DEPARTMENT OF HUMAN SERVICES, 1999

GUIDE TO MINNESOTA Department of Human Services 1999

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November 1998

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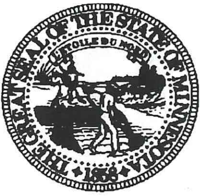

STATE OF MINNESOTA

OFFICE OF THE GOVERNOR
130 STATE CAPITOL
SAINT PAUL 55155

ARNE H. CARLSON
GOVERNOR

To the Incoming Administration:

As you begin your term, I am pleased to report that in the past eight years Minnesota has successfully advanced major reform agendas in human services that have helped thousands of people. At the same time, we have slowed spending to make human services more affordable in the years to come. This is due in part to sound policy choices that capitalize on economic realities and marketplace competition. It is also the product of the counter-cyclical nature of our budget—a strong economy means fewer people need services. Together, these factors contributed to $335 million in savings of projected budget increases for 1998-99.

Among our accomplishments:

- The Minnesota Family Investment Program. MFIP is one of the most effective efforts in the nation at moving people to work and out of poverty.

- MinnesotaCare. Because of MinnesotaCare, we have the fourth-lowest rate of uninsured children in the nation. In addition, 4,600 fewer families need to rely on public assistance, producing a net savings to taxpayers of $2.5 million a month.

- Child support. We are first among states in the collection of child support, collecting more than twice the national average for each case. Collections increased 81 percent since 1993.

- Adoption. Minnesota has made a substantial effort to find permanent homes for children, particularly children who are under the guardianship of the commissioner.

- Services for the disabled. Minnesota has developed one of the few systems in the country for people with developmental disabilities that is totally community based. We also have launched the Adult Mental Health Initiatives, which help people stay out of institutions.

- Services for seniors. Minnesota is the first state to test a new model for low-income seniors who are eligible for Medical Assistance and Medicare—Minnesota Senior Health Options. We also are encouraging people to plan for the "senior boom" through Project 2030.

Many challenges remain. The work of the past eight years provides a solid base to build upon. I wish you and your administration the best as you work to make more progress for people in need.

Warmest regards,

ARNE H. CARLSON
Governor

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Minnesota Department of **Human Services**

To the Incoming Administration:

This is an exciting time for human services. On nearly every front, we are seeing changes that can help hundreds of thousands of low-income Minnesotans live happier and more productive lives:

- People like the married couple with developmental disabilities who I met last spring. Through one of our groundbreaking pilot projects, they were able to realize the American dream of purchasing their own home.

- People like the single mother in Anoka, who finally was able to collect child support for her two sons through new hire reporting, one of our latest tools in collecting child support.

- People like the family in Duluth who can afford to buy health insurance through MinnesotaCare. As the mom said, "With MinnesotaCare, we don't have to fret that one of us will get sick or injured—we're covered."

- And people like the former Anoka County Minnesota Family Investment Program (MFIP) recipient who worked her way up to a retail management position and has hired another MFIP recipient.

Soon you will begin to review the proposed biennial budget. It is a complicated document that accounts for approximately $6 billion a year in spending that is administered by 6,700 employees statewide. But the real story of this department is not its size and scope. The real story is found with low-income people who want to improve their lives and with the thousands of DHS and county employees who are committed to helping them do just that.

When it comes to human services, government cannot do it alone. We are part of a much broader effort that has its greatest strength in community-based services—the local clinic that provides health care that we pay for, the day care center that helps women on welfare enter the workforce, and the senior citizen center that helps keep people active and out of nursing homes, to name just a few.

Make no mistake, government has an important role as well. As leaders of the executive branch, you have a tremendous opportunity to help low-income Minnesotans achieve their dreams. You have my wholehearted support as you move forward.

Sincerely,

David S. Doth
Commissioner

DHS history—A tradition of caring

The work of the Department of Human Services (DHS) has a long history in Minnesota, dating back almost to the inception of statehood. From the opening of the State Institute at Faribault in 1863 and St. Peter State Hospital in 1866, to the development and implementation of such programs as MinnesotaCare and the Minnesota Family Investment Program (MFIP), the department has helped millions of Minnesotans in need.

The origins of the department's programs almost exclusively began with the state institutions. Over the years, programs have evolved, taking form under various successor agencies: the State Board of Correction and Charities in 1883, the State Board of Control in 1901, the Department of Social Security in 1939, the Department of Public Welfare in 1953, and finally, under the name of the Department of Human Services in 1983. Regardless of its title, the agency's charge has remained steadfast: to serve Minnesotans.

Today, DHS is frequently a purchaser of services, rather than a direct provider. DHS also works closely with Minnesota's 87 counties as well as with tribal governments, non-profit agencies, and others involved in the delivery of human services.

The DHS mission—serving Minnesotans in need

DHS' mission is to provide health care, economic assistance and social services to Minnesotans whose personal or family resources are inadequate to meet their basic human needs. The department will promote the dignity, safety and rights of the individual and will ensure public accountability and trust through responsible use of available resources.

Core values provide a solid foundation

The department's core values are the touchstones for our decisions. We practice these shared values in an ethical environment in which trustworthiness, responsibility, respect, justice, fairness and caring are of paramount importance. Our core values are:

- We focus on people, not programs.
- We are responsible for the common good.
- We recognize and act upon our mutual responsibility to each other.
- We provide safety nets and ladders up for the people we serve.
- We are partners with communities to mobilize supports that help people function and succeed.

By holding to these core values as we carry out our daily work, we are better able to serve Minnesotans in need.

Priorities shape department's work

With the help of Minnesotans from around the state, DHS created five priority policy initiatives. These priorities have oriented DHS budget and legislative agendas for the past four years. Collectively they are called Priorities for People and they further DHS' mission of providing health care, economic assistance and social services to Minnesotans whose personal or family resources are not adequate to meet their basic human needs.

Children's Priority:
Promote the best interests of children in all agency services.

