 full implementation of the DWRS rate methodology (also known as the end of the "banding" or "rate stabilization" period).

DWRS is a consistent, statewide rate determination system that replaced the previous county-negotiated rate methodology. As a result of this transition, a limited number of providers were anticipated to receive decreased revenue that posed a challenge to continued operations. The transition grants were intended to support the providers most negatively affected by this change as they adjusted to the new rate methodology.

Beginning January 2021, the transition to the DWRS methodology will be complete and this grant will no longer serve a purpose. Additionally, when DHS made the grant available for competitive bidding in 2020, it received zero requests from eligible providers despite DHS outreach efforts. This signaled limited provider interest in the DWRS transition grant program.

HOPWA HCBS Settings Rule Appropriation (Total savings in the FY22/23 biennium is $286,000)
This strategy repeals an appropriation to help provider settings that were anticipated to not meet the requirements of the federal 2014 Home and Community-Based Settings rule. These specific settings were anticipated to not meet setting criteria because of the requirements of the Housing Opportunities for People with AIDS (HOPWA) Housing and Urban Development funding. This appropriation was intended to support providers as they achieved compliance with the rule.

As providers worked to achieve compliance, the anticipated negative impact was not realized. As a result, the appropriation was not needed and the funds do not have an ongoing need.

Fiscal Impact:

This proposal includes changes in costs to Medical Assistance program spending and grant appropriations. Below are the impacts for each change.

Family Foster Care Rate Tiers: (Total savings of $12.6 million in FY22/23)
Effective January 1, 2022 on a rolling basis as service agreements renew, this proposal will change how family residential services rates are determined for the four disability waivers. Currently, these rates are set using a DWRS framework. Under this proposal, each recipient would be assigned to one of six rate tiers, with each tier having an associated rate. Disability waiver participants would be assigned to a tier based on their needs assessed through the MnCHOICES assessment. All of the data points needed to determine the rate tiers are captured on the Long Term Care Counseling or Developmental Disability Screening documents that are entered into MMIS.

This proposal is expected to reduce family residential services spending by an average of 22%.

Limiting Customized Living (CL) Use in CADI and BI (Total Savings of $3.1 million in FY22/23)
Under this proposal, CL support hours entered into the rates tool would be limited to 24 hours. As a result, some rates will be lower than under current law. The proposal would be implemented January 1, 2022 on a rolling basis as service agreements renew.

Based on historical and projected trends in CL, about 17% of disability waiver spending is expected to be used for customized living through 2023. This projection considers two trends that impact growth in CL. First, since 2017, the average cost of CL has been growing faster than the general trend is disability waiver spending. However, Individual Community Supports (ICS) is expected to be implemented 1/1/21. As a result, new settings serving people under age 55 will use this service, rather than customized living. This is expected to reduce the growth in

CL. As a result, this analysis assumes that CL will continue to make up about 17% of spending. Limiting input on the CL rate tool would reduce spending by about 2%.

Grant Eliminations:

DWRS transition grant program (Savings of $576K in FY22/23): Repeals 2017 grant program intended to support DWRS providers during the end of the banding period. As the banding period concludes in 2020, this grant will no longer serve a purpose in 2021.

HOPWA HCBS Settings Rule Appropriation (Savings of $286K in FY22/23): Funding to help for settings that do not meet the HCBS rule settings criteria because of the requirements of the Housing Opportunities for People with AIDS (HOPWA) HUD funding.

Administrative Costs

No administrative costs are needed as the work can be completed within existing resources.

Systems Costs

There are also systems costs for updates to the Rate Management System in the MnCHOICES Support Plan to accommodate changes to disability waiver rates identified in this proposal.

Equity and Inclusion:

Customized Living

People receiving customized living, provided through the CADI and BI waiver programs, are representative of the overall populations of these programs. In 2018, 77% of the people receiving BI, CAC, and CADI waiver services were white, while 21% of people receiving these services were non-white.

Family Residential Services and race

DHS has determined that communities of color have greater representation in Minnesota's HCBS waiver services than in the population as a whole, so a change to the system could potentially have a larger impact, positive or negative, on people of color than white Minnesotans. **According** to January 2019 data for HCBS population from the LTSS demographic dashboard, 6.8% of the overall Minnesota population identifies as African American/Black whereas 18.9% of HCBS waiver recipients do. American Indians make up 2.7% of waiver recipients and 1.1% of the overall population in Minnesota. Implementing this proposal would decrease overall spending on this service. It would result in changes to people's rates, with most people receiving a lower rate than prior to the change. DHS conducted an equity analysis to examine the racial breakdown of people who receive family foster care and determine whether the impact of the rate change differs based on people's race.

Method

This analysis included each person who received this service in fiscal year 2018 (n=1,266). To examine utilization by race, DHS compared the percent of people receiving foster care by race to the population of people who receive long-term services and supports. To examine whether the rate change would affect people differently by race, DHS calculated the percent change from each person's 2018 rate to the proposed rate under the tiered structure. Then, the analysis used a regression model to test whether race predicted the percent change.

Results

Race	Percent of people receiving family foster care	Percent of people receiving LTSS
African American/Black	5.3%	16.6%
American Indian	3.5%	2.4%
Asian or Pacific Islander	1.7%	7.5%
Hispanic	1.6%	2.3%
White	84.9%	64.9%
Two or More Races	1.5%	1.0%
Unknown	1.5%	5.4%

Compared to the population of people who receive LTSS, proportionately more people who are white, American Indian, or two or more races received family foster care. Proportionately fewer people who are African American or black, Hispanic, Asian or Pacific Islander, or whose race was unknown received family foster care. Thus, this would decrease both rates and spending for a service that is more frequently used by people who are white, slightly more frequently used by people who are American Indian or two or more races, and less frequently used by people who are African American or black, Hispanic, Asian or Pacific Islander, or whose race was not reported.

The model showed that race did not statistically significantly predict a positive or negative rate change, and that race accounted for 0% of the variance in rate change. These results indicated that, among people who receive this service, this rate change would impact people equitably across racial groups.

Discontinue Disability Services Grants
Service providers never received funding from either grant. As a result, there is not an equity impact to repealing these grants.

IT Related Proposals:
These systems changes are for MNCHOICES updates for Family Foster Care rate tier and customized living 24 hour limit.

Category	***FY 2022***	***FY 2023***	***FY 2024***	***FY 2025***	***FY 2026***	***FY 2027***
Payroll						
Professional/Technical Contracts						
Infrastructure						
Hardware						
Software						
Training						
Enterprise Services						
Staff costs (MNIT or agency)	31	6	6	6	6	6
Total	31	6	6	6	6	6
MNIT FTEs						
Agency FTEs						

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			(2,082)	(14,462)	(16,544)	(15,940)	(20,601)	(36,541)
HCAF								
Federal TANF								
Other Fund								
Total All Funds			(2,082)	(14,462)	(16,544)	(15,940)	(20,601)	(36,541)
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	33 LW	Family Foster Care Rate Tier	(1,377)	(11,232)	(12,609)	(11,870)	(16,275)	(28,145)
GF	33 LW	Customized Living -24 hours per day limit	(289)	(2,802)	(3,091)	(3,642)	(3,898)	(7,540)
GF	55	Disability grant reductions-DWRS transition grant and HOPWA	(431)	(431)	(862)	(431)	(431)	(862)
GF	11	Systems cost- 50% FFP- MNCHOICES	15	3	18	3	3	6
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**

Statutory Change(s):
256B.4914, 256B.492, session law repealer

Change Item Title: Uniform Administration of Non-Emergency Medical Transportation (NEMT)

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	6	(21,474)	(29,301)	(29,167)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	6	(21,474)	(29,301)	(29,167)
FTEs	**0**	**0**	**0**	**0**

Recommendation:

Effective July 1, 2022, the Governor recommends moving to a uniform administration of the Non-Emergency Medical Transportation (NEMT) services in the Medical Assistance and MinnesotaCare programs. This proposal reduces expenditures from the General Fund by $21.5 million in the FY2022-2023 biennium and by $58.5 million in the FY2024-2025 biennium. This proposal assumes the net savings in FY 2022-23 is applied against the $100 million Blue Ribbon Commission (BRC) reduction target enacted in 2019.

Rationale/Background:

Currently, NEMT providers provide transportation to Medical Assistance and MinnesotaCare clients to and from covered medical service appointments. Depending on the level of services needed, NEMT may be administered by either a county or tribal agency, through the Department of Human Services (DHS), or a managed care organization.

In September 2017, the federal Office of Inspector General finalized an audit of Minnesota's NEMT program that showed over 75 percent of NEMT rides that were audited did not comply with either state or federal requirements. Of the rides that did not meet the requirements, the ride either lacked sufficient documentation, lacked any documentation, or did not have a corresponding medical service to warrant the trip.

These findings were consistent with an evaluation the Minnesota Office of Inspector General conducted of the NEMT program in 2014. As a result of the federal 2017 audit, the state had to pay a $1.9 million dollars, the federal share of the improper reimbursement, to the Centers for Medicare and Medicaid Services.

While DHS is currently instituting reoccurring audits of the NEMT program and will be requiring enrollment of NEMT drivers, a uniform approach to NEMT would further enhance program integrity. There is risk to federal funding if federal payment error audits identify high rates of payment errors. NEMT claims that do not have sufficient documentation to support the payment contribute to that risk.

Proposal:

This proposal authorizes a uniform NEMT program for all Medical Assistance and MinnesotaCare members. The uniform administrator model pays a per-member-per-month fee rather than a fee-for-service system reimbursement. This creates efficiency because the administrator will contract with the drivers, negotiate the rates, and coordinate the rides for members. This administrative oversight will lower costs, improve program integrity, and create a consistent user experience across the state.

A uniform administrative structure will also make it easier for recipients to access the benefit. Today, individuals contact various entities to potentially schedule a ride. A uniform administrator will essentially serve as a one-stop shop for NEMT and allow for economies of scale in the administration of the program.

Impact on Children and Families:

Having one centralized entity coordinating transportation can simplify the user experience. Today, depending on where a member lives or what type of transportation they need, they may have to call either the county, a transportation coordinator, the transportation provider directly, or a managed care organization. This bifurcated administrative structure can make it hard to access transportation services, especially if a person's needs change or if they move. Ensuring ease of access to transportation is critical to removing transportation as a barrier to needed medical care.

Equity and Inclusion:

Having a centralized entity for all transportation needs may reduce the administrative complexity for scheduling and allow members to better access needed health care services.

IT Related Proposals:

MMIS changes will be needed to align with the proposal.

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			6	(21,474)	(21,468)	(29,301)	(29,167)	(58,468)
HCAF								
Federal TANF								
Other Fund								
Total All Funds			6	(21,474)	(21,468)	(29,301)	(29,167)	(58,468)
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	33	MA Grants		(40,892)	(40,892)	(48,747)	(48,660)	(97,407)
GF	33	MA Grants (NEMT Vendor)		20,181	20,181	20,209	20,256	40,465
GF	11	State share of systems changes (MMIS @ 29%)	6	1	7	1	1	2
GF	13	HCA Admin (Elimination of NEMT Audit Contract)		(1,123)	(1,123)	(1,123)	(1,123)	(2,246)
GF	REV1	Loss of HCA Admin FFP (NEMT Audit Contract)		359	359	359	359	718
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**

Statutory Change(s):

Minnesota Statutes § 256B.0625, subd. 17 and 18; 256B.04, subd. 14

Federal law or regulation to which this proposal complies: NA

Change Item Title: Durable Medical Equipment (DME) Rate Methodology

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	(725)	(1,865)	(1,982)	(2,145)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(725)	(1,865)	(1,982)	(2,145)
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends updates to the payment methodologies for Durable Medical Equipment (DME) services to align the Medicaid rate methodologies with the payment methodologies employed by Medicare and to rationalize rates for those services for which no Medicare rate has been established. The Governor also recommends making technical amendments to clarify the statutory language that describes the payment methodologies for DME. This proposal reduces expenditures from the General Fund by $2.6 million in the FY 2022-2023 biennium and $4.1 million in the FY 2024-2025 biennium. This proposal assumes the net general fund savings in FY 2022-23 is applied against the $100 million Blue Ribbon Commission (BRC) reduction target enacted in 2019.

Rationale/Background:

Current Medicaid DME rate methodologies do not rationally reflect the resources and costs of providing DME services. In most cases, Medicare DME rates are used as a reference for Medicaid rates. However, as Medicare worked to rationalize payment rates over time, many Medicaid DME services were either exempted from rate reductions that were implemented in Medicare or were granted add-ons to the Medicare rate. This has resulted in payment rates that favor and disfavor services without regard to the costs or the resources needed to actually provide the service. In addition, Medicaid also covers a number of DME items and services that Medicare does not. For these services, there is no Medicare rate to reference. Instead, rates are set using a hierarchy of options based on billed charges or provider acquisition costs. However, the language describing these alternate rate setting methods is vague, open-ended, and subject to varying interpretations.

The Centers for Medicare and Medicaid Services (CMS) has recently increased review and scrutiny of Medicaid DME payments by implementing an upper payment limit (UPL) requirement for durable medical equipment. Following the close of each calendar year, the Department of Human Services (DHS) is required to demonstrate to CMS that Medicaid reimbursements for DME services were no more than what Medicare would have paid for those same services. Federal Medicaid matching funds are not available for any Medicaid spending that exceeds this UPL. In implementing this requirement, CMS is sending the clear message that Medicare rates and rate methodologies are the most appropriate payment rates for Medicaid DME services.

During the 2019 legislative session, language was enacted to limit Medicaid reimbursement to the Medicare rate for items and services that are subject to the UPL. This proposal will expand the Medicare/Medicaid rate alignment to all DME services for which a Medicare rate has been established. It will also establish a concise, simplified, and streamlined hierarchy of rate setting methods for those DME services that are covered by Medicaid but for which Medicare has not established a payment rate.

Proposal:

This proposal changes the Medical Assistance reimbursement formula for durable medical equipment that is also covered by Medicare but is not currently subject to the UPL to pay equivalent to the Medicare rate. Based on DHS data, it is assumed that this will result in a savings of 4.3 percent of average fee-for-service DME claims. The state share of this is reflected in the fiscal estimate.

This proposal also simplifies the reimbursement formula for products that do not have a Medicare rate. The new methodology would be based on the provider's costs, rather than billed charges, to ensure the state pays a fair, predictable, and efficient rate. At this time, DHS cannot provide the cost impact of rebasing durable medical equipment that do not have a Medicare rate as we do not have provider cost data to compare against current rates.

Additionally, this proposal will amend state statute to clarify the agency's current approach to applying the existing hierarchy for setting payment rates for DME items and services and making clear exactly what payment methodology applies to which DME products or supplies. This proposal will not make changes to payment rates but rather makes statute more transparent about the applicability of the various payment methodologies. This part of the proposal clarifies statute and is, therefore, budget neutral.

Impact on Children and Families:

Families and children served by the Medicaid program are best served when providers are paid a fair and accurate rate. Rate methodologies that are fair, accurate, and transparent also encourage providers to enroll in Minnesota Health Care Programs. This proposal ensures that rates paid to DME providers fairly reflect the resources and costs of providing the services.

Equity and Inclusion:

This proposal ensures that services provided to members of Medical Assistance and MinnesotaCare are being reimbursed consistent with various regulatory requirements and DHS policies. Medicaid rates are required to be sufficient to cover the costs of effective and efficient providers. Our current rate methodologies do not incent efficiencies in service delivery.

IT Related Proposals:

This proposal does not require IT systems changes.

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			(725)	(1,865)	(2,590)	(1,982)	(2,145)	(4,127)
HCAF								
Federal TANF								
Other Fund								
Total All Funds			(725)	(1,865)	(2,590)	(1,982)	(2,145)	(4,127)
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	33 ED	MA Grants	(632)	(1,631)	(2,263)	(1,735)	(1,883)	(3,618)
GF	33 AD	MA Grants	(3)	(6)	(9)	(6)	(7)	(13)
GF	33 FC	MA Grants	(90)	(228)	(318)	(241)	(255)	(496)
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**

Statutory Change(s):
Minnesota Statutes § 256B.766

Federal law or regulation to which this proposal complies:
NA

Change Item Title: Substance Use Disorder Reform Package

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	(4,968)	(10,433)	(15,117)	(17,045)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(4,968)	(10,433)	(15,117)	(17,045)
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends strategic reform to the State's Substance Use Disorder (SUD) system to increase access to person-centered, evidenced-based SUD treatment services and to align rate structures with these enhanced quality standards. To meet these objectives, this proposal makes the following changes:

1. Requires residential SUD providers serving people on public health care programs to enroll as participants in the state's SUD System Reform project, approved by the Centers for Medicaid and Medicare Services (CMS);
2. Eliminates historic rate enhancements for residential and non-residential services in favor of those enhanced rates available in the SUD System Reform project;
3. Reduces maximum daily billable hours for non-residential SUD treatment; and
4. Requires the Department to provide recommendations on a modified payment structure for opioid treatment program (OTP) services.

These changes will result in state savings of $15.40 million in state fiscal years 2022/2023 and $32.16 million in state fiscal years 2024/2025.

Rationale/Background:

Over the past decade, knowledge and attitudes about substance use disorders have shifted. Today, scientific research confirms that substance use disorders are a chronic medical condition, involving complex interactions between brain chemistry, genetics, and a person's environment or lived experience. This shift has led to changes in treatment for substance use disorders, notably a shift to evidenced-based, person-centered models. The Department of Human Services (DHS) has worked with individuals, providers, counties, and other stakeholders to modernize our substance use disorder (SUD) treatment delivery system. This proposal builds on recent reforms to improve quality of services and payment integrity.

Improved Quality of Services

In November, 2017, the U.S. Department of Health and Human Services and the Center for Medicare & Medicaid Services (CMS) issued a letter announcing a new direction in how CMS would like to work with states to improve access to high quality, clinically-appropriate treatment for substance use disorders (SUDs) for Medicaid beneficiaries. Following this new direction, and under the authority of section 1115(a) of the Social Security Act, Minnesota has been approved to implement a Substance Use Disorder (SUD) System Reform (PDF) federal Medicaid demonstration. The standards developed for the SUD System Reform project align with the American Society of Addiction Medicine (ASAM) criteria and require treatment providers to implement increased treatment

coordination practices. This proposal will require all residential SUD providers to deliver treatment services according to evidenced based, ASAM standards, thereby improving the quality of services.

Payment Integrity
Opioid addiction has become a serious public health concern in Minnesota, and nationwide. Opioid treatment programs play a crucial role to support people experiencing opioid addiction with Medication Assisted Treatment (MAT). MAT uses medications specifically formulated to help people reduce or taper opioid use, in combination with counseling and behavioral therapies. Medication-Assisted Treatment programs commonly use three types of medication: methadone, buprenorphine, and naltrexone. According to the Substance Abuse and Mental Health Services Administration (SAMHSA), research shows that a combination of medication and therapy can successfully treat opioid disorders and help people sustain recovery.

In some circumstances, people are allowed to take their medication home, to self-administer. Recently, the Department has received considerable scrutiny related to the payment of self-administered take-home doses. In a 2019 report, the Office of Legislative Auditor questioned the policy rationale to reimburse treatment programs when people take medications at home, noting the state does not pay other health care providers when people self-administer medications at home. Given these facts, the Legislative Auditor recommended that the legislature clarify whether the state will (or will not) pay health care providers when people self-administer their medications, outside of the clinic. Currently, services provided by Opioid Treatment Programs are reimbursed using a per diem rate.

Proposal:

This proposal requires residential SUD providers serving people on public health care programs to enroll as participants in the state's SUD System Reform project; transitions historic residential treatment rates into the established SUD System Reform project enhanced rate; reduces daily billable hours for non-residential SUD treatment; and requires the Department to provide recommendations on a modified payment structure for opioid treatment program (OTP) services.

Requiring Residential SUD Providers to Enroll in the 1115 SUD System Reform Demonstration Project

Legislation was enacted in 2019 (Minnesota Statutes, section 256B.0759) that established the authority for DHS to implement the federally approved 1115 SUD System Reform demonstration project and included incentives for provider participation through rate increases for services delivered within the demonstration.

Effective July 1, 2021 this proposal requires residential SUD providers serving people on public health care programs to enroll as participants in the demonstration. Requiring these residential SUD providers serving people to participate in the demonstration will result in increased access to evidence-based treatment practices, including establishing referral arrangements, consultation agreements, and program outreach plans to ensure mental health, primary care, and social services are available to individuals. Requiring participation also generates an increase in claims submitted for services provided within the demonstration and allows for enhanced evaluation of clinical outcomes.

Federal law prohibits federal Medicaid funding for people receiving behavioral health care in Institutions for Mental Disease (IMDs), which are residential facilities with over 16 beds. Demonstration authority granted by the 1115 waiver allows states to waive certain federal requirements in order to test new or existing ways to deliver and pay for health care services in Medicaid. Minnesota's demonstration allows the state to receive federal Medicaid funds for people receiving treatment in participating IMDs when incorporating and reporting on metrics demonstrating that these goals and outcomes are in fact improving for Medicaid beneficiaries as the result of the demonstration.

Total spending on covered services for MA eligible individuals receiving residential SUD treatment in facilities that are classified as Institutions of Mental Disease (IMDs) was approximately $55 million for services in FY 2019. Mandating the participation of residential SUD providers in the 1115 demonstration will provide additional federal revenue to Minnesota to finance SUD treatment and other health care costs that are currently covered by state funds. About two-thirds of MA enrollees receiving SUD treatment are in the MA adult expansion group and eligible for an enhanced federal match of 90%. Given this enhanced Medicaid match for a large portion of the population impacted by this proposal, it is anticipated that federal funding for recipients newly eligible for federal payment will be approximately 75%.

Without a requirement to participate in the SUD waiver, it is anticipated that 60% of costs for recipients of residential SUD treatment in IMDs will be eligible for federal funding in FY 2024 and FY 2025. With required participation, this proportion is expected to increase to 90%. Increased participation will minimize the number of services for which counties will have to pay a share of the costs.

Eliminating SUD Treatment Service Rate Enhancements

Under the SUD System Reform project, both residential and non-residential SUD providers will be implementing comprehensive, evidence-based clinical standards that encompass the aspects of care identified through current SUD rate enhancements. Providers are eligible for a rate increase of 15% for residential services and 10% for non-residential services for the increased quality of care they will provide under the demonstration. Since providers will be compensated for this care through the demonstration, effective July 1, 2021 this proposal eliminates the four discrete SUD rate enhancements that residential and nonresidential providers are currently eligible to receive.

Eliminating the four SUD treatment rate enhancements will save approximately $5.485 million per year. In FY 2019, a total of 23,424 people received treatment for services paid at an enhanced rate. The breakdown, by rate enhancement, of individuals served for FY 2019 is:

- 12,478 people received a co-occurring enhanced-rate service;
- 4,561 people received a culturally specific or special population enhanced-rate service;
- 5,882 received a medical enhanced-rate service and;
- 503 received a parent with children enhanced-rate service.

Modifying Billable Hours for Outpatient SUD Treatment

Effective July 1, 2021 this proposal reduces the total number of allowable, billable daily service units for outpatient SUD programs from 17 to 6 hours per day. Data analysis shows that a small number of outpatient programs bill in excess of 20 hours per week. Recognizing that few programs provide this intensity of services, and in the interest of cost containment, this proposal limits daily billable services of non-residential programs.

This proposal would affect all nonresidential programs enrolled in Minnesota Health Care Programs and billing for public pay clients. The proposal, however, only limits number of billable hours and does not alter the service or the payment structure. This proposal does not impact tribally licensed, or state licensed providers that contract with a tribal nation, who are able to be reimbursed at the Indian Health Service encounter rate.

Rate Methodology Recommendations for Opioid Treatment Programs

This proposal seeks to respond to the OLA recommendations by requiring the department to develop a payment methodology, ensuring appropriate payment reimbursement for services provided at Opioid Treatment Programs. Effective October 1, 2022 this proposal requires the Department to provide a report to the Legislature including recommended rate methodologies for services provided by Opioid Treatment Programs. Aligning OTP reimbursement rates with other outpatient programs will incentivize the provision of therapy, in addition to the

use of medications. It will allow greater flexibility for delivery of person-centered care and reimbursement based on medical acuity. Finally, it will increase program transparency and improve the ability to collect data on outcomes tied to services that a person receives.

Impact on Children and Families:

A report delivered to DHS by Health Management Associates in 2017 found that, "Children living with a parent with a diagnosis of SUD have a higher mortality rate, a higher rate of asthma, a higher rate of their own SUD as a teenager compared to children whose parents do not have a diagnosis of SUD[1]. The standards developed for the 1115 demonstration are based on the evidence-based industry standards developed by the American Society of Addition Medicine (ASAM) and their treatment criteria for addictive, substance-related, and co-occurring conditions. These criteria emphasize the importance of delivering treatment that addresses the whole person in a level of care most appropriate to the needs of that person. These criteria also emphasize the importance of coordinating treatment with the involvement of family, mental health, and primary care services.

Elimination of the SUD rate enhancements, including enhancements for programs that serve parents with their children, may result in a reduction in providers or in providers who offer specialty-type services. While we are unable to predict the response of individual providers, there could be a negative impact upon children and families if access to SUD services is inhibited.

Equity and Inclusion:

Approximately 64,000 people are served in substance use disorder (SUD) programs in a typical year, with 59,131 served in outpatient programs and 4,869 served by opioid treatment programs. Approximately 68% of individuals served by SUD programs are White, 11% are African American, 9.5% are Native American, 5.5% are Hispanic, 2% are Asian/Pacific Islander, and the racial background of 4% is unknown. The proposed changes affect the SUD providers and are intended to reduce public costs, while improving access and quality of services to people.

In 2017, American Indian Minnesotans were six times more likely to die from a drug overdose than white Minnesotans, and African American Minnesotans were two times more likely to die from a drug overdose than white Minnesotans. These rates of disparity—between American Indians/whites and African Americans/whites—are among the highest in the United States. The ASAM criteria do not directly aim to impact these disparities, however, the ASAM criteria are a strengths-based, person-centered approach to substance use disorder treatment that takes into consideration the entire substance use disorder continuum of care. Overall, moving to the ASAM criteria will allow Minnesota to better ensure that people who need substance use disorder treatment are receiving the right care at the right time and are able move between levels of care without having their recovery disrupted.

IT Related Proposals:

Not applicable.

[1]Breslin E., Lambertino A., Heaphy, D. & Dreyfus, T. 2017. A REPORT TO THE MINNESOTA DEPARTMENT OF HUMAN SERVICES (DHS). An Account of Health Disparities in Minnesota's Medicaid Population: Which Populations Within the Medicaid Program Experience the Greatest Health Disparities and Poorest Health Outcomes? PHASE I REPORT, PREPARED UNDER THE DIRECTION OF THE HEALTH CARE ADMINISTRATION, MINNESOTA DEPARTMENT OF HUMAN SERVICES (DHS)

Fiscal Detail:

Net Impact by Fund(dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			(4,968)	(10,433)	(15,401)	(15,117)	(17,045)	(32,162)
HCAF								
Federal TANF								
Other Fund								
Total All Funds			(4,968)	(10,433)	(15,401)	(15,117)	(17,045)	(32,162)
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	33	MA - Increased 1115 Participation	(800)	(2,921)	(3,721)	(5,160)	(6,158)	(11,318)
GF	35	Behavioral Health Fund - Increased 1115 Participation	(929)	(3,233)	(4,162)	(5,582)	(6,512)	(12,094)
GF	35	Eliminate Rate Enhancements	(3,039)	(4,079)	(7,118)	(4,175)	(4,175)	(8,350)
GF	35	Reduce Billable Hours	(200)	(200)	(400)	(200)	(200)	(400)
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**

Change Item Title: Realigning Behavioral Health Grants

Fiscal Impact ($000s)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
General Fund					
Expenditures	(1,000)	(2,666)	(2,665)	(1,000)	(1,000)
Revenues		0	0	0	0
Other Funds					
Expenditures		0	0	0	0
Revenues		0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(1,000)	(2,666)	(2,665)	(1,000)	(1,000)
FTEs	**0**	**0**	**0**	**0**	**0**

Recommendation:

The governor recommends targeted reductions to behavioral health grants. These reductions result in savings of $1.0 million in FY 2021, $5.3 million in the FY 2022-2023 biennium, and $2.0 million in FY 2024-2025.

Rationale/Background:

This proposal reduces behavioral health grants administered by the Department of Human Services (DHS) to help balance the state budget in FY 2022-2023 and FY 2024-2025. In some cases, grant reductions were identified based on historical underspending.

Adult Mental Health Integrated Fund Grants include funding for Adult Mental Health Initiatives (AMHIs) and Community Support Programs (CSPs). These grants are issued to single counties, multi-county initiatives, and the White Earth Nation to provide services including prevention and promotion, clinical services, crisis response, and case management services. Collectively the funding serves around 28,200 Minnesotans annually who are uninsured or underinsured. AMHIs and CSPs are designed to improve the lives of adults with serious and persistent mental illness by supporting a multitude of services with wide-ranging outcomes. The grants promote regional collaborations with counties and tribal nations to build community-based mental health services and encourage innovation of service delivery.

Mental Health First Aid Training grant is awarded to organizations to provide youth mental health first aid training. Grant funds were awarded to a community advocacy organization to develop and hold one day workshops designed to teach parents, family members, caregivers, teachers, school staff, and other citizens how to help an adolescent who is experiencing a mental health or substance use challenge, or who is in crisis. The funding provided 11 classes and training for 183 individuals in FY 2019.

Recovery Peer Specialists grants are issued to recovery community organizations to train, hire, and supervise peer specialists to work with underserved populations as part of the continuum of care for substance use disorders. This grant is designed to increase the number of trained and certified peers in the workforce, specifically in underserved communities. Recovery community organizations located in Rochester, Moorhead, and the Twin Cities metropolitan area are eligible to receive grant funds. Currently three recovery community organizations were awarded funding through this grant through a competitive process and received an average award of $423,000.

State Gambling Funds transferred to DHS from state gambling proceeds are distributed in two methods. Half of the proceeds are dedicated to DHS to cover the cost of operating a statewide problem gambling awareness

campaign and are distributed through a competitive bidding process. The other half of the gambling proceeds transferred to DHS are allocated to the National Council on Problem Gambling state affiliate.

Proposal:

DHS administers 533 state-funded grant contracts for behavioral health programs. Effective July 1, 2021, this proposal makes one-time reductions to the following grant programs:

- Adult Mental Health Integrated Fund Grants
- Recovery Peer Specialists
- Mental Health First Aid Training
- State Gambling Proceeds

Temporary Grant Reductions

Effective July 1, 2021, this proposal reduces funding for Adult Mental Health Integrated Grants, which includes funding for Adult Mental Health Initiatives (AMHIs) and Community Support Programs (CSPs), by 6.6% for FY 2022-2023 and 2.9% for FY 2024-2025. The proposal also reduces grant funding for Recovery Peer Specialists by 50% for FY 2022-2023. Effective July 1, 2021, this proposal also suspends funding for Mental Health First Aid Training for FY 2022-2023, but reinstates funding effective July 1, 2023.

Reduction of Unspent Funds

The proposal also cancels $1 million from state gambling proceeds to the general fund in FY 2021. The $1 million dollar reduction in funding is not anticipated to have an impact on services as an upswing in E-pull tab sales in 2018-19 allowed for a balance to accumulate in the account. The savings realized here is the excess balance in the account.

Fiscal Impact:

The proposed reductions in grant spending will result in savings of $6.33 million in FY 2021-2023 and $2 million in FY 2024-2025. Fiscal impact is as follows:

BACT	Behavioral Health Grant Program	FY22-23 Biennial Base	Proposed Reduction	Resulting FY22-23 Appropriation	FY 22-23 Percent Reduction Relative to FY20-21	FY 24-25 Percent Reduction Relative to FY20-21
57	Adult MH Integrated Fund Grants	$ 69,390	$ (4,560)	$ 64,830	-6.6%	-2.9%
58	Mental Health First Aid Training	$ 46	$ (46)	$ -	-100.0%	NA
59	Recovery Peer Specialists	$ 1,450	$ (725)	$ 725	-50.0%	NA
59	Gambling Proceeds Balance Transfer	$ 3,466	$ (1,000)	$ 2,466	-28.9%	NA

Impact on Children and Families:

This proposal recommends reductions to behavioral health grants, some of which include mental health services for children. The proposal could potentially have a net negative impact on children and families because it reduces funding and access to services, but helps to achieve administration policies because it supports long-term solvency.

Equity and Inclusion:

This proposal may have an adverse impact on black, indigenous, and people of color. While the reductions and suspensions of funding proposed are temporary and targeted to have less of an impact, there will still be less support available to marginalized communities and people who are under or uninsured. Additionally, small providers that rely on these grants funds to operate may have to decrease or discontinue services. This is most likely to disproportionately impact rural or smaller communities.

IT Related Proposals:

Not applicable

Fiscal Detail:

Net Impact by Fund(dollars in thousands)			FY 21	FY 22	FY 23	FY 21-23	FY 24	FY 25	FY 24-25
General Fund			(1,000)	(2,666)	(2,665)	(6,331)	(1,000)	(1,000)	(2,000)
HCAF									
Federal TANF									
Other Fund									
Total All Funds									
Fund	**BACT#**	**Description**	**FY 21**	**FY 22**	**FY 23**	**FY 21-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	57	Adult MH Integrated Fund Grants		(2,280)	(2,280)	(4,560)	(1,000)	$(1,000)	$(2,000)
GF	58	MH First Aid Training		(23)	(23)	(46)	-	-	-
GF	59	CD Peer Specialists		(363)	(362)	(725)	-	-	-
GF	59	Gambling Proceeds Balance Transfer	(1,000)	-	-	(1,000)	-	-	-
		Requested FTE's							
Fund	**BACT#**	**Description**	**FY 21**	**FY 22**	**FY 23**	**FY 21-23**	**FY 24**	**FY 25**	**FY 24-25**

Change Item Title: Realigning Disability Grants

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	(4,474)	(4,474)	(4,474)	(4,474)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(4,474)	(4,474)	(4,474)	(4,474)
FTEs	**0**	**0**	0	0

Recommendation:
Effective July 1, 2021, the Governor recommends reducing or eliminating appropriations for the Family Support Grant (FSG), Semi-Independent Living Services (SILS), Disability Services innovation grants, grants to counties for day and employment services and the State Quality Council.

This proposal results in savings of $8.948 million in the FY 22-23 biennium and $8.948 million in the FY 24-25 biennium. This is a 17.8% reduction for the disability grant general fund base and a 51.9% reduction for the Other Long Term Care grant base.

Rationale/Background:
The onset of the COVID-19 global health pandemic has caused unprecedented revenue loss for Minnesota. In order to reach a balanced budget, reductions in spending are necessary. Some grant reductions in this proposal were identified based on historical underspending data.

Proposal:
The following programs and initiatives are affected by this proposal:

Family Support Grant
The Family Support Grant (FSG) program provides state cash grants to families of children with disabilities who do not receive services through the disability waiver programs, personal care assistance, or the consumer support grant. The goal of FSG is to prevent or delay out-of-home placement of children with disabilities and promote family health and social well-being. The FSG program supports these goals by providing access to family-centered services and supports. Families who access FSG may receive up to $3,113.99 per year per child to offset the higher than average expenses directly related to the child's disability. These grants are allocated to counties on an annual basis. The counties make the determination as to who receives the grants.

This proposal reduces the appropriation for the Family Support grant by $600,000 each year starting in FY 2022 which is approximately 14% of the current $4.277 million appropriation in the FY 22-23 biennium. This reduction is a permanent reduction to the base.

Semi-Independent Living Services
Semi-Independent Living Services (SILS) is a state-funded program that supports people with developmental disabilities or related conditions in ways that helps them achieve goals and independence. SILS includes training and assistance to engage in activities that make it possible for an adult with developmental disabilities to live in

the community, learn and exercise the rights and responsibilities or community living, obtain and maintain a home, and other community supports. People who access SILS are not eligible for home and community-based waiver services. The funding source for SILS is shared between DHS and the lead agency: 85% state and 15% lead agency. These grants are allocated to counties on an annual basis. The counties make the determination as to who receives the grants.

This proposal reduces the appropriation by $1,463,000 each year starting in FY 2022 which is approximately 8.4% of the current total appropriation of $17.6 million per year. This reduction is a permanent reduction to the base.

State Quality Council

In 2011, the State Quality Council was established in Minnesota Statutes §256B.097 to help the department fulfill federal quality assurance monitoring requirements for home and community-based services, to review providers and make licensing recommendations to DHS, and to develop regional quality councils to implement local quality assurance teams in support of the provider review and licensing system. The quality assurance system established by the State Quality Council has not been able to meet federal and state requirements for HCBS quality assurance systems. Since the implementation of statewide home and community-based licensing standards in Chapter 245D, regional quality councils no longer have authority to carry out the alternative licensing structure mandated in statute.

Funding for the Council is no longer fully utilized due to staff vacancies and other factors. This proposal eliminates the full appropriation of $600,000 per year as of FY 2022; 100% of the current total funding annual allocation for the State Quality Council. The elimination of this grant is permanent.

Grants to counties for Day Training and Habilitation

Grants to counties for day training and habilitation services offset a portion of county costs of day services provided to persons who are not enrolled in a Medicaid funded home and community based waiver program. Initially, these grants were originally designed to offset the added cost of legislated provider rate adjustments for county funded DT&H services.

This proposal eliminates the grants to counties for Day Training and Habilitation starting in FY 2022 which is $811,000 per year; 100% of the current appropriation.

Disability Services Innovation Grants

Innovation Grants fund innovative ideas that support opportunities for people with disabilities in achieving integrated, competitive employment, living in housing of one's choice, community inclusion, and building direct care and support workforce capacity. The funds are currently distributed through three distinct efforts: micro grants directly to people with disabilities, small grants that use an application process with a lower barrier to entry for nontraditional applicants, and large grants that often go to established disability services providers.

This proposal reduces the grant appropriation by $1,000,000 each year starting in FY 2022, which is approximately 52% of the current total funding. This reduction will be administered by reducing large grants intended for organizations and maintaining access to micro grants for people with disabilities and small grants.

Fiscal Impact:

This proposal includes savings associated with reducing or eliminating appropriations starting in FY 2022 for multiple grants. These reductions are permanent and ongoing.

These reductions are part of the general fund base for Disability grants and Other Long Term Care grants. The current base for Disability grants in FY 22 is about $22.4 million and the current base for Other Long Term is $1.925 million. The table below shows the base amount per fiscal year for each grant reduction and the proposed reduction.

Grant Reductions (in thousands)

Name of Grant	Base Amount Per Year	Reduction Amt FY 22	Reduction Amt FY 23	Total for the Biennium- FY 22-23	% of reduction per year	Reduction FY 24-25 biennium
State Quality Council	600	600	600	1,200	100.00%	1,200
Semi-Independent Living	8,309	1,463	1,463	2,926	17.6%[	2,926
Family Support Grant	4,277	600	600	1,200	14.03%	1,200
DT&H County grants	811	811	811	1,622	100.00%	1,622
DSD Innovation grants	1,925	1,000	1,000	2,000	51.95%	2,000
Total	16,985	4,474	4,474	8,948	26.34%	8,948

Equity and Inclusion:

Family Support Grant and Semi-Independent Living Services
Although this proposal may disproportionately affect families and people with disabilities who use SILS or FSG, counties have underspent these grants in the past. During the 2019 legislative session, the county share was decreased from 30% to 15% for the SILS grant to encourage counties to fully spend their allocations. For both the FSG and SILS grants, the underspending has been declining. The amount of the reductions for these grants is less than previous years' underspending.

SILS does not have an income test to qualify for the services. It is, therefore, possible that this grant program is used by families that are not in poverty, but data is not available to support this conclusion.

According to the 2018 American Community Survey, Minnesota's medium household income in 2018 was $70,300. The overall poverty rate in Minnesota was 10% in 2018. 529,000 Minnesotans, including 150,000 children under age 18, still had family incomes below the official poverty threshold in 2018 (about $25,100 for a family of four in 2018). Poverty rates were highest for those who are American Indian (34%), Black (27%), and Hispanic (19%), three to four times higher than the rates of Non-Hispanic White Minnesotans (7%).[1]

The Family Support Grant is available to a family that has an annual adjusted gross income of $105,230 or less (effective Jan. 1, 2019), except in cases where extreme hardship. Families who do not qualify for certain Minnesota Health Care Programs may also utilize the Family Support Grant as a way to prevent or delay out-of-home placement of children. The numbers continue to increase for children in Minnesota in out-of-home Placements. The most recent data showed that in 2017, 16,593 children were in out-of-home placements in Minnesota, which is an increase from 2016 which was 15,004 children.

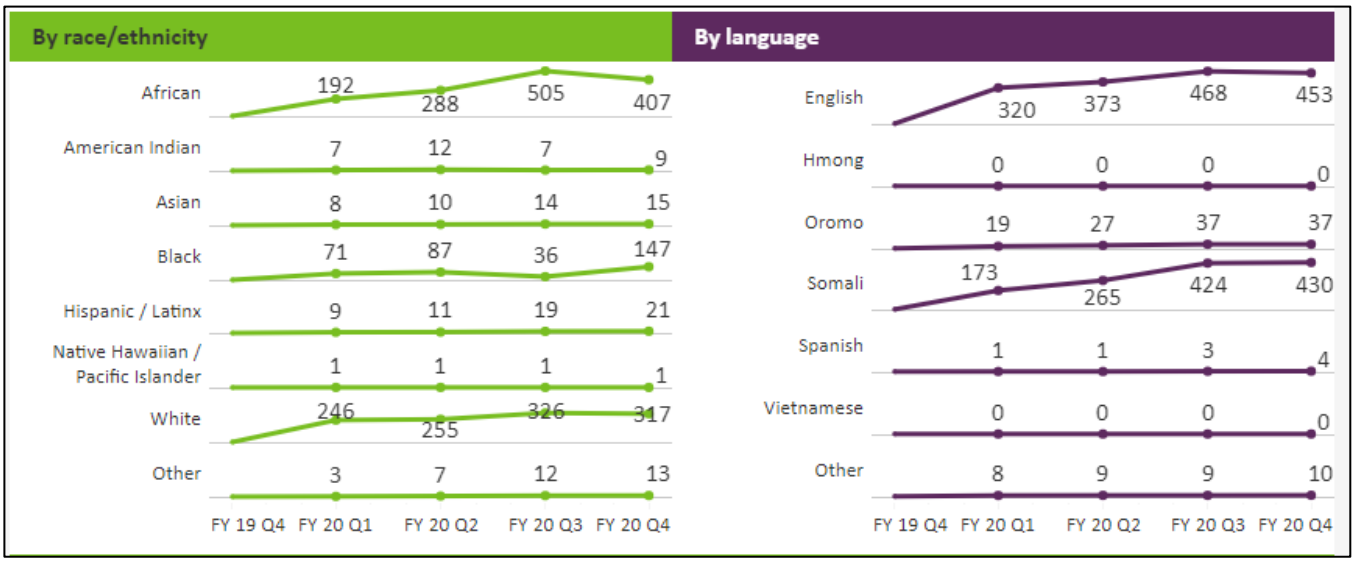
Day Training and Habilitation Grant
By eliminating these grants, this proposal will impact the state funds available for county funded DT&H services for people who are not enrolled in a Medicaid funded home and community based waiver program.

Disability Services Innovation Grants
Implementation of this reduction will impact funds granted to larger organizations, often disability service providers. Some examples of large grants that have been funded include:

- Developing a competitive, integrated employment program for refugees and immigrants with disabilities, particularly those with mental illness.
- Securing integrated, competitive employment for transition age youth. Train and work with two school districts on a discovery process to help students with disabilities begin to explore competitive job options before they leave high school.
- Increasing community participation and engagement among people and families affected by autism and related conditions. One focus will be transition-age adults under age 25 from East African communities.

- Engaging property owners and provide housing supports to help people with serious mental illnesses.

Given that many of the projects funded through this grant aim to promote innovative services to underserved communities, this reduction could disproportionately impact communities of color in addition to people with disabilities. Below is data reported by the most recent ten large grant contractors related to the people that have been served through the grant activates.



State Quality Council

The State Quality Council is comprised of providers, family members, advocates, and individuals with disabilities using Minnesota Health Care programs to provide advocacy for disability service provision. Although people with disabilities and their family members are members of the State Quality Council, the ability to influence quality assurance, quality improvement, and federal compliance in disability services is constrained by current law. In addition the Council no longer regularly meets and no longer has an Executive Director.

IT Related Proposals:

There are no IT related costs for this proposal.

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			(4,474)	(4,474)	(8,948)	(4,474)	(4,474)	(8,948)
HCAF								
Federal TANF								
Other Fund								
Total All Funds			(4,474)	(4,474)	(8,948))	(4,474)	(4,474)	(8,948)
Fund	**BACT#**	**Description**	**FY 22**	FY 23	FY 22-23	FY 24	**FY 25**	**FY 24-25**
GF	55	Disability Grants- Family Support grants	(600)	(600)	(1,200)	(600)	(600)	(1,200)
GF	55	Disability Grants- Semi-Independent Living Grants	(1,463)	(1,463)	(2,926)	(1,463)	(1,463)	(2,926)
GF	55	Disability Grants (State Quality Council)	(600)	(600)	(1,200)	(600)	(600)	(1,200)
GF	55	Disability Grants (DT&H Grant)	(811)	(811)	(1,622)	(811)	(811)	(1,622)
GF	55	Disability Grants (DSD Innovative Grant)	(1,000)	(1,000)	(2,000)	(1,000)	(1,000)	(2,000)
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	15	CSA admin	0	0	0	0	0	0

Statutory Change(s):

256B.097, Session law, riders.

Change Item Title: Acuity-Based Customized Living Rates and Closing Corporate Foster Care Licensure Loophole

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	(386)	(1,957)	(3,176)	(4,396)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(386)	(1,957)	(3,176)	(4,396)
FTEs	**1.25**	**1.25**	**1.25**	**1.25**

Recommendation:
Effective January 1, 2022, the Governor recommends (1) aligning access to Customized Living services with a person's assessed support needs and (2) limiting growth of customized living settings that serve four or fewer people. These changes impact Customized Living services offered on the Community Access for Disability Inclusion ("CADI") and Brain Injury ("BI") waivers. These modifications will ensure that authorized services are consistent with person-centered assessments; they will also support proper licensure of 4-person residential settings.

This proposal results in a $2.343 million savings for the FY 22-23 biennium which is a 0.7% decrease of the customized living state general fund base within the disability waiver programs.

Rationale/Background:
This proposal limits the hours/units of support that may be entered into the rate-setting tool for Customized Living services to control costs of Customized Living services, which have been increasing since 2017.

Customized Living ("CL") is a service available to people with disabilities and older adults through the Elderly Waiver (EW) and BI and CADI waivers. This proposal does not impact Customized Living services available to people through EW. Customized living provides an individualized package or regularly scheduled, health-related and supportive services to a person who resides in a qualified, registered housing-with-services setting.

In recent years, spending for customized living services has increased. These increased costs are primarily driven by more people receiving CL services and the rates for this service rising. Between fiscal years 2017 and 2019, CADI and BI rates for this service increased by 27 percent while the number of people receiving the service increased by 24 percent. The table below demonstrates the change in rates and recipients of customized living between these years.

Fiscal Year	Average rate	% Change	Number of Recipients	% Change
2017	$133.61	--	4,249	--
2019	$170.03	27%	5,251	25%

Unlike many other services available under the BI and CADI waivers, customized living rates are not set using Disability Waiver Rate System (DWRS) frameworks. Instead, rates are set when lead agencies, in consultation with providers, enter a number of hours of different types of support into the customized living service rate tool. These

hourly entries have increased during this same time period. Authorized hours in the mental health category of supports increased by 118%, approximately $40 million, between FY 2017 – 2019.

Proposal:

This proposal includes the following strategies to align BI and CADI customized living rates with support need acuity and to ensure that corporate foster care settings are properly licensed and regulated.

Aligning Customized Living Rates with Acuity

This proposal limits certain types and amounts of supports available to people receiving CL services under the CADI and BI waivers, based on a person's assessed needs. These limits were identified through an examination of average inputs for CL rate calculations for the CADI and BI waivers. These limits are as follows:

- No more than 2 hours of mental health supports per day for people without assessed behavioral health needs (case mixes A, D, and G);
- No more than 4 hours of support per day for activities of daily living (ADL), such as dressing or eating, for people with low ADL needs (case mix B);
- No more than 6 hours of ADL support per day for people with medium ADL needs (case mix D).

These limitations will be programmed into the Rate Management System, within the MnCHOICES Support Plan, preventing lead agencies from calculating rates that exceed these limits.

Limiting 4-person Customized Living Settings

This proposal limits new development of certain types of customized living settings. Specifically, new customized living settings that serve four or fewer people on the CADI and BI waivers in a single family home would not be allowed to be enrolled to provide customized living services. These types of customized living settings often times meet the definition of a residential program (245A.02, subdivision 15) and should be licensed as such, to ensure appropriate supports for people and to ensure compliance with the statutorily required moratorium on corporate foster care and community residential settings

Through the process of limiting growth of new CL settings for 4 people or fewer, DHS may also determine that pre-existing sites should be licensed as a residential program, pursuant to 245A.02. In order to transition these sites to the appropriate licensure, DHS will establish an exception to the licensing moratorium (Minn. Stat. §245A.03 subd. 7). The exception would be cost neutral. There would need to be a transition period of two years: one year for customized living settings that were operational to be identified as needing a corporate foster care/community residential setting license, and another year after settings were identified for the moratorium exception to be requested.

Fiscal Impact:

Aligning Customized Living Rates with Acuity:

The effective date for this proposal is January 1, 2022 and is implemented over a course of 12 months as service agreements renew. This proposal would impact customized living rates for people with services that exceed the proposed limits. Based on FY2019 data, it is estimated that around 1% of total CL spending would be impacted with the proposed limits. Since there are not currently limits on all factors in the CL rate tool; it is estimated about 50% of the time that is limited by this proposal would be moved into other inputs within the CL rate tool. These changes would reduce Medical Assistance costs.

Limiting 4-person Customized Living Settings

The effective date for this proposal is January 1, 2022. The moratorium in this proposal applies to customized living settings serving four or fewer people in a single family home under the CADI and BI waivers. In 2017, there were 112 settings that met this criteria. It does not apply to settings serving Elderly Waiver participants.

It is estimated that 11% of CADI and BI participants using customized living are served in settings affected by this moratorium. Based on historic growth rates in this service, the number of people would be projected to grow from 672 people in FY20 to 1,322 people in FY25.

However, beginning January 1, 2021, only people who are age 55 or older will newly enroll in customized living. People who are under age 55 will enroll in Individual Community Supports (ICS). ICS settings are not affected by this proposal. The moratorium will impact growth in the number of people age 55+ served in the customized living. In SFY 2020, 55% of customized living participants in CADI and BI are age 55 or older.

This will require one MAPE level 14 FTE in the Disability Services Division to administer the moratorium and prepare reports on the outcome of this provision. In addition, one 0.25 FTE is included for the DHS Licensing Division to transition some existing customized living settings to foster care or community residential settings. A two month hiring delay is included in the first year.

No systems costs are needed for this portion of the proposal.

Equity and Inclusion:

The percentage of Minnesotans reporting one or more disabilities increase with age. In 2018, the share of Minnesotans with a disability was 5% for the age 5-17 population, 5.8% for the population age 18-34 years. 10.4% for those age 35 to 64, and 45.1% for our oldest residents aged 75+. About 595,684 Minnesotans report any disabilities.

The proportion of non-white participants who receive CADI or BI customized living services is representative of Minnesota's overall population. In 2018, 21% of people receiving CADI and BI waiver services were people of color. In FY 2019, 25% of people receiving customized living services through CADI were people of color. Other disability waiver residential services, like community residential services, have typically been accessed disproportionately (more often) by white people.

Based on this information, this proposal does not impact black, indigenous and people of color inequitably.

IT Related Proposals:

Systems costs are included for limiting CL units in MMIS and creating new rate design in the MnChoices Support Plan.

Category	***FY 2022***	***FY 2023***	***FY 2024***	***FY 2025***
Payroll	43,608	8,722	8,722	8,722
Professional/Technical Contracts				
Infrastructure				
Hardware				
Software				
Training				
Enterprise Services				
Staff costs (MNIT or agency)				
Total	43,608	8,722	8,722	8,722
MNIT FTEs				
Agency FTEs				

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			(386)	(1,957)	(2,343)	(3,176)	(4,396)	(7,572)
HCAF								
Federal TANF								
Other Fund								
Total All Funds			(386)	(1,957)	(2,343)	(3,176)	(4,396)	(7,572)
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 24**	**FY 24-25**
GF	33 LW	MA waivers- CL acuity	(72)	(701)	(773)	(911)	(974)	(1,885)
GF	33 LW	Limiting CL in 4 person setting	(436)	(1,358)	(1,794)	(2,367)	(3,524)	(5,891)
GF	11	Systems costs- MMIS	7	1	8	1	1	2
GF	11	Systems cost- MNCHOICES	21	4	25	4	4	8
GF	15	CSA admin- Limiting CL in 4 person setting	111	114	225	114	114	228
GF	11	Licensing- Limiting CL in 4 person setting	27	29	56	29	29	58
GF	REV1	FFP for CSA admin and Licensing	(44)	(46)	(90)	(46)	(46)	(92)
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	15	CSA admin	1	1		1	1	
GF	11	Licensing	.25	.25		.25	.25	

Change Item Title: Refinance General Fund Spending in MFIP Cash Assistance

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	(13,805)	(13,805)	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	13,805	13,805	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:
The Governor recommends using $27.6 million from the Temporary Assistance to Needy Families (TANF) reserve fund to replace general fund spending on Minnesota Family Investment Program (MFIP) cash assistance.

Rationale/Background:
This proposal will provide general fund savings without cutting services or benefits to Minnesotans experiencing poverty.

Cash assistance benefits meet the first purpose for the TANF block grant: "Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives." Both federal and state funds support cash assistance benefits to families with children in deep poverty who turn to MFIP. Minnesota receives $263 million per year in TANF block grant funding from the U.S. Department of Health and Human Services, authorized by Public Law 104-193, the Personal Responsibility and Work Reconciliation Act of 1996. The block grant can be used to provide a wide range of income supports and services to families below 200% of the federal poverty level and to support initiatives to promote marriage and reduce out of wedlock pregnancies in a state.

The TANF reserve fund is TANF funds not yet allocated to a specific expenditure. Because there is a balance in the TANF reserve fund, Minnesota could increase the TANF portion of MFIP funding for one biennium and subsequently reduce general fund spending by an equal amount. This is a one-time source for savings.

Proposal:
This proposal reduces general fund expenditures on MFIP cash assistance benefits to families with children in deep poverty by $14.2 million in FY 2022 and 13.4 million FY 2023 and replaces those expenditures with TANF reserve funds. These savings will be achieved by not requiring that at least 16% of the TANF maintenance of effort (MOE) come from MFIP cash, diversionary work, and food assistance benefits under Minnesota Statutes, chapter 256J.

This refinancing of MFIP cash assistance funding does not change the amount of assistance families receive through the program. As of July 2020, about 31,000 families receive assistance through MFIP. The average payment per household is $916, including cash assistance and the federally funded food portion that is included as part of the MFIP benefit. A family of 3 is eligible for a maximum cash benefit of $632. Many families are also eligible for a monthly MFIP Housing Assistance grant of $110.

To receive the federal TANF block grant a state must spend 80% of the state money it spent on welfare and related programs in 1994, or 75% if the state meets its work participation rate target. For Minnesota, $179 million meets our 75% target and $191 million meets our 80% target. Minnesota can meet these maintenance of effort requirements with spending outside of MFIP.

This proposal would be effective July 1, 2021.

Fiscal Impact:
This will result in savings to the general fund of $14.2 million dollars in FY22 and $13.4 million in FY23. This would reduce the projected ending TANF fund balance by 27.6 million.

Impact on Children and Families:
This proposal preserves assistance to children and families in deep poverty while still helping the state to identify general fund savings. This method of savings reduces the risk of cuts to services or benefits that children and their families might otherwise experience.

Equity and Inclusion:
By not making actual cuts to families receiving assistance, Minnesota can avoid cuts to income that would increase already stark racial and gender economic disparities across the state.

The poverty rate for African Americans in Minnesota is more than four times higher than that for whites. The rate for American Indians is very close to four times higher than for whites. Unemployment rates for American Indian, Black, and Hispanic/Latino workers in Minnesota are 2 to 3 times the unemployment rates for White and Asian workers. Minnesota's economic disparities are reflected in the families who have to turn to MFIP in financial crisis.

- African Americans make up 27 percent of the MFIP caseload as compared to 5.8 percent of state residents.
- American Indians make up 6 percent of the caseload as compared to 1.1 percent of state residents.
- Overall, people of color and American Indians make up 62 percent of the MFIP caseload as compared to 9 percent of state residents.

In addition, women make up 81 percent of adults in MFIP households.

IT Related Proposals:
Not applicable.

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-24
General Fund			(13,805)	(13,805)	(27,610)			
HCAF								
Federal TANF			13,805	13,805	27,610			
Other Fund								
		Total All Funds						
Fund	**BACT#**	**Description**	**FY 20**	**FY 21**	**FY 20-21**	**FY 22**	**FY 23**	**FY 22-23**
GF	21	MFIP/DWP Cash Assistance	(14,192)	(13,418)	(27,610)			
TANF	21	MFIP/DWP Cash Assistance	14,192	13,418	27,610			
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 20**	**FY 21**	**FY 20-21**	**FY 22**	**FY 23**	**FY 22-23**

Statutory Change(s):
None.

Citation of Federal Law Requiring the Change (For federal compliance proposals only):

Change Item Title: Right Size Minnesota Food Assistance Program (MFAP) Grants

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	(700)	(700)	(700)	(700)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(700)	(700)	(700)	(700)
FTEs	**0**	**0**	**0**	**0**

Recommendation:
The Governor recommends a permanent reduction of $1.4 million per biennium to the Minnesota Food Assistance Program (MFAP). This reduction will return unspent funds from the Minnesota Food Assistance Program to the general fund without impacting program recipients. The budget for the Minnesota Food Assistance Program is currently $3.35 million per biennium.

Rationale/Background:
The COVID-19 pandemic continues to have a significant impact on the state and national economy. Minnesota Management and Budget has projected a $1.273 billion general fund budget deficit in the FY 2022-23 biennium.

The Minnesota Food Assistance Program was created by the 1998 Minnesota Legislature in response to federal law changes, which made certain legal noncitizens ineligible for federally-funded Supplemental Nutrition Assistance Program (SNAP) benefits. The Minnesota Food Assistance Program provides state-funded food assistance to legal noncitizens age 50 or older who do not qualify for SNAP because of their citizenship status. The program follows all of the policies and procedures of SNAP except for rules that make noncitizens ineligible. Income limits and deductions are the same as those used in SNAP.

Based on historic spending for the Minnesota Food Assistance Program, we anticipate at least $700,000 in savings annually. Typically, the appropriation has been underspent by at least $700,000 per year. Department analysis of caseloads over the past two years also indicates that the number of Minnesota Food Assistance Program participants has remained relatively steady, with 300 to 350 cases per month, even during the pandemic. This unspent money is then returned to the general fund.

Proposal:
This proposal would return $700,000 per year in unspent funds from the Minnesota Food Assistance Program to the General Fund. Because of historic underspending in the MFAP budget, this proposal reduces spending without cutting benefits or services to Minnesotans in need.

Assuming the use of the Minnesota Food Assistance Program does not increase significantly, this will not result in individuals losing food benefits.

Fiscal Impact:
This proposal permanently reduces the Minnesota Food Assistance Program by $1.4 million per biennium. This is a 42% reduction in funding and leaves the program's appropriation at $1.95 million per biennium.

Impact on Children and Families:
This proposal should not impact children and families since it is not expected to result in lost benefits.

Equity and Inclusion:
The Minnesota Food Assistance Program provides state-funded food assistance to legal noncitizens age 50 or older who do not qualify for SNAP because of their citizenship status. This proposal should not impact program recipients since it is not expected to result in individuals losing benefits.

IT Related Proposals:
Not applicable.

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-24
General Fund			(700)	(700)	(1,400)	(700)	(700)	(1,400)
HCAF								
Federal TANF								
Other Fund								
Total All Funds			(700)	(700)	(1,400)	(700)	(700)	(1,400)
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	47	MFAP Grant	(700)	(700)	(1,400)	(700)	(700)	(1,400)
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 20**	**FY 21**	**FY 20-21**	**FY 22**	**FY 23**	**FY 22-23**

Statutory Change(s):
None.

Citation of Federal Law Requiring the Change (For federal compliance proposals only):
None.

Change Item Title: County Share for Child and Adolescent Behavioral Health Hospital (CABHH)

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	(1,229)	(1,229)	(1,229)	(1,229)
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(1,229)	(1,229)	(1,229)	(1,229)
FTEs	**0**	**0**	**0**	**0**

Recommendation:
Effective July 1, 2021, the Governor recommends implementing a change to the county liability for cost of care for patients at the Child and Adolescent Behavioral Health Hospital (CABHH) who are clinically appropriate for discharge. The goal of this proposal is to ensure timely discharge to less restrictive settings as soon as patients no longer require hospital level of care.

Rationale/Background:
The Child and Adolescent Behavioral Health Hospital (CABHH) is licensed as a 16-bed inpatient psychiatric hospital for children and adolescents who need crisis stabilization, comprehensive assessment and intensive treatment for their complex mental health conditions.

During CY2019, CABHH served 37 patients. Of these, 12 patients – or 32% – remained in the hospital approximately 8.9 days after it was clinically appropriate for discharge.

When patients remain at CABHH when hospital level of care is no longer necessary, it reduces the capacity to admit other patients who actually require treatment in a hospital. Meanwhile, wait times to enter the facility increase and patients who need hospitalization are kept in a setting with an inappropriate level of care and restriction.

This proposal is being requested to incentivize counties to more quickly find appropriate placement for patients who do not need the level of care provided at CABHH. This will improve access for patients who need to be treated in a hospital and also align the billing practices and county liability with DCT's other hospitals.

Proposal:
Under this proposal, effective July 1, 2021, the county liability for the cost of care would increase from 0% to 100% for services provided at the Child and Adolescent Behavioral Health Hospital (CABHH) for patients who no longer require hospital level of care.

This will align billing practices at CABHH with those of the Community Behavioral Health Hospitals (CBHHs), as set forth in Minn. Stat. 246.45, Subd. 1b.

The goal of this proposal is to encourage timely discharge from CABHH to a less restrictive setting as soon as it is appropriate for the patient.

Equity and Inclusion:

The Child and Adolescent Behavioral Health Hospital (CABHH) is Minnesota's only state-operated inpatient psychiatric hospital for children and adolescents who need crisis stabilization, comprehensive assessment and intensive treatment for complex mental health conditions. Many CABHH patients engage in physically aggressive and destructive behaviors, and neither their families nor other community mental health care providers can meet their treatment needs. CABHH offers a safe youth- and family-responsible setting for care, comprehensive assessment and intensive treatment of specialized mental health problems.

This proposal ensures that CABHH remains an option for families throughout Minnesota and that patients are receiving services in an appropriate setting and discharged to less restrictive settings when clinically appropriate.

Fiscal Detail:

The proposal increases the state's general fund revenue by creating a county share for the cost of care for CABHH when the level of of care is no longer required for the person. Charges are billed to counties for each day a patient no longer needs hospital level of care but remains in the hospital. It is assumed that approximately 20% of total patient days would be identified as no longer needing hospital level of care and therefore, billed to the county of financial responsibility.

IT Related Proposals:

This proposal does not require additional IT support.

Results:

Establishing a county share will encourage more timely patient discharge from CABHH to a less restrictive setting, as soon as it is appropriate for the patient, and provide greater access to patients requiring hospital level of care.

Fiscal Tracking: Fiscal Tracking:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			(1,229)	(1,229)	(2,458)	(1,229)	(1,229)	(2,458)
HCAF								
Federal TANF								
Other Fund								
Total All Funds								
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	Rev2	Cost of Care Collections	(1,229)	(1,229)	(2,458)	(1,229)	(1,229)	(2,458)
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**

Federal Citation:

N/A

Change Item Title: Rate Reform for Remote Service Provision

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	(243)	(2,490)	(3,256)	(3,453)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(243)	(2,490)	(3,256)	(3,453)
FTEs	**0**	**0**	**0**	**0**

Recommendation:

Effective January 1, 2022, the Governor recommends modifying disability waiver rates when the service is provided to the person remotely to align the cost-based rate methodology with anticipated decreases in provider costs. This proposal reduces General Fund spending by $2.7 million in the FY 2022-23 biennium and $6.7 million in the FY 2024-25 biennium.

Rationale/Background:

The Centers for Medicare and Medicaid Services (CMS) have indicated that remote disability service rates must be adjusted to reflect the prospective cost of providing the service. As a result of this direction, the Department was unable to secure federal approval for ongoing remote service delivery under 1915(c) home and community-based disability waiver authority. Temporary authority for remote service provision is currently approved under Appendix K authority, which is a standalone appendix used to address emergency 1915(c) amendments during the COVID-19 pandemic and other emergency situations.

Remote disability waiver service options are an integral part of the response to the current and growing workforce crisis for home and community based services (HCBS). Remote support is real-time, two-way communication between the provider and the person that supplements direct, in-person service delivery. HCBS provide opportunities for people to receive services in their own home or community, rather than in institutions or other isolated settings. Minnesota provides four HCBS waiver programs for people with disabilities, which served over 50,000 people in fiscal year 2019.

Similar to telemedicine, remote waiver services also offer options to access services in socially distanced manners, reducing the risk of COVID-19 transmission. Remote services, if appropriate to meet a person's needs, are often preferred by people, as they allow for more self-autonomy and flexibility and may be accessed using a person's computer or phone. Remote services are sometimes more cost-effective for providers, allowing greater staffing ratios and reducing other costs such as transportation and facility costs. Beginning in January 2021, people may receive remote supports using the following waiver services:

- 24 hour emergency assistance
- Community residential services
- Consumer directed community supports
- Crisis respite
- Day support services
- Employment development

- Employment exploration
- Employment support
- Family residential services
- Family training and counseling
- Individualized home supports without training
- Individualized home supports with training
- Individualized home supports with family training
- Integrated community support
- Positive support
- Prevocational services
- Specialist Services

Most rates for the HCBS disability waiver programs are set using the Disability Waiver Rate System (DWRS). Under the direction of CMS, DWRS established rate formulas (called frameworks) that are based on the statewide average costs incurred by Home and Community Based Services (HCBS) providers. These rate frameworks ensure that the state pays the appropriate value for the service and that people have equitable access to needed services throughout the State. State law details disability rate frameworks, including the value of each cost component used to calculate rates. Cost components vary by service and include factors such as staff wages, employee benefits, employer-paid taxes, paid time off, indirect staff time, and program expenses.

Proposal:

This proposal adjusts DWRS rates for some day, unit-based with programming, and unit-based without programming services when the services are delivered remotely. These changes align with known cost component factors that would not pertain to a remote service delivery model. Specifically, this proposal reduces the client & programming supports component value, the service facility component value, and program support component value for affected services.

Remote Service Component Changes – Rate Reduction in Component Values

Client & programming supports component

This cost component in the rate methodology is intended to cover costs providers incur in order to provide care in the community or in a person's home. Some examples of what this component funds include supplies and equipment that are not available through the state plan, travel as part of service delivery, and participation costs for staff in community activities. For remote delivery, some of these costs are not applicable. For example, providers do not incur in-program travel and participation costs. This proposal reduces the value of this component in the rate methodology accordingly.

Service facility component

This cost component in the day services rate methodology is intended to cover the cost of maintaining a facility utilized to provide day services in. For remote delivery of day services, the service would not be provided in a facility; therefore, facility costs are not attributable to the provision of the service.

Program support component

This cost component in the rate methodology is intended to cover the costs providers incur for unbillable time of direct support staff supporting service delivery, including unbillable travel time. There is minimal to no travel time between people being served for remote delivery of unit-based services; therefore, this cost would not be incurred to deliver the service

Day Services *(Saves $814k in the FY 22-23 biennium)*
This proposal reduces the client & programming supports component value for day support and prevocational services from 10.37% to 7.67%. This proposal also removes the service facility component value for day support and prevocational services.

Unit-based with programming (*Saves $1.667 million in the FY 22-23 biennium).*
This proposal reduces the client and programming supports component value for unit-based services with programming from 4.7% to 1.53%.

To align program supports with like services without the miles driven, program support has been aligned with day services that provide services with similar unbillable activities without the inclusion of miles. This would lower the component from 15.5% to 5.6%.

Services impacted by this change are:

- Employment - development
- Employment - exploration
- Employment - support
- Individualized home supports with Training
- Individualized home supports with Family Training
- Positive Supports - Professional
- Positive Supports - Analyst
- Positive Supports - Specialist

Unit-based without programming *(Saves $263k in the FY 22-23 biennium).*
This proposal reduces the client & programming supports component value from 2.3% to 1.14% to reflect the lower costs outlined in the previous section.

This proposal modifies the program support component value to align with residential services that incur similar unbillable activities, without the inclusion of miles. This change lowers the component value from 7% to 1.3%.

Individual home supports without training is the only service impacted by this change.

Fiscal Impact:
This proposal impacts disability rates as follows:

Service Bucket	Framework change	Average Rate Reduction	Implementation
Unit-based w/ programming	Client & Programming: 1.53% Program Support: 5.6%	11%	1/1/22 on a rolling basis
Unit-based w/o programming	Client & Programming: 1.14% Program Support: 1.3%	6%	1/1/22 on a rolling basis
Day services	Client & Programming 7.67% Facilities: $0	12%	1/1/22 on a rolling basis

It is estimated that about 10% of these services are provided remotely**.**

Equity and Inclusion:
This proposal impacts provider rates and is not anticipated to directly impact people's day to day lives, when considered in isolation from other day and unit-based provider cuts.

Day Services program racial demographics are similar to Minnesota's overall population make-up:

- 9.9% African American/Black participants (7% statewide)
- 1.7% American Indian participants (1.4% statewide)
- 81% white participants (83.8% statewide)

Unit-Based Services (with and without programming) are disproportionately utilized by Black, Indigenous, and People of Color:

- 13.9% African American/Black participants (7% statewide)
- 2.0% American Indian participants (1.4% statewide)
- 77.4% white participants (83.8% statewide)

Category	*FY 2022*	*FY 2023*	*FY 2024*	*FY 2025*	*FY 2026*	*FY 2027*
Payroll						
Professional/Technical Contracts						
Infrastructure						
Hardware						
Software						
Training						
Enterprise Services						
Staff costs (MNIT or agency)	17,480	3,496	3,496	3,496	3,496	3,496
Total						
MNIT FTEs						
Agency FTEs						

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			(243)	(2,490)	(2,733)	(3,256)	(3,453)	(6,709)
HCAF								
Federal TANF								
Other Fund								
Total All Funds			(243)	(2,490)	(2,733)	(3,256)	(3,453)	(6,709)
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	33 LW	MA waivers- Unit based without programming	(24)	(239)	(263)	(312)	(331)	(643)
GF	33 LW	MA waivers- Unit based with programming	(153)	(1,514)	(1,667)	(1,979)	(2,099)	(4,078)
GF	33 LW	Day Services	(75)	(739)	(814)	(967)	(1,025)	(1,992)
GF	11	Systems- MMIS	9	2	11	2	2	4

Statutory Change(s):
256B.4914, subd. 5

Change Item Title: Clarifying Public Assistance Statutes

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendations:

The Governor recommends eliminating contradictions between Minnesota Statutes 256J, which governs the Minnesota Family Investment Program and Diversionary Work Program, and chapter 256P, which governs multiple public assistance programs. Although these statutory clarifications will make minor changes in how public assistance benefits are calculated, the Department of Human Services (DHS) has determined that this proposal has no fiscal impact on the General Fund.

Rationale/Background:

Legislation passed in 2014 and 2015 created a new chapter, 256P, to set more uniform policies across public assistance programs, including the Minnesota Family Investment Program (MFIP), Diversionary Work Program (DWP), Child Care Assistance Program (CCAP), General Assistance (GA), Minnesota Supplemental Aid (MSA), and Housing Support.

Among other changes, chapter 256P was drafted to create a shared list across programs about which income sources should count for the purposes of determining eligibility. This was a departure from the former program-specific policies that listed which income sources should not count. Altering the approach to specifying what counts avoided creating ever-changing lists of income sources to exclude. However, drafting errors created contradictions and confusion between chapter 256P and chapter 256J, which governs MFIP and DWP. A major portion of 256J.21 should have been deleted, with some of its provisions added to other parts of 256J or 256P.

Proposal:

This proposal cleans up the errors made in 2014 and 2015 legislation in drafting the new 256P chapter by:

- Deleting the first two subdivisions of 256J.21 in order to eliminate contractions between the chapters. (Four items that are being deleted in 256J.21 will be added to 256P and 2 other sections of 256J in order to keep original legislative intent and current interpretation in place.)
- Eliminating duplication, by deleting language from 256J that is also now in 256P.
- Correcting a citation to another statute.
- Making conforming changes in sections where the language proposed for deletion is currently cited.

These changes would ensure there are not contradictory directions in statute and would honor the intent of chapter 256P to create more uniform policies across cash assistance programs. This proposal continues current practice with two minor exceptions regarding stipends from national service or rehabilitation programs and regarding Workers Compensation. Those changes clarify that:

- All stipends, not just those that compute as being below minimum wage, from national service programs and from rehabilitation programs do not count as income.
- Workers Compensation income does count as income.