The DHS Children's Initiative (CI) works in partnership with communities to achieve positive outcomes for children in vulnerable situations. CI is responsible for children's mental health, child protection, adoption, foster care and other child welfare services and the development and implementation of the Social Services Information System (SSIS). In addition, it provides advocacy for children's interests across programs to ensure policies promoting child safety and family stability.

Health Care Priority:
Ensure affordable health care for families with children and purchase affordable long-term care for older Minnesotans and people with disabilities.

On average, DHS purchases both acute and long-term care for more than 500,000 Minnesotans each year as the state's administrator of its three largest publicly funded health care programs. These programs are Medical Assistance (MA or Medicaid), MinnesotaCare and General Assistance Medical Care (GAMC). A priority has been to ensure that as many people get as much coverage for the best price so that taxpayers can continue to afford to subsidize these programs.

Technology Priority:
Make investments in technology to improve business standards and position for future demands.

Technology forms the invisible skeleton behind eligibility determination, benefit payment and fiscal management of DHS' programs. DHS has some of the largest computer systems in the state, linking all 87 counties. These computer systems determine benefit eligibility and levels and pay benefits, including more than 14 million medical claims a year and capitation payments for managed care.

Welfare Reform Priority:
Move more families to work and out of poverty.

Minnesota's approach to welfare reform has consistently been anti-poverty rather than simply anti-welfare. Rewarding work by allowing families to keep a portion of their welfare grant as they transition to self-sufficiency and providing supports outside the welfare system, such as affordable, subsidized health care and child care, are key strategies for this priority. MFIP, our state's premiere welfare reform effort, was expanded statewide in January 1998.

Workforce Priority:
Attract and retain a diverse, well-trained workforce able to adapt to future needs.

Attracting and maintaining a well-trained, diverse workforce means investing in recruitment and staff development. It means consistently updating staff skills. DHS' workforce is the instrument of state policy; DHS employs social workers, forecasters and health care economists, chemical dependency counselors, computer experts, group home workers, health care policy specialists and health care professionals. Investments in their skills and continuing education is critical for effective service delivery.

Vision statements help chart the future

At the spring 1998 planning retreat, the DHS Commissioner's Team adopted five vision statements to help guide decisions in the budget process and beyond. These visions are:

Supporting communities

DHS envisions a state where neighborhoods and communities are safe, where people know and look out for each other, where individual differences are respected and where there is a commitment to mutual values. DHS will listen to communities, ask questions, share information and act as a catalyst for solutions.

Measuring value

DHS will learn how people are being served and whether it is paying the best price for that service. DHS will use that knowledge to serve people better and to make needed changes in how much it pays and in the ways it pays for services. And DHS will learn how to spend enough, but not too much, to get what is best for the people served.

Accountable local delivery structures

Services will be delivered and accessed as close to the person as possible. The local agency and service providers will be responsible and accountable for meeting people's needs. They will be flexible, creative, competent and highly motivated to perform well. They will seek out measures of their performance and respond to constructive feedback. DHS will monitor results, support what is working and help change what is not.

Integrated services

DHS envisions a system where people come to one place near their home to learn about services that are available, access those services, and receive help with ongoing decisions about services. There will be flexibility to provide the combination of services that best meet people's needs. Services will be available to fill gaps, but that will not replace the help that is already provided by family, friends and community members.

Integrated approaches for substance abuse

Substance abuse is a significant factor in almost every issue we face. It contributes to child abuse and neglect. It keeps people from getting and keeping good jobs. In our vision for the people we serve, the prevalence and negative effects of substance abuse are greatly reduced. DHS will focus on prevention and treatment of substance abuse; share information, coordinate and plan jointly within DHS and with other entities and encourage and support community efforts aimed at substance abuse.

The Minnesota Department of Human Services

Aging Initiative: Project 2030
Maria R. Gomez 297-3209

- Planning Director
- Legislative and Biennial Budget Coordinator

Aging & Adult Services
- Community & Resource Development
- Contract Management & Operations
- Ombudsman Office

Continuing Care for Elderly
- Audits
- Fiscal & Statistical Analysis
- Community Supports for Seniors
- Nursing Home Contract Project

Housing Support Services

Minnesota Senior Health Options (Policy)

Finance & Management Operations
Dennis W. Erickson 296-6635

- Legislative Coordinator

Audits Office
- Internal Audits Office

Financial Operations
- Budget Analysis
- Financial Management
- Reimbursement
- Reports & Forecasts
- Special Projects Office

Health Care Systems Management
- Health Care Systems Policy
- Health Care Systems Development
- Health Care Operations

Office of Legal Management
- Appeals & Regulations
- Licensing
- Provider Appeals

Management Operations
- Management Services

Children's Initiative
Judith Kidder 296-2754

- Budget /Legislative Director
- Children of Color Outreach Initiative
- Community Outreach & Special Projects
- Strategic Initiatives Coordination

Children's Mental Health

Family & Children's Services

Community Services

Social Services Information System

Agencywide Functions

Commissioner - David S. Doth 296-2701

Deputy Commissioner - Tom Moss 296-6993

Information and Technology Strategies
- Chief Information Officer
- Financing & Commerce
- Information Policy & Special Projects
- Electronic Benefits Systems
- Technical Services
- Application Development
- System Security

Communications

Equal Opportunity, Affirmative Action & Civil Rights

Human Resources

Intergovernmental
- County Relations
- Federal Reform
- Tribal Relations

Legislation

Economic & Community Support Strategies

Deborah Huskins 296-6955

- Operations Manager

Families with Children

MAXIS

Child Support Enforcement

Adult Supports

Program Assessment & Integrity Division

Deaf and Hard of Hearing Services

Continuing Care

Elaine Timmer 296-2710

Continuing Care for People With Disabilities

- Chemical Dependency
- Community Supports for Minnesotans with Disabilities
- HIV/AIDs
- Mental Health Division
- Demonstration Projects for People with Disabilities
- State Operated Services Support

State Operated Services

- Ah-Gwah-Ching Center
- Anoka-Metro Regional Treatment Center
- Brainerd Regional Human Services Center
- Cambridge Regional Human Services Center
- Eastern Minnesota State Operated Community Services (EMSOCS)
- Fergus Falls Regional Treatment Center
- Minnesota Extended Treatment Options (METO)
- Moose Lake Regional State Operated Services
- St. Peter Regional Treatment Center/MN Security Hospital
- Willmar Regional Treatment Center