Although this does change the policy on how to calculate benefits, DHS does not see any change in spending because:

1. The cash assistance programs currently count Workers' Compensation income.
   It was not on the list of EXCLUDED INCOME in 256J and MAXIS programming had never been changed to not count it. The proposed legislation makes it explicit in 256P.06 that Workers' Compensation counts as unearned income against public assistance benefits.
   That had not been clear for the child care assistance program after the passage of 256P.06. The Child Care Assistance Program does not currently count Workers' Compensation income, but is unaware of any participant who is receiving that income. In addition, should a working parent be injured on the job and become eligible for Workers' Compensation, that income would replace their earnings income and would be reassessed at the annual eligibility redetermination.
2. Very small numbers of participants will be affected by the clarification to keep the original policy on stipends from national service or rehabilitation programs.
   A small number of parents served through MFIP get community service assignments through AmeriCorps. The highest number in the last two and a half years was 21 individuals. In the year between February 2019 and February 2020, the average was 14 parents receiving MFIP in a month doing AmeriCorps service projects. It is very unlikely that the vast majority of them had earnings at or above minimum wages that would be counted towards their benefits.

Fiscal Impact:

Although this will make minor changes in how benefits are calculated, DHS has determined that there is no fiscal impact on the General Fund for the reasons outlined above.

Impact on Children and Families:

To be eligible for MFIP a family must have children younger than 18 years old and be in deep poverty. This proposal continues efforts to reduce the complexity in the program, which means families find the program less confusing and more predictable.

Equity and Inclusion:

Cash assistance programs reflect Minnesota's racial economic disparities. Poverty rates for African Americans and American Indians in Minnesota are about 4 times higher than the poverty rate for white Minnesotans. Unemployment rates for American Indian, African American, and Latinx workers are 2-3 times higher than white workers. People of color and American Indians are 20% of the state's population,[1] but 64% of the MFIP caseload.[2] More than 1 in 4 people of color in Minnesota have applied for unemployment insurance benefits compared to 12% of white Minnesotans that have applied since the COVID-19 pandemic began.[3] Women make up half of Minnesota's population but are 81% of the adults enrolled in MFIP.

IT Related Proposals:

There are no programming changes required in MAXIS for these changes. CCAP will have eligibility workers handle any cases with Workers' Compensation manually and have MEC[2] changes to support that as part of regular maintenance to the system, hardware, software, or training.

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[1] QuickFacts Minnesota, U.S. Census Bureau, 2018.

[2] Minnesota Family Investment Program and Diversionary Work Program: Characteristics of Cases and People, Minnesota Department of Human Services, 2017

[3] Minnesota Department of Employment and Economic Development, 2020.

Fiscal Detail:
None.

Statutory Change(s):
Minnesota Statutes, sections 256J.21 and 256P.06.

Citation of Federal Law Requiring the Change (For federal compliance proposals only):
None.

Change Item Title: Community Action Formula Change

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:
The Governor recommends amending Minnesota statute to change the base funding formula for Community Action Agencies so that tribal nations administering Community Action Programs receive a more equitable allocation. There is no cost for this proposal.

Rationale/Background:
Community Action Agencies (or Community Action Programs) are private nonprofit or public organizations created by the Economic Opportunity Act of 1964 to combat poverty. Tribal nations are designated as eligible entities in the federal Community Services Block Grant Act and also receive Minnesota Community Action Grant funding.

Minnesota's Community Action Agencies and tribal nations require a more equitable funding allocation formula that reflects the current costs of administering the Community Action Programs that they host. Community Action Program funding is comprised of the Minnesota Community Action Grant and the federal Community Services Block Grant. Current base funding levels in statute, based on the number of people living in poverty in a grantee's service area, leave eight of Minnesota's eleven tribal nations at a significantly lower base funding level than the other 24 Community Action grantees, all of which are currently at the two higher base funding levels.

The following eight tribal nations would move from base funding of $25,000 to $50,000 with the proposed legislative change.

- Bois Forte Band of Chippewa
- Fond du Lac Band of Lake Superior Chippewa
- Grand Portage Band of Lake Superior Chippewa
- Lower Sioux Indian Community
- Mille Lacs Band of Ojibwe Indians
- Prairie Island Indian Community
- Shakopee Mdewakanton Sioux Community (Note: Shakopee reallocates its allocation to Upper Sioux)
- Upper Sioux Community

Proposal:
This proposal removes the lowest tier of base funding ($25,000 per year) so that all grantees receive a minimum of $50,000 per year. This base funding increase for tribal and rural grantees supports staffing and organizational capacity needed to deliver effective Community Action Programs. Minnesota's tribal nation and non-profit

Community Action grantees have recommended this change. The impact of this change on other Community Action Agencies is minimal and primarily affects larger and more urban grantees.

Fiscal Impact:
There is no fiscal impact to the state. This proposal changes the base funding formula used to allocate state and federal funding for Community Action Agencies. It does not provide additional state or federal funding.

Impact on Children and Families:
In 2016, 36% of American Indian children in Minnesota were living in poverty compared to 7% of white children.[1] The early years of a child's brain development can be seriously impacted by poor nutrition, unstable housing, toxic environmental stress, and other socioeconomic effects of poverty. The long-term developmental effects of poverty can influence a child's entire life with significant social, emotional, behavioral, academic, physical, and adult earning outcomes. This proposal would provide additional funding to tribal nations serving children and their families living in poverty.

Equity and Inclusion:
The poverty rate for American Indians in Minnesota is more than 4 times higher than the poverty rate for white Minnesotans.[2] Unemployment rates for American Indian workers were more than 3 times higher than white workers even before the COVID-19 pandemic.[3] This proposal is directly aimed at reducing inequities for American Indians by adequately funding Community Action Programs that address poverty. Minnesota's 11 tribal nations receive federal Community Services Block Grant and Minnesota Community Action Grant funding. Each tribal nation determines how best to use Community Action funding to meet specific community needs.

IT Related Proposals:
Not applicable.

Fiscal Detail:
None.

Statutory Change(s):
Minnesota Statutes, section 256E.30.

Citation of Federal Law Requiring the Change (For federal compliance proposals only):
None.

[1] Kids Count Data Center, The Annie E. Casey Foundation, 2016
[2] Kaiser Family Foundation estimates based on the Census Bureau's American Community Survey, 2008-2018
[3] Minnesota Department of Employment and Economic Development, 2016

Change Item Title: EIDBI Background Study

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	21	21	21	21
Revenues	(21)	(21)	(21)	(21)
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends improving protections for children and youth who receive Early Intensive Developmental and Behavioral Intervention (EIDBI) autism services by requiring EIDBI providers to operate within the background study requirements of the NETStudy system, the Department of Human Services' uniform system for conducting background studies. The net cost to this proposal for the FY 22-23 biennium is zero due to the increase in fees for the background studies which covers the costs.

This proposal adds EIDBI providers to the list of providers subject to the background study requirements and restrictions in Minnesota Stat. §245C, and requires them to use the NETStudy system (the department's uniform system for conducting background studies) to complete staff background studies under that chapter.

Rationale Background:

Early Intensive Developmental Behavioral Intervention (EIDBI) services are provided as a Medical Assistance (MA) benefit. These services provide medically necessary treatment to people under the age of 21 with autism spectrum disorder (ASD) and related conditions. EIDBI services are intended to educate and support parents and families of people with ASD and related conditions; promote people's independence and participation in community life; and improve long-term outcomes and quality of life for people and their families. As of November 1, 2020 567 children were served in the EIDBI program. Since its inception in 2015, 1,451 children have utilized EIDBI services.

Improving EIDBI Provider Background Study Protections

Currently, EIDBI providers are excluded from the NETStudy system if they do not also provide other services that require background studies subject to the requirements under Minnesota Stat. §245C. As a result, many EIDBI providers independently find a source to conduct background studies for prospective staff. If a staff person is identified as having a criminal background, state exclusion criteria under Minnesota Stat. §245C.15 do not currently apply – only federal criteria describing certain crimes involving Medicaid fraud and other financial crimes may apply.

DHS does not have the ability to capture data relating to disqualifications of individual providers for EIDBI because background studies are handled in their entirety between EIDBI service providers and whatever background study vendors they choose to conduct studies.

Proposal:

This proposal adds EIDBI providers to the list of providers subject to the background study requirements and restrictions in Minnesota Stat. §245C, and requires them to use the NETStudy system, the department's uniform system for conducting background studies. As a result, EIDBI providers and DHS will have clear exclusion criteria to apply to people who have criminal backgrounds that would otherwise prohibit them from working directly with children and vulnerable adults. This proposal will also identify a single background study resource for EIDBI providers that is a timely, trusted, and responsible.

Fiscal Impact:

EIDBI service providers would be informed of this change and trained to use the NETStudy system to implement this proposal. Since the number of providers is small, the costs for provider training can be completed within existing resources. In addition, some EIDBI providers are already trained to use the NETStudy system because they are required to use it for other services they provide.

Additional administrative and staff resources will be needed to compensate for the increased workload of the NETStudy system. However, the cost is budget neutral as the proposal recovers the cost of the background studies through a per-study fee paid by EIDBI service providers. The fee will be $34.34 per transaction.

The overall cost for administering these background studies is about $21,000 per year but the offsetting revenue of $21,000 from the background fee offsets this cost. It is expected that about 625 staff will be subject to the background study fee each year.

Impact on Children and Families:

Children and young adults with autism spectrum disorder and related conditions will be directly impacted by this proposal. They will be protected by applying 245C background study and criminal background disqualification criteria to prospective staff. The EIDBI Advisory Group and other parent advocates have been consulted in the development of this proposal.

The anticipated positive impact is that people with disqualifying criminal backgrounds will be unable to serve children and vulnerable adults with autism spectrum disorder and related conditions who may not be in a position to defend themselves or report maltreatment.

Equity and Inclusion:

EIDBI is accessed by a variety of racial groups: [i]38% white people, 40% Black, Indigenous and people of color (BIPOC), and 22% are unknown compared with [ii]overall state demographics of Minnesota in 2019, where 80% are white and 20% are BIPOC. Of enrolled Medicaid recipients with a diagnosis of ASD, racial 47% are white people, 31% BIPOC and 22% unknown. [iii]Overall prevalence data in the state of Minnesota indicates potential disparities related to early-age of diagnosis of ASD amongst underserved communities. Receipt of a diagnosis later in the child's life means less opportunity to access early intervention services during the most critical developmental period. Data also indicated that 25% of the total population of children with autism also have an intellectual disability. This puts them at high risk for abuse or maltreatment.

55% of recipients are being served in the 7 county metro area, with the remaining 45% being served in greater MN counties.

By ensuring that EIDBI providers have access to the same background study system utilized by other providers, all people, regardless of their unique abilities, are equally protected from harm.

One third of EIDBI providers are minority-owned and focus on minority communities. This proposal equips those providers with access to NETStudy to ensure they are able to protect the children they serve and to attract culturally-specific, qualified staff.

Results:

The following information will be collected from NETStudy, DHS Provider Enrollment, and SIRS audits:

- Quantity: How many prospective EIDBI staff persons were subject to a background study during any given year?
- Quality: How many of these prospective staff persons were identified as disqualified due to criminal background, and proactively blocked from working with children and vulnerable adults?
- Result: Have prospective staff with disqualifying criminal histories been identified and prevented from having access to children and vulnerable adults as a result of applying 245C criteria?

IT Related Proposals:

None.

Fiscal Detail:

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			0	0	0	0	0	0
HCAF								
Federal TANF								
Other Fund								
Total All Funds								
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
SR	11	Background study expense	21	21	42	21	21	42
SR	REV	Background study revenue	(21)	(21)	(42)	(21)	(21)	(42)
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**

Statutory Change(s):

Amend Minnesota Statutes 245C.03, 245C.10, 256B.0949

[i] Data report from DHS from EIDBI claims on recipient demographics through September 1, 2020

[ii] 2018 Population Estimates, U.S. Census Bureau, MN State Demographic Center

[iii] Minnesota Autism Developmental Disabilities Monitoring Network https://addm.umn.edu/

Change Item Title: Tribal Cost-Neutral Housing Support Allocations

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:
Effective July 1, 2021, the Governor recommends Tribal inclusion in the Housing Support cost-neutral allocation option. Currently, only counties may request cost-neutral Housing Support allocations, which allow for reimbursement as a direct allocation, rather than individual payments to housing support vendors. This proposal creates equitable access to Housing Support program administration flexibilities for Tribal Nations. This proposal is budget neutral.

Rationale/Background:
The State's Housing Support program pays for room and board costs for adults with low income who are 65 or older, or who have a disability that prevents them from working enough to support themselves. Housing Support recipients reside in a setting authorized by the county or tribe and receive services from a vendor approved by the county or tribe. Today, Housing Support benefits are paid on a monthly basis, with a payment and remittance issued for each individual after one or two months processing time at the county. While this system works for many Housing Support recipients, it is administratively burdensome for residents and vendors in short-term settings. For example, in emergency shelters, the time to process an individual's payment often takes longer than the person's stay. This means the vendor will eventually receive the state portion of the Housing Support payment, but the person may be gone before the vendor can collect the client portion identified as due.

Counties and vendors report that cost-neutral allocations reduce burdensome administrative delays compared to the individual payment system. They also help individuals and vendors focus on resolving housing crises instead of paperwork. Housing Support statute (Chapter 256I) allows the Commissioner of the Department of Human Services (DHS) the authority to issue a lump sum cost-neutral allocation from the Housing Support appropriation to county human services agencies to distribute to a particular site according to a plan submitted by the county. There are two places in statute that authorize this authority: 1) MN Statute 256I.05, Subd.1a (b); and 2) MN Statute 256I.05, Subd. 11. The cost-neutral allocations are capped allocations based on historic spending for individuals, vendors, and settings that are eligible for Housing Support under current law, and could be issued under traditional payment mechanisms (MAXIS and MMIS).

In 2017, legislation was passed specific to cost-neutral transfers of Housing Support funding for direct allocations to support the work of emergency shelters.

Proposal:

This proposal clarifies that tribes have the same administrative option as counties to request to change the funding mechanism from individual payments issued through MAXIS to a cost-neutral direct allocation passed through a tribe.

This proposal does not expand eligibility for individuals or vendors of Housing Support. Tribes are eligible administrators of Housing Support for eligible individuals in eligible settings today. It would allow tribes to have to the same administrative flexibility as counties to administer the Housing Support program in ways that are more efficient. In 2015, the Legislature changed the terminology in Housing Support statute (256I) from "counties" to "agency" to be consistent with program uniformity across public assistance program administration, but the reference in the cost-neutral allocation language was missed at that time.

The direct allocation, by definition, must be determined cost-neutral and approved by the Commissioner. For example, if individual payment data for a 10-bed facility over time projected annual payments totaling $114,000, an annual direct allocation could be established not to exceed $114,000 for that vendor. There would be no change to the number of beds, or eligibility, or funding amount.

Impact on Children and Families:

No substantive impact.

Equity and Inclusion:

This proposed change is part of an effort to ensure that the Housing Support program is administered fairly and that the state is doing more to advance housing stability for all Minnesotans, especially populations impacted by systemic racism.

Fiscal Detail:

This proposal has no fiscal impact on total expenditures paid in the Housing Support program.

Net Impact by Fund (dollars in thousands)			FY 22	FY 23	FY 22-23	FY 24	FY 25	FY 24-25
General Fund			0	0	0	0	0	0
HCAF								
Federal TANF								
Other Fund								
Total All Funds						0	0	0
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**
GF	25	Housing Support	0	0	0	0	0	0
		Requested FTE's						
Fund	**BACT#**	**Description**	**FY 22**	**FY 23**	**FY 22-23**	**FY 24**	**FY 25**	**FY 24-25**

Change Item Title: Opiate Epidemic Response Council (OERAC) Reforms

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends modifications to the Opiate Epidemic Response Advisory Council and the Opiate Epidemic Response Account. First, this proposal requires that grants awarded from the Opiate Epidemic Response Account, including those for child protection and by the Opiate Epidemic Response Advisory Council, be issued on a calendar year basis. Second, this proposal expands membership of the Opiate Epidemic Response Advisory Council to include a representative from each of Minnesota's eleven tribal nations. Third, this proposal clarifies a reference to 2019 session law in the Opiate Epidemic Response Account statute.

This proposal has a zero net fiscal impact to the Opiate Epidemic Response Account in the Special Revenue Fund.

Rationale/Background:

The Opiate Epidemic Response Advisory Council (OERAC) was authorized by the 2019 Legislature to develop and implement a comprehensive, statewide effort to address opiate addiction and overdose in Minnesota. The council makes recommendations to DHS on funding priorities and works with DHS and MMB to develop measurable outcomes that assess the efficacy of funds allocated to address the epidemic. The council includes legislators, providers, advocates, county and tribal representatives, and state agency staff.

Funding for the Opiate Epidemic Response Account is collected through registration and license fees assessed by the Board of Pharmacy. Due to the timelines for when registration and license fees are collected, the Board of Pharmacy isn't able to precisely estimate in advance the amount that will be available in the account for child protection or for grants to be awarded by the Opiate Epidemic Response Advisory Council. The current timelines contributed to a request for proposal being cancelled in 2020 because the account did not collect as much funding as was initially projected.

The council has 19 voting members, two of which must represent Indian tribes, with one member representing the Ojibwe tribes and one member representing the Dakota tribes. Tribal Nations have sovereign status and should be treated as independent entities in governmental affairs. Identifying two American Indian members to represent the unique and complex perspectives of all tribal nations is not inclusive.

Proposal:

Effective July 1, 2021, the Governor recommends that grants awarded for child protection from the Opiate Epidemic Response Account and by the Opiate Epidemic Response Advisory Council be issued on a calendar year basis. This proposal will align the timeline for issuing grants with the fee collection schedule and will allow the council to know how much money has been collected to accurately develop a request for proposals. Since the

amount of funding available in the account will not be known until July of each year, using a calendar year grant period aligns better with when the Opiate Epidemic Response Advisory Council and the Department issue request for proposals for grants funded by the account. A calender year grant period also helps ensure that grantees have at least one full year to use funding awarded to them.

Effective July 1, 2021, the Governor recommends expanding tribal membership on the Opiate Epidemic Response Advisory Council to include a representative from each of Minnesota's eleven tribal nations. State statute currently only allows for representatives of the Ojibwe and Dakota tribes and not a representative from each federally recognized tribal nation. The current membership of the council does not provide for adequate representation of each tribal nation.

Lastly, effective upon enactment, the Governor recommends removing references to session law in the opiate epidemic response account statute to ensure the appropriation subdivision is clear and understandable.

Impact on Children and Families:

Allowing grants for child protection and from the Opiate Epidemic Response Advisory Council to be awarded on a calendar year basis may positively impact children and families because it allows for a better process for issuing grants and ensures that grantees have a full year grant period to use funds.

This proposal may positively impact families and children from American Indian families as having more equitable representation of tribal nations on the Opiate Epidemic Response Advisory Council will allow for a more inclusive discussion and recommendations from the council on how to respond to the opioid epidemic in our state, which Minnesota's tribal nations have been greatly impacted by.

Equity and Inclusion:

This proposal will improve equity of the membership of the Opiate Epidemic Response Advisory Council by allowing for fair representation on the council of all of Minnesota's tribal nations. Overall, this proposal will positively impact equity for tribal nations and American Indians by allowing for the work of the council to be more inclusive and equitable.

IT Related Proposals:

Not applicable.

Fiscal Detail:

This proposal will result in $54,000 in additional administrative costs annually from the Opiate Special Revenue Fund to reimburse council members for expenses incurred attending meetings of the council. These costs are based on an average of $500 per meeting, per additional member, for twelve meetings per year. Reimbursable expenses include hotels, mileage, meals, and applicable child care costs.

This proposal has a net zero impact, as the additional administrative costs will be offset by reduced funding available for grants awarded from the Opiate Epidemic Response Account, including those for child protection and by the Opiate Epidemic Response Advisory Council.

Change Item Title: Align Asset Limits for Medicare Savings Programs

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

Effective July 1, 2021, the Governor recommends indexing the Medicare Savings Programs (MSP) asset limits to align with the Medicare Part D Low-Income Subsidy (LIS) as required by federal law. This proposal is budget neutral in the current biennium.

Rationale/Background:

Medicare Savings Programs are federal and state-funded programs that assist people on Medicare who have limited income and assets by paying some Medicare expenses, such as premiums, deductibles, and coinsurance. The three types of MSP are Qualified Medicare Beneficiary (QMB), Service Limited Medicare Beneficiary (SLMB), and Qualified Individual (QI).[1] To qualify for QMB, SLMB, or QI, a person must have assets of no more than $10,000 for a household of one or $18,000 for a household of two or more (Minnesota Statutes § 256B.057, subd. 3).

Federal law requires that a state's MSP cannot have an asset limit that is lower than the maximum asset level allowed for the LIS.[2] The 2020 asset limit for a single individual is $7,860 and $11,800 for a married couple.

An analysis of the actual annual increases in the LIS asset limits using the average dollar increase per year since 2006 ($189) shows that the amounts are projected to exceed the MSP asset limits in 2032. The same analysis using the average adjustment factor change from year to year (1.61 percent) shows that the amounts are projected to exceed the MSP asset limits in 2036.

States are not permitted to apply asset limits for their Medicare Savings Programs that are more restrictive than the federal Medicare Part D LIS asset limits. Although Minnesota's MSP asset limits are currently less restrictive than the LIS asset limits, the MSP asset limits are fixed amounts in Minnesota statute, while the LIS asset limits index annually. Eventually, the LIS asset limits will reach and exceed Minnesota's MSP asset limits, making the

[1] The Qualified Working Disabled (QWD) MSP has asset limits of $4,000 for a household of one, and $6,000 for a household of two or more. Federal and state QWD asset limits do not increase annually, and therefore the QWD MSP is excluded from this proposal.

[2] The LIS asset limits for single individuals and married couples are based on three times the Supplemental Security Income (SSI) resource standard increased by the annual percentage increase in the consumer price index as of September of the previous year.

MSP asset limits more restrictive. The LIS asset limits are estimated to reach the MSP asset limits currently set in statute between 2032 and 2036.

Proposal:
This proposal provides the state law authority to index the MSP asset limits annually to correspond to the LIS resource limits, when the LIS asset limits reach or exceed the amounts currently set out in state law.

No fiscal impact is projected during this biennium or during the out years. However, providing the requirement in state law will result in a fiscal impact in future years (2032-2036).

Impact on Children and Families:
This proposal is a technical change required for future federal compliance. The proposed change will impact dual eligible Medicare/Medicaid enrollees, who are low-income people age 65 or older, or who are blind or have a disability. This proposal will not directly impact children, youth, and families or address the administration's priorities for these groups.

Equity and Inclusion:
This proposal is a technical change and does not impact equity outcomes in the short or long term. However, the population impacted by this proposal are dual eligibles, meaning low-income seniors or people with disabilities who qualify for benefits under both Medicare and Medical Assistance. Dual eligibles typically have higher rates of chronic illnesses, dementia and other forms of cognitive impairment, physical and developmental disabilities, and/or mental illnesses. Dual eligible beneficiaries are more likely to have functional limitations and require long-term care services than non-dual eligible Medicare beneficiaries. Dual eligible enrollees may experience beneficial changes due to increased MSP asset limits at the point the indexed limits begin (around 2032-2036).

IT Related Proposals:
No IT systems work needs to be completed related to this proposal.

Fiscal Detail:
None

Statutory Change(s):
Minnesota Statutes § 256B.057, subd. 3.

Federal law or regulation to which this proposal complies:
42 U.S.C. § 1396d(p)

Change Item Title: Realigning MinnesotaCare Statute with Federal Requirements

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends repealing legislation passed in 2016 that required the Department of Human Services (DHS) to stagger MinnesotaCare renewals throughout the year. DHS lacks federal approval to implement the change. This proposal is budget neutral.

Rationale/Background:

Under the 2016 legislative change, state law requires MinnesotaCare eligibility to be renewed once every 12 months based on the enrollee's month of application, rather than the current MinnesotaCare renewal schedule that requires all enrollees to renew each January. These changes also directed DHS to use current income to determine eligibility rather than projected annual income, and annual indexing of the Federal Poverty Guidelines was changed to occur each July rather than January.

DHS has been unable to implement these changes because the Centers of Medicare and Medicaid Services (CMS) has not approved the use of current income instead of calendar year projected annual income for MinnesotaCare financial eligibility outlined in the Basic Health Program Blue Print. In addition, CMS did not approve the DHS proposal to redistribute renewal dates for the current MinnesotaCare caseload throughout the year. DHS has been in regular communication with MNsure and the navigator organizations to determine opportunities to address issues this legislation intended to solve. For example, DHS is working to establish a triage system for navigators when a renewal case requires immediate attention to ensure a timely response, is providing additional training for call center staff to ensure renewals are processed more effectively and efficiently during open enrollment season, and has made improvements to METS, the IT system used to determine eligibility, to address common issues in the renewal process.

Proposal:

This proposal repeals legislative changes to the MinnesotaCare statute that authorized:

- Staggering renewals;
- Using current income for financial eligibility; and
- Changing the timeline for annual updates to the federal poverty guidelines to July instead of January.

Impact on Children and Families:

Repealing the statute to stagger MinnesotaCare renewals throughout the year will not adversely impact children or families. Enrollees will not experience a noteable change in their renewals as a result of the repeal, as staggered renewals for MinnesotaCare has not been implemented.

Equity and Inclusion:
Repealing the 2016 legislation that authorized staggered renewals would not disproportionally affect a specific racial or social group enrolled in MinnesotaCare. Enrollees will not experience a noteable change in their renewals as a result of the repeal, as staggered renewals for MinnesotaCare has not been implemented.

IT Related Proposals:
No IT changes are necessary to implement this proposal.

Fiscal Detail:
None.

Statutory Change(s):
Minnesota Statutes §§ 256L.01; 256L.04; and 256L.05.

Change Item Title: Modify the Window for Information Gathering for Inpatient Rate Setting

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends expanding the time period during which hospitals may appeal and/or correct the information the Department of Human Services (DHS) uses to set both the rates and the overall budget pool for inpatient hospital services. The proposal is budget neutral.

Rationale/Background:

Prior to 2014, the rate methodology for inpatient hospital services was specific to each hospital and was based only on the historical costs and services delivered by each individual hospital. Under this older rate setting method, hospitals could amend and correct the information used to set the rates well after the rates had gone into effect.

The current rate methodology for inpatient hospital services, implemented in November 2014, sets statewide base rates that are targeted to an overall budget pool. Under this methodology, any change in rates for one hospital will result in a change in the rates paid to all other hospitals.

Given the interrelated nature of the new hospital rates, changes were needed to address the time period during which hospitals could appeal their rates. During the 2017 legislative session, a language change was enacted to restrict the time period of the information DHS would consider in an appeal to ensure that all of the information used in the rate setting process was available in its final and correct form prior to DHS beginning the rate setting process. Amended hospital cost reports or reported Medicaid days would not be considered in the appeal if the amended information was not available prior to December 31st of the year that followed the base year for the rate setting. This one year window seemed reasonable at the time the legislative change was enacted. However, based on experience to date, DHS believes the appeals window can be extended to 18 months, giving hospitals more time to correct any errors in their cost reports.

Proposal:

This proposal directs DHS to expand the window for hospitals to correct the information used to compute inpatient hospital payment rates from 12 months to 18 months. This is a technical change to extend the timeframe during which a hospital can correct errors in their cost reports. It does not change the methodology used to calculate rates or the overall budget pool for inpatient hospital services and is, therefore, budget neutral.

Impact on Children and Families:

Families and children served by the Medical Assistance and MinnesotaCare programs are best served when providers are paid a fair and accurate rate. This proposal ensures that the rates paid to hospitals are calculated using the most up to date information.

Equity and Inclusion:

Enrollees and providers benefit when the rate setting process is fair and transparent. This change maximizes the window provided to hospitals to correct any errors in the information used to compute payment rates.

IT Related Proposals:

This proposal will not require and changes to DHS IT systems.

Fiscal Detail:

None.

Statutory Change(s):

Minnesota Statutes § 256.9695, subd. 1

Federal law or regulation to which this proposal complies:

NA

Change Item Title: Updating Rate Methodology Description for Outpatient Hospital Services

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:
The Governor recommends amending state statute to more clearly describe the rate methodology the Department of Human Services (DHS) uses to set payment rates for outpatient hospitals. This proposal is budget neutral.

Rationale/Background:
DHS uses Medicare's Ambulatory Payment Classification (APC) system to set outpatient hospital rates for most hospitals. This is not clear in the statutory language which instead describes the pricing data CMS used to develop the APC methodology over twenty years ago. The intent of the current language is that DHS will adopt Medicare's payment methodologies, as they are regularly updated, but that intent is not clear. DHS will amend the statute in a manner that will clarify the intent and continue to allow DHS to adopt Medicare's updates without the need for additional statutory changes.

Proposal:
This proposal amends statute to more clearly describe the rate methodology used to set payment rates for outpatient hospital services. This change is budget neutral. This proposal does not change current rate setting methodology; it only seeks to make the methodology clearer in statute.

Impact on Children and Families:
All providers and enrollees benefit when payment rates are fair and transparent. New providers will also have enough information to make an informed decision as to whether or not they want to participate in Minnesota Health Care Programs. Minnesota Health Care Program enrollees benefit when more hospitals accept the program's rates.

Equity and Inclusion:
All providers and enrollees benefit when payment rates are fair and transparent. New providers will also have enough information to make an informed decision as to whether or not they want to participate in Minnesota Health Care Programs. Minnesota Health Care Program enrollees benefit when more hospitals accept the program's rates.

IT Related Proposals:
There are no IT changes associated with this proposal.

Fiscal Detail:
None.

Statutory Change(s):
Minnesota Statutes § 256B

Change Item Title: Allow Tribal Governments To Access the Minnesota Food Shelf Program and Clarify Funding Authority for Emergency Assistance

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendations:

The Governor recommends amending the Minnesota Family Investment Program (MFIP) consolidated fund statute to clarify that tribal nations administering eligibility for MFIP can use the MFIP consolidated fund for Emergency Assistance payments to families in crisis. The Governor also recommends amending the Minnesota Food Shelf Program statute to allow tribal nations to access state food shelf funding. Both of these changes will help American Indian families in Minnesota by ensuring access to resources to meet basic needs. There is no cost for this proposal.

Rationale/Background:

The 2003 Minnesota Legislature established the MFIP consolidated fund for counties and tribes to develop programs and services designed to improve MFIP participant outcomes. In creating the MFIP consolidated fund the Governor and legislature ended Emergency Assistance for families with children as a statewide program and gave counties the option to provide Emergency Assistance with a portion of their MFIP consolidated fund allocation. This change also allowed counties to develop their own policies and procedures for Emergency Assistance (within limits set by 256J.626, subd. 2, paragraph (a), clause (1)). The statute establishing the MFIP consolidated fund (256J.626, subd. 1) stipulates that tribes are excluded from using the funds for Emergency Assistance. In 2003, no tribe was doing eligibility determination for state programs such as MFIP. At that time, tribes were limited to receiving MFIP consolidated fund allocations for employment services only. In 2011, the Legislature authorized the Department of Human Services (DHS) to transfer county legal responsibility to White Earth Nation for providing health and human services to tribal members and their families. This was called the White Earth Health and Human Services Transfer Project.[1] Subsequently, White Earth Nation Human Services established its White Earth Nation Financial Services Department to determine eligibility for Medical Assistance, Supplemental Nutrition Assistance Program, Minnesota Family Investment Program, Diversionary Work Program, General Assistance, Minnesota Supplemental Aid, and Housing Support. The stipulation that tribes cannot use MFIP Consolidated Funds for emergency assistance in 256J.626, subd. 1 no longer reflects the fact that a tribe can assume responsibility for determining eligibility in the same way counties do.

The Minnesota Food Shelf Program statute (256E.34) currently requires a food shelf to be "a nonprofit corporation" or be affiliated with a nonprofit corporation to be eligible to access the state food shelf funding. This prevents tribal nations from being able to apply for and receive state food shelf funding. Food shelves can apply for and receive Minnesota Food Shelf Program funding if they qualify under the provisions in statute. The

[1] 2011, 1st Special Session, Chapter 9, Article 9, Section 18

Minnesota Food Shelf Program funding distribution formula is based on the number of individuals served by each food shelf. The amount of money allocated to each food shelf shifts as new food shelves apply and/or the numbers of individuals served fluctuates. There are eleven tribal nations in Minnesota that would be eligible to receive Minnesota Food Shelf Program funding under this proposal – Bois Forte Band of Chippewa, Fond Du Lac Reservation, Grand Portage Band of Chippewa Indians, Leech Lake Band of Ojibwe, Lower Sioux Indian Community, Mille Lacs Band of Ojibwe, Prairie Island Indian Community, Red Lake Band of Chippewa Indians, Shakopee Mdewakanton Sioux (Dakota) Community, Upper Sioux Community, and White Earth Nation.

Proposal:

This proposal amends the MFIP consolidated fund statute (256J.626) to clarify that tribal nations administering eligibility for MFIP can use the MFIP consolidated fund for Emergency Assistance payments to families in crisis. Tribes only contracted to provide employment services would still not be able to use the MFIP consolidated fund to provide Emergency Assistance. That restriction stands because the tribal members receiving employment services are already eligible for Emergency Assistance in the county where they reside.

This proposal also amends the Minnesota Food Shelf Program statute (256E.34) to allow tribal nations to access state food shelf funding. This proposal would allow the eleven tribal nations in Minnesota to apply for and receive state food shelf funding in the same way that nonprofit corporations are allowed to apply for and receive these funds.

Fiscal Impact:

There is no fiscal impact for this proposal. This change clarifies that tribal nations administering eligibility for MFIP can use the consolidated fund for Emergency Assistance payments to families in crisis, but does not increase the total amount of funding for Emergency Assistance. The change to allow tribal nations to access state food shelf funding does not increase the Minnesota Food Shelf Program appropriation.

Impact on Children and Families:

Emergency Assistance is available to pregnant women and families with children with incomes below 200% of the federal poverty guideline (currently $42,672/year for a family of three). Twelve percent of adults identifying as homeless in the most recent survey conducted by Wilder Foundation identify as American Indian (compared to 1% of Minnesota adults). Almost half of the respondents to a separate survey on reservations reported that they were homeless.[2] More than 1 in 4 of the people responding were parents with children and more than half of these children were 6 or younger. Almost one-third of people that are homeless in Minnesota are children 17 years or younger.[3] More than 40% of homeless children end up changing schools, have reported learning problems, or experience bullying. Ensuring that tribal nations that administer MFIP can use the MFIP consolidated fund for Emergency Assistance will help keep children housed by supporting families that need assistance paying their rent.

In 2016, 36% of American Indian children in Minnesota were living in poverty compared to 7% of white children.[4] Allowing tribal nations to receive state food shelf funding will provide greater access to food for families with children living in poverty in tribal communities.

Equity and Inclusion:

The poverty rate for American Indians in Minnesota is more than 4 times higher than the poverty rate for white Minnesotans.[5] Unemployment rates for American Indian workers were more than 3 times higher than white

[2] 2018 Minnesota Reservation Homeless Study, Wilder Research.
[3] Homelessness in Minnesota: Detailed Findings from the 2018 Minnesota Homeless Study.
[4] Kids Count Data Center, The Annie E. Casey Foundation, 2016
[5] Kaiser Family Foundation estimates based on the Census Bureau's American Community Survey, 2008-2018

workers even before the COVID-19 pandemic.[6] These changes will ensure that tribal nations administering eligibility for MFIP can use the MFIP consolidated fund for Emergency Assistance payments to pregnant women and families with children in crisis and will allow tribal nations to apply for and receive state food shelf funding to help individuals and families struggling with hunger in their communities. The current Minnesota Food Shelf Program statute creates inequities for tribal nations. This change would give tribal nations the same access to state food shelf funding as nonprofit corporations.

IT Related Proposals:
Not applicable.

Fiscal Detail: None.

Statutory Change(s):
Minnesota Statutes, sections 256J.626 and 256E.34.

Citation of Federal Law Requiring the Change (For federal compliance proposals only):
None.

[6] Minnesota Department of Employment and Economic Development, 2016

Change Item Title: Align SNAP Employment and Training Statute with Federal Policy

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends amending Minnesota statute for the Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T) program to align with federal policy and better meet the needs of SNAP recipients. These changes also allow tribal nations that administer SNAP to receive SNAP E&T funding through the federal allocation. There is no cost for this proposal.

Rationale/Background:

SNAP Employment and Training provides evidence-based services to help SNAP recipients gain skills, training, or work experience to increase their ability to obtain regular employment that leads to economic self-sufficiency. Current statutory language for SNAP Employment and Training (SNAP E&T) is unnecessarily complex, does not align with federal policy, and is too prescriptive to allow the Department of Human Services to adapt to frequent federal changes. SNAP E&T is governed by Code of Federal Regulations, title 7, section 273.7, which was modified in the 2018 Farm Bill, and continues to be modified through Executive Orders and United States Department of Agriculture policy clarifications. The Department expects this trend to continue as SNAP E&T continues to be a priority area at the federal level and modifications to the program and policy occur annually. Current statute creates complexity in administration and fails to utilize all federal options. For example, current statute does not allow tribal nations that administer SNAP to receive SNAP E&T funding through the federal allocation.

Proposal:

This proposal will allow tribal nations that administer SNAP to receive SNAP E&T funding through the federal allocation. Current statute is structured to fund SNAP E&T through a direct federal allocation distributed to counties. These direct funds are, by statute, allocated out to counties on a formula basis. Though the amount of funding is not large, it could be used by tribes that administer SNAP to develop and expand their tribal workforce development programs and potentially access additional federal dollars through the SNAP E&T reimbursement funding stream.

This proposal also affirms the existing administrative relationship between the Department of Employment and Economic Development (DEED) and the Department of Human Services (DHS) for this program. DEED and DHS have been working collaboratively on SNAP E&T programming. The majority of SNAP E&T services are funded through a reimbursement by which providers are reimbursed for services paid with non-federal funding sources. Through this partnership, Minnesota has been able to draw down additional federal funding for both providers and the state itself.

In addition, this proposal will eliminate the requirement that counties and tribes operate a SNAP E&T program. Minnesota's federal allocation funding for SNAP E&T has decreased, and will continue to decrease for all states in the future as the federal program moves toward the reimbursement model. As a result, counties receive very little guaranteed funding each year to provide a SNAP E&T program (some counties receive less than $4,000 per year). By state law they must provide, at a minimum, an orientation, individual assessment, referral to other services, and a job search program to all SNAP participants not otherwise exempt from work requirements. This requirement would be replaced with a requirement that counties and tribes inform and refer SNAP recipients to existing workforce development resources in their community. This will reduce the burden on counties and tribes while continuing to allow counties and tribes that want to provide more robust services to do so.

Finally, this proposal will codify in statute that the state will operate a voluntary SNAP E&T program. This is the current practice of the state. Federal law allows states to operate either a voluntary or mandatory SNAP E&T program. The administrative costs of operating a mandatory program are significant and there is no evidence that mandatory programs are better at either engaging participants or increasing their likelihood of finding work. The operation of a voluntary SNAP program does not exempt SNAP participants from the work requirement, it simply reduces the burden placed on local eligibility staff to comply with additional notice and sanction requirements. SNAP participants not otherwise exempt would still be required to participate in work or work training in order to receive SNAP benefits beyond the 3-month time limit.

Current state law includes many very specific program requirements that no longer match federal requirements. Specific requirements that will be eliminated or changed include:

- Adding language about who must participate in SNAP E&T that matches the federal regulations about those who are required to participate in SNAP E&T.
- Granting authority for DHS to contract with third-party providers for SNAP E&T services. This authority is not explicitly granted in the current statute.
- Removing language around notices and sanctions. Sanctions no longer apply since Minnesota is operating a voluntary program.
- Eliminating the requirement that employability assessments include specific information outlined in state statute. Federal guidance provides requirements for employability assessments.
- Removing language that limits complying with SNAP work requirements to SNAP E&T programs. By federal law, SNAP recipients are allowed to meet work requirements with other employment and training programs outside of SNAP E&T (e.g., WIOA programs, veteran's programs, DEED programs, etc.).
- Eliminating the requirement for counties to offer job search. Job search alone is not an effective activity and SNAP E&T providers should be focused on activities that can help participants gain and maintain employment. Job search will continue to be an activity but, by federal regulation, it must be paired with other, more effective activities in order for participants to meet the work requirement.
- Removing operational details of the annual plan that each county must submit. These details are not required by federal regulations but will be covered in the administration of SNAP E&T by DHS.
- Updating language about DHS and DEED coordination. The current language is already required by federal SNAP regulations (7 CFR 273.7(c)) and the new language better reflects the working relationship between DHS and DEED to deliver employment and training services statewide.
- Adding DHS duties to collaborate with counties, tribes, and other agencies to expand the reach and services of a statewide SNAP E&T program and identify eligible nonfederal funds to earn federal reimbursement for SNAP E&T services. These were added to reinforce the goal of expanding the program statewide by increasing the amount of reimbursement funds.
- Removing language about terminating SNAP benefits for people that fail to cooperate with SNAP E&T. This language is in conflict with federal regulations. Local agencies are not allowed to terminate SNAP benefits for a person who is not participating in SNAP E&T but is participating in another employment and training program or working.

- Removing language about the Job Training Partnership Act. The Job Training Partnership Act was repealed in 1998.
- Removing language about the requirement to register work because this requirement is covered by federal regulations (7 CFR 273.7(a)(1)(i)).
- Removing language about SNAP recipients that are exempt from mandatory participation in SNAP E&T because the exemptions are out of date and do not align with federal law (7 CFR 273.7(b)).
- Eliminating the requirement that SNAP E&T orientation take place in a specific format. The requirement to inform SNAP recipients of their requirements and the availability of services is already covered by federal law (7 CFR 273.7(c)). Orientation will continue to be provided by SNAP E&T providers but providers will have more options for delivery.
- Clarifying SNAP E&T funding language in the statute. Language in the current statue is confusing and unclear. The new language:
    - Removes language that states that the federal SNAP E&T appropriation "must be used for skill attainment through employment, training, and support services for food stamp participants." The SNAP E&T federal appropriation cannot be used for support services – only reimbursement funds can be used for support services.
    - Clarifies that if USDA awards additional funds to states for specific SNAP E&T projects, these funds will not be distributed to counties/tribes via the allocation formula.
    - Adds "state agency" to the list of agencies that can receive federal reimbursement funds. This authority is not explicitly granted in the current statute.
    - Updates the SNAP E&T allocation formula. The new language allows the state to use a portion of the appropriated funds for administrative purposes, provides some discretion for how the funds are allocated to counties and tribes, and bases the formula on individuals rather than cases.
    - Removes 15% administrative cap for SNAP E&T providers. The 15 percent administrative cap is not required by federal regulations and some small agencies may need more than 15% for admin.
- Removing "registrant status" language. This language is unnecessary as state statute provides injury protection for SNAP uncompensated work experience programs (256J.68, subd. 1, paragraph (b)). Federal SNAP E&T guidance also states that "Regardless of whether an individual is a mandatory or voluntary participant, labor standards apply in any work experience setting where an employee/employer relationship, as defined by the Fair Labor Standards Act, exists."
- Removing "voluntary quit" language because it is already covered by federal regulations (7 CFR 273.7(j)).
- Updating language about allowing local agencies that administer SNAP to subcontract with public or private entities to provide SNAP E&T services. Current language requires that these subcontractors be approved by the DEED commissioner. The updated language gives this authority to the DHS commissioner since DHS administers SNAP E&T in Minnesota.
- Removing outdated language about work experience placements. By federal law, work experience placements will continue to be a qualifying activity available to SNAP E&T providers under the new language.
- Eliminating the requirement for counties to provide transportation to participants in literacy training (transportation cannot be funded with funds from the federal allocation as the current statute indicates). SNAP E&T providers can use SNAP E&T reimbursement funds for participant support services (e.g. transportation, dependent care, equipment and supplies related to training, books, uniforms, licensing fees, etc.). Use of the SNAP E&T reimbursement funds for these purposes is encouraged.

Fiscal Impact:

There is no fiscal impact to the state. This proposal amends Minnesota statute (Minn. Stat. §§ 256D.051 and 256D.052) for Supplemental Nutrition Assistance Program Employment and Training to align with federal policy.

Impact on Children and Families:

This proposal aligns with the Department of Human Services (DHS) priority area of Two Generation/Whole Family approaches, where employment strategies and flexibility in program design ensure that programs can address the needs of the entire family. By helping DHS expand SNAP E&T to more partners, this policy will help provide more low-income Minnesotans with access to a variety of support services to help them gain and maintain employment. SNAP E&T is designed to provide material supports to participants to reduce employment barriers. Providers can assist participants with childcare costs, emergency housing and utility payments, transportation assistance, and supported referral to mental health providers. However, these funds are only available through SNAP E&T reimbursement funding for services paid for with non-federal funding sources. By pursuing SNAP E&T reimbursement funding, we are increasing our capacity to serve low-wage families rather than only single adults who have been the primary target of the program in the past.

Equity and Inclusion:

As the SNAP E&T program continues to change each year, modifying state statute to align with federal policy would ensure the program benefits participants across the state. Unemployment rates for American Indian, Black, and Latinx workers are 2-3 times higher than the unemployment rates for whites in Minnesota. This helps explain why people of color and American Indians, who are 21 percent of the state's population,[1] are 44 percent of the SNAP caseload.[2] African Americans are 26 percent of the SNAP caseload,[2] even though they are only 7 percent of the state's population.[1]

By updating the statute, DHS will be able to create a SNAP E&T model that enhances program services, especially for African American and American Indian families that are disproportionately impacted by poverty and unemployment in Minnesota. Aligning with the model of a primarily SNAP E&T reimbursement funded program will allow DHS to further expand its partner organizations and work more closely with those organizations who have the expertise and cultural competencies to provide effective services to African Americans and American Indians. By reducing prescription in program design, these partners will be able to build innovative programs that are responsive to community needs and local labor markets.

IT Related Proposals:

Not applicable.

Fiscal Detail: None.

Statutory Change(s):

Minnesota Statutes, sections 256D.051 and 256D.052.

Citation of Federal Law Requiring the Change (For federal compliance proposals only):

None.

[1] QuickFacts Minnesota, U.S. Census Bureau, 2019.

[2] Characteristics of People and Cases on the Supplemental Nutrition Assistance Program, Minnesota Department of Human Services, 2018.

Change Item Title: Unemployment Insurance Updates (DEED)

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	20,880	20,880	20,880	20,880
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	20,880	20,880	20,880	20,880
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends changes to the state's Unemployment Insurance (UI) program's eligibility requirements that would make program benefits more equitable for Minnesotans. The Governor's recommended changes would remove the section of law that makes secondary students ineligible for UI benefits and would make it easier for Minnesotans to access job training while receiving UI benefits. These changes will provide additional supports for Minnesotans and will further broaden this safety-net.

Rationale/Background:

Given the demand on the Unemployment Insurance system during the COVID-19 pandemic, it has become clear that this is an essential economic safety net program that helps families afford life's necessities when they are unable to work. Unemployment has been experienced unevenly by Minnesotans, with communities of color more deeply affected by the economic impacts of COVID-19 and lower-wage employment has experienced more layoffs. Making changes to the program that would allow more Minnesotans to receive benefits when they are not working and that would expand the types of training programs that Minnesotans can access while receiving UI benefits will ensure that the program provides a wider safety net for more Minnesotans.

Currently, Minnesota Statute §268.085 details eligibility requirements for the UI program as well as payments that affect UI benefits. This section includes Minnesota Statute §268.085 Subd. 2 (3) which makes secondary students ineligible for UI benefits. Secondary students in Minnesota primarily work in covered employment, meaning that UI taxes are being paid on the majority of secondary student workers' wages, but these individuals are categorically ineligible for UI benefits.

Furthermore, Minnesota Statute §268.035, Subd 21c defines when an applicant is in "reemployment assistance training." The current list does not make clear that ESL, GED and other, basic skills training can be treated as reemployment assistance training even if other, suitable employment exists. Changing the statute to explicitly add ESL, GED and other basic skills training would support applicants with unemployment insurance while they are engaged in these types of reemployment assistance training and would further incent applicants to enroll in such training.

Proposal:

The Governor recommends two statutory changes to the state UI program that would remove the section of law that makes secondary students ineligible for UI benefits and would make it easier for Minnesotans to access job training while receiving UI benefits.

This proposal requires statutory and systems modifications to align this change with the administration of public programs. Changes to the technical systems operated by the Department of Human Services (DHS) cost $8,000 in FY 2022-23 and $2,000 in FY 2024-25. The Governor recommends DHS absorb the costs required to make these changes.

Impact on Children and Families:

Unemployment Insurance is a critical tool for providing income to those who have lost their job due to no fault of their own. It is a key safety net for keeping families afloat while they search for new jobs.

Equity and Inclusion:

Unemployment Insurance is accessible statewide, and the recommended changes would broaden eligibility for UI benefits to additional Minnesotans.

IT Related Proposals:

N/A

Change Item Title: Paid Family And Medical Leave Insurance

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures				
DEED	10,828	0	0	0
MMB	28	0	0	0
MMB Non-Operating	0	1,930	3,727	3,727
DLI	528	0	0	0
Supreme Court	20	0	0	0
Legislature-LCC	11	0	0	0
Transfer In	0	11,416	0	0
Paid Family Medical Leave Fund				
Expenditures				
DEED	0	23,880	51,671	50,755
MMB	0	23	13	13
DLI	0	518	468	618
DHS	0	574	0	115
Court of Appeals	0	0	0	5,600
Benefits	0		780,569	780,569
Revenues	0	446,199	862,769	880,024
Transfer Out	0	11,416	0	0
Net Fiscal Impact = (Expenditures – Revenues)	11,416	(419,848)	(26,321)	(38,626)
FTEs	**14**	**75**	**301**	**326**

Recommendation:

The Governor recommends $11.416 million from the general fund in FY 2022 only and applying a 0.6% employer premium rate to employee wages beginning in calendar year 2023 to establish a Paid Family and Medical Leave Insurance program. The Governor recommends allowing employees to pay for one-half of the premium rate. In FY 2023 only, the Governor recommends a transfer of $11.416 million from the Paid Family and Medical Leave fund to the general fund to reimburse agencies' startup costs. State appropriations will support the development of an IT system for collecting premiums and paying benefits, as well as initial staffing and administrative resources required to implement and operate this program at the Department of Employment and Economic Development, Minnesota Management and Budget, Department of Labor and Industry, the Supreme Court, Court of Appeals and the Legislative Coordinating Commission.

Rationale/Background:

Paid Family and Medical Leave is a program that most employees will need at one point but approximately 26 percent of all family and medical leaves do not include any wage replacement. According to the "Paid Family & Medical Leave Insurance: Options for Designing and Implementing a Minnesota Program" released in February 2016, around 10% of Minnesota workers take a family or medical leave in any given year. Fifty-nine percent (59%) of current leaves in Minnesota are for own-health reasons (other than pregnancy), 17 percent are for

bonding/parental leave (including pregnancy disability), and 24 percent of leaves are for caretaking a seriously ill family member.

Low-wage employees, certain minority groups, younger workers, and less educated populations are much more likely to manage leaves without any pay. Minnesota workers are less likely to receive compensation during leave for their own serious health condition or family care than for pregnancy or parental (bonding/maternity/paternity) leave. For many low-income Minnesotans, taking leave with little or no pay can create significant economic instability for their families, often during some of the most challenging times.

Without a comprehensive state paid family and medical leave program, Minnesotans are missing out on the economic stability and economy-boosting effects of keeping people employed while welcoming a new family member, caring for a sick loved one, or recovering from an illness or injury.

Proposal:

The Governor recommends creating a new Minnesota Family and Medical Leave Program administered by DEED. This program will provide wage replacement for family and medical leaves and will provide job protections for recipients, so they are assured of continued employment with their employer upon their return. Premiums collected will fund program benefits and ongoing administrative costs. Appropriations from the general fund and the new Paid Family and Medical Leave Fund will allocate:

- $34.708 million in FY 2022-23 and $102.426 million in FY 2024-25 for the Department of Employment and Economic Development will support the creation of a premium collection system, benefits payment system, user interface development, and program administration.
- $1.930 million in FY 2022-23 and $7.454 million in FY 2024-25 will be provided to Minnesota Management and Budget Non-Operating to offset employer-paid premium costs in the general fund for state executive and judicial branch agencies and offset the costs to agencies for obtaining notice acknowledgments from employees.
- $51 thousand in FY 2022-23 and $26 thousand in FY 2024-25 for Minnesota Management and Budget will fund state executive branch employee workplace notice costs as well as upgrades to the state's payroll system necessary for the collection of premiums.
- $1.046 million in FY 2022-23 and $1.086 million in FY 2023-25 for the Department of Labor and Industry will fund oversight and compliance costs related to the program as well as IT systems upgrades.
- $20 thousand in FY 2022-23 for the Supreme Court will fund a onetime update to the existing case management system that would calculate interest on judgments against employers.
- Starting in FY 2025, $5.6 million per year would fund costs related to appeals filed with the Court of Appeals for denied benefit claims.
- $11 thousand in FY 2022-23 for the Legislature-LCC will support onetime payroll system updates.
- $574 thousand in FY 2023 and $115 thousand ongoing starting in FY 2025 for the Department of Human Services to make systems modifications necessary for the implementation of the program. Income generated by individuals through participation in the family and medical leave program will be considered in eligibility determinations for MFIP, DWP, SNAP, Housing Support, MSA, GA, RCA, MA, MinnesotaCare, and CCAP.

Impact on Children and Families:

Similar programs in other states have shown improvements in economic stability for families and positive impacts for children. Societal benefits include retaining more women in the labor force, reductions in the need and associated costs for nursing home and other institutional care, reductions in the need for public assistance when a new baby arrives, and less infant care shortages.

Equity and Inclusion:

According to the 2016 report, while almost three-quarters of Minnesota workers received at least some pay when they were out of work for family or medical reasons, low-wage (46%); black (42%); or Hispanic (39%); younger (39%); part-time (38%) or less educated (38%) workers are much more likely to manage leaves without any pay. This proposal is intended to help address that inequality and the economic impacts that that inequality has on these workers.

IT Related Proposals:

This recommendation includes funding for IT costs to create a system for collecting premiums from employers and paying program benefits to recipients. The development of the Paid Family and Medical Leave system will be a multi-year project. The total cost to build the system between FY 2022-2026 is $67.841 million, including $5.973 million for staff costs.

Results:

Department of Employment and Economic Development will track the following:

- Amount of leave taken
- Amount of benefit payments made to recipients
- Employer opt-outs
- Employee opt-ins
- Program tax collections and balance
- Customer satisfaction

Change Item Title: PLACEHOLDER Preserving Access to Health Care if the ACA Is Ruled Unconstitutional

Fiscal Impact ($000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendations:

The Governor recommends action to preserve access to health care for Minnesotans in the event that the United States Supreme Court rules that the Affordable Care Act is unconstitutional.

Rationale/Background:

The Affordable Care Act (ACA) was enacted in 2010 and expanded health care coverage, accelerated cost-saving innovations, and improved consumer protections. More Minnesota families have the security of affordable and comprehensive health coverage because of the ACA:

- **Expanded access to affordable and comprehensive health coverage:** Over 300,000 additional Minnesotans were able to access health coverage through Medicaid Assistance or MinnesotaCare.
- **Created consumer protections and simplification:** The ACA made it easier for Minnesotans to understand their health coverage options, get covered, and stay covered by creating the no wrong door requirement and establishing a simplified income methodology making applying for public health care coverage less complex.
- **Increased federal investments in public health care programs:** The ACA brings in over $2.5 billion in federal funding into the state to provide health coverage for Minnesotans.

Several states have filed a lawsuit seeking to have the ACA ruled unconstitutional. The case is currently before the Supreme Court of the United States. If the Court finds the ACA unconstitutional, the impacts to Minnesotans could be substantial and far-reaching.

States have limited ability to respond absent actions and funding from the federal government. But, regardless of the outcome, the Walz administration is prepared to take action to protect Minnesotans' access to affordable and comprehensive health care.

Proposal:

If the Supreme Court rules the ACA or portions of it unconstitutional, the Governor recommends bring forth proposals to maintain healthcare access that Minnesotans rely on. The specific details of these proposals and its impact on Minnesotans will not be clear until a ruling is made by the Court.

AT A GLANCE

- Conducts more than 14,000 administrative appeals per year (FY 2019).
- Reviews and approves more than 6,000 contracts of different types and amendments per year.
- Provides human resource management for about 7,140 state staff and about 4,100 county staff.
- Resolves more than 100 requests for disability accommodations, investigates over 50 employment discrimination complaints, and resolves over 300 complaints relating to service delivery per year.
- Sponsors development, accreditation, and engagement opportunities for all 7,140 DHS employees.
- Promotes continuous improvement and accountability across the 11 essential human services in all 87 counties.
- Licenses approximately 23,000 service providers.
- Conducts healthcare program integrity activities. CY2019 resulted in 377 healthcare provider investigations, more than $18.7 million in overpayments identified, and 297 administrative actions taken.
- Conducts child care program integrity activities. CY2019 resulted in 109 child care provider investigations, more than $126,000 in overpayments identified, and 51 administrative actions taken.
- Conducts recipient program integrity activities including fraud prevention grants for tribes and counties and involvement in over 16,000 recipient investigations (CY 2019).
- Receives 5,592 maltreatment and 3,596 licensing reports; investigates 850 maltreatment allegations and 1,275 licensing reports (FY2019).
- All funds spending for Operations activities for FY 2019 was $129 million. This represents 0.6% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

The Operations area within the Department of Human Services (DHS) serves external customers, internal staff, and ensures integrity in spending of public resources. To external customers, we license service providers and conduct background studies – key activities that keep Minnesotans safe and protect our most vulnerable citizens. We also provide appeals processes, tribal, county, and community relations, and communication resources.

To internal staff, we provide human resources services, financial management, legal services, technology planning and facilities management.

Finally, we work to ensure the prudent use of public dollars by investigating, preventing, and stopping fraudulent uses of state and federal money.

SERVICES PROVIDED

Our Compliance Office is responsible for legal and compliance activities throughout the agency:

- The **Appeals Division** conducts administrative fair hearings for applicants and recipients appealing the denial, reduction, sanction or termination of benefits in cash and food programs, health care programs, social services programs and residential programs. We also hold administrative hearings when a state or county agency has determined a person committed program fraud, maltreated a child or vulnerable adult,

or believes a person should be disqualified from having access to or working with vulnerable populations in a program licensed by the department.

- The **Contracts, Purchasing and Legal Compliance Division** is the agency wide facilitator of DHS goods and services acquisitions including agency-wide asset management, commodities procurements, professional and technical services, and services delivered directly to program clients through grant contracts. The Division provides legal analysis and advice regarding contract development and vendor and grantee management.
- The **Internal Audits Office** tests, analyzes, evaluates and maintains the overall internal control environment at DHS. The Office has of three primary functions: Internal Audits, Program Compliance and Audits, and the Digital Forensics Lab. Our staff conducts audits of DHS grantees, contractors, vendors, and counties.
- The **General Counsel's Office** provides legal advice, counsel, and direction for all of DHS' legal activities.
- The **Management and Policy Division** oversees prevention, providing counsel on ethics, risk management, business continuity, records management, agency internal administrative policies, Commissioner Delegations of Authority, and policy bulletins.

Our **External Relations Office** oversee and provides direction to communications and key stakeholder relation efforts across the agency.

- Our **Office of Indian Policy** helps implement and coordinate programs with Tribes and provides ongoing consultation for program development for the delivery of services to American Indians living both on and off reservations. This office promotes government-to-government relations, and works to enhance tribal infrastructure, reduce disparities, and design effective programs.
- Our **Communications Office** leads agency communications efforts. We respond to inquiries from the news media and prepare information that helps the general public understand the agency's services and human services policies.
- Our **Legislative Relations** area participates in all aspects of legislative session planning and activities. We serve as a resource to managers and staff regarding the legislative process, prepare information for lawmakers, budget recommendations and position statements, as well as monitoring, tracking and analyzing legislative bills.
- Our **Community Relations** area supports, develops, and facilitates relationships between DHS and the community.
- Our **County Relations** area takes a lead role in the agency's relationships with Minnesota's 87 counties. These counties administer most of the human services system that the agency oversees.

Our **Human Resources Division** provides human resources management services for 7,140 staff at the agency and for approximately 4,100 county human services employees. This division provides staffing, health, safety, compensation, job classification, labor relations, management consulting, benefits administration, workers compensation and employee assistance services to managers and employees. The division is also responsible for the agency's continuous improvements training and initiatives, and for recycling, facilities management, mail processing, security, information desk services, and vehicle management.

Our **Office for Strategy and Performance** (OSP) provides consultation on performance measurement and continuous improvement, data analytics, survey development, and guides strategic planning.

- The **Human Services Performance Management** unit works to improve counties service delivery performance in the Minnesota human services system by building connections, measuring and reporting performance, providing data-informed improvement assistance, advancing equity to reduce disparities, and advocating for system change.

- The **Strategy & Analytics** team supports DHS leadership's long term planning. Key services are leadership development, organizational design and change management, strategic planning, evaluation, research, and performance management.

The **DHS Office of Inspector General** (http://mn.gov/dhs/general-public/office-of-inspector-general/) manages financial fraud and abuse investigations; licenses programs, such as family child care, adult foster care, and mental health centers; and conducts background studies on people who apply to work in health and human services settings:

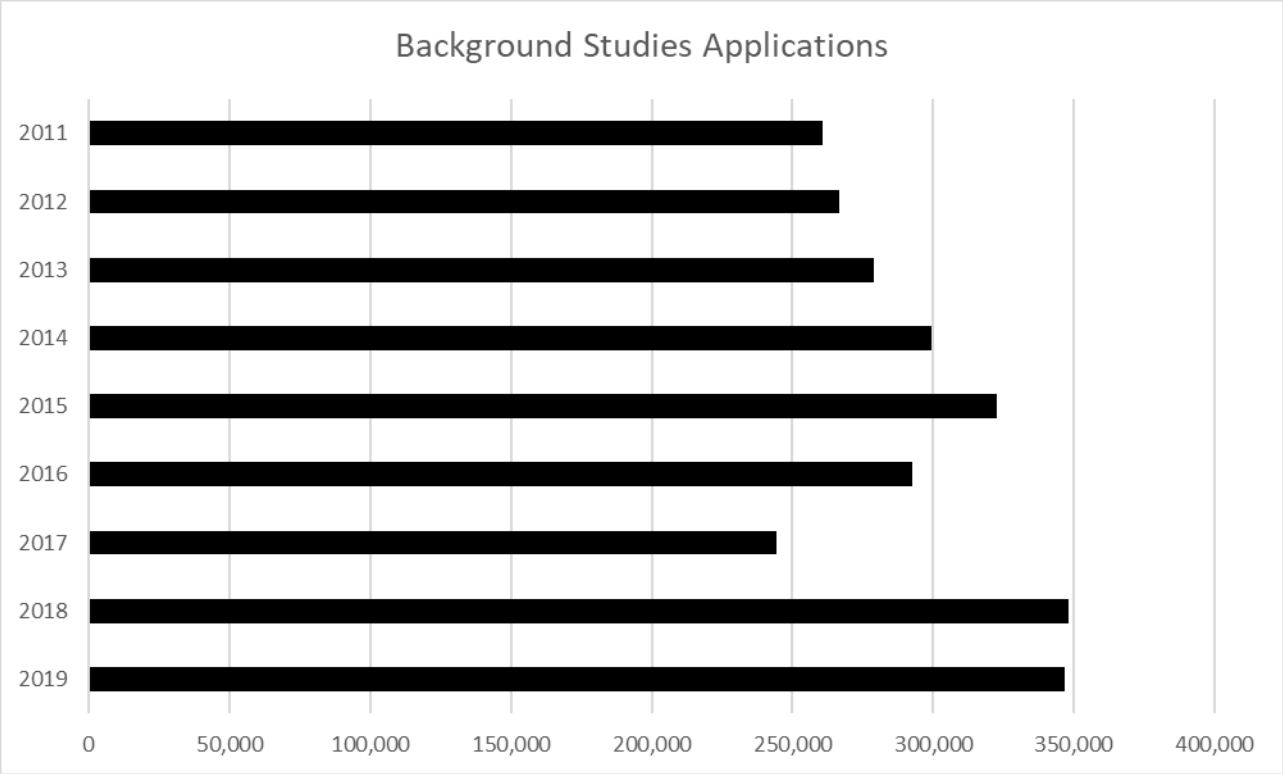
- Our Licensing Division (https://mn.gov/dhs/general-public/licensing/) licenses residential and nonresidential programs for children and vulnerable adults to ensure that the programs meet the requirements and the law. These programs include child care centers, family child care (via counties), foster care, adoption agencies, and services for people with developmental disabilities, chemical dependency and mental illness. Our staff also completes investigations of maltreatment of vulnerable adults and children receiving services licensed by DHS.
- Our Background Studies Division (https://mn.gov/dhs/general-public/background-studies/) annually conducts over 345,000 background studies on people working with children or vulnerable adults.
- Our Financial Fraud and Abuse Investigations Division is responsible for program integrity activities for health care, economic assistance, child care assistance and food support programs to ensure that public programs are utilized for the delivery of high-quality, needed services free of fraud, waste and abuse.

Our **Office of the Chief Financial Officer** provides fiscal services and controls the financial transactions of the agency, including the Central Office and Direct Care and Treatment. Core functions include preparing budget information, paying agency obligations, providing federal fiscal reporting, conducting patient revenue generation and collections, administering the Parental Fee program, processing agency receipts and preparing employees' payroll. The Reports and Forecasts Division (http://mn.gov/dhs/general-public/publications-forms-resources/reports/financial-reports-and-forecasts.jsp) is responsible for meeting federal reporting requirements for economic assistance programs, Minnesota Health Care Programs, and the Supplemental Nutrition Assistance Program. Our staff provides forecasts of program caseloads and expenditures, provides fiscal analyses of proposed legislation affecting these programs, and responds to requests for statistical information on the programs.

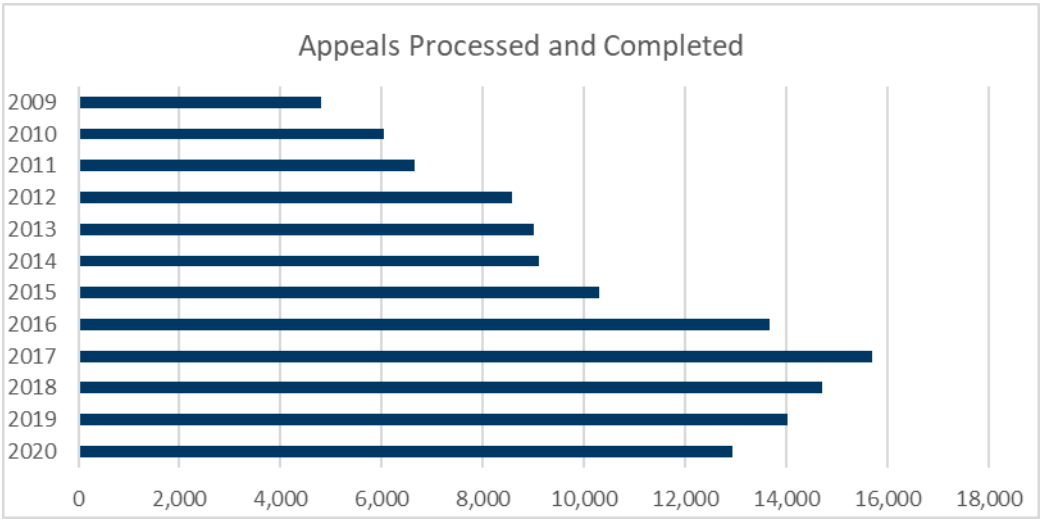
The **Business Solutions Offices** works across the agency and with external stakeholders to partner with MNIT in providing technology systems that support the delivery of human services. Staff in this office develop the business architecture to support system design, serve as the business owners for enterprise applications, coordinate the submission of federal funding applications, align data strategies, work throughout the agency and with external stakeholders on business readiness efforts and implement governance oversight for information management and technology work of the agency.

RESULTS

Number of background studies submitted per calendar year: Individuals who provide direct contact services to clients



Number of Appeals processed and completed by fiscal year



Operations' legal authority is in several places in state law: M.S. chapter 245A (Human Services Licensing); chapter 245C (Human Services Background Studies) and sections 144.057, 144A.476, and 524.5-118; and chapter 245D (Home and Community-Based Services Standards), M.S. Chapter 43A, sections 43A.19, 43A.191 (Affirmative Action), M.S. Chapter 363A (Human Rights), M.S. Chapter 402A (Human Services Performance Management).

Additional statutes give the agency authority to investigate fraud: M.S. sections 119B.125, 152.126, 256.987, 256D.024, 256J.26, 256J.38, 609.821, 626.5533, and chapter 245E (Child Care Assistance Program Fraud Investigations).

M.S. chapter 260E and section 626.557 authorize the agency's work conducting background studies and investigating reports related to maltreatment of minors and of vulnerable adults.

M.S. chapter 256 (Human Services) provides authority for many of the agency's general administrative activities. M.S. sections 256.045 to 256.046 give authority for the agency's appeals activities.

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	63,057	73,321	77,550	83,215	79,031	77,249	86,638	85,591
1200 - State Government Special Rev	3,777	4,044	4,163	4,185	4,174	4,174	4,174	4,174
1251 - COVID-19 Minnesota				10				
2000 - Restrict Misc Special Revenue	7,959	9,476	6,267	8,400	7,807	7,809	11,871	13,220
2001 - Other Misc Special Revenue	26,647	28,699	27,154	34,166	28,666	27,860	28,666	27,860
2360 - Health Care Access	5,996	6,174	6,187	6,254	6,829	7,456	6,829	7,456
3000 - Federal	1,742	4,216	7,023	7,197	11,277	6,977	11,277	6,977
3001 - Federal TANF	99	104	3	131	100	100	100	100
3010 - Coronavirus Relief			2,625	3,837				
4925 - Paid Family Medical Leave								574
Total	**109,276**	**126,035**	**130,972**	**147,395**	**137,884**	**131,625**	**149,555**	**145,952**
Biennial Change				43,056		(8,858)		17,140
Biennial % Change				18		(3)		6
Governor's Change from Base								25,998
Governor's % Change from Base								10
Expenditures by Category								
Compensation	64,800	74,144	80,907	82,015	77,449	75,806	85,949	88,467
Operating Expenses	42,717	49,737	49,216	65,324	60,379	55,763	63,550	57,429
Grants, Aids and Subsidies	124	100	191					
Capital Outlay-Real Property	3	1,224	217					
Other Financial Transaction	1,632	830	440	56	56	56	56	56
Total	**109,276**	**126,035**	**130,972**	**147,395**	**137,884**	**131,625**	**149,555**	**145,952**
Total Agency Expenditures	109,276	126,035	130,972	147,395	137,884	131,625	149,555	145,952
Internal Billing Expenditures				65	65	65	65	65
Expenditures Less Internal Billing	**109,276**	**126,035**	**130,972**	**147,330**	**137,819**	**131,560**	**149,490**	**145,887**
Full-Time Equivalents	**658.75**	**728.16**	**753.14**	**783.66**	**783.66**	**783.66**	**808.91**	**818.41**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In		6,129		1,542				
Direct Appropriation	137,610	138,040	154,894	151,339	151,842	153,878	159,449	162,220
Transfers In	13,337	30,935	22,153	24,940	11,113	11,113	11,113	11,113
Transfers Out	82,516	100,074	97,955	94,606	83,924	87,742	83,924	87,742
Cancellations		1,708						
Balance Forward Out	5,375		1,542					
Expenditures	**63,057**	**73,321**	**77,550**	**83,215**	**79,031**	**77,249**	**86,638**	**85,591**
Biennial Change in Expenditures				24,387		(4,485)		11,464
Biennial % Change in Expenditures				18		(3)		7
Governor's Change from Base								15,949
Governor's % Change from Base								10
Full-Time Equivalents	437.85	496.15	524.62	539.16	539.16	539.16	557.41	556.91
1200 - State Government Special Rev								
Balance Forward In		372		11				
Direct Appropriation	4,149	4,162	4,174	4,174	4,174	4,174	4,174	4,174
Transfers In		13						
Transfers Out		13						
Cancellations		490						
Balance Forward Out	372		11					
Expenditures	**3,777**	**4,044**	**4,163**	**4,185**	**4,174**	**4,174**	**4,174**	**4,174**
Biennial Change in Expenditures				528		0		0
Biennial % Change in Expenditures				7		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	36.18	36.75	35.97	36.99	36.99	36.99	36.99	36.99
1251 - COVID-19 Minnesota								
Balance Forward In				10				
Direct Appropriation			10					
Balance Forward Out			10					
Expenditures				**10**				
Biennial Change in Expenditures				10		(10)		(10)

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

2000 - Restrict Misc Special Revenue

Balance Forward In	3,609	1,848	3,754	772	768	768	768	768
Receipts	7,282	7,577	7,619	9,335	8,740	8,740	12,804	14,151
Transfers In	784	4,051	77	75	77	79	77	79
Transfers Out	1,912	326	4,412	1,014	1,010	1,010	1,010	1,010
Balance Forward Out	1,805	3,674	772	768	768	768	768	768
Expenditures	**7,959**	**9,476**	**6,267**	**8,400**	**7,807**	**7,809**	**11,871**	**13,220**
Biennial Change in Expenditures				(2,768)		949		10,424
Biennial % Change in Expenditures				(16)		6		71
Governor's Change from Base								9,475
Governor's % Change from Base								61
Full-Time Equivalents	74.76	78.62	66.28	74.46	74.46	74.46	81.46	91.46

2001 - Other Misc Special Revenue

Balance Forward In	2,272	2,768	2,880	1,749	1,749	1,749	1,749	1,749
Receipts	17,704	19,467	23,880	21,888	21,904	21,920	21,904	21,920
Transfers In	13,406	14,097	12,778	17,987	12,471	11,649	12,471	11,649
Transfers Out	4,392	4,862	10,633	5,709	5,709	5,709	5,709	5,709
Balance Forward Out	2,343	2,772	1,751	1,749	1,749	1,749	1,749	1,749
Expenditures	**26,647**	**28,699**	**27,154**	**34,166**	**28,666**	**27,860**	**28,666**	**27,860**
Biennial Change in Expenditures				5,975		(4,794)		(4,794)
Biennial % Change in Expenditures				11		(8)		(8)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	53.65	57.03	55.48	59.85	59.85	59.85	59.85	59.85

2360 - Health Care Access

Balance Forward In		186		24				
Direct Appropriation	21,019	21,118	20,709	20,724	16,966	16,966	16,966	16,966

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Transfers In	119	12		30				
Transfers Out	15,024	14,392	14,498	14,524	10,137	9,510	10,137	9,510
Cancellations		750						
Balance Forward Out	118		24					
Expenditures	**5,996**	**6,174**	**6,187**	**6,254**	**6,829**	**7,456**	**6,829**	**7,456**
Biennial Change in Expenditures				270		1,844		1,844
Biennial % Change in Expenditures				2		15		15
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	34.32	35.24	34.31	36.39	36.39	36.39	36.39	36.39

3000 - Federal

Balance Forward In	6		17					
Receipts	1,747	4,216	7,006	7,197	11,277	6,977	11,277	6,977
Balance Forward Out	12							
Expenditures	**1,742**	**4,216**	**7,023**	**7,197**	**11,277**	**6,977**	**11,277**	**6,977**
Biennial Change in Expenditures				8,262		4,034		4,034
Biennial % Change in Expenditures				139		28		28
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	21.19	23.57	36.42	36.75	36.75	36.75	36.75	36.75

3001 - Federal TANF

Balance Forward In	0	0	0					
Receipts	99	104	3	131	100	100	100	100
Balance Forward Out	0	0	0					
Expenditures	**99**	**104**	**3**	**131**	**100**	**100**	**100**	**100**
Biennial Change in Expenditures				(70)		66		66
Biennial % Change in Expenditures				(34)		49		49
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.80	0.80	0.06	0.06	0.06	0.06	0.06	0.06

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
3010 - Coronavirus Relief								
Direct Appropriation			2,625	3,837	0	0	0	0
Expenditures			**2,625**	**3,837**				
Biennial Change in Expenditures				6,462		(6,462)		(6,462)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
4925 - Paid Family Medical Leave								
Direct Appropriation								574
Expenditures								**574**
Biennial Change in Expenditures				0		0		574
Biennial % Change in Expenditures								
Governor's Change from Base								574
Governor's % Change from Base								

Program: Central Office Operations
Activity: Children & Families

mn.gov/dhs/people-we-serve/children-and-families/

AT A GLANCE

- Provides child support services to more than 346,000 custodial and non-custodial parents and 240,000 children annually.
- Provides child care assistance to an average of 29,000 children per month.
- 2,018 children were either adopted or had a permanent transfer of legal custody to a relative in 2019.
- Facilitates Supplemental Nutrition Assistance Program (SNAP) payments to more than 426,000 Minnesotans every month.
- All funds Children and Families administrative spending for FY 2019 was $51 million. This represented 0.3 percent of the Department of Human Services budget.

PURPOSE & CONTEXT

Children and Families oversees and provides administrative support to counties, tribes and social service agencies for child safety and well-being services and for economic assistance programs serving low-income families and children. These services help ensure that low-income people receive the support they need to be safe and help build stable families and communities.

Programs administered in this area seek to:

- Keep more people fed and healthy by increasing nutrition assistance participation
- Keep more children out of foster care and safely with their families
- Decrease the disproportionate number of children of color in out-of-home placements
- Increase access to high quality child care

Our statewide administration of these programs ensures that funds are used according to federal regulations, resources and services are distributed equitably across the state, and quality standards are maintained.

SERVICES PROVIDED

The Children and Family Services Administration is organized into five principal divisions:

- Child Safety and Permanency
- Child Support
- Community Partnerships and Child Care Services
- Economic Assistance and Employment Supports
- Management Operations

In the Children and Families Services Administration our staff provides administrative direction and supports to counties, tribes and community agencies. Our work includes:

- Researching, recommending and implementing statewide policy and programs
- Managing grants
- Providing training and technical assistance to counties, tribes and grantees
- Evaluating and auditing service delivery
- Conducting quality assurance reviews to ensure that services are delivered effectively, efficiently and consistently across the state

Our areas of responsibility include administering several forecasted programs: the Minnesota Family Investment Program (MFIP), Diversionary Work Program (DWP), and MFIP Child Care Assistance. Our staff also support grant programs that fund housing, food and child welfare services. We also administer the federal Supplemental Nutrition Assistance Program (SNAP). We review approximately 2,600 SNAP cases annually to see if benefits and eligibility were correctly determined. In addition, we review overall county and tribal administration and management of SNAP in 30-35 agencies each year. We provide oversight of statewide child welfare services that focus on ensuring children's safety while supporting families. We ensure that core safety services focus on preventing or remedying neglect, and providing basic food, housing and other supports to the most at-risk adults and children. In 2019, we provided more than 700 classroom trainings and over 5,100 online trainings on SNAP, family cash assistance, and child care assistance for county and tribal staff.

Funding for our programs comes from a combination of state and federal sources. Major federal block grants include Temporary Assistance for Needy Families, the Child Care and Development Fund, the Social Services Block Grant and the Community Services Block Grant. Funding from these four federal sources totaled $444 million in fiscal year 2019.

RESULTS

We provide administrative support to a broad array of programs and services for low-income families and adults and children.

Key Measures for programs serving families and children:

Type of Measure	***Description of Measure***	***2014***	***2015***	***2016***	***2017***	***2018***	***2019***
Quality	Percent of children not experiencing repeated abuse or neglect within 12 months of a prior report	94.3%	94.5%	91.8%	91.0%	91.0%	93.8%
Quality	Percent of all children who enter foster care in the previous year that are discharged to permanency (i.e., reunification with parents, caregivers, living with relative, guardianship, adoption) within 12 months	60.0%	56.1%	50.6%	47.5%	48.6%	49.5%
Quality	Percent of all children in foster care who had been in care between 12 and 23 months on the first day of the year that were discharged to permanency within 12 months of the first day of the year	50.0%	44.8%	48.1%	51.2%	58.9%	55.5%
Quality	Percent of all children in foster care who had been in care for 24 months or more on the first day of the year that were discharged to permanency within 12 months of the first day of the year	17.4%	23.1%	25.2%	28.8%	34.0%	33.3%

Data for quality measures provided by the Children and Family Services Administration at the Department of Human Services.

The two key measures in MFIP/DWP are:

- The **Self-Support Index**, which is a results measure. The Self-Support Index shows the percentage of adults eligible for MFIP or DWP in a quarter who have left assistance or are working at least 30 hours per week three years later. Customized targets are set for each county or tribe using characteristics of the people served and local economic conditions. State law requires the Department of Human Services to use the Self-Support Index to allocate performance bonus funds. The following chart shows that about two-thirds of participants have left MFIP or DWP and/or are working at least 30 hours per week three years after a baseline period.

Year ending in March of:	***S-SI***
2016	68.0%
2017	65.9%
2018	64.6%
2019	64.4%

- The federal Work Participation Rate (WPR) is a process measure and counts the number of parents engaging in a minimum number of hours of federally-recognized work activities. The measure does not count households who discontinue assistance when getting a job.

Federal Fiscal Year	***WPR***
2015	37.9%
2016	39.4%
2017	38.9%
2018	37.2%

Another employment-related, state-mandated performance measure tracked is:

- **MFIP/DWP Median Placement Wage**, a quality measure that reflects the number of people getting jobs and the median wage. The chart shows the statewide median hourly starting wage. (Tribes are not included.)

Calendar Year	***Median Placement Wage Per Hour for MFIP Clients***	***Median Placement Wage Per Hour for DWP Clients***
2015	$11.00	$11.00
2016	$11.50	$11.50
2017	$12.00	$12.00
2018	$12.50	$13.00

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	10,582	11,671	11,490	12,704	12,704	12,704	15,151	15,269
2000 - Restrict Misc Special Revenue	160	316	205	667	95	95	95	95
2001 - Other Misc Special Revenue	22,244	24,279	28,772	32,762	29,789	29,924	29,789	29,924
3000 - Federal	12,066	16,448	15,899	21,516	19,528	19,461	19,528	19,461
3001 - Federal TANF	1,848	2,160	2,468	2,582	2,582	2,582	2,582	2,582
3010 - Coronavirus Relief			2,589	1,437				
Total	**46,900**	**54,875**	**61,421**	**71,668**	**64,698**	**64,766**	**67,145**	**67,331**
Biennial Change				31,315		(3,625)		1,387
Biennial % Change				31		(3)		1
Governor's Change from Base								5,012
Governor's % Change from Base								4
Expenditures by Category								
Compensation	32,401	36,438	39,088	43,299	40,790	40,534	42,174	42,106
Operating Expenses	13,893	16,770	21,197	27,145	22,947	23,271	24,010	24,264
Grants, Aids and Subsidies	544	1,485	1,120	1,193	933	933	933	933
Capital Outlay-Real Property		155						
Other Financial Transaction	62	27	16	31	28	28	28	28
Total	**46,900**	**54,875**	**61,421**	**71,668**	**64,698**	**64,766**	**67,145**	**67,331**
Total Agency Expenditures	46,900	54,875	61,421	71,668	64,698	64,766	67,145	67,331
Internal Billing Expenditures			(8)					
Expenditures Less Internal Billing	**46,900**	**54,875**	**61,429**	**71,668**	**64,698**	**64,766**	**67,145**	**67,331**
Full-Time Equivalents	**324.07**	**355.23**	**365.33**	**376.58**	**375.08**	**375.08**	**389.08**	**389.08**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In		738		177				
Direct Appropriation	10,438	10,821	13,948	14,814	15,566	15,819	18,013	18,384
Transfers In	1,254	1,562	3,168	4,350	915	915	915	915
Transfers Out	633	1,368	5,449	6,637	3,777	4,030	3,777	4,030
Cancellations		82						
Balance Forward Out	477		177					
Expenditures	**10,582**	**11,671**	**11,490**	**12,704**	**12,704**	**12,704**	**15,151**	**15,269**
Biennial Change in Expenditures				1,940		1,214		6,226
Biennial % Change in Expenditures				9		5		26
Governor's Change from Base								5,012
Governor's % Change from Base								20
Full-Time Equivalents	75.86	95.21	93.60	96.58	96.58	96.58	110.58	110.58
2000 - Restrict Misc Special Revenue								
Balance Forward In	672	754	396	285	61	61	61	61
Receipts	0	68	53	381	33	33	33	33
Transfers In	42	112	41	62	62	62	62	62
Transfers Out		0						
Balance Forward Out	554	617	285	61	61	61	61	61
Expenditures	**160**	**316**	**205**	**667**	**95**	**95**	**95**	**95**
Biennial Change in Expenditures				396		(682)		(682)
Biennial % Change in Expenditures				83		(78)		(78)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.63	2.03	1.14	1.50	0.50	0.50	0.50	0.50
2001 - Other Misc Special Revenue								
Balance Forward In	2,588	1,207	1,487	611	594	594	594	594
Receipts	3,009	4,199	6,521	7,251	6,590	6,780	6,590	6,780
Transfers In	17,806	20,268	22,021	26,940	24,575	24,520	24,575	24,520
Transfers Out	82	172	645	1,446	1,376	1,376	1,376	1,376
Balance Forward Out	1,077	1,224	612	594	594	594	594	594
Expenditures	**22,244**	**24,279**	**28,772**	**32,762**	**29,789**	**29,924**	**29,789**	**29,924**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Biennial Change in Expenditures				15,010		(1,821)		(1,821)
Biennial % Change in Expenditures				32		(3)		(3)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	142.10	144.58	148.52	151.22	150.72	150.72	150.72	150.72

3000 - Federal

Balance Forward In	169	56	128	76	76	76	76	76
Receipts	11,955	16,438	15,796	21,516	19,528	19,461	19,528	19,461
Transfers In			50					
Balance Forward Out	59	46	76	76	76	76	76	76
Expenditures	**12,066**	**16,448**	**15,899**	**21,516**	**19,528**	**19,461**	**19,528**	**19,461**
Biennial Change in Expenditures				8,901		1,574		1,574
Biennial % Change in Expenditures				31		4		4
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	93.39	99.29	105.83	109.88	109.88	109.88	109.88	109.88

3001 - Federal TANF

Balance Forward In		184	184					
Receipts	1,848	1,976	2,284	2,582	2,582	2,582	2,582	2,582
Expenditures	**1,848**	**2,160**	**2,468**	**2,582**	**2,582**	**2,582**	**2,582**	**2,582**
Biennial Change in Expenditures				1,043		114		114
Biennial % Change in Expenditures				26		2		2
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	11.09	14.12	16.24	17.40	17.40	17.40	17.40	17.40

3010 - Coronavirus Relief

Balance Forward In				55				
Direct Appropriation			2,644	1,382	0	0	0	0
Balance Forward Out			55					
Expenditures			**2,589**	**1,437**				

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Biennial Change in Expenditures				4,026		(4,026)		(4,026)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

Program: Central Office Operations
Activity: Health Care

AT A GLANCE

- **Medical Assistance** provided coverage for an average of 1,098,867 people each month during FY 2019.
- **MinnesotaCare** provided coverage for an average of 79,944 people each month during FY 2019.
- In FY 2019, our Health Care Consumer Support team received 671,527 telephone calls from recipients.
- In FY 2019, our Provider Call Center received 302,374 calls from providers.
- All funds administrative spending for the Health Care activity for FY 2019 was $104 million. This represents 0.7 percent of the Department of Human Services overall budget.

PURPOSE & CONTEXT

The Minnesota Department of Human Services (DHS) Health Care Administration administers the following two health care programs for low-income Minnesotans:

Medical Assistance (MA) is Minnesota's Medicaid program which provides health coverage for low-income people including children and families, people 65 or older, people who have disabilities and adults without dependent children.

MinnesotaCare provides coverage for those who do not have access to affordable health care coverage but whose income is too high for Medical Assistance.

Our goals are to:

- Increase the number of insured Minnesotans by helping eligible people get MA or MinnesotaCare coverage
- Improve and streamline Medicaid processes through the way we administer and deliver programs
- Improve the health outcomes, beneficiary experience and value of care delivered through Minnesota Health Care Programs (MHCP)
- Reform payment and delivery models by designing rates and models to reward quality and emphasize transparency
- Use research, data and analysis to develop policy recommendations, support DHS health care programs and evaluate results
- Encourage stakeholder communication to support our clients, partners and programs

SERVICES PROVIDED

The Health Care Administration’s (HCA) divisions and operational units include the following:

Office of the Assistant Commissioner

This office performs central functions including:

- Managing the partnership between DHS and the federal Centers for Medicare and Medicaid Services for all Medicaid state plan and waiver services
- Conducting care delivery and payment reform projects including the Integrated Health Partnerships and the CMS State Innovation Models

- Ensuring that benefit and payment policies are supported by best clinical practices through the Office of the Medical Director
- Coordinating the development of recommendations on health care policy and legislation

Health Care Eligibility Operations

- Processes paper applications for MinnesotaCare and the Minnesota Family Planning Program
- Provides ongoing case maintenance and processes changes in enrollee circumstance that may influence eligibility
- Provides in-person and online training, responds to system-related questions from counties and tribes, and provides systems support.
- Operates the Health Care Consumer Support team (member help desk) and responds to enrollee phone calls regarding eligibility, covered services, and provider availability

Health Care Eligibility and Access

- Administers all eligibility policy for the Medical Assistance and MinnesotaCare programs including long term care services.
- Provides policy support for county social service agencies, tribal governments, and other entities processing applications for MHCP
- Conducts disability determinations to determine Medical Assistance eligibility under a disability basis via the State Medical Review Team (SMRT)
- Develops business requirements for eligibility systems including MAXIS, Medicaid Management Information System (MMIS), and the Minnesota Eligibility Technology System (METS)

Purchasing and Service Delivery (PSD)

- Coordinates the purchasing and delivery of services in state health care programs and administers coverage and benefit policies
- Establishes payment policies and calculations for fee-for-service and managed care rates
- Negotiates and manages annual contracts between DHS and managed care organizations

Medicaid Payments and Provider Services (MPPS)

- Supports MHCP members and providers, conducts benefits recovery and claims processing, runs the provider call center, enrolls health care providers, and manages all provider training and communication regarding the health care programs
- Assures that Medical Assistance program remains the payer of last resort by billing any insurers or other parties with primary responsibility for paying medical claims
- Ensures the timely and accurate payment of health care services
- Operates the Provider Call Center and responds to provider phone calls regarding member eligibility, enrollment, billing, coverage policies, and payment.

Healthcare Research and Quality

- Conducts data analysis, research, and data reporting responsibilities for the MHCP and oversees quality assurance activities for the managed care organizations contracting with DHS
- Uses heath care claims data to inform policy and program development and monitors the quality of health care services purchased by DHS

HCA staff shares some health care coverage policy and rates development functions with the Community Supports and Continuing Care for Older Adults Administrations for the services under the purview of those other administrations.

HCA work supports the following strategies:

- Improve access to affordable health care
- Integrate primary care, behavioral health, and long-term care
- Maintain a workforce committed to fulfilling the agency mission
- Expand the number of providers and enrollees participating in Integrated Health Partnerships
- Modernize eligibility and enrollment systems
- Reduce disparities so that cultural and ethnic communities have the same access to outcomes for health care
- Hold managed care plans accountable for health equity outcomes related to depression, diabetes, and well child visits

RESULTS

DHS works to make Minnesota 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. DHS contracts with managed care organizations to serve enrollees in Minnesota's public health care programs.

As part of Minnesota's commitment to deliver quality health care more effectively, DHS began a new payment model in 2013 that prioritizes quality preventive care and rewards providers for reducing the cost of care for enrollees in MA and MinnesotaCare programs. This nation-leading reform effort has saved $422 million in health care costs between 2013 and 2018, and continues to show how financial incentives and value-based payment can lower costs, maintain or improve health care quality and outcomes, and lead to innovative methods of delivering health care and other services tailored to a specific community's needs. Providers participating in the program currently serve more than 430,000 Minnesotans.

In 2010, DHS was directed to develop and implement a demonstration testing alternative health care delivery systems, including accountable care organizations (ACOs). This led to the development of the Integrated Health Partnerships (IHP) program in 2013. The goal of the program is to improve the quality and value of care provided to Medicaid and MinnesotaCare enrollees while lowering the cost through innovative approaches to care and payment.

The program allows participating providers to enter into an arrangement with DHS to care for enrollees under a payment model that holds the participants accountable for the costs and quality of care their Medicaid patients receive. Providers who participate work together to better coordinate and manage care, resulting in better outcomes.

IHP providers have experienced better health outcomes for their Medicaid and MinnesotaCare populations; for example, they had readmissions rates that were 4 percent lower and emergency department visits that were 2.5 percent lower than the IHP comparable population in 2019. IHPs also perform better than other Medicaid providers on several quality measures. For example, on outcomes measures related to diabetes, asthma, and vascular care, IHPs perform significantly better than other providers. Further, while a provider's Medicaid population typically shows worse outcomes than their commercial population on these metrics, this gap is narrower for the population served by the IHPs. Finally, IHPs also perform better than other providers on ensuring adolescents are screened for mental health issues. Those IHPs with explicit behavioral health focused interventions have shown high levels of relative improvement since 2017, with typical year-to-year relative improvement of 30 percent to 40 percent.

The IHP program continues to expand. Providers that deliver care for less than the targeted cost are eligible to share in the savings; some providers also share the downside risk if costs are higher than targeted. As IHPs

progress into their second and third contract years, a portion of their payment is tied to their performance on quality metrics.

In 2018, the most recent period with a final performance calculation, IHP savings to the health care system totaled nearly $98 million. This comes on top of savings of $107 million in 2017, $49.5 million in 2016, $87.5 million in 2015, $65.3 million in 2014 and $14.8 million in 2013. These savings are shared by providers, managed care organizations, the federal government, and the state.

Beginning in 2018, DHS expanded and enhanced the IHP model in several important ways. DHS introduced multiple tracks to accommodate a diverse set of provider systems, added a quarterly population-based payment to providers to support their care coordination and infrastructure needs, modified the quality measurements methodology, and increased accountability for nonmedical social factors affecting the health of and disparities found within the IHP population. As part of the accountability model tied to this population-based payment, IHPs are required to implement and evaluate specific initiatives that address a variety of social risk factors that impact the health of their patients and/or community. These innovative initiatives include programs that address food insecurity, unmet mental health needs, housing insecurity, the health needs of individuals recently released from jail or prison, and other social determinants of health.

Type of Measure	***Name of Measure***	***Previous***	***Current***	***Dates***
Quality	Percent of electronically submitted claims paid within two days[1]	98.36%	98.59%	FY2017 and FY2019
Quantity	Number of Integrated Health Partnerships[2]	24	26	2018 and 2020
Quantity	Total MA Benefit Recoveries (excluding fraud and cost avoidance)[3]	$61 million	$61.6 million	FY2017 and FY2019

Performance Measure Notes:

1. Source: FY 2017 Member and Provider Services Operational Statistics. Compares Fiscal year 2017 (Previous) to Fiscal year 2019 (Current). Our goal is to pay 98 percent of electronically submitted claims within two days. The trend is stable.
2. Measure is the number of provider systems or collaboratives of independent practices voluntarily contracting with DHS as an IHP to serve MA and MinnesotaCare recipients. Compares 2018 (Previous) to 2020 (Current)
3. Source: Member and Provider Services Operational Statistics. Measure is the total amount of recoveries conducted by the benefit recovery unit at DHS and contractors performing recovery activities on its behalf. Compares FY 2017 (Previous) and FY 2019 (Current).

M.S. chapter 256 (Human Services) provides authority for many of the agency's general administrative activities. Some of the authority to administer MA is also in that chapter. Additional legal authority to administer MA is in M.S. chapter 256B (Medical Assistance for Needy Persons). Our authority to administer MinnesotaCare is in M.S. chapter 256L.

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	19,589	22,575	18,431	18,948	18,888	18,888	20,533	20,741
2000 - Restrict Misc Special Revenue	2,526	831	1,305	2,135	2,119	2,119	2,119	2,119
2001 - Other Misc Special Revenue	49,955	58,326	56,061	67,190	57,129	55,273	57,129	55,273
2360 - Health Care Access	25,090	24,528	28,347	28,168	28,168	28,168	28,168	28,168
3000 - Federal	8,214							
3010 - Coronavirus Relief			591	493				
Total	**105,373**	**106,260**	**104,735**	**116,934**	**106,304**	**104,448**	**107,949**	**106,301**
Biennial Change				10,035		(10,917)		(7,419)
Biennial % Change				5		(5)		(3)
Governor's Change from Base								3,498
Governor's % Change from Base								2
Expenditures by Category								
Compensation	62,591	65,786	66,835	70,565	64,336	63,910	64,791	64,816
Operating Expenses	41,850	39,403	37,652	46,333	41,938	40,508	43,128	41,455
Grants, Aids and Subsidies	903	1,022	188					
Other Financial Transaction	30	49	59	36	30	30	30	30
Total	**105,373**	**106,260**	**104,735**	**116,934**	**106,304**	**104,448**	**107,949**	**106,301**
Total Agency Expenditures	105,373	106,260	104,735	116,934	106,304	104,448	107,949	106,301
Internal Billing Expenditures				18	18	18	18	18
Expenditures Less Internal Billing	**105,373**	**106,260**	**104,735**	**116,916**	**106,286**	**104,430**	**107,931**	**106,283**
Full-Time Equivalents	**731.29**	**738.15**	**715.64**	**690.77**	**690.77**	**690.77**	**694.77**	**697.77**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In		809		747				
Direct Appropriation	20,719	21,249	22,769	23,738	20,740	20,740	22,385	22,593
Transfers In	703	4,464	1,730	1,169				
Transfers Out	1,449	3,510	5,321	6,706	1,852	1,852	1,852	1,852
Cancellations		437						
Balance Forward Out	384		747					
Expenditures	**19,589**	**22,575**	**18,431**	**18,948**	**18,888**	**18,888**	**20,533**	**20,741**
Biennial Change in Expenditures				(4,785)		397		3,895
Biennial % Change in Expenditures				(11)		1		10
Governor's Change from Base								3,498
Governor's % Change from Base								9
Full-Time Equivalents	152.44	149.59	120.23	98.14	98.14	98.14	102.14	105.14
2000 - Restrict Misc Special Revenue								
Balance Forward In	5	5		16				
Receipts	1,614	635	855	1,619	1,619	1,619	1,619	1,619
Transfers In	912	196	466	500	500	500	500	500
Transfers Out		5						
Balance Forward Out	5		16					
Expenditures	**2,526**	**831**	**1,305**	**2,135**	**2,119**	**2,119**	**2,119**	**2,119**
Biennial Change in Expenditures				83		798		798
Biennial % Change in Expenditures				2		23		23
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	12.37	14.29	8.34	5.00	5.00	5.00	5.00	5.00
2001 - Other Misc Special Revenue								
Balance Forward In	4,406	5,128	6,020	1,289	1,289	1,289	1,289	1,289
Receipts	6,002	5,316	3,193	4,790	4,790	4,790	4,790	4,790
Transfers In	45,091	53,625	54,579	62,400	52,339	50,483	52,339	50,483
Transfers Out	862		6,442					
Balance Forward Out	4,682	5,743	1,288	1,289	1,289	1,289	1,289	1,289
Expenditures	**49,955**	**58,326**	**56,061**	**67,190**	**57,129**	**55,273**	**57,129**	**55,273**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Biennial Change in Expenditures				14,970		(10,849)		(10,849)
Biennial % Change in Expenditures				14		(9)		(9)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	249.50	269.29	288.69	287.70	287.70	287.70	287.70	287.70

2360 - Health Care Access

Balance Forward In		337		16				
Direct Appropriation	23,697	23,804	25,063	24,406	28,168	28,168	28,168	28,168
Transfers In	2,058	911	3,700	3,776				
Transfers Out	419	411	400	30				
Cancellations		113						
Balance Forward Out	246		16					
Expenditures	**25,090**	**24,528**	**28,347**	**28,168**	**28,168**	**28,168**	**28,168**	**28,168**
Biennial Change in Expenditures				6,897		(179)		(179)
Biennial % Change in Expenditures				14		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	314.58	304.98	298.38	299.93	299.93	299.93	299.93	299.93

3000 - Federal

Balance Forward In	20							
Receipts	8,194							
Expenditures	**8,214**							
Biennial Change in Expenditures				(8,214)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	2.40							

3010 - Coronavirus Relief

Direct Appropriation			591	493	0	0	0	0
Expenditures			**591**	**493**				

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Biennial Change in Expenditures				1,084		(1,084)		(1,084)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

mn.gov/dhs/people-we-serve/seniors/

AT A GLANCE

- Oversees services to over 400,000 older Minnesotans each year with a value $1.4 billion in state and federal funds.
- Covered nursing facility services for 14,168 people per month in FY 2019.
- Covered Elderly Waiver services for 35,880 people per month in FY 2019.
- Performs statewide human services planning and develops and implements policy.
- Obtains, allocates, and manages resources, contracts, and grants.
- Senior Nutrition grants provide congregate dining to 38,000 people and home delivered meals to 12,000 people.
- Provides comprehensive assistance and individualized help to more than 123,000 individuals through over 285,000 calls in 2019 through the Senior LinkAge Line®.
- Administer $53.569 million of grants to providers under Aging and Adult Services grants and $3.538 million under Other Long Term Care grants in FY 2019.
- Sets standards for, and evaluates, service development and delivery, and monitors compliance
- Provides technical assistance and training to county and tribal agencies and supports local innovation and quality improvement efforts.
- All funds administrative spending for the Continuing Care Administration activity for FY 2019 was $18.2 million. This represented 0.10 percent of the Department of Human Services overall budget.

PURPOSE & CONTEXT

The Continuing Care for Older Adults Administration administers Minnesota's publicly funded long-term care programs and services for older Minnesotans and their families. Our Administration's mission is to improve the dignity, health and independence of the people we serve.

We have four goals:

- Support and enhance the quality of life for older people;
- Manage an equitable and sustainable long-term care system that maximizes value;
- Continuously improve how we administer services; and
- Promote professional excellence and engagement in our work.

SERVICES PROVIDED

The Continuing Care for Older Adults Administration is composed of the following Divisions and units, each charged with particular areas of responsibility:

- Aging and Adult Services Division;
- Fiscal Analysis and Results Management;
- Nursing Facility Rates and Policy Division;
- Operations and Central Functions; and
- Planning and Aging 2030.

Our work includes:

- Administering Medical Assistance long-term services and supports waiver programs and state plan services. This includes developing, seeking authority for and implementing policies, projects, and research. We also oversee state and federal grants and contracts, including Senior Nutrition Grants.
- Working with the Community Supports Administration to administer the Moving Home Minnesota program, a federal Money Follows the Person Rebalancing Demonstration Program which serves both seniors and people with disabilities.
- Providing training, education, assistance, advocacy and direct services, including overseeing the state's adult protective services system.
- Monitoring service quality by program evaluation and measuring results using lead agency waiver reviews.
- Staffing of the Governor-appointed Minnesota Board on Aging (http://www.mnaging.org), a state board administratively placed within DHS with oversight of the Office of Ombudsman for Long-Term Care;
- Working to improve the quality of services and share best practices across providers;
- Providing administrative, financial, and operational management and support for both the Continuing Care for Older Adults Administration and the Community Supports Administration;
- Providing legislative coordination with the department, legislature and stakeholders;
- Supporting both Continuing Care for Older adults and Community Supports administrations on IT modernization projects, IT project portfolio oversight, and business process improvement efforts; and
- Providing outreach, staff support and technical assistance to stakeholders and stakeholder workgroups; and
- Auditing 365 nursing facility annual cost reports to ensure DHS and providers are maintaining compliance with federal and state requirements and timely publication of accurate payment rates.

Direct services we provide include:

- Providing statewide referrals to services, care transitions support, health insurance and long-term benefits counseling through the Senior LinkAge Line® to older Minnesotans and their caregivers so that they can get answers about long-term care and how to pay for it, assistance resolving issues with Medicare and prescription drugs, connections with volunteer opportunities, or help finding resources;
- Providing long-term care ombudsman services, which help people resolve complaints and keep their services; and
- Developing, maintaining, and publishing provider quality rankings for consumers using the nursing home and HCBS report cards.

Since the 2019 legislative session, new functions are being implemented:

- Hiring additional ombudsman through FY 2021 to assist with issues throughout the State; and
- The Assisted Living report card is planned to be implemented in calendar year 2022. However, COVID has impacted the work plan and may result in delays in implementation.

In addition, starting in March 2020, additional work is being conducted to address the COVID-19 pandemic:

- The Board on Aging received directly allocated funding from the federal Coronavirus Act, Relief, and Economic Security (CARES) act. The funding will mainly be used food security for home-bound for older adults who have disabilities, multiple chronic illnesses, and caregivers of older adults. Additional funding includes funding for the Office of Ombudsman for Long-Term Care. The Board also received funding from the Administration for Community Living for the Senior LinkAge Line and Disability HUB to provide critical access functions to serve populations most at risk of COVID-19. The total funding available for these funds is about $13.888 million and is available until September 30, 2021.

- In addition, $11.3 million was received from the Coronavirus Relief Fund for senior meals throughout the state and $1.063 million for an enhanced homecare benefit. This funding expires December 31, 2020.
- Under state law governing disasters (Minn. Stat. sec. 12A.10), DHS administers expedited reimbursement to nursing facilities to support efforts to limit COVID-19 exposure and to prevent the spread of COVID-19 within facilities. Costs that are eligible for expedited reimbursement are those necessary to ensure the health and safety of residents during the COVID-19 federal emergency declaration including PPE, additional staff hours and wages, and staff testing costs. The expedited reimbursement program began in March 2020 and will be available up to 60 days following the termination of the COVID-19 federal emergency declaration.

RESULTS

We use several information sources and data to monitor and evaluate quality outcomes and provider performance. Much of the information we analyze is from the DHS Data Warehouse or from surveys of consumers, providers, and lead agencies. More explanation of these measures is in the performance notes below the table.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quality	1. Average statewide risk-adjusted nursing facility quality of care score out of a possible 100 points	63.5	68.2	Jan. 2015 to Dec. 2019
Result	2. Percent of older adults served by home and community-based services	71.3%	74.9%	FY 2015 to FY 2019
Result	3. Difference between total weighted average daily payment rate as reported on the cost reports and the November 15th published rate.	Reported: $248.34 Published: $246.12 % Change: -1% MA Impact: ($11M)	Reported: $265.94 Published: $261.40 % Change: -2% MA Impact: ($22M)	CY 2018 to CY2019
Result	Annual total of net nursing facility audit adjustments to reported costs	($33.3M)	($40.3M)	CY 2018 to CY 2019

More information is available on the Long-Term Service and Support Performance Dashboards (mn.gov/dhs/ltss-program-performance).

Performance Notes:

1. Measure one compares data from the one year period July 2015 to June 2016, to data from the one year period January 2019 to December 2019. (Source: Minimum Data Set resident assessments)
2. This measure shows the percentage of older adults receiving publicly-funded long-term services and supports who receive home and community-based services through the Elderly Waiver, Alternative Care, or home care programs instead of nursing home services. (Source: DHS Data Warehouse)
3. Nursing facility daily payment rates are based on an annual cost report filed by facilities. The Nursing Facility Rates and Policy division audits these reports in order to ensure accuracy. The difference between reported and published rates in this measure represents corrections made a result of these audits. Without these audits, payment rates and MA payments would be higher. (Source: Nursing Facility Rates and Policy Division)

4. This measure represents audit adjustments to annual nursing facility cost reports. (Source: Nursing Facility Rates and Policy Division)

M.S. chapter 256 (Human Services) provides authority for many of the agency's general administrative activities. Some of the authority to administer MA is also in that chapter. Additional legal authority to administer MA is in M.S. chapter 256B (Medical Assistance for Needy Persons). For other activities administered under Continuing Care for Older Adults, we list legal citations that apply to the program at the end of each budget narrative.

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	12,928	13,749	14,045	19,571	17,261	17,261	17,451	17,496
1200 - State Government Special Rev	122	126	125	125	125	125	125	125
1251 - COVID-19 Minnesota				10				
2000 - Restrict Misc Special Revenue	44	486	138	248	187	187	187	187
2001 - Other Misc Special Revenue	510	955	2,078	4,512	3,432	1,347	3,432	1,347
2403 - Gift	6			15	15	15	15	15
3000 - Federal	3,921	3,318	3,282	5,480	3,819	3,799	3,819	3,799
3010 - Coronavirus Relief			471	13,756				
Total	**17,531**	**18,635**	**20,139**	**43,717**	**24,839**	**22,734**	**25,029**	**22,969**
Biennial Change				27,690		(16,283)		(15,858)
Biennial % Change				77		(26)		(25)
Governor's Change from Base								425
Governor's % Change from Base								1
Expenditures by Category								
Compensation	12,315	12,653	14,368	17,902	15,678	15,773	15,818	15,898
Operating Expenses	4,817	5,447	5,574	25,780	9,126	6,926	9,176	7,036
Grants, Aids and Subsidies	383	515	166					
Other Financial Transaction	16	20	32	35	35	35	35	35
Total	**17,531**	**18,635**	**20,139**	**43,717**	**24,839**	**22,734**	**25,029**	**22,969**
Total Agency Expenditures	17,531	18,635	20,139	43,717	24,839	22,734	25,029	22,969
Internal Billing Expenditures			22	27	27	27	27	27
Expenditures Less Internal Billing	**17,531**	**18,635**	**20,117**	**43,690**	**24,812**	**22,707**	**25,002**	**22,942**
Full-Time Equivalents	**119.73**	**120.01**	**131.07**	**152.41**	**151.41**	**151.41**	**152.41**	**152.41**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In		1,705		3,088				
Direct Appropriation	15,359	15,113	18,703	19,297	17,261	17,261	17,451	17,496
Transfers In	459	146	1,456	2,623				
Transfers Out	1,264	3,067	3,026	5,437				
Cancellations		149						
Balance Forward Out	1,626		3,088					
Expenditures	**12,928**	**13,749**	**14,045**	**19,571**	**17,261**	**17,261**	**17,451**	**17,496**
Biennial Change in Expenditures				6,939		906		1,331
Biennial % Change in Expenditures				26		3		4
Governor's Change from Base								425
Governor's % Change from Base								1
Full-Time Equivalents	85.54	89.37	95.85	113.00	113.00	113.00	114.00	114.00
1200 - State Government Special Rev								
Balance Forward In		3						
Direct Appropriation	125	125	125	125	125	125	125	125
Transfers In		1						
Cancellations		3						
Balance Forward Out	3							
Expenditures	**122**	**126**	**125**	**125**	**125**	**125**	**125**	**125**
Biennial Change in Expenditures				2		0		0
Biennial % Change in Expenditures				1		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.13	1.07	1.03	1.00	1.00	1.00	1.00	1.00
1251 - COVID-19 Minnesota								
Balance Forward In				10				
Direct Appropriation			10					
Balance Forward Out			10					
Expenditures				**10**				
Biennial Change in Expenditures				10		(10)		(10)
Biennial % Change in Expenditures								

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents				1.00				

2000 - Restrict Misc Special Revenue

Balance Forward In	2,143	3,763	4,960	458	458	458	458	458
Receipts	123	148	111	248	187	187	187	187
Transfers In	1,541	1,487						
Transfers Out			4,475					
Balance Forward Out	3,763	4,912	458	458	458	458	458	458
Expenditures	**44**	**486**	**138**	**248**	**187**	**187**	**187**	**187**
Biennial Change in Expenditures				(144)		(12)		(12)
Biennial % Change in Expenditures				(27)		(3)		(3)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.60	1.75	1.70	2.30	2.30	2.30	2.30	2.30

2001 - Other Misc Special Revenue

Balance Forward In	96	199	122	5,806	5,803	5,803	5,803	5,803
Receipts	53	172	203	2,783	1,623	907	1,623	907
Transfers In	472	761	7,559	1,726	1,809	440	1,809	440
Balance Forward Out	112	177	5,807	5,803	5,803	5,803	5,803	5,803
Expenditures	**510**	**955**	**2,078**	**4,512**	**3,432**	**1,347**	**3,432**	**1,347**
Biennial Change in Expenditures				5,124		(1,811)		(1,811)
Biennial % Change in Expenditures				350		(27)		(27)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			6.65	7.32	7.32	7.32	7.32	7.32

2403 - Gift

Balance Forward In	15	16	16	16	16	16	16	16
Receipts	6	0	0	15	15	15	15	15
Balance Forward Out	16	16	16	16	16	16	16	16

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures	**6**			**15**	**15**	**15**	**15**	**15**
Biennial Change in Expenditures				9		15		15
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Balance Forward In	55	24	25	9	9	9	9	9
Receipts	3,894	3,313	3,266	5,480	3,819	3,799	3,819	3,799
Balance Forward Out	27	18	9	9	9	9	9	9
Expenditures	**3,921**	**3,318**	**3,282**	**5,480**	**3,819**	**3,799**	**3,819**	**3,799**
Biennial Change in Expenditures				1,522		(1,144)		(1,144)
Biennial % Change in Expenditures				21		(13)		(13)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	32.46	27.82	25.84	27.79	27.79	27.79	27.79	27.79

3010 - Coronavirus Relief

Direct Appropriation			471	13,756	0	0	0	0
Expenditures			**471**	**13,756**				
Biennial Change in Expenditures				14,227		(14,227)		(14,227)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

Program: Central Office Operations
Activity: Community Supports

mn.gov/dhs/people-we-serve/people-with-disabilities/

AT A GLANCE

- Provided 54,561 people with disability home and community-based services waivers in FY2019.
- Provided 44,025 people with Personal Care Assistance (PCA) services in FY2019.
- Provided 4,221 people living with HIV/AIDS medical and support services in FY2019.
- 10,812 people received assistance from the Deaf and Hard of Hearing Services Division in FY2019.
- In FY 2019, lead agencies administered over 187,000 assessments for long-term services and supports. (This includes MnCHOICES, legacy LTCC and DD screenings, and PCA Assessments)
- 270,651 adults received mental health services through Minnesota Health Care Programs (MHCP) in CY 2017.
- 88,000 children and youth receive publicly funded mental health services each year.
- 7,707 individuals at risk of or experiencing long-term homelessness received supportive services in FY 2019.
- All funds administrative spending for the Community Supports Budget Activity for FY 2019 was $41 million. This represented 0.23% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

The Community Supports Administration (CSA) within the Department of Human Services oversees service delivery systems for people with disabilities, behavioral health problems, people who are deaf, deafblind and hard of hearing, and people needing housing and income supports. This includes prevention, treatment, long-term services and supports, including home and community based services, other Medical Assistance benefits specialized grant programs.

CSA trains, develops capacity and provides guidance and oversight for community partners including tribes, health plans, counties and community-based providers. Our current work encourages and supports research-informed practices and expanded use of successful models.

CSA goals are to support people to achieve meaningful outcomes, improve our operational excellence, and to manage an equitable and sustainable service delivery system.

SERVICES PROVIDED

We have four divisions within the Community Supports Administration (CSA):

- Behavioral Health Division (combination of former Alcohol and Drug Abuse and Mental Health Divisions)
- Disability Services Division
- Deaf and Hard of Hearing Services Division
- Housing Supports Division

Our administration also houses and provides administrative support infrastructure to the independent Minnesota Commission for Deaf, Deafblind and Hard of Hearing.

Collaborating both with partners within state agencies and in local communities, our administration shapes and implements public policy on mental health, substance use disorder treatment and prevention services, home and community based services, services for people who are deaf, deafblind and hard of hearing and housing supports.

Specifically, our staff:

- Lead efforts to shape and implement public policy directed towards prevention, early intervention, and treatment of persons with a mental illness or substance use disorder.
- Administer payment policy and manage grant programs for mental health and substance use disorder services, such as the Consolidated Chemical Dependency Treatment Fund, Minnesota Health Care Programs, Adult Mental Health Grants, Child Mental Health Grants and Substance Use Disorder Treatment Support Grants.
- Manage and administer the four disability home and community-based services waivers, home care services (including Personal Care Assistance), intermediate care facilities for people with developmental disabilities, and various grant programs that support people with disabilities living in the community.
- Administer programs to assure access to services, facilitate community engagement, provide technical assistance on best practices, develop local service capacity, and provide general program oversight and guidance.
- Promote access to core medical and support services to people living with HIV/AIDS by paying premiums to maintain private insurance, co-payments for HIV-related medications, mental health services, dental services, nutritional supplements, and case management.
- Promote equal access to communication and community resources for Minnesotans who are deaf, deafblind and hard of hearing by delivering direct services through statewide regional offices, the Telephone Equipment Distribution (TED) program and the DHHSD mental health program.
- Manage grant programs for services to adults and children who are deafblind, mentors for families with very young children who have hearing loss, Certified Peer Support Specialists and other mental health services for people with hearing loss who use American Sign Language and have mental health challenges, psychological assessments for children and youth with hearing loss, increasing capacity of interpreting services in Greater Minnesota.
- Facilitate many stakeholder groups, including the Governor-appointed Commission of Deaf, DeafBlind and Hard of Hearing, a state agency housed within DHS (http://mn.gov/deaf-commission);
- Provide housing assistance support and related services to people experiencing homelessness or who are in danger of becoming homeless.
- Work to encourage the development of local service capacity, including related professional workforce development activities.
- Train and guide service delivery partners on best practices.
- Provide supervision, guidance, and oversight to service delivery partners including counties, tribes and non-profit providers.
- Partner with stakeholders to improve prevention and early intervention efforts and the service delivery system.
- Secure funding outside of state appropriations and seek such opportunities to leverage goals.

RESULTS

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	The percent of adults in Assertive Community Treatment (ACT) who receive an annual comprehensive preventative physical exam.[2]	74.0%	67.1%	2016 vs. 2019
Result	1. Past 30 day use of alcohol by youth in communities receiving prevention funding.[3]	11.2%	13.3%	2016 vs. 2019
Result	2. Percentage of babies born with negative toxicology reports.[4]	58.9%	80%	2017 vs. 2019

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Result	3. Percent of working age adults on certain Medical Assistance programs earning $600 or more per month[5]	16%	18%	FY 2017 to FY 2019
Result	4. Percent of people with disabilities who receive home and community-based services at home.[6]	53.7%	61.2%	2015 to 2019
Result	5. Percent of long term service and support spending for people with disabilities in home and community-based services rather than institutions. [7]	89.8%	91.7%	2015 to 2019
Quality	61. Percent of consumers in DHHS grant-funded programs who are satisfied with quality of services they received..[8]	94%	89%	2014 to 2019

Performance Measure Notes:

1. This measure consists of data as reported in the Minnesota Student Survey for 9th grade users. Previous represents calendar year CY 2013 and Current represents CY 2016.
2. The percentage of babies with negative toxicology results during a 12-month period, born to women served by the state Women's Recovery grants. Previous represents FY 2014 and Current represents FY 2017.
3. Measure compares monthly earnings for people age 18-64 who receive services from one of the following Medical Assistance programs: Home and Community-Based Waiver Services, Mental Health Targeted Case Management, Adult Mental Health Rehabilitative Services, Assertive Community Treatment and Medical Assistance for Employed Persons with Disabilities (MA-EPD). More information is also available on the Employment First Dashboard (mn.gov/dhs/employment-first-dashboards)Source: DHS Data Warehouse.
4. This measure compares people who receive disability waiver services in their own home rather than residential services. More information is available on the Long-Term Service and Support Performance Dashboards (mn.gov/dhs/ltss-program-performance). Source: DHS Data Warehouse.
5. This measure compares spending of long term service and support for people with disabilities in home and community-based services rather than institutions. More information is available on the Long-Term Service and Support Performance Dashboards (mn.gov/dhs/ltss-program-performance). Source: DHS Data Warehouse.
6. Data source: Consumer satisfaction surveys and grantee reports.

M.S. chapter 256 (Human Services) provides authority for many of the agency's general administrative activities. Some of the authority to administer MA is also in that chapter. Additional legal authority to administer MA is in M.S. chapter 256B (Medical Assistance for Needy Persons). For other activities administered under Community Supports, we list legal citations that apply to the program at the end of each budget narrative.

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	27,032	27,449	30,991	32,646	32,264	32,264	33,993	33,678
2000 - Restrict Misc Special Revenue	5,350	6,112	4,575	8,789	8,837	9,045	8,837	9,045
2001 - Other Misc Special Revenue	3,957	4,091	5,603	7,846	5,289	4,810	5,289	4,810
2005 - Opiate Epidemic Response				309	309	309	309	309
2403 - Gift	3	0		13	13	13	13	13
3000 - Federal	6,222	7,639	7,652	9,850	9,496	8,976	9,496	8,976
3010 - Coronavirus Relief			1,054	749				
4800 - Lottery	82	86	101	225	163	163	163	163
Total	**42,645**	**45,379**	**49,976**	**60,427**	**56,371**	**55,580**	**58,100**	**56,994**
Biennial Change				22,379		1,548		4,691
Biennial % Change				25		1		4
Governor's Change from Base								3,143
Governor's % Change from Base								3
Expenditures by Category								
Compensation	30,682	34,063	38,694	42,533	39,516	39,732	40,115	40,371
Operating Expenses	8,973	7,955	8,051	16,596	13,534	13,477	14,664	14,252
Grants, Aids and Subsidies	2,915	3,293	3,081	1,154	3,027	2,077	3,027	2,077
Capital Outlay-Real Property	1							
Other Financial Transaction	74	67	150	144	294	294	294	294
Total	**42,645**	**45,379**	**49,976**	**60,427**	**56,371**	**55,580**	**58,100**	**56,994**
Total Agency Expenditures	42,645	45,379	49,976	60,427	56,371	55,580	58,100	56,994
Internal Billing Expenditures			(5)					
Expenditures Less Internal Billing	**42,645**	**45,379**	**49,981**	**60,427**	**56,371**	**55,580**	**58,100**	**56,994**
Full-Time Equivalents	**307.44**	**332.20**	**359.00**	**381.58**	**374.83**	**374.83**	**379.83**	**379.83**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In	95	4,026	213	1,527				
Direct Appropriation	29,546	29,381	36,031	35,807	32,205	32,205	33,934	33,619
Receipts	59	59	59	59	59	59	59	59
Transfers In	2,910	2,569	429	120				
Transfers Out	2,276	7,996	4,213	4,867				
Cancellations		376						
Balance Forward Out	3,302	213	1,528					
Expenditures	**27,032**	**27,449**	**30,991**	**32,646**	**32,264**	**32,264**	**33,993**	**33,678**
Biennial Change in Expenditures				9,156		891		4,034
Biennial % Change in Expenditures				17		1		6
Governor's Change from Base								3,143
Governor's % Change from Base								5
Full-Time Equivalents	198.25	210.24	239.36	256.50	256.50	256.50	261.50	261.50
2000 - Restrict Misc Special Revenue								
Balance Forward In	12,790	19,741	24,530	1,128	686	686	686	686
Receipts	14,712	16,891	1,132	4,374	4,422	4,435	4,422	4,435
Transfers In	1,295	2,205	5,698	4,555	4,655	4,850	4,655	4,850
Transfers Out	3,927	8,393	25,656	582	240	240	240	240
Balance Forward Out	19,520	24,332	1,129	686	686	686	686	686
Expenditures	**5,350**	**6,112**	**4,575**	**8,789**	**8,837**	**9,045**	**8,837**	**9,045**
Biennial Change in Expenditures				1,902		4,518		4,518
Biennial % Change in Expenditures				17		34		34
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	46.79	51.71	39.45	42.63	42.63	42.63	42.63	42.63
2001 - Other Misc Special Revenue								
Balance Forward In	676	609	365	860	843	843	843	843
Receipts	1,266	1,135	1,267	1,918	2,019	2,019	2,019	2,019
Transfers In	2,647	2,817	4,946	6,026	3,385	2,906	3,385	2,906
Transfers Out	130	154	115	115	115	115	115	115
Balance Forward Out	503	316	860	843	843	843	843	843

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures	**3,957**	**4,091**	**5,603**	**7,846**	**5,289**	**4,810**	**5,289**	**4,810**
Biennial Change in Expenditures				5,401		(3,350)		(3,350)
Biennial % Change in Expenditures				67		(25)		(25)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	23.44	23.87	30.57	30.45	30.45	30.45	30.45	30.45

2005 - Opiate Epidemic Response

Direct Appropriation				309	309	309	309	309
Expenditures				**309**	**309**	**309**	**309**	**309**
Biennial Change in Expenditures				309		309		309
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents				2.00	2.00	2.00	2.00	2.00

2403 - Gift

Balance Forward In	12	10	11	12	12	12	12	12
Receipts	1	1	0	13	13	13	13	13
Balance Forward Out	10	11	11	12	12	12	12	12
Expenditures	**3**	**0**		**13**	**13**	**13**	**13**	**13**
Biennial Change in Expenditures				10		13		13
Biennial % Change in Expenditures				343				
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Balance Forward In	9	25	11					
Receipts	6,213	7,625	7,642	9,850	9,496	8,976	9,496	8,976
Balance Forward Out		11						
Expenditures	**6,222**	**7,639**	**7,652**	**9,850**	**9,496**	**8,976**	**9,496**	**8,976**
Biennial Change in Expenditures				3,641		970		970
Biennial % Change in Expenditures				26		6		6

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	37.96	45.38	48.54	49.00	42.25	42.25	42.25	42.25

3010 - Coronavirus Relief

Direct Appropriation			1,054	749	0	0	0	0
Expenditures			**1,054**	**749**				
Biennial Change in Expenditures				1,803		(1,803)		(1,803)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

4800 - Lottery

Balance Forward In		81		62				
Direct Appropriation	163	163	163	163	163	163	163	163
Cancellations		158						
Balance Forward Out	81		62					
Expenditures	**82**	**86**	**101**	**225**	**163**	**163**	**163**	**163**
Biennial Change in Expenditures				158		0		0
Biennial % Change in Expenditures				94		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.00	1.00	1.08	1.00	1.00	1.00	1.00	1.00

Program: Central Office Operations
Activity: Central IT

https://mn.gov/mnit/about-mnit/who-we-are/

AT A GLANCE

- Operate and maintain over 393 active computer applications serving over 2.8 million people across all programs and used by 31,000 county, tribal, and state workers, more than 200,000 providers, other client assistors and DHS and MNsure business partners
- Oversee approximately 750 IT employees
- Manage over 90 active IT projects
- Total all funds spending for this budget activity in FY 2019 was $222 million, which represents approximately 1.5 percent of the agency budget.

PURPOSE & CONTEXT

The Central IT budget activity funds MNIT support for DHS to provide IT solutions that support agency business goals, and build and maintain the computer applications that automate the delivery of agency programs. MNIT provides secure and cost-effective information technology systems that support individuals who participate in DHS social services, health care, public assistance and direct care programs across the state. The work of MNIT helps DHS meet their mission to provide essential services to Minnesota's most vulnerable residents.

Please refer to the Office of MNIT Services Agency Profile for more information about the central MNIT organization.

SERVICES PROVIDED

MNIT provides the following services to DHS:

1. Leadership and planning support in the delivery of IT services to DHS at a high-value and cost-effective manner. This includes:
    - Implementation and participation in the DHS IT governance structure which allocates funding and guides IT program design, including the sequence/prioritization of IT work
    - Ensure that user experience design, accessibility and plain language are incorporated into DHS technology solutions
2. Program management activities to develop and operate the DHS IT project and portfolio management. This includes:
    - Portfolio and project management,
    - Business architecture,
    - Business analysis, and
    - Quality assurance
3. Application development and support to automate and maintain DHS services and operations. This includes:
    - Enterprise architecture,
    - Release management,
    - Methodologies to determine technology solutions,
    - Programming and coding, and
    - Ongoing maintenance to help ensure availability of DHS IT systems, and federal/state/industry compliance for DHS IT systems

4. IT services, including all of the computing, telecommunications and wide area network (WAN) services that underlie and support DHS program applications. This includes:
    - Cyber security,
    - Desktop, server and network support,
    - Operations support,
    - Firewall support & incident management,
    - Contact center support, and
    - Telephony, telepresence support

MNIT support provided for DHS is funded through a combination of state general fund, health care access fund and dedicated federal revenues administered within the state systems account.

RESULTS

MNIT contributes to the State's results-based outcome of efficient and accountable government services and supports the State's results-based outcomes for Community, Health, and Safety, by delivering technology solutions in order connect the people of MN to services provided by DHS, in order to support the DHS mission, vision, and values.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	New projects added to the Project Portfolio	66 projects added in CY 2019 *	9 projects added through June 2020*	Ongoing
Quantity	Projects completed	89 projects completed in CY 2019 *	33 projects completed through June 2020*	Ongoing

*MNIT has been working with DHS to review and reduce the size of the project portfolio to enable better oversight and management, and ultimately, faster completion for priority projects.

MS § 256.014 provides the authority for DHS operation of systems necessary to operate its programs and the creation of the state systems account.

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
2001 - Other Misc Special Revenue	268,352	227,244	219,273	259,200	171,785	152,650	171,785	152,650
Total	**268,352**	**227,244**	**219,273**	**259,200**	**171,785**	**152,650**	**171,785**	**152,650**
Biennial Change				(17,122)		(154,038)		(154,038)
Biennial % Change				(3)		(32)		(32)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Operating Expenses	259,336	227,168	219,151	259,200	171,785	152,650	171,785	152,650
Grants, Aids and Subsidies	0							
Capital Outlay-Real Property	8,498		84					
Other Financial Transaction	517	76	38					
Total	**268,352**	**227,244**	**219,273**	**259,200**	**171,785**	**152,650**	**171,785**	**152,650**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
2001 - Other Misc Special Revenue								
Balance Forward In	43,684	50,241	16,893	2,582	35	35	35	35
Receipts	212,627	182,111	187,610	262,721	164,879	140,442	164,879	140,442
Transfers In	185,796	201,054	201,597	302,643	207,096	191,152	207,096	191,152
Transfers Out	169,791	191,815	184,246	308,711	200,190	177,498	200,190	177,498
Balance Forward Out	3,966	14,348	2,582	35	35	1,481	35	1,481
Expenditures	**268,352**	**227,244**	**219,273**	**259,200**	**171,785**	**152,650**	**171,785**	**152,650**
Biennial Change in Expenditures				(17,122)		(154,038)		(154,038)
Biennial % Change in Expenditures				(3)		(32)		(32)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Forecasted Programs
Activity: MFIP Diversionary Work Program

mn.gov/dhs/people-we-serve/children-and-families/economic-assistance/income/programs-and-services/

AT A GLANCE

- About 70 percent of those people served through the Minnesota Family Investment Program (MFIP) and Diversionary Work Program (DWP) are children.
- In an average month, the programs serve about 80,000 children and their parents or caretakers in almost 29,000 households.
- Families receive an average of $979 a month of a combined cash assistance and food support through MFIP and $393 a month of cash assistance through the Diversionary Work Program.
- All funds spending for the MFIP/DWP activity for FY 2019 was $264 million. This represented 1.5 percent of the Department of Human Services overall budget.

PURPOSE & CONTEXT

MFIP and DWP provide temporary financial support to help meet the basic needs of low-income families with children and low-income pregnant women.

The majority of parents enrolling in MFIP or DWP were employed in the three months before they turned to the program for assistance. The majority are workers in one of four industries: hotel/restaurant, retail, temp agencies and health care. Another significant portion of families receiving assistance have significant barriers to stable employment, including serious mental illness, chronic and incapacitating illness, or intellectual or developmental disabilities.

The goal of these programs is to stabilize families and improve economic outcomes through employment. Without these benefits, families have little or no other resources available to help meet their basic needs.

These programs are funded with a combination of state and federal Supplemental Nutrition Assistance Program (SNAP) funds, and federal Temporary Assistance for Needy Families (TANF) funds. Counties and tribes administer the MFIP and DWP programs.

SERVICES PROVIDED

The Minnesota Family Investment Program provides job counseling, cash assistance and food assistance. Families cannot receive assistance for more than 60 months in their lifetime, unless a significant impairment identified in state law qualifies them for extended assistance. The amount of assistance is based on family size and other sources of income. A family of three with no other income can receive $632 in cash assistance and $412 in SNAP benefits per month. The benefits are structured to reward families who work and are gradually reduced as income rises. Parents are required to participate in employment services. Families may also be eligible for child care assistance and for health care coverage under Medical Assistance. Most families are also eligible for the MFIP housing assistance grant of $110 per month if they do not already receive a rental subsidy through the federal Department of Housing and Urban Development.

The Diversionary Work Program is a four-month long program for families who are applying for cash assistance, who have not received cash assistance in the last 12 months and who meet other eligibility criteria. The program includes intensive, up-front job search services. A family receives cash benefits based on its housing, utility costs and personal needs up to the same maximum as the Minnesota Family Investment Program, based on the

number of people in the family. Housing and utility costs are paid directly to the landlord or utility company. The maximum that a family of three – a parent with two children –can receive is $632 in financial assistance. Most families are also eligible for SNAP benefits, child care assistance and for health care coverage under Medical Assistance.

RESULTS

The two key measures in MFIP are:

- The **Self-Support Index** is a results measure. The Self- Support Index gives the percentage of adults eligible for MFIP or DWP during a given quarter who have left assistance or are working at least 30 hours per week three years later. Customized targets are set for each county or tribe using characteristics of the people served and local economic conditions. State law requires the Department of Human Services to use the Self-Support Index to allocate performance bonus funds. The following chart shows that about two-thirds of participants have left MFIP and/or are working at least 30 hours per week three years after a baseline period.

Year ending in March of:	*S-SI*
2010	67.0%
2011	65.2%
2012	65.3%
2013	66.9%
2014	68.5%
2015	68.8%
2016	68.0%
2017	65.9%
2018	64.6%
2019	64.4%

- The federal **Work Participation Rate** (WPR) is a process measure and counts the number of parents engaging in a minimum number of hours of federally-recognized work activities. The measure does NOT count households who discontinue assistance when getting a job.

Federal Fiscal Year	*WPR*
2010	40.2%
2011	43.9%
2012	45.3%
2013	45.1%
2014	46.2%
2015	37.9%
2016	39.4%
2017	38.9%
2018	37.2%

The state legal authority for the Minnesota Family Investment Program (MFIP) and Diversionary Work Program (DWP) is under M.S. chapter 256J (https://www.revisor.mn.gov/statutes/?id=256J).

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	85,181	78,890	91,486	128,374	89,597	88,251	75,674	75,262
2000 - Restrict Misc Special Revenue	197	151		750	750	750	750	750
3000 - Federal	129,219	116,551	118,640	153,525	119,249	109,497	119,249	109,497
3001 - Federal TANF	87,382	68,468	59,873	97,052	98,884	94,776	112,689	110,251
Total	**301,979**	**264,060**	**269,999**	**379,701**	**308,480**	**293,274**	**308,362**	**295,760**
Biennial Change				83,662		(47,946)		(45,578)
Biennial % Change				15		(7)		(7)
Governor's Change from Base								2,368
Governor's % Change from Base								0
Expenditures by Category								
Operating Expenses	167							
Grants, Aids and Subsidies	301,226	263,578	269,593	378,901	307,680	292,474	307,562	294,960
Other Financial Transaction	585	481	407	800	800	800	800	800
Total	**301,979**	**264,060**	**269,999**	**379,701**	**308,480**	**293,274**	**308,362**	**295,760**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In		3,749						
Direct Appropriation	88,930	78,890	91,486	128,374	89,597	88,251	75,674	75,262
Cancellations		3,749						
Balance Forward Out	3,749							
Expenditures	**85,181**	**78,890**	**91,486**	**128,374**	**89,597**	**88,251**	**75,674**	**75,262**
Biennial Change in Expenditures				55,789		(42,012)		(68,924)
Biennial % Change in Expenditures				34		(19)		(31)
Governor's Change from Base								(26,912)
Governor's % Change from Base								(15)
2000 - Restrict Misc Special Revenue								
Balance Forward In				145				
Receipts	197	151	145	605	750	750	750	750
Balance Forward Out			145					
Expenditures	**197**	**151**		**750**	**750**	**750**	**750**	**750**
Biennial Change in Expenditures				402		750		750
Biennial % Change in Expenditures				116				
Governor's Change from Base								0
Governor's % Change from Base								0
3000 - Federal								
Balance Forward In	21,958			7				
Receipts	107,260	116,551	118,647	153,518	119,249	109,497	119,249	109,497
Balance Forward Out			7					
Expenditures	**129,219**	**116,551**	**118,640**	**153,525**	**119,249**	**109,497**	**119,249**	**109,497**
Biennial Change in Expenditures				26,396		(43,419)		(43,419)
Biennial % Change in Expenditures				11		(16)		(16)
Governor's Change from Base								0
Governor's % Change from Base								0
3001 - Federal TANF								
Balance Forward In	11,714	56,338	54,403	92,800	99,523	83,328	99,523	83,328
Receipts	84,424	70,106	98,271	103,775	82,689	83,633	96,494	99,108

MFIP Diversionary Work Program

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Balance Forward Out	8,755	57,976	92,800	99,523	83,328	72,185	83,328	72,185
Expenditures	**87,382**	**68,468**	**59,873**	**97,052**	**98,884**	**94,776**	**112,689**	**110,251**
Biennial Change in Expenditures				1,075		36,735		66,015
Biennial % Change in Expenditures				1		23		42
Governor's Change from Base								29,280
Governor's % Change from Base								15

Program: Forecasted Programs
Activity: MFIP Child Care Assistance

mn.gov/dhs/people-we-serve/children-and-families/economic-assistance/child-care/programs-and-services/child-care-assistance.jsp

AT A GLANCE

- In 2019 MFIP Child Care Assistance paid for child care for 16,689 children in 8,065 families in an average month.
- The average monthly assistance per family was $1,547.
- All funds spending for the MFIP Child Care Assistance activity for FY 2019 was $157 million. This represented 0.9 percent of the Department of Human Services overall budget.

PURPOSE & CONTEXT

In order to work, families need safe and reliable child care. The annual cost of full time licensed care for one child can exceed $10,000. Many low-income families struggle to find affordable child care that fits their needs. Minnesota Family Investment Program (MFIP) Child Care Assistance provides financial subsidies to help low-income families pay for child care. To support quality child care experiences and school readiness, the program can pay a higher subsidy rate when a child is being cared for in a setting that meets quality standards.

SERVICES PROVIDED

The program provides supports to help improve outcomes for the most at risk children and their families by increasing access to high quality child care.

The following families are eligible to receive MFIP child care assistance or Transition Year child care assistance once they leave MFIP:

- MFIP and Divisionary Work Program (DWP) families who are employed, pursuing employment, or participating in employment, training or social services activities authorized in approved employment plans
- Employed families who are in their first year off MFIP or DWP (this is known as the “transition year”)
- Families in counties with a Basic Sliding Fee (BSF) child care waiting list who have had their transition year extended
- Parents under age 21 who are pursuing a high school or general equivalency diploma (GED), do not receive MFIP benefits, and reside in a county that has a BSF waiting list that includes parents under age 21

When family income increases, the amount of child care expenses paid by the family in the form of copayments also increases. All families receiving child care assistance and earning 75 percent or more of the federal poverty guideline make copayments based on family income. A family of three leaving MFIP and earning 115 percent of the federal poverty level ($24,978) would have a total biweekly child care provider payment of $25 for all children in child care.

The MFIP child care assistance activity is part of the state’s Child Care Assistance Program. Maximum rates in the Child Care Assistance Program are set in state law. Maximum rates are set for each type of care: child care centers, family child care and legal non-licensed child care. Providers are paid at the rate they charge private pay families, up to the maximum rate. The program pays a higher rate to providers who meet quality standards through Parent Aware, are accredited, or hold certain educational credentials.

Child care must be provided by a legal child care provider over the age of 18 years. Allowable providers include legal non-licensed family child care, license-exempt centers, licensed family child care and licensed child care centers. Families choose their providers in the private child care market. Counties administer the Child Care Assistance Program.

All families who meet eligibility requirements may receive this help. MFIP child care assistance is funded with state and federal funds that include the federal Child Care and Development Fund and the Temporary Assistance for Needy Families (TANF) fund.

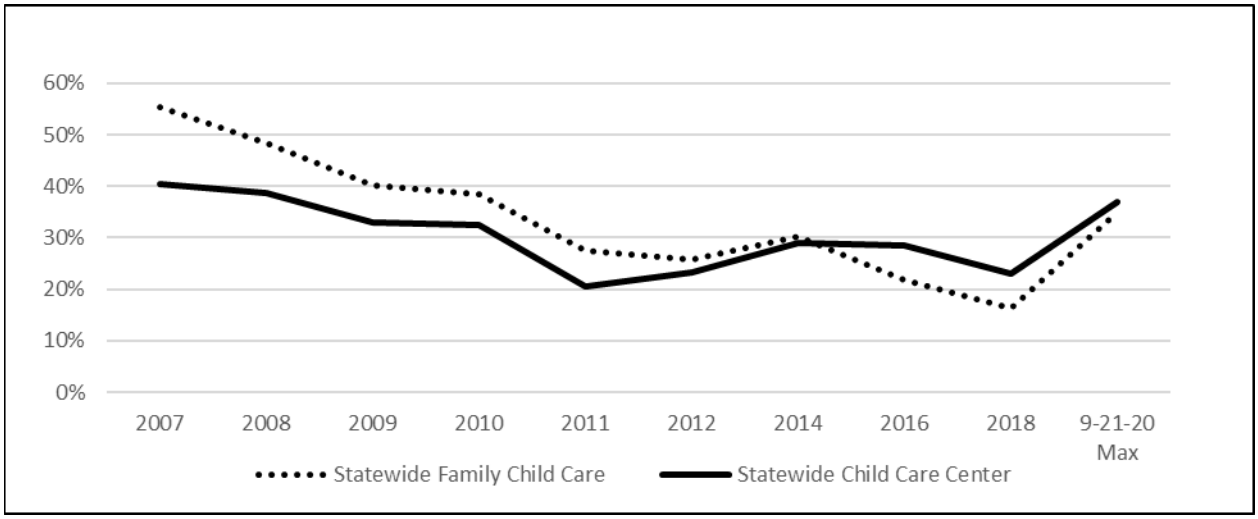
Various measures were taken during the Governor's Peacetime Emergency Declaration to address the impact of the coronavirus (COVID-19) pandemic. For example, the Commissioner approved a waiver temporarily allowing payments to closed child care providers for up to one month. Another waiver allowed child care assistance payments to a second child care provider when a child's regular program temporarily closed or was unavailable.

RESULTS

PERCENT OF PROVIDER PRICES FULLY COVERED BY CHILD CARE ASSISTANCE PROGRAM - Maximum rates paid to providers under the Child Care Assistance Program may not cover the full cost of child care. This may be a barrier for some families, if the family cannot find a provider in their community whose prices are covered by the maximum allowed under the program. **The percent of child care provider prices that are fully covered by the Child Care Assistance Program increased when the maximum rates were raised in the 2020 legislative session, but the maximum rate paid remains low compared to prices in the market.**

This quality measure shows approximately 35 percent of all family child care providers and approximately 37 percent of child care centers charge prices that are fully covered by the Child Care Assistance Program maximum rates.

Provider prices fully covered by Standard Maximum Rates statewide, by percent

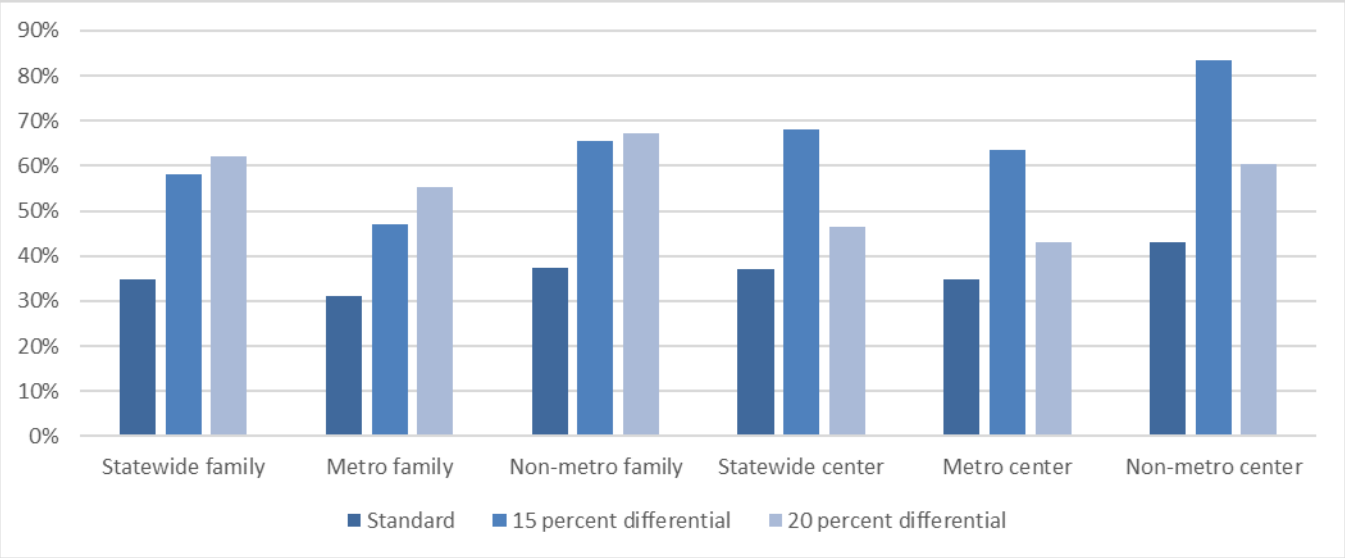


QUALITY DIFFERENTIAL IMPACT - Parent Aware is Minnesota's rating tool for helping parents select high quality child care and early education programs. The Child Care Assistance Program allows for a maximum rate up to a 15 percent higher for providers with a Parent Aware 3-star rating, or who hold certain accreditation or education standards established in statute. Up to a 20 percent higher maximum rate can be paid to providers with a 4-star Parent Aware rating.

This quality measure shows that higher maximum rates may increase families' access to high quality providers by allowing the maximum rate paid by the Child Care Assistance Program to fully cover more (or an equivalent

proportion) of their prices as compared to the prices charged by all providers. This measure indicates the impact of quality differentials by type of care. It is first presented as a statewide total, and then broken out by metro and non-metro counties.

Prices fully covered by Standard and Quality Differential Maximum Rates, by percent (Sept. 2020)



Specifically, the 20 percent differential allows the prices charged by center based four-star rated metro providers to be fully covered by the maximum subsidy at a higher proportion compared to the prices of all metro center providers. The higher maximum rates offer coverage of the prices charged by all other types of quality providers at higher levels than the standard maximum rates.

Use of High Quality Care - Children who participate in high quality early care and education are more likely to experience school success and positive life-long outcomes. This quality measure shows that the percent of all children receiving child care assistance through providers eligible for the higher subsidy rates for quality has increased from 37.5 percent in July of 2016 to 51.8 percent in July of 2019.

Percent of Children Receiving Child Care Assistance in Quality Settings

	2016	2017	2018	2019
Standard Care	53.2%	52%	48.4%	40.5%
Provider holds Accreditation*	3.8%	4.5%	3.9%	3.5%
Provider holds Parent Aware 1-2 Star	9.3%	6.6%	7.0%	7.7%
Provider holds Parent Aware 3-4 Star*	33.7%	36.9%	40.7%	48.3%

** These providers are eligible for CCAP higher rates for quality. Data representative of services provided in July of each year.*

The data source for the prices charged by providers is a biennial survey of provider prices conducted by the Department. To assess the portion of provider prices fully covered, provider prices are compared to the applicable maximum subsidy rates. The data source for children in care with provider's eligible for the higher rates for quality is from MEC^2, Minnesota's child care electronic eligibility and payment system.