Health Care

Mary Kennedy 282-9921

Health Care for Families & Children

- Legislation
- Policy Planning
- Administration
- Families/Children
- Elderly/Disabled
- MinnesotaCare Operations
- Health Care Training
- MMIS User Support
- MMIS Development

Performance Measurement & Quality Improvement

- Health Program Research & Evaluation
- Managed Care Quality Assurance/Quality Improvement
- Maternal & Child Health Assurance
- Surveillance and Integrity Review

Purchasing & Service Delivery

- Benefits Policy
- Contract Management & Service Development
- Customer Services
- Managed Care Ombudsman
- MN Senior Health Options (Operations)
- Negotiations and Contracting
- Payment Policy
- Service Implementation

State Medicaid Director

- HCFA Relations/Legislation
- Waiver/Tribal

Upcoming events and important dates

Dec. 31, 1998	Deadline for state agencies to be Year 2000 compliant
Jan. 1, 1999	New state senior drug program implemented
Jan. 1, 1999	One-year anniversary of statewide MFIP
Jan. 5, 1999	Start of 1999 legislative session
Jan. 15, 1999	Project 2030 final report available
February 1999	SSIS training for counties
March 1999	Testing for Year 2000 (Y2K) compliance
March 24-25, 1999	Association of Minnesota Counties' (AMC) legislative conference in St. Paul
May 24, 1999	Last day of legislative session
June 1999	SSIS implementation for counties statewide
June 30, 1999	Expiration of all labor contracts
July 1, 1999	Fiscal year 2000 MinnesotaCare outreach grants awarded
July 1, 1999	First day of the state of Minnesota's fiscal year 2000
July 1999	Start of permanency hearings for children under eight years old who have been in out-of-home placement for six months
Oct. 1, 1999	First day of federal fiscal year 2000
November 1999	Manpower Demonstration Research Corp., MFIP's evaluator, will provide information to DHS on the field trials and their impact on children
Dec. 5-7, 1999	AMC annual conference in St. Cloud
July 2000	Sunset of nursing facility and ICF/MR (intermediate care facility for the mentally retarded) cost-based system and new performance-based contracting system implemented
June 30, 2002	First people on MFIP/TANF (Temporary Assistance for Needy Families) will hit the 60-month limit

Boards, commissions and task forces

Alcohol and Other Drug Abuse Advisory Council

The 10-member council advises the commissioners of Health and Human Services on problems of alcohol and other drug dependency and abuse. Five members are appointed by the Human Services commissioner and five are appointed by the Health commissioner.

American Indian Advisory Council on Chemical Dependency

This 17-member council, whose members are appointed by the Human Services commissioner, establishes policies and procedures for American Indian chemical dependency programs and reviews and recommends proposals for funding.

American Indian Child Welfare Advisory Council

Seventeen members, appointed by the Human Services commissioner, assist him or her in formulating policies and procedures relating to American Indian child welfare services and makes recommendations regarding grant approval.

Commissioner's Advisory Council on Children of Color

DHS' Children of Color Outreach Initiative mission is to ensure that the design of social services, now and in the future, promotes positive outcomes for children of color in their families and communities. The 25 appointed members advise the commissioner on the progress of DHS activities in the social services delivery system to address the needs of children and families of color.

The following panels are housed at DHS but have members appointed by the governor:

Merit System Council

The council hears personnel appeals, sets policy for administration of examinations and reviews classification and compensation plans and proposed rule changes for 76 county human and social services agencies.

Minnesota Board on Aging

The Minnesota Board on Aging was established in 1956 to meet the special needs of our state's older citizens. Professional staff assist the 25-member board in development of new service programs and stimulation of public interest in aging. Local, regional and state advisory committees help the board with plans and decisions that ensure the design of responsive, representative programs.

Minnesota Commission Serving Deaf and Hard of Hearing People

The 15-member commission advises the commissioners of Children, Families and Learning (CFL); Human Services; Economic Security; Health; the governor and the Legislature, regarding policies, programs and services affecting deaf and hard of hearing citizens and creates public awareness of the needs and potential of deaf and hard of hearing people.

State Advisory Council on Mental Health

The council advises the governor, the Legislature and state agency heads about policy, programs and services affecting people with mental illness. The 30 members include the assistant commissioner for continuing care at DHS and a representative from DHS responsible for MA. The department provides staff support for this council.

Subcommittee on Children's Mental Health

Appointed by the State Advisory Council on Mental Health, 34 subcommittee members make recommendations on policies, laws, regulations and services relating to children's mental health. The membership includes the Human Services commissioner or his or her designee. The department provides staff support to this subcommittee.

The following panels include representation from DHS or a representative appointed by the commissioner:

- Abused Children Advisory Council
- Alcohol and Drug Counselor Licensing Advisory Council
- Board of Examiners for Nursing Home Administrators
- Children's Trust Fund Advisory Council
- Council on Disability
- Fetal Alcohol Coordinating Board
- Governor's Interagency Coordinating Council on Early Childhood Intervention
- Governor's Workforce Development Council
- Health Data Institute Board of Directors
- Information Policy Council
- Intergovernmental Information Systems Advisory Council
- Minnesota Commission on National and Community Service
- Minnesota Risk Adjustment Association Board
- Public Programs Risk Adjustment Work Group
- Youthbuild Advisory Committee

Key legislators and committees

(Note: Committee names, leadership and membership are subject to change after the election.)