The legal authority for the MFIP/TY Child Care Assistance program is in M.S. chapter 119B (https://www.revisor.mn.gov/statutes/?id=119B)

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	93,298	96,394	73,445	74,084	103,589	110,619	103,559	110,880
3000 - Federal	71,877	61,081	73,465	98,803	102,310	101,712	102,310	101,712
Total	**165,175**	**157,475**	**146,910**	**172,887**	**205,899**	**212,331**	**205,869**	**212,592**
Biennial Change				(2,854)		98,433		98,664
Biennial % Change				(1)		31		31
Governor's Change from Base								231
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	165,175	157,475	146,910	172,887	205,899	212,331	205,869	212,592
Total	**165,175**	**157,475**	**146,910**	**172,887**	**205,899**	**212,331**	**205,869**	**212,592**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In		7,995						
Direct Appropriation	101,293	95,289	77,400	74,084	103,589	110,619	103,559	110,880
Cancellations		6,890	3,955					
Balance Forward Out	7,995							
Expenditures	**93,298**	**96,394**	**73,445**	**74,084**	**103,589**	**110,619**	**103,559**	**110,880**
Biennial Change in Expenditures				(42,163)		66,679		66,910
Biennial % Change in Expenditures				(22)		45		45
Governor's Change from Base								231
Governor's % Change from Base								0
3000 - Federal								
Balance Forward In	78	5	34,430	20,650				
Receipts	71,805	95,506	59,685	78,153	102,310	101,712	102,310	101,712
Balance Forward Out	5	34,430	20,650					
Expenditures	**71,877**	**61,081**	**73,465**	**98,803**	**102,310**	**101,712**	**102,310**	**101,712**
Biennial Change in Expenditures				39,309		31,754		31,754
Biennial % Change in Expenditures				30		18		18
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Forecasted Programs
Activity: General Assistance

mn.gov/dhs/people-we-serve/people-with-disabilities/economic-assistance/income/programs-and-services/

AT A GLANCE

- In FY2019, the General Assistance (GA) program supported a monthly average of 23,176 people.
- The typical monthly benefit is $203 for an individual and $260 for a couple.
- All funds spending for General Assistance activity for FY 2019 was $50.3 million, which represented 0.3% of the overall agency budget.

PURPOSE & CONTEXT

General Assistance (GA) is the primary safety net for very low-income people without children who are unable to work and do not have enough money to meet their basic needs. The most common reason people are eligible is illness or incapacity. GA helps people meet some of their basic and emergency needs, commonly while they are homeless, transitioning out of homelessness, or receiving treatment.

Many people receive GA while they wait for more stable assistance such as Supplemental Security Income (SSI), a federal income supplement program that helps people who are aged, blind or have a disability and have little or no income. For most recipients, GA is a transitory, short-term benefit. In response to the COVID-19 pandemic and the resulting public health measures that created barriers to renewing eligibility, the Commissioner used her authority under Executive Order 20-12 to provide for contiuous GA eligibility during the peacetime emergency declared by the Governor.

SERVICES PROVIDED

General Assistance provides state-funded, monthly cash grants to people without children who have a serious illness, disabilities or other issues that limit their ability to work and are unable to fully support themselves.

The maximum monthly benefit is $203 for a single adult (about 19 percent of the Federal Poverty Guideline of $1,063 per month for one person), $260 for a couple, and $104 for a person living in a residential facility or receiving Housing Support benefits.

In 2019, nearly 40 percent of GA recipients received the lower benefit amount as a personal needs allowance while residing in residential facilities, such as mental health or substance use disorder treatment, and nursing facilities, or while receiving Housing Support.

The Emergency General Assistance (EGA) program provides additional emergency funds, no more than once in a twelve-month period, if a recipient cannot pay for basic needs and the person's health or safety is at risk.

Counties and tribes administer the General Assistance program on behalf of the Department of Human Services.

RESULTS

GA is a safety net program that helps people stabilize crisis situations, avoid homelessness and connect to other resources. It is intended to be short-term while recipients apply for other longer-term, stable benefits, or return to employment. It is not intended as a long-term solution to meet a person's basic needs. As mentioned above, a substantial number of GA recipients are living in a facility, including a mental health or substance use disorder

treatment facility, or receiving Housing Support benefits, while receiving GA benefits. The table below shows that a substantial percent of GA recipients also receive benefits while experiencing homelessness.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Percent of GA recipients that are homeless	25.1%	25.2%	Dec. 2018 Dec. 2019
Quantity	Percent of GA recipients receiving Housing Support benefits	26.8%	27.9%	Dec. 2018 Dec. 2019
Quantity	Percent of GA recipients living in a mental health facility	7.7%	7.6%	Dec. 2018 Dec. 2019
Quantity	Percent of GA recipients living in a substance use disorder treatment facility	2.7%	2.6%	Dec. 2018 Dec. 2019

The source for these outcomes is the December 2019 General Assistance Report: Households and enrollees (https://edocs.dhs.state.mn.us/lfserver/Public/DHS-6128L-ENG)

The legal authority for the General Assistance program is M.S. chapter 256D (https://www.revisor.mn.gov/statutes/?id=256D)

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	48,883	50,302	49,778	54,287	52,867	52,819	52,841	52,948
2000 - Restrict Misc Special Revenue		8		50	50	50	50	50
Total	**48,883**	**50,310**	**49,778**	**54,337**	**52,917**	**52,869**	**52,891**	**52,998**
Biennial Change				4,922		1,671		1,774
Biennial % Change				5		2		2
Governor's Change from Base								103
Governor's % Change from Base								0
Expenditures by Category								
Operating Expenses	0							
Grants, Aids and Subsidies	48,883	50,310	49,778	54,337	52,917	52,869	52,891	52,998
Total	**48,883**	**50,310**	**49,778**	**54,337**	**52,917**	**52,869**	**52,891**	**52,998**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In		6,653						
Direct Appropriation	55,536	49,293	51,071	54,287	52,867	52,819	52,841	52,948
Transfers In	6,730	6,730	6,730	6,730	6,730	6,730	6,730	6,730
Transfers Out	6,730	6,730	6,730	6,730	6,730	6,730	6,730	6,730
Cancellations	6,653	5,644	1,293					
Expenditures	**48,883**	**50,302**	**49,778**	**54,287**	**52,867**	**52,819**	**52,841**	**52,948**
Biennial Change in Expenditures				4,880		1,621		1,724
Biennial % Change in Expenditures				5		2		2
Governor's Change from Base								103
Governor's % Change from Base								0
2000 - Restrict Misc Special Revenue								
Balance Forward In			2	45				
Receipts	9		44	5	50	50	50	50
Balance Forward Out	1		45					
Expenditures	**8**			**50**	**50**	**50**	**50**	**50**
Biennial Change in Expenditures				42		50		50
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Forecasted Programs
Activity: MN Supplemental Aid

mn.gov/dhs/people-we-serve/people-with-disabilities/economic-assistance/income/programs-and-services/

AT A GLANCE

- In FY2019, the Minnesota Supplemental Aid program supported a monthly average of 31,782 people.
- The typical benefit is $81 for an individual and $111 for a couple.
- This supplements a typical monthly federal Supplemental Security Income (SSI) benefit of $783 for an individual living alone.
- All funds spending for Minnesota Supplemental Aid activity for FY2019 was $41.1 million, which represented 0.23% of the overall agency budget.

PURPOSE & CONTEXT

Minnesota Supplemental Aid (MSA) is a state-funded program that supports adults who receive, or are eligible for, federal Supplemental Security Income (SSI) benefits. MSA benefits help cover basic personal, home, and transportation needs. The majority of MSA recipients have a disabling condition (79%), are older adults (15%) or blind (0.4%), and over half of recipients are age 60 or older. This program is a critical component in helping Minnesotans with disabilities or older adults achieve longer-term housing and economic stability.

SERVICES PROVIDED

MSA provides a state-funded monthly cash supplement to help people who are older adults, blind or have a disability, and who receive SSI benefits. The average grant amount is $109, but over 20% of MSA recipients receive a special needs increase to their grant, usually to accommodate medically necessary special diets. MSA also supports recipients by partially offsetting the expenses of having a representative payee, guardian, or conservator. In response to the COVID-19 pandemic and the resulting public health measures that created barriers to renewing eligibility, the Commissioner used her authority under Executive Order 20-12 to provide for contiuous MSA eligibility during the peacetime emergency declared by the Governor.

Recipients can receive MSA benefits while living in their own home, or a reduced amount if they are residing in a nursing or intermediate care facility. As of December 2018, 4 percent of enrollees lived in a facility.

In addition, MSA housing assistance is available to qualified recipients, adding $392 to the MSA benefit to help pay high housing costs. To be eligible for housing assistance, applicants must:

- Be under age 65 at the time of application
- Have total housing costs in excess of 40 percent of their total income, and
- Meet one of the following criteria: (1) relocating from an institution, (2) eligible for Medical Assistance personal care attendant services, (3) receiving waivered services and living in their own place, or (4) transitioning from a Housing Support setting.

A person who receives federal or state rental assistance or lives in subsidized housing is not eligible for MSA Housing Assistance.

The Department of Human Services works with counties, tribes, the Social Security Administration, service providers, and other nonprofit agencies to identify people eligible for the program, and to advise and administer MSA program policy.

RESULTS

The MSA program has had stable enrollment of around 30,200 individuals over time. MSA benefits help low-income individuals with disabilities, or who are older, live successfully in the community and maintain longer-term economic stability. As shown in the table below, many people stay on MSA benefits for extended periods of time.

Name of Measure	***Number of Months***	***Number of Years***
Average cumulative amount of time a person receives MSA benefits	107 months	8.9 years

Many MSA recipients also receive an increase to their grant amount to ensure that they are able to meet the requirements of a medically-prescribed diet. The table below shows the number and percentage of recipients who benefit from this program.

Name of Measure	***Number***	***Percent***
Number and percent of MSA recipients who receive additional funds for medically necessary dietary needs	6,618	21.0%

MSA provides additional money to help people who qualify and have high housing costs move into affordable housing or be able to afford their current housing costs. This is consistent with the One Minnesota goal of providing access to affordable housing and to enabling people with disabilities to live in community-based settings.

Name of Measure	***Number***	***Percent***
Number and percent of MSA recipients who receive MSA housing assistance	1,384 households /cases	4.4%

All of these tools help advance the goal of meeting people's needs and promote stability.

The source for these outcomes are from data used for the DHS report, December 2018 Minnesota Supplemental Aid: Households and enrollees, and the forthcoming December 2019 report, along with the Social Security Administration report on SSI Recipients by State and County 2018 (https://www.ssa.gov/policy/docs/statcomps/ssi_sc/2018/ssi_sc18.pdf).

The legal authority for the Minnesota Supplemental Aid program is in M.S. chapter 256D: sections 256D.33 (https://www.revisor.mn.gov/statutes/?id=256D.33) to 256D.54.

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	39,066	41,128	43,503	51,469	51,582	52,515	51,560	52,486
2000 - Restrict Misc Special Revenue	1	1	3	5	5	5	5	5
Total	**39,066**	**41,129**	**43,506**	**51,474**	**51,587**	**52,520**	**51,565**	**52,491**
Biennial Change				14,784		9,127		9,076
Biennial % Change				18		10		10
Governor's Change from Base								(51)
Governor's % Change from Base								(0)
Expenditures by Category								
Grants, Aids and Subsidies	39,066	41,129	43,506	51,474	51,587	52,520	51,565	52,491
Total	**39,066**	**41,129**	**43,506**	**51,474**	**51,587**	**52,520**	**51,565**	**52,491**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In		1,418						
Direct Appropriation	40,484	41,085	43,521	51,469	51,582	52,515	51,560	52,486
Cancellations	1,418	1,375	18					
Expenditures	**39,066**	**41,128**	**43,503**	**51,469**	**51,582**	**52,515**	**51,560**	**52,486**
Biennial Change in Expenditures				14,778		9,125		9,074
Biennial % Change in Expenditures				18		10		10
Governor's Change from Base								(51)
Governor's % Change from Base								(0)
2000 - Restrict Misc Special Revenue								
Receipts	1	1	3	5	5	5	5	5
Expenditures	**1**	**1**	**3**	**5**	**5**	**5**	**5**	**5**
Biennial Change in Expenditures				7		2		2
Biennial % Change in Expenditures				589		26		26
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Forecasted Programs
Activity: Housing Support

mn.gov/dhs/people-we-serve/people-with-disabilities/economic-assistance/housing/programs-and-services/housing-support.jsp

AT A GLANCE

- In FY2019, the Housing Support program served a monthly average of 20,488 participants.
- The current room and board rate limit is $934.
- The average monthly payment per recipient in FY 2019 was $674.
- All funds spent for the Housing Support activity for FY2019 was $165.6 million, which represented 0.9% of the overall agency budget.

PURPOSE & CONTEXT

Housing Support is a state-funded income support that pays for housing related costs for adults with disabilities, or who are age 65 or older, and who have low income and live in authorized settings. Payments are made directly to a housing provider authorized by a county or tribe. Recipients may receive Housing Support in a licensed facility, or an authorized community-based setting, such as their own home. The program aims to reduce and prevent institutional residence or homelessness.

SERVICES PROVIDED

The Housing Support room and board rate is currently $934 per month. This amount is used to pay for rent, utilities, food, household supplies and other items needed to provide room and board to a recipient. Recipients are required to pay a portion of their income directly to providers toward the room and board rate. Housing Support can pay for additional supportive services in some settings if a recipient is not eligible for home-and community- based waiver services or personal care assistance.

Individuals can receive Housing Support benefits in a wide range of eligible settings, with the most common being adult foster care, assisted living, board and lodges, and scattered-site and site-based supportive housing. These numbers are shown in Table 1.

Table 1: Housing Support Setting Type and Number of People Served as of 12/31/2018 and 12/31/2019

SettingType	Total # of People as of Dec 31, 2018	Total # of People as of Dec 31, 2019
Adult Foster Care	8,832	8,805
Assisted Living	2,973	3,187
Board and Lodges	4,656	4,574
Boarding Care Homes	373	372
Homeless Supportive Housing	3,394	3,723
Supervised Living Facility	254	212
Total	**20,482**	**20,873**

Counties and tribes manage Housing Support agreements with providers. County human services agencies process eligibility and payments for people in the program.

The Commissioner used the authority provided under Executive Order 20-12 to waive the limit on the number of days a person can be temporarily absent from their housing and maintain their eligibility for the Housing Support

program if they are hospitalized due to COVID-19. The Legislature appropriated $1,135,000 in FY2021 from the Coronavirus Federal Fund to extend the modification to the Housing Support temporary absence policy until December 30, 2020.

RESULTS

While Housing Support recipients are eligible to live in a wide range of settings, an increasing percentage of recipients live in community settings with a lease. This trend, shown in the chart below, aligns with a vision statement for housing from Minnesota's 2020 Olmstead Plan:

"People with disabilities will choose where they live, with whom, and in what type of housing. They can choose to have a lease or own their own home and live in the most integrated setting appropriate to their needs. Supports and services will allow sufficient flexibility to support individuals' choices on where they live and how they engage in their communities."

The Housing Support program is used to support people with disabilities to move out of institutional settings and into more integrated settings.

Type of Measure	***Name of Measure***	***CY2018***	***CY2019***
Quantity	Number of moves out of institutions into setting using Housing Support	927	929

The percent of Housing Support recipients living in the community has grown over the past three years.

Type of Measure	***Name of Measure***	***Dec. 2017***	***Dec. 2018***	***Dec. 2019***
Quantity	Percent of recipients living in community settings with a lease	18%	19%	21%

Housing Support resources support people to move out of homelessness.

Type of Measure	***Name of Measure***	***CY2018***	***CY2019***
Quantity	Number of moves out of homelessness into setting using Housing Support (does not include shelter or crisis stays)	3,759	3,931

Homelessness disproportionately impacts people of color and American Indians in Minnesota. Data below shows how Housing Support is used to address those disparities with permanent housing solutions. Data sources include: American Community Survey, DHS MAXIS eligibility system.

Type of Measure	***Name of Measure***	***General population in Minnesota***	***Adults homeless on public assistance Dec. 2019***	***Permanent Supportive Housing Dec. 2019***
Quantity	Percent of adults who are Black	6.8%	41.9%	43.9%
Quantity	Percent of adults who are American Indian	1.1%	15.1%	11.4%

The legal authority for the Housing Support program is M.S. chapter 256I (https://www.revisor.mn.gov/statutes/?id=256I).

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	159,027	166,696	181,977	181,867	182,536	189,611	182,448	189,494
2000 - Restrict Misc Special Revenue	2,330	2,131	2,655	2,475	2,475	2,475	2,475	2,475
3010 - Coronavirus Relief				1,135				
Total	**161,357**	**168,827**	**184,631**	**185,477**	**185,011**	**192,086**	**184,923**	**191,969**
Biennial Change				39,924		6,989		6,784
Biennial % Change				12		2		2
Governor's Change from Base								(205)
Governor's % Change from Base								(0)
Expenditures by Category								
Operating Expenses	2,374	3,968	4,995	4,860	4,860	4,860	4,860	4,860
Grants, Aids and Subsidies	158,983	164,859	179,637	180,617	180,151	187,226	180,063	187,109
Other Financial Transaction	0							
Total	**161,357**	**168,827**	**184,631**	**185,477**	**185,011**	**192,086**	**184,923**	**191,969**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In		11,042						
Direct Appropriation	169,312	165,807	180,495	181,867	182,536	189,611	182,448	189,494
Transfers In			6,200					
Cancellations	10,285	10,153	4,718					
Expenditures	**159,027**	**166,696**	**181,977**	**181,867**	**182,536**	**189,611**	**182,448**	**189,494**
Biennial Change in Expenditures				38,120		8,303		8,098
Biennial % Change in Expenditures				12		2		2
Governor's Change from Base								(205)
Governor's % Change from Base								(0)
2000 - Restrict Misc Special Revenue								
Balance Forward In				17				
Receipts	2,330	2,131	2,672	2,458	2,475	2,475	2,475	2,475
Balance Forward Out			17					
Expenditures	**2,330**	**2,131**	**2,655**	**2,475**	**2,475**	**2,475**	**2,475**	**2,475**
Biennial Change in Expenditures				669		(180)		(180)
Biennial % Change in Expenditures				15		(4)		(4)
Governor's Change from Base								0
Governor's % Change from Base								0
3010 - Coronavirus Relief								
Direct Appropriation				1,135	0	0	0	0
Expenditures				**1,135**				
Biennial Change in Expenditures				1,135		(1,135)		(1,135)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

mn.gov/dhs/people-we-serve/children-and-families/services/foster-care/
http://mn.gov/dhs/people-we-serve/children-and-families/services/adoption/

AT A GLANCE

- 15,297 children experienced an out-of-home placement in 2019.
- 2,018 children were either adopted or had a permanent transfer of legal custody to a relative in 2019.
- All fund spending for the North Star Care for Children activity for FY 2019 was $139 million. This represented 0.8 percent of the Department of Human Services overall budget.

PURPOSE & CONTEXT

Northstar Care for Children is designed to help children who are removed from their homes. It supports permanency through adoption or transfer of custody to a relative if the child cannot be safely reunified with parents. Financial support is provided to adoptive and foster parents to encourage permanent placement of children in safe homes. The benefit varies with the child's age but averages about $12,000 annually per child. Northstar Care for Children consolidates and simplifies administration of three existing programs: Family Foster Care, Kinship Assistance (which replaced Relative Custody Assistance) and Adoption Assistance. Northstar Care for Children will help more children grow up in safe and permanent homes.

SERVICES PROVIDED

The comprehensive, simplified Northstar Care for Children program:

- Combines three child welfare programs — Family Foster Care, Adoption Assistance and Kinship Assistance — into a single program with uniform processes and unified benefits.
    - Northstar Foster Care is for family foster care, in which children might become permanent members of families. It is not used for group housing or residential treatment.
    - Northstar Kinship Assistance replaced the previous Relative Custody Assistance program, simplifying ongoing requirements for caregivers and using federal Title IV-E foster care funds.
    - Northstar Adoption Assistance allows more decision-making by adoptive parents, rather than requiring detailed state review and approval.
- Provides a monthly basic benefit based on children's age.
- Uses a uniform assessment for all children to determine needs beyond the basic payment. The assessment results in one of 15 levels of monthly supplemental difficulty of care payments.
- Maintains the highest range of the current foster care benefits for children with the highest need.
- Grandfathers children in existing programs unless they specifically transition into Northstar Care for Children (The current programs are phased out as children exit them).
- Reduces barriers to permanency by eliminating disparities in benefits across existing programs.
- Reduces racial disparities among children who remain in long-term foster care.

Funding for Northstar Care for Children comes from state general fund appropriations, federal payments for foster care and adoption assistance, and county and tribal spending on foster care. Northstar Care for Children

spending is eligible for the temporary 6.2 percent Federal Medical Assistance Percentage (FMAP) increase authorized by the Families First Coronavirus Response Act (FFCRA).[1]

RESULTS

The Minnesota Department of Human Services monitors the performance of counties and tribes in delivering child welfare services, including services provided under Northstar Care for Children.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quality	**Rate of Relative Care:** Of all days that children spent in family foster care settings during the given period, what percentage of days were spent with a relative?	53.1%	60.4%	2016 to 2019
Quality	**Placement Stability:** Of all children who enter foster care in the year, what is the number of placement moves per 1,000 days spent in foster care?	4.0 per 1,000	3.9 per 1,000	2016 to 2019
Quality	**Permanency, 12-23 months**: Of all children in foster care who had been in foster care between 12 and 23 months on the first day of the year, what percent discharged from foster care to permanency within 12 months of the first day of the year?	48.1%	55.5%	2016 to 2019
Quality	**Permanency, 24 months**: Of all children in foster care who had been in foster care for 24 months or more on the first day of the year, what percent discharged to permanency within 12 months of the first day of the year?	25.2%	33.3%	2016 to 2019

Performance Measures notes:

Measures provided by the Child Safety and Permanency Division at the Department of Human Services.

Also see the DHS Child Welfare Dashboard (http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=dhs16_148137).

Northstar Care for Children is established in M.S. section 256N.20 (https://www.revisor.mn.gov/statutes/?id=256N.20).

[1] The Families First Coronavirus Response Act (FFCRA) (Pub. L. 116-127). Section 6008 of the FFCRA provides a temporary 6.2 percentage point increase to each qualifying state's Federal Medical Assistance Percentage (FMAP) beginning January 1, 2020, and through the last day of the calendar quarter in which the COVID-19 public health emergency declared by the Secretary of Health and Human Services terminates.

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	65,798	83,558	91,064	95,829	113,029	121,196	116,578	121,196
3000 - Federal	53,593	55,788	60,072	93,964	81,939	90,582	81,939	90,582
Total	**119,392**	**139,346**	**151,136**	**189,793**	**194,968**	**211,778**	**198,517**	**211,778**
Biennial Change				82,191		65,817		69,366
Biennial % Change				32		19		20
Governor's Change from Base								3,549
Governor's % Change from Base								1
Expenditures by Category								
Operating Expenses		2	2					
Grants, Aids and Subsidies	119,392	139,344	151,134	189,793	194,968	211,778	198,517	211,778
Total	**119,392**	**139,346**	**151,136**	**189,793**	**194,968**	**211,778**	**198,517**	**211,778**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In		14,744						
Direct Appropriation	80,542	77,406	94,647	95,829	113,029	121,196	116,578	121,196
Cancellations	14,744	8,591	3,583					
Expenditures	**65,798**	**83,558**	**91,064**	**95,829**	**113,029**	**121,196**	**116,578**	**121,196**
Biennial Change in Expenditures				37,536		47,332		50,881
Biennial % Change in Expenditures				25		25		27
Governor's Change from Base								3,549
Governor's % Change from Base								2
3000 - Federal								
Balance Forward In	87		8					
Receipts	53,506	55,795	60,065	93,964	81,939	90,582	81,939	90,582
Balance Forward Out		8						
Expenditures	**53,593**	**55,788**	**60,072**	**93,964**	**81,939**	**90,582**	**81,939**	**90,582**
Biennial Change in Expenditures				44,655		18,485		18,485
Biennial % Change in Expenditures				41		12		12
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Forecasted Programs
Activity: MinnesotaCare

mn.gov/dhs/people-we-serve/adults/health-care/health-care-programs/programs-and-services/minnesotacare.jsp

AT A GLANCE

- In FY 2019, MinnesotaCare had an average monthly enrollment of 81,000.
- Total MinnesotaCare program expenditures reached $438 million in FY 2019. This represented 2.7 percent of the Department of Human Services overall budget.
- The Minnesota state share of total MinnesotaCare program expenditures in FY2019 was $22 million.

PURPOSE & CONTEXT

The MinnesotaCare Program was established in 1992 to provide affordable health coverage for people with incomes too high for Medicaid but unable to afford other health insurance. It provided a subsidized program for children and parents and later expanded to include adults. In 2017, MinnesotaCare coverage was expanded to include Deferred Action for Childhood Arrivals (DACA) grantees who meet program eligibility requirements.

Passage of the Affordable Care Act (ACA) in 2010, and subsequent state legislation, made many MinnesotaCare enrollees eligible for Medical Assistance (MA). Under the authority of the ACA, Minnesota established MinnesotaCare as a Basic Health Plan to provide health coverage for people with incomes between 138 percent and 200 percent of federal poverty guidelines. As a Basic Health Program (BHP), Minnesota receives federal funds equal to 95 percent of the advanced premium tax credits that would otherwise be available to eligible people enrolled in commercial health care coverage through MNsure rather than in MA where federal funding is tied to expenditures. In fiscal year 2019, federal Basic Health Plan funding covered 86 percent of MinnesotaCare's costs. The amount of federal funding varies year to year based on individual market premiums, enrollment, the geographic distribution of enrollees, and federal regulatory action. Federal BHP revenues are deposited into the BHP Trust Fund and used to fund eligible expenditures in the MinnesotaCare program. Historically, the BHP Trust Fund has had a surplus which has resulted in reductions to state expenditures.

Today, MinnesotaCare provides comprehensive health care coverage for more than 81,000 Minnesotans who pay no more than $80 per month in premiums. The program also includes additional benefits not necessarily available or as affordable on MNsure, including dental, vision, and a broad array of behavioral health benefits.

During the coronavirus (COVID-19) pandemic MinnesotaCare coverage has been maintained for all individuals enrolled on and after March 18, 2020, through the end of the month in which the federal public health emergency ends, unless the individual requests a voluntary closure of their coverage, ceases to be a resident of the state, or has died. This was done in order to align it with coverage requirements in Medical Assistance required under the Families First Coronavirus Response Act (FFCRA). Coverage for these enrollees has continued regardless of whether or not the enrollee has paid their monthly premium.

SERVICES PROVIDED

MinnesotaCare covers a broad range of health care services including:

- primary and preventive care,
- inpatient and outpatient hospital care,
- coverage for prescription drugs,
- chemical dependency treatment,
- mental health services, and

- oral health services.

People seeking coverage under MinnesotaCare can apply directly through the MNsure website or by submitting a paper application to MNsure, to DHS, or to their county human services or tribal office. Applicants are not eligible if they have access to affordable health insurance coverage through an employer. There are no health condition barriers for eligibility, but applicants must meet income guidelines and pay a premium (if applicable) to receive coverage[1]. Premiums are based on income and are charged for each enrollee, up to a maximum of $80 per month.

RESULTS

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Result	Percent of Minnesotans without health insurance[1]	4.3%	6.3%	2015 to 2017
Result	Percent of Low Income Minnesotans without Health Insurance[2]	8.5%	11.3%	2015 to 2017
Quantity	Total number of MHCP enrollees served by an IHP[3] Number of MinnesotaCare enrollees served by an IHP	460,000 NA	428,664 20,764	2017 to 2020
Quality	Estimated reduction in health care expenditures (below projections) for providers in Integrated Health Partnership demonstration project[4]	$107.5 million	$97.8 million	2017 to 2018

Performance Measure Notes:

1. Measure is the percent of Minnesotans that do not have health insurance. Source: Minnesota Health Access Survey, Minnesota Department of Health. Compares 2015 (Previous) and 2017 (Current)
2. Measure is the percentage of uninsured Minnesotans with family income below 200 percent of poverty. Source: Minnesota Health Access Survey, Minnesota Department of Health. Compares 2015 (Previous) and 2017 (Current)
3. Measure is the number of enrollees served by an IHP provider. Compares 2017 (Previous) and 2020 (Current).
4. Measure is an estimated reduction in annual medical costs below projections for 2017 and 2018 for the providers enrolled in the IHP demonstration. IHP provider contracts require this measure be calculated in the same manner each year. The lower health care spending does not result in savings to the state of the same amount. This number includes savings to providers, health plans, the federal government, and the state. Integrated Health Partnerships (IHPs) allow participating providers to enter into an arrangement with DHS to care for enrollees under a payment model that holds the participants accountable for the costs and quality of care their Medicaid patients receive. The goal of the program is to improve the quality and value of care provided to Medicaid and MinnesotaCare enrollees while lowering the cost through innovative approaches to care and payment.

Minnesota Statutes, chapter 256L provides the legal authority to operate the MinnesotaCare program. Many of the covered services, provider rates, and other elements of the MinnesotaCare program overlap with the Medical Assistance program and are detailed in the Medical Assistance statute. The statutory authority for Medical Assistance is located in M.S., chapter 256B.

[1] Income eligibility guidelines (https://edocs.dhs.state.mn.us/lfserver/Public/DHS-3182-ENG) and estimated premium amounts (https://edocs.dhs.state.mn.us/lfserver/Public/DHS-4139A-ENG) by income are available on the DHS web site.

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
2360 - Health Care Access	45,379	56,969	57,016	69,131	237,102	214,578	237,095	211,822
3000 - Federal	369,224	380,858	395,615	522,334	379,360	405,354	379,360	405,354
Total	**414,602**	**437,827**	**452,631**	**591,465**	**616,462**	**619,932**	**616,455**	**617,176**
Biennial Change				191,667		192,298		189,535
Biennial % Change				22		18		18
Governor's Change from Base								(2,763)
Governor's % Change from Base								(0)
Expenditures by Category								
Grants, Aids and Subsidies	414,602	437,827	452,631	591,465	616,462	619,932	616,455	617,176
Total	**414,602**	**437,827**	**452,631**	**591,465**	**616,462**	**619,932**	**616,455**	**617,176**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
2000 - Restrict Misc Special Revenue								
Balance Forward In	20	31	12	10				
Receipts	(18)	(31)	(2)	(10)				
Balance Forward Out	2		10					
2360 - Health Care Access								
Balance Forward In	12	3,699	124	9				
Direct Appropriation	12,363	21,628	27,097	31,736	198,838	179,269	198,831	176,513
Receipts	36,577	35,552	30,816	37,386	38,264	35,309	38,264	35,309
Transfers In	12,000	20,040	163					
Transfers Out	12,000	20,040	163					
Cancellations	3,374	3,910	1,011					
Balance Forward Out	200	1	9					
Expenditures	**45,379**	**56,969**	**57,016**	**69,131**	**237,102**	**214,578**	**237,095**	**211,822**
Biennial Change in Expenditures				23,800		325,533		322,770
Biennial % Change in Expenditures				23		258		256
Governor's Change from Base								(2,763)
Governor's % Change from Base								(1)
3000 - Federal								
Balance Forward In	146,032	329,163	411,956	271,240	38,851		38,851	
Receipts	464,804	463,581	254,899	289,945	340,509	405,354	340,509	405,354
Balance Forward Out	241,612	411,886	271,240	38,851				
Expenditures	**369,224**	**380,858**	**395,615**	**522,334**	**379,360**	**405,354**	**379,360**	**405,354**
Biennial Change in Expenditures				167,867		(133,235)		(133,235)
Biennial % Change in Expenditures				22		(15)		(15)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Forecasted Programs
Activity: Medical Assistance

mn.gov/dhs/people-we-serve/adults/health-care/health-care-programs/programs-and-services/medical-assistance.jsp

AT A GLANCE

- In FY 2019, MA served a monthly average of 1,100,000 people. This is 19.4 percent of the state's population.
- In FY 2019, MA provided coverage for:
  - 28,570 births in (about 4 in 10 of all live births in Minnesota)
  - 251,322 people receiving mental health services
  - 477,796 people receiving dental services
- In FY 2019, the families with children group made up 65 percent of total MA enrollment, but only 24.4 percent of total program expenditures.
- In FY 2019, coverage for the elderly and disabled made up 16 percent of total enrollment, but 61 percent of total program expenditures.
- MA is funded with state general funds, the health care access fund, federal Medicaid funds, and local shares for a several services.
- All funds spending for the Medical Assistance activity for FY 2019 was $12.3 billion. This represented 69.4 percent of the Department of Human Services overall budget.
- The Minnesota state share of total MA expenditures in FY 2019 was approximately $5.2 billion.

PURPOSE & CONTEXT

Medical Assistance (MA) is Minnesota's Medicaid program. MA is Minnesota's largest public health care program and serves children and families, pregnant women, adults without children, seniors and people who are blind or have a disability. It covers one out of every five Minnesotans. As the third largest insurer in the state after self-insured employer-based coverage and Medicare, it makes up nearly 16 percent of the state's health insurance market.[1]

MA provides basic health care, home-and community-based services and long-term care services. Most people who have MA get health care through health plans. You can choose a health plan from those serving MA members in your county. Members who do not get health care through a health plan get care on a fee-for-service basis, with providers billing the state directly for services they provide.

On July 30, 1965, President Lyndon B. Johnson signed into law legislation that led to the establishment of Medicare and Medicaid. Medicaid serves 24 percent of the nation's population. Medicaid contributes significantly to the financing of the U.S. health care system, supporting local public health infrastructure, hospitals, mental health centers, at-home care, community clinics, nursing homes, physicians and many other health professions. Medicaid — not Medicare — is the primary source of coverage for people who need long-term care services, such as nursing home services. In 1966, Minnesota implemented Medical Assistance (MA).

Currently, the federal government shares financial responsibility for the Medicaid program by matching state costs with federal dollars. While certain federal requirements outline who and what must be covered in each

[1] "Medicaid Matters: The Impact of Minnesota's Medicaid Program." Available at https://www.leg.state.mn.us/docs/2018/other/180391.pdf.

program, states generally have flexibility to tailor and expand their Medicaid program to meet the needs of their population and state budgets.

The Minnesota Department of Human Services (DHS) is the state Medicaid agency and partners with all 87 Minnesota counties and several Minnesota Indian Tribes to administer MA. DHS contracts with both health plans and health care providers across the state to deliver basic health care to MA enrollees.

Minnesotans may enroll in MA if they meet certain eligibility requirements under the following categories: (a) parents and children; (b) age 65 or older, blind or have disabilities; (c) adults without dependent children.

An individual's eligibility is determined by factors such as household income, family size, age, disability status, and citizenship or immigration status. These criteria are set by federal and state law and vary by category. Enrollees must demonstrate their program eligibility at least once a year. All individuals who meet federal eligibility requirements are guaranteed coverage. States can expand upon the minimum federal requirements, add optional or special populations to their programs or increase the income eligibility limits. Individuals eligible for Medicaid are guaranteed a basic set of benefits covering specific services and settings.

Minnesota is known for its comprehensive approach to providing Medicaid coverage. Minnesota covers a broad group of people and services beyond the minimum standards set in federal law. This includes expanding coverage to higher-income children and adults and covering long-term services and supports in the home and community instead of an institutional setting. Minnesota also covers many special populations in need of services who would otherwise be ineligible for Medicaid because of their income level, including children with disabilities whose parents are given the option to access Medicaid by paying a parental fee, women who have been diagnosed with breast or cervical cancer through the state's cancer screening program, and families in need of family planning services.

MA provides coverage for preventive and primary health care services for low-income Minnesotans. MA differs from the state's other health care program, MinnesotaCare, in that it has lower income eligibility guidelines, does not have premiums, and pays for previously incurred medical bills up to three months prior to the month of application. Additionally, MA can pay for nursing facility care and intermediate care facilities for people with developmental disabilities. It can also cover long term services and supports for people with disabilities and older adults so that they can continue living in the community.

Home and community-based services (HCBS) 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 HCBS to people who may otherwise be institutionalized. Minnesota began serving people under the HCBS waiver in 1984, and these services have facilitated Minnesota's shift away from institutional care.

Minnesota's MA program has expanded since the mid-1980s. The expansions have focused 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. During this time, a moratorium was placed on nursing facilities and intermediate care facilities for people with developmental disabilities as efforts to develop home and community-based alternatives gained momentum.

The most significant recent changes to the Minnesota MA program followed legislative action during the 2013 session and applied to people without an aged, blind, or disabled basis of eligibility. These changes included an elimination of asset tests and an increase to the income eligibility limits for adults without children, parents and relative caretakers, children, and pregnant women. Under the higher income standards, people formerly eligible for MinnesotaCare including pregnant women and children with income up to 275 percent of poverty and adults below 133 percent of poverty became eligible for MA, resulting in over 110,000 former MinnesotaCare recipients transitioning to coverage under MA in January of 2014.

During the coronavirus (COVID-19) pandemic, DHS has preserved access to health care programs in accordance with Emergency Executive Orders 20-11 and 20-12, and to qualify for a temporary 6.2 percent Federal Medical Assistance Percentage (FMAP) increase authorized by the Families First Coronavirus Response Act (FFCRA).[2] To qualify for the FMAP increase, the state must maintain Medicaid (MA in Minnesota) for all individuals enrolled on and after March 18, 2020, through the end of the month in which the federal public health emergency ends, unless the individual requests a voluntary closure of their coverage, ceases to be a resident of the state or has died. During the 2020 Legislative Session, the Minnesota Legislature codified and extended DHS authority to maintain continuous coverage for MA programs in order to continue receiving enhanced FMAP in the event the Governor's peacetime emergency expires, terminated or is rescinded.[3]

During the COVID-19 pandemic, the 2020 Minnesota legislature also passed a law authorizing a new Medicaid coverage group for COVID-19 testing of the uninsured. The new coverage group was effective May 1, 2020, and ends when the COVID-19 peacetime emergency ends.

In addition, DHS's pandemic response includes expedited reimbursement to nursing facilities and customized living settings (in accordance with Minn. Stat. sec. 12A.10) to support aggressive efforts to limit COVID-19 exposure and to prevent the spread of COVID-19 within facilities.

SERVICES PROVIDED

MA enrollees fall under one of five general categories, and receive either long term care services and supports, basic health care, or both long term care and basic care. The five categories include the following:

MA Coverage of Long-Term Services and Supports (LTSS)
Thirty years ago, people who needed help with daily living tasks, such as bathing, dressing, eating and preparing meals, and going to the bathroom, were faced with the choice of when, not if, they would move from their home into an institution or similar setting. Today, older Minnesotans and people with disabilities have many options and services available. This approach provides a higher quality of life for people as they have access to the right service at the right time, and it leads to more cost-effective services over time.

LTSS are a spectrum of health and social services that support Minnesotans who need help with daily living tasks. The services generally consist of ongoing care or supports that a person needs to manage a chronic health condition or disability. The services can be provided in institutional settings, such as hospitals and nursing homes, or in people's homes and other community settings. Federal law requires all state Medicaid programs to cover these services when provided in an institutional setting or nursing facility.

MA Coverage of Long-Term Care Facilities
A nursing home provides 24-hour care and supervision in a residential facility setting. Nursing homes provide an all-inclusive package of services that covers: nursing care, help with activities of daily living and other care needs, housing, meals and medication administration. Alternatively, an intermediate care facility for persons with developmental disabilities (ICF/DD) provides 24-hour care, active treatment, training and supervision to people with developmental disabilities. Additionally, day training and habilitation (DT&H) services help people living in an ICF/DD develop and maintain life skills, and take part in the community. DT&H services include supervision, training and assistance in self-care, communication, socialization, behavior management, and supported employment and work-related activities, among others.

[2] The Families First Coronavirus Response Act (FFCRA) (Pub. L. 116-127). Section 6008 of the FFCRA provides a temporary 6.2 percentage point increase to each qualifying state's Federal Medical Assistance Percentage (FMAP) beginning January 1, 2020, and through the last day of the calendar quarter in which the COVID-19 public health emergency declared by the Secretary of Health and Human Services terminates.
[3] Laws 2020, Special Session 1, Chapter 7

MA pays for long-term care services for people who reside in facilities. In FY 2019, over 15,400 people per month received facility based long term care services. Total spending on this group was about $1.1 billion FY 2019, about $577 million of which came from state funds. Care provided under this segment of MA includes 24-hour care and supervision in nursing facilities or intermediate care facilities for persons with developmental disabilities (ICF/DD). It also includes day training and habilitation (DT&H) services for people who live in an ICF/DD.

To receive MA long-term care services, a person must have income and assets that are below allowable limits and have an assessed need for the services. DHS works with community providers, counties and tribes, and the Department of Health in administering and monitoring services in these long-term care settings. More information is available at https://edocs.dhs.state.mn.us/lfserver/Public/DHS-5961-ENG.

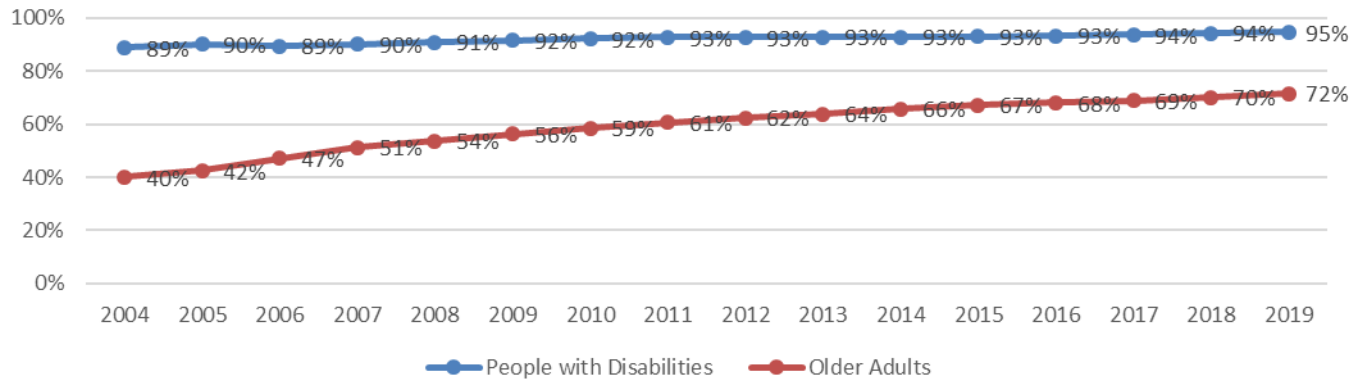
MA Coverage of Care Through Home and Community-Based Services

Home and community-based services are long-term services and supports delivered in homes or communities and not institutional settings. Congress established home and community-based services waivers in 1983 in section 1915(c) of the Social Security Act, giving states the option to seek a waiver of Medicaid rules governing institutional care to allow them to expand Medicaid services to home and community settings.

Minnesota has a long history of working to help all people live with dignity and independence. For more than 35 years, Minnesota has expanded long-term services and supports coverage to individuals receiving services in their homes and communities, which is often more effective and desirable than an institutional setting. In order to ensure that people with disabilities and older adults enjoy the same quality of life as other Minnesotans, the services and supports that they depend on must be available in the homes and communities where they choose to live.

By 1995, Minnesota had shifted from predominantly institution-based care to predominantly home- and community-based care. Home and community-based services are generally more cost effective and preferred by the people who rely on services. The chart below shows that more enrollees receiving LTSS choose home and community-based services in Minnesota each year.

Figure 5. Minnesota Medicaid enrollees receiving long-term services and supports in home-and community-based services



Minnesota began offering some home and community based care as a Medicaid state plan option in 2005. The state also receives federal approval to use Medicaid dollars to pay for other home and community based services through its home and community-based services waiver programs. These programs allow Medicaid to pay for services for people in their homes and communities if the services would otherwise be eligible for coverage in nursing facilities or hospitals.

DHS administers waiver programs in collaboration with county and tribal social services and public health programs. The vast majority of Minnesota's Medicaid spending on long-term care services and supports goes to enrollees in home- and community-based waiver programs. For example, around 92 percent of Medicaid long-term care spending for people with disabilities in Minnesota goes toward services provided in the community.

In FY 2019, an average of nearly 92,000 people received home care and waivered services per month. Total spending on waiver and home care services was just over $3.9 billion in FY2019, and roughly half of this was from state funds.

Minnesota operates five home and community-based waivers:

- **Brain Injury (BI):** Allows Medicaid to cover services for people with a brain injury who need the level of care provided in a nursing facility or neurobehavioral hospital and choose to receive such care in home and community-based service settings.
- **Community Alternative Care (CAC):** Allows Medicaid to cover services for people who are in need of the level of care provided at a hospital and choose to receive such care in home or community-based service settings.
- **Community Access for Disability Inclusion (CADI):** Allows Medicaid to cover services for people who need the level of care provided in nursing facilities and choose to receive such care in home and community-based service settings.
- **Developmental Disabilities (DD):** Allows Medicaid to cover services for people with developmental disabilities who need the level of care provided at an intermediate care facility for people with developmental disabilities and choose to receive such care in home and community-based service settings.
- **Elderly Waiver (EW):** Allows Medicaid to cover services for those age 65 and older who need the level of care provided in a nursing facility and choose to receive such care in home and community-based service settings.

These waivers can offer:

- in-home and residential supports
- medical and behavioral supports
- customized day services
- employment supports
- Consumer-Directed Community Supports (a self-directed option)
- caregiver supports
- transitional services to support people to move out of institutions or other congregate settings
- transportation
- home modifications and assistive technology
- case management
- other goods and services

Medical Assistance Basic Health Care

MA also provided comprehensive coverage outside of long-term care to over one million Minnesotans in FY 2019. Total spending for basic health care services reached about $7.6 billion in FY 2019, with $2.9 billion coming from state funds. The enhanced federal share available with the MA expansion in 2014 reduced the overall share of basic care expenditures to just over 38 percent in FY 2019, a decrease from about 50 percent in FY 2013.

Basic health care services covered in the MA benefit include:

- primary and preventive care
- inpatient hospital benefits
- mental health and chemical dependency treatment
- medical transportation
- medical equipment
- prescription drugs
- dental care
- coverage for eyeglasses and eye care

MA Coverage of Basic Health Care for Elderly and Disabled
People receiving these services are low-income elderly (65 years or older) and people who are blind or have a disability. Their income and assets must be below allowable limits. As MA enrollees, they receive health care coverage or financial assistance to help them pay for their Medicare premiums and cost sharing/copayments. This latter approach is often less expensive for the state than if the state provided their health coverage under MA alone.

This segment of the MA program also includes the Medical Assistance for Employed Persons with Disabilities (MA-EPD) program. MA-EPD enables working individuals with disabilities to receive the full MA benefit set. This program encourages people with disabilities to work and enjoy the benefits of being employed. It allows working people with disabilities to qualify for MA without an income limit and under higher asset limits than standard MA. Most MA-EPD enrollees are subject to paying a premium of at least $35 per month. Premiums are calculated on a sliding fee scale based on the enrollee's income and family size. More information on MA-EPD is available in the Medical Assistance for Employed Persons with Disabilities brochure (http://edocs.dhs.state.mn.us/lfserver/public/DHS-2087L-ENG).

In FY 2019, this segment of MA funds supported an average of 177,200 people per month, many of whom are also enrolled in Medicare and therefore are "dual eligible beneficiaries." Total spending on this group was over $2.8 billion in FY 2019, about half of which came from state funds.

MA Coverage of Basic Health Care for Families with Children
Enrollees in this eligibility category include low income pregnant women, children, parents and caretaker relatives. This segment of the MA program also includes funding for the Minnesota Family Planning Program (MFPP) and the MA Breast and Cervical Cancer Treatment program (MA-BC). MFPP provides coverage of family planning and related health care services for people not currently enrolled in MA or MinnesotaCare. MA-BC covers treatment costs for breast cancer, cervical cancer, or a precancerous cervical condition for women without health insurance. In FY 2019, this segment of MA funds supported an average of 709,600 people per month. Total spending on this group was nearly $3 billion, about half of which came from state funds.

MA Coverage of Basic Health Care for Adults without Children
In FY 2019, MA covered an average of 201,000 adults without dependent children people per month. Under the Affordable Care Act the federal government pays 90 percent of the expenditures for this population. Total spending on this group was about $1.8 billion, with about $116 million coming from state funds.

A full list of Medical Assistance populations, income and asset limits is in a Minnesota Health Care Programs brochure (https://edocs.dhs.state.mn.us/lfserver/Public/DHS-3182-ENG).

Today, Minnesota's Medicaid program is a cornerstone of our state's system of health and long-term care coverage, with more than one million people covered in 2019, including children, parents, people with disabilities and older adults.

RESULTS

Type of Measure	***Name of Measure***	***Previous***	***Current***	***Dates***
Quality	Percent of older adults served by home and community-based services[1]	71.3%	74.9%	FY2015 to FY2019
Quality	Percent of people with disabilities served by home and community-based services[2]	94.8%	95.8%	FY2015 to FY2019
Result	Percent of Minnesotans without health insurance[3]	4.3%	6.3%	2015 to 2017

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Result	Percent of Low Income Minnesotans without Health Insurance[4]	8.5%	11.3%	2015 to 2017
Quantity	Total number of MHCP enrollees served by an IHP[5] Number of MA program enrollees served by an IHP	460,000 NA	428,664 407,900	2017 to 2020
Quality	Estimated reduction in health care expenditures (below projections) for providers in Integrated Health Partnership demonstration project[6]	$107.5 million	$97.8 million	2017 to 2018

Performance Measure Notes:

1. This measure reflects the percentage of older adults receiving publicly-funded long-term care services who receive HCBS services through the Elderly Waiver or Alternative Care program instead of services in nursing homes. More information is also available at mn.gov/dhs/ltss-program-performance (Source: DHS Data Warehouse)
2. This is the percent of people with disabilities receiving publicly-funded long-term care services who receive HCBS services through disability waiver or home care programs instead of services in nursing homes or Intermediate Care Facilities. More information is also available at mn.gov/dhs/ltss-program-performance (Source: DHS Data Warehouse)
3. Measure is the percent of Minnesotans that do not have health insurance. Source: Minnesota Health Access Survey, Minnesota Department of Health. Compares 2015 (Previous) and 2017 (Current)
4. Measure is the percentage of uninsured Minnesotans with family income below 200 percent of poverty. Source: Minnesota Health Access Survey, Minnesota Department of Health. Compares 2015 (Previous) and 2017 (Current)
5. Measure is the number of enrollees served by an IHP provider. Compares 2017 (Previous) and 2020 (Current).
6. Measure is an estimated reduction in annual medical costs below projections for 2017 and 2018 for the providers enrolled in the IHP demonstration. IHP provider contracts require this measure be calculated in the same manner each year. The lower health care spending does not result in savings to the state of the same amount. This number includes savings to providers, health plans, the federal government, and the state. Integrated Health Partnerships (IHPs) allow participating providers to enter into an arrangement with DHS to care for enrollees under a payment model that holds the participants accountable for the costs and quality of care their Medicaid patients receive. The goal of the program is to improve the quality and value of care provided to Medicaid and MinnesotaCare enrollees while lowering the cost through innovative approaches to care and payment.

Minnesota Statutes, chapter 256B provides the legal authority for the Medical Assistance program. An example of legislative directives to improve and innovate in Medical Assistance is M.S., section 256B.021 (Medical Assistance Reform Waiver).

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	4,973,905	4,930,043	4,960,899	4,800,378	6,309,330	6,469,431	6,321,450	6,451,737
2000 - Restrict Misc Special Revenue	89,028	112,421	68,951	86,160	100,551	99,537	100,551	99,537
2360 - Health Care Access	385,159	438,848	586,959	602,583	611,178	612,099	611,178	612,099
3000 - Federal	7,226,322	7,055,198	7,930,368	8,922,100	9,174,679	9,285,406	9,174,679	9,285,406
Total	**12,674,414**	**12,536,511**	**13,547,178**	**14,411,221**	**16,195,738**	**16,466,473**	**16,207,858**	**16,448,779**
Biennial Change				2,747,475		4,703,812		4,698,238
Biennial % Change				11		17		17
Governor's Change from Base								(5,574)
Governor's % Change from Base								(0)
Expenditures by Category								
Operating Expenses	235,510	240,665	233,600	262,226				
Grants, Aids and Subsidies	12,438,904	12,295,846	13,313,578	14,148,995	16,195,738	16,466,473	16,207,858	16,448,779
Total	**12,674,414**	**12,536,511**	**13,547,178**	**14,411,221**	**16,195,738**	**16,466,473**	**16,207,858**	**16,448,779**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In		198,778						
Direct Appropriation	5,174,139	4,950,484	5,436,831	4,839,872	6,335,016	6,468,420	6,347,136	6,450,726
Transfers In	40,052	42,645	31,446	2,100	1,384	1,533	1,384	1,533
Transfers Out	41,509	47,183	46,336	41,594	27,070	522	27,070	522
Cancellations	196,480	214,681	461,042					
Balance Forward Out	2,297							
Expenditures	**4,973,905**	**4,930,043**	**4,960,899**	**4,800,378**	**6,309,330**	**6,469,431**	**6,321,450**	**6,451,737**
Biennial Change in Expenditures				(142,671)		3,017,484		3,011,910
Biennial % Change in Expenditures				(1)		31		31
Governor's Change from Base								(5,574)
Governor's % Change from Base								(0)
2000 - Restrict Misc Special Revenue								
Balance Forward In	1,055	2,110	2,648					
Receipts	88,541	111,358	66,303	86,160	100,551	99,537	100,551	99,537
Balance Forward Out	569	1,047						
Expenditures	**89,028**	**112,421**	**68,951**	**86,160**	**100,551**	**99,537**	**100,551**	**99,537**
Biennial Change in Expenditures				(46,338)		44,977		44,977
Biennial % Change in Expenditures				(23)		29		29
Governor's Change from Base								0
Governor's % Change from Base								0
2360 - Health Care Access								
Direct Appropriation	385,159	438,848	586,959	602,583	611,178	612,099	611,178	612,099
Expenditures	**385,159**	**438,848**	**586,959**	**602,583**	**611,178**	**612,099**	**611,178**	**612,099**
Biennial Change in Expenditures				365,535		33,735		33,735
Biennial % Change in Expenditures				44		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
3000 - Federal								
Balance Forward In	443	28,351	24,245	52,457				
Receipts	7,253,155	7,048,563	7,958,581	8,869,643	9,174,679	9,285,406	9,174,679	9,285,406

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Transfers In	200							
Balance Forward Out	27,476	21,717	52,457					
Expenditures	**7,226,322**	**7,055,198**	**7,930,368**	**8,922,100**	**9,174,679**	**9,285,406**	**9,174,679**	**9,285,406**
Biennial Change in Expenditures				2,570,949		1,607,617		1,607,617
Biennial % Change in Expenditures				18		10		10
Governor's Change from Base								0
Governor's % Change from Base								0

mn.gov/dhs/people-we-serve/seniors/services/home-community/programs-and-services/alternative-care.jsp
mn.gov/dhs/people-we-serve/seniors/services/home-community/programs-and-services/essential-community-supports.jsp

AT A GLANCE

- The Alternative Care Program served 3,713 people, averaging 2,580 enrollees per month with an average monthly benefit of $1,072 in FY 2019.
- Enrolled consumers contributed a total of $1.9 million towards their cost of care.
- The Essential Community Supports program is included as part of the Alternative Care Budget activity and served 196 enrollees each month with an average monthly benefit of $231 in FY 2019.
- All funds spending for the Alternative Care activity for FY 2019 was $33.71 million. This represented 0.19 percent of the Department of Human Services overall budget.

PURPOSE & CONTEXT

The Alternative Care (AC) Program is a cost-sharing program that provides certain home and community-based services for Minnesotans age 65 and over. AC services support seniors, their families, caregivers and communities to help seniors to stay in their homes and communities and avoid costly institutionalization.

The program is a cost-effective strategy to prevent or delay people from moving onto Medical Assistance (MA) long-term services and supports (LTSS) , such as Elderly Waiver and nursing home care. The program helps prevent the impoverishment of eligible seniors and maximizes the use of their own resources by sharing the cost of care with clients. AC is available to individuals who need the level of care provided in a nursing home but choose instead to receive services in the community, and whose income and assets would be inadequate to fund a nursing home stay for more than 135 days.

SERVICES PROVIDED

Alternative Care (AC) services are used in a person's own home. AC covers the following services: adult day services, caregiver services, case management, chore services, companion services, consumer-directed community supports, home health aides, home-delivered meals, homemaker services, environmental accessibility adaptations, nutrition services, personal emergency response system, personal care, respite care, skilled nursing, specialized equipment and supplies, and transportation.

Some people who have a lower level of need for long-term care services do not qualify for Alternative Care or Medical Assistance LTSS. Those people are instead served by the Essential Community Supports (ECS) program. ECS covers the following services: adult day services, service coordination (case management), chore services, home delivered meals, homemaker services, personal emergency response, caregiver education/training, and community living assistance. People can qualify for up to $452 a month for these services. This program is included as part of the Alternative Care budget activity. DHS partners with community providers, counties, Tribal Nations and the Department of Health in providing and monitoring services.

The AC program is currently funded with state and federal money along with monthly fees paid by the person receiving services. Payments made by the state for AC services are also subject to estate recovery. ECS is state funded only.

During the coronavirus (COVID-19) pandemic, DHS has preserved access to health care programs in accordance with Emergency Executive Orders 20-11 and 20-12, and to qualify for a temporary 6.2 percent Federal Medical Assistance Percentage (FMAP) increase authorized by the Families First Coronavirus Response Act (FFCRA).[1] To qualify for the FMAP increase, the state must maintain Medicaid (MA in Minnesota) for all individuals enrolled on and after March 18, 2020, through the end of the month in which the federal public health emergency ends, unless the individual requests a voluntary closure of their coverage, ceases to be a resident of the state or has died. This change applies similarly to Alternative Care. During the 2020 Legislative Session, the Minnesota Legislature codified and extended DHS authority to maintain continuous coverage for MA and Alternative Care programs in order to continue receiving enhanced FMAP in the event the Governor's peacetime emergency expires, terminated or is rescinded.[2] Additionally, Executive Order 20-12 prevented AC enrollees from losing coverage due to a failure to pay premiums.

More information is available on the Alternative Care fact sheet (https://edocs.dhs.state.mn.us/lfserver/Public/DHS-4720-ENG).

RESULTS

The agency monitors performance measures that show how this program is working. One key measure is how well people who are eligible for publicly funded long-term services and supports access the services in their homes and community rather than in nursing facilities.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Result	Percent of older adults served by home and community-based services[1]	71.3%	74.9%	2015 to 2019
Quantity	Percent of long-term services and support expenditures for older adults spent on home and community-based services[2]	50.9%	48.6%	2015 to 2019
Quantity	Percent of AC spending on Consumer-Directed Community Supports (CDCS)[3]	8.3%	15.3%	FY 2015 to FY 2019

More information is available on Long-Term Service and Support Performance Dashboards (mn.gov/dhs/ltss-program-performance **)**

Performance Notes:

1. This measure shows the percentage of older adults receiving publicly-funded long-term services and supports who receive home and community-based services through the Elderly Waiver, Alternative Care, or home care programs instead of nursing home services. (Source: DHS Data Warehouse)
2. This measure shows the percentage of public long-term service and support funding for older adults that is spent on Elderly Waiver, Alternative Care or home care services instead of nursing home services. (Source: DHS Data Warehouse).

[1] The Families First Coronavirus Response Act (FFCRA) (Pub. L. 116-127). Section 6008 of the FFCRA provides a temporary 6.2 percentage point increase to each qualifying state's Federal Medical Assistance Percentage (FMAP) beginning January 1, 2020, and through the last day of the calendar quarter in which the COVID-19 public health emergency declared by the Secretary of Health and Human Services terminates.

[2] Laws 2020, Special Session 1, Chapter 7

3. CDCS gives persons more flexibility and responsibility for directing their services and supports—compared to services provided through the traditional program – including hiring and managing direct care staff. (Source: DHS Data Warehouse)

More information is available on the DHS Dashboard (http://dashboard.dhs.state.mn.us/).

The Alternative Care and Essential Community Support programs are authorized by Minnesota Statutes, sections 256B.0913 (https://www.revisor.mn.gov/statutes/?id=256B.0913) and 256B.0922 (https://www.revisor.mn.gov/statutes/?id=256B.0922).

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	14,555	15,672	15,611	45,655	45,483	45,177	45,683	45,662
2000 - Restrict Misc Special Revenue	1,495	1,455	1,498	2,047	2,164	2,211	2,164	2,211
3000 - Federal	15,463	16,587	18,926	26,173	22,374	23,552	22,374	23,552
Total	**31,513**	**33,714**	**36,035**	**73,875**	**70,021**	**70,940**	**70,221**	**71,425**
Biennial Change				44,682		31,051		31,736
Biennial % Change				69		28		29
Governor's Change from Base								685
Governor's % Change from Base								0
Expenditures by Category								
Operating Expenses			(147)					
Grants, Aids and Subsidies	31,513	33,714	36,182	73,875	70,021	70,940	70,221	71,425
Total	**31,513**	**33,714**	**36,035**	**73,875**	**70,021**	**70,940**	**70,221**	**71,425**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Direct Appropriation	44,258	44,976	45,246	45,655	45,483	45,177	45,683	45,662
Transfers In	86	118						
Transfers Out	29,789	29,126	29,635					
Cancellations		296						
Expenditures	**14,555**	**15,672**	**15,611**	**45,655**	**45,483**	**45,177**	**45,683**	**45,662**
Biennial Change in Expenditures				31,038		29,394		30,079
Biennial % Change in Expenditures				103		48		49
Governor's Change from Base								685
Governor's % Change from Base								1
2000 - Restrict Misc Special Revenue								
Balance Forward In	294	197	290					
Receipts	1,226	1,270	1,208	2,047	2,164	2,211	2,164	2,211
Balance Forward Out	25	12						
Expenditures	**1,495**	**1,455**	**1,498**	**2,047**	**2,164**	**2,211**	**2,164**	**2,211**
Biennial Change in Expenditures				595		830		830
Biennial % Change in Expenditures				20		23		23
Governor's Change from Base								0
Governor's % Change from Base								0
3000 - Federal								
Balance Forward In	29	24	58	53				
Receipts	15,458	16,590	18,921	26,120	22,374	23,552	22,374	23,552
Balance Forward Out	24	27	53					
Expenditures	**15,463**	**16,587**	**18,926**	**26,173**	**22,374**	**23,552**	**22,374**	**23,552**
Biennial Change in Expenditures				13,049		827		827
Biennial % Change in Expenditures				41		2		2
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Forecasted Programs
Activity: Chemical Dependency Treatment Fund

https://mn.gov/dhs/people-we-serve/adults/health-care/alcohol-drugs-addictions/programs-and-services/

AT A GLANCE

- In the United States, 20.3 million people aged 12 and older had substance use disorders (CY 2019) according to the Substance Abuse and Mental Health Services Administration (SAMHSA).
- About 277,000 people aged 12 or older in Minnesota were estimated to have a substance use disorder in the past year, according to 2018-2019 National Survey on Drug Use and Health data.
- Statewide, there were 64,166 admissions for substance use disorder treatment in 2019, an increase from 2018 (60,398).
- The CD Treatment Fund paid for about 33.5 percent of all admissions for substance abuse disorder treatment in Minnesota in 2019.
- The percentage of people completing substance use disorder was 50.5 percent in 2019.
- All funds spending for the CD Treatment Fund activity for FY 2019 was $219 million, which represents 1.2 percent of the Department of Human Services overall budget.

PURPOSE & CONTEXT

The Chemical Dependency (CD) Treatment Fund activity pays for residential and outpatient substance use disorder (SUD) treatment services for eligible low-income Minnesotans.

People access the SUD treatment services paid by the fund by first being assessed as needing treatment for Substance Use Disorder, and second by meeting financial eligibility guidelines. Financial eligibility standards are similar to those for Medical Assistance, the state's Medicaid program.

Counties and tribes are responsible for providing assessments (known as "Rule 25" assessments) to individuals seeking access to these funds. These assessments not only determine an individual's eligibility for services paid for by the CD Treatment Fund but also determine the appropriate level or intensity of services the person may need based on their condition and circumstances. Through legislation passed in 2017, Minnesota is transitioning from Rule 25 assessments to provider-based comprehensive assessments. This allows for direct access to placement for people in need of SUD treatment services. The 2017 legislation allows providers to be reimbursed for comprehensive assessment, treatment coordination and/or peer support services, in addition to formal treatment services, while delivering long term care to the recipient.

SERVICES PROVIDED

The Consolidated Chemical Dependency Treatment Fund (CCDTF) is the single fee-for-service public payment source that funds residential and outpatient substance use disorder treatment services for eligible low-income Minnesotans. The CCDTF combines multiple funding sources – state appropriations, county funding, federal Medicaid funding and the federal Substance Abuse, Prevention and Treatment block grant – into a single fund with common eligibility criteria and a single process for evaluating treatment need and placement options. Federal Medicaid matching funds are collected on eligible treatment services provided to Medical Assistance recipients. Counties also contribute a share toward the cost of treatment. Counties pay 30 percent of the non-federal share of treatment costs for Medical Assistance (MA) recipients and 22.95 percent for non-MA recipients (this amount was reduced to 20.2 percent for FY 2017). The CCDTF pays for services that are part of a licensed residential or non-residential SUD treatment program. The CCDTF ensures that all clients have the same access to high quality, effective treatment programs.

All of these programs provide a continuum of effective, research-based treatment services for individuals who need them. Treatment services include individual and group therapy in outpatient or residential settings, and may also include treatment for a mental illness, other medical services, medication-assisted therapies (with or without adjunct behavioral services), and service coordination.

SUD treatment providers use a variety of evidence-based practices, such as the twelve-step facilitation program, cognitive behavioral therapies, specialized behavioral therapy, motivational interviewing and motivational enhancement therapy as methods to ensure success.

RESULTS

Type of Measure	***Name of Measure*** (1)	***Previous (CY2017)***	***Current (CY2019)***	***Dates***
Quantity	Number of treatment admissions to substance use disorder treatment	60,357	64,166	2017 to 2019
Result	Percent of persons completing substance use disorder treatment	52%	50.5%	2017 to 2019
Result	Effect of recovery environment on non-completion rates in substance use disorder treatment (2) No severity vs. extreme severity	N/A	5% vs. 25.7%	2018

Measure Notes:

1. This indicator is from the Drug and Alcohol Abuse Normative Evaluation System (DAANES) in the Performance Measurement & Quality Improvement section in the Alcohol and Drug Abuse Division of the Minnesota Department of Human Services.
2. Recovery environment (encompassing health, home, community and purpose) is a predictable measure of successful treatment and continued recovery. CY18 baseline data to compare moving forward.

Minnesota Statutes chapter 254B (https://www.revisor.mn.gov/statutes/?id=254B) provides the legal authority for the CD Treatment Fund. M.S. section 254B.01, Subd.3 (https://www.revisor.mn.gov/statutes/?id=254B.01) defines chemical dependency services payable by the CD Treatment Fund. This definition applies to a wide variety of services within a planned program of care to treat a person's chemical dependency, or substance use disorder.

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
2000 - Restrict Misc Special Revenue	214,765	226,811	189,716					
2001 - Other Misc Special Revenue				174,942	223,448	253,680	219,280	246,168
Total	**214,765**	**226,811**	**189,716**	**174,942**	**223,448**	**253,680**	**219,280**	**246,168**
Biennial Change				(76,918)		112,470		100,790
Biennial % Change				(17)		31		28
Governor's Change from Base								(11,680)
Governor's % Change from Base								(2)
Expenditures by Category								
Grants, Aids and Subsidies	214,765	226,811	189,716	174,942	223,448	253,680	219,280	246,168
Total	**214,765**	**226,811**	**189,716**	**174,942**	**223,448**	**253,680**	**219,280**	**246,168**

Chemical Dependency Treatment Fund

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Direct Appropriation	117,226	118,621	113,748	77,471	106,797	123,468	102,629	115,956
Transfers Out	117,226	118,621	107,943	77,471	106,797	123,468	102,629	115,956
Cancellations			5,805					
2000 - Restrict Misc Special Revenue								
Balance Forward In	2,605	260	6,154	164				
Receipts	94,934	104,569	50,978					
Transfers In	117,226	118,621	132,748					
Transfers Out		129		164				
Balance Forward Out			164					
Expenditures	**214,765**	**226,811**	**189,716**					
Biennial Change in Expenditures				(251,860)		(189,716)		(189,716)
Biennial % Change in Expenditures				(57)				
Governor's Change from Base								0
Governor's % Change from Base								
2001 - Other Misc Special Revenue								
Receipts				97,307	116,651	130,212	116,651	130,212
Transfers In				77,635	106,797	123,468	102,629	115,956
Expenditures				**174,942**	**223,448**	**253,680**	**219,280**	**246,168**
Biennial Change in Expenditures				174,942		302,186		290,506
Biennial % Change in Expenditures								
Governor's Change from Base								(11,680)
Governor's % Change from Base								(2)

Program: Grant Programs
Activity: Support Services Grants

dhs.state.mn.us/main/id_004112
http://mn.gov/dhs/people-we-serve/children-and-families/economic-assistance/food-nutrition/programs-and-services/e-and-t.jsp

AT A GLANCE

- Provides MFIP/DWP employment services to approximately 26,500 people per month.
- Provides Supplemental Nutrition Assistance Program employment services to approximately 700 people per month.
- All funds spending for the Support Services Grants activity for FY 2019 was $104 million. This represented 0.59 percent of the Department of Human Services overall budget.

PURPOSE & CONTEXT

The Minnesota Family Investment Program (MFIP) and Diversionary Work Program (DWP) primary focus is on self-sufficiency through employment.

Support Services Grants cover the cost of services to addressbarriers, help stabilize families and adults, and build skills that ensure participants are prepared to find and retain employment.

SERVICES PROVIDED

The Support Services Grants activity provides funding for the MFIP Consolidated Fund and for the SNAP Employment and Training Program:

- **MFIP Consolidated Fund:** Support Services Grants are allocated to counties and tribes, and are funded with a combination of state and federal funds, including from the federal Temporary Assistance for Needy Families (TANF) block grant. Counties and tribes use the MFIP Consolidated Fund to provide an array of employment services including job search, job placement, training and education. The Consolidated Fund also provides other supports such as emergency needs for low-income families with children.

Workforce Centers, counties, tribes and community agencies provide employment services. Service providers evaluate the needs of each participant and develop an individualized employment plan that builds on strengths and addresses areas of need. Services include:

- Referrals to housing, child care, and health care coverage, including any needed chemical and mental health services, to aid in stabilizing families
- Basic education, English proficiency training, skill building and education programs to prepare participants for the labor market
- Job search assistance and job placement services to help participants locate employment that matches their skills and abilities
- Innovative programs to address special populations or needs such as: a single point of contact for teen parents that includes public health home visits, subsidized work experiences, integrated services for families with serious disabilities and support for the FastTRAC program, which links education and credentials to high demand careers

Support Services Grants also fund a portion of county and tribal costs to administer MFIP and DWP.

SNAP Employment and Training: Federal SNAP Employment and Training funds are allocated to counties and used to provide a basic foundation of employment services that if enhanced with local or other state funds can earn a 50 percent reimbursement to build greater capacity. Support Services Grants to SNAP Employment and Training programs are matched through federal reimbursement.

RESULTS

The two key measures in MFIP/DWP are:

- The **Self-Support Index** is a results measure. The Self-Support Index shows the percentage of adults eligible for MFIP or DWP in a quarter who have left assistance or are working at least 30 hours per week three years later. Customized targets are set for each county or tribe using characteristics of the people served and local economic conditions. State law requires the Department of Human Services to use the Self-Support Index to allocate performance bonus funds. The chart following shows that about two-thirds of participants have left MFIP or DWP and/or are working at least 30 hours per week three years after a baseline period.

Year ending in March of:	***S-SI***
2010	67.0%
2011	65.2%
2012	65.3%
2013	66.9%
2014	68.5%
2015	68.8%
2016	68.0%
2017	65.9%
2018	64.6%
2019	64.4%

- The federal Work Participation Rate (WPR) is a process measure and counts the number of parents engaging in a minimum number of hours of federally-recognized work activities. The measure does not count households who discontinue assistance when getting a job.

Federal Fiscal Year	***WPR***
2008	29.9%
2009	29.8%
2010	40.2%
2011	43.9%
2012	45.3%
2013	45.1%
2014	46.2%
2015	37.9%
2016	39.4%
2017	38.9%
2018	37.2%

Another employment-related, state-mandated performance measure tracked is:

- **MFIP/DWP Median Placement Wage**, a quality measure that reflects the number of people getting jobs and the median wage. The chart shows the statewide median hourly starting wage. (Tribes are not included.)

Calendar Year	*Median Placement Wage Per Hour for MFIP Clients*	*Median Placement Wage Per Hour for DWP Clients*
2008	$9.00	$9.39
2009	$9.00	$9.30
2010	$9.50	$9.50
2011	$9.50	$9.50
2012	$9.95	$10.00
2013	$10.00	$10.00
2014	$10.29	$10.00
2015	$11.00	$11.00
2016	$11.50	$11.50
2017	$12.00	$12.00
2018	$12.50	$13.00

The legal authority for Support Services Grants is M.S. sections 256J.626 (https://www.revisor.mn.gov/statutes/?id=256J.626) and 256D.051 (https://www.revisor.mn.gov/statutes/?id=256D.051)

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	8,697	8,688	8,693	8,715	8,715	8,715	8,715	8,715
2000 - Restrict Misc Special Revenue				114				
3000 - Federal	2,503	4,312	3,054	9,200	9,200	9,200	9,200	9,200
3001 - Federal TANF	94,759	94,329	94,701	96,311	96,311	96,311	96,311	96,311
Total	**105,959**	**107,330**	**106,449**	**114,340**	**114,226**	**114,226**	**114,226**	**114,226**
Biennial Change				7,500		7,663		7,663
Biennial % Change				4		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Operating Expenses	1,900	629	1,136					
Grants, Aids and Subsidies	104,059	106,700	105,312	114,340	114,226	114,226	114,226	114,226
Total	**105,959**	**107,330**	**106,449**	**114,340**	**114,226**	**114,226**	**114,226**	**114,226**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Direct Appropriation	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715
Cancellations	18	27	22					
Expenditures	**8,697**	**8,688**	**8,693**	**8,715**	**8,715**	**8,715**	**8,715**	**8,715**
Biennial Change in Expenditures				23		22		22
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
2000 - Restrict Misc Special Revenue								
Balance Forward In				114				
Expenditures				**114**				
Biennial Change in Expenditures				114		(114)		(114)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
3000 - Federal								
Receipts	2,503	4,312	3,054	9,200	9,200	9,200	9,200	9,200
Expenditures	**2,503**	**4,312**	**3,054**	**9,200**	**9,200**	**9,200**	**9,200**	**9,200**
Biennial Change in Expenditures				5,439		6,146		6,146
Biennial % Change in Expenditures				80		50		50
Governor's Change from Base								0
Governor's % Change from Base								0
3001 - Federal TANF								
Balance Forward In		40						
Receipts	94,759	94,289	94,701	96,311	96,311	96,311	96,311	96,311
Expenditures	**94,759**	**94,329**	**94,701**	**96,311**	**96,311**	**96,311**	**96,311**	**96,311**
Biennial Change in Expenditures				1,924		1,610		1,610
Biennial % Change in Expenditures				1		1		1
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Grant Programs
Activity: Basic Sliding Fee Child Care Assistance Grants

mn.gov/dhs/people-we-serve/children-and-families/economic-assistance/child-care/programs-and-services/basic-sliding-fee.jsp

AT A GLANCE

- In 2019 Basic Sliding Fee Child Care Assistance paid for child care for 13,995 children in 7,284 families in an average month.
- As of June 2020 there was a waiting list of 3,341 families eligible for assistance, but who could not be served at the current funding levels.
- The average monthly assistance per family was $1,145.
- All funds spending for the BSF Child Care Assistance Grants activity for FY 2019 was $103 million. This represented 0.6 percent of the Department of Human Services overall budget.

PURPOSE & CONTEXT

In order to work, families need safe and reliable child care. The annual cost of full time licensed care for one child can exceed $10,000. Many low-income families struggle to find affordable child care that fits their needs. Basic Sliding Fee (BSF) Child Care Assistance provides financial subsidies to help low-income families pay for child care through the Child Care Assistance Program. Families earning no more than 47 percent of the state median income ($41,070 in 2020 for a family of three) are eligible to enter the Basic Sliding Fee program. Families leave the Child Care Assistance Program when their earnings are greater than 67 percent of state median income ($58,547 in 2020 for a family of three) or when their copayment exceeds their cost of care.

SERVICES PROVIDED

BSF child care assistance grants provide support to help improve outcomes for the most at-risk children and their families by increasing access to high quality child care.

Families must be working, looking for work or attending school to be eligible for the Basic Sliding Fee Program. The program helps families pay child care costs on a sliding fee basis. As family income increases, so does the amount of child care expenses (copayment) paid by the family. All families receiving child care assistance and earning 75 percent or more of the federal poverty guideline make copayments based on their income. A family of three earning 55 percent of the state median income ($48,060) would have a total biweekly copayment of $155 for all children in care.

The BSF child care assistance grants activity is part of the state's Child Care Assistance Program. Maximum rates for provider payment in the Child Care Assistance Program are set in state law. Maximum rates are set for each type of care: child care centers, family child care and legal non-licensed child care. Providers are paid at the rate they charge in the private child care market, up to this limit. The program pays a higher rate to providers who have met quality standards through Parent Aware, are accredited, or hold certain educational credentials.

Child care must be provided by a legal child care provider over the age of 18 years. Allowable providers include legal non-licensed family child care, license-exempt centers, licensed family child care and licensed child care centers. Families choose their providers in the private child care market. Counties administer the Child Care Assistance Program.

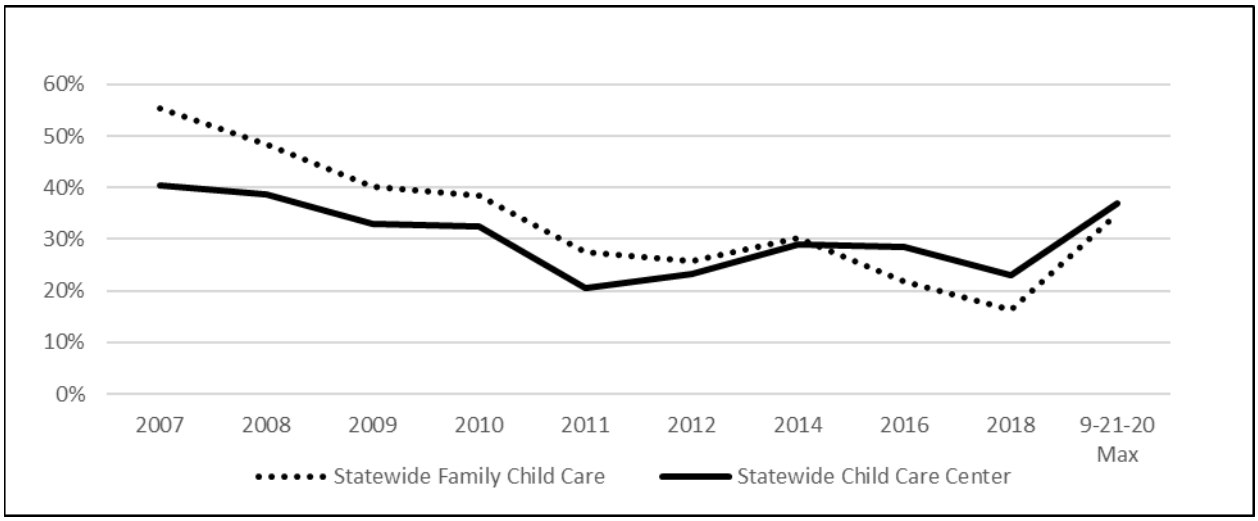
BSF funding is a capped allocation. It includes a combination of state funds and federal Child Care and Development and Temporary Assistance for Needy Families (TANF) funding. The agency allocates funding to counties, who administer the program. Because the funding is capped, not everyone who is eligible for the program may be served. As of June 2020, there was a waiting list for BSF child care assistance of 3,341 families.

RESULTS

Percent of Provider Prices Fully Covered by CCAP - Maximum rates paid to providers under the Child Care Assistance Program may not cover the full cost of child care. This may be a barrier for some families if they cannot find a provider in their community whose prices are covered by the maximum allowed under the program. **The percent of child care providers who charge prices that are fully covered by the Child Care Assistance Program increased when the maximum rates were raised in the 2020 legislative session, but the maximum rate paid remains low compared to prices in the market.**

This quality measure shows approximately 35 percent of family child care providers and approximately 37 percent of child care centers charge prices that are fully covered by the Child Care Assistance Program maximum rates.

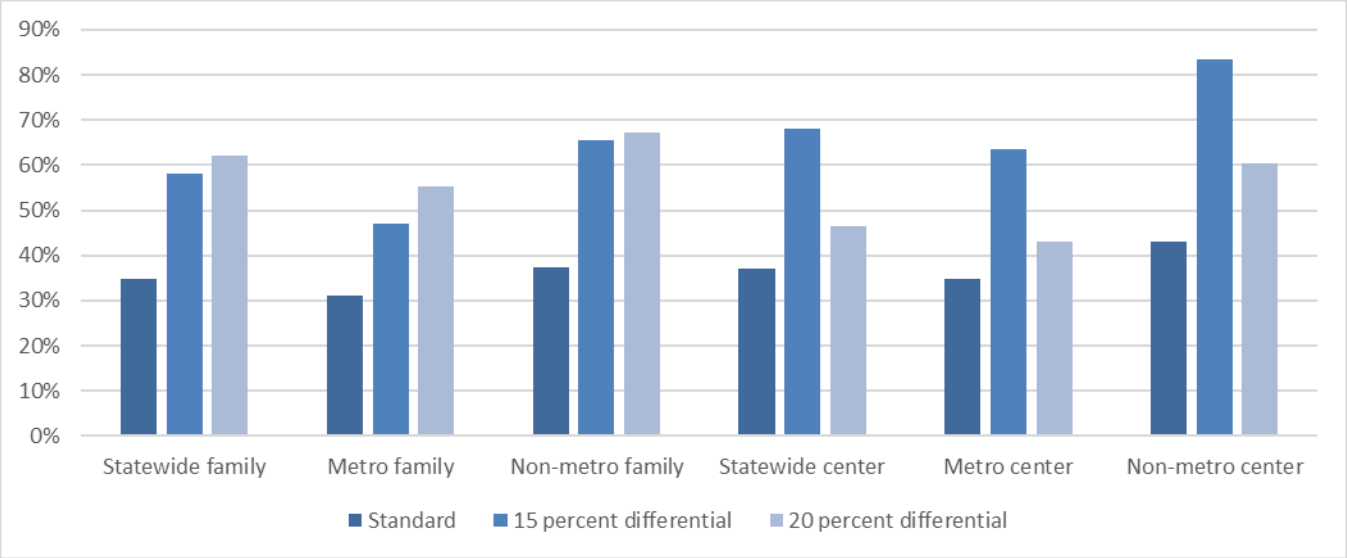
Provider prices fully covered by Standard Maximum Rates statewide, by percent



Quality Differential Impact - Parent Aware is Minnesota's rating tool for helping parents select high quality child care and early education programs. The Child Care Assistance Program allows up to a 15 percent higher maximum rate to be paid to providers with a Parent Aware 3-star rating, or who hold certain accreditation or education standards established in statute. Up to a 20 percent higher maximum rate can be paid to providers with a 4-star Parent Aware rating.

This quality measure shows that higher maximum rates may increase families' access to high quality providers by allowing the maximum rate paid by the Child Care Assistance Program to fully cover more (or an equivalent proportion) of their prices as compared to the prices charged by all providers. This measure indicates the impact of quality differentials by type of care. It is first presented as a statewide total, and then broken out by metro and non-metro counties.

Prices fully covered by Standard and Quality Differential Maximum Rates (Sept. 2020)



Specifically, the 20 percent differential allows the prices charged by center based four-star rated metro providers to be fully covered by the maximum subsidy at a higher proportion compared to the prices of all metro center providers. The higher maximum rates offer coverage of the prices charged by all other types of quality providers at higher levels than the standard maximum rates.

Use of High Quality Care - Children who participate in high quality early care and education are more likely to experience school success and positive life-long outcomes. This quality measure shows that the percent of all children receiving child care assistance through providers eligible for the higher subsidy rates for quality has increased from 37.5 percent in July of 2016 to 51.8 percent in July of 2019.

Percent of Children Receiving Child Care Assistance in Quality Settings

	2016	2017	2018	2019
Standard Care	53.2%	52%	48.4%	40.5%
Provider holds Accreditation*	3.8%	4.5%	3.9%	3.5%
Provider holds Parent Aware 1-2 Star	9.3%	6.6%	7.0%	7.7%
Provider holds Parent Aware 3-4 Star*	33.7%	36.9%	40.7%	48.3%

** These providers are eligible for CCAP higher rates for quality. Data representative of services provided in July of each year.*

The data source for the prices charged by providers is a biennial survey of provider prices conducted by the Department. To assess the portion of provider prices fully covered, provider prices are compared to the applicable maximum subsidy rates. The data source for children in care with provider's eligible of the higher rates for quality is from MEC^2, Minnesota's child care electronic eligibility and payment system.

The legal authority for the Basic Sliding Fee (BSF) Child Care Assistance program is in M.S. chapter 119B. (https://www.revisor.mn.gov/statutes/?id=119B)

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	44,043	53,214	44,655	53,616	53,616	53,616	53,599	53,593
3000 - Federal	54,490	49,629	63,364	56,429	56,429	56,429	56,429	56,429
Total	**98,533**	**102,844**	**108,019**	**110,045**	**110,045**	**110,045**	**110,028**	**110,022**
Biennial Change				16,687		2,026		1,986
Biennial % Change				8		1		1
Governor's Change from Base								(40)
Governor's % Change from Base								(0)
Expenditures by Category								
Grants, Aids and Subsidies	98,533	102,844	108,019	110,045	110,045	110,045	110,028	110,022
Total	**98,533**	**102,844**	**108,019**	**110,045**	**110,045**	**110,045**	**110,028**	**110,022**

BSF Child Care Assistance Grants

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Direct Appropriation	44,690	53,413	44,655	53,616	53,616	53,616	53,599	53,593
Cancellations	647	199						
Expenditures	**44,043**	**53,214**	**44,655**	**53,616**	**53,616**	**53,616**	**53,599**	**53,593**
Biennial Change in Expenditures				1,014		8,961		8,921
Biennial % Change in Expenditures				1		9		9
Governor's Change from Base								(40)
Governor's % Change from Base								(0)
3000 - Federal								
Balance Forward In	196	219	16,141	12,496				
Receipts	54,506	65,551	59,719	43,933	56,429	56,429	56,429	56,429
Balance Forward Out	212	16,141	12,496					
Expenditures	**54,490**	**49,629**	**63,364**	**56,429**	**56,429**	**56,429**	**56,429**	**56,429**
Biennial Change in Expenditures				15,673		(6,935)		(6,935)
Biennial % Change in Expenditures				15		(6)		(6)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Grant Programs
Activity: Child Care Development Grants

mn.gov/dhs/people-we-serve/children-and-families/services/child-care/

AT A GLANCE

- As of December 2019, 2,872 child care and early education programs and 28 percent of all eligible programs have a Parent Aware rating.
- 2,756 family child care providers and 11,373 child care center staff are active users on Develop, Minnesota's Quality Improvement and Registry Tool.
- 3,043 individuals received coaching and support services to increase quality of care to children in calendar year 2019.
- All funds spending for the Child Care Development Grants activity for FY 2019 was $ 22.4 million. This represented 0.1 percent of the Department of Human Services overall budget.

PURPOSE & CONTEXT

Child Care Development Grants provide a system of quality improvement supports for licensed child care programs, professional development supports for the child care workforce, and information and supports for prospective child care business owners to improve the supply of child care. They also support families to find care and education to meet their needs.

These grants are foundational to DHS' strategy for addressing Minnesota's child care scarcity. The lack of quality child care, especially in Greater Minnesota, has a tangible economic impact because communities with an adequate supply of child care are better positioned to attract and retain employees.

In addition, there are too few individuals with the qualifications needed to work in child care programs, which also contributes to the child care shortage. These grants help new child care workforce members gain needed qualifications, and provide grants, loans, training, coaching and technical assistance that help retain and support the current child care workforce.

SERVICES PROVIDED

The Department of Human Services (DHS) provides grants to public and private partners who specialize in providing services for child care providers, families, and individuals working on starting new child care businesses, to increase the supply and quality of child care in Minnesota. Services include:

- Information for parents searching for quality child care and early education for their children through Parent Aware, an online search tool (Parent Aware website, http://www.parentaware.org/) and other parent education services provided by Child Care Aware of Minnesota
- Grants, loans, financial supports and other incentives to encourage current and prospective child care providers and teachers to enter the care and education field, stay in it, advance in their profession, and improve their programs through participation in the voluntary Parent Aware Quality Rating and Improvement System
- Training, coaching, professional development advising, and other workforce supports for early childhood and school-age care providers to increase their business skills, knowledge of child development, and instructional practices to meet the needs of individual children
- Reimbursement to child care programs and providers to cover some of the fees charged to complete a nationally recognized child care accreditation program

Child Care Development Grants are funded primarily with federal Child Care and Development block grant funds and some state funds.

RESULTS

Use of Quality Child Care - Children who participate in quality child care and early education are more likely to experience school success and positive life-long outcomes. This measure shows that the percent of all children receiving child care assistance through providers with Parent Aware Ratings has increased from 34 percent in December 2014 to 62 percent in July 2019.

Number of Programs Rated by Parent Aware – Parent Aware improves children's outcomes by improving families' access to high quality child care. This measure shows that the percentage of child care and early education programs with a Parent Aware rating increased from 2018 to 2019.

Provider Education Levels – Child care and early education professionals with degrees or credentials are needed to provide the kind of early learning opportunities that will make a difference for children's outcomes. This measure shows that the education level of early childhood educators has continued to grow over time, as reported by those educators volunteering to verify their education level.

Searches for Quality Care through Parent Aware - A new and improved website for parents was launched in FY2015 to better meet parents' needs in choosing child care. After this launch, the website experienced a large increase in visitors in a short period of time. From 2018 to 2019, unique visitors have grown on Parent Aware.

Type of Measure	*Description*	*Previous*	*Current*	*Dates*
Result	Percent of children receiving child care assistance in high quality settings[1]	34%	62%	2014 & 2019
Quantity	Percent of child care and early education programs with a Parent Aware rating[2]	25%	28%	2018 & 2019
Quantity	Number of family child care providers and teachers working directly with children with a Credential, CDA or Degree (AAS, BA/BS or higher)[3]	4,785	5,267	2018 & 2019
Quantity	Number of unique visitors on Parent Aware.org[4]	85,706	86,359	2018 & 2019

Performance Measures notes:

- Data is from the Department of Human Services (DHS) and includes the number of children receiving child care assistance served in Parent Aware Rated settings in December 2014, and the number of children receiving child care assistance served in Parent Aware Rated settings in July 2019.
- Data on Parent Aware Rated Programs is from DHS and includes licensed child care programs (DHS and tribally licensed family child care and child care centers), Head Start/Early Head Start programs, and public schools prekindergarten sites as of Dec. 31.
- Data is from Develop on Aug. 13, 2018, for SFY18, and Aug. 3, 2020 for SFY19. This included only persons identifying as Teachers or Family child care providers. It is not a requirement for members of the child care and early education workforce to verify education or employment type in Develop.
- Data is collected via Google Analytics reports from Parent Aware.org using calendar year information.

The legal authority for the Child Care Development Grant activities is M.S. chapter 119B (https://www.revisor.mn.gov/statutes/?id=119B).

Child Care Development Grants

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	2,961	2,952	32,917	2,962	2,962	2,962	2,962	2,962
2000 - Restrict Misc Special Revenue	7							
2001 - Other Misc Special Revenue		267	413	2,000	2,000	2,000	2,000	2,000
3000 - Federal	16,843	19,484	30,719	160,551	20,492	20,492	20,492	20,492
3010 - Coronavirus Relief				109,707				
Total	**19,812**	**22,703**	**64,049**	**275,220**	**25,454**	**25,454**	**25,454**	**25,454**
Biennial Change				296,754		(288,361)		(288,361)
Biennial % Change				698		(85)		(85)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Operating Expenses	848	752	899	100				
Grants, Aids and Subsidies	18,964	21,952	63,150	275,120	25,454	25,454	25,454	25,454
Total	**19,812**	**22,703**	**64,049**	**275,220**	**25,454**	**25,454**	**25,454**	**25,454**
Total Agency Expenditures	19,812	22,703	64,049	275,220	25,454	25,454	25,454	25,454
Internal Billing Expenditures			(10)					
Expenditures Less Internal Billing	**19,812**	**22,703**	**64,059**	**275,220**	**25,454**	**25,454**	**25,454**	**25,454**

Child Care Development Grants

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In		6	0					
Direct Appropriation	1,737	1,737	31,701	1,737	1,737	1,737	1,737	1,737
Transfers In	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225
Cancellations	1	16	9					
Expenditures	**2,961**	**2,952**	**32,917**	**2,962**	**2,962**	**2,962**	**2,962**	**2,962**
Biennial Change in Expenditures				29,965		(29,955)		(29,955)
Biennial % Change in Expenditures				507		(83)		(83)
Governor's Change from Base								0
Governor's % Change from Base								0
2000 - Restrict Misc Special Revenue								
Balance Forward In	7	0						
Transfers Out		0						
Expenditures	**7**							
Biennial Change in Expenditures				(7)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
2001 - Other Misc Special Revenue								
Balance Forward In				9	9	9	9	9
Receipts		267	422	2,000	2,000	2,000	2,000	2,000
Balance Forward Out			9	9	9	9	9	9
Expenditures		**267**	**413**	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**
Biennial Change in Expenditures				2,146		1,587		1,587
Biennial % Change in Expenditures						66		66
Governor's Change from Base								0
Governor's % Change from Base								0
3000 - Federal								
Receipts	16,843	19,484	30,719	160,551	20,492	20,492	20,492	20,492
Expenditures	**16,843**	**19,484**	**30,719**	**160,551**	**20,492**	**20,492**	**20,492**	**20,492**
Biennial Change in Expenditures				154,942		(150,286)		(150,286)

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Biennial % Change in Expenditures				427		(79)		(79)
Governor's Change from Base								0
Governor's % Change from Base								0

3010 - Coronavirus Relief

Direct Appropriation				109,707	0	0	0	0
Expenditures				**109,707**				
Biennial Change in Expenditures				109,707		(109,707)		(109,707)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Program: Grant Programs
Activity: Child Support Enforcement Grants

mn.gov/dhs/people-we-serve/children-and-families/services/child-support/

AT A GLANCE

- County and state child support offices provide services to more than 332,000 custodial and non-custodial parents and their 230,000 children.
- In FY 2019, the child support program collected and disbursed $575 million in child support payments.
- Access and visitation funds served 622 children in 2019.
- All Funds spending for the Child Support Enforcement Grants Activity for FY 2019 was $1.7 million dollars. This represented less than 0.1 percent of the Department of Human Services overall budget.

PURPOSE & CONTEXT

Every child needs financial and emotional support, and every child has the right to support from both parents. Minnesota's child support program benefits children by enforcing parental responsibility for their support.

The State of Minnesota collected $575 million in child support payments in FY 2019. The MN child support program plays an active role in reducing the reliance on other state income maintenance programs given the significant amount of child support that is collected and sent directly to families.

Child support represents a high proportion of income for low income custodial parents. Ten percent of cases are currenly on public assistance and 48.5 percent of cases were formerly on public assistance. Eighty-seven percent of custodial parents who are eligible for child support are women.

Child Support Enforcement Grants help strengthen families by providing financial supports. Child support helps families become self-sufficient.

SERVICES PROVIDED

Under state direction and supervision, child support activities are administered by counties and tribes. Staff provide assistance for custodial parents in obtaining basic support, medical support and child care support for children, through locating parents and establishing paternity and support obligations. Without this assistance, many families would not have the financial resources to remain self-sufficient.

The following activities help to support and stabilize families:

- Establish paternity through genetic testing, Recognition of Parentage or other means;
- Establish and modify court orders for child support, medical support and child care support, based on statutory guidelines;
- Enforce court orders to assure payment through remedies established in federal regulation and state law, such as income withholding, driver's license suspension and passport denial; and
- Collect and process payments from employers, parents, counties and other states and issue support funds to families.

Additional grants provide federal funding to improve non-custodial parents' access to their children. Funding is a mix of federal funds, state general funds and fees.

RESULTS

The federal government funds state child support programs in part through performance incentives. These are calculated by measuring the state's performance in core activities: paternity establishment, order establishment, collection of current support, collection of arrears (past due support) and program cost effectiveness. States are ranked by their scores on the measures and earn higher incentives as performance increases. Each percentage measurement has a threshold of 80 percent to earn the maximum incentive for that measure. To maximize the incentive for cost-effectiveness, states must collect five dollars for every dollar spent on the child support program.

Minnesota's child support performance has increased in all measures over the last five years. Minnesota ranks among the top five states on child support collections measures. In 2015, Minnesota earned $12 million dollars in federal incentives. The federal incentives are passed on to counties to help cover their administrative costs of the program.

Type of Measure	*Performance Measures*[1]	*FFY*[2] *2019*	*FFY 2018*	*FFY 2017*	*FFY 2016*	*FFY 2015*
Quantity	Paternities established: percent of children born outside marriage for whom paternity was established in open child support cases for the year	100%	101%[3]	101%	100%	99%
Quantity	Orders established: percent of cases open at the end of the year with orders established	88%	88%	88%	88%	88%
Quantity	Collections on current support: percent of cases with current support due within the year that had a collection on current support	75%	74%	74%	74%	73%
Quantity	Collections on arrears: percent of cases with arrears due within the year that had a collection on arrears	72%	72%	72%	72%	72%
Quality	Cost effectiveness: dollars collected per dollar spent	$3.14	$3.26	$3.30	$3.30	$3.54

Notes on Performance Measures:

1. Federal performance measures are listed in the 2019 Minnesota Child Support Performance Report (https://www.leg.state.mn.us/docs/2020/other/200610.pdf).
2. FFY = federal fiscal year
3. Paternities established can be higher than 100 percent because the results include children born in prior years for whom paternity has been established in that year.

The legal authority for Child Support Enforcement Grants comes from federal and state laws.

Federal law 42 U.S.C. secs. 651-669b requires that states establish a child support program and gives general guidelines for administering the program. (Title 42 651; https://www.govinfo.gov/content/pkg/USCODE-2011-title42/html/USCODE-2011-title42-chap7-subchapIV-partD.htm).

State law:

Requires a person receiving public assistance to assign child support rights to the state and cooperate with child support services (M.S. sec. 256.741, https://www.revisor.mn.gov/statutes/?id=256.741)

Provides legal authority to establish child support (M.S. sec. 256.87, https://www.revisor.mn.gov/statutes/?id=256.87) and to establish paternity (M.S. sec. 257.57, https://www.revisor.mn.gov/statutes/?id=257.57)

Provides legal authority to set and collect fees for child support services (M.S. sec. 518A.51, https://www.revisor.mn.gov/statutes/?id=518A.51), and requires the state to establish a central collections unit (M.S. sec. 518A.56, https://www.revisor.mn.gov/statutes/?id=518A.56).

Child Support Enforcement Grants

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
2000 - Restrict Misc Special Revenue	1,534	1,539	1,663	1,543	1,543	1,543	1,543	1,543
2001 - Other Misc Special Revenue	(17)	(5)	(43)	50	50	50	50	50
3000 - Federal	132	165	168	612	911	138	911	138
Total	**1,649**	**1,699**	**1,788**	**2,205**	**2,504**	**1,731**	**2,504**	**1,731**
Biennial Change				645		242		242
Biennial % Change				19		6		6
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Operating Expenses	(275)	(256)	(270)	170	170		170	
Grants, Aids and Subsidies	1,923	1,956	2,058	2,035	2,334	1,731	2,334	1,731
Total	**1,649**	**1,699**	**1,788**	**2,205**	**2,504**	**1,731**	**2,504**	**1,731**

Child Support Enforcement Grants

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Direct Appropriation	50	50	50	50	50	50	50	50
Transfers Out	50	50	50	50	50	50	50	50
2000 - Restrict Misc Special Revenue								
Balance Forward In	0	60	60	60				
Receipts	1,628	1,573	1,697	1,483	1,543	1,543	1,543	1,543
Transfers Out	34	34	34					
Balance Forward Out	60	60	60					
Expenditures	**1,534**	**1,539**	**1,663**	**1,543**	**1,543**	**1,543**	**1,543**	**1,543**
Biennial Change in Expenditures				133		(120)		(120)
Biennial % Change in Expenditures				4		(4)		(4)
Governor's Change from Base								0
Governor's % Change from Base								0
2001 - Other Misc Special Revenue								
Balance Forward In	229	300	356	449	449	449	449	449
Receipts	3	0	0					
Transfers In	50	50	50	50	50	50	50	50
Balance Forward Out	299	355	449	449	449	449	449	449
Expenditures	**(17)**	**(5)**	**(43)**	**50**	**50**	**50**	**50**	**50**
Biennial Change in Expenditures				29		93		93
Biennial % Change in Expenditures				(133)		1,289		1,289
Governor's Change from Base								0
Governor's % Change from Base								0
3000 - Federal								
Receipts	132	165	168	612	911	138	911	138
Expenditures	**132**	**165**	**168**	**612**	**911**	**138**	**911**	**138**
Biennial Change in Expenditures				483		269		269
Biennial % Change in Expenditures				163		35		35
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Grant Programs
Activity: Children's Services Grants

https://mn.gov/dhs/people-we-serve/children-and-families/services/child-protection/

AT A GLANCE

In 2019:

- 29,736 reports of child abuse and neglect involving 38,298 children were assessed.
- Of these, 6,953 unique children were determined to be victims of child maltreatment.
- 15,297 children experienced an out-of-home placement.
- All funds spending for the Children's Services Grants activity for FY 2019 was $55 million. This represented 0.3 percent of the Department of Human Services overall budget.

PURPOSE & CONTEXT

Strong families and communities are an effective first line of defense for keeping children safe, especially in times of stress. Children who have been abused and neglected are more likely to perform poorly in school, become involved in criminal activities and abuse or neglect their own children. Long-term intervention costs for crime, corrections, truancy, hospitalization, special education and mental health care are also minimized when programs and services support strong families and communities. Research provides compelling evidence that strength-based child welfare interventions, such as those funded with Children's Services Grants, result in safer children and more stable families. Without these services, children and families remain at risk.

SERVICES PROVIDED

The Children's Services Grants fund county, tribal and community-based child welfare services around the state, including Indian child welfare services, child protection, homeless youth services, and child abuse and neglect services. These grants help keep children out of foster care and safely with their families and reduce disparities in the number of children of color in out-of-home placements. Recently these grants have been used to:

- Reform the child welfare system to focus on ensuring children's safety while supporting families.
- Improve the Minnesota Child Welfare Training System.
- Design and develop tribal approaches that ensure child safety and permanency.
- Transfer responsibility from counties to tribes to deliver a full continuum of child welfare services to American Indian children and families on two reservations.
- Expand the Parent Support Outreach Program (PSOP https://edocs.dhs.state.mn.us/lfserver/Public/DHS-4472A-ENG) by doubling the number of counties in the program.

These services are essential to keep children safe and families stable. Children's Services Grants include state and federal funding for child welfare services.

RESULTS

The Department of Human Services monitors the performance of counties and tribes in delivering child welfare services. Minnesota outcomes meet or exceed most federal standards. Efforts to engage families early and collaboratively with evidence-based interventions have resulted in improved safety and timely permanency outcomes.

Type of Measure	*Name of Measure*	*2014*	*2015*	*2016*	*2017*	*2018*	*2019*
Quality	Percent of children not experiencing repeated abuse or neglect within 12 months of a prior report	94.3%	94.5%	91.8%	91.0%	91.0%	93.8%
Quality	Percent of all children who enter foster care in the previous year that are discharged to permanency (i.e., reunification with parents, caregivers, living with relative, guardianship, adoption) within 12 months	60.0%	56.1%	50.6%	47.5%	48.6%	49.5%
Quality	Percent of all children in foster care who had been in care between 12 and 23 months on the first day of the year that were discharged to permanency within 12 months of the first day of the year	50.0%	44.8%	48.1%	51.2%	58.9%	55.5%
Quality	Percent of all children in foster care who had been in care for 24 months or more on the first day of the year that were discharged to permanency within 12 months of the first day of the year	17.4%	23.1%	25.2%	28.8%	34.0%	33.3%

Performance Measures notes:

Measures from the Child Safety and Permanency Division at the Department of Human Services.

Also see the DHS Child Welfare Dashboard (http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=dhs16_148137).

Several state statutes provide the legal authority for the Children's Services Grants activity:

Provisions for reasonable efforts, Interstate Compact on Placement of Children and Minnesota Indian Preservation Act are in M.S. chapter 260 (https://www.revisor.mn.gov/statutes/?id=260)

Provisions for juvenile protection are in M.S. chapter 260C (https://www.revisor.mn.gov/statutes/?id=260C)

Provisions for voluntary foster care for treatment are in M.S. chapter 260D (https://www.revisor.mn.gov/statutes/?id=260D)

Reporting of Maltreatment of minors is under M.S. section 626.556 (https://www.revisor.mn.gov/statutes/?id=626.556)

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	36,735	37,198	42,455	48,825	50,501	50,216	50,501	50,216
2000 - Restrict Misc Special Revenue	628	539	283	617	617	617	617	617
2001 - Other Misc Special Revenue	2,620	2,386	2,129	2,928	2,858	2,858	2,858	2,858
2403 - Gift	8	3		24	24	24	24	24
3000 - Federal	14,047	15,937	21,795	28,058	30,985	31,782	30,985	31,782
3001 - Federal TANF	140	140	140	140	140	140	140	140
Total	**54,180**	**56,203**	**66,801**	**80,592**	**85,125**	**85,637**	**85,125**	**85,637**
Biennial Change				37,010		23,369		23,369
Biennial % Change				34		16		16
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Operating Expenses	1,058	803	606	678	678	678	678	678
Grants, Aids and Subsidies	53,121	55,400	66,196	79,914	84,447	84,959	84,447	84,959
Total	**54,180**	**56,203**	**66,801**	**80,592**	**85,125**	**85,637**	**85,125**	**85,637**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In	733	937	806	1,022				
Direct Appropriation	39,240	39,165	44,207	49,285	51,983	51,698	51,983	51,698
Transfers In	937		334	636				
Transfers Out	2,419	1,482	1,816	2,118	1,482	1,482	1,482	1,482
Cancellations	819	615	54					
Balance Forward Out	937	806	1,022					
Expenditures	**36,735**	**37,198**	**42,455**	**48,825**	**50,501**	**50,216**	**50,501**	**50,216**
Biennial Change in Expenditures				17,346		9,437		9,437
Biennial % Change in Expenditures				23		10		10
Governor's Change from Base								0
Governor's % Change from Base								0
2000 - Restrict Misc Special Revenue								
Balance Forward In	916	1,063	1,116	1,553	1,553	1,553	1,553	1,553
Transfers In	640	683	760	685	685	685	685	685
Transfers Out	46	118	41	68	68	68	68	68
Balance Forward Out	882	1,088	1,553	1,553	1,553	1,553	1,553	1,553
Expenditures	**628**	**539**	**283**	**617**	**617**	**617**	**617**	**617**
Biennial Change in Expenditures				(267)		334		334
Biennial % Change in Expenditures				(23)		37		37
Governor's Change from Base								0
Governor's % Change from Base								0
2001 - Other Misc Special Revenue								
Balance Forward In	1,544	802	66	64	64	64	64	64
Receipts	1,428							
Transfers In	1,482	1,650	2,127	2,928	2,858	2,858	2,858	2,858
Transfers Out	1,230							
Balance Forward Out	604	66	64	64	64	64	64	64
Expenditures	**2,620**	**2,386**	**2,129**	**2,928**	**2,858**	**2,858**	**2,858**	**2,858**
Biennial Change in Expenditures				51		659		659
Biennial % Change in Expenditures				1		13		13
Governor's Change from Base								0

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Governor's % Change from Base								0

2403 - Gift

Balance Forward In	8	5	1	1	1	1	1	1
Receipts	0	0	0	24	24	24	24	24
Balance Forward Out	0	1	1	1	1	1	1	1
Expenditures	**8**	**3**		**24**	**24**	**24**	**24**	**24**
Biennial Change in Expenditures				12		24		24
Biennial % Change in Expenditures				105				
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Balance Forward In	39	0	111	117				
Receipts	14,030	15,950	21,801	27,941	30,985	31,782	30,985	31,782
Balance Forward Out	21	13	117					
Expenditures	**14,047**	**15,937**	**21,795**	**28,058**	**30,985**	**31,782**	**30,985**	**31,782**
Biennial Change in Expenditures				19,869		12,914		12,914
Biennial % Change in Expenditures				66		26		26
Governor's Change from Base								0
Governor's % Change from Base								0

3001 - Federal TANF

Receipts	140	140	140	140	140	140	140	140
Expenditures	**140**	**140**	**140**	**140**	**140**	**140**	**140**	**140**
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Child Protection:
(http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=id_000152)
Adult Protective Services Unit:
(http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=id_005710)

AT A GLANCE

In 2019:

- 29,736 reports of child abuse and neglect involving 38,298 children were assessed.
- 2,018 children were either adopted or had a permanent transfer of legal custody to a relative.
- 57,180 reports of suspected maltreatment of a vulnerable adult were received, screened and dispatched.
- 27,969 reports of suspected maltreatment of a vulnerable adult were assessed by a county.
- 7,962 reports of suspected maltreatment of a vulnerable adult were investigated by a county.
- All funds spending for the Children & Community Services activity for FY 2019 was $88.6 million. This represented 0.5 percent of the Department of Human Services overall budget.

PURPOSE & CONTEXT

Under the state Vulnerable Children and Adult Act, Child and Community Services Grants provide funding to support core safety services for vulnerable children and adults, including response to reports of maltreatment, assessments of safety and risk, case management and other supportive services that help keep children and adults safely in their own homes.

The grants provide funding that supports counties' administrative responsibility for child protection services and foster care. The funding also helps counties purchase or provide these services for children, vulnerable adults and families.

SERVICES PROVIDED

Funding through these grants provides core safety services that focus on preventing or remedying vulnerable adult maltreatment and child neglect, preserving and rehabilitating families, and providing for community-based care. Services include:

- Response to reports of child and adult maltreatment and assessment of safety and risk of harm.
- Adoption and foster care supports for children.
- Case management and counseling.

Children and Community Services Grants provide child protection services to help keep more children out of foster care and safely with their families, and to decrease the disproportionate number of children of color in out-of-home placements. They help ensure that vulnerable children and adults are better protected and receive support services in their communities.

These grants include state funds and the federal Social Services Block Grant and are allocated to counties through the state's Vulnerable Children and Adult Act.

This budget activity also includes a smaller set of grant funds to support initiatives by the White Earth Nation and Red Lake Nation to operate their own human service systems.

RESULTS

The Department of Human Services monitors the performance of counties in delivering child welfare and adult protective services. Minnesota outcomes meet or exceed most federal child welfare standards. Efforts to engage families early and collaboratively with evidence-based interventions have resulted in improved safety and timely permanency outcomes for children.

Type of Measure	***Name of Measure***	***2014***	***2015***	***2016***	***2017***	***2018***	***2019***
Quality	Percent of children not experiencing repeated abuse or neglect within 12 months of a prior report	94.3%	94.5%	91.8%	91.0%	91.0%	93.8%
Quality	Percent of all children who enter foster care in the previous year that are discharged to permanency (i.e., reunification with parents, caregivers, living with relative, guardianship, adoption) within 12 months	60.0%	56.1%	50.6%	47.5%	48.6%	49.5%
Quality	Percent of all children in foster care who had been in care between 12 and 23 months on the first day of the year that were discharged to permanency within 12 months of the first day of the year	50.0%	44.8%	48.1%	51.2%	58.9%	55.5%
Quality	Percent of all children in foster care who had been in care for 24 months or more on the first day of the year that were discharged to permanency within 12 months of the first day of the year	17.4%	23.1%	25.2%	28.8%	34.0%	33.3%

Performance Measures notes:

Measures provided by the Child Safety and Permenancy Division at the Department of Human Services.

Also see the DHS Child Welfare Data Dashboard (https://mn.gov/dhs/partners-and-providers/news-initiatives-reports-workgroups/child-protection-foster-care-adoption/child-welfare-data-dashboard/).

The legal authority for the Vulnerable Children and Adult Act is in M.S. chapter 256M (https://www.revisor.mn.gov/statutes/?id=256M). This Act establishes a fund to address the needs of vulnerable children and adults in each county under a service plan agreed to by each county board and the commissioner of human services.

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	58,201	58,201	59,201	59,701	60,251	60,856	60,251	60,856
2005 - Opiate Epidemic Response				5,580	7,865	9,768	7,865	9,768
3000 - Federal	30,227	30,441	30,353	30,737	30,737	30,737	30,737	30,737
Total	**88,428**	**88,642**	**89,554**	**96,018**	**98,853**	**101,361**	**98,853**	**101,361**
Biennial Change				8,502		14,642		14,642
Biennial % Change				5		8		8
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Operating Expenses		(35)	(35)					
Grants, Aids and Subsidies	88,428	88,677	89,589	96,018	98,853	101,361	98,853	101,361
Total	**88,428**	**88,642**	**89,554**	**96,018**	**98,853**	**101,361**	**98,853**	**101,361**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Direct Appropriation	58,201	58,201	59,201	59,701	60,251	60,856	60,251	60,856
Expenditures	**58,201**	**58,201**	**59,201**	**59,701**	**60,251**	**60,856**	**60,251**	**60,856**
Biennial Change in Expenditures				2,500		2,205		2,205
Biennial % Change in Expenditures				2		2		2
Governor's Change from Base								0
Governor's % Change from Base								0
2005 - Opiate Epidemic Response								
Direct Appropriation				5,580	7,865	9,768	7,865	9,768
Expenditures				**5,580**	**7,865**	**9,768**	**7,865**	**9,768**
Biennial Change in Expenditures				5,580		12,053		12,053
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
3000 - Federal								
Balance Forward In			23					
Receipts	30,227	30,441	30,330	30,737	30,737	30,737	30,737	30,737
Expenditures	**30,227**	**30,441**	**30,353**	**30,737**	**30,737**	**30,737**	**30,737**	**30,737**
Biennial Change in Expenditures				422		384		384
Biennial % Change in Expenditures				1		1		1
Governor's Change from Base								0
Governor's % Change from Base								0

SNAP (mn.gov/dhs/people-we-serve/children-and-families/economic-assistance/food-nutrition/programs-and-services/supplemental-nutrition-assistance-program.jsp)
Economic Opportunity (http://www.dhs.state.mn.us/main/id_002550)

AT A GLANCE

- More than 426,000 Minnesotans receive help through the Supplemental Nutrition Assistance Program (SNAP) every month with an average monthly benefit of $109 per person.
- More than 11,400 people receive emergency shelter and services annually
- More than 4,700 individuals in 2,600 households receive transitional housing services annually
- Family Assets for Independence in Minnesota (FAIM) has helped people save nearly $4.65 million and acquire over 2,500 long-term financial assets since 1998.
- All funds spending for the Child & Economic Support Grants activity for FY 2019 was $450 million. This represented 2.5 percent of the Department of Human Services overall budget.

PURPOSE & CONTEXT

People living in poverty often face numerous barriers and have complex needs. The Department of Human Services administers nearly 200 grants annually to more than 100 organizations to help people in poverty meet their basic needs for food, clothing and shelter through the Children and Economic Support Grants. Funds are also used to help people get the skills and knowledge to improve their economic stability. Without these funds, more people would be hungry, homeless and poor.

The largest part of this budget activity is federal funding for the Supplemental Nutrition Assistance Program (SNAP). Outreach and nutrition education are conducted under this activity. These efforts help keep more people fed and healthy.

SERVICES PROVIDED

Children and Economic Support Grants fund food, housing, poverty reduction, and financial capability services for low-income families and individuals. These services are designed to:

- Help people buy food
- Ensure people eligible for SNAP know about the program
- Educate people on nutrition and food preparation
- Help legal non-citizens 50 years and older who do not qualify for federal SNAP due to citizenship status purchase food
- Fund food banks, food shelves and on-site meal programs
- Help homeless individuals and families to find safe and stable housing
- Provide supportive services to people experiencing long-term homelessness
- Provide emergency shelter and essential services for homeless adults, children, and youth
- Provide specialized emergency shelter and services for youth who have been victims of sex trafficking
- Fund, train, and provide technical assistance to counties and tribes for services to reduce barriers for long-term homeless adults, youth and families

These grants also support:

- Programs administered by regional Community Action Agencies that help low-income people become more economically secure.
- Financial capability services through the Family Assets for Independence in Minnesota (FAIM) and related financial education initiatives.

In addition to the federal SNAP funding, other funding sources include: state grants; federal grants from the U.S. Departments of Agriculture (USDA), Health and Human Services (HHS), Housing and Urban Development (HUD) and private foundations.

RESULTS

Several programs, such as the Transitional Housing Program and Homeless Youth Act help people with their shelter needs.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Results	Percent of transitional housing participants that moved into permanent housing	74%	74%	2016 2018
Quality	Percent of transitional housing participants that maintained permanent housing six months or more	70%	85%	2016 2018
Quantity	Number of youth heads of household served in emergency shelter or in housing	1,549	1,837	2017 2019

Measures provided by Economic Assistance & Employment Support Division at the Department of Human Services.

The legal authority for the Children and Economic Support Grants activities comes from:
Minnesota Food Assistance Program, M.S. sec. 256D.053 (https://www.revisor.mn.gov/statutes/?id=256D.053)
Community Action Programs, M.S. secs. 256E.30 to 256E.32 (https://www.revisor.mn.gov/statutes/?id=256E.30)
Transitional Housing Programs, M.S. sec. 256E.33 (https://www.revisor.mn.gov/statutes/?id=256E.33)
Minnesota Food Shelf Program, M.S. sec. 256E.34 (https://www.revisor.mn.gov/statutes/?id=256E.34)
Family Assets for Independence in Minnesota (FAIM), M.S. sec. 256E.35 (https://www.revisor.mn.gov/statutes/?id=256E.35)
Emergency Services Grants, M.S. sec. 256E.36 (https://www.revisor.mn.gov/statutes/?id=256E.36)
Homeless Youth Act, M.S. sec. 256K.45 (https://www.revisor.mn.gov/statutes/?id=256k.45)

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	22,999	22,814	58,721	25,237	22,740	22,740	27,040	27,040
1251 - COVID-19 Minnesota				2,386				
2000 - Restrict Misc Special Revenue	144	140	140	143	143	143	143	143
2001 - Other Misc Special Revenue			365					
3000 - Federal	431,039	418,130	525,950	619,310	630,782	510,534	630,782	510,534
3010 - Coronavirus Relief			3,668	67,153				
Total	**454,182**	**441,084**	**588,843**	**714,229**	**653,665**	**533,417**	**657,965**	**537,717**
Biennial Change				407,806		(115,990)		(107,390)
Biennial % Change				46		(9)		(8)
Governor's Change from Base								8,600
Governor's % Change from Base								1
Expenditures by Category								
Compensation			74	75	75	75	75	75
Operating Expenses	104	87	81	386				
Grants, Aids and Subsidies	454,078	440,997	588,689	713,768	653,590	533,342	657,890	537,642
Total	**454,182**	**441,084**	**588,843**	**714,229**	**653,665**	**533,417**	**657,965**	**537,717**
Full-Time Equivalents			**0.27**	**0.27**	**0.27**	**0.27**	**0.27**	**0.27**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In		672		997				
Direct Appropriation	23,965	23,975	59,852	24,240	22,740	22,740	27,040	27,040
Transfers In	1,465	1,675	1,675	1,675	1,675	1,675	975	975
Transfers Out	1,550	1,760	1,675	1,675	1,675	1,675	975	975
Cancellations	209	1,748	134					
Balance Forward Out	672		997					
Expenditures	**22,999**	**22,814**	**58,721**	**25,237**	**22,740**	**22,740**	**27,040**	**27,040**
Biennial Change in Expenditures				38,145		(38,478)		(29,878)
Biennial % Change in Expenditures				83		(46)		(36)
Governor's Change from Base								8,600
Governor's % Change from Base								19
1251 - COVID-19 Minnesota								
Balance Forward In				386				
Direct Appropriation			386	2,000	0	0	0	0
Balance Forward Out			386					
Expenditures				**2,386**				
Biennial Change in Expenditures				2,386		(2,386)		(2,386)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
2000 - Restrict Misc Special Revenue								
Balance Forward In	53	47	47	47	47	47	47	47
Receipts				3	3	3	3	3
Transfers In	140	140	140	140	140	140	140	140
Transfers Out	2	0						
Balance Forward Out	47	47	47	47	47	47	47	47
Expenditures	**144**	**140**	**140**	**143**	**143**	**143**	**143**	**143**
Biennial Change in Expenditures				(1)		3		3
Biennial % Change in Expenditures				(0)		1		1
Governor's Change from Base								0
Governor's % Change from Base								0

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
2001 - Other Misc Special Revenue								
Balance Forward In			0					
Receipts			365					
Expenditures			**365**					
Biennial Change in Expenditures				365		(365)		(365)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
3000 - Federal								
Balance Forward In	59	228	58	54	2	2	2	2
Receipts	430,980	417,903	525,995	619,258	630,782	510,534	630,782	510,534
Transfers Out			50					
Balance Forward Out		1	53	2	2	2	2	2
Expenditures	**431,039**	**418,130**	**525,950**	**619,310**	**630,782**	**510,534**	**630,782**	**510,534**
Biennial Change in Expenditures				296,090		(3,944)		(3,944)
Biennial % Change in Expenditures				35		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			0.27	0.27	0.27	0.27	0.27	0.27
3010 - Coronavirus Relief								
Direct Appropriation			3,668	67,153	0	0	0	0
Expenditures			**3,668**	**67,153**				
Biennial Change in Expenditures				70,821		(70,821)		(70,821)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

Program: Grant Programs
Activity: Refugee Services Grants

mn.gov/dhs/people-we-serve/children-and-families/services/refugee-assistance/e

AT A GLANCE

- In state fiscal year (FY) 2019 an average of 1,549 people per month received employment and social services through Refugee Services grants.
- The average monthly cost per recipient in FY 2019 was $417 for employment-related services, such as assessment, employment development planning, supported job search, placement and follow-up services.
- All funds spending for the Refugee Services Grants activity for FY 2019 was $5.27 million. This represented 0.04% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

Refugees are individuals who fled their country of origin and are unable to return because of a well-founded fear of persecution. When no other options exist, the United States, as well as most Western nations, provides refugees an opportunity for permanent resettlement. Most refugees resettled in Minnesota over the last decade have been from Somalia, Burma, Laos, Ethiopia, Liberia, Bhutan, Iraq and Moldova.

Refugee Services Grants provide assistance to refugees, asylees and victims of human trafficking to resettle in Minnesota. These federally-funded grants are provided to state and local agencies, including county and voluntary resettlement agencies, school districts and community agencies to enhance human, health, educational, employment and training services. Absent these services, fewer refugees will find work and more will lack the medical, social and financial supports necessary to resettle successfully.

SERVICES PROVIDED

The Department of Human Services (DHS) Refugee Resettlement Programs Office works with many others to support the effective resettlement of refugees in Minnesota by coordinating services to help refugees transition to life in the United States. These services may include: resettlement and placement; food, cash and health care assistance; employment services; or social services.

Most refugees who resettle in Minnesota are members of families with minor children who qualify for the same cash assistance (Minnesota Family Investment Program) and health care programs available to state residents with low incomes. Refugees who do not qualify for one or both of these programs can apply for Refugee Cash Assistance (RCA) and Refugee Medical Assistance (RMA). These programs are available for the first eight months after refugees arrive in Minnesota. Applications for these programs are taken at county human services agencies and at voluntary resettlement agencies for refugees in the Twin Cities metro area and Olmsted County. The Resettlement Programs Office works to ensure existing systems and supports that are available to Minnesota residents are also accessible to residents with refugee status.

In addition, Refugee Services Grants support limited supplemental services for refugees, including:

- Supported employment services and transportation
- Case management services
- Information and referral
- Translation and interpreter services

- Citizenship and naturalization preparation services
- Refugee student services
- Health screening coordination

Grants are used to supplement existing services to better meet the needs of refugees through local community partners, counties, and refugee communities to ensure refugees and their families are healthy, stable and live and work in strong, welcoming communities. The activity is funded with federal grants from the United States Department of Health and Human Services.

RESULTS

The DHS Resettlement Programs Office uses several client outcome indicators to measure performance and determine the effectiveness of our grant management activity.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Results	Percent of refugees employed within the same year of enrollment	69%	72%	Sept.2017 Sept 2019
Quantity	Percent of refugees receiving health screening within 90 days of arrival	97%	97%	Sept.2017 Sept 2019
Result	Job retention rate within 90 days	79%	81%	Sept.2017 Sept 2019
Quantity	Average hourly wage	$11.60	$13.03	Sept.2017 Sept 2019

Performance Measure Note: The average hourly wage is the average wage over the previous year for all participants.

The legal authority for the Refugee Services Grants activities comes from federal law: 45 CFR 400

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
3000 - Federal	4,606	4,351	4,727	6,781	6,160	6,160	6,160	6,160
3010 - Coronavirus Relief				904				
Total	**4,606**	**4,351**	**4,727**	**7,685**	**6,160**	**6,160**	**6,160**	**6,160**
Biennial Change				3,455		(92)		(92)
Biennial % Change				39		(1)		(1)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Operating Expenses	279	580	582	790	675	675	675	675
Grants, Aids and Subsidies	4,327	3,770	4,145	6,895	5,485	5,485	5,485	5,485
Total	**4,606**	**4,351**	**4,727**	**7,685**	**6,160**	**6,160**	**6,160**	**6,160**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
3000 - Federal								
Balance Forward In	69	81						
Receipts	4,537	4,269	4,727	6,781	6,160	6,160	6,160	6,160
Expenditures	**4,606**	**4,351**	**4,727**	**6,781**	**6,160**	**6,160**	**6,160**	**6,160**
Biennial Change in Expenditures				2,551		812		812
Biennial % Change in Expenditures				28		7		7
Governor's Change from Base								0
Governor's % Change from Base								0
3010 - Coronavirus Relief								
Receipts				904				
Expenditures				**904**				
Biennial Change in Expenditures				904		(904)		(904)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Program: Grants Program
Activity: Health Care Grants

AT A GLANCE

- There are currently 725 navigators and in person assisters available statewide to aid people in obtaining health care coverage.
- Navigators and in person assisters provided application assistance to over 53,500 individuals or families enrolled in public health care programs during FY 2019.
- All of Minnesota's 87 counties collect and track Child and Teen Check-up immunization data with the help of grant funds from this activity.
- All funds spending for the Health Care Grants activity for FY 2019 was $22.2 million. This represents 0.1 percent of the Department of Human Services overall budget.

PURPOSE & CONTEXT

Health Care Grants activity funding provides supports, infrastructure investments, and outreach. These grants benefit enrollees in Minnesota Health Care Programs (Medical Assistance (MA) and MinnesotaCare) and some uninsured or underinsured individuals. These grants have historically targeted projects or work that supplement the direct health care services funded under the MA or MinnesotaCare programs.

Some grants in this budget activity augment the agency's own operational efforts. In doing so, we engage experts outside of the Department of Human Services (DHS) to help ensure that eligible Minnesotans are enrolled in the appropriate health care program and that those enrolled, especially our youngest and/or most vulnerable or hard to reach, receive the needed health care for which they are eligible.

SERVICES PROVIDED

The particular set of active health care grants in this budget activity administered by DHS can change over time depending on the length of the funding or project. Health care grants may be for one year or may be ongoing. Grantees can range from providers, counties, or community organizations.

Funding is generally dedicated to a specific project, demonstration, or function as directed by legislation. The grants currently funded under this budget activity include:

- **In-Person Assister and Minnesota Community Application Agent (MNCAA) Programs.** These funds provide incentive payments to entities assisting people applying to and enrolling in MinnesotaCare and Medical Assistance.
- **Emergency Medical Assistance Referral and Assistance Grants.** These grants fund organizations to provide immigration legal assistance to people with emergency medical conditions whose immigration status is a barrier to Medical Assistance or MinnesotaCare eligibility. In 2016 and 2017, these funds supported legal assistance to 268 people receiving care through Emergency Medical Assistance (EMA). 87 of these individuals became eligible for MA or MinnesotaCare because of changes in their immigration status.
- **Immunization Registry Grants.** Provides administrative funds to counties to support immunization registries.
- **Child and Teen Checkup Grants.** Provides funding to over 50 tribes and community health boards for outreach and education to children on Medical Assistance related to Child and Teen Checkup services.

- **Integrated Care for High Risk Pregnancies (ICHRP).** This pilot program provides funding for community-led collaborative care models to improve birth outcome disparities in the MA program. ICHRP grants support community-led planning, systems development, and the integration of medical, chemical dependency, public health, social services, and child welfare coordination to reduce maternal opiate use and improve maternal and birth outcomes. Current grantees include three community-based organizations in the Twin Cities metro area that promote the health of mothers, support for fathers, healthy development of African American babies. Five Tribal organizations received earlier grants, but have transitioned to federal funding and phased out of the pilot program. The American Indian community will be eligible for new urban and rural regional ICHRP collaborations under an RFP which will be issued in FY 2021.
- **Minnesota Medicaid Promoting Interoperability Program (formerly the EHR Incentive Program).** Distributes federal funds to eligible providers and hospitals that purchase and use a certified electronic health record. The goal of the Promoting Interoperability program is to improve the patient experience of health care and population health, at a reduced cost to providing care. In FY 2019, this program allocated $6,993,112 in federal funding to 816 eligible providers and hospitals across the State. Numbers are declining as providers finish the program which sunsets after 2021.
- **Periodic Data Matching Grants.** Provides funds to counties to offset their costs in resolving discrepant information for MA and MinnesotaCare enrollees flagged as potentially ineligible through periodic data matching of available electronic data sources.

Health Care Grants are funded with appropriations from the state general fund, health care access fund, and with federal funds.

RESULTS

The Health Care Grants activity contributes to the statewide goal of reducing the percentage of Minnesotans that do not have health insurance. DHS collects information on the number of successful applications completed by application agents under the MNCAA and In Person Assister programs.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Enrollees receiving support from MNCAAs/In Person Assisters[1]	61,138	53,540	FY 2017 and FY 2019

1. Measure is the number of MNCAAs and In Person Assisters receiving incentive payments as reported by MNsure and DHS staff.

Minnesota Statutes, section 256.962 provides the authority to provide incentives for application assistance under the MNCAA program.

Minnesota Statutes, section 256B.021 is the legal authority for grants related to reforms in the Medical Assistance program.

Minnesota Statutes, section 62V.05 provides authority for the In-Person Assister program.

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	3,902	3,731	3,482	4,341	3,711	3,711	4,811	4,811
2360 - Health Care Access	1,216	972	1,674	3,465	3,465	3,465	3,465	3,465
3000 - Federal	30,777	18,124	15,604	79,990	75,390	75,390	75,390	75,390
Total	**35,895**	**22,827**	**20,760**	**87,796**	**82,566**	**82,566**	**83,666**	**83,666**
Biennial Change				49,834		56,576		58,776
Biennial % Change				85		52		54
Governor's Change from Base								2,200
Governor's % Change from Base								1
Expenditures by Category								
Operating Expenses	1,214	1,496	1,541	5,615	5,615	5,615	5,615	5,615
Grants, Aids and Subsidies	34,680	21,331	19,219	82,181	76,951	76,951	78,051	78,051
Total	**35,895**	**22,827**	**20,760**	**87,796**	**82,566**	**82,566**	**83,666**	**83,666**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In		1,000	900	630				
Direct Appropriation	5,519	4,111	3,711	3,711	3,711	3,711	4,811	4,811
Cancellations	717	480	499					
Balance Forward Out	900	900	630					
Expenditures	**3,902**	**3,731**	**3,482**	**4,341**	**3,711**	**3,711**	**4,811**	**4,811**
Biennial Change in Expenditures				190		(401)		1,799
Biennial % Change in Expenditures				2		(5)		23
Governor's Change from Base								2,200
Governor's % Change from Base								30
2360 - Health Care Access								
Direct Appropriation	3,465	3,465	3,465	3,465	3,465	3,465	3,465	3,465
Cancellations	2,249	2,493	1,791					
Expenditures	**1,216**	**972**	**1,674**	**3,465**	**3,465**	**3,465**	**3,465**	**3,465**
Biennial Change in Expenditures				2,951		1,791		1,791
Biennial % Change in Expenditures				135		35		35
Governor's Change from Base								0
Governor's % Change from Base								0
3000 - Federal								
Balance Forward In	66		118					
Receipts	30,800	18,124	15,486	79,990	75,390	75,390	75,390	75,390
Balance Forward Out	89							
Expenditures	**30,777**	**18,124**	**15,604**	**79,990**	**75,390**	**75,390**	**75,390**	**75,390**
Biennial Change in Expenditures				46,693		55,186		55,186
Biennial % Change in Expenditures				95		58		58
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Grant Programs
Activity: Other Long-Term Care Grants

AT A GLANCE

- This budget activity covers grants that serve multiple populations including people with disabilities, people with a mental illness and older adults.
- The Home and Community-Based Service (HCBS) Innovation Pool was established in FY17 to support increased innovation in HCBS programs. The appropriation for FY18 was $2,500,000 and FY19 was $2,925,000. Beginning in FY20 and ongoing, the base appropriation is $1,925,000.
- The Home and Community-Based Service (HCBS) Innovation Pool funding supported 35 grantees in FY2018 and 37 grantees in FY19.
- All funds spending for the Other Long-Term Care grants activity for FY19 was $3.538 million. This represented 0.02 percent of the Department of Human Services overall budget.

PURPOSE & CONTEXT

The purpose of other long-term care grants is to serve more people in community-based settings and to encourage creativity in how services are delivered for people with disabilities, people with a mental illness, and seniors.

Currently, the following grants are included in Other Long-Term Care Grants, which will expand as more cross-population grants are developed.

The HCBS Innovation Pool grant incentivizes providers to innovate in achieving integrated competitive employment, living in the most integrated setting, and other outcomes. The Innovation pool began distributing funds in FY17.

The Money Follows the Person (MFP) federal demonstration grant supports the state's effort to rebalance their long-term services and supports system to ensure individuals have a choice of where they live and receive services. This program is called Moving Home Minnesota specifically for Minnesota. The Minnesota MFP demonstration also supports the MFP Tribal Initiative (TI), supporting the development of sustainable and culturally appropriate infrastructure and long-term services and supports for tribes and tribal members within Minnesota.

In addition, as part of the Money Follows the Person federal grant, States are eligible for an enhanced FFP that can be used for rebalancing projects. This funding is called the Moving Home Minnesota rebalancing fund.

SERVICES PROVIDED

- The Home and Community-Based Service (HCBS) Innovation Pool rewards providers, service recipients, and other entities for innovation in achieving outcomes that improve quality of life, including integrated, competitive employment and living in the most integrated setting in the community. The funds were distributed via a request for proposal (RFP) process. There are three ways that the money was distributed:
    - Large grants (up to $500,000). These grants incentivize innovation in HCBS services by using pay for performance concepts and models that utilize outcome-based payments. For the purpose of

the RFPs, outcome-based payments consist of financial incentives based on the outcomes proposed, produced and achieved.
    - Small grants ($5,000 - $50,000). This is for grants of up to $50,000 per year for 1 to 3 years. An RFP process solicits participation from diverse grantees, beyond typical responders. This could include individuals, small groups, sole proprietors, small businesses, etc.
    - Micro grants ($100 - $2,000). The micro grant program provides modest amounts of money to people with disabilities so they can accomplish their own goals and aspirations. The funds complement and supplement what can already be paid for through other sources of funds and have a lasting and ongoing impact for the micro grant recipient.
- The Money Follows the Person (MFP) Rebalancing Demonstration grant supports efforts to rebalance spending on long-term services and supports to ensure individuals have a choice of where they live and receive services. Individuals wishing to move into the community that have resided in an institutional setting for over 90 days are supported in locating and transitioning to community-based care. The transition and a year of services in the community are funded by the grant. The services provided under the MFP grant are eligible for enhanced federal financial participation (FFP) of 25%. The enhanced FFP is deposited into a special revenue fund, and began funding rebalancing demonstration projects in FY2019. The rebalancing funds may be used by the state to invest in or support activities that will promote improvements to the state's delivery of long-term services and supports and move the state toward more integrated and inclusive community-based service delivery systems.
- Funds under the Money Follows the Person Tribal Initiative are similarly used to improve access to community-based long-term care services and supports (CB-LTSS) for American Indians and Alaska Natives who have been in an institutional setting for over 90 days. In addition, the Tribal Initiative may be used to advance the development of an infrastructure required to implement CB-LTSS for American Indians and Alaska Natives using a single, or a variety of applicable Medicaid authorities. Funding is intended to support the planning and development of:
    - An in-state Medicaid program CB-LTSS (as an alternative to institutional care) tailored for American Indians and Alaska Natives who are presently receiving services in an institution; and
    - A service delivery structure that includes a set of administrative functions delegated by the state Medicaid agency to Tribes or Tribal organizations, such as enabling tribe(s) to design an effective program or package of Medicaid CB- LTSS, and operating day-to-day functions pertaining to the LTSS program(s).

  The Tribal Initiative may be used to cover costs necessary to plan and implement activities consistent with the objectives of this funding and within Federal grant regulations. The funds are subject to all the terms and conditions of the MFP Program.

RESULTS

The agency monitors data, reviews counties, and administers surveys to consumers to evaluate services. Minnesota has seen continuous improvement in the number of people with disabilities served by community-based rather than institution-based services.

More information is also available on the Employment First Dashboard (mn.gov/dhs/employment-first-dashboards) and Long-Term Service and Support Performance Dashboards (mn.gov/dhs/ltss-program-performance).

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Result	Percent of working age people on certain Medical Assistance programs earning $600 or more per month.	16%	18%	FY 2017 to FY 2019
Result	Percent of people with disabilities who receive home and community-based services at home.	53.7%	61.2%	FY 2015 to FY 2019
Result	Percent of older adults who receive home and community-based services at home.	57.5%	61.8%	FY 2015 to FY 2019

Performance Measures Notes:

1. Measure compares monthly earnings for people age 18-64 who receive services from one of the following Medical Assistance programs: Home and Community-Based Waiver Services, Mental Health Targeted Case Management, Adult Mental Health Rehabilitative Services, Assertive Community Treatment and Medical Assistance for Employed Persons with Disabilities (MA-EPD). Source: DHS Data Warehouse.
2. This measure compares people who receive disability waiver services in their own home rather than residential services. Source: DHS Data Warehouse.
3. This measure compares older adults receiving services in their own home rather than residential services. Source: DHS Data Warehouse.

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	2,480	2,924	1,893	1,925	1,925	1,925	1,925	1,925
2000 - Restrict Misc Special Revenue		186						
2001 - Other Misc Special Revenue			450	3,554	3,000	1,000	3,000	1,000
3000 - Federal	346	1,068	785	736	49	49	49	49
3010 - Coronavirus Relief				30,180				
Total	**2,827**	**4,178**	**3,127**	**36,395**	**4,974**	**2,974**	**4,974**	**2,974**
Biennial Change				32,518		(31,574)		(31,574)
Biennial % Change				464		(80)		(80)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Operating Expenses		80	97					
Grants, Aids and Subsidies	2,827	4,098	3,031	36,395	4,974	2,974	4,974	2,974
Total	**2,827**	**4,178**	**3,127**	**36,395**	**4,974**	**2,974**	**4,974**	**2,974**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Direct Appropriation	2,500	2,925	1,925	1,925	1,925	1,925	1,925	1,925
Cancellations	20	1	32					
Expenditures	**2,480**	**2,924**	**1,893**	**1,925**	**1,925**	**1,925**	**1,925**	**1,925**
Biennial Change in Expenditures				(1,587)		32		32
Biennial % Change in Expenditures				(29)		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
2000 - Restrict Misc Special Revenue								
Balance Forward In	1,665	3,098	4,408					
Transfers In	1,433	1,487						
Transfers Out			4,408					
Balance Forward Out	3,098	4,398						
Expenditures		**186**						
Biennial Change in Expenditures				(186)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
2001 - Other Misc Special Revenue								
Balance Forward In				5,826	5,826	5,826	5,826	5,826
Receipts				2,615	1,455	739	1,455	739
Transfers In			6,276	939	1,545	261	1,545	261
Balance Forward Out			5,826	5,826	5,826	5,826	5,826	5,826
Expenditures			**450**	**3,554**	**3,000**	**1,000**	**3,000**	**1,000**
Biennial Change in Expenditures				4,004		(4)		(4)
Biennial % Change in Expenditures						(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
3000 - Federal								
Receipts	346	1,068	785	736	49	49	49	49
Expenditures	**346**	**1,068**	**785**	**736**	**49**	**49**	**49**	**49**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Biennial Change in Expenditures				107		(1,423)		(1,423)
Biennial % Change in Expenditures				8		(94)		(94)
Governor's Change from Base								0
Governor's % Change from Base								0

3010 - Coronavirus Relief

Direct Appropriation				30,180	0	0	0	0
Expenditures				**30,180**				
Biennial Change in Expenditures				30,180		(30,180)		(30,180)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Program: Grant Programs
Activity: Aging & Adult Services Grants

mn.gov/dhs/people-we-serve/seniors/

AT A GLANCE

- Provides congregate dining to 38,000 people and home delivered meals to 12,000 people annually.
- Supports more than 17,000 older volunteers per year who provide services through the Retired and Senior Volunteer Program (RSVP), Foster Grandparents, and Senior Companions.
- Provided comprehensive assistance and individualized help to more than 123,000 individuals through over 285,000 calls in calendar year 2019 through the Senior LinkAge Line®.
- Educated over 40,000 community members about Alzheimer's or other dementias, and provided services, supports and resources to nearly 4,000 family, friends, and neighbor caregivers and almost 4,000 persons suspected or diagnosed with Alzheimer's or other dementias through the Dementia grant program in calendar year 2019.
- Funded home and community-based service options for more than 11,000 people and increased capacity by 8,700 volunteers through the Community Service/Services Development (Live Well at Home) grant program in calendar year 2019.
- All funds spending for the Aging & Adult Services Grants activity was $53.569 million in FY2019. This represented 0.3 percent of the Department of Human Services overall budget.

PURPOSE & CONTEXT

The purpose of Aging and Adult Services Grants is to provide non-medical social services and supports for older Minnesotans and their families to allow older adults to stay in their own homes and avoid institutionalization.

These funds increase the number and kind of service options for older Minnesotans in both urban and rural communities. This gives greater opportunity for Minnesotans to age at home. Several of the state grant programs are coordinated with the services provided under the federal Older Americans Act (OAA). Federal OAA funds in Minnesota are administered through the Minnesota Board on Aging. These funds provide core social services to at-risk older adults and their family caregivers who are not yet eligible for public programs. Services are targeted to people with the greatest social and economic need.

SERVICES PROVIDED

Aging and Adult Services Grants provides various services to older adults including non-medical social services and supports for older Minnesotans and their families to allow older adults to stay in their own homes and avoid institutionalization. These grants are often used along with local private money, including donations. Aging and Adult Services grants provide:

- Nutritional services including congregate meals, home-delivered meals, and grocery delivery.
- Increased service options for older Minnesotans through service development activities funded by the Community Service/Community Services Development (CS/SD), Family Caregiver Support, and ElderCare Development Partnership (EDP) grant programs. Those services include: transportation, help with chores, help with activities of daily living, evidence-based health promotion, chronic disease management, fall prevention services, respite and other supportive services to family caregivers, and other services that help people stay in their own homes.
- Support to older volunteers who provide services through the Retired and Senior Volunteer Program, Foster Grandparent, and Senior Companion programs.

- Comprehensive and individualized help through the Senior LinkAge Line®. The Senior LinkAge Line® trains long-term care options counselors that assist individuals to find community resources and financing options for beneficiaries of all ages.
- Information about community-based resources and customized long-term care planning tools through www.minnesotahelp.info, (http://www.minnesotahelp.info/) a web-based database of over 45,000 services.
- Long-term care options counseling services provided by the Senior LinkAge Line®, known as Return to Community, that help people successfully remain in their homes after discharge from a nursing home. Since the launch of this service in 2010 and through 2017, over 14,000 consumers have been contacted for discharge support. Of those 14,000, direct assistance was provided to over 3,400 older adults at their request to return home and nearly 1,100 are receiving five years of follow up at home.
- Home and community-based services quality information which includes a tool to help people who need long-term services and supports and their caregivers find and locate services. The tool includes 340 features about services. In addition, consumer reviews are being piloted for assisted living providers, supported employment and independent living services.
- Core Service provides grants to nonprofit providers who deliver in-home and community-based services to older adults. These grants expand the number of organizations that can be supported, which increases the number of individuals served.
- Funding to assisted living providers who serve public pay participants to support quality improvement initiatives, through the customized living quality improvement grants.

The Agency administers these grants in partnership with regional Area Agencies on Aging, counties, tribes, and community providers.

RESULTS

Minnesota has seen improvement in the proportion of older adults served by community-based rather than institution-based services. The percent of older adults served in the community has improved over the past four years. Through our partners, we surveyed users of the Senior LinkAge Line® and found a consistent proportion of people would recommend Senior LinkAge Line® services to others.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Result	Percent of older adults served by home and community-based services[1]	71.3%	74.9%	FY 2015 to FY 2019
Quality	Percent of consumers who would recommend the Senior LinkAge Line® to others[2]	94%	90%	2017 to 2019
Quantity	Number of Care Transition Plans created to help people discharge from a nursing home or remain in the community[3]		2,008	2019 Baseline

More information is available on the Long-Term Serice and Support Performance Dashboard (mn.gov/dhs/ltss-program-performance)

Results Notes:

1. This measure shows the percentage of older adults receiving publicly-funded long-term services and supports who receive home and community-based services through the Elderly Waiver, Alternative Care, or home care programs instead of nursing home services. (Source:DHS Data Warehouse)

2. The change in this measure partially reflects an increase in the proportion of people not answering the question; from 2.6% in 2017 to 7.4% in 2019. (Source: Consumer Surveys, Web Referral database)
3. This is a new measure that reflects the expansion of the Return to Community initiative. (Source: Return to Community Database)

M.S. sections 256B.0917 (https://www.revisor.mn.gov/statutes/?id=256B.0917) and 256B.0922 (https://www.revisor.mn.gov/statutes/?id=256B.0922) provide the legal authority for Aging and Adult Services Grants. M.S. section 256.975 (https://www.revisor.mn.gov/statutes/?id=256.975) created the Minnesota Board on Aging.

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	30,724	31,534	31,879	32,495	32,495	32,495	32,495	32,495
2001 - Other Misc Special Revenue		92	161	73				
3000 - Federal	24,271	24,295	39,672	34,543	26,008	26,008	26,008	26,008
3010 - Coronavirus Relief				9,063				
Total	**54,994**	**55,921**	**71,712**	**76,174**	**58,503**	**58,503**	**58,503**	**58,503**
Biennial Change				36,971		(30,880)		(30,880)
Biennial % Change				33		(21)		(21)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Operating Expenses	1,984	1,098	1,981	1,819	1,819	1,819	1,819	1,819
Grants, Aids and Subsidies	53,010	54,822	69,730	74,355	56,684	56,684	56,684	56,684
Total	**54,994**	**55,921**	**71,712**	**76,174**	**58,503**	**58,503**	**58,503**	**58,503**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Direct Appropriation	30,786	32,437	32,311	32,495	32,495	32,495	32,495	32,495
Cancellations	62	903	432					
Expenditures	**30,724**	**31,534**	**31,879**	**32,495**	**32,495**	**32,495**	**32,495**	**32,495**
Biennial Change in Expenditures				2,116		616		616
Biennial % Change in Expenditures				3		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
2000 - Restrict Misc Special Revenue								
Balance Forward In	75							
Receipts	33							
Transfers Out	108							
2001 - Other Misc Special Revenue								
Balance Forward In			49					
Receipts		92	112	73				
Balance Forward Out		0	0					
Expenditures		**92**	**161**	**73**				
Biennial Change in Expenditures				142		(234)		(234)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
3000 - Federal								
Balance Forward In	63	23	8					
Receipts	24,208	24,280	39,665	34,543	26,008	26,008	26,008	26,008
Balance Forward Out		8						
Expenditures	**24,271**	**24,295**	**39,672**	**34,543**	**26,008**	**26,008**	**26,008**	**26,008**
Biennial Change in Expenditures				25,650		(22,199)		(22,199)
Biennial % Change in Expenditures				53		(30)		(30)
Governor's Change from Base								0
Governor's % Change from Base								0

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
3010 - Coronavirus Relief								
Direct Appropriation			9,063		0	0	0	0
Expenditures			**9,063**					
Biennial Change in Expenditures			9,063			(9,063)		(9,063)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Program: Grant Programs
Activity: Deaf & Hard of Hearing Grants

mn.gov/dhs/people-we-serve/adults/services/deaf-hard-of-hearing/programs-services/

AT A GLANCE

- Deaf and Hard of Hearing grants served 709 individuals who are deaf, deafblind, hard of hearing and speaking deaf in state fiscal year 2019.
- 370 providers attended training or mentorship opportunities in order to meet the evolving communication needs the deaf, deafblind and hard of hearing community needs statewide.
- Provided grant-funded 2,030 hours of captioning real-time TV news captioning services provided statewide.
- Certified Peer Support Specialists worked with 26 people in FY 2019 who are deaf and have a serious mental illness.
- 82 families who have a young child with hearing loss participated in the Deaf & Hard of Hearing Role Model and Deaf Mentor Family programs in FY 2019.
- All funds spending for the Deaf and Hard of Hearing Grants activity for FY 2019 was $2.993 million. This represented 0.01% of the Department of Human Services overall budget.