House Health and Human Services Committee leadership:

- Rep. John Dorn, DFL-Mankato, chair
- Rep. Nora Slawik, DFL-Maplewood, vice chair
- Rep. Eileen Tompkins, R-Apple Valley, lead Republican (retiring)

House Health and Human Services Policy/Finance Division leadership:

- Rep. Lee Greenfield, DFL-Minneapolis, chair
- Rep. Mary Ellen Otremba, DFL-Long Prairie, vice chair
- Rep. Kevin Goodno, R-Moorhead, lead Republican

Health and Family Security Budget Division leadership:

- Sen. Don Samuelson, DFL-Brainerd, chair

Senate Health and Family Security Committee leadership:

- Sen. John Hottinger, DFL-Mankato, chair
- Sen. Becky Lourey, DFL-Kerrick, vice chair
- Sen. Sheila Kiscaden, R-Rochester, ranking minority member

Human Resources Finance Committee leadership:

- Sen. Linda Berglin, DFL-Minneapolis, chair
- Sen. Dallas Sams, DFL-Staples, vice chair
- Sen. Roy Terwilliger, R-Edina, ranking minority member

House Family & Early Childhood Education Finance Division leadership:

- Rep. Tony Kinkel, DFL-Park Rapids, chair (retiring)
- Rep. Mary Jo McGuire, DFL-Falcon Heights, vice chair
- Rep. Barb Sykora, R-Excelsior, lead Republican

Senate Family and Early Childhood Education Budget Division leadership:

- Sen. Pat Piper, DFL-Austin, chair
- Sen. Leo Foley, DFL-Anoka, vice chair

Other key legislators:

- Sen. Don Betzold, DFL-Fridley
- Rep. Fran Bradley, R-Rochester
- House Speaker Phil Carruthers, DFL-Brooklyn Center
- Senate Minority Leader Dick Day, R-Owatonna
- Rep. Matt Entenza, DFL-St. Paul
- Rep. Bill Haas, R-Champlin
- Rep. Thomas Huntley, DFL-Duluth
- Sen. David Knutson, R-Burnsville
- Senate Majority Leader Roger Moe, DFL-Erskine
- Sen. Steven Morse, DFL-Dakota
- Assistant Majority Leader Ember Reichgott Junge, DFL-New Hope
- Sen. Martha Robertson, R-Minnetonka
- Sen. Dan Stevens, R-Mora
- House Minority Leader Steve Sviggum, R-Kenyon
- Rep. Linda Wejcman, DFL-Minneapolis

DHS budget overview

State Expenditures (DHS)
General Fund & HCAF FY 98-99 Forecast ($ in thousands)
DHS Total $5,119,453

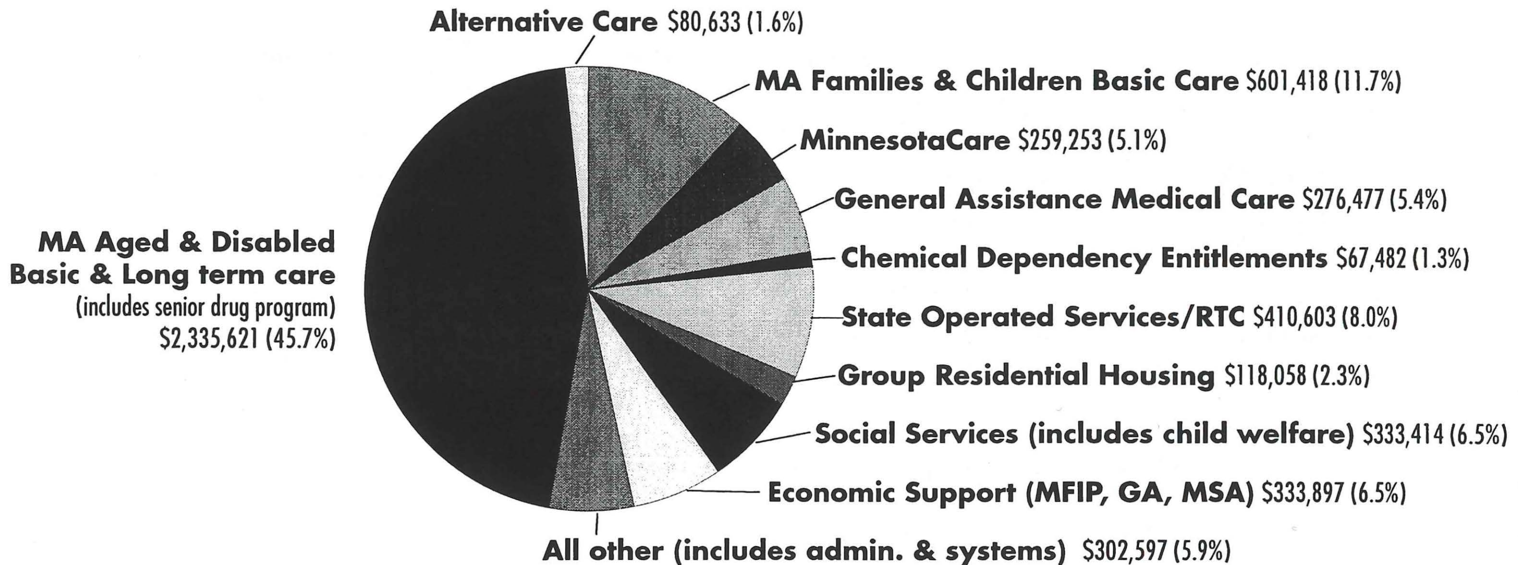


Chart source: MN Dept. of Finance Fund Balance Statements, End of Session 1998

Agency funding sources and expenditures

DHS receives money from many funding sources including the federal government, the state, counties, fees and foundation grants. By far the three largest funding sources are federal funding, state general fund money and the state Health Care Access Fund (HCAF). The DHS budget, including all funding sources (federal, state, county and foundation money), is approximately $10.36 billion for the 1998-1999 biennium. For state general fund expenditures alone, the budget is $4.86 billion. The HCAF budget, which funds MinnesotaCare through a tax on providers and enrollee premiums, is $258 million.

The largest DHS expenditure is health care through Medical Assistance (MA), General Assistance Medical Care (GAMC) and MinnesotaCare. Seventy-three percent of the state funds (general fund and HCAF) budget is spent on health care. Economic support programs make up 6.5 percent of the state general fund budget ($333 million). Social services programs, including expenditures for children's services, are 6.5 percent of the state general fund budget ($333 million).