PURPOSE & CONTEXT

National research estimates 20% of the population has some degree of hearing loss. In Minnesota, this means approximately 1.1 million people are likely to have some degree of hearing loss. Of those, an estimated 11% are deaf and as many as 1,640 individuals are deafblind. The number of Minnesotans with hearing loss is projected to increase significantly over the next 40 years due to factors like aging and noise exposure.

One-third of people between ages 65-74 have hearing loss and nearly half of those over age 75 have hearing loss. According to the Minnesota Department of Health, permanent childhood hearing loss affects between 200 and 400 infants born in Minnesota each year.

Deaf and Hard of Hearing Services grants help Minnesotans of all ages who are deaf, deafblind and hard of hearing with services and supports they need to live independently and be involved in their families and communities.

The Deaf and Hard of Hearing Services Division (DHHSD) administers these grants.

SERVICES PROVIDED

Deaf and Hard of Hearing Services partners with statewide community providers, mental health professionals, local television stations and the Department of Commerce to provide services.

Grants are primarily funded by the state general fund. In addition, the Telecommunications Access Minnesota (TAM) funds collected by the Department of Commerce provide the grants for real-time television captioning of local news programs.

Deaf and Hard of Hearing Grant programs include:

- Sign language interpreter-related services that allow Minnesotans who are deaf, hard of hearing, and deafblind to access every day activities and core services such as medical care, mental health services, human services, the judicial system, and self-help; this activity includes two programs to increase the

number of interpreters in Greater Minnesota available to provide community interpreting services and pays travel costs to bring interpreters to areas where there are no local interpreters.
- Deafblind grants to support adults who are both deaf and blind so they can live independently and stay in their own homes. Supports include service providers fluent in American Sign Language and trained in specialized communication methods and assistive technology; consumers have an option for consumer-directed services.
- Services for children who are deafblind to provide experiential learning and language development through service providers called interveners.
- Specialized mental health programs for adults and for children and youth that provide linguistically and culturally appropriate services including home-based outreach, inpatient therapy, outpatient therapy, family counseling, psychological assessments and educational opportunities for families, schools, and mental health providers.
- Certified Peer Support Specialists for individuals who are deaf and have a serious mental illness.
- Mentors who work with families that have children with hearing loss to develop the family's communication competence, including an option to have an American Sign Language mentor or a hard of hearing role model.
- Real-time television captioning grants that allow consumers statewide who are deaf, deafblind, hard of hearing or late deafened to have equal access to their community and statewide live news programming.

RESULTS

Due to the unique and tailored nature of Deaf and Hard of Hearing's grants, measurements vary for each grant and population served. People served in DHHSD's grant-funded programs have the opportunity to fill out surveys which measure satisfaction with the quality and timeliness of services. Results represent responses from the *consumers*.

- Across all grants on average consumers reported a high level of satisfaction with the quality of services.
- Across the Deaf and Hard of Hearing grant-funded mental health programs, the percent of clients who have completed or are making good progress on their treatment goals remains consistently above 80%.
- In a variety of programs that support families with a child who is deaf, deafblind, or hard of hearing, at least 90% of parents reported noticeable improvement in their child's progress in communication, social development and community integration as a result of the services they receive.

Type of Measure	***Name of Measure***	***Previous* 2014-2017**	***Current* *2018-2019***
Quality	1. Percent of consumers in DHHS grant-funded programs who are satisfied with quality of services they received.	94%	89%
Quality	2. Percent of consumers in DHHS grant-funded programs who are satisfied with timeliness of the services they received.	87%	87.5%
Quality	3. Percent of clients in DHHS grant-funded mental health programs who completed or are making good progress on their treatment plan goals.	81%	84%
Quality	4. Percent of parents in DHHS grant-funded programs who observed progress in the communication ability, community integration and social development of their child who is deaf, hard of hearing, or deafblind.	80%	93%

Performance Notes:

- Data source: Consumer satisfaction surveys and grantee reports.

M.S. sections 256.01, subd. 2 (https://www.revisor.mn.gov/statutes/?id=256.01), 256C.233 (https://www.revisor.mn.gov/statutes/?id=256C.233), 256C.25 (https://www.revisor.mn.gov/statutes/?id=256C.25), and 256C.261 (https://www.revisor.mn.gov/statutes/?id=256C.261) provide the legal authority for Deaf and Hard of Hearing grants.

Deaf & Hard of Hearing Grants

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	2,622	2,671	2,784	2,886	2,886	2,886	2,886	2,886
2001 - Other Misc Special Revenue	266	270	264	269	240	240	240	240
2403 - Gift				13	13	13	13	13
3000 - Federal	75	75	75	75	75	75	75	75
Total	**2,963**	**3,016**	**3,123**	**3,243**	**3,214**	**3,214**	**3,214**	**3,214**
Biennial Change				387		62		62
Biennial % Change				6		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Operating Expenses	0			13	13	13	13	13
Grants, Aids and Subsidies	2,963	3,016	3,123	3,230	3,201	3,201	3,201	3,201
Total	**2,963**	**3,016**	**3,123**	**3,243**	**3,214**	**3,214**	**3,214**	**3,214**

Deaf & Hard of Hearing Grants

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Direct Appropriation	2,675	2,675	2,886	2,886	2,886	2,886	2,886	2,886
Cancellations	53	4	102					
Expenditures	**2,622**	**2,671**	**2,784**	**2,886**	**2,886**	**2,886**	**2,886**	**2,886**
Biennial Change in Expenditures				377		102		102
Biennial % Change in Expenditures				7		2		2
Governor's Change from Base								0
Governor's % Change from Base								0
2001 - Other Misc Special Revenue								
Balance Forward In				2	2	2	2	2
Receipts	300	297	295	300	271	271	271	271
Transfers Out	34	27	30	31	31	31	31	31
Balance Forward Out			2	2	2	2	2	2
Expenditures	**266**	**270**	**264**	**269**	**240**	**240**	**240**	**240**
Biennial Change in Expenditures				(3)		(53)		(53)
Biennial % Change in Expenditures				(1)		(10)		(10)
Governor's Change from Base								0
Governor's % Change from Base								0
2403 - Gift								
Receipts				13	13	13	13	13
Expenditures				**13**	**13**	**13**	**13**	**13**
Biennial Change in Expenditures				13		13		13
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
3000 - Federal								
Receipts	75	75	75	75	75	75	75	75
Expenditures	**75**	**75**	**75**	**75**	**75**	**75**	**75**	**75**
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Governor's % Change from Base								0

Program: Grant Programs
Activity: Disabilities Grants

https://mn.gov/dhs/people-we-serve/people-with-disabilities/services/

AT A GLANCE

- The Family Support Grant served 1,884[i] people in FY2019.
- The Consumer Support Grant supported an average of 2,693 people a month in FY2019.
- Semi-independent living services served 1,463[ii] people in FY2019.
- HIV/AIDS programs helped 4,221[iii] people living with HIV/AIDS.
- The Disability Hub MN, in FY18 served 21,345 people, had 74,275 contacts and 44 educational events. In FY19 the Hub served 26,264 people, had 86,695 contacts and 67 educational events.[iv]
- All funds spending for the Disabilities Grants activity for FY2019 was $70.45 million. This represented 0.39 percent of the Department of Human Services overall budget.

PURPOSE & CONTEXT

The US Census Bureau estimates that nearly 600,000 or over 10 percent of Minnesotans have a disability or disabling condition. Disabilities Grants provide services and supports to help Minnesotans with disabilities remain in their communities and avoid institutionalization. This work is done by counties, tribes, families and local providers. These funds increase the service options for people with disabilities and their families; help people with HIV/AIDS with medical expenses; provide information and assistance on disability programs and services; and support county and tribal service infrastructure.

More information about disabilities grants and the number of people served is available with our Programs and Services page:

- Family Support Grant
- Consumer Support Grant Program
- Semi-independent Living Services
- HIV/AIDS programs
- Disability Hub MN

SERVICES PROVIDED

Disabilities Grant programs include:

- The Family Support Grant (FSG) provides cash to families to offset the higher-than-average cost of raising a child with a disability.
- The Consumer Support Grant (CSG) is an alternative to home care paid through the Medical Assistance, which helps people purchase home care, adaptive aids, home modifications, respite care, and other help with the tasks of daily living. This program will sunset when Community First Services and Supports (CFSS) replaces the services provided by CSG.
- Semi-Independent Living Services (SILS) grants help adults with developmental disabilities, who do not require an institutional level of care, live in the community. The funding is used for 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 use of transportation.

- HIV/AIDS programs help people living with HIV/AIDS pay premiums to maintain private insurance, co-payments for HIV-related medications, mental health services, dental services, nutritional supplements, and case management.
- The Disability Hub MN, provides one-to-one assistance to make it easier for people with disabilities to understand their options, find solutions, and engage in possibilities.
- Local planning grants assist counties and tribes in development of community alternatives to corporate foster care settings. This funding is used to implement specific county plans to address the needs of people with disabilities in their communities.
- Day Training and Habilitation (DT&H) grants are allocated to counties. Counties pay for DT&H costs for some residents. This funding is allocated to counties to help offset costs for legislative rate increases to day training and habilitation facilities, and Grant funding also supports providers who are projected to experience a significant funding gap at the completion of banding. This provision includes provider eligibility standards. Providers receiving grants are required to develop sustainability plans in partnership with DHS. DHS is required to provide technical assistance and financial management advice to grant recipients
- State Quality Council and Region 10 grants fund state and regional quality councils. The State and Regional Quality Councils, in collaboration with DHS, exist to support a system of quality assurance and improvement in the provision of person-directed services for people with disabilities.
- Work Empower grants help people with disabilities maintain or increase stability and employment; increase access to and utilization of appropriate services across systems; reduce use of inappropriate services; improve physical / mental health status; increase earnings; and achieve personal goals.
- Institutional Settings and Intellectual and Developmental Disability grants fund a disability advocacy organization to maintain and promote self-advocacy services and supports for persons with intellectual and developmental disabilities throughout the state.
- Waiver rate system transition grants are for home and community-based disability waiver services providers that are projected to receive at least a ten percent decrease in revenues due to transition to rates calculated under the disability waiver rate setting system.
- Innovation Grants for Families provide funding for grants to connect families through innovation grants, life planning tools and other resources as they support a family member with disabilities.
- Region Person Centered Cohort Grant is allocated to regional cohorts for training, coaching, and mentoring for Person-Centered Planning and collaborative safety practices.
- SEIU Grant Funding – Appropriates funding to pay stipends to PCA workers for taking additional training and for new worker orientation.
- Electronic Visit Verification Grant Funding (EVV) assists providers who choose to use their own electronic visit verification system. Providers of these services must comply with electronic visit verification standards, on a date established by the commissioner, after the state-selected system is in production. This is a two year grant program.

The Disabilities Grants activity is funded by the state's general fund, federal funds and special revenue funds. The HIV/AIDS programs receive federal funds from the Ryan White Care Act and also rebate funding from pharmaceutical companies for drugs and insurance.

RESULTS

The agency monitors data, reviews counties and tribes, and administers surveys to consumers to evaluate services. Minnesota has seen continuous improvement in the number of people with disabilities served by community-based rather than institution-based services.

The agency tracks the percent of people with disabilities who receive home and community-based services in their own home instead of in a congregate residential setting, such as foster care.

More information is also available on the DHS dashboard (http://dashboard.dhs.state.mn.us/).

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Result	1. Percent of people with disabilities who receive home and community-based services at home.	53.7%	61.2%	FY 2015 to FY 2019
Quality	2. Percent of consumers who would recommend the Disability Hub MN to others.	91%	98%	2017 to 2019
Quantity	3. Annual number of people served through the Technology for Home Services grant.	372	375	FY2017 to FY2019

1. This measure compares people who receive disability waiver services in their own home rather than residential services. More information is also available at mn.gov/dhs/ltss-program-performance. Source: DHS Data Warehouse
2. This measure continues to show over 90% satisfaction with the Disability Hub services. Source: DLL Customer Satisfaction Surveys.
3. This measure represents the unduplicated annual number of people served through the Technology for Home Services grant, which provides assistive technology for people in their own homes. Source: Technology for Home report. Source: DHS Data Warehouse

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M.S. sections 252.275 (https://www.revisor.mn.gov/statutes/?id=252.275); 252.32 (https://www.revisor.mn.gov/statutes/?id=252.32); 256.01, subds. 19, 20, and 24 (https://www.revisor.mn.gov/statutes/?id=256.01); 256.476 (https://www.revisor.mn.gov/statutes/?id=256.476); and 256B.0658 (https://www.revisor.mn.gov/statutes/?id=256b.0658) provide the legal authority for Disabilities Grants.

[i] The total FY 2019 spending and divide it by the average grant amount ($2,000).
[ii] Based on assumption of 2% recipient growth over FY18 estimation.
[iii] These numbers are from CAREWare, the client level database for Ryan White Services.
[iv] Information is from the Hub Call Center report

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	45,333	48,474	54,150	61,860	46,536	22,168	42,631	17,263
2000 - Restrict Misc Special Revenue	10,547	14,006	13,439	15,115	16,651	8,832	16,651	8,832
2001 - Other Misc Special Revenue	259		131	39				
3000 - Federal	9,899	10,894	12,734	13,115	12,839	12,834	12,839	12,834
Total	**66,037**	**73,374**	**80,454**	**90,129**	**76,026**	**43,834**	**72,121**	**38,929**
Biennial Change				31,172		(50,723)		(59,533)
Biennial % Change				22		(30)		(35)
Governor's Change from Base								(8,810)
Governor's % Change from Base								(7)
Expenditures by Category								
Operating Expenses	2,951	4,729	5,421	3,372	3,373	2,713	3,373	2,713
Grants, Aids and Subsidies	63,086	68,645	75,033	86,757	72,653	41,121	68,748	36,216
Total	**66,037**	**73,374**	**80,454**	**90,129**	**76,026**	**43,834**	**72,121**	**38,929**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Direct Appropriation	20,686	20,687	22,431	23,144	22,556	22,168	18,651	17,263
Transfers In	29,517	32,787	35,399	38,716	23,980		23,980	
Transfers Out	375							
Cancellations	4,495	5,000	3,680					
Expenditures	**45,333**	**48,474**	**54,150**	**61,860**	**46,536**	**22,168**	**42,631**	**17,263**
Biennial Change in Expenditures				22,204		(47,306)		(56,116)
Biennial % Change in Expenditures				24		(41)		(48)
Governor's Change from Base								(8,810)
Governor's % Change from Base								(13)
2000 - Restrict Misc Special Revenue								
Balance Forward In	18,766	17,426	17,289	16,634	16,634	16,634	16,634	16,634
Receipts	5,879	10,685	13,134	15,415	16,951	9,132	16,951	9,132
Transfers Out		0	350	300	300	300	300	300
Balance Forward Out	14,098	14,105	16,634	16,634	16,634	16,634	16,634	16,634
Expenditures	**10,547**	**14,006**	**13,439**	**15,115**	**16,651**	**8,832**	**16,651**	**8,832**
Biennial Change in Expenditures				4,001		(3,071)		(3,071)
Biennial % Change in Expenditures				16		(11)		(11)
Governor's Change from Base								0
Governor's % Change from Base								0
2001 - Other Misc Special Revenue								
Balance Forward In		88	171	39				
Receipts	261							
Balance Forward Out	1	88	39					
Expenditures	**259**		**131**	**39**				
Biennial Change in Expenditures				(89)		(170)		(170)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
3000 - Federal								
Balance Forward In			144					

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Receipts	9,899	10,894	12,591	13,115	12,839	12,834	12,839	12,834
Expenditures	**9,899**	**10,894**	**12,734**	**13,115**	**12,839**	**12,834**	**12,839**	**12,834**
Biennial Change in Expenditures				5,056		(176)		(176)
Biennial % Change in Expenditures				24		(1)		(1)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Grant Programs
Activity: Housing & Support Services Grants

mn.gov/dhs/partners-and-providers/program-overviews/housing-and-homelessness

AT A GLANCE

- The Housing and Support Services Division oversees five grant programs to support housing-related activity statewide.
- Services provided include case management, outreach and education, online housing search tools, and housing program administration.
- In the FY2019, grant spending of over $9 million supported Minnesotans with disabilities with limited incomes to live with dignity, stability, respect and choice.

PURPOSE & CONTEXT

The Housing and Support Services Division manages five grant programs to support housing for low-income Minnesotans with disabilities. These programs, which amount to nearly $20 million over the biennium, support people across the housing spectrum. This funding is an integral part in the Division's commitment to supporting systems that integrate housing, services, and income supports to enable people to live in the community of their choice.

SERVICES PROVIDED

- The Long-Term Homelessness Supportive Services grant supports multi-county and tribal collaboratives to assist individuals and families with long histories of homelessness to find and keep permanent housing. Grants fund case management, outreach, and direct assistance that allow individuals and families to find and stay in their housing.
- Community Living Infrastructuregrant, which began in 2018, integrate housing as a basic component of county and tribal human service agency work. Funds are available to 47 counties and four tribes across the state. Grant funding can be used in one or more of these areas: 1) outreach activities to individuals who are homeless or in institutions or other facility stays; 2) housing resource specialists who can provide information to individuals, family members, providers, advocates, etc. about housing resources they may be eligible for, as well as information about housing opportunities in their area; and 3) administration and monitoring of the Housing Support program by counties or tribes.
- The Real Time Housing Website grant funds the design, development and maintenance of a fully accessible and usable website to track availability of housing openings in real-time for people with disabilities across the state of Minnesota. It will help connect individuals, their advocates, and family members to housing options and educate about community living resources available. The website, named HB101 Places, has been built and is currently in its first phase of roll-out.
- The Housing Benefit 101 grant pays for the development and maintenance of the Housing Benefits 101 website which helps people with disabilities understand housing-related resources available to them according to their situation and needs. The website has information on housing programs that can make housing more affordable along with information on different types of housing options and services that can improve quality of life. HB101 has a Vault feature in which persons can securely store their personal information related to housing and utilize a personalized housing planning tool in their search for housing in the community of their choice.
- The Housing Access Services grant supports individuals with disabilities to find and access housing in the community. Since the fall of 2009, more than 2,000 people have used Housing Access Services to move from licensed or unlicensed settings to homes of their own.

- In addition to ongoing grants, COVID-19 Minnesota Fund dollars were appropriated, Coronavirus Relief Fund dollars were allocated, to this budget activity in FY2020 and 2021 for assistance to local governments in setting up and operation isolation spaces for people who are experiencing homelessness and are positive for COVID-19 and need to be isolated from the community for the duration of the infection (10-14 days).

RESULTS

Long-Term Homeless Supportive Services grant

Type of Measure	*Name of Measure*	*Number*	*Dates*
Quantity	Number of people and households served annually by the Long-Term Homeless Supportive Services Fund Grant	3,172 people, 1,636 households	FY2019

Type of Measure	*Name of Measure*	*Greater MN*	*Twin Cities*
Quantity	Regional breakdown of people served by the Long-Term Homeless Supportive Services Fund Grant Program	73%	27%

Community Living Infrastructure Grant

Type of Measure	*Name of Measure*	*Current*	*Dates*
Quantity	Estimated number of people served by Community Living Infrastructure outreach and housing resource specialists.	8,000 people	FY2019

Legal authority for Housing and Support Services Grants:
M.S. sections 256I.09 (https://www.revisor.mn.gov/statutes/cite/256I.09);
256K.26 (https://www.revisor.mn.gov/statutes/?id=256k.26);
256B.0658 (https://www.revisor.mn.gov/statutes/cite/256B.0658);
256I.04 (https://www.revisor.mn.gov/statutes/cite/256I.04)

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	9,489	9,531	9,264	10,364	10,364	10,364	15,364	15,364
1251 - COVID-19 Minnesota			114	1,499				
3010 - Coronavirus Relief				2,470				
Total	**9,489**	**9,531**	**9,378**	**14,333**	**10,364**	**10,364**	**15,364**	**15,364**
Biennial Change				4,691		(2,983)		7,017
Biennial % Change				25		(13)		30
Governor's Change from Base								10,000
Governor's % Change from Base								48
Expenditures by Category								
Operating Expenses			211	800				
Grants, Aids and Subsidies	9,489	9,531	9,167	13,533	10,364	10,364	15,364	15,364
Total	**9,489**	**9,531**	**9,378**	**14,333**	**10,364**	**10,364**	**15,364**	**15,364**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Direct Appropriation	9,454	9,454	10,764	11,864	10,364	10,364	15,364	15,364
Transfers In	85	85						
Cancellations	50	8	1,500	1,500				
Expenditures	**9,489**	**9,531**	**9,264**	**10,364**	**10,364**	**10,364**	**15,364**	**15,364**
Biennial Change in Expenditures				608		1,100		11,100
Biennial % Change in Expenditures				3		6		57
Governor's Change from Base								10,000
Governor's % Change from Base								48
1251 - COVID-19 Minnesota								
Balance Forward In				1,499				
Direct Appropriation			1,612					
Balance Forward Out			1,499					
Expenditures			**114**	**1,499**				
Biennial Change in Expenditures				1,613		(1,613)		(1,613)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
3010 - Coronavirus Relief								
Direct Appropriation				2,470	0	0	0	0
Expenditures				**2,470**				
Biennial Change in Expenditures				2,470		(2,470)		(2,470)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Program: Grant Program
Activity: Adult Mental Health Grants

mn.gov/dhs/people-we-serve/adults/health-care/mental-health/index.jsp

AT A GLANCE

- Approximately 230,972 adults in Minnesota have a serious mental illness.
- Provided Assertive Community Treatment to 2,187 people in CY 2018.
- Provided Crisis Housing Assistance to prevent homelessness of 285 people in facility based treatment in CY 2018.
- Provided Housing with Support services to assist 1,255 persons with serious mental illness in accessing and retaining permanent supportive housing by the end of CY 2018.
- Provided Mobile Crisis Response Services to 13,314 people in response to crisis episodes in CY 2018.
- All funds spending for the Adult Mental Health Grants activity for FY 2019 was $87.3 million. This represented 0.49 percent of the Department of Human Services overall budget.

PURPOSE & CONTEXT

The Adult Mental Health Grants support services for adults with mental illness and are administered by the Behavioral Health Division of the Community Supports Administration, using both federal and state funds. These funds, combined with county dollars, are used to identify and meet the local service need by developing and providing a range of mental health services in the community. Adult Mental Health Grants support the mission of the Minnesota Comprehensive Adult Mental Health Act by supporting community mental health system infrastructure and services. The grants are used in conjunction with healthcare coverage and other funding sources to support individuals in independent living through community-based service and treatment options. Services are delivered using best practice and evidence-based practice models that are person-centered and effective.

SERVICES PROVIDED

Adult Mental Health Grants support a broad range of vital community service needs. The grants provide funding for infrastructure, community services, supports, and coordination activities not covered by Medical Assistance, and/or for persons who are uninsured or under-insured by public or private health plans. These grants are delivered in a number of ways. Some are block grants to counties who have the flexibility to use the funding for a number of services. Others are grants to counties, mental health providers, and other organizations for specific services, projects, and programs. Services include, but are not limited to the following:

Transitions to Community Initiative - This initiative is designed to reduce the time that individuals remain at the Anoka Metro Regional Treatment Center (AMRTC) or the Forensic Mental Health Program (FMHP) located in St. Peter (formerly known as the Minnesota Security Hospital MSH) once they no longer need hospital level of care. This program funds transitional services, referred to as the Whatever It Takes (WIT) program, which is designed to work with the individual and their treatment teams in addressing unique discharge barriers faced by some individuals. The initiative promotes recovery and allows individuals to move to integrated settings of their choice as outlined in the Minnesota Olmstead Plan, which then opens up beds at AMRTC and MSH for other individuals who need them.

Targeted Case Management – These activities coordinate services and help adults with serious and persistent mental illness gain access to needed medical, social, educational and vocational services. These activities include developing a functional assessment, an individual community support plan, and ensuring coordination of services and monitoring of service delivery.

Adult Mental Health Initiatives (AMHI). This state grant provides both AMHI and Community Support Program (CSP) funding to 19 single- and multi-county initiatives to support the community-based mental health service system for adults with Serious and Persistent Mental Illness (SPMI) who are under- or uninsured. Each region ranges in size from single large counties in the metro, to the White Earth Nation, to regions encompassing up to 18 counties in greater Minnesota. Services that can be provided using these funds include: prevention and outreach, diagnostic assessments and testing, transportation, peer support, residential crisis stabilization, supported employment/individualized placement and support services, ACT, housing subsidies, ARMHS, outpatient psychotherapy, outpatient medication management, day treatment, partial hospitalization, IRTS, and targeted case management. CSP funds are given directly to counties to implement CSP services in their communities. Similar to the AMHI funds, some counties choose to pool their CSP funds together and partner on service delivery.

Assertive Community Treatment (ACT) – These intensive, non-residential mental health services are provided by a multidisciplinary staff using a team model. The team includes, at a minimum, a psychiatrist, mental health professional, registered nurse, vocational and substance abuse specialists. ACT services are available 24 hours a day. ACT teams assume full responsibility for the individual's mental health treatment. This service keeps people in the community and prevents hospitalization.

Adult Rehabilitative Mental Health Services (ARMHS) - ARMHS are services that enable a recipient to develop, retain and enhance their mental stability and functioning by providing education on medication management, basic social and living skills, household management, employment-related skills, and also by assisting with transitions to community living.

Adult Outpatient Medication Management - Provides for prescriptions, medication education, and reviews to help individuals manage their symptoms.

Basic Living /Social Skills and Community Intervention - Basic living /social skills and community intervention services provided to help individuals live safely and inclusively in the community.

Project for Assistance in Transition from Homelessness (PATH) - PATH is a federal program with a state match to provide homeless outreach, service coordination, and related services designed to find and engage persons with serious mental illness who are homeless or at imminent risk of becoming homeless and provide them with in services, basic needs, resources, and housing. PATH served 388 persons who were chronically homeless and 713 persons who were at imminent risk of homelessness in CY 2018.[1]

Crisis Housing – This program provides direct payments for rent, mortgage, and utility costs, to assist persons with retaining their housing while getting needed facility based treatment. The program prevents homelessness while the individual uses their income to pay for treatment or loses income while getting needed treatment.

Housing with Supports - These grants fund the development of permanent supportive housing for persons with serious mental illness, by providing options that assist individuals who need housing with linked supports to help maintain an individual's mental health and housing stability while living in the community.

Crisis Response Services – Provides an array of services from mobile crisis response teams to crisis stabilization beds and aftercare services. Mobile crisis teams respond to an individual's call for help in their home, place of employment, or possibly to an emergency department in a hospital in cases where they are experiencing a severe mental health problem that requires immediate assistance. Many components of crisis services are not reimbursable under Medicaid, such as telephone contacts with a person in crisis, linkage and coordination, benefits assistance, and post-hospital transition services. Ancillary services that are not able to be billed to MA are being provided through grant funding.

[1] PATH FFY 2018 annual report:
https://pathpdx.samhsa.gov/Content/preGen/state/23/PATH_Statewide_Annual_Report_For_FY18_MN.pdf

Culturally specific services – These grants expand capacity for ethnically and culturally-specific, trauma-informed, adult mental health services within target cultural and ethnic minority communities in Minnesota.

Individual Placement Supports (IPS) - Supported Employment - Counties use adult mental health grants to fund evidence-based practices such as the IPS model of supported employment to improve the ability of adults with serious and persistent mental illness to find and maintain competitive employment. These grants extend and support the work done by the Department of Employment and Economic Development.

Minnesota Center for Chemical and Mental Health (MNCAMH) - These grants fund training and technical assistance from the Minnesota Center for Chemical and Mental Health (MNCAMH), a program of the University of Minnesota drawing from the strengths of the School of Social Work, the College of Continuing Education, and the Department of Psychiatry. MNCAMH is a center of excellence for workforce training created to advance the professional development of the treatment services workforce on research informed practices for recovery-oriented systems of care.

Certified Peer Specialist (CPS) Implementation and Training - Selected and qualified individuals with a lived experience of mental illness are trained to work as Certified Peer Specialists in Assertive Community Treatment (ACT), Adult Rehabilitative Mental Health Services (ARMHS), Crisis Response Services and Intensive Residential Treatment (IRTS) services.

Mental Health Innovations – These grant funds are dedicated to finding innovative approaches for improving access to and the quality of community-based, outpatient mental health services. Programs are focused on helping people with mental illness receive effective and culturally specific services in their community.

RESULTS

Transitions to Community – Fiscal Year 2019

- 139 unduplicated individuals received support through the Transition to Community program.
- Of the 139 individuals served, 47 individuals were discharged: 33 from AMRTC and 14 from MSH.
- Technical assistance was provided by DHS staff to navigate discharge options for an additional 20 individuals.

Assertive Community Treatment (ACT),
Adult Rehabilitative Mental Health Services (ARMHS), and Crisis Response

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Number of Adults receiving **Assertive Community Treatment** (ACT) services	2,015	2,131	CY 2017-CY 2019
Quantity	Number of Adults with Serious Mental Illness who received **Adult Rehabilitative Mental Health Services** (ARMHS)	20,800	21,109	CY 2017 to CY 2019
Quantity	Number of episodes for which **Mental Health Crisis Services** were provided	17,515	16,721	CY 2017 to CY 2019
Result	Percent of people needing hospitalization after receiving **crisis service interventions**	14%	11%	CY 2017 to CY 2019

MS § 256E.12, 245.4661, and 245.70 provide the authority for the grants in this budget activity.

Adult Mental Health Grants

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	81,693	80,768	81,658	79,877	83,323	83,324	81,043	81,044
2000 - Restrict Misc Special Revenue	1,000	628	994	1,620	1,095	1,088	1,095	1,088
2005 - Opiate Epidemic Response				2,000	2,000	2,000	2,000	2,000
2360 - Health Care Access	409	656						
3000 - Federal	8,137	7,264	7,556	11,494	9,646	9,278	9,646	9,278
3010 - Coronavirus Relief				500				
Total	**91,238**	**89,317**	**90,209**	**95,491**	**96,064**	**95,690**	**93,784**	**93,410**
Biennial Change				5,144		6,054		1,494
Biennial % Change				3		3		1
Governor's Change from Base								(4,560)
Governor's % Change from Base								(2)
Expenditures by Category								
Operating Expenses	2,565	1,233	1,295	731	226	226	226	226
Grants, Aids and Subsidies	88,673	88,084	88,913	94,760	95,838	95,464	93,558	93,184
Total	**91,238**	**89,317**	**90,209**	**95,491**	**96,064**	**95,690**	**93,784**	**93,410**

Adult Mental Health Grants

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In	140							
Direct Appropriation	81,577	81,477	84,302	79,877	83,323	83,324	81,043	81,044
Cancellations	24	709	2,644					
Expenditures	**81,693**	**80,768**	**81,658**	**79,877**	**83,323**	**83,324**	**81,043**	**81,044**
Biennial Change in Expenditures				(926)		5,112		552
Biennial % Change in Expenditures				(1)		3		0
Governor's Change from Base								(4,560)
Governor's % Change from Base								(3)
2000 - Restrict Misc Special Revenue								
Balance Forward In			372	378	378	378	378	378
Receipts	1,000	1,000	1,000	1,620	1,095	1,088	1,095	1,088
Balance Forward Out		372	378	378	378	378	378	378
Expenditures	**1,000**	**628**	**994**	**1,620**	**1,095**	**1,088**	**1,095**	**1,088**
Biennial Change in Expenditures				986		(431)		(431)
Biennial % Change in Expenditures				61		(17)		(17)
Governor's Change from Base								0
Governor's % Change from Base								0
2005 - Opiate Epidemic Response								
Direct Appropriation				2,000	2,000	2,000	2,000	2,000
Expenditures				**2,000**	**2,000**	**2,000**	**2,000**	**2,000**
Biennial Change in Expenditures				2,000		2,000		2,000
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
2360 - Health Care Access								
Direct Appropriation	750	750						
Cancellations	341	94						
Expenditures	**409**	**656**						
Biennial Change in Expenditures				(1,065)		0		0
Biennial % Change in Expenditures				(100)				

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Governor's Change from Base								0
Governor's % Change from Base								

3000 - Federal

Balance Forward In		625						
Receipts	8,137	6,639	7,556	11,494	9,646	9,278	9,646	9,278
Expenditures	**8,137**	**7,264**	**7,556**	**11,494**	**9,646**	**9,278**	**9,646**	**9,278**
Biennial Change in Expenditures				3,649		(126)		(126)
Biennial % Change in Expenditures				24		(1)		(1)
Governor's Change from Base								0
Governor's % Change from Base								0

3010 - Coronavirus Relief

Direct Appropriation				500	0	0	0	0
Expenditures				**500**				
Biennial Change in Expenditures				500		(500)		(500)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Program: Grant Programs
Activity: Children's Mental Health Grants

mn.gov/dhs/people-we-serve/children-and-families/health-care/mental-health/

AT A GLANCE

- An estimated 130,316 (approximately 10 percent) of children and youth in Minnesota (under 18 years of age) meet federal criteria for serious emotional disturbance (SED), with substantial impairment in one or more functional domains.
- An estimated 82,881 (6.4 percent) of children and youth in Minnesota (under 18 years of age) meet federal SED criteria for global impairment of functioning.[1]
- In 2018, 89,633 children and youth (under 18 years of age) received publicly funded mental health services in Minnesota.[2]
- In 2018, approximately 7,631 children and youth (under 18 years of age) received mental health screenings. In 2019, approximately 7,441 children and youth (under 18 years of age) received mental health screenings.[3]
- Approximately 12,181 children and youth received mental health screenings in 2018.
- 3,335 youth with a severe emotional disturbance received Respite Care Grant services in 2019.
- 9.0 percent of school-age children and 5.0 percent of preschool children in Minnesota have a mental health concern that becomes longer lasting and interferes significantly with child's functioning at home and in school.[4]
- All funds spending for the Child Mental Grants activity for FY 2019 was $22.9 million. This represented 0.1 percent of the Department of Human Services overall budget.

PURPOSE & CONTEXT

Children's Mental Health Grants are administered by the Behavioral Health Division of the Community Supports Administration, which receives both federal and state funding, to support services for children with mental illness. These grants fund community, school, home, and clinic-based children's mental health services provided by non-profit agencies, schools, Medicaid-enrolled mental health clinics, tribes, counties, and culturally specific agencies.

SERVICES PROVIDED

Children's mental health grants build providers' capacity for equitable access to effective mental health treatment, promote innovation, and promote integration of mental health services into the state's overall healthcare system by:

- filling gaps in the continuum of services and supports, especially those not covered in the broader Minnesota Health Care Programs benefits set;

[1] U.S. Census Bureau (2020). *Annual estimates of the resident population for selected age groups by sex for Minnesota: April 1, 2010 to July 1, 2019.* Retrieved from https://www.census.gov/data/tables/time-series/demo/popest/2010s-state-detail.html.
Williams, N.J., Scott, L., & Aarons, G.A. (2018). Prevalence of serious emotional disturbance among U.S. children: A meta-analysis. *Psychiatric Services, 69*(1), 32-40.
[2] Minnesota Department of Human Services, Behavioral Health Division. (2019). *Minnesota 2019 mental health national outcomes measures (NOMS): SAMHSA uniform reporting system.*
[3] Child Safety & Permanency Division dashboard data.
[4] Governor's Task force on Mental Health Report, November, 2016.

- paying for necessary ancillary services, supports, and coordination activities that are not eligible for federal Medicaid reimbursement;
- covering treatment and supports for children who remain uninsured or under-insured by private health plans;
- building statewide service delivery capacity in workforce-shortage areas, where key services are not available regardless of insurance coverage;
- expanding access to direct treatment by providing care in community, school, home, and clinic-based children's mental health settings;
- providing coordination of mental and chemical health services with physical healthcare, services for persons with disabilities, and county social services;
- training providers on evidence-based practices;
- funding measurement of treatment outcomes;
- developing new levels of care for children and youth with complex mental health conditions;
- developing a new model to serve youth with first episode psychosis;
- building mental health treatment capacity into the unstigmatized, school environment;
- establishing statewide capacity to serve mental health and development needs of children under age 6;
- building culturally specific provider infrastructure and expanding access to culturally responsive treatment;
- developing a new model for child serving adults (child care workers, teachers) that builds supportive adult-child relationships as a means to promote healthy emotional development and prevent future mental health disorders through mental health consultation;
- expanding the current system of mental health care for youth experiencing serious mental illness and their families by piloting and demonstrating new and enhanced services and creating finance and policy reforms necessary to sustain a system of care that is family driven, youth-guided, culturally and linguistically competent and grounded in scientific evidence;
- connecting with providers and families within underserved communities to support youth with Severe Emotional Disturbances and their families; and
- supporting youth with a severe emotional disturbance and their families by targeting the reduction of family stress and the likelihood of out of home placements throught the use of the Respite Care Grant.

Partners are essential in order to develop and maintain a dynamic and competent mental health service delivery system. For children, coordination of care must include other child-serving sectors of the public and private health and human service systems of Minnesota, including families and youth —such as:

- primary health care,
- day care,
- substance abuse treatment facilities,
- schools,
- family and center based child care,
- providers in underserved communities,
- public health entities,
- child welfare system,
- juvenile justice system,
- tribes,
- health plans,
- counties, and
- adult transition services.

RESULTS

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Service Utilization Rate (per 10,000)	450	587	CY2016-CY2018
Quantity	Number of children in the child welfare system who received a mental health screening	9,153	7,617	CY2018-CY2019

Measure Notes:

- Service Utilization Rate: An indicator of service access, this indicator counts the number of children (under age 18) receiving any mental health service from the publicly financed health care system, per 10,000 children in the general child population. An increase in utilization rate denotes an increase in access to services for children.
- Percent of children receiving a mental health screening: This activity funds screenings for children in the child welfare system. Counties conduct mental health screenings for children in the child welfare system who have not had a recent assessment.

Minnesota Statutes, section 245.4889 (https://www.revisor.mn.gov/statutes/?id=245.4889) provides the legal authority for Children's Mental Health grants.

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	23,186	23,408	22,593	27,712	25,726	25,726	25,703	25,703
2001 - Other Misc Special Revenue			29	116	116	116	116	116
2403 - Gift					1,200		1,200	
3000 - Federal	1,018	3,415	2,887	2,384	2,384	2,384	2,384	2,384
3010 - Coronavirus Relief				3,000				
Total	**24,203**	**26,822**	**25,509**	**33,212**	**29,426**	**28,226**	**29,403**	**28,203**
Biennial Change				7,696		(1,069)		(1,115)
Biennial % Change				15		(2)		(2)
Governor's Change from Base								(46)
Governor's % Change from Base								(0)
Expenditures by Category								
Operating Expenses	16	511	561	80	80	80	80	80
Grants, Aids and Subsidies	24,187	26,311	24,948	33,132	29,346	28,146	29,323	28,123
Total	**24,203**	**26,822**	**25,509**	**33,212**	**29,426**	**28,226**	**29,403**	**28,203**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In			2,015	10				
Direct Appropriation	23,861	23,926	21,826	27,702	25,726	25,726	25,703	25,703
Cancellations	675	518	1,238					
Balance Forward Out			10					
Expenditures	**23,186**	**23,408**	**22,593**	**27,712**	**25,726**	**25,726**	**25,703**	**25,703**
Biennial Change in Expenditures				3,712		1,147		1,101
Biennial % Change in Expenditures				8		2		2
Governor's Change from Base								(46)
Governor's % Change from Base								(0)
2001 - Other Misc Special Revenue								
Receipts			29	116	116	116	116	116
Expenditures			**29**	**116**	**116**	**116**	**116**	**116**
Biennial Change in Expenditures				145		87		87
Biennial % Change in Expenditures						60		60
Governor's Change from Base								0
Governor's % Change from Base								0
2403 - Gift								
Receipts					1,200		1,200	
Expenditures					**1,200**		**1,200**	
Biennial Change in Expenditures				0		1,200		1,200
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
3000 - Federal								
Receipts	1,018	3,415	2,887	2,384	2,384	2,384	2,384	2,384
Expenditures	**1,018**	**3,415**	**2,887**	**2,384**	**2,384**	**2,384**	**2,384**	**2,384**
Biennial Change in Expenditures				839		(503)		(503)
Biennial % Change in Expenditures				19		(10)		(10)
Governor's Change from Base								0
Governor's % Change from Base								0

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
3010 - Coronavirus Relief								
Direct Appropriation			3,000		0	0	0	0
Expenditures			**3,000**					
Biennial Change in Expenditures			3,000			(3,000)		(3,000)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Program: Grant Programs
Activity: Substance Use Disorder (SUD) Treatment Support Grants

mn.gov/dhs/people-we-serve/adults/health-care/substance-abuse/

AT A GLANCE

- In the United States in 2018, 20.3 million people over the age of 12 had substance use disorders (SUD).
- 60,398 people in Minnesota received treatment for substance use disorder in CY 2018.
- 51 percent of people who sought substance use disorder treatment in 2018 completed their program.
- The compulsive gambling helpline receives more than 1,000 calls and texts each year for information or referrals to treatment.
- All funds spending for the SUD Treatment Support and Primary Prevention grant activity for FY 2019 was $23.8 million, which represented 0.1 percent of the Department of Human Services overall budget.

PURPOSE & CONTEXT

The Substance Use Disorder (SUD) Treatment Support and Primary Prevention Grants activity uses both federal and state funding to support state-wide prevention, intervention, recovery maintenance, case management and treatment support services for people with alcohol, or drug addiction. Treatment support services include outreach and engagement, assistance with housing-related services, applying for state benefits, subsidized housing, transportation, child care, and parenting education.

This activity also houses the state Compulsive Gambling Treatment Program, which funds statewide education, prevention messaging, intervention, treatment and recovery services for individuals and families impacted by problem gambling through evidence based practices, education, supports, and protective financial resources.

The Opioid Epidemic Response law, passed in the 2019 legislative session (see Minnesota Statutes, sections 256.042 and 256.043), raises fees from prescribers, drug manufacturers, and distributors. The collected fees are deposited in the opiate epidemic response fund. The Opiate Epidemic Response Advisory Council has decision-making authority over the allocation of a portion of account funds. The Behavioral Health Division administers grants based on direction from the council.

SERVICES PROVIDED

Substance Use Disorder Treatment Support and Primary Prevention Grants provide:

- community drug and alcohol abuse prevention, intervention, and case management services for communities of color, the elderly, disabled, individuals with a mental illness and substance use disorder, individuals experiencing chronic homelessness, and people involved in the criminal justice system;
- treatment supports specifically targeted to women, women with children, the elderly, and other diverse populations;
- residential substance use treatment for pregnant and parenting mothers and mental health services for the children continuing to reside with them in the treatment setting in order to enable mother's to continue to parent while addressing substance use disorders.
- a statewide prevention resource center that provides education and capacity building on the misuse of alcohol and other drugs. Education includes delivering information and training to counties, tribes, local communities, and other organizations;
- community-based planning and implementation grants that use a public health approach to preventing alcohol use problems among young people;

- regional prevention coordinators across MN to provide substance use prevention technical assistance and training locally to prevention professionals; and
- a tobacco merchant educational training and compliance check project, as well as funding for Synar inspectors, who conduct random inspections of tobacco retailers.

Additional information is in the March 2013 report, Minnesota's Model of Care for Substance Use Disorder.

Most of the funding for SUD Treatment Support and Prevention Grants comes from the U.S. Dept. of Health and Human Services Substance Abuse and Mental Health Services Administration (SAMHSA) Block Grant. Additional funding comes from the SAMHSA Strategic Prevention Framework Partnerships for Success grant focusing on the prevention of alcohol and marijuana use/abuse on college campuses. Additional funding comes from the Strategic Prevention Framework, Prescription Drug Misuse Prevention grant focusing on the prevention of prescription drug misuse. Prevention funding also comes from the Federal State Opioid Response grant focusiong on the prevention of opioid based substances. State appropriations provide additional funding for drug and alcohol abuse prevention, treatment support and recovery maintenance services for Native Americans.

The state's Compulsive Gambling Program provides:

- public awareness campaigns to promote information and awareness about problem gambling;
- a statewide help phone and text line and problem gambling awareness resources and supports;
- funding for problem gambling assessments, outpatient and residential treatment of problem gambling and gambling addiction;
- compulsive gambling assessments of offenders under section 609.115, subdivision 9;
- training for gambling treatment providers and other behavioral health service providers;
- research focusing on the prevalence of problem gambling and gambling addiction among Minnesotans; and
- research that evaluates awareness, prevention, education, treatment service and recovery supports related to problem gambling and gambling addiction.

Public awareness campaigns target Minnesotans statewide, with specific initiatives aimed at young adults, women, military and veterans, and diverse race and ethnic communities that experience higher rates of problem gambling. The Compulsive Gambling statewide helpline, http://www.getgamblinghelp.com/about/, (1-800-333-HOPE or text HOPE to 61222) generally receives about one thousand calls/texts requesting information, supports or referrals for treatment services each year. The Compulsive Gambling Treatment program provides funding for approximately 700 people per year for outpatient treatment services. An average of approximately 177 people receive residential treatment each year.

The Compulsive Gambling Treatment program is largely funded by a portion of state lottery proceeds, and a dedicated one-half of one percent of the revenue from the state tax on lawful gambling proceeds.

The Congratulate and Educate tobacco merchant education and compliance project funds local law enforcement and public health departments to conduct undercover buy checks and provide publications. The project, activated in 2014, is designed to promote community policing and to both congratulate clerks who pass an educational tobacco compliance inspection (do not sell to the minor) and to provide education to clerks and owners about youth access tobacco laws and consequences.

The Synar Program is required and funded by the federal Substance Abuse Prevention and Treatment Block Grant. Synar conducts annual inspections of randomly selected tobacco retailers in Minnesota to determine the State's Retailor Violation Rate. Synar requirements include the facilitation of the annual Tobacco Enforcement Survey (TES), the coverage study which is required every three years and the Annual Synar Report which is a required deliverable under the terms and conditions of the Federal Block Grant Award.

SUD/Criminal Justice Involved grants are designed to meet the needs of individuals that experience barriers in accessing SUD treatment due to a felony conviction. They also support reunification with individuals' family and children, when appropriate.

Grants for individuals with substance use disorder who are also at risk of or currently experiencing homelessness fund planning and process development of coordination between SUD assessors and providers, and Homeless Coordinated Entry providers to reduce the gaps and barriers for individuals in need of housing and traditional SUD treatment or harm reduction care. These grants enhance access to various core and support services such as outreach/inreach and engagement, housing, substance abuse treatment, mental health care, and benefits advocacy.

Deaf, Deaf/Blind and Hard of Hearing Recovery Support Service Grants provide recovery support services to individuals that are deaf, deaf/blind and/or hard of hearing provide an array of recovery supports intended to reduce barriers such as access to SUD treatment, and ensure availability of aftercare and recovery support services. These grants also develop a pool of individuals qualified to receive peer recovery training.

Opiate Epidemic Response Advisory Council (OERAC)

The OERAC was established to develop and implement a comprehensive and effective statewide effort to address the opioid addiction and overdose epidemic in Minnesota (see Minnesota Statutes, sections 256.042 and 256.043). The council focuses on:

- prevention and education, including public education and awareness for adults and youth, prescriber education, the development and sustainability of opioid overdose prevention and education programs, the role of adult protective services in prevention and response, and providing financial support to local law enforcement agencies for opiate antagonist programs;
- training on the treatment of opioid addiction, including the use of all Food and Drug Administration approved opioid addiction medications, detoxification, relapse prevention, patient assessment, individual treatment planning, counseling, recovery supports, diversion control, and other best practices;
- the expansion and enhancement of a continuum of care for opioid-related substance use disorders, including primary prevention, early intervention, treatment, recovery, and aftercare services; and
- the development of measures to assess and protect the ability of cancer patients and survivors, persons battling life threatening illnesses, persons suffering from severe chronic pain, persons at the end stages of life, and elderly who legitimately need prescription pain medications, to maintain their quality of life by accessing these pain medications without facing unnecessary barriers.

The Behavioral Health Division supports the council, and administers grants on the council's behalf.

State Opioid Response (SOR) Grants provide federal funding for:

- Medication assisted treatement (MAT) expansion and recovery resouces
- Workforce capacity building
- Naloxone training and distribution
- Expanding navigation and access to MAT
- Innovative response to Minnesota's Opioid Epidemic

Funded programs aim to address the opioid crisis by increasing access to medication-assisted treatment using the three FDA-approved medications for the treatment of opioid use disorder, reducing unmet treatment need, and reducing opioid overdose related deaths through the provision of prevention, treatment and recovery activities for opioid use disorder (OUD) (including prescription opioids, heroin and illicit fentanyl and fentanyl analogs).

The Behavioral Health Division, a division of the agency's Community Supports Administration, administers the programs and grants within the SUD Treatment Support Grants activity.

RESULTS

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Result	Past 30-day use of alcohol by 9th grade youth in communities that received a Planning & Implementation (P&I) (cohort-1) grant for prevention work in 2006	35.5%	13.3%	CY2006 vs CY2019
Result	Babies born with negative toxicology results	74%	80%	FY2017 vs. FY2018

Additional Measurement Efforts: The Minnesota Student Survey (MSS) is one viable data source to understand the prevalence of problem gambling among youth and adolescents. Program staff partnered with University of Minnesota researchers to ensure the inclusion of gambling specific questions in the 2019 MSS. Data from the 2019 survey will establish baseline measures for at-risk gambling among youth and adolescents.

Measure Notes:

- The Past 30 day use of alcohol measure consists of data as reported in the Minnesota Student Survey (https://www.health.state.mn.us/data/mchs/surveys/mss/index.html/) for 9th grade students who self-report on their use of alcohol in the last 30 days.
    - Cohort-1 P&I grant communities were 7.7 percentage points above the MN State average in 2004 and were 3.1 percentage points above the MN State average in 2016 and just 1.5 percentage points above the MN State average in 2019. The MN State average was 27.8 percent in 2004 and 11.8 percent in 2019.
- The babies born with negative toxicology measure is the percentage of babies with negative toxicology results during a 12-month period, born to women served by the state Women's Recovery grants. Note: This data reflects Women's Recovery grant program participants only and is not a population based measure.

  The slight increase in negative toxicology tests from 2018-2019 was due to an increase in the number of births and more aggressive data capturing for this measure

  June 1, 2017 to May 31, 2018: Toxicology results from baby and mom: At birth, most babies (74 percent) and mothers (76 percent) tested negative for substances. Those with positive toxicology results at birth most commonly tested positive for marijuana. Toxicology results were missing or unknown for 15 percent to 25 percent of women or babies.

  June 1, 2018 to May 31, 2019: Toxicology results from baby and mother: At birth, most babies (80 percent) and mothers (86 percent) tested negative for substances. Those with positive toxicology results at birth most commonly tested positive for marijuana. Toxicology results were missing or unknown for 14 percent to 15 percent of women or babies.

Minnesota Statutes, chapters 254A (https://www.revisor.mn.gov/statutes/?id=254A), 254B (https://www.revisor.mn.gov/statutes/?id=254B) and 256, (https://www.revisor.mn.gov/statutes/?id=256) and sections 245.98 (http://www.revisor.mn.gov/statutes/?id=245.98) and 297.E02, subd. 3 (https://www.revisor.mn.gov/statutes/?id=297E.02) provide the legal authority for SUD Treatment Support and Primary Prevention Grants.

Substance Use Disorder Treatment Support Grants

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	2,827	3,005	3,595	4,128	3,857	3,957	3,494	3,595
2000 - Restrict Misc Special Revenue	172	133	215	395	289	315	289	315
2001 - Other Misc Special Revenue	772	639	37	700	595	588	595	588
2005 - Opiate Epidemic Response				500	500	500	500	500
3000 - Federal	20,778	24,416	29,786	37,151	21,519	16,583	21,519	16,583
4800 - Lottery	1,705	1,729	1,451	1,733	1,733	1,733	1,733	1,733
Total	**26,254**	**29,922**	**35,084**	**44,607**	**28,493**	**23,676**	**28,130**	**23,314**
Biennial Change				23,515		(27,522)		(28,247)
Biennial % Change				42		(35)		(35)
Governor's Change from Base								(725)
Governor's % Change from Base								(1)
Expenditures by Category								
Operating Expenses	1,343	1,081	1,037	995	898	924	898	924
Grants, Aids and Subsidies	24,911	28,841	34,046	43,612	27,595	22,752	27,232	22,390
Total	**26,254**	**29,922**	**35,084**	**44,607**	**28,493**	**23,676**	**28,130**	**23,314**
Total Agency Expenditures	26,254	29,922	35,084	44,607	28,493	23,676	28,130	23,314
Internal Billing Expenditures			0					
Expenditures Less Internal Billing	**26,254**	**29,922**	**35,083**	**44,607**	**28,493**	**23,676**	**28,130**	**23,314**

Substance Use Disorder Treatment Support Grants

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In	402	944	1,420	1,616				
Direct Appropriation	2,386	2,386	3,136	2,636	2,636	2,636	2,273	2,274
Receipts	695	837	735	876	1,221	1,321	1,221	1,321
Cancellations	72	18	80	1,000				
Balance Forward Out	584	1,145	1,616					
Expenditures	**2,827**	**3,005**	**3,595**	**4,128**	**3,857**	**3,957**	**3,494**	**3,595**
Biennial Change in Expenditures				1,891		91		(634)
Biennial % Change in Expenditures				32		1		(8)
Governor's Change from Base								(725)
Governor's % Change from Base								(9)
2000 - Restrict Misc Special Revenue								
Balance Forward In	175	3	68	336	336	336	336	336
Receipts		68	484	395	289	315	289	315
Transfers In		129						
Balance Forward Out	3	68	336	336	336	336	336	336
Expenditures	**172**	**133**	**215**	**395**	**289**	**315**	**289**	**315**
Biennial Change in Expenditures				305		(6)		(6)
Biennial % Change in Expenditures				100		(1)		(1)
Governor's Change from Base								0
Governor's % Change from Base								0
2001 - Other Misc Special Revenue								
Balance Forward In	790	358	214	217	117	117	117	117
Receipts				500	500	500	500	500
Transfers In	340	340	340	340	340	340	340	340
Transfers Out		12	300	240	245	252	245	252
Balance Forward Out	358	48	217	117	117	117	117	117
Expenditures	**772**	**639**	**37**	**700**	**595**	**588**	**595**	**588**
Biennial Change in Expenditures				(674)		446		446
Biennial % Change in Expenditures				(48)		61		61
Governor's Change from Base								0
Governor's % Change from Base								0

Substance Use Disorder Treatment Support Grants

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
2005 - Opiate Epidemic Response								
Direct Appropriation			500	500	500	500	500	500
Expenditures			**500**	**500**	**500**	**500**	**500**	**500**
Biennial Change in Expenditures			500			500		500
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
3000 - Federal								
Receipts	20,778	24,416	29,786	37,151	21,519	16,583	21,519	16,583
Expenditures	**20,778**	**24,416**	**29,786**	**37,151**	**21,519**	**16,583**	**21,519**	**16,583**
Biennial Change in Expenditures				21,743		(28,835)		(28,835)
Biennial % Change in Expenditures				48		(43)		(43)
Governor's Change from Base								0
Governor's % Change from Base								0
4800 - Lottery								
Direct Appropriation	1,733	1,733	1,733	1,733	1,733	1,733	1,733	1,733
Cancellations	28	4	282					
Expenditures	**1,705**	**1,729**	**1,451**	**1,733**	**1,733**	**1,733**	**1,733**	**1,733**
Biennial Change in Expenditures				(250)		282		282
Biennial % Change in Expenditures				(7)		9		9
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Direct Care and Treatment
Activity: Mental Health & Substance Abuse Treatment Services

mn.gov/dhs/people-we-serve/people-with-disabilities/services/direct-care-treatment/

AT A GLANCE

- Direct Care and Treatment (DCT) provided mental health inpatient and residential services to approximately 1,165 people in FY 2019.
- DCT operates the Anoka-Metro Regional Treatment Center, a 110-bed psychiatric hospital, which served 374 patients in FY19.
- DCT operates six 16-bed Community Behavioral Health Hospitals (CBHHs) located across the state, which served 690 patients in FY 2019.
- DCT operates five 16-bed Community Addition Recovery Enterprise (C.A.R.E.) programs, which served 437 clients in FY 2019.
- All funds spending for this budget activity was approximately $115 million for FY 2019, which represents 25 percent of the total DCT all funds spending. Total DCT spending is less than 3 percent of the overall total spending for the Department of Human Services.

PURPOSE & CONTEXT

- As part of the Department of Human Services Direct Care and Treatment (DCT) Administration, Mental Health and Substance Abuse Treatment Services (MHSATS) provides specialized treatment and support services to individuals with mental illness, chemical dependencies, substance use disorders and other complex conditions.
- One of the Department of Human Services' goals is to serve people with disabilities by providing access to care close to their home community and natural supports. DCT provides services to individuals with the goal of allowing them to move through the system of care and back to the community.

SERVICES PROVIDED

The following services are funded with general fund appropriations:

- Adult inpatient services at the Anoka-Metro Regional Treatment Center (AMRTC);
- Adult inpatient services at the Community Behavioral Health Hospitals (CBHHs) located in Alexandria, Annandale, Baxter, Bemidji, Fergus Falls, and Rochester;
- Child and adolescent inpatient services at the Child & Adolescent Behavioral Health Hospital (CABHH) in Willmar; and
- Minnesota Specialty Health System (MSHS) – providing Intensive Residential Treatment Services (IRTS) for adults in Brainerd, St. Paul, Wadena and Willmar.

The following service is funded with other revenues:

- Community Addiction Recovery Enterprise (C.A.R.E.) – providing inpatient treatment to persons with chemical dependency and substance use disorders. C.A.R.E. programs operate in Anoka, Carlton, Fergus Falls, St. Peter, and Willmar.

All services:

- are person-centered, focusing on the needs of the individual,
- are provided in a safe environment at the appropriate level of care serving individuals in the right place at the right time, and

- allow individuals to move through treatment and back to the most integrated setting possible.

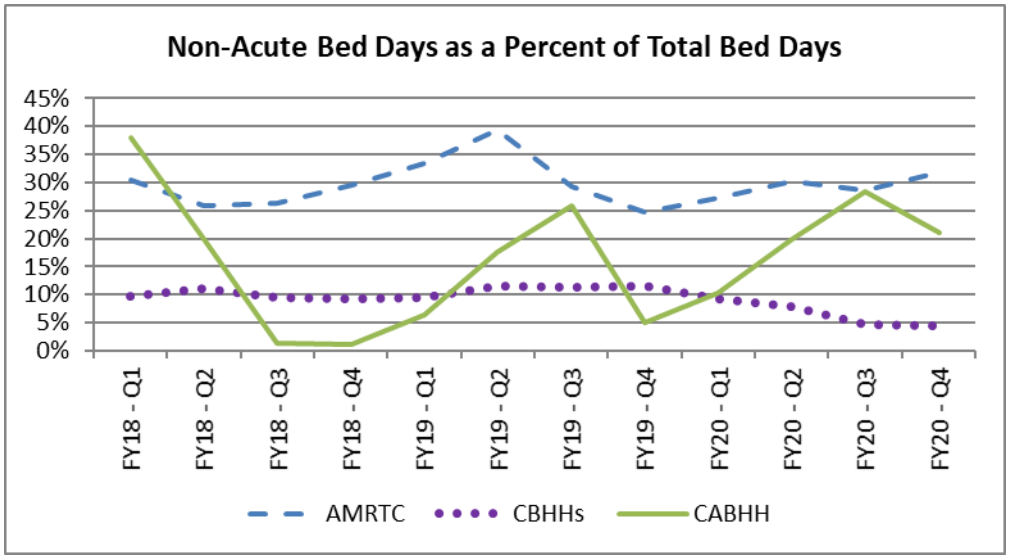
To assure a successful community transition, we use key strategies such as:

- Prompt psychiatric follow-up upon an individual's return to a community setting, and
- Reducing the number of medications necessary to control the individual's symptoms.

We also partner with community providers to remove the barriers that limit successful transitions back to the community.

RESULTS

MHSATS measures non-acute bed days. These are days that the patient no longer needs hospital level of care, but remains in the hospital. These delays in discharged are costly and impact the availability of services to other individuals, often resulting in wait lists. The goal for hospital-level of services is that less than 10% of total bed days be classified as non-acute bed days.

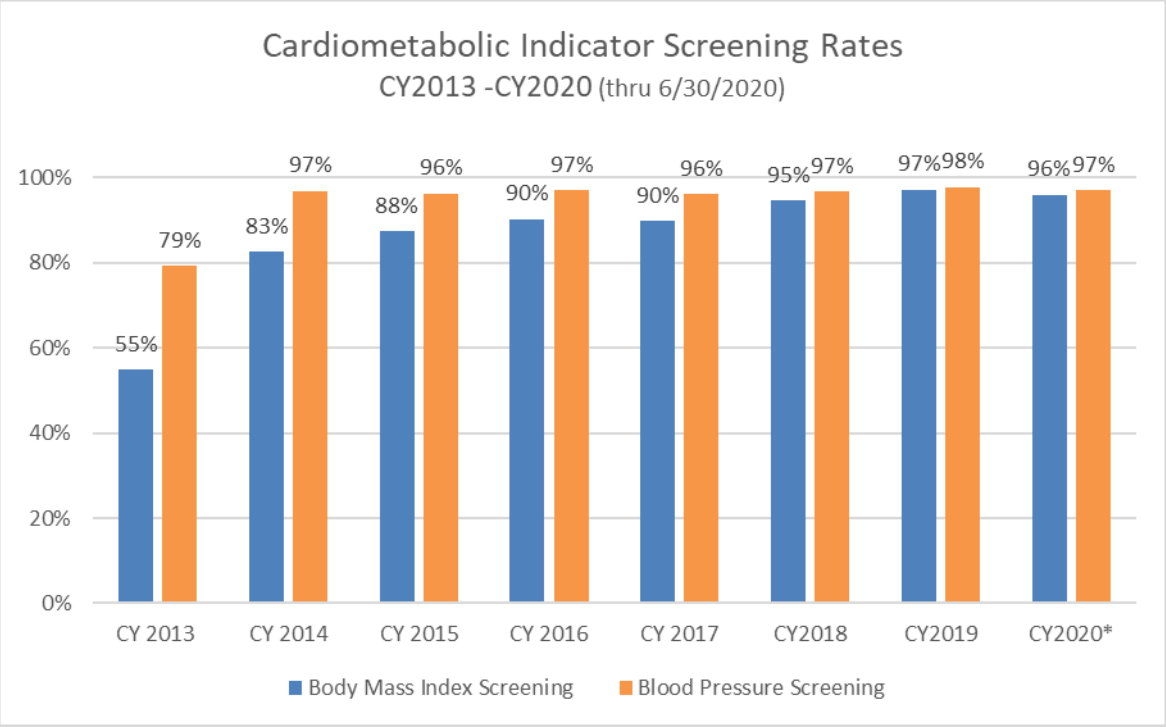


The graph illustrates there is little change in the trend of non-acute bed days at AMRTC. It is averaging about 30% of bed days. There has been a slight increase in the last quarter of FY 2020 due to the coronavirus and the inability to discharge clients to community providers.

Non-acute bed days at the CBHHs decreased during FY2020 and are below the 10% goal. Because of the lower daily census, CABHH non-acute bed days vary widely – or, more directly, one or two clients who do not meet hospital level of care greatly impacts the non-acute bed day measure.

Another measure of success is the screening for cardiometabolic syndrome indicators. Cardiometabolic syndrome prevention is a key component of improving the lives of those we support and mirrors national trends towards improving healthcare quality systems. Increasing the number of people who are at a healthy weight will help us reduce the incidence of metabolic syndrome and chronic diseases among our patients. These rates also help to determine appropriate interventions. Integrating Body Mass Index (BMI) education into existing programming can reduce the likelihood of the onset and progression of obesity and related chronic diseases, as well as increase healthy eating and physical lifestyle skills. We are collecting information via our Electronic Medical Record (EMR) and monitoring it closely to help those served maintain an appropriate BMI, reduce incidences of chronic disease, and enable them to live healthier lives.

Managing and maintaining a healthy blood pressure reduces an individual's risk of cardiovascular disease and other chronic diseases. Increasing the number of people with a healthy blood pressure will help aid patients in leading healthier lives. Increased screening will also aid in the development of appropriate interventions, increase disease management and prevention, and assist with creating individualized treatment plans.



The graph illustrates the work that has been done to improve screening for two key components of cardiometabolic syndrome, Body Mass Index (BMI) and blood pressure. MHSATS goal is to have a 95% screening rate for both BMI and blood pressure.

Minnesota Statutes Chapter 246 (https://www.revisor.mn.gov/statutes/?id=246) provide the legal authority for Direct Care and Treatment State Operated Services.

Mental Health & Substance Abuse Trtmt Svcs

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	106,694	114,209	122,209	124,450	122,759	122,759	136,502	137,665
2000 - Restrict Misc Special Revenue	2,652	2,491						
4101 - DHS Chemical Dependency Servs	15,367	14,179	16,378	19,038	19,070	19,070	19,070	19,070
6000 - Miscellaneous Agency	108	97	78	90	90	90	90	90
Total	**124,821**	**130,976**	**138,665**	**143,578**	**141,919**	**141,919**	**155,662**	**156,825**
Biennial Change				26,446		1,595		30,244
Biennial % Change				10		1		11
Governor's Change from Base								28,649
Governor's % Change from Base								10
Expenditures by Category								
Compensation	94,712	105,128	118,681	121,771	120,112	120,112	132,206	133,230
Operating Expenses	29,871	24,976	19,748	21,682	21,682	21,682	23,331	23,470
Grants, Aids and Subsidies	111	102	82	125	125	125	125	125
Other Financial Transaction	128	770	154					
Total	**124,821**	**130,976**	**138,665**	**143,578**	**141,919**	**141,919**	**155,662**	**156,825**
Total Agency Expenditures	124,821	130,976	138,665	143,578	141,919	141,919	155,662	156,825
Internal Billing Expenditures			15	14	14	14	14	14
Expenditures Less Internal Billing	**124,821**	**130,976**	**138,650**	**143,564**	**141,905**	**141,905**	**155,648**	**156,811**
Full-Time Equivalents	**1,053.64**	**1,107.92**	**1,229.00**	**1,217.21**	**1,190.44**	**1,177.88**	**1,311.50**	**1,307.84**

Mental Health & Substance Abuse Trtmt Svcs

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In		8,216		2,875				
Direct Appropriation	118,545	118,631	129,209	129,201	129,197	129,197	142,940	144,103
Transfers In	405	694	3,500					
Transfers Out	6,269	12,082	7,626	7,626	6,438	6,438	6,438	6,438
Cancellations		1,250						
Balance Forward Out	5,987		2,874					
Expenditures	**106,694**	**114,209**	**122,209**	**124,450**	**122,759**	**122,759**	**136,502**	**137,665**
Biennial Change in Expenditures				25,756		(1,141)		27,508
Biennial % Change in Expenditures				12		(0)		11
Governor's Change from Base								28,649
Governor's % Change from Base								12
Full-Time Equivalents	910.98	963.24	1,086.56	1,071.24	1,047.47	1,036.42	1,168.53	1,166.38
2000 - Restrict Misc Special Revenue								
Balance Forward In		79						
Direct Appropriation	2,713							
Transfers In		2,713						
Transfers Out		301						
Balance Forward Out	61							
Expenditures	**2,652**	**2,491**						
Biennial Change in Expenditures				(5,143)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	21.58	21.70	1.11					
4101 - DHS Chemical Dependency Servs								
Balance Forward In	465	1,519	2,469	1,648				
Receipts	9,507	8,605	9,119	9,952	12,632	12,632	12,632	12,632
Transfers In	6,438	6,438	6,438	7,438	6,438	6,438	6,438	6,438
Balance Forward Out	1,043	2,383	1,648					
Expenditures	**15,367**	**14,179**	**16,378**	**19,038**	**19,070**	**19,070**	**19,070**	**19,070**
Biennial Change in Expenditures				5,870		2,724		2,724

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Biennial % Change in Expenditures				20		8		8
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	121.08	122.98	141.33	145.97	142.97	141.46	142.97	141.46

6000 - Miscellaneous Agency

Balance Forward In	8	4	2	13	13	13	13	13
Receipts	104	95	89	90	90	90	90	90
Balance Forward Out	4	2	13	13	13	13	13	13
Expenditures	**108**	**97**	**78**	**90**	**90**	**90**	**90**	**90**
Biennial Change in Expenditures				(37)		12		12
Biennial % Change in Expenditures				(18)		7		7
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Direct Care and Treatment
Activity: Community Based Services

mn.gov/dhs/people-we-serve/people-with-disabilities/services/direct-care-treatment/

AT A GLANCE

- Direct Care and Treatment (DCT) provided services to approximately 12,000 people in FY 2019.
- DCT's Community Support Services mobile teams provide support to 421 people in FY 2019.
- DCT's foster care program served 20 children and adolescents with severe emotional disturbance in individual foster homes in FY 2019.
- DCT's community residential programs served 402 clients with developmental disabilities in FY 2019.
- DCT's vocational program served 551 clients with developmental disabilities in FY 2019.
- All funds spending for this budget activity was approximately $118 million for FY2019. This represents 27 percent of the total Direct Care and Treatment (DCT) all funds spending. Total DCT spending is less than 3 percent of the overall spending for the Department of Human Services.

PURPOSE & CONTEXT

- As part of the Department of Human Services Direct Care and Treatment (DCT) Administration, Community Based Services (CBS) provides treatment and residential supports to individuals with behavioral health issues and developmental disabilities. CBS programs specialize in the treatment of vulnerable people with complex behavioral needs for whom no other providers are available.
- The majority of CBS programs operate as enterprise services. Enterprise services operate on the revenues generated from services provided to clients. Revenues are collected from third-party payment sources such as Medical Assistance, private insurance, and the clients themselves.

SERVICES PROVIDED

Service programs within this activity include:

- **Community Support Services (CSS)** – statewide specialized mobile teams providing crisis support services to individuals with mental illness and/or disabilities in their home community or transitioning back to their home community. Their overall goal is to support people in the most integrated setting by addressing behavior associated with mental illness or intellectual disabilities that would cause individuals to be admitted to institutional settings.
- **Crisis Residential Services and Minnesota Life Bridge (MLB)** – crisis and MLB have a total of eight short-term residential programs throughout the state. Their overall goal is to support people in the most integrated setting close to their home community or natural supports by addressing behavior associated with mental illness or intellectual disabilities that would cause individuals to lose their placements or be admitted to a less integrated setting.
- **Minnesota Intensive Therapeutic Homes (MITH)** – provides foster care to children and adolescents who have severe emotional disturbance and serious acting-out behaviors. Homes are located throughout the state. Each child's treatment structure is individualized and is based on a combination of multidimensional treatment, wrap-around services and specialized behavior therapy.
- **Minnesota State Operated Community Services (MSOCS) Residential Services** – provides residential services in small group homes (typically 4 beds) located throughout the state for individuals with mental illness and/or developmental disabilities. Staff members assist clients with activities of daily living and help integrate them into the local communities. Individual service rates are generated through the Rate Management System (RMS) for each client based on their needs.

- **Minnesota State Operated Community Services (MSOCS) Vocational Services** – provides vocational support services for people with developmental disabilities. Staff provide evaluations, training, and client assistance at job sites. Individual services rates are generated for each client based on historic rates established for the identified vocational site.

RESULTS

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	The average number of individuals residing within MSOCS residential services on a daily basis[1]	388	338	FY 2018 v. FY 2020
Quantity	The percent of individual workers within MSOCS vocational services who have community employment[2]	83%	66%	June 2018 v. June 2020

Minnesota Statutes Chapter 246 (https://www.revisor.mn.gov/statutes/?id=246) provide the legal authority for Direct Care and Treatment State Operated Services.

[1]We continue to reduce our footprint (the number of homes we operate), while transitioning clients to private community providers when appropriate. This allows us to fulfill our mission of specializing in serving only the most behaviorally complex individuals.

[2]Community Employment offers a more person-centered approach to employment by giving individuals the opportunity to secure a variety of employment options outside the traditional contracted services that are brought into a Day Treatment & Habilitation (DT&H) site based employment setting. The percentage has decreased as a number of individuals no longer need our services as they have been hired directly by community employers. In addition, as customized employment services increase, we have many individuals in the exploration phase of determining their skill set and interests related to work.

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	10,025	11,011	10,661	11,449	11,054	11,054	12,573	13,630
2000 - Restrict Misc Special Revenue	6	4	0	10	10	10	10	10
2403 - Gift	2	3	2	6	6	3	6	3
4100 - SOS TBI & Adol Ent Svcs	1,544	1,495	1,432	1,465	1,465	1,465	1,465	1,465
4350 - MN State Operated Comm Svcs	111,722	113,473	111,996	116,344	111,163	95,394	111,163	95,394
Total	**123,300**	**125,985**	**124,092**	**129,274**	**123,698**	**107,926**	**125,217**	**110,502**
Biennial Change				4,081		(21,742)		(17,647)
Biennial % Change				2		(9)		(7)
Governor's Change from Base								4,095
Governor's % Change from Base								2
Expenditures by Category								
Compensation	110,404	114,673	112,761	116,251	111,069	95,300	112,406	97,536
Operating Expenses	11,734	10,497	10,835	12,705	12,311	12,308	12,493	12,648
Grants, Aids and Subsidies	877	662	423	318	318	318	318	318
Other Financial Transaction	284	154	73					
Total	**123,300**	**125,985**	**124,092**	**129,274**	**123,698**	**107,926**	**125,217**	**110,502**
Total Agency Expenditures	123,300	125,985	124,092	129,274	123,698	107,926	125,217	110,502
Internal Billing Expenditures			88	93	93	93	93	93
Expenditures Less Internal Billing	**123,300**	**125,985**	**124,004**	**129,181**	**123,605**	**107,833**	**125,124**	**110,409**
Full-Time Equivalents	**1,545.64**	**1,555.52**	**1,488.93**	**1,397.35**	**1,310.48**	**1,128.46**	**1,325.34**	**1,153.34**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In		715		394				
Direct Appropriation	25,652	20,543	22,752	11,055	17,176	17,176	18,695	19,752
Transfers In	155	112	1,000	1,000				
Transfers Out	15,091	9,972	12,697	1,000	6,122	6,122	6,122	6,122
Cancellations		386						
Balance Forward Out	691		394					
Expenditures	**10,025**	**11,011**	**10,661**	**11,449**	**11,054**	**11,054**	**12,573**	**13,630**
Biennial Change in Expenditures				1,073		(2)		4,093
Biennial % Change in Expenditures				5		(0)		19
Governor's Change from Base								4,095
Governor's % Change from Base								19
Full-Time Equivalents	82.46	96.02	98.02	94.13	92.03	91.06	106.89	115.94
2000 - Restrict Misc Special Revenue								
Balance Forward In	92	95	105	119	119	119	119	119
Receipts	9	11	14	10	10	10	10	10
Balance Forward Out	94	103	119	119	119	119	119	119
Expenditures	**6**	**4**	**0**	**10**	**10**	**10**	**10**	**10**
Biennial Change in Expenditures				0		10		10
Biennial % Change in Expenditures				4		91		91
Governor's Change from Base								0
Governor's % Change from Base								0
2403 - Gift								
Balance Forward In	40	39	38	37	32	27	32	27
Receipts	2	2	1	1	1	1	1	1
Balance Forward Out	39	38	37	32	27	25	27	25
Expenditures	**2**	**3**	**2**	**6**	**6**	**3**	**6**	**3**
Biennial Change in Expenditures				4		1		1
Biennial % Change in Expenditures				72		8		8
Governor's Change from Base								0
Governor's % Change from Base								0

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
4100 - SOS TBI & Adol Ent Svcs								
Balance Forward In	260	224	186	422	422	422	422	422
Receipts	1,505	1,455	1,668	1,465	1,465	1,465	1,465	1,465
Balance Forward Out	221	185	422	422	422	422	422	422
Expenditures	**1,544**	**1,495**	**1,432**	**1,465**	**1,465**	**1,465**	**1,465**	**1,465**
Biennial Change in Expenditures				(142)		33		33
Biennial % Change in Expenditures				(5)		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	23.93	23.17	21.40	20.50	20.05	19.84	20.05	19.84
4350 - MN State Operated Comm Svcs								
Balance Forward In	1,208	2,744	6,396	8,992	6,596		6,596	
Receipts	104,064	106,102	102,895	98,919	98,445	89,272	98,445	89,272
Transfers In	9,090	10,981	11,697	15,029	6,122	6,122	6,122	6,122
Balance Forward Out	2,640	6,355	8,992	6,596				
Expenditures	**111,722**	**113,473**	**111,996**	**116,344**	**111,163**	**95,394**	**111,163**	**95,394**
Biennial Change in Expenditures				3,145		(21,783)		(21,783)
Biennial % Change in Expenditures				1		(10)		(10)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1,439.25	1,436.33	1,369.51	1,282.72	1,198.40	1,017.56	1,198.40	1,017.56

Program: Direct Care and Treatment
Activity: Forensic Services

mn.gov/dhs/people-we-serve/people-with-disabilities/services/direct-care-treatment/

AT A GLANCE

- Over 500 individuals received Forensic Mental Health services during FY 2019.
- Over 250 individuals were evaluated for competency to stand trial during FY 2019.
- The Forensic Nursing Home served 50 individuals during FY 2019.
- 247 individuals under the Mentally Ill and Dangerous (MI&D) commitment type are on provisional discharge from Forensic Services.
- Forensic Services has seen a reduction in both admissions and discharges. Reduction in admissions is a direct result of reductions in discharges.
- There has been an increase in individuals committed as MI&D. As of June 30, 2020, there were 29 individuals on a wait list for admission to Forensic Services.
- All funds spending for this budget activity was approximately $94 million for FY 2019. This represents 21 percent of the total Direct Care and Treatment (DCT) all funds spending. Total DCT spending is less than 3 percent of the overall spending for the Department of Human Services.

PURPOSE & CONTEXT

- As part of the Department of Human Services Direct Care & Treatment (DCT) Administration, Forensic Services in St. Peter provides multidisciplinary treatment services to adults with severe and persistent mental illness who have also come to the attention of the criminal justice system because they are at risk of endangering others and/or they present a serious risk to the public.
- Clients are admitted as a result of civil commitment. Clients come from throughout the state. Most are under a civil commitment type of Mentally Ill and Dangerous (MI&D), although all other commitment types are served.
- The 2017 Legislature appropriated $70 million in general obligation bonds for Phase 2 construction of residential and program areas to help create a safer and more therapeutic environment at the Minnesota Security Hospital.
- The 2018 Legislature appropriated $2.2 million in general obligation bonds to remodel the dietary building on the St. Peter campus. This project was completed in FY2020.

SERVICES PROVIDED

Forensics Services programs provide a continuum of services:

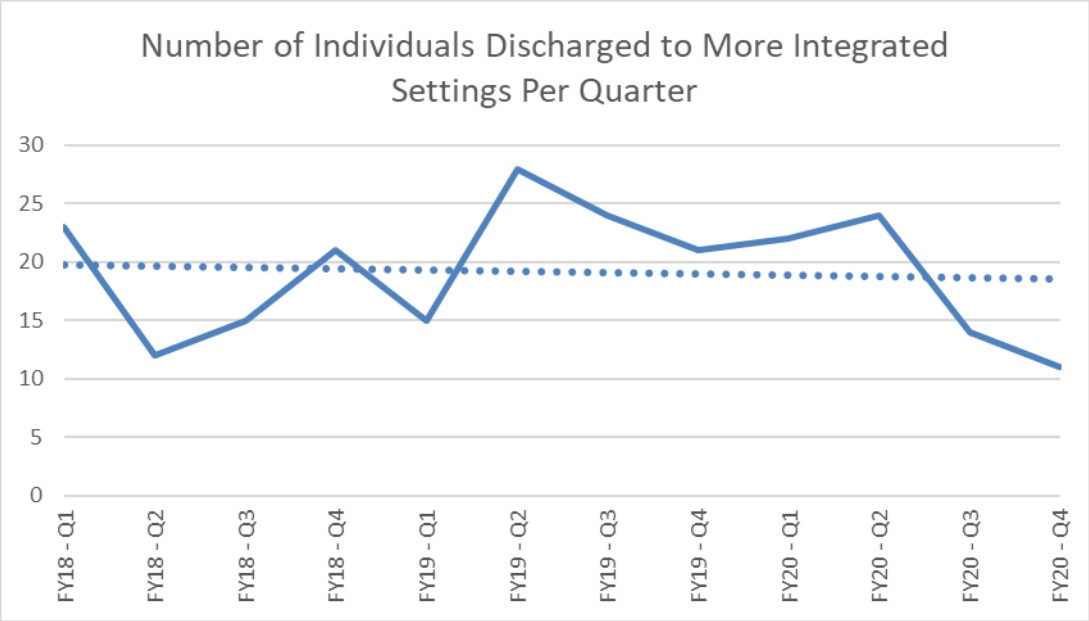
- **Forensic Mental Health Program** – provides secure and non-secure inpatient setting for treatment of individuals with severe mental illness diagnosis who are committed primarily as MI&D, as well as a small percentage of individuals who are under other commitment types. Across the treatment units within the Forensic Mental Health Program are settings that are secure and non-secure, necessitated because of the clinical presentation of danger to both self and other. A continuum of treatment focus exists from admissions and crisis to treatment focused towards re-entry into the community and eventual provisional discharge. The program also includes a 36 bed facility on the north side of St. Peter which houses individuals committed generally as Mentally Ill (MI), who have been determined to not be competent to proceed to trial for criminal activity (i.e., determined to not be competent under Court Rules of Criminal Procedure Rule 20.01 Subd. 7.

- **Court-ordered evaluations** – include evaluations of a person's competency to stand trial and pre-sentencing mental health evaluations. These can be done on either an inpatient basis within Forensic Services or in a community setting, including a community corrections facility.
- **Forensic Nursing Home** – provides a secure licensed nursing home setting for individuals who are committed as MI&D, Sexual Psychopathic Personality (SPP), and Sexually Dangerous Person (SDP) and individuals on a medical release from the Department of Corrections. Treatment focus is similar to all nursing homes with provision activities of daily living care, rehabilitation services, and end of life care

All of these services are provided through a direct general fund appropriation except court-ordered evaluations, which is funded with other revenues.

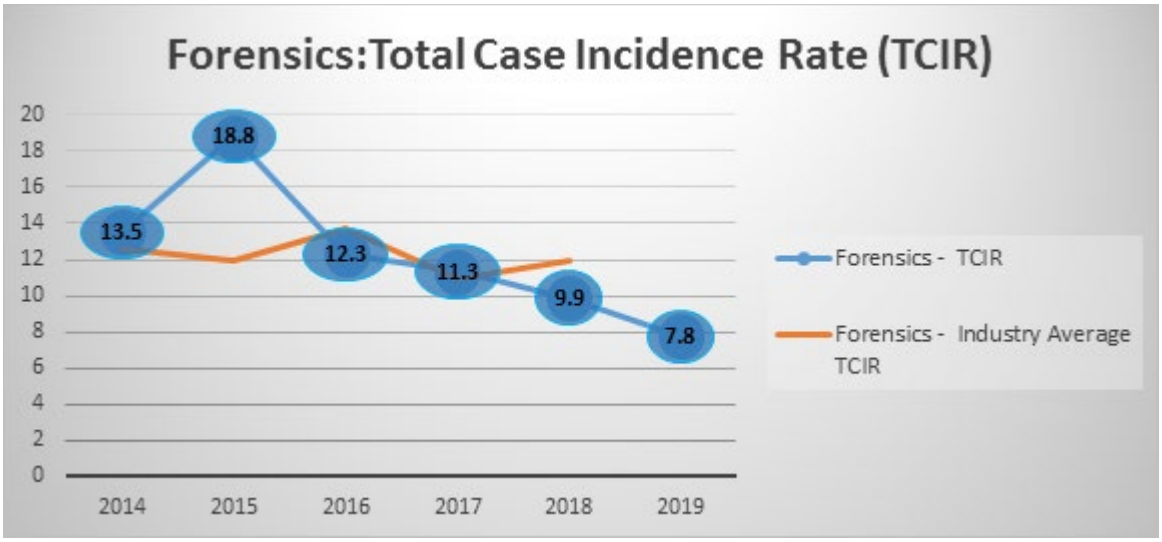
RESULTS

We measure success by the number of individuals discharged from Forensic Services programs to more integrated settings, reflective of the Minnesota Olmstead Plan. In the chart below, the solid line is the average number of discharges. The dotted line is the trend line over the past three years.



During the second half of FY 2018, there was an increase in the number of individuals discharged to more integrated settings. In calendar year 2020 (third and fourth quarters of fiscal year 2020), there was a reduction in the number of individuals discharged to more integrated settings. Several factors have contributed to this reduction, including the coronavirus pandemic. Specific factors include reduced reintegration efforts and community provider capacity due to COVID, as well as the clinical impacts to patients resulting from stress and uncertainty of COVID and community unrest following the death of George Floyd.

We care about the safety of our clients and staff. One measure of safety is the Occupational Safety and Health Administration (OSHA) Total Case Incidence Rate (TCIR). The OSHA Total Case Incident Rate is the total number of workplace injuries or illnesses per 100 full time employees (FTE) working in a year. This is a metric used nationally to compare rates of workplace injuries with national averages of similar industries, which in our case is state healthcare nursing and residential facilities. In the chart below, the blue line is the annual data for Forensic Treatment Services (FTS). The orange line denotes the industry code average rate for state government nursing and residential facilities. For 2016, the national average among state government nursing and residential care facilities was 13.7 incidents per 100 FTE. The average for 2017 is not yet available.



There have been many efforts taken within Forensic Services that contributed to the reduction in TCIR over the past four calendar years:

- Designing the new facility to focus on creating an environment that would be safe for the patients and the staff who care for them.
- Stabilized/reduced turnover of staff including psychiatric providers, nursing staff and clinical staff providing clinical direction that identifies individual patient uniqueness and best clinical direction to help the individual in their recovery.
- Increase in clinical staff providing programming such as 1:1 and group therapy, social skill development through recreational and occupational therapies, music and art therapy, medication education, spiritual services, reintegration activities and vocational skills development just to mention a few.
- Increase in the staff that work the 24/7 shifts, providing support and reinforcement of skills practiced in groups. Helping to build that into the day as strategies for managing stressors, mental health crisis, free time, completion of normal day activities, etc.
- Recognizing inconsistency in our trainings, rewriting curriculum, training and/or retraining staff, as well as continuing to monitor for integrity of the training.
- Initiating a monthly Safety Team Meeting with membership of staff who work the 24/7 shifts (Forensic Support Specialists, nursing) along with the Safety Administrator and Safety Officer reviewing all staff and patients injures from the previous month. Focus related to what went well, what didn't go well, what training opportunities are there, environment needs, etc.
- Continuously evaluating equipment used during needed containment of patients to minimize risk.
- Continued evolving of our behavioral support team of professionals that review incidents and can then wrap some additional clinical services around those patients by working with their treatment teams.

Minnesota Statutes Chapter 246 (https://www.revisor.mn.gov/statutes/?id=246) provide the legal authority for State Operated Services. See also, Minnesota Statutes Chapter 253 (https://www.revisor.mn.gov/statutes/?id=253) for additional authority that is specific to Forensic Services.

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	98,623	106,280	107,414	117,808	115,644	115,644	121,039	122,206
2000 - Restrict Misc Special Revenue	920	805	715	800	800	800	800	800
6000 - Miscellaneous Agency	1,694	1,718	1,520	1,580	1,580	1,580	1,580	1,580
Total	**101,238**	**108,802**	**109,650**	**120,188**	**118,024**	**118,024**	**123,419**	**124,586**
Biennial Change				19,798		6,210		18,167
Biennial % Change				9		3		8
Governor's Change from Base								11,957
Governor's % Change from Base								5
Expenditures by Category								
Compensation	85,584	93,315	100,297	109,936	107,772	107,772	112,520	113,547
Operating Expenses	11,989	11,303	7,354	8,122	8,122	8,122	8,769	8,909
Grants, Aids and Subsidies	2,381	2,148	1,797	2,130	2,130	2,130	2,130	2,130
Capital Outlay-Real Property	281	143	27					
Other Financial Transaction	1,003	1,894	173					
Total	**101,238**	**108,802**	**109,650**	**120,188**	**118,024**	**118,024**	**123,419**	**124,586**
Total Agency Expenditures	101,238	108,802	109,650	120,188	118,024	118,024	123,419	124,586
Internal Billing Expenditures			0					
Expenditures Less Internal Billing	**101,238**	**108,802**	**109,649**	**120,188**	**118,024**	**118,024**	**123,419**	**124,586**
Full-Time Equivalents	**922.40**	**981.85**	**1,035.15**	**1,032.78**	**1,015.16**	**1,004.45**	**1,060.12**	**1,058.60**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In		1,926		3,589				
Direct Appropriation	102,806	106,958	112,126	115,342	115,644	115,644	121,039	122,206
Transfers In	343	660						
Transfers Out	3,448	2,133	1,123	1,123				
Cancellations		1,131						
Balance Forward Out	1,078		3,589					
Expenditures	**98,623**	**106,280**	**107,414**	**117,808**	**115,644**	**115,644**	**121,039**	**122,206**
Biennial Change in Expenditures				20,319		6,066		18,023
Biennial % Change in Expenditures				10		3		8
Governor's Change from Base								11,957
Governor's % Change from Base								5
Full-Time Equivalents	919.27	979.59	1,033.08	1,030.98	1,013.40	1,002.71	1,058.36	1,056.86
2000 - Restrict Misc Special Revenue								
Balance Forward In	437	548	587	737	737	737	737	737
Receipts	952	801	865	800	800	800	800	800
Balance Forward Out	469	544	737	737	737	737	737	737
Expenditures	**920**	**805**	**715**	**800**	**800**	**800**	**800**	**800**
Biennial Change in Expenditures				(210)		85		85
Biennial % Change in Expenditures				(12)		6		6
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	3.13	2.26	2.07	1.80	1.76	1.74	1.76	1.74
6000 - Miscellaneous Agency								
Balance Forward In	292	292	265	279	249	219	249	219
Receipts	1,695	1,691	1,534	1,550	1,550	1,550	1,550	1,550
Transfers In	107							
Transfers Out	107							
Balance Forward Out	293	265	279	249	219	189	219	189
Expenditures	**1,694**	**1,718**	**1,520**	**1,580**	**1,580**	**1,580**	**1,580**	**1,580**
Biennial Change in Expenditures				(312)		60		60
Biennial % Change in Expenditures				(9)		2		2

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Direct Care and Treatment
Activity: Minnesota Sex Offender Program

mn.gov/dhs/people-we-serve/adults/services/sex-offender-treatment/

AT A GLANCE

- Clients progress through three phases of sex offender specific treatment by active participation in group therapy and other programing.
- Minnesota Sex Offender Program (MSOP) population as of June 30, 2020 was 742.
- As of June 30, 2020, a total of 26 MSOP clients were on provisional discharge living in the community and supervised by MSOP Reintegration Agents.
- As of June 30, 2020, a total of 13 MSOP clients have been fully discharged from their commitment.
- As of June 30, 2020, approximately 85 percent of MSOP clients voluntarily participated in treatment.
- All funds spending for this budget activity was approximately $87 million for FY 2019. This represents 20 percent of the total Direct Care and Treatment (DCT) all funds spending. Total DCT spending is less than 3 percent of the overall spending for the Department of Human Services.

PURPOSE & CONTEXT

- As part of the Department of Human Services Direct Care and Treatment (DCT) Administration, the Minnesota Sex Offender Program (MSOP) provides services to individuals who been civilly committed as a Sexually Dangerous Person and/or Sexual Psychopathic Personality.
- MSOP's mission is to promote public safety by providing comprehensive sex offender treatment and reintegration opportunities for sexual abusers.
- Minnesota is one of 20 states with civil commitment laws for sex offenders and is the largest program in the country.
- There are approximately 15-20 new commitments annually.
- Most MSOP clients have served prison sentences prior to their civil commitment.
- Transfer to less restrictive settings, such as Community Preparation Services, provisional discharge, or discharge from MSOP, occurs through a court order from a three judge panel.

SERVICES PROVIDED

We accomplish our mission by:

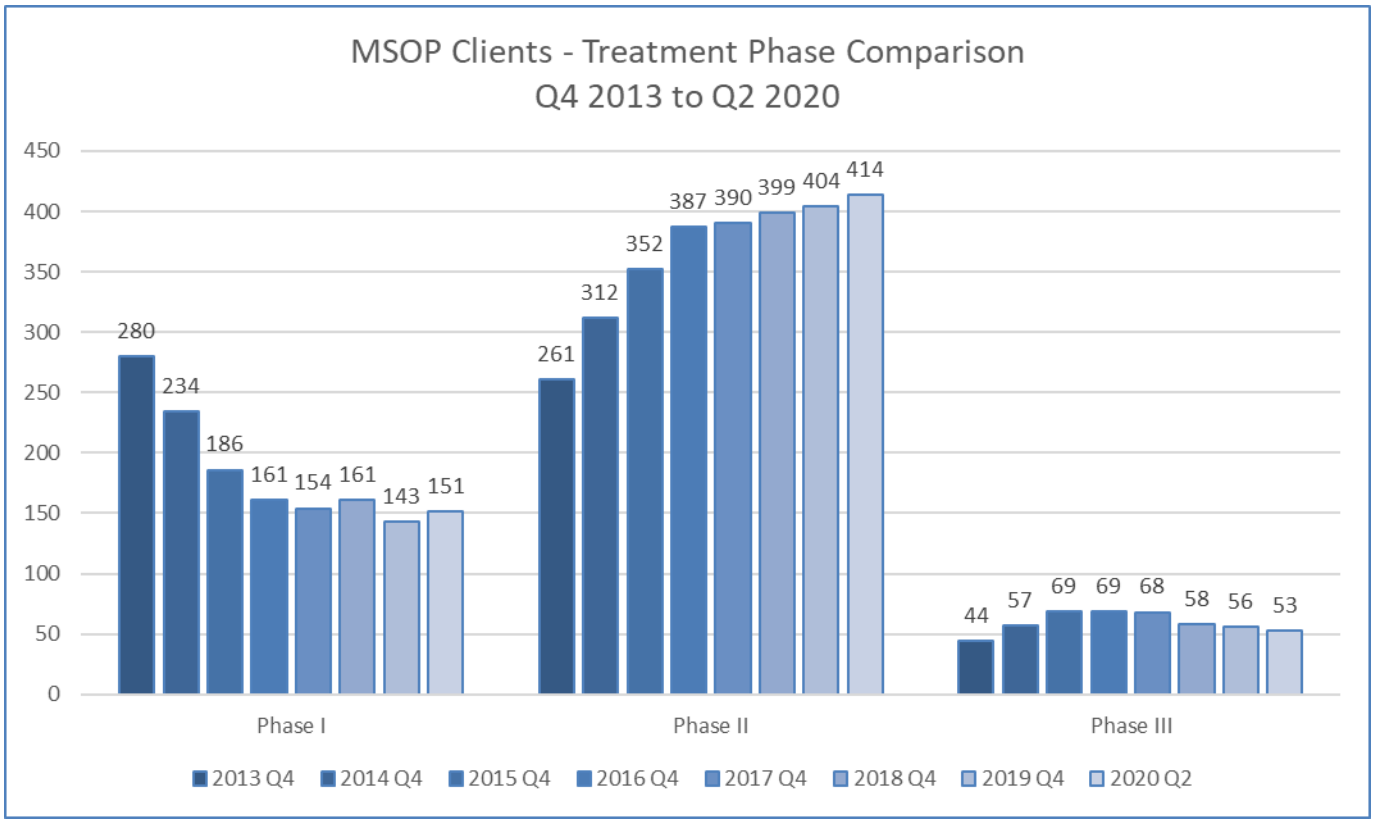
- Maintaining a therapeutic treatment environment that is safe and conducive for making positive behavioral change.
- Providing core group therapy, psycho-educational modules, and other programming opportunities in a three phase sex offender treatment program. Clients also participate in rehabilitative services including education, therapeutic recreational activities, and vocational work program assignments.
- Providing risk assessments, treatment reports, and testimony that inform the courts.
- Working together with communities, policy makers, and other governmental agencies.
- Providing supervision and resources for provisionally discharged clients to succeed in the community.

MSOP is a three-phase treatment program. Clients initially address treatment-interfering behaviors and attitudes (Phase I) in preparation for focusing on their patterns of abuse and identifying and resolving the underlying issues in their offenses (Phase II). Clients in the later stages of treatment focus on deinstitutionalization and reintegration, applying the skills they acquired in treatment across settings and maintaining the changes they have made while managing their risk for re-offense (Phase III).

MSOP is funded by general fund appropriations. When a county commits someone to the program, the county is responsible for part of the cost of care. For commitments initiated before August 2011, the county share is ten percent. For commitments after that date, the county share is 25 percent. When a client is court ordered to provisional discharge (continued community supervision by MSOP), there is a 25% county share.

RESULTS

As more clients move through the program, we expect to see increases in the number of clients participating in the latter stages of treatment. The chart below shows the treatment progression of clients since 2013.



The legislature requires an annual performance report on the Minnesota Sex Offender Program. Two important measures in the performance report are the program wide per diem and client counts. For MSOP the program wide per diem is the calculated daily comprehensive cost of the program for each client.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	Per diem	$372	$393	FY18 to FY20
Quantity	Increase in client population	736	742	FY18 to FY20
Quality	Increase in client population on Provisional Discharge	15	26	FY18 to FY20

Results Notes

- Treatment progression graph is produced by the MSOP Research Department.
- The reported measure is the published per diem rate. It is the rate charged to counties when figuring a county's share of the cost of a client's care.
- Client population counts in the table below are as of June 30th (the end of each fiscal year).

Minnesota Statutes, chapter 246B (https://www.revisor.mn.gov/statutes/cite/246B) governs the operation of the Sex Offender Program and chapter https://www.revisor.mn.gov/statutes/cite/253D governs the civil commitment and treatment of sex offenders.

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	86,125	88,884	88,600	98,397	96,285	96,285	98,833	99,917
2000 - Restrict Misc Special Revenue	1,071	3						
4503 - Minnesota State Industries	1,562	1,148	1,164	1,606	1,606	1,606	1,606	1,606
6000 - Miscellaneous Agency	3,662	3,565	3,532	3,550	3,550	3,550	3,550	3,550
Total	**92,420**	**93,599**	**93,297**	**103,553**	**101,441**	**101,441**	**103,989**	**105,073**
Biennial Change				10,831		6,032		12,212
Biennial % Change				6		3		6
Governor's Change from Base								6,180
Governor's % Change from Base								3
Expenditures by Category								
Compensation	74,628	74,849	75,107	84,301	82,189	82,189	84,431	85,385
Operating Expenses	14,145	14,216	14,004	15,385	15,385	15,385	15,691	15,821
Grants, Aids and Subsidies	3,371	3,728	3,676	3,867	3,867	3,867	3,867	3,867
Other Financial Transaction	276	806	510					
Total	**92,420**	**93,599**	**93,297**	**103,553**	**101,441**	**101,441**	**103,989**	**105,073**
Full-Time Equivalents	**861.79**	**830.35**	**817.32**	**824.97**	**811.28**	**802.72**	**833.61**	**834.22**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In		1,678		3,374				
Direct Appropriation	89,217	89,225	97,072	97,621	96,285	96,285	98,833	99,917
Transfers In	3,500	5,581						
Transfers Out	5,536	6,087	5,098	2,598				
Cancellations		1,514						
Balance Forward Out	1,056		3,374					
Expenditures	**86,125**	**88,884**	**88,600**	**98,397**	**96,285**	**96,285**	**98,833**	**99,917**
Biennial Change in Expenditures				11,989		5,573		11,753
Biennial % Change in Expenditures				7		3		6
Governor's Change from Base								6,180
Governor's % Change from Base								3
Full-Time Equivalents	861.79	830.35	817.32	824.97	811.28	802.72	833.61	834.22
2000 - Restrict Misc Special Revenue								
Balance Forward In		3						
Receipts	1,074							
Balance Forward Out	3							
Expenditures	**1,071**	**3**						
Biennial Change in Expenditures				(1,074)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
4503 - Minnesota State Industries								
Balance Forward In	1,507	1,946	2,286	2,625	2,269	1,913	2,269	1,913
Receipts	1,920	1,454	1,502	1,250	1,250	1,250	1,250	1,250
Balance Forward Out	1,864	2,252	2,625	2,269	1,913	1,557	1,913	1,557
Expenditures	**1,562**	**1,148**	**1,164**	**1,606**	**1,606**	**1,606**	**1,606**	**1,606**
Biennial Change in Expenditures				60		442		442
Biennial % Change in Expenditures				2		16		16
Governor's Change from Base								0
Governor's % Change from Base								0

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
6000 - Miscellaneous Agency								
Balance Forward In	276	322	431	543	593	593	593	593
Receipts	3,700	3,673	3,645	3,600	3,550	3,550	3,550	3,550
Balance Forward Out	314	431	543	593	593	593	593	593
Expenditures	**3,662**	**3,565**	**3,532**	**3,550**	**3,550**	**3,550**	**3,550**	**3,550**
Biennial Change in Expenditures				(144)		18		18
Biennial % Change in Expenditures				(2)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Direct Care and Treatment
Activity: DCT Administration

mn.gov/dhs/people-we-serve/people-with-disabilities/services/direct-care-treatment/

AT A GLANCE

- Direct Care and Treatment (DCT) offers programs in about 200 sites throughout Minnesota.
- DCT provides services to over 12,000 individuals annually.
- DCT has over 4,500 employees, with an annual budget of over $500 million.
- All funds spending for this budget activity was approximately $31 million for FY 2019. This represents 7 percent of the total Direct Care and Treatment (DCT) all funds spending. Total DCT spending is less than 3 percent of the overall spending for the Department of Human Services.

PURPOSE & CONTEXT

Direct Care and Treatment (DCT) operates as a health care system providing a wide range of services to individuals with behavioral health needs. These services are provided throughout the state with 24/7 operations of sites that include psychiatric hospitals, residential treatment sites, vocational services, secure facilities and community clinics. DCT Administration oversees and manages the business operations of this health care system. The administration also provides strategic plan development and implementation as well as oversight to integrate DCT's seven pillars of excellence (Quality, Services, People, Growth, Financial, Technology, and Legislative) into all programs, divisions and staff.

SERVICES PROVIDED

Our **Compliance Office** is responsible for managing the relationships with several regulating entities that provide oversight to DCT programs. The staff in this area work with program staff to assure that the programs understand the regulatory, court and legislative requirements and that all standards are being followed.

Our **Health Information Management Services (HIMS) unit** manages all patient and client records to assure that information is properly documented and protected. HIMS provides support to the direct care staff to assure medical records are accurate, timely, and up-to-date, laws are followed related to civil commitment, records are properly stored and access to private information is appropriate and documented. HIMS will also be developing, implementing, and auditing the business processes incorporated into the Behavioral Health Medical Records to ensure the system meets regulatory requirements and business needs.

On-going training is essential to providing quality care within a health care organization. Our **Learning and Development** office ensures that staff have the necessary training needed to meet regulatory requirements/standards and to best serve the individuals in our care. Each division within DCT has a Learning Advisory Committee and a team of individuals that help develop and manage training to ensure DCT meets regulatory requirements and that training is completed in a timely manner. These groups also ensure ongoing employee training is managed and documented appropriately.

Our **Financial Management** office provides fiscal services and controls the financial transactions and reporting to assure prudent use of public resources. Core functions in this area include preparing operating and legislative budget requests, patient services billing and accounts receivable, contract management support, accounts payable, Medicare and/or Medicaid Cost reporting for our hospitals and clinics, financial reporting, and resident trust services for our institutional patients and clients.

Our **Facilities Management** unit is responsible for buildings occupied by DCT programs including the strategic planning necessary to complete capital budget requests. Core functions include leasing of space for DCT, project management of design and construction projects, asset management, conditional facility assessment, department sustainability activities and strategic planning to meet the on-going needs of our programs.

Our **Business Process Services** unit provides support to direct care staff on consistent and standardized processes for doing business. These business processes cross all programs/divisions to develop core ways of providing electronic documentation of admissions, assessments, treatment progress, discharge, etc. Another core function is to ensure these standardized business processes are incorporated into the DCT Behavioral Health Medical Record, which is the backbone of our health care system.

RESULTS

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quantity	The number of background checks completed for hand gun permits [1]	11,761	12,154	FY18 & FY20
Quantity	The number of requests for releasing client specific information	6,031	7,661	FY18 & FY20
Quantity	The number of unique claims processed for client billings [2]	162,797	121,577	FY18 & FY20

[1] DCT HIMS staff complete the process as required under Minnesota Statute 245.041 to provide commitment information to local law enforcement agencies for the sole purpose of facilitating a firearms background check.

[2] The drop in claims in FY20 is primarily due to the suspension of dental and vocational serfvices due to the Coronavirus pandemic.

Minnesota Statutes Chapter 246 (https://www.revisor.mn.gov/statutes/cite/246) provides the legal authority for Direct Care and Treatment State Operated Services.

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1000 - General	31,711	33,640	27,976	37,671	30,724	30,724	42,729	46,797
2000 - Restrict Misc Special Revenue	3,862	4,295	4,503	8,131	5,638	5,638	5,638	5,638
2001 - Other Misc Special Revenue	8,556	9,806	12,064	9,772	9,772	9,772	9,772	9,772
2403 - Gift			1					
3000 - Federal				650				
3010 - Coronavirus Relief			13,059	3,045				
4100 - SOS TBI & Adol Ent Svcs		1						
6000 - Miscellaneous Agency			3					
Total	**44,130**	**47,742**	**57,605**	**59,269**	**46,134**	**46,134**	**58,139**	**62,207**
Biennial Change				25,002		(24,606)		3,472
Biennial % Change				27		(21)		3
Governor's Change from Base								28,078
Governor's % Change from Base								30
Expenditures by Category								
Compensation	26,675	26,488	37,317	35,482	25,497	25,497	34,741	38,760
Operating Expenses	17,140	20,526	19,391	23,787	20,637	20,637	23,398	23,447
Grants, Aids and Subsidies	1	1	5					
Capital Outlay-Real Property		298	278					
Other Financial Transaction	314	429	614					
Total	**44,130**	**47,742**	**57,605**	**59,269**	**46,134**	**46,134**	**58,139**	**62,207**
Total Agency Expenditures	44,130	47,742	57,605	59,269	46,134	46,134	58,139	62,207
Internal Billing Expenditures			114	143	143	143	143	143
Expenditures Less Internal Billing	**44,130**	**47,742**	**57,490**	**59,126**	**45,991**	**45,991**	**57,996**	**62,064**
Full-Time Equivalents	**224.42**	**245.89**	**226.23**	**232.09**	**226.99**	**224.59**	**284.27**	**283.89**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1000 - General								
Balance Forward In		6,854		4,218				
Direct Appropriation	45,151	45,708	47,398	63,686	49,837	49,837	61,842	65,910
Transfers In	13,914	19,417	4,909	4,909				
Transfers Out	20,841	36,167	20,113	35,142	19,113	19,113	19,113	19,113
Cancellations		2,172						
Balance Forward Out	6,512		4,218					
Expenditures	**31,711**	**33,640**	**27,976**	**37,671**	**30,724**	**30,724**	**42,729**	**46,797**
Biennial Change in Expenditures				295		(4,199)		23,879
Biennial % Change in Expenditures				0		(6)		36
Governor's Change from Base								28,078
Governor's % Change from Base								46
Full-Time Equivalents	190.80	211.55	188.59	194.71	190.39	188.38	247.67	247.68
2000 - Restrict Misc Special Revenue								
Balance Forward In	1,724	3,339	3,039	3,563	612	161	612	161
Direct Appropriation	200							
Receipts	5,194	4,084	5,028	5,180	5,187	5,638	5,187	5,638
Transfers In		100						
Transfers Out		194	2					
Balance Forward Out	3,256	3,034	3,563	612	161	161	161	161
Expenditures	**3,862**	**4,295**	**4,503**	**8,131**	**5,638**	**5,638**	**5,638**	**5,638**
Biennial Change in Expenditures				4,476		(1,358)		(1,358)
Biennial % Change in Expenditures				55		(11)		(11)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	33.62	34.34	37.64	37.38	36.60	36.21	36.60	36.21
2001 - Other Misc Special Revenue								
Balance Forward In	293	485	1,739	369	369	369	369	369
Receipts	679	107	298	400	400	400	400	400
Transfers In	8,069	10,954	10,395	9,372	9,372	9,372	9,372	9,372
Balance Forward Out	485	1,739	369	369	369	369	369	369
Expenditures	**8,556**	**9,806**	**12,064**	**9,772**	**9,772**	**9,772**	**9,772**	**9,772**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Biennial Change in Expenditures				3,474		(2,292)		(2,292)
Biennial % Change in Expenditures				19		(11)		(11)
Governor's Change from Base								0
Governor's % Change from Base								0

2400 - Endowment

Balance Forward In	61	62	64	65	66	67	66	67
Receipts	1	1	1	1	1	1	1	1
Balance Forward Out	62	64	65	66	67	68	67	68

2403 - Gift

Balance Forward In	8	8	8	10	10	10	10	10
Receipts	0	0	2					
Balance Forward Out	8	8	10	10	10	10	10	10
Expenditures			**1**					
Biennial Change in Expenditures				1		(1)		(1)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

3000 - Federal

Balance Forward In				650				
Receipts			650					
Balance Forward Out			650					
Expenditures				**650**				
Biennial Change in Expenditures				650		(650)		(650)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

3010 - Coronavirus Relief

Direct Appropriation			13,059	3,045	0	0	0	0
Expenditures			**13,059**	**3,045**				

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Biennial Change in Expenditures				16,104		(16,104)		(16,104)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

4100 - SOS TBI & Adol Ent Svcs

Balance Forward In	109	115	116	118	120	122	120	122
Receipts	2	3	2	2	2	2	2	2
Balance Forward Out	111	116	118	120	122	124	122	124
Expenditures		**1**						
Biennial Change in Expenditures				(1)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

6000 - Miscellaneous Agency

Balance Forward In	171	173	177	178	181	184	181	184
Receipts	3	4	3	3	3	3	3	3
Balance Forward Out	173	177	178	181	184	187	184	187
Expenditures			**3**					
Biennial Change in Expenditures				3		(3)		(3)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Program: Fiduciary Activities
Activity: Fiduciary Activities

mn.gov/dhs/people-we-serve/children-and-families/services/child-support/

AT A GLANCE

- All funds spending for Fiduciary Activities was $611 million in state fiscal year (FY) 2019.
- Child Support program payments are the bulk of this activity, amounting to $587 million in FY 2019.

PURPOSE & CONTEXT

The Fiduciary Activities budget program:

- Collects money from individuals and organizations (for example people who owe child support)
- Distributes the collected funds to people owed the money (such as children receiving child support)

Because these are not state funds and belong to others, they are not included in the state's budget or consolidated fund statement.

SERVICES PROVIDED

The following services make up most of the transactions of this budget activity:

- Child Support Payments: Payments made to custodial parents, collected from non-custodial parents
- Recoveries: Money recovered from clients that cannot be processed in the state computer systems. Funds are held here until they can be credited to the correct area, such as:
  - US Treasury
  - Supplemental Security Income (SSI)
  - Counties
  - Clients
- Long-Term Care Penalties: These are funds collected by the federal government (Centers for Medicare and Medicaid Services) related to penalties for nursing home violations. We use these to fund approved projects to improve nursing homes.

RESULTS

The Child Support Program makes timely distribution of collected child support payments to custodial parents and ranks in the top tier of states in terms of percent collections and payments on both current obligations and arrears.

State Performance on Current Obligations by Federal Fiscal Year (FFY)

State	*FFY 2018 (%)*	*Due 2018 in Millions ($)*	*Paid 2018 in Millions ($)*	*FFY 2017 (%)*	*FFY 2016 (%)*
Pennsylvania	84.2	1,238	1,043	84.1	84.3
North Dakota	75.3	109	82	73.2	72.7
Minnesota	**74.9**	**380**	**434**	**74.5**	**74.2**
Wisconsin	74.7	699	522	74.6	74.4
Vermont	74.6	45	34	73.8	74.2

State Performance on Obligations in Arrears

State	*FFY 2018 (%)*	*Cases with Arrears (2018)*	*Cases with Payment Towards Arrears (2018)*	*FFY 2017 (%)*	*FFY 2016 (%)*
Pennsylvania	84.2	257,094	216,663	84.1	84.5
Vermont	76.2	12,757	9,722	76.3	75.5
Minnesota	**72.4**	**169,227**	**122,604**	**72.2**	**72.3**
Indiana	72.3	220,831	159,847	72.3	73.2
Wyoming	72.2	25,794	18,647	69.2	70.5

Source: 2019 Minnesota Child Support Performance Report (https://www.leg.state.mn.us/docs/2020/other/200610.pdf)

Several state statutes underlie the activities in the Fiduciary Activities budget program. These statutes are M.S. sections 256.741 (https://www.revisor.mn.gov/statutes/?id=256.741), 256.019 (https://www.revisor.mn.gov/statutes/?id=256.019), 256.01 (https://www.revisor.mn.gov/statutes/?id=256.01), and 256B.431 (https://www.revisor.mn.gov/statutes/?id=256B.431).

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
2000 - Restrict Misc Special Revenue	2,213	2,332	2,295	0				
6000 - Miscellaneous Agency	28,499	21,285	11,726	210,673	209,272	209,272	209,272	209,272
6003 - Child Support Enforcement	591,132	587,214	615,778	640,415	640,415	640,415	640,415	640,415
Total	**621,844**	**610,831**	**629,799**	**851,088**	**849,687**	**849,687**	**849,687**	**849,687**
Biennial Change				248,213		218,487		218,487
Biennial % Change				20		15		15
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation		74	90	104				
Operating Expenses	4,958	4,874	5,305	3,202	3,250	3,250	3,250	3,250
Grants, Aids and Subsidies	17,252	10,877	1,537	195,612	194,267	194,267	194,267	194,267
Other Financial Transaction	599,633	595,005	622,867	652,170	652,170	652,170	652,170	652,170
Total	**621,844**	**610,831**	**629,799**	**851,088**	**849,687**	**849,687**	**849,687**	**849,687**
Full-Time Equivalents		**0.69**	**1.16**	**1.55**	**1.55**	**1.55**	**1.55**	**1.55**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
2000 - Restrict Misc Special Revenue								
Balance Forward In	4,538	4,000	3,831	3,303	2,427	1,198	2,427	1,198
Receipts	2,767	3,264	3,317	3,296	3,418	3,646	3,418	3,646
Transfers In	85	440	199	371				
Transfers Out	1,225	1,643	1,747	4,543	4,647	4,844	4,647	4,844
Balance Forward Out	3,951	3,729	3,303	2,427	1,198		1,198	
Expenditures	**2,213**	**2,332**	**2,295**	**0**				
Biennial Change in Expenditures				(2,250)		(2,295)		(2,295)
Biennial % Change in Expenditures				(50)		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
6000 - Miscellaneous Agency								
Balance Forward In	2,541	3,056	3,736	3,387	2,364	2,364	2,364	2,364
Receipts	29,001	21,903	11,377	209,650	209,272	209,272	209,272	209,272
Balance Forward Out	3,043	3,674	3,387	2,364	2,364	2,364	2,364	2,364
Expenditures	**28,499**	**21,285**	**11,726**	**210,673**	**209,272**	**209,272**	**209,272**	**209,272**
Biennial Change in Expenditures				172,615		196,145		196,145
Biennial % Change in Expenditures				347		88		88
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents		0.69	1.16	1.55	1.55	1.55	1.55	1.55
6003 - Child Support Enforcement								
Balance Forward In	10,624	10,279	9,695	20,037	20,037	20,037	20,037	20,037
Receipts	590,826	586,630	626,121	640,415	640,415	640,415	640,415	640,415
Balance Forward Out	10,318	9,695	20,037	20,037	20,037	20,037	20,037	20,037
Expenditures	**591,132**	**587,214**	**615,778**	**640,415**	**640,415**	**640,415**	**640,415**	**640,415**
Biennial Change in Expenditures				77,848		24,637		24,637
Biennial % Change in Expenditures				7		2		2
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Technical Activities
Activity: Technical Activities

AT A GLANCE

- All funds spending for Technical Activities was $894 million during state fiscal year (FY) 2019.
- Technical Activities largely consists of federal administrative earned by and paid to counties, tribes, and other state and local agencies.

PURPOSE & CONTEXT

The Technical Activities budget program includes transfers and expenditures between federal grants, programs and other agencies that would result in misleading distortions of the state's budget if the Department of Human Services did not account for them in a separate budget activity. This arrangement helps us to make sure that these transfers and expenditures are still properly processed in the state's accounting system and helps us comply with federal accounting requirements

SERVICES PROVIDED

We include several different types of inter-fund and pass through expenditures in the Technical Activities budget program:

- Federal administrative reimbursement earned by and paid to counties, tribes and other local agencies.
- Federal administrative reimbursement earned by and paid to other state agencies.
- Administrative reimbursement (primarily federal funds) earned on statewide indirect costs and paid to the general fund.
- Administrative reimbursement (primarily federal funds) earned on DHS Central Office administrative costs and paid to the general fund, health care access fund or special revenue fund under state law and policy.
- Transfers between federal grants, programs and state agencies that are accounted for as expenditures in the state's SWIFT accounting system.
- Other technical accounting transactions.

Staff members in our Operations Administration, which is part of our Central Office, are responsible for the accounting processes we use to manage the Technical Activities budget program.

RESULTS

We maintain necessary staff and information technology resources to adequately support accurate, efficient, and timely federal fund cash management. We measure the percentage of federal funds deposited within two working days.

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*
Quality	Percent of federal fund deposit transactions completed (deposited in State treasury) within two working days of the amount being identified by the SWIFT accounting system.	98.4%	98.6%	FY2019 to FY2020

M.S. sections 256.01 (https://www.revisor.mn.gov/statutes/?id=256.01) to 256.011 (https://www.revisor.mn.gov/statutes/?id=256.011) and Laws 1987, chapter 404, section 18, provide the overall state legal authority for DHS's Technical Activities budget program.

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Expenditures by Fund								
1200 - State Government Special Rev	18	19	22					
2000 - Restrict Misc Special Revenue	3,815	3,401	836	951	947	948	1,355	1,356
2001 - Other Misc Special Revenue	41,449	65,605	10,695	5,135	5,165	5,165	5,165	5,165
2360 - Health Care Access	158	159	177	158	158	158	158	158
3000 - Federal	712,648	707,934	662,758	807,021	794,233	794,113	794,233	794,113
3001 - Federal TANF	84,042	99,257	71,659	82,322	79,204	78,260	79,204	78,260
3010 - Coronavirus Relief				51				
4800 - Lottery	1	0	1					
Total	**842,130**	**876,375**	**746,147**	**895,638**	**879,707**	**878,644**	**880,115**	**879,052**
Biennial Change				(76,720)		116,566		117,382
Biennial % Change				(4)		7		7
Governor's Change from Base								816
Governor's % Change from Base								0
Expenditures by Category								
Compensation				20				
Operating Expenses	363,460	371,434	292,375	382,245	369,452	369,333	369,860	369,741
Grants, Aids and Subsidies	475,470	500,810	443,754	509,673	506,555	505,611	506,555	505,611
Other Financial Transaction	3,200	4,131	10,019	3,700	3,700	3,700	3,700	3,700
Total	**842,130**	**876,375**	**746,147**	**895,638**	**879,707**	**878,644**	**880,115**	**879,052**
Total Agency Expenditures	842,130	876,375	746,147	895,638	879,707	878,644	880,115	879,052
Internal Billing Expenditures			68,094	94,765	94,070	93,951	94,478	94,359
Expenditures Less Internal Billing	**842,130**	**876,375**	**678,053**	**800,873**	**785,637**	**784,693**	**785,637**	**784,693**

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
1200 - State Government Special Rev								
Open Appropriation	18	19	22					
Expenditures	**18**	**19**	**22**					
Biennial Change in Expenditures				(14)		(22)		(22)
Biennial % Change in Expenditures				(39)				
Governor's Change from Base								0
Governor's % Change from Base								
2000 - Restrict Misc Special Revenue								
Balance Forward In	34	141	97	133	101	101	101	101
Receipts	68	19	89	115	116	117	524	525
Transfers In	3,856	3,359	788	834	831	831	831	831
Transfers Out		22	7	30				
Balance Forward Out	143	97	132	101	101	101	101	101
Expenditures	**3,815**	**3,401**	**836**	**951**	**947**	**948**	**1,355**	**1,356**
Biennial Change in Expenditures				(5,429)		108		924
Biennial % Change in Expenditures				(75)		6		52
Governor's Change from Base								816
Governor's % Change from Base								43
2001 - Other Misc Special Revenue								
Balance Forward In	79,532	61,597	666	395	395	395	395	395
Receipts	989	737	1,127	739	769	769	769	769
Transfers In	3,455	3,819	9,297	4,396	4,396	4,396	4,396	4,396
Transfers Out	110	68						
Balance Forward Out	42,418	480	395	395	395	395	395	395
Expenditures	**41,449**	**65,605**	**10,695**	**5,135**	**5,165**	**5,165**	**5,165**	**5,165**
Biennial Change in Expenditures				(91,223)		(5,500)		(5,500)
Biennial % Change in Expenditures				(85)		(35)		(35)
Governor's Change from Base								0
Governor's % Change from Base								0
2005 - Opiate Epidemic Response								
Direct Appropriation				5,439	0	0	0	0

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Transfers Out				5,439				

2360 - Health Care Access

Open Appropriation	158	159	177	158	158	158	158	158
Expenditures	**158**	**159**	**177**	**158**	**158**	**158**	**158**	**158**
Biennial Change in Expenditures				18		(19)		(19)
Biennial % Change in Expenditures				6		(6)		(6)
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Balance Forward In	301	146	311	5				
Receipts	712,547	708,511	662,452	807,016	794,233	794,113	794,233	794,113
Transfers Out	200							
Balance Forward Out		723	5					
Expenditures	**712,648**	**707,934**	**662,758**	**807,021**	**794,233**	**794,113**	**794,233**	**794,113**
Biennial Change in Expenditures				49,197		118,567		118,567
Biennial % Change in Expenditures				3		8		8
Governor's Change from Base								0
Governor's % Change from Base								0

3001 - Federal TANF

Balance Forward In	51,275	4,804	6,321					
Receipts	80,026	94,453	65,338	82,322	79,204	78,260	79,204	78,260
Balance Forward Out	47,259							
Expenditures	**84,042**	**99,257**	**71,659**	**82,322**	**79,204**	**78,260**	**79,204**	**78,260**
Biennial Change in Expenditures				(29,319)		3,483		3,483
Biennial % Change in Expenditures				(16)		2		2
Governor's Change from Base								0
Governor's % Change from Base								0

3010 - Coronavirus Relief

Balance Forward In				50				

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22	Forecast Base FY23	Governor's Recommendation FY22	Governor's Recommendation FY23
Direct Appropriation			50	1	0	0	0	0
Balance Forward Out			50					
Expenditures				**51**				
Biennial Change in Expenditures				51		(51)		(51)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

4800 - Lottery

Open Appropriation	1	0	1					
Expenditures	**1**	**0**	**1**					
Biennial Change in Expenditures				0		(1)		(1)
Biennial % Change in Expenditures				3				
Governor's Change from Base								0
Governor's % Change from Base								

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
14.231	Emergency Solutions Grant Program: Grant provides funding to: (1) engage homeless individuals and families living on the street; (2) improve the number and quality of emergency shelters for homeless individuals and families; (3) help operate these shelters; (4) provide essential services to shelter residents, (5) rapidly re-house homeless individuals and families, and (6) prevent families and individuals from becoming homeless. This grant provides funding to shelters for operating costs, essential services, and homelessness prevention and costs to administer the federal grant. In 2016 4,369 individuals were served in shelters with these funds and 449 people were served with rapid rehousing funds.		$ 590	$ 2,184	$ 2,184	$ 2,184	Yes	1.00
93.658	Foster Care Title IV-E: This grant helps states provide temporary safe and stable out-of-home care for children whose parents cannot safely care for them. Of the approximately 13,600 children in out-of-home placements in 2015, foster families provided care to 10,000 of them.		$ 62,490	$ 77,366	$ 78,717	$ 79,564	Yes	-
93.669	Child Abuse Prevention and Treatment Act (CAPTA): Grant is used to improve child protective services systems. In Minnesota, grants to five counties are used to administer the federally required Citizen Review Panels for child protection services. The counties are Chisago, Hennepin, Ramsey, Washington and Winona. This is a requirement of all states to be able to access other federal reimbursement.		$ 1,529	$ 2,032	$ 1,680	$ 1,844	No	3.20
10.561	State Administrative Matching Funds for the Supplemental Nutrition Assistance Program (SNAP): Under Federal Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamps) regulations, states have the option to include nutrition education activities in the State Plan filed with the Food and Nutrition Service (FNS) of the United States Department of Agriculture. This option allows states to include the costs of nutrition education activities as administrative costs of SNAP. Minnesota adopted this option in the early 1990's. The Minnesota Department of Human Services (DHS) contracts with the University of Minnesota Extension (U of M), White Earth Nation, Red Lake Nation, Leech Lake Band of Ojibwe, Bois Forte Band of Chippewa, Grand Portage Band of Chippewa, Fond du Lac Band of Lake Superior Chippewa, and Mille Lacs Band of Ojibwe to provide nutrition education services.		$ 7,928	$ 8,990	$ 8,985	$ 8,980	Yes	2.60
84.027	Special Education Grants to States: The Individuals With Disabilities Education Act (IDEA) Part B grant from U.S. Department of Education is awarded to the Minnesota Department of Education (MDE). MDE in turn, completes an interagency agreement with DHS to develop coordinated benefits and policy for youth with disabilities.		$ 92	$ 75	$ 75	$ 75	No	0.50

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
10.551	Supplemental Nutrition Assistance Program: SNAP reimbursement is received for some Group Residential Housing (GRH) recipients who live in certain facilities where they receive all their meals.		$ -	$ 5,826	$ 5,826	$ 5,826	No	-
93.777	State Survey and Certification of Health Care Providers and Suppliers: This grant provides funding for a contract with Minnesota Department of Health (MDH) to certify nursing homes and rehabilitation providers in accordance with requirements from the Centers for Medicare and Medicaid Services. These providers may not participate in the Medicaid program unless they are certified.		$ 5,718	$ 8,523	$ 8,523	$ 8,523	No	-
93.779	Health Insurance Counseling: Grants to AAAs and service providers to provide health insurance counseling, education and assistance services to seniors to help obtain health insurance benefits. (Also coordinated with Information and Assistance grants- general fund). The grant also includes administrative funds that are used to implement and administer the grant.		$ 1,018	$ 842	$ 867	$ 867	No	2.90
93.645	Child Welfare Services Title IV-B1: Grant to promote state flexibility in the development and expansion of a coordinated child and family services program that utilizes community-based agencies and ensures all children are raised in safe, loving families. These funds provide grants to counties and tribes to provide core child protection services to strengthen families and to prevent out-of-home placement when it is safe to do so. Grants support services to approximately 30,000 families per year.		$ 4,804	$ 4,323	$ 4,612	$ 4,936	No	35.50
10.568	Emergency Food Assistance Program: Provides funding to States to enable processing storage and distribution costs incurred in providing food assistance to needy persons. Funds are used to Distribute U.S. Department of Agriculture (USDA) donated food commodities to individuals and families who use on-site meal programs, food shelves and shelters. This program design ensures an equitable distribution of commodities to all 87 counties.		$ 1,926	$ 1,906	$ 1,839	$ 1,839	Yes	1.90
93.044	Special Programs for the Aging (Aging Social Services): OAA grants to AAAs and local providers to provide a variety of community-based social services. OAA grants to AAAs for administrative purposes, program development and coordination activities. The grant includes administrative funding to administer and implement the grant.		$ 8,593	$ 8,768	$ 8,768	$ 8,768	Yes	21.00
93.044C	Special Programs for the Aging (Aging Supportive Services): CARES OAA grants to AAAs and local providers to provide a variety of community-based supportive services in response to the pandemic. OAA grants to AAAs for administrative purpose and awards to direct service providers. The grant includes administrative funding to administer and implement the grant and also for the provision of direct procurement by the SUA.	Yes	$ 2,972	$ 2,367	$ -	$ -	Yes	-

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
10.561	State Administrative Matching Funds for the Supplemental Nutrition Assistance Program: Federal funds for State and County administrative costs for the Supplemental Nutrition Assistance Program (SNAP).		$ 62,280	$ 62,547	$ 62,547	$ 62,547	Yes	-
93.566	Refugee Cash and Medical Assistance Program: Grant reimburses states for the cost of cash and medical assistance provided to refugees (and certain Amerasians from Viet Nam, Cuban and Haitian entrants, asylees, victims of a severe form of trafficking, and Iraqi and Afghan Special Immigrants) who are not eligible for the Minnesota family Investment Program or Medical assistance. Refugees and other populations are eligible for Refugee Cash or Medical Assistance during the first eight months after their arrival in the U.S. or grant of asylum. 456 cases served per month in Refugee Cash Assistance. Also funds program coordination and planning expenses of DHS Resettlement Program Office and oversight of statewide refugee health screening administration.		$ 2,518	$ 3,479	$ 3,503	$ 3,531	No	8.00
93.959	Block Grants for Prevention and Treatment of Substance Abuse (SABG): The Consolidated Chemical Dependency Treatment Fund (CCDTF) combines otherwise separate funding sources – the federal Substance Abuse, Prevention and Treatment block grant, MA, Minnesota Care and other state appropriations – into a single fund. (The CCDTF provides funding for residential and non-residential addiction treatment services for eligible low-income Minnesotans who have been assessed as needing treatment for chemical abuse or dependency. In CY2016 there were 56,157 substance abuse treatment admission for Minnesota residents, the CCDTF fund covered services for (43.6%) of these admissions. Almost all treatment providers in the state are enrolled as CCDTF providers). These amounts are the federal CD block grant.		$ 24,775	$ 26,433	$ 26,503	$ 26,503	Yes	19.87
93.575 93.596	Child Care and Development Block Grant (CCDF): Provides funds to States to increase the availability, affordability, and quality of child care services for low-income families where the parents are working or attending training or educational programs. This grant helps fund the Minnesota Family Investment Program (MFIP) and Basic Sliding Fee Child Care Assistance Programs that help low-income families pay for child care so that parents may pursue employment or education leading to employment. Also funded are Child Care Development Grants that promote services to improve school readiness, and the quality and availability of child care in Minnesota. In FY 2013, an average of 16,988 families per month received child care assistance subsidies. Also in FY 2013, 19,500 parents received referrals to find child care and child care-related training was provided to more than 32,000attendees through Child Care Resource & Referral agencies.		$ 168,720	$ 190,291	$ 198,271	$ 192,770	Yes	33.90

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
93.575	Child Care and Development Block Grant (Consolidated Appropriations Act): Provides funds to States to increase the availability, affordability, and quality of child care services for low-income families where the parents are working or attending training or educational programs.			$ 137,048				
93.045	Special Programs for the Aging: Older Americans Act (OAA) grants to AAAs and service providers to provide home delivered meal services targeted to seniors in the greatest economic and social need. (Funding coordinated with the general fund Senior Nutrition grant)		$ 3,499	$ 3,800	$ 3,800	$ 3,800	Yes	-
93.045C	Special Programs for the Aging: (Home Delivered Meals) FFCRA OAA grants to AAAs and service providers to provide home delivered meal services targeted to seniors in the greatest economic and social need in response to the pandemic. OAA grants to AAAs for administrative purpose and awards to direct service providers. The grant includes administrative funding to administer and implement the grant.	Yes	$ 2,634	$ 53	$ -	$ -	Yes	-
93.045C	Special Programs for the Aging: (Home Delivered Meals) CARES OAA grants to AAAs and service providers to provide home delivered meal services targeted to seniors in the greatest economic and social need in response to the pandemic. OAA grants to AAAs for administrative purpose and awards to direct service providers. The grant includes administrative funding to administer and implement the grant and also for the provision of direct procurement by the SUA	Yes	$ 1,125	$ 473	$ -	$ -	Yes	-
93.584	Refugee Targeted Assistance Grant: Program provides funding for employment-related and other social services for refugees, certain Amerasians from Vietnam, Cuban and Haitian Entrants, asylees, victims of a severe form of trafficking, and Iraqi and Afghan Special Immigrants in areas with large refugee populations. An arrival must be within five years of arriving in this country or grant of asylum to be eligible for services under these grants. Approximately 33 people per month served.		$ 48	$ 200	$ -	$ -	No	-
93.041	Elder Abuse Grants (Elder Abuse Prevention) : OAA grants to service providers to provide activities related to elder abuse prevention. The grant includes administrative funding to administer and implement the grant.		$ 4	$ 71	$ 71	$ 71	No	1.00

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
93.643	Children's Justice Grants to States: Grants to encourage states to enact reforms designed to improve (1) the assessment and investigation of suspected child abuse and neglect cases, including cases of suspected child sexual abuse and exploitation, in a manner that limits additional trauma to the child and the child's family; (2) the assessment and investigation of cases of suspected child abuse-related fatalities and suspected child neglect-related fatalities; (3) the investigation and prosecution of cases of child abuse and neglect, including child sexual abuse and exploitation; and (4) the assessment and investigation of cases involving children with disabilities or serious health-related problems who are suspected victims of child abuse or neglect. In Minnesota these grants provide training for county and tribal law enforcement, county attorney, and county and tribal child protection professionals on assessment and investigations, including training on forensic interviewing of potential child abuse victims. This grant supports training for approximately 183 participants annually.		$ 310	$ 327	$ 360	$ 397	No	1.00
93.563	Child Support Enforcement: This funding is the federal financial participation (FFP) for the Supreme Court, Department of Corrections, county federal incentives, County Income Maintenance (both administrative and indirect costs), systems fund, general fund and 1115 grants.		$ 115,484	$ 120,441	$ 120,005	$ 120,005	Yes	-
10.561	State Administrative Matching Funds for the Supplemental Nutrition Assistance Program (SNAP): These service grants represent revenues to the general fund from the federal Supplemental Nutrition Assistance Program (SNAP) Employment & Training program which provides 50% federal matching funds for support services such as child care and other employment supports provided to eligible SNAP recipients. There are approximately 39,900 participants in SNAP employment and training activities during the year. Matching funds for child care and diversionary work program end 6/30/17.		$ 6,061	$ 13,400	$ 13,400	$ 13,400	Yes	-
93.566	Refugee Social Services: Grants provide funding for employment-related and other social services for refugees, certain Amerasians from Vietnam, Cuban and Haitian Entrants, asylees, victims of a severe form of trafficking, and Iraqi and Afghan Special Immigrants. An arrival must be within five years of arriving in this country or grant of asylum to be eligible for services under these grants. Approximately 4,200 individuals served annually.		$ 3,401	$ 4,716	$ 4,297	$ 4,297	No	-
93.048	Special Programs for the Aging (MN Medical Care Demo Project): Grants to Area Agencies on Aging (AAA's) and service providers to help seniors obtain health insurance benefits and report fraud, waste and abuse within the health care system.		$ 383	$ 280	$ 289	$ 289	No	0.55

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
93.150	Projects for Assistance in Transition from Homelessness (PATH): Grants to counties and non-profit agencies for outreach and mental health services to homeless people. About $500,000 per year of Adult MH Integrated state funds are used as match for these federal funds. Provided services to 417 persons who were chronically homeless and 902 persons who were at imminent risk of homelessness in CY 2017. An additional 451 persons were contacted through outreach.		$ 803	$ 808	$ 807	$ 807	Yes	0.30
10.551	Supplemental Nutrition Assistance Program (SNAP): Provides help with food for more than 475,000 persons per month receiving an average monthly payment of $108.		$ 593,431	$ 707,535	$ 707,535	$ 577,535	No	-
93.052	National Family Caregiver Support (3E Care Giver Grants) : OAA grants to AAAs and service providers to provide information, respite, education, training and support groups to family caregivers. The grant also includes 3E Grandparents Raising Grandchildren Grants and 3E Statewide Activities Grant. In addition, the grant is to a service provider to provide caregiver support services to grandparents raising their grandchildren. The grant also provides statewide training, education and caregiver support activities.		$ 2,290	$ 2,900	$ 2,900	$ 2,900	Yes	-
93.052C	National Family Caregiver Support (3E Care Giver Grants) : OAA grants to AAAs and service providers to provide information, respite, education, training and support groups to family caregivers. The grant also includes 3E Grandparents Raising Grandchildren Grants and This grant includes administrative funding to administer and implement the grant and also for the provision of direct procurement by the SUA.		$ 1,302	$ 928	$ -	$ -	Yes	-
93.569	Community Services Block Grant (CSBG): Grants to Community Action Agencies and Tribal Governments to focus local, state, private and federal resources to support low-income families and individuals to attain the skills, knowledge and motivation to become economically secure. In 2015, served 514,578 low income individuals in 201,262 families. These funds provide grants for emergencies and special projects.		$ 8,583	$ 9,998	$ 9,998	$ 9,998	No	2.90

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
93.917	HIV Care Formula Grants: Dedicated federal funding that helps individuals with HIV / AIDS obtain access to necessary medical care, nutritional supplements, dental services, mental health services, support services and outreach to high risk, underserved populations. Federal funding dedicated to maintain private insurance coverage for people living with HIV and/or purchase HIV related drugs. Funds used in conjunction with state and special revenue funds. (Approximately 2,400 people served.).Federal funding to provide outreach and education services to minority populations by identifying individuals with HIV/AIDS and make them aware of and enroll them in treatment service programs. (Approximately 100 people served). Grant includes administrative funding for administering and implementing the grant.		$ 8,407	$ 8,582	$ 8,508	$ 8,508	No	-
93.674	Chafee Foster Care Independence Program: Federal funding passed in 1999, provides funding to and governs the program known as the Support for Emancipation and Living Functionally (SELF) Program in Minnesota. The intent of the funds is to reduce the risk that youth aging out of long term out-of-home placement will become homeless or welfare dependent. Funds are therefore awarded for the provision of services designed to help older youth, currently or formerly in out-of-home care, prepare for a successful transition to adulthood. Approximately 1,420 high-risk youth served CY 2015.		$ 2,417	$ 2,774	$ 3,072	$ 3,378	Yes	2.80
10.561	State Administrative Matching Funds for the Supplemental Nutrition Assistance Program: Federal funds for state and county costs related to employment and training for Supplemental Nutrition Assistance Program (SNAP) recipients.		$ 2,279	$ 3,055	$ 3,055	$ 3,055	No	2.00
93.659	Adoption Assistance: Federal financial participation for payments to individuals adopting Title IV-E special needs children. In 2015, approximately 7,127 children receive IV-E adoption assistance. This assistance is intended to prevent inappropriately long stays in foster care and to promote the healthy development of children through increased safety, permanency and well-being.		$ 51,312	$ 80,325	$ 66,949	$ 74,745	Yes	-
93.053	Nutrition Services Incentive Program (NSIP): OAA grants to AAAs and local nutrition providers as a separate allocation based on the number of meals served in the previous project year. (This grant is coordinated with general fund Senior Nutrition funding).		$ 1,800	$ 1,732	$ 1,732	$ 1,732	Yes	-

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
93.599	Chafee Education and Training Vouchers Program (ETV): Grant provides resources to States to make available vouchers for postsecondary training and education to help defray the costs of post-secondary education to 119 youth who aged-out of foster case at age 18 in FY 2016, were adopted from foster care on or after their 16th birthday, or custody was transferred to a relative from foster care on or after their 16th birthday.		$ 1,076	$ 1,042	$ 1,020	$ 1,120	No	0.70
93.045	Special Programs for the Aging (Congregate Meals): OAA grants to AAAs and service providers to provide congregate meal services targeted to seniors in the greatest economic and social need. The grant is coordinated with the state funded Senior Nutrition grant. This grant includes administrative funding to administer and implement the grant.		$ 6,009	$ 7,047	$ 6,850	$ 6,850	Yes	-
93.045C	Special Programs for the Aging: (Congregate Meals) FFCRA OAA grants to AAAs and service providers to provide congregate meal services targeted to seniors in the greatest economic and social need in response to the pandemic. OAA grants to AAAs for administrative purpose and awards to direct service providers. The grant includes administrative funding to administer and implement the grant.	Yes	$ -	$ -	$ -	$ -	Yes	-
93.597	Grants to States for Access & Visitation Programs: Grant provides resources to states to help establish programs to support and facilitate noncustodial parents' access to and visitation of their children. The grant went to two grantees in FFY15, FamilyWise Services and Central Minnesota Legal Services. The grant served approximately 437 families in FFY 2015.		$ 166	$ 142	$ 138	$ 138	No	-
93.558	Temporary Assistance for Needy Families (TANF) Block Grant: Grants to assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. These funds are used to provide grants to counties and tribes to provide support services for Minnesota Family Investment Program (MFIP)/Diversionary Work Program (DWP) participants that include job search/skills, adult basic education, GED classes, job coaching, short-term training, county programs to help with emergency needs, and help accessing other services such as child care, medical care and CD/Mental health services. In 2015, an average of 27,000 people were enrolled in employment services each month. TANF also helps fund the MFIP/DWP cash benefit program and child care assistance programs as well as other programs that help low-income families with children.		$ 228,568	$ 251,875	$ 278,211	$ 274,303	Yes	14.70

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
93.778	Medical Assistance Program: Medicaid program grants provide comprehensive health care coverage and access to long term care services and supports to an average 1.1 million uninsured or underinsured Minnesotans who meet income and other eligibility requirements. This program is managed by the state under guidance from the federal government. The amounts reported here are the federal share of spending for this joint federal-state program.		$ 7,810,060	$ 8,715,354	$ 8,981,976	$ 9,093,641	No	-
1115 waiver	The Alternative Care (AC) Program is a cost-sharing program that supports certain home- and community-based services for eligible Minnesotans age 65 and over. In November 2013 the program became eligible for federal Medicaid financial participation through an approved waiver. The program provides services to prevent and delay transitions to Medical Assistance-funded services, such as Elderly Waiver and nursing home care. The AC program served a monthly average of 2,574 older Minnesotans in FY2017, at an average monthly cost of $924. This is the federal portion of this grant.		$ 18,926	$ 26,173	$ 22,374	$ 23,552	Yes	-
93.042	Special Programs for the Aging (Ombudsman Supplement): This OAA grant supplements funding for the Ombudsman for Long Term Care office. The principal role of the Ombudsman Program is to investigate and resolve complaints made by or on behalf of residents of nursing homes or other long-term care facilities. This grant also promote policies and practices needed to improve the quality of care and life in long-term care facilities and educate both consumers and providers about residents' rights and good care practices.		$ 305	$ 251	$ 276	$ 276	No	2.60
93.042C	Special Programs for the Aging (Ombudsman Supplement): This CARES OAA grant provides additional support for the Ombudsman for Long Term Care office in response to the pandemic. The principal role of the Ombudsman Program is to investigate and resolve complaints made by or on behalf of residents of nursing homes or other long-term care facilities. This grant also promote policies and practices needed to improve the quality of care and life in long-term care facilities and educate both consumers and providers about residents' rights and good care practices.	Yes	$ -	$ 300	$ -	$ -	No	2.60
93.958	Block Grants for Community Mental Health Services: Grants to counties and non-profit agencies for innovative projects based on best practices. Projects include children's mental health collaborative, crisis services for children and adults, adult mental health initiatives and self-help projects for consumers. As required by state law, 25% of the Federal MH Block Grant is used for grants to American Indian Tribes and non-profit agencies to provide mental health services, particularly community-support services, to American Indians.		$ 9,855	$ 13,441	$ 13,129	$ 12,811	Yes	19.42

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
93.767	Medical Assistance Program: The Federal Children's Health Insurance Program (SCHIP) grants provide coverage to over 3,500 uninsured low-income children and pregnant women who do not qualify for regular Medicaid. Minnesota also applies a portion of its federal CHIP allotment to enhance the regular 50 percent federal share for children on Medical Assistance with household incomes above 138 percent of poverty.		$ 98,440	$ 100,481	$ 83,875	$ 81,743	No	-
10.551	Supplemental Nutrition Assistance Program (SNAP): Grant benefits cash out provided to SSI and elderly recipients.		$ 23,425	$ 26,000	$ 26,000	$ 26,000	No	-
93.556	Promoting Safe and Stable Families(Title IV-B2 Child Welfare Program): Grant provides funds to help prevent the unnecessary separation of children from their families, improve the quality of care and services to children and their families, and ensure permanency for children by reuniting them with their parents, by adoption or by another permanent living arrangement. Funding provides grants to community-based agencies, counties and tribes to provide services to families to reduce the risk of maltreatment, to prevent child maltreatment and improve family functioning for families reported to child protection services, and provide child protective services to strengthen families and prevent out-of-home placement when it is safe to do. This grant helps serve approximately 20,000 families.		$ 4,487	$ 3,959	$ 3,964	$ 4,337	No	3.60
93.778	Medical Assistance Program: The state earns administrative FFP for activities which support Medical Assistance (MA) which is Minnesota's Medicaid program. This grant is an administrative pass-through of federal financial participation (FFP) to counties, DHS systems, and the state general fund for approved MA administrative activities.		$ 429,466	$ 635,257	$ 625,677	$ 626,871	No	-