Revenue sources

In addition to state and federal appropriations, money is generated by the sliding-fee premiums MinnesotaCare clients pay; charges for cost of care for residents of waivered service homes and day training and habilitation services; billings for treatment paid for by the Consolidated Chemical Dependency Treatment Fund; state-operated services billings for shared services, such as laundry; fees charged for background checks done for personal care provider organizations facilities and funds DHS receives from counties for their share of the various entitlement programs. DHS also aggressively pursues foundation funding for projects consistent with department goals, directions and core values.

Recent financial changes

DHS revenue has maintained a steady annual increase for many years, due primarily to the growth of federal entitlement programs. However, several recent federal changes have or will affect revenue and other changes are anticipated.

A significant change affecting DHS is the federal welfare reform act, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. PRWORA eliminated the Aid to Families with Dependent Children (AFDC) entitlement program originally established in Title IV-A of the Social Security Act and replaced it with the Temporary Assistance for Needy Families (TANF) grant. TANF is a block grant that freezes the amount of money each state receives for assistance to needy families at a historic base level. Minnesota's amount is based on federal fiscal year 1994 spending. Minnesota's TANF grant has been established at $268 million a year and will remain at that level for the next six years.

The transfer of child care responsibility and funding from DHS to the Department of Children, Families and Learning will mean a decrease in federal revenue for DHS and a corresponding increase for the children's department.

A declining federal financial participation percentage in the Medicaid (Title XIX) program will impact MA, Minnesota's Medicaid program.

Aging Initiative: Project 2030

The Aging Initiative's charge is to ensure quality care and services for seniors who need help living as independently as possible.

- An overriding goal is to support elderly people in their homes. Supports provided through the Aging Initiative include chore services, home-delivered meals, home health care, adult day care or other community-based services.

- For those who need residential long-term care, the Aging Initiative also oversees services such as nursing homes and group residential housing.

- In addition, the Aging Initiative is responsible for coordination of the DHS housing policy.

The Aging Initiative works in partnership with communities, volunteer organizations, counties and Area Agencies on Aging to build networks to meet seniors' needs and maintain their independence. This focus promotes self-sufficiency and reduces reliance on publicly subsidized long-term care.

The Aging Initiative works closely with other DHS administrations and state agencies on housing, health care, Medical Assistance (MA) eligibility, income supports, federal regulatory compliance and continuing care, as well as to develop effective purchasing strategies for services for the elderly.

Aging and Adult Services Division

This division is the first resource for keeping older people at home by providing nonmedical social services, supporting communities to develop nonpublic services and filling service gaps. The division administers state and federal programs that provide protective services, supportive assistance, caregiver support and alternative housing arrangements to thousands of older people and vulnerable adults. The division also provides assistance to the Minnesota Board on Aging in the administration of the federal Older Americans Act and state senior nutrition and volunteer programs.

Continuing Care for the Elderly Division

This division provides policy development and program administration of facility and community-based services for elderly Minnesotans. It administers nursing facility services, which provide care to approximately 41,000 people (average on any given day) in 441 nursing facilities statewide. About 66 percent of those served in nursing facilities receive MA. It also administers community-based services through the elderly waiver and alternative care programs. In fiscal year 1998, the elderly waiver served approximately 8,500 people. The alternative care program served approximately 10,000 people.

Key issues for the Aging Initiative

Project 2030

Project 2030 is a two-year initiative (calender years 1996-1998) to identify the impact of Minnesota's aging population and help prepare the state's response to the aging "baby boom" generation that will begin turning 85 in the year 2030. This project originated from a concern over the possible untenable growth in the state's MA budget as the huge baby boom generation grows frail and needs long-term care. It soon became clear that a broad approach was needed to influence the factors that push people onto MA and that concerns about long-term care were but a piece of the much larger issue of preparing for an aging society.

Project 2030 includes work with a wide variety of public and private partners including the Citizens League, 26 state agencies, the Minnesota Extension Service, the Employers Association and various health and nonprofit organizations. Project 2030 is addressing four major issues:

- Increased personal responsibility to save and pay for retirement and long-term care costs.

- Expanded emphasis on health promotion to reduce disability rates.

- Increased age-sensitive physical, health and social infrastructures, including land use, housing, health systems and social ties.
- Continued strong economic vitality, including creative use of the aging labor force and growth in contributory roles of older persons.

The most important product of Project 2030 is creation of momentum in all sectors of Minnesota to do the strategic planning necessary to prepare for an aging society. Project 2030 has also produced a number of demographic reports and issue papers. A final report assessing the state's readiness for 2030 will be completed by January 1999. The Aging Initiative is using the research of Project 2030 to redesign its services to respond to the expected demographic shifts.

Minnesota Senior Health Options (MSHO)

MSHO combines Medicare and MA financing and acute and long-term care service delivery systems for persons age 65 and older who are eligible for both Medicare and MA. This nationally recognized demonstration is under way in the seven-county metro area for a five-year period which began in March 1997. Under MSHO, enrollees receive MA, Medicare and long-term care services, including home and community-based services, from one of three contracted managed care health plans. As of August 1998, MSHO served 2,514 members.

Prescription drugs

A key issue with Minnesota seniors is the cost of prescription drugs. DHS is seeking a federal waiver to provide a prescription drug benefit to low-income seniors. A decision on the waiver is expected in the fall of 1998. If the waiver is not approved, the Legislature has enacted a state-funded senior drug program which is to be implemented Jan. 1, 1999. The Legislature has appropriated adequate funding only through fiscal year 1999. Additional funding is needed to fully fund this prescription drug benefit.

Nursing Facility Performance-Based Contract Payment System

In 1998, legislation was passed to sunset the state's current nursing facility cost-based reimbursement system on July 1, 2000 and to implement a new statewide performance-based contracting system. The new system will leverage nursing home payments of more than $870 million dollars per year (total MA payments) to enhance quality of care by measuring outcomes, encouraging continuous quality improvement, developing and publicizing quality profiles for each nursing facility, offering special privileges and paying bonuses to the better quality homes. The Aging Initiative will bring forward any additional legislation needed to implement the new contracting system effective July 1, 2000. A report to the Legislature on development of the new system will be available Jan. 15, 1999.