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
93.667	Social Service Block Grant (Title XX): Grant provides social services best suited to meet the needs of individuals that must be directed to one or more of five broad goals: Achieve or maintain economic support to prevent, reduce or eliminate dependency, achieve or maintain self-sufficiency, including reduction or prevention of dependency, preventing or remedying neglect, abuse or exploitation of children and adults unable to protect their own interest or preserving, rehabilitating or reuniting families, preventing or reducing inappropriate institutional care by providing for community-based care, home-based care or other forms of less intensive care, securing referral or admission for institutional care when other forms of care are not appropriate or providing services to individuals in institutions. Funds provide grants to counties to purchase or provide services for vulnerable children and adults who experience dependency, abuse, neglect, poverty, disability, or chronic health conditions. This grant contributes to costs for services to more than 311,000 adults and children annually. Grants also provide child care in a number of counties for children whose parents, guardian or current caretakers have changed residence recently to obtain employment in a temporary or seasonal agricultural activity (approx. 900 children per year) and grants provide legal advocacy, training and technical assistance in cases regarding custody, Children's Medicaid, permanency, adoption, tribal court proceedings, long-term foster care and others services to the Indian Child Welfare Law Center.		$ 31,736	$ 32,319	$ 32,319	$ 32,319	No	11.70
93.043	Special Programs for the Aging (Aging Preventive Health): OAA grants to AAAs and service providers to provide preventive health information and services to seniors		$ 366	$ 407	$ 407	$ 407	Yes	-
93.590	Community-Based Child Abuse Prevention Grants (Child Trust Fund) : Grant supports community-based efforts to develop, operate, expand, and enhance, and coordinate initiatives, programs, and activities to prevent child abuse and neglect and to support the coordination of resources and activities to better strengthen and support families to reduce the likelihood of child abuse and neglect; and (2) to foster understanding, appreciation and knowledge of diverse populations in order to effectively prevent and treat child abuse and neglect. Funds provide grants to community based agencies (such as non-profits, school districts, and human service agencies) to provide services to families to reduce the risk of child maltreatment and enhance family capacities.		$ 2,353	$ 2,099	$ 2,304	$ 2,530	No	1.40
93.603	Adoption Incentive Payments: provide incentives to States to increase annually the number of foster child adoptions, special needs adoptions, and older child adoptions. These funds are used for grants to providers for adoption-related services, including post adoption.		$ 957	$ 3,000	$ 3,000	$ 3,000	No	-

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
93.917	HIV Care Formula Grants: This grant which supplements the Ryan White grant is a competitive grant that is awarded to states with demonstrated need. The funding helps low income persons living with HIV/AIDS get access to HIV/AIDS medications. The Supplemental grant also covers outreach to underserved high risk populations.		$ 3,538	$ 3,500	$ 3,500	$ 3,500	Yes	-
10.561	State Administrative Matching Funds for the Supplemental Nutrition Assistance Program (SNAP): Grants to Community Action Agencies and anti-hunger organizations to conduct statewide outreach to assist people in determining if they are eligible for SNAP benefits. Under Federal Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamps/Food Support) regulations, states have the option to include outreach activities in the State Plan filed with the Food and Nutrition Service (FNS) of the United States Department of Agriculture. This option allows states to include the costs of outreach activities as administrative costs of SNAP. Costs are reimbursed by FNS at a rate of 50%. In 2016, more than 444,000 Minnesotans received nutrition assistance through the program every month.		$ 2,810	$ 2,996	$ 2,790	$ 2,790	No	2.00
93.071	Special Programs for the Aging: (Priority 1 SHIP).CMS grants to AAAs to increase capacity to provide information and assistance regarding Medicare. The grant funding also includes administrative funds to administer and implement the grant.		$ 252	$ 224	$ 224	$ 224	No	-
93.071	Affordable Care Act, Medicare Improvements for Patients and Providers (MIPPA) Priority 2. ACL grants to AAA's to increase capacity to provide information and assistance regarding Medicare.		$ 124	$ 130	$ 124	$ 124	No	-
93.071	Affordable Care Act, Medicare Improvements for Patients and Providers (MIPPA) Priority 3. ACL grants to ADRC's to increase capacity to provide information and assistance regarding Medicare.		$ 95	$ 91	$ 91	$ 91	No	-
93.778	Medical Assistance Program: The Medicaid Electronic Health Record (EHR) incentive program provides eligible providers and hospitals 100% federally funded incentives to adopt meaningful electronic health record technology. DHS administration and implementation costs are funded at a 90% federal match. This funding is authorized under the American Recovery and Reinvestment Act (ARRA) through the Health Information technology for Clinical and Economic Health (HITECH) act. Funding for this project commenced in October 2012.		$ 5,772	$ 77,210	$ 77,210	$ 77,210	No	-

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
93.791	Money Follows the Person Rebalancing Demonstration: Grant from CMS that supports the transition of Medicaid participants of all ages who have long term stays in institutions to the community and rebalances MN long term care system to achieve sustainability. Administrative funding throughout DHS to administer and implement the grant. DHS was approved to participate in the Money Follows the Person Tribal Initiative (TI) which allows states and tribes to target resources to build sustainable community-based long term services and supports for tribal members.		$ 12,103	$ 6,362	$ 1,012	$ 1,012	Yes	9.00
93.243	Substance Abuse and Mental Health Services: Strategic Prevention Framework Partnership for Success (SPF-PFS) program is designed to address two of the nation's top substance abuse prevention priorities: 1) underage drinking among persons ages 12 to 20; and 2) prescription drug misuse and abuse amount persons ages 12 to 25.		$ 1,877	$ 1,728	$ -	$ -	No	1.00
93.761	Evidenced Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds. The Minnesota Board on Aging (MBA) received a grant to increase the number of evidence based falls prevention programs across Minnesota and to work with the Area Agencies on Aging (AAA) and their partners to build a network that provides information and access to evidence based falls prevention programs.		$ -	$ 22	$ 22	$ 22	No	-
93.778	Federal Basic Health Funding: The MinnesotaCare program is currently operating as a federal basic health plan (BHP) under section 1331 of the Affordable Care Act. Under the BHPHS currently receives federal basic health plan funding equal to 95 percent of federal tax credits and cost sharing subsidies available to people who would otherwise enroll in a health insurance exchange. This funding supports comprehensive health care coverage for 110,000 lower income Minnesotans.		$ 395,582	$ 522,292	$ 379,360	$ 405,354	No	-
93.09	Federal financial participation (FFP) to states who opt to provide guardianship assistance payments for the care of children by relatives who have assumed legal guardianship of eligible children for whom they previously cared as foster parents. This assistance is intended to prevent inappropriately long stays in foster care and to promote the healthy development of children through increased safety, permanency, and well-being.		$ 9,473	$ 5,145	$ 5,145	$ 5,145	Yes	-

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
93.243	Strategic Prevention Framework for Prescription Drugs (SPF-Rx): The SPF Rx grant program provides an opportunity to target the priority issue of prescription drug misuse. The program is designed to raise awareness about the dangers of sharing medications and work with pharmaceutical and medical communities on the risks of overprescribing to young adults. SPF Rx will also raise community awareness and bring prescription drug abuse prevention activities and educations to schools, communities, parents, prescribers, and their patients. In addition, SAMHSA will track reductions in opioid overdoses and the incorporation of Prescription Drug Monitoring Program (PDMP) data into needs assessments and strategic plans as indicators of the program's success.		$ 371	$ 496	$ 81	$ -	No	0.50
93.104	Systems of Care Grant: Community MH Services for Children with Serious Emotional Disturbances: Develop children's mental health system of care to improve behavioral health outcomes for Minnesota children and youth with (birth to 21) with serious emotional disturbance. 18,000 children and youth served by year 4.		$ 3,566	$ 3,143	$ 3,166	$ 3,188	Yes	6.00
93.788	Opioid State Targeted Response (STR): Expedites opioid treatment and recovery resources, and supports integration of services at each point in the continuum (e.g. behavioral treatment and Office Based Opioid Treatment (OBOT)/(MAT) Medication Assisted Treatment). Expect to serve 109,852 individuals in the State of Minnesota through the proposed MN Opioid STR.		$ 423	$ -	$ -	$ -	No	2.00
93.243	Medication-Assisted Treatment (MAT): Build on the comprehensive Minnesota State Targeted Response to the Opioid Crisis (MN Opioid STR) through this Minnesota Targeted Capacity Expansion of Medication Assisted Treatment Services to target under-served African-American and American Indian high-need communities not reached through MN Opioid State Targeted Response grants.		$ 2,163	$ 2,197	$ -	$ -	No	1.00
93.234	TBI Demo Grant: Grant funds will be used to improve Minnesota's TBI system to better support person centered approaches and maximize the independence, well-being and health of people with TBIs and their families. The objectives are to: 1) expand the MN Trauma registry system to collect and analyze data that directly supports policy and services for Minnesotans with a TBI and their families; 2) establish a statewide and cross-agency plan for TBI; 3) increase education and supports for Native Americans living with TBIs; and 4) streamline access to person centered supports resulting in informed choice.		$ 123	$ 144	$ 144	$ 144	Yes	1.00
93.564	Digital Marketing Grant: Grant to increase participation in the Child Support Program		$ 2	$ 170	$ 170	$ -	No	-

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
93.788	State Opioid Response (SOR): Expedite opioid treatment and recovery resources and support integration of services at each point in the substance use disorder service continuum through a comprehensive effort to provide targeted response for the following populations: American Indian; African American; and populations with justice involvement. Minnesota expects to serve 9,456 unduplicated individuals annually in the State of Minnesota.		$ 10,090	$ 6,767	$ -	$ -	No	8.70
93.243	Pregnant and Postpartum Women (PPW): Expand and enhance women's pregnant and postpartum substance use disorder (SUD) services across our continuum of care (prevention, treatment and recovery) for women, children and families who receive treatment for SUDs. The program will serve 100 women and 200 children per grant year.		$ 499	$ 608	$ 519	$ 522	Yes	1.00
93.747	Grants to Enhance State Adult Protective Services. This grant designs and builds development and quality assurance environments to mirror the state's person-centered adult protection data warehouse, add customized reporting for structured tool data, evaluate tool reliability and identify factors impacting report intake outcomes. The intended goal is to improve data quality, increase case level reporting capacity to Administration for Community Living and improve consistency in adult protection assessment and screening response for vulnerable adults. Products for this grant will include creation of quality assurance and development environments for the state's person-centered adult protection data warehouse for improved quality of NAMRS case level reporting.		$ 221	$ 554	$ 383	$ 379	Yes	2.00
93.556	Family First Transition Act	Yes	$ -	$ 3,882	$ 4,500	$ 4,500	No	-
10.568	Emergency Food Assistance CARES: Provides funding to States to enable processing storage and distribution costs incurred in providing food assistance to needy persons. Funds are used to Distribute U.S. Department of Agriculture (USDA) donated food commodities to individuals and families who use on-site meal programs, food shelves and shelters.	Yes	$ 2,019	$ -	$ -	$ -	No	-
10.568	Emergency Food Assistance FFCRA: Provides funding to States to enable processing storage and distribution costs incurred in providing food assistance to needy persons. Funds are used to Distribute U.S. Department of Agriculture (USDA) donated food commodities to individuals and families who use on-site meal programs, food shelves and shelters.	Yes	$ 1,346	$ -	$ -	$ -	No	-

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
14.231	Emergency Solutions Grant CARES: Grant provides funding to: (1) engage homeless individuals and families living on the street; (2) improve the number and quality of emergency shelters for homeless individuals and families; (3) help operate these shelter	Yes	$ -	$ 7,591	$ -	$ -	No	-
93.569	Community Services Block Grant (CSBG): Grants to Community Action Agencies and Tribal Governments to focus local, state, private and federal resources to support low-income families and individuals to attain the skills, knowledge and motivation to become economically secure.	Yes	$ 10,777	$ 1,431	$ -	$ -	No	-
10.568	Trade Mitigation Program. To help supplement the diets of low-income persons by making funds available to States for storage and distribution costs incurred by The Emergency Food Assistance Program (TEFAP) State agencies and local organizations, such as soup kitchens, food banks, and food pantries, including faith-based organizations, in providing food assistance to needy persons.		$ 758	$ 759	$ 759	$ 759	No	-
93.243	Treatment for Individuals Experiencing Homelessness: The grant funds are to improve service access to young adults (ages 18 - 25) with a serious mental illness or serious emotional disturbance who are experiencing homelessness. The three strategies to be employed are: (1) integrated behavioral health treatment and other recovery-oriented services; (2) efforts to engage and connect clients with health insurance, Medicaid, and income maintenance benefits; and (3) coordination of housing and services that support sustainable permanent housing.		$ -	$ -	$ -	$ -	No	1.00
93.048	Innovations in Nutrition Programs. This grant would support the development of innovative and promising practices in the Older Americans Act Senior Nutrition Programs in multiple communities around the state.		$ -	$ -	$ -	$ -	No	-
93.048C	MN Aging and Disability Resource Center - OAA Response to COVID-19 Pandemic to meet a variety of emergency needs of older adults and individuals of all ages with disabilities.	Yes	$ -	$ -	$ -	$ -	No	0.50
93.47	Alzheimer's Disease Program Initiative - OAA Grant to expand, enhance and maintain a statewide coordinated Caregiver Consultant system to support people experiencing Alzheimer's disease and related dementias.	Yes	$ -	$ -	$ -	$ -	Yes	0.76

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
93.47	Alzheimer's Disease Program Initiative (ADPI). The funding is through the Administration in Community Living. The purpose of this funding is to expand, enhance, and maintain a statewide coordinated Caregiver Consultant system that builds upon the infrastructure currently in place. The goal is to improve communication, provide access to an expanded and ever updating toolkit of resources for participating caregivers, and expand the reach of Caregiver Consultants across all 87 counties throughout Minnesota.	Yes	$ -	$ 143	$ 188	$ 218	Yes	1.00
92.048	Aging and Disability Resource Center/No Wrong Door System Funding Opportunity: Critical Relief Funds for COVID-19 Pandemic Response. The purpose of the emergency funds is to support capacity and resource allocation at the state and local level to ensure coordination across agencies and support immediate response to urgent needs resulting from COVID-19. Funding will enable Minnesota's Aging and Disability Resource Center (Senior LinkAge Line and Disability HUB) in providing critical access functions to serve populations most at risk of COVID-19 and mitigate adverse effects resulting from this national pandemic.	Yes	$ -	$ 700	$ 50	$ -	No	1.00
93.564	Responsible Parenting Grant: Grant to develop and implement a child support curriculum for incarcerated youth and young adults to improve preparation for parenthood	Yes	$ -	$ 303	$ 611	$ -	No	-
97.032	Crisis Counseling Regular Services Program (RSP). This fund is a continuation of the Immediate Services Program fund received to provide crisis counseling services to those affected by COVID-19. These funds will be used to contract with 11 community-based organizations for outreach, crisis counseling and referral services, and short-term intervention counseling for mental health problems caused or aggravated by the COVID-19 disaster.	Yes	$ -	$ 1,827	$ -	$ -	No	-
93.788	State Opioid Response (SOR) Grant. This grant is to expedite opioid treatment and recovery resources and support integration of services at each point in the substance use disorder service continuum.	Yes	$ -	$ 10,865	$ 8,565	$ 3,051	No	-
93.498	Provider Relief Fund. The CARES Act provides relief to health care providers for healthcare related expenses or lost revenues attributed to coronavirus. Funding is to be used to offset the expenses or lost revenues resulting from COVID-19 incurred by the hospitals operated by Direct Care and Treatment.	Yes	$ -	$ 650	$ -	$ -	No	-

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
10.569	Emergency Food Assistance Program - Farm to Food Bank: The purpose of these funds is to (a) reduce food waste at the agricultural production, processing, or distribution level through the donation of food, (b) provide food to individuals in need, and (c) build relationships between agricultural producers, processors, and distributors and EFOs through the donation of food. Funds will be utilized to engage Minnesota farmers, growers, distributors and processors as food donors; and to assist them to harvest, process, and package and transport these food donations to help relieve hunger in the state. The full award will be a granted out to food bank.	Yes	$ -	$ -	$ -	$ -	No	-
14.231	Emergency Solutions Grants. These funds are to be used to prevent, prepare for, and respond to the coronavirus pandemic among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and prevention activities to mitigate the impacts of COVID-19.	Yes	$ -	$ 15,184	$ 69	$ -	No	-
93.575	Child Care Development Block Grant (CCDBG) CARES Act: These funds are to prevent, prepare for, and respond to COVID-19.	Yes	$ 10,000	$ 2,250	$ 200	$ -	No	-
93.788	State Opioid Response (SOR) Supplemental – Supplemental funds through SAMSHA State Opioid Response (SOR) grant to expand Medication Assisted Treatment, improving recovery resources for Medication Assisted treatment, increasing opioid use disorder workforce and expanding opioid use disorder training and response with Naloxone. Target populations include rural and disparate populations specifically including African Americans, American Indians. Minnesota expects to serve an additional 4,568 unduplicated individuals through this supplemental funding.		$ 2,624	$ 2,298	$ -	$ -	No	-
93.917	Ryan White part B- This funding must be used for preventing, preparing for, and responding to COVID-19, as needs evolve for clients of Ryan White HIV/AIDS Program (RWHAP) recipients. Funding may support a wide range of in-scope (allowable RWHAP) activities including, but not limited to: client education, COVID-19 screening, testing for (including temporary drive or walk-up testing) and laboratory services for RWHAP clients, adding providers and other personnel, training, purchase of vehicles to transport clients or clinic/program personnel, supplies (e.g, personal protective equipment, infection control supplies), equipment (e.g., telehealth equipment), and health information technology (e.g., technology to support tracking, sharing, and reporting capacity).	Yes	$ -	$ 197	$ -	$ -	No	-

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
93.045	CARES Act for Nutrition Services under Title III-C of the Older Americans Act. This is a supplemental award from Administration for Community Living (ACL) to provide Nutrition Services to low-income older adults who depend on services to help them shelter in place in response to the Coronavirus pandemic.	Yes	$ 7,172	$ 5,250			Yes	0.20
For Informational Purposes Only: **Agency Awaiting Further Information From Federal Granting Agency Before Submitting For LAC Review**								
93.556	Promoting Safe and Stable Families (Consolidated Appropriations Act): Provides funding to support families at risk of child protection and to support permanency for children in out of home placement.			[$784]				
93.674	Chafee Foster Care Program for Successful Transition to Adulthood (Consolidated Appropriations Act): The intent of the funds is to reduce the risk that youth aging out of long term out-of-home placement will become homeless or welfare dependent. Funds are therefore awarded for the provision of services designed to help older youth, currently or formerly in out-of-home care, prepare for a successful transition to adulthood.			[$7,015]				
93.599	Chafee Education and Training Vouchers (Consolidated Appropriations Act): Provides support for youth pursuing education after leaving foster care.			[$1,072]				
93.045	Congregate Meals and Home Delivered Meals (Consolidated Appropriations Act): Provide grants to states to support nutritionservices including nutritious meals, nutrition education and other appropriatenutrition services for older Americans in order to maintain health, independenceand quality of life.			[$2,766]				
93.959	Substance Abuse Prevention and Treatment Block Grant (Consolidated Appropriations Act): To provide financial assistance to states and territories to support projects for the development and implementationof prevention, treatment and rehabilitation activities directed to the diseases of alcohol and drug abuse.			[$23,583]				
93.958	Mental Health Block Grant (Consolidated Appropriations Act): To provide financial assistance to states and territories to enable them to carry out the State's Plan for providingcomprehensive community mental health services to adults with a seriousmental illness and to children with a serious emotional disturbance; monitorthe progress in implementing a comprehensive community based mental healthsystem; provide technical assistance to states and the Mental Health Planning Council that will assist the states in planning and implementing a comprehensive community based mental health system.			[$25,036]				

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
10.568	Emergency Food Program (TEFAP) (Consolidated Appropriations Act): Provides funding to States to enable processing storage and distribution costs incurred in providing food assistance to needy persons.			[$5,347]				
	Budget Activity Total		**$ 10,311,498**	**$ 12,011,654**	**$ 11,930,081**	**$ 11,931,805**		**232.84**
	Program Total		**$ 10,311,498**	**$ 12,011,654**	**$ 11,930,081**	**$ 11,931,805**		**232.84**
	Federal Fund – Agency Total		**$ 10,311,498**	**$ 12,011,654**	**$ 11,930,081**	**$ 11,931,805**		**232.84**

(Dollars in Thousands)

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
Minnesota Family Investment Program (MFIP) / Diversionary Work Program (DWP) (M.S. 256J)	Minnesota Family Investment Program (MFIP) / Diversionary Work Program (DWP) grants provide temporary financial support to help meet basic needs of low-income families with children and low-income pregnant women. In an average month, the programs serve about 80,000 children and their parents or caretakers in almost 29,000 households. See also federal funds.	$ 91,079	$ 84,874	$ 85,950	$ 87,042
MFIP Child Care Assistance Grants (M.S. 119B)	The Minnesota Family Investment Program (MFIP) Child Care Assistance grants provide financial subsidies to help low-income families pay for child care so children are well-cared for and prepared to enter school ready to learn and parents may pursue employment or education leading to employment. This grant serves families who currently participate in the MFIP or DWP programs, or who have recently done so. In FY 2019, MFIP Child Care Assistance paid for child care for an average of 16,689 children in 8,065 families per month.	$ 73,445	$ 97,269	$ 101,656	$ 108,793
General Assistance Grants (M.S. 256D)	General Assistance (GA) grants provide state-funded, monthly cash grants for very low-income people without children who are unable to work and do not have enough money to meet their basic needs. The most common eligibility reason for people at enrollment is illness or incapacity. In FY 2019, an average of 23,176 people received these grants each month.	$ 49,778	$ 53,020	$ 52,352	$ 52,980
MN Supplemental Assistance (MSA) Grants (M.S. 256D)	Minnesota Supplemental Aid (MSA) grants provide a state-funded monthly cash supplement to help people who are aged, blind or disabled, and who receive federal Supplemental Security Income (SSI) benefits to meet their basic needs that are not met by SSI alone. In 2019, an average of 31,782 people received these grants each month.	$ 43,503	$ 47,815	$ 50,369	$ 51,262
Housing Support Program (formerly Group Residential Housing (GRH) Grants) (M.S. 256I)	Housing Support is a state-funded income supplement program that pays for room and board costs in approved locations for adults with low incomes who have a disability or are 65 years or older. These grants assist individuals who have illnesses or disabilities, including developmental disabilities, mental illnesses, chemical dependency, physical disabilities, advanced age, or brain injuries, to prevent or reduce institutionalization or homelessness. In FY 2019, an average of 20,488 people received Housing Support payments each month.	$ 181,977	$ 182,910	$ 182,743	$ 192,884
Northstar Care for Children (M.S. 256N)	Northstar Care for Children is a new program that began in January 2015. It is designed to help children who are removed from their homes and supports permanency through adoption or transfer of custody to a relative if the child cannot be safely reunified with parents. Northstar Care for Children consolidates and simplifies administration of three programs: Family Foster Care, Kinship Assistance (which replaces Relative Custody Assistance) and Adoption Assistance. Northstar served an average of 15,297 children per month in FY 2019.	$ 90,951	$ 107,961	$ 113,074	$ 122,410
Medical Assistance (MA) Grants General Fund (M.S. 256B)	These funds meet the state's matching funds requirement for Minnesota's Medicaid programs that provide health and long term care coverage to an average of 1.1 million uninsured or underinsured Minnesotans who meet income eligibility requirements. This program is managed by the state under guidance from the federal government.	$ 4,908,833	$ 5,977,408	$ 6,201,760	$ 6,440,248

(Dollars in Thousands)

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
Medical Assistance (MA) Grants- HCAF (M.S. 256B)	These funds meet the state's matching funds requirement for Minnesota's Medicaid programs that provide health and long term care coverage to an average of 1.1 million uninsured or underinsured Minnesotans who meet income eligibility requirements. This program is managed by the state under guidance from the federal government.	$ 586,959	$ 602,583	$ 611,178	$ 612,099
Alternative Care (AC) Grants (M.S. 256B.0913)	The Alternative Care (AC) Program is a cost-sharing program that supports certain home- and community-based services for eligible Minnesotans age 65 and over. In November 2013 the program became eligible for federal Medicaid financial participation through an approved waiver. The program provides services to prevent and delay transitions to Medical Assistance-funded services, such as Elderly Waiver and nursing home care. The AC program served a monthly average of 2,580 older Minnesotans in FY2019, at an average monthly cost of $1,072.	$ 15,610	$ 45,276	$ 45,200	$ 45,165
Minnesota Care Grants M.S. 256L and 256B	Minnesota Care Grants pay for health care services for about 81,000 Minnesotans who lack access to affordable health insurance.	$ 57,017	$ 105,348	$ 252,368	$ 188,765
Consolidated Chemical Dependency Treatment Fund (CCDTF) Grants M.S. 254B.02, Sund.1	The Consolidated Chemical Dependency Treatment Fund (CCDTF) provides funding for residential and non-residential addiction treatment services for eligible low-income Minnesotans who have been assessed as needing treatment for chemical abuse or dependency. Almost all treatment providers in the state are enrolled as CCDTF providers.	$ 189,717	$ 199,500	$ 203,291	$ 203,291
MFIP Consolidated Support Services Grants M.S. 256J.626	The Minnesota Family Investment Program Consolidated Fund is allocated to counties and tribes to provide an array of employment services for MFIP/DWP participants including job search, job placement, training and education. Funds provide other supports such as emergency needs for low-income families with children and also fund a portion of counties' costs to administer MFIP and DWP. See also Federal Funds.	$ 8,679	$ 8,679	$ 8,679	$ 8,679
CFS Injury Protection Program M.S. 256J.68	Payments to medical providers for the treatment of injuries suffered by persons while participating in a county or tribal community work experience program.	$ -	$ 10	$ 10	$ 10
Food Stamp Employment and Training (FSET) Service Grants M.S. 256D.051	Grants to counties to provide employment supports to adults who receive benefits through the Supplemental Nutrition Assistance Program. The grant is now called Supplemental Nutrition Assistance Program Employment & Training (SNAP E & T).	$ 14	$ 26	$ 26	$ 26
Basic Sliding Fee (BSF) Child Care Assistance Grants M.S. 119B	BSF child care assistance grants provide financial subsidies to help low-income families pay for child care so that parents may pursue employment or education leading to employment, and children are well cared for and prepared to enter school ready to learn. Funds purchased child care for 7,284 families in FY 2019.	$ 44,655	$ 53,616	$ 53,616	$ 53,616
Child Care Resource and Referral Grants M.S. 119B	Grants to child care resource and referral agencies to support the child care infrastructure through information for parents, supports and training resources for providers, coordination of local services and data collection to inform community planning. Over 11,000 staff in 2,756 family child care providers are active users on Develop, Minnesota's Quality Improvement Registry Tool. More than 3,000 individuals received coaching and support services to increase quality of child care in 2019.	$ 1,008	$ 1,007	$ 1,007	$ 1,007
Child Care Integrity Grants M.S. 119B	Grants to counties to support fraud prevention activities.	$ 138	$ 147	$ 147	$ 147

(Dollars in Thousands)

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
Migrant Child Care Grants M.S. 119B	Provides grant funds to community based program for comprehensive child care services for migrant children throughout the state. Approximately 850 migrant children under 14 years of age served annually.	$ 170	$ 170	$ 170	$ 170
Child Care Service Development Grants M.S. 119B	Grants to child care resource and referral agencies to build and improve the capacity of the child care system for centers and family child care providers.	$ 250	$ 250	$ 250	$ 250
Child Care Facility Grants M.S. 119B	Grants and forgivable loans to child care providers and centers in communities to improve child care or early education sites or to plan design and construct or expand sites to increase availability of child care and early education.	$ 163	$ 163	$ 163	$ 163
Parent Aware Grants Laws 2015 SS, chapt 3, art. 9, sec 8, subd 9 as amended by Laws 2016, chapt 189, art 31, sec 5.	These funds support a Quality Rating and Improvement System (QRIS). Grants to child care resource and referral agencies provide recruitment and supports to child care programs that participate in the QRIS and support a website that provides ratings to parents and information for participating child care programs, as well as a grant for evaluation of the initiative.	$ 1,225	$ 1,225	$ 1,225	$ 1,225
Child Support County Grants M.S. 518A.51	This funding is from the non-federal share of the child support 2% processing fee authorized in the 2011 session and the federal $25 annual collections fee mandated in 2006. Counties earn incentives based on their program performance.	$ 1,663	$ 1,543	$ 1,543	$ 1,543
Child Support Payment Center Recoupment Account M.S. 518.56, subd. 11	Grants to individuals that temporarily fund NSF checks and other child support payment adjustments, which allow child support funds to be distributed within the 48 hour federal requirement.	$ (43)	$ 50	$ 50	$ 50
Child Protection Grants M.S. 256M.41	These grants are awarded to counties on a formula basis to address staffing for child protection or expand child protection services. Funds must not be used to supplant current county expenditures for these purposes.	$ 23,350	$ 23,350	$ 23,350	$ 23,350
Child Welfare Disparities Grants M.S. 256E.28	These grants are to address disparities and disproportionality in the child welfare system by: • Identifying and addressing structural factors that contribute to inequities in outcomes • Identifying and implementing strategies to reduce disparities in treatment and outcomes • Using cultural values, beliefs and practices of families, communities and tribes for case planning, service design and decision-making processes • Using placement and reunification strategies to maintain and support relationships and connections between parents, siblings, children, kin, significant others and tribes • Supporting families in the context of their communities and tribes to safely divert them from the child welfare system, whenever possible. Grants were awarded to eight tribes, counties and community agencies.	$ 918	$ 1,650	$ 1,650	$ 1,650
American Indian Child Welfare Initiative Program M.S. 256.01, subd. 14(b)	Grants to tribes to provide core child welfare services to American Indian children living on participating tribe's reservations. There are 2 grantees: White Earth and Leech Lake reservations. More than 3,000 children and families were served through this grant. A one-time appropriation for FY2017 funded planning grants to two additional tribes.	$ 9,215	$ 13,821	$ 16,669	$ 16,384

(Dollars in Thousands)

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
Foster Care Transitional Planning Demo Project (Healthy Transitions and Homeless Prevention) Laws of Minnesota 2005, Chapter 4, Article 9, Sec. 2, subd.4(g)	Grants to providers for transitional planning and housing assistance services to youth preparing to transition out of foster care or who have recently left foster care.	$ 1,065	$ 1,065	$ 1,065	$ 1,065
Privatized Adoption Grants (Public Privatized Adoption Initiative) M.S. 256.01, subd. 2	Grants to 5 providers for recruitment of adoptive families; fund child placement agencies' efforts to place children committed to the guardianship of the commissioner in foster care or in extended foster care in adoptive homes. These grants supported services for 203 children and 360 families.	$ 2,226	$ 2,620	$ 2,620	$ 2,620
Child Welfare Reform – Prevention / Early Intervention Grants	Grants to counties for child protection services designed to support families to keep children safely at home. Services include training and counseling support for parents and children, stable housing and safe living conditions. Grants support services for approximately 4,000 families per year.	$ 991	$ 786	$ 786	$ 786
Foster Care and Adoption Recruitment Grants M.S. 259A	Grants to county and American Indian Child Welfare Initiatives social service agencies for the recruitment of relative adoptive and foster families.	$ 73	$ 161	$ 161	$ 161
Expand Parent Support Outreach	Statewide allocations to 87 counties and Leech Lake and White Earth Bands of Ojibwe to prevent child maltreatment and improve family functioning for families reported to child protection services. Approximately 4,164 families served per year.	$ 2,250	$ 2,250	$ 2,250	$ 2,250
Private Adoptions Child Specific with Carry Forward Authority M.S. 259A	Child Specific Agreements that were established through the Public Private Adoption Initiative grant take up to three years to complete. This funding is based on legislation that allows carry-forward for the child specific agreements.	$ 405	$ 726	$ -	$ -
Purchased Services Child Specific-Carry forward	Child Specific Placement Service Agreements that take up to three years to complete. This funding is based on legislation that allows carry-forward for the child specific agreements.	$ -	$ 297	$ -	$ -
Parent Support Outreach Grant M.S. 256E.22	Statewide allocations to 87 counties and Leech Lake and White Earth Bands of Ojibwe to prevent child maltreatment and improve family functioning for families reported to child protection services. Approximately 4,164 families served per year. See also general fund.	$ 75	$ 75	$ 75	$ 75
Children's Trust Fund Grants M.S. 256E.22	Grants to counties and community-based agencies for child abuse and neglect prevention and services to families to reduce the risk of child maltreatment and enhanced family capacities.	$ 208	$ 400	$ 400	$ 400
Foster Care Recruitment M.S. 256.01, subd. 36	Federal financial participation for foster care recruitment.	$ -	$ 76	$ 76	$ 76
Indian Child Welfare Grants (ICWA) M.S. 260.785	Grants to tribes and urban American Indian social service agencies to provide services to preserve and strengthen American Indian families and reunify children placed in out-of-home placement with their families. (see also federal funds)	$ 1,486	$ 1,486	$ 1,482	$ 1,482
Privatized Adoption Grants M.S. 256.01, subd. 36	The source of the funding for this item is federal reimbursement (Title IV-E match) associated with General Fund appropriations for Privatized Adoption Recruitment Grants.	$ -	$ 650	$ 650	$ 650

(Dollars in Thousands)

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
Adoption IV-B Grants	Federal reimbursement of Title IV-B activities eligible for Title IV-E reimbursement of adoption services to adoptive families.	$ 643	$ 720	$ 650	$ 650
Forgotten Children's Fund M.S. 16A.016, subd. 2	Private donations received from the American Legion and other private donors and administered by DHS to fund special services or activities to children in foster care. Funds approximately 63 requests per year	$ -	$ 24	$ 24	$ 24
Children & Community Services Grants M.S. 256M	Grants to all Minnesota counties to purchase or provide services for children, adolescents and other individuals who experience dependency, abuse, neglect, poverty, disability, or chronic health conditions. This grant contributes to costs for services to more than 213,000 people annually.	$ 55,814	$ 55,814	$ 55,814	$ 55,814
Red Lake Band Human Services Initiative M.S. 256.01, subd.2(a)(7) and Laws 2016, chapter 189, article 23, sec. 2	Funding to the Red Lake Nation for direct implementation and administrative costs of the Red Lake Human Services Initiative project to operate a federally approved family assistance program (Tribal TANF) or any other program under the supervision of the commissioner.	$ 500	$ 500	$ 500	$ 500
White Earth Band Human Services Initiative Laws 2011, First Special Session, chapter 9, article 9, section 18 and Laws 2016, chapter 189, article 23, sec. 2	Funding to the White Earth Nation for direct implementation and administrative costs of the White Earth Band of Ojibwe Human Services Project to transfer legal responsibility to the tribe for providing human services to tribal members and their families.	$ 1,400	$ 1,400	$ 1,400	$ 1,400
Homeless Youth Act M.S. 256K.45	Grants to non-profit agencies for the provision of street outreach, drop-in centers, transitional living programs and supportive housing to runaway and homeless youth. The total number of youth served through Homeless youth funding is 22,066.	$ 5,512	$ 5,512	$ 5,512	$ 5,512
Food Shelf Grants M. S. 256E.34	Grants for purchase and distribution of food to food shelves throughout the state, including some administrative costs.	$ 375	$ 375	$ 375	$ 375
Food Shelf Grants M. S. 256E.34	Additional grants for purchase and distribution of food to food shelves throughout the state.	$ 1,318	$ 1,318	$ 1,318	$ 1,318
Aid to Counties- Fraud Prevention Grants (FPG) 256.983	Grants to counties for the Fraud Prevention Investigation Program, enabling early fraud detection and collection efforts.	$ 1,671	$ 1,768	$ 1,768	$ 1,768
Transitional Housing Grants M.S. 256E.33	Grants to private non-profits to provide rent assistance and supportive services to homeless individuals and families so they can secure permanent, stable housing.	$ 3,184	$ 3,184	$ 3,184	$ 3,184
Emergency Services Grants M.S. 256E.35	Grants to non-profits and tribal governments to fund the operating costs of shelters and essential services to homeless families and individuals.	$ 844	$ 844	$ 844	$ 844
MN Community Action Grants M.S. 256E.30	Grants to Community Action Agencies and tribal governments to focus local, state, private and federal resources to support low-income families and individuals to attain the skills, knowledge and motivation to become economically secure. Funds used at local level for match.	$ 3,928	$ 3,928	$ 3,928	$ 3,928
Multilingual Referral Line Title VI of the Civil Rights Act of 1964	Grants to non-profit agencies for the provision of language services and the translation of vital documents for non-English speaking recipients of human services.	$ 49	$ 86	$ 86	$ 86

(Dollars in Thousands)

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
Minnesota Food Assistance Program M.S. 259D.053	State funded food benefits for legal non-citizens who do not qualify for federal food stamps.	$ 678	$ 2,672	$ 1,675	$ 1,675
Family Assets for Independence Minnesota (FAIM) M.S. 256E.34	Funds help low-income working Minnesotans increase savings, build financial assets, and enter the financial mainstream. Since 1998, 3,190 FAIM accountholders have completed the program and deposited nearly $4.65 million into savings accounts acquiring over 2,500 long-term financial assets including, purchased homes, post-secondary education and capitalized businesses.	$ 325	$ 325	$ 325	$ 325
Safe Harbor Laws 2013, Chapt 108, Art 14, Sec2, subd 6(g) and Laws 2014, Chapt 312, Art 30, sec 2, subd 4(b)	Grants to 7 private non-profits to provide a new set of programming specific to sex trafficked minors through specialized emergency shelter, transitional living, youth supportive housing programs and specialized foster care. Programs are implementing the no wrong door approach to Safe Harbor for sexually exploited youth. 43 beds are available.	$ 2,801	$ 2,800	$ 2,800	$ 2,800
Navigator Outreach Grants -General Fund (M.S. 256.962)	These funds provide incentive payments for more than 600 entities and individuals across the state providing application assistance for Medical Assistance enrollees.	$ 90	$ 90	$ 90	$ 90
Emergency MA Legal Referral (M.S. 256B.06, Subd. 6)	These grants provide immigration assistance for entities to assist Emergency Medical Assistance recipients who may be eligible for Medical Assistance given a change in their citizenship.	$ 100	$ 100	$ 100	$ 100
Integrated Care for High Risk Pregnant Women (M.S. 256B.79)	These funds support community based organizations, public health programs, and health care providers who provide targeted, integrated services for pregnant mothers who are at high risk of poor birth outcomes due to drug use or low birth weight in areas of high need.	$ 568	$ 989	$ 989	$ 989
Periodic Data Matching (Ch. 71, Art. 14 Laws of Minnesota 2015)	Grants to counties to offset their costs in processing eligibility determinations for individuals flagged as potentially ineligible through periodic data matching.	$ 2,212	$ 2,212	$ 2,212	$ 2,212
MA Reimbursement for Injectable Drugs (Ch. 6, Art. 12, Sec. 4 Laws of Minnesota 2017)	Grants to allow providers to bill the Medical Assistance (MA) program for clinic administered injectable drugs used to treat substance abuse when administered by a practitioner in an outpatient setting.	$ -	$ -	$ -	$ -
Chronic Pain Rehabilitation Therapy Demonstration Grant (Ch. 6, Art. 12, Sec. 3 Laws of Minnesota 2017)	This grant goes to the Courage Kenny Rehabilitation Institute to develop a two-year demonstration project for a bundled payment for chronic pain rehabilitation therapy for adults. Demonstration includes non-narcotic medication management, multidisciplinary care coordination, cognitive behavioral therapy and physical therapy.	$ 270	$ 630	$ -	$ -
Navigator MA Enrollment Grants (M.S. 256.962)	These funds provide incentive payments for more than 725 individuals and entities across the state providing application assistance for enrollees in the Medical Assistance program.	$ 242	$ 320	$ 320	$ 320
Navigator MA Enrollment Grants-HCAF (M.S. 256.962)	These funds provide incentive payments for more than 725 individuals and entities across the state providing application assistance for enrollees in the Medical Assistance program.	$ 1,021	$ 310	$ 310	$ 310
Navigator RFP Outreach Grants – HCAF (M.S. 256.962)	These funds provide incentive payments for more than 725 entities and individuals across the state providing application assistance for MinnesotaCare enrollees.	$ 40	$ 40	$ 40	$ 40

(Dollars in Thousands)

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
Navigator BHP – HCAF (M.S. 62V.05, Subd. 4)	These funds provide incentive payments for more than 725 entities and individuals across the state providing application assistance for MinnesotaCare enrollees.	$ 613	$ 3,115	$ 3,115	$ 3,115
Other Long Term Care Grants M.S. 256.0921	These funds establish a home and community-based services incentive pool to provide incentives for innovation in achieving outcomes identified in the Olmstead plan, including integrated, competitive employment and living in the most integrated setting in the community and community integration and inclusion.	$ 1,893	$ 1,925	$ 1,925	$ 1,925
Incentive Pool Grants Laws of Minnesota 2017, 1st Special Session, Chapter 6 Article 18, Section 2. Subd 26.	One time grants to continue providing incentives for innovation in achieving outcomes identified in the Olmstead plan, including integrated, competitive employment and living in the most integrated setting in the community	$ -	$ -	$ -	$ -
Money Follows the Person Rebalancing Grant M.S. 256B.04 Subd. 20	Rebalancing funds can be used to provide extended services for individuals with multiple barriers seeking to move to community settings, to fund small pilot or "proof of concept" demonstrations for potential service changes or similar activities. Several projects have been approved by CMS in and will be expended over the course of the next three years.	$ 450	$ 4,000	$ 3,000	$ 1,000
Senior Nutrition Program Grants M.S. 256.9752	Grants to Area Agencies on Aging to provide nutrition services including congregate meals to 35,284 people and home-delivered meals to 12,112 people in FY 2019. This count includes all funding sources including federal funding (Title III) under the Older Americans Act.	$ 2,695	$ 2,695	$ 2,695	$ 2,695
Caregiver Support and Respite Care Project Grants M.S. 256B.0917, subd. 6	Grants to provide caregiver and respite services for families and other caregivers.	$ 479	$ 479	$ 479	$ 479
Information and Assistance Grants M.S. 256.975, subd. 7	Grants to Area Agencies on Aging to provide information and assistance services regarding home and community based services.	$ 3,449	$ 3,449	$ 3,449	$ 3,449
Eldercare Development Partnership Grants M.S. 256B.0917, subd. 1c	Grants to local organizations to provide statewide availability of service development and technical assistance as it relates to home and community based services for older adults.	$ 1,756	$ 1,758	$ 1,758	$ 1,758
Aging Prescription Drug Assistance Grant M.S. 256.975, subd. 9	Grants to AAAs and service providers to provide statewide outreach and education assistance to low income seniors regarding Medicare and supplemental insurance, including Medicare Part D and programs that the drug companies offer to help low-income older adults.	$ 1,191	$ 1,191	$ 1,191	$ 1,191
Community Services M.S. 256B.0917, subd. 13	Grants to public and non-profit agencies to establish services that strengthen a community's ability to provide a system of home and community based services for older adults.	$ 3,128	$ 3,128	$ 3,128	$ 3,128
Community Service Development Grants M.S. 256.9754	Grants to for-profit and nonprofit organizations, and units of government to increase the supply of home and community based services to rebalance the long-term care service system.	$ 2,980	$ 2,980	$ 2,980	$ 2,980

(Dollars in Thousands)

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
Nursing Facility Return to Community M.S. 256.975, subd. 7	Return to Community is an intensive long-term care options counseling service provided by the Senior Linkage Line®, that helps people successfully remain in their homes after discharge from a nursing home. Return to Community is an intensive options counseling service provided by the Senior Linkage Line®, that helps people successfully return to and remain in their homes. From 2013 through 2019, 23,000 people have been contacted for support. Of those, the Senior LinkAge Line helped over 6,000 older adults return home from a nursing facility and supported over 8,000 people remain in their community.	$ 6,645	$ 6,686	$ 6,686	$ 6,686
Senior Volunteer Programs M.S. 256.976 M.S. 256.977 M.S. 256.9753	Support to more than 17,000 older volunteers per year that provides services through the RSVP, Foster Grandparent, and Senior Companion programs.	$ 1,913	$ 1,988	$ 1,988	$ 1,988
PAS Screening 25% Aging M. S. 256.975, subd. 7a-7d	Grant funding for preadmission screening for everyone admitted to a Medical Assistance certified nursing facility. It was passed as part of Reform 2020 during the 2013 legislative session. The preadmission process was streamlined and the process allows for federal match of 75%.	$ 817	$ 817	$ 817	$ 817
Aging LTCC Grants M.S. 256B.0911 M.S. 256.975, subd. 7	Grant funding for Long Term Care consultation services. These services help people make decisions about long term care needs. These services include early intervention visits, and information and education about local long-term care service options. This was Reform 2020 funding from the 2013 legislative session.	$ 1,739	$ 1,739	$ 1,739	$ 1,739
Gaps Analysis Laws of 2013, Chap. 108, Article 15, subd 2(h)	Provides ongoing support to counties to participate in the gaps analysis survey of the HCBS system.	$ 218	$ 218	$ 218	$ 218
Aging-Core HCBS Services M.S. 256B.0917 subd 7a	Grant funding to core in-home and community-based providers for projects to provide services and supports to older adults.	$ 1,585	$ 1,585	$ 1,585	$ 1,585
PCA Registry Grants M. S. 256B.0711, subd. 11	Grant to an Area Agency on Aging responsible for data maintenance for MNHelp. Info to maintain the direct support worker registry.	$ 234	$ 236	$ 236	$ 236
Dementia Grants (M. S. 256.975, subd. 4 (c) (4)	Grants to regional and local projects to increase awareness of Alzheimer's disease, increase the rate of cognitive testing, promote the benefits of early diagnosis and connect caregivers of persons with dementia to education and resources.	$ 731	$ 750	$ 750	$ 750
MDH Help Me Grow M.S. 256.01 Subd. 2	This is an interagency grant contract with the Minnesota Department of Health to provide resources for referral information to families and providers through the Board on Aging MNHELP.info.	$ 161	$ 73	$ -	$ -
DHHSD Grants M.S. 256.01 subd. 2; 256C.233; 256.25; 256.261	Grants for multiple services and equipment to help Minnesotans who are deaf, deafblind, and hard of hearing or have multiple disabilities, including hearing loss, to remain independent and part of their communities. In FY 2019, these grants served 709 people.	$ 2,744	$ 2,846	$ 2,846	$ 2,846
Hearing Loss Mentors M.S. 256.01, subd. 2	Grant funding pays for deaf and hard of hearing mentors to work with families who need to learn American Sign Language (ASL) and other communication and life skill strategies to communicate with and support their children who are deaf and hard of hearing. In FY 2019, 82 families and 84 children were served statewide.	$ 40	$ 40	$ 40	$ 40

(Dollars in Thousands)

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
Deaf and Hard of Hearing Expanded Services Grants Laws of Minnesota 2017, Chapter 6	Grants to continue children's mental health services in the northern tier of the state and expand those services to the southwestern tier, eliminate statewide waiting lists for family mentor program and deafblind services, provide training in ProTactile or other communications systems for people who are deafblind and service providers.	$ -	$ -	$ -	$ -
Rural Real Time - Grant M. S. 237.32, 256C.30	Grants to television stations in Minnesota to provide real-time captioning of live TV news programming where real-time captioning does not exist.	$ 264	$ 269	$ 240	$ 240
Technology Grants; Corporate Foster Care Alternatives Laws of Minnesota 2009, Chapter 79	Technology for Home (T4H) provides in person assistive technology (AT) consultation and technical assistance to help people with disabilities live more independently. Expert consultants provide current, cost effective solutions and work with the person and their supporters to develop a plan for people who receive home care or home and community based waiver services. Since the inception of this grant, as of June 30, 2019, Technology for Home consultants had served 1,747 people with disabilities whose goals for assistive technology had not been met through other services. .	$ 622	$ 622	$ 622	$ 622
PASRR for Person with MI and DD	Funding to reimburse counties for costs associated with completing federally required pre-admission screening and resident reviews (PASRR) of nursing home applicants or residents with a probable mental illness or a developmental disability.	$ 53	$ 20	$ 20	$ 20
DD Family Support Grants M.S. 252.32	Family Support Grants (FSG) provides cash to families to offset the higher-than-average cost of raising a child with a disability. The goal of FSG is to prevent or delay the out-of-home placement of children and promote family health and social well-being by facilitating access to family-centered services and supports. The Family Support Grant served 1,884 people in FY 2019.	$ 3,658	$ 4,278	$ 4,278	$ 4,278
Disability Linkage Line M.S. 256.01, subd. 24	Disability Linkage Line (DLL) now known as the Disability Hub MN serves people with disabilities and chronic illnesses and their families, caregivers, or service providers to help people learn about options and connect with services and supports.	$ 805	$ 805	$ 805	$ 805
Disability Linkage Line MA Eligible 50% M.S. 256.01, subd. 2, (aa)	State share of funding for work completed by the Disability Linkage Line (now known as the Disability Hub MN) that is related to Medical Assistance and therefore eligible for 50% FFP based on activities reporting.	$ 700	$ 700	$ 700	$ 700
Semi-Independent Living Skills (SILS) Program M.S. 252.275	SILS serves people who are at least 18 years old, have a developmental disability and require supports to function in the community, but are not at risk of institutionalization. SILS serves nearly 1,500 people each year.	$ 6,654	$ 8,309	$ 8,309	$ 8,309
Consumer Support Grants M.S. 256.476	Consumer Support Grant (CSG) is available for people who are eligible for Medical Assistance (MA) as an alternative to home care. CSG helps individuals purchase items and supports needed for the person to live in their own home. On an annual basis, MA funds are transferred to this grant based on the current forecast. There is a small general fund appropriation for CSG. CSG served an average of 2,693 per month in FY 2019.	$ 35,643	$ 36,079	$ 22,280	$ 166
State Case Management Grants M.S. 256.01 19-20	Funding to clinics and community based organizations for the provision of case management services to persons living with HIV as well as payments to purchase insurance coverage for eligible individuals. (Approximately 1,047 clients served in FY 2017 from all funding sources for case management). See also Insurance grants.	$ 1,206	$ 1,156	$ 1,156	$ 1,156

(Dollars in Thousands)

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
State Insurance Premium Grants M.S. 256.01 19-20	HIV/AIDS programs assist individuals with health insurance premiums and pay premiums for people with HIV/AIDS who can't get insurance coverage elsewhere. Approximately 650 clients served in FY 2017 for all funding sources for insurance. See also - Case management grants.	$ 1,064	$ 1,064	$ 1,064	$ 1,064
Advocating Change Together –ACT M.S. 256.477	A grant to establish and maintain a statewide self-advocacy network for individuals with intellectual and developmental disabilities. Grantee informs and educates individuals with disabilities about their legal rights and provides training to people to self-advocate.	$ 133	$ 133	$ 133	$ 133
State Quality Council Grant M.S. 256B.097, Subd. 1-3, 6. Minnesota Laws of Minnesota, Chapter 71, Article 14, Section 2, Subd. 5(l).	Grant to establish and maintain regional quality councils to provide technical assistance, monitor and improve the quality of services for people with disabilities, and monitor and improve person-centered outcomes and quality of life indicators for people with disabilities.	$ 517	$ 600	$ 600	$ 600
Region 10 Grants M.S.256B.095 to 256B.0955	Grant to support the implementation of the Quality Assurance System for persons with disabilities for the purpose of improving services provided to persons with disabilities. Supporting the ongoing planning and operation of the Quality Assurance System for persons with physical, cognitive or chronic health conditions seeking to improve service outcomes. Completing necessary state and federal reports and participation in the evaluation of the system in accordance with Minnesota Statute, sections 256B.095 to 256B.0955.	$ 100	$ 100	$ 100	$ 100
Local Planning Grants Laws of Minnesota 2012, Ch. 247, Article 4, Sect 44.	Grants to assist lead agencies and provider organizations in developing alternatives to congregate living within the available level of resources for the HCBS waivers for people with disabilities. Local planning grants are used to create alternatives to congregate living for people with lower needs and are available to counties, tribes, and provider organizations. This work supports the planning process under MN Statute sections 144A.351 and 245A.03, subdivision 7, paragraphs (e) and (g).	$ 87	$ 254	$ 254	$ 254
Intractable Epilepsy Minnesota Laws of 1988, Chapter 689	A grant to support a living skills training program for people with intractable epilepsy who need assistance in the transition to independent living.	$ 344	$ 344	$ 344	$ 344
Modify Residency Ratios M.S. 256B.492	This grant passed in 2013 and it is to assist people with HIV/AIDS with Housing. It gives an exception to the four unit community living requirement.	$ -	$ 143	$ 143	$ 143
DT&H Facilities Minnesota Laws of 2014, Chapter 312, Sec.75 (b)11	This grant is for rate increases to day training and habilitation facilities to be distributed through an allocation to the counties.	$ 811	$ 811	$ 811	$ 811
Training of Direct Support Services Providers. Minnesota Laws of 2019 First special session, Article 14, Section 2, subd. 29.	These funds are for stipends to pay for training of individual providers of direct support services as defined in Minnesota Statutes, section 256B.0711, subdivision 1. This training is available to individual providers who have completed designated voluntary trainings made available through the State Service Employees International Union Healthcare Minnesota Committee. This is a onetime appropriation.	$ -	$ 375	$ 375	$ -

(Dollars in Thousands)

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
Training for New Worker Orientation. Minnesota Laws of 2019 First special session, Article 14, Section 2, subd. 29.	These funds are for new worker orientation training and is allocated to the Minnesota State Service Employees International Union Healthcare Minnesota Committee. This is a onetime appropriation.	$ -	$ -	$ 125	$ -
Benefit Planning Grants. Minnesota Laws of 2019 First special session, Article 14, Section 2, subd. 29.	This grant provides funding to the Disability Hub for benefits planning to people with disabilities.	$ 600	$ 600	$ 600	$ 600
Regional Support for Person-Centered Practices Grants. Minnesota Laws of 2019 First special session, Article 14, Section 2, subd. 29.	These grants are to extend and expand regional capacity for person-centered planning. This grant funding must be allocated to regional cohorts for training, coaching, and mentoring for person-centered and collaborative safety practices benefiting people with disabilities, and employees, organizations, and communities serving people with disabilities.	$ 174	$ 486	$ 598	$ 710
Disability Hub for Families. Minnesota Laws of 2019 first special session, Article 14, Section 2, subd. 29.	This funding is for grants to connect families through innovation grants, life planning tools, and website information as they support a child or family member with disabilities.	$ 71	$ 200	$ 200	$ 200
Electronic Visit Verification. Minnesota Laws of 2019 first special session, Article 14, Section 2, subd. 29.	This funding is for grants to providers who use a different vendor than the contract with the State of Minnesota for electronic visit verification. This funding will also offset increased costs for providers using systems that come into compliance as a result of contracts with existing system providers. This funding is only available in FY 21 and FY 22.	$ -	$ 500	$ 500	$ -
Day Training and Habilitation Disability Waiver Rate System Transition grants. Minnesota Laws of 2019 first special session, Article 5, section 90, Article 14, section 2, subdivision 29.	This funding is to establish annual grants to day training and habilitation providers that are projected to experience a funding gap upon the full implementation of Minnesota Statutes, section 256B.4914.	$ -	$ 200	$ 200	$ 200
Service Employees International Union (SEIU).	Grants for training for providers. This change corrects funding allocations as originally established in Article 1, Section 53. Article 18, Section 2, subd 7(f). Article 18 section 2, subd 15(b). Effective July 1, 2017.	$ 33	$ 87	$ 87	$ 87
Autism Spectrum Disorder Minnesota Laws of 2017, 1st Special Session , Chapter 6, Article 18, Sections 2, Subdivision 29.	Grant to an organization located in Richfield to provide life skills training to young adults with learning disabilities to meet the needs of individuals with autism disorder. This is a onetime appropriation.	$ -	$ -	$ -	$ -

(Dollars in Thousands)

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
Waiver Rate Setting Minnesota Laws of 2017, 1st Special Session , Chapter 6,Article 18, Section 2, Subdivision 29.	Grants will provide technical assistance to providers whose revenue is impacted by the Disability Waiver Rate System.	$ -	$ 288	$ 288	$ 288
Work-Empower Grant M.S. 256B.021	Grants are intended to assist people with disabilities find integrated competitive employment. This was part of the Reform 2020 legislation passed during the 2013 legislative session.	$ 502	$ 502	$ 502	$ 502
ADAP Drug Rebates-Title II Grants M.S. 256.01, subd 20	Dedicated funding resulting from ADAP drug rebates that supplements state and federal allocations to maintain private insurance coverage and/or purchase HIV related drugs. In addition, the funds can be spent on allowed core and support services per the federal Ryan White regulations .	$ 10,381	$ 12,723	$ 14,099	$ 6,440
DEED HB TE MPD Grants M.S. 256.01 Subd. 2	This is an interagency agreement with the Department of Employment and Economic Development (DEED) for one year. This funding came from DEED to design and evaluate assistive technology for people with disabilities. (DEED received the funding under MN Laws of 2016, Article 7, subd. 4.)	$ 131	$ 39	$ -	$ -
MDH Family Support Connections M.S. 256.01 Subd. 2	This is an interagency agreement between the Minnesota Department of Health and DHS to partner with each other to strengthen family to family connections and provide support to families with shared experiences in order to improve outcomes for children with disabilities or special health needs.	$ -	$ 160	$ -	$ -
DEED DHS Life Course M.S. 256.01 Subd. 2	Interagency agreement between DEED and DHS for developing a youth communication system within the Disability Hub MN. The system will include online content, charting the LifeCourse activities, and support print materials to drive person centered employment conversations and planning for youth in transition.	$ -	$ 64	$ -	$ -
Long Term Homeless Services Grants M.S. 256K.26	Grants to multi-county collaboratives that subgrant funds to service providers assist long-term homeless individuals and families with children to find and maintain permanent housing. In 2017, 5,713 individuals at risk of or experiencing long-term homelessness received supportive services. Funds may also be used at the local level for federal Housing and Urban Development housing match.	$ 6,849	$ 6,910	$ 6,910	$ 6,910
Community Living Infrastructure Grants Laws of 2017, 1st SS, Ch.6 Art. 18, Sec. 2, subd. 24J	The Community Living Infrastructure grant program supports the needs of people with disabilities and housing instability who want to live in the community but are faced with significant barriers in transitioning into community living from institutions, licensed facilities or homelessness. The Community Living Infrastructure funding is currently awarded to 18 grantees beginning in FY2020	$ 1,586	$ 2,685	$ 2,685	$ 2,685
Real-Time Housing Website Laws of 2017, 1st SS, Ch.6 Art. 18, Sec. 2, subd. 24K	The Real Time Housing Website grant is for the design, development and maintenance of a fully accessible and usable website, including an application, to track real-time-housing openings for people with disabilities across the state of Minnesota. The Real Time Housing funding is currently awarded to one grantee to develop the website.	$ -	$ 150	$ 150	$ 150
Housing Benefit Website (HB101) Laws of 2017, 1st SS, Ch.6 Art. 18, Sec. 2, subd. 24L	Housing Benefit grant money pays for the development and maintenance of the Housing Benefits 101 website which helps persons with disabilities understand types of housing available to them depending the person's situation, needs and desires.	$ 130	$ 130	$ 130	$ 130

(Dollars in Thousands)

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
HCBS Waiver Growth M.S. 256B.0658	Grants to assist individuals to move out of licensed settings or family homes into homes of their own. This funding was appropriated during the 2007 session as part of the proposal to Limit growth in the disability waivers and manage costs. As part of our experience with this grant, we have revised our housing service coordination process through the Home and Community Based Waivers. Since the fall of 2009, more than 2,529 people have used housing access services to move from licensed or unlicensed settings to homes of their own that are not owned, leased, or controlled by disability services providers	$ 489	$ 489	$ 489	$ 489
SSI-IAR Disability Hub M.S. 256D.06, subd. 5	Grants fund services provided by the Disability Linkage Line® to connect individuals using state benefit programs (General Assistance, Group Residential Housing and Minnesota Family Investment Program) with agencies under contract with the Department of Human Services to provide support and representation in applying for social security benefits. The Disability Hub MN, formerly the Disability Linkage Line, served 28,851 people, had 84,566 contacts with consumers, and participated in 69 educational events in SFY2020	$ 140	$ 140	$ 140	$ 140
South Central Crisis Program Laws of 2010, 1st SS, Ch.1 Art. 25, subd. 10(a)	This grant funds Psychiatric Urgent Care for people in crisis. It also funds Residential Crisis Stabilization services for those people who are uninsured or underinsured. The number of served in urgent care settings in Fiscal Year 2020 is 819.	$ 411	$ 600	$ 600	$ 600
Mental Illness (MI)-Crisis Housing M.S. 245.99, subd. 1	Grant to nonprofit agency (sole source contract) for the provision of financial assistance to hospitalized clients needing help to pay for their housing. These funds are used only when other funds, such as SSI, are not available. Provided Crisis Housing Assistance to prevent homelessness of 275 people receiving residential treatment in SFY 2019.	$ (9)	$ 610	$ 610	$ 610
Adult Mental Health Culturally Specific Services M.S. 245.4661, subd 6	Grants to support increased availability of culturally responsive mental health services for racial and ethnic minorities through providing internship placements and clinical supervision to emerging mental health professionals. Since these grants began, 107 supervisees have received clinical supervision, mentoring, or training through this funding inn Fiscal Year 2019	$ 300	$ 300	$ 300	$ 300
Rule 78 Adult Mental Health Grant M.S. 256E.12	Grants to counties for community support services to adults with serious and persistent mental illness. Rule 78 and Adult Mental Health Integrated funds collectively served 21,502 individuals in CY2018 and 23,474 in CY2019 as reported in MHIS, SSIS, and supplemental spreadsheet.	$ 21,000	$ 21,000	$ 21,000	$ 21,000
Adult Mental Health Integrated Fund M.S. 245.4661, subd. 6 and 256E.12	Grants to counties for Adult Mental Health Initiatives including crisis response and case management services. For most counties, this includes integrated administration of Adult MH Community Support Grants and Residential Treatment Grants. Rule 78 and Adult Mental Health Integrated funds collectively served 21,502 individuals in CY2018 and 23,474 in CY2019 as reported in MHIS, SSIS, and supplemental spreadsheet. CART funds, while federal, are included in this section. CART service numbers are not separated from the overall AMHI numbers.	$ 34,028	$ 34,695	$ 34,695	$ 34,695
Transition Init Waivered Services M.S. 246.18, subd. 8 (b) (1)	Grants to counties and/or providers to transition individuals from Anoka Metro Regional Treatment Center and the Minnesota Security Hospital to the community when clients no longer need hospital level of care. In SFY 2019, 67 clients were successfully transitioned to the community.	$ 192	$ 192	$ 192	$ 192

(Dollars in Thousands)

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
Transition Init. Populations M.S. 256.478	Disability Services and Adult Mental Health divisions are working together to develop contracts to pay for the costs of individuals moving from Anoka, St. Peter including wrap around services to support people in the community. Of the 92 individuals served in SFY 19, 99 individuals were discharged: 55 from AMRTC and 44 from MSH.	$ 2,310	$ 1,811	$ 1,811	$ 1,811
Pilot Project M.S. 245.4661	Grant to Zumbro Valley Mental Health Center to implement a pilot project to test an integrated behavioral health care coordination model.	$ 200	$ -	$ -	$ -
Mobile Crisis Services Grants M.S. 245.4661, subd. 6	Grants to counties in regional partnerships to build psychiatric crisis response capacity, including mobile crisis intervention and follow-up stabilization services. Provided Crisis Response Services to 13,314 people in response to crisis episodes in CY 2018.	$ 13,169	$ 13,169	$ 13,169	$ 13,169
Peer-Run Respite Laws of 2017, 1st SS, Ch.6 Art. 18, Sec. 2, subd. 30A	Selected and qualified individuals with a lived experience of mental illness are trained to provide respite services. This was one-time funding for SFY 18.	$ -	$ -	$ -	$ -
Adult Mental Health Int Fund: Non-County Allocation M.S. 245.4661, subd. 6	Grant to providers to develop a resource and training center in evidence-based practices for the treatment of co-occurring mental illness and substance use as well as support training of therapists in an evidence-based treatment for high need individuals (Dialectical Behavior Therapy).	$ 950	$ 1,000	$ 1,000	$ 1,000
Sustainability Grants M.S. 256b.0622, subd. 11	Grants for Intensive Residential Treatment Services (IRTS), Crisis Residential Services, and Assertive Community Treatment (ACT) providers who are facing financial difficulty due to current payment rate structure. For Fiscal Year 2020, ACT had 1,773 clients and IRTS had 1,843 clients.	$ 844	$ -	$ -	$ -
Housing Support Grants M.S. 245.4661, subd. 9	Grants to establish recipients in stable housing and provide a foundation for accessing healthcare and other needed resources. Housing with supports grants fund activities that are designed to assist tenants with significant or complex barriers to housing. Provided Housing with Support services to assist 1,728 persons with serious mental illness in accessing and retaining permanent supportive housing by the end of SFY 2019.	$ 4,496	$ 4,550	$ 4,550	$ 4,550
ACT Quality Improvement & Expansion Grants Laws of 2017, 1st SS, Ch.6 Art. 18, Sec. 2, subd. 30	Enhances and expands Assertive Community Treatment (ACT) services. Provides start-up funding to establish new ACT teams, including a specialized Forensic ACT team to support people with serious mental illnesses who are exiting the correctional system. Clarifies services standards for ACT and provides for enhanced training and oversight to ensure quality and consistency in ACT services across the state. In 2018, 2,187 people were provided ACT services.	$ 237	$ 500	$ 500	$ 500
Mental Health Innovations Grants M.S. 246.18, Subd 4A	These grant funds are dedicated to finding innovative approaches for improving access to and the quality of community-based, outpatient mental health services. Programs are focused on helping people with mental illness receive effective and culturally specific services in their community. These were new funds in 2018.	$ 1,000	$ 1,000	$ 1,000	$ 1,000
Adult Mental Health (AMH) Crisis Grants M.S. 245.4661, subd. 6	Adult mental health crisis grants to metro counties to build capacity for mobile crisis teams—particularly to cover costs for uninsured. Administered along with state general fund crisis grant funds that are part of the Adult MH Initiative grants listed above.	$ -	$ -	$ -	$ -

(Dollars in Thousands)

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
Adverse Childhood Experiences Grants M.S. 245.4889	Grants to provide training for parents, collaborative partners, and mental health providers on the impact of Adverse Childhood Experiences (ACEs), resilience and trauma toward creating community action plans and resilience initiatives to increase protective factors for children and families. These were new funds in FY2018.	$ 363	$ 363	$ 363	$ 363
Children's Mental Health (CMH) - Capacity Respite Grants M.S. 245.4889	Grants to counties to build service capacity for planned and emergency respite to relieve family stress that can result in out-of-home placement, violence, and ER visits. 3,335 county youth were served in the CY19 county Respite Care Services grant. 409 children/families that were served by Tribal programs	$ 1,526	$ 1,524	$ 1,524	$ 1,524
CMH - Cultural Competence Provider Capacity Grants M.S. 245.4889	Grants to provider agencies to support cultural minority individuals to become qualified mental health professionals and practitioners; to increase access of mental health services to children from cultural minority families; and to enhance the capacity of providers to serve these populations. During Fiscal Year 2019, 149 children received direct MH services through these grants.	$ 300	$ 300	$ 300	$ 300
Children's Mental Health (CMH) Screening Grant M.S. 245.4889	Grants to county child welfare and juvenile justice agencies to pay for mental health screenings and follow-up diagnostic assessment and treatment; covers children already deeply involved in child-serving systems. (In CY 2019, 7,694 child welfare clients and 2,848 juvenile justice clients served.) Total clients are 10,542.	$ 3,641	$ 4,412	$ 4,412	$ 4,412
CMH - Evidence Based Practices M.S. 245.4889	Grants to individual mental health clinicians to train them in the use of scientific evidence to support clinical decision-making and to implement evidence-based interventions across the state. (FY2019 Trained: 84 clinicians from 19 agencies in Trauma-Focused Cognitive Behavioral Therapy)	$ 750	$ 750	$ 750	$ 750
Children's Mental Health (CMH) - Capacity School Based Services M.S. 245.4889	Grants to provider agencies to integrate mental health service capacity into the non-stigmatized natural setting of children's schools and to cover direct clinical and ancillary services for uninsured and under-insured children. In 2019, 20,957 children received services.	$ 11,505	$ 11,805	$ 15,805	$ 15,805
CMH - Capacity Early Intervention Grants M.S. 245.4889	Grants to provider agencies to build evidenced-based MH intervention capacity for children birth to age 5 whose social, emotional, and behavioral health is at risk due to biologically-based difficulty in establishing loving, stable relationships with adults; having cognitive or sensory impairments; or living in chaotic or unpredictable environments. In 2017, provided consultation to 46 sites, mostly in child-care and pre-school settings, that enrolled 1200 children. Regarding FY2019-2020, consultation was provided to 128 sites, with a combined enrollment of 6,142 children.	$ 1,050	$ 1,024	$ 1,024	$ 1,024
Text Message M.S. 245.4889	Grant to a nonprofit organization to establish and implement a statewide text message suicide prevention program. In 2016-2017, Text-4-Life responded to a total of 22,162 text message conversations in 54 counties throughout Minnesota. In 2018-2019, Crisis Text Line (which replaced TXT4Life) had 6,208 text message conversations in 68 counties through MN. This service started in April 2018. In early 2018, TXT4Life had 1,859 text conversations. In 2019, there were 3,627 conversations in 64 counties.	$ 1,105	$ 1,125	$ 1,125	$ 1,125
First Aid M.S. 245.4889	Grant to train teachers, social service personnel, law enforcement and others who come into contact with children with mental illness, in children and adolescent mental health first aid training. In CY2019, 11 trainings were held with a total number of 183 participants.	$ -	$ 23	$ 23	$ 23

(Dollars in Thousands)

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
First Episode Psychosis Grants M.S. 245.4889	Grants to provide evidence-based practice interventions for youth and adults ages 15-40 who are experiencing a first episode of psychosis.	$ 97	$ -	$ -	$ -
Intermediate District School-Linked Mental Health Grants Laws of 2017, 1st SS, Ch.5 Art. 2, subd. 56	Grants to provider agencies to integrate mental health service capacity into the intermediate districts to cover direct clinical and ancillary services for uninsured and under-insured children. These were new funds in SFY2018.	$ 2,014	$ -	$ -	$ -
CD Native American Program M.S. 254.A.03, subd. 2	Provides funds to American Indian tribes, organizations, and communities to provide culturally appropriate alcohol and drug abuse primary prevention and treatment support services. Federal funds also partially support this activity (approx. 30%).	$ 1,036	$ 1,036	$ 1,036	$ 1,036
CD Treatment Grants M.S. 254.A.03, subd. 1	Grant to nonprofit organization to treat methamphetamine abuse and the abuse of other substances. The focus audience is women with dependent children identified as substance abusers, especially those whose primary drug of choice is methamphetamine.	$ 125	$ 125	$ 125	$ 125
Fetal Alcohol Syndrome M.S. 254.A.03, subd. 1	Grant to the Minnesota Organization on Fetal Alcohol Syndrome (MOFAS) to support non-profit Fetal Alcohol Spectrum Disorders (FASD) outreach prevention programs in Olmsted County. This grant is both treatment and prevention focused.	$ 750	$ 750	$ 750	$ 750
CD Peer Specialists Grants Minnesota Laws of 2016, Chapter 189, Article 23, Section 002, subd 04F	Grants to recovery community organizations to train, hire, and supervise peer specialists to work with underserved populations as part of the continuum of care for substance use disorders. Recovery community organizations located in Rochester, Moorhead, and the Twin Cities metropolitan area are eligible to receive grant funds.	$ 648	$ 725	$ 725	$ 725
Gambling Receipts Grants M.S. 297E.02, subd. 3 ©	These funds support the MN Problem Gambling Helpline, a statewide phone and text service that offers crisis assessment, and treatment referral for persons struggling with problem gambling and families of someone dealing with problem gambling issue. Additional funding is appropriated through a grant contract to increase public awareness of problem gambling and to conduct research on problem gambling.	$ 539	$ 3,440	$ 1,000	$ 1,000
CCDTF Other Services M.S. 254B.04, subd. 1	Reimburse providers through the Consolidated Fund for the provision of chemical dependency treatment services to persons whose income is over 100% of Federal Poverty. Counties agree to pay 100% of the costs of non-eligible clients.	$ 152	$ -	$ -	$ -
Compulsive Gambling Indian Game M.S. 245.98, subd. 4	Funds combined with the Gambling Grants from the lottery to provide funding for problem gambling assessments, non-residential and residential treatment of problem gambling and gambling disorder; training for gambling treatment providers and other behavioral health services providers; and research projects which evaluate awareness, prevention, education, treatment service and recovery supports related to problem gambling and gambling disorder. Approximately 700 to 800 individuals receive non-residential or residential treatment per year. The total served represents a combined number of individuals that received treatment.	$ 37	$ 200	$ 95	$ 88

(Dollars in Thousands)

Program Name Federal or State or Both (citation)	Purpose/ Recipient Type(s) Eligibility Criteria	FY 2020	FY 2021	FY 2022	FY 2023
Gambling Grants Lottery Transfer M.S. 297E.02, subd. 3 (c)	Funds transferred from the Minnesota State Lottery to DHS -- provides funding for problem gambling assessments, non-residential and residential treatment of problem gambling and gambling disorder; training for gambling treatment providers and other behavioral health services providers; and research projects which evaluate awareness, prevention, education, treatment service and recovery supports related to problem gambling and gambling disorder. About 700 to 800 individuals receive non-residential or residential treatment per year. The total served represents a combined number of individuals that received treatment.	$ 1,226	$ 1,508	$ 1,733	$ 1,733
Problem Gambling Rider M.S. 297E.02, subd. 3 (c)	Funds transferred from the Minnesota State Lottery to grant to the state affiliate recognized by the National Council on Problem Gambling to increase public awareness of problem gambling, education and training for individuals and organizations providing effective treatment services to problem gamblers and their families, and research related to problem gambling.	$ 225	$ 225	$ -	$ -
Incentive Based Customized Living Grants- Laws of Minnesota 1st Special Session 2019, Chapter 9, Article 4, section 28 and article 14, section 2, subd. 27. Revised in 2020 session. Laws of Minnesota 2020, 3rd Special Session, Chapter 1. M.S. 256.479, Sec. 1, 6.	Provides grant funding for elderly waiver customized living service providers. Preference will be given to providers that serve at least 75 percent of their total capacity under the Elderly Waiver Customized Living program. NOTE IN 2020 session: Expands eligibility of Customized Living Quality Assurance grants to community access for disability inclusion (CADI) and brain injury (BI) waiver providers and requires that providers serve 75 waiver participants and at least 75 percent of people served must be CADI, BI, or EW waiver participants.	$ 499	$ 500	$ 500	$ 500
Self Directed Caregiver Grants. Laws of Minnesota, 2017 1st Special Session, Chapter 6 Article 3, Sections 6-7. Codified- M.S. 256.975 subd. 12.	Grant to provide assistance to family caregivers who help older adults age in place.	$ -	$ -	$ 477	$ 477