SAIL 2000

Seniors Agenda for Independent Living (SAIL) is a 20-year state initiative, which began in 1992, to create and support community infrastructures necessary for county social service and health organizations, Area Agencies on Aging and private nonprofit and voluntary social services organizations. SAIL is intended to reduce fragmentation and duplication, increase efficiency, increase the capacity of regions to meet local housing and service needs and maximize federal and local resources.

For the 1999 legislative session, the Aging Initiative is proposing the next phase of this agenda, SAIL 2000. This proposal will expand SAIL statewide, awarding performance-based contracts to successful bidding regions, including counties that choose to apply and participate in SAIL. SAIL 2000 will increase community capacity to provide quasi-formal and nonpublicly funded services and will emphasize planning and community development, coordination and integration of programs and funding streams and training/best practices across regions.

Children's Initiative

The Children's Initiative (CI) works to achieve positive outcomes for children in vulnerable situations and to ensure children will be protected from harm and live in permanent homes. CI works with families, counties, businesses, communities and other partners—including the departments of Health, Corrections, and the Department of Children, Families and Learning—to oversee services. These services include: child protection, family support and preservation services, Indian child welfare services, mental health care, foster care, youth and adolescent programs and adoption services.

CI manages and administers the social services funding allocations, data collection and the Social Services Information System (SSIS). Primary responsibilities include ensuring that families in crisis—including children with emotional and behavioral disturbances—find the services they need quickly and close to home; ensuring that the child protection system is effective and focuses on the best interests of children; finding permanent, stable homes for children who can no longer live with their birth families and developing tools to help social workers, child welfare professionals and others involved with children effectively do their jobs.

Children's Mental Health Division

In partnership with local mental health providers and other care providers, this division develops, supports and maintains a comprehensive array of community-based services to meet the needs of children and adolescents with severe emotional and behavioral disturbances.

Community Services Division

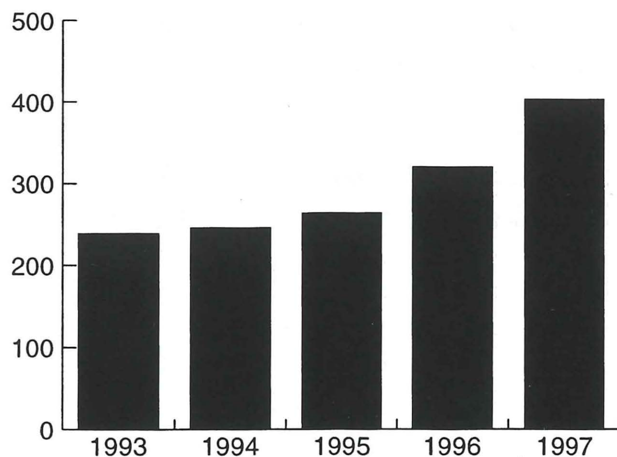
This division manages funding for social services. It also collects, analyzes and maintains data for the department on children's issues and provides a framework of outcomes for measuring program success.

Family and Children's Services Division

This division develops policy, provides a statewide, competency-based training system in partnership with counties and works with counties to prevent child abuse and neglect and to intervene when child maltreatment occurs. The division oversees early intervention services, adolescent services, emergency and transitional housing for homeless youth, family preservation services (including crisis nurseries and services to minor parents), child protection services, out-of-home placement (including foster care), adoption and Indian child welfare.

The Social Services Information System (SSIS) Division

This division develops and implements an automated child welfare case management system for adoption, foster care, children's mental health and out-of-home placement. This system provides information that helps front-line staff manage their cases, helps counties manage their programs and helps the state make better-informed decisions.



Key issues for the Children's Initiative

Protect children

In addition to setting policies and developing legislative proposals on children's issues, CI provides a wide range of support services. CI provides funding and statewide training to counties to ensure they have the skills to meet statewide standards and leadership and assistance to counties and communities to ensure children are protected from harm. CI ensures that all children who come into the child welfare system are screened for special needs and that those who are homeless or need transitional housing get what they need. As the child welfare system focuses on permanent, nurturing homes for children, CI is building a quality assurance system for child welfare that includes external review of department practices and concurrent planning. This is done by developing a system for evaluation, outcome measures and data collection to measure the effectiveness of prevention and intervention efforts.

Improve services

CI seeks to improve children's services by providing support to local social service agencies; sharing best practices; eliminating barriers to providing responsive, effective services to families; providing guidelines for culturally competent services to community and county partners; and communicating and collaborating with county and community partners. CI also provides standards for accomplishing this.

Provide culturally competent services

Providing culturally competent services for children of color is a key CI goal. CI's efforts include recruiting, hiring and retaining a culturally diverse and competent staff; supporting recommendations from advisory committees about meeting the needs of children from diverse communities and distributing guidelines and training for culturally competent services to local and county agencies.

Maintain partnerships

CI seeks to maintain a partnership with counties and communities that focuses on child safety and permanent homes for children.

Continuing Care

Continuing Care defines and implements statewide policy to ensure that a range of services is available to Minnesotans who are elderly or disabled. This area also operates Minnesota's Regional Treatment Centers (RTCs) and community-based services, such as waivered-services homes and day training and habilitation services. Collectively, these programs are referred to as State Operated Services (SOS). A primary goal of Continuing Care is to promote independent living for people with disabilities, by funding or providing a broad range of residential care and social services close to home communities, instead of in institutionalized settings.

Community Supports for Minnesotans with Disabilities Division

This division administers public funding to support programs in the community for people with physical disabilities, traumatic brain injury and developmental disabilities. Individuals can access a wide array of services, including skilled nursing care, home health aides, personal care attendant services, group homes and waivered services.

Mental Health Division

As the state mental health authority, this division ensures that a broad continuum of community-based services is available throughout Minnesota for people with mental illness. This division establishes statewide policy and standards for care and provides funding for new and innovative mental health services and ongoing support for mental-health services through county grants. The division also provides consultative services to spur development of noninstitutional treatment options and assist clients to live and work more independently in the community. The division also includes a compulsive gambling treatment and education program.

Chemical Dependency Division

This division is the state alcohol and drug authority responsible for defining a statewide response to drug and alcohol abuse. This includes providing basic information on chemical dependency, planning a broad-based community service system, evaluating the effectiveness of various chemical dependency services and funding innovative programs to promote reduction of alcohol and other drug problems and their effects on individuals, families and society.

Demonstration Project for People with Disabilities

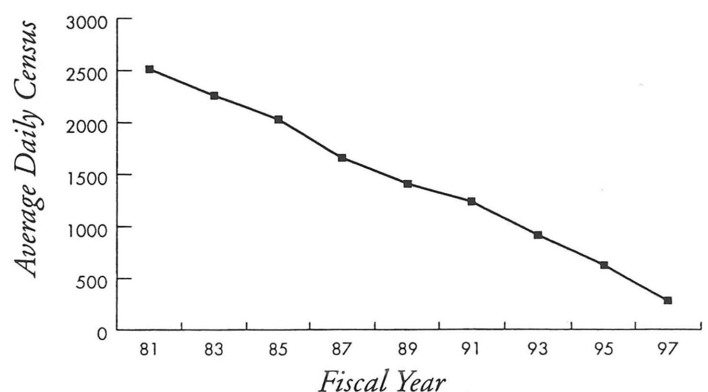
This pilot project brings together advocates, counties, health plans, state agencies and others to define community-based models that apply managed-care concepts to create more flexible health and related services for people with disabilities. The project seeks to improve care and contain costs by combining funding from a variety of sources and centralizing decision-making around client-services planning. The goal is to ensure that needed health and related services are delivered to disabled persons in a timely manner and in ways that best meet individuals' needs. Two sites are targeted to implement this pilot in early 2000.

State Operated Services (SOS)

The RTCs are the safety net for people who are unable to receive services any other way. RTCs in Anoka, Brainerd, Cambridge, Fergus Falls, Moose Lake, St. Peter and Willmar and the state nursing home (Ah-Gwah-Ching) provide services to people with mental illness, developmental disabilities, chemical dependency and traumatic brain injuries and to elderly people with challenging behaviors.

Average Daily Census

in RTC programs for the developmentally disabled



In addition to the RTCs, SOS also are provided at other community sites throughout Minnesota. These programs are often provided in partnership with other community health care providers. In the past decade, a key goal of the SOS system has been to reduce reliance on inpatient care and provide a variety of treatment options in homelike settings, so people can be as independent as possible.

DHS also operates three treatment programs targeted to disabled persons who pose a risk to society:

- The Minnesota Sexual Psychopathic Personality Treatment Center in Moose Lake treats individuals who are committed by the court system as sexually dangerous persons.
- The Minnesota Security Hospital in St. Peter provides forensic mental health services including court-ordered evaluations.
- Minnesota Extended Treatment Options (METO), located in Cambridge, provides both residential and community support services to people with developmental disabilities whose behaviors present a public safety risk. Clients receive intensive treatment so they can live safely in the community.

Key issues for Continuing Care

Broaden community services

As the disabled population ages, there will be increasing strains on the long-term care safety net. Reliance on various alternatives to costly institutional care will be necessary to control growth in public spending.

Comprehensively manage services

DHS plans to investigate how managed care can be used flexibly to meet the needs of people who are elderly or disabled, through such programs as the Demonstration Project for People with Disabilities.

Expand informal supports

DHS will continue to pursue strategies that strengthen and complement informal supports from family, friends and community, for people who are elderly or disabled, including such initiatives as:

- The Self-Determination Project, which gives people with developmental disabilities decision-making and control over service choices that meet their needs and permits them to remain in their home communities.
- The Adult Mental Health Initiatives, a public/private partnership between RTCs, counties, community mental-health providers and consumers, to expand and improve services so people with mental illness can be cared for and treated in their home communities.
- The Performance-based Contracting Demonstration, which focuses quality assurance and oversight on measuring client outcomes and satisfaction for people with developmental disabilities who are receiving services in residential settings.

Economic and Community Support Strategies

Economic and Community Support Strategies (ECSS) works closely with Minnesota counties to help Minnesotans whose financial resources are inadequate to meet their basic needs. It assists low-income families with children to move out of poverty by emphasizing work and providing supports for working families, including child support enforcement. It maintains a safety net for adults without children who are unable to support themselves and provides services to assist deaf and hard of hearing Minnesotans.

Families with Children Division

This division supervises county administration of the Minnesota Family Investment Program (MFIP), the state's welfare reform effort. Based on a successful pilot project, MFIP began statewide on Jan. 1, 1998. In an average month MFIP assists approximately 49,000 families with children to work their way out of poverty with employment services, income supplements and support services. Together with the MAXIS Division, it provides assistance to county staff through training, manuals, information and policy support.

MAXIS Division

This division oversees and maintains the statewide computer system for state and county staff that determines eligibility for cash assistance, MA and food benefits. The division is responsible for statewide issuance of cash and food stamp benefits.

Child Support Enforcement Division

This division supervises county administration of the state's child support enforcement efforts for more than 200,000 cases, including locating absent parents, establishing paternity and enforcing orders for child and medical support. It operates PRISM, a statewide computer system, and statewide programs including a child support payment center, a new hire reporting center, driver's license suspensions and tax refund interceptions.

Adult Supports Division

This division administers the state's cash assistance, food programs and employment services for adults without children, including General Assistance (GA), for about 9,500 people in an average month. The division directly administers social services, cash assistance and employment services to refugees and telephone assistance to low-income elderly and disabled people.

Program Assessment and Integrity Division

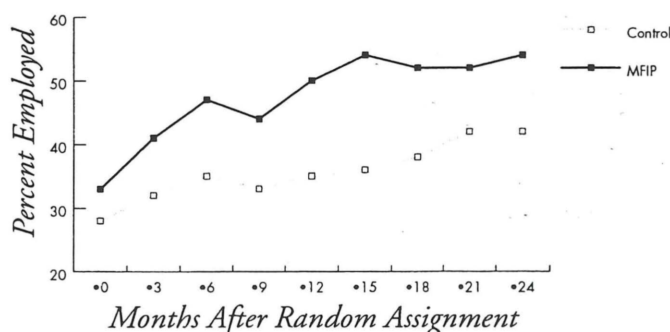
This division provides quality control reviews, quality enhancement, evaluation and data analysis for cash assistance, food stamps, child support and health care programs. It also supervises fraud prevention and control efforts.

Deaf and Hard of Hearing Services Division

This division assists Minnesotans who are deaf, hard of hearing or deafblind live as independently as possible in their communities. Eight offices throughout the state provide these individuals and their families with direct services, including interpreter referral, adaptive equipment loans, information and referral and distribution of specialized telephone equipment and access to other resources.

MFIP Pilot Project Impact Trends

Employment: Urban Long-Term Recipients



Key issues for Ecomonic and Community Support Strategies

MFIP

Continuing to implement and refine MFIP to expect, support and reward work for low-income families with children is ECSS's top priority. Key issues include developing a strategy to intervene with families that are unable to achieve self-sufficiency within MFIP's 60-month time limit and ensuring that state and federal funding continues to be invested in ways that support families moving from welfare to work.

Child support enforcement

Although Minnesota is one of the top-ranked states with aggressive measures to collect child support, many children do not receive the support they need. With a time limit for MFIP, child support payments are even more important to helping families become financially independent. Key issues include continuing implementation of a statewide child support payment center, development of a state-county delivery system that best provides child support services to families, and exploration of ways to help low-income fathers be involved in their children's lives and improve their employment potential so they are able to pay child support.

Program analysis, evaluation and program integrity

Analyzing programs, measuring performance and preventing and controlling fraud enable DHS programs to operate efficiently and be accountable. Priorities include conducting a comprehensive five-year study evaluating the experiences and outcomes of MFIP participants and helping develop a departmentwide policy and approach to fraud investigation and program integrity.

Safety net

Providing a safety net for the neediest Minnesotans, including poor single adults who often have multiple barriers to employment, is also an ECSS priority. Key issues include re-examining GA benefit levels, developing alternative approaches and better coordination with other state agencies serving these individuals and providing state food assistance for noncitizens who have lost federal food benefits.

Direct services

Improving services and developing new initiatives will better meet the needs of deaf, deafblind and hard of hearing Minnesotans. Key priorities include consolidating mental health funding and providing more access to interpreters in greater Minnesota. Improving technology and access through the Telephone Assistance Program will ensure that low-income Minnesotans have telephone service.

Systems

Continuing development and operation of MAXIS and PRISM are critical to support welfare reform, deliver services using new technology, automate health care services and enforce and collect child support.

Finance and Management Operations

The Finance and Management Operations (FMO) area of DHS affects virtually every client who comes in contact with DHS services, through its financial, legal, regulatory and management operations roles. Although this assistance is often invisible to the recipient, FMO provides the operations backbone for DHS to fulfill its mission to help Minnesotans whose personal or family resources are inadequate to meet their basic needs.

Budget Analysis Division

This division manages and directs the department's biennial, capital and supplemental budgets into an agencywide framework that reflects department priorities. This office also coordinates the DHS performance report process and conducts analyses related to DHS initiatives.

Financial Management Division

This division provides fiscal services and controls financial transactions for accounting for more than $12 billion in program funds. Core functions include preparing financial portions of department budgets, paying department obligations, processing department receipts and preparing employees' payroll.

Reimbursement Division

This division administers a comprehensive system of billing, payment and accounting for the cost of care provided through the state's health care facilities, State Operated Services, the Consolidated Chemical Dependency Treatment Fund and MA parental fees. It also is the lead area for the statewide accounts receivable project.

Reports and Forecasts Division

This division meets federal reporting requirements for cash assistance, medical programs and food stamps; provides forecasts of program caseloads and expenditures used in budget development; provides fiscal notes to accompany proposed legislation and responds to the need for statistical information.

Special Projects Office

This office conducts cross-agency analysis of service delivery, efficiency and research and evaluation to improve services and processes on an ad-hoc basis. Recent efforts include county accountability studies and county service expenditure profiles. This area also manages the budget and legislative process for FMO-specific proposals and provides communication functions related to legislative, budget and FMO services.

Appeals and Regulations Division

This division conducts fair hearings when applicants or recipients appeal a delay in their application or a denial, reduction, suspension or termination of financial assistance or social services. It manages department contracts and data practices requests and advises the commissioner on family system licensing appeals. This area also provides support for the development of administrative rules and manages department manual and bulletin processes.

Provider Appeals Division

This division handles appeals from long-term care providers regarding payment rates. This area also reviews appeals from hospitals and physicians enrolled in Medical Assistance (MA) and General Assistance Medical Care (GAMC) regarding denials of payment for inpatient hospital services.

Licensing Division

This division licenses approximately 27,000 residential and nonresidential programs for children and vulnerable adults. These programs include child care centers, family child care (via the counties), foster care, adoption agencies, and services for people with developmental disabilities, chemical dependency and mental illness. This area also completes investigations of maltreament of clients and annually conducts criminal background checks for more than 200,000 individuals providing services in facilities licensed by DHS and the state Department of Health.

Internal Audits Office

This office provides independent auditing appraisals. Its staff evaluates accounting, financial and operating controls.

Management Services Division

This division provides a broad range of administrative support services including purchasing, graphic design, printing, recycling, facilities management, fixed asset inventory and video and voice communications.

Health Care Operations Division

This division processes medical claims for the MA, MinnesotaCare, GAMC programs; coordinates benefits with third-party payers; handles special financial recoveries; and works with health care providers to ensure prompt payment for the services they provide.

Health Care Systems Division

This division provides technical support for the Medicaid Management Information System (MMIS).

Health Care Systems Policy Division

This division oversees the development of policies related to health care systems to ensure policy consistency and prioritize tasks.

Key issues for Finance and Management Operations

Revenue issues

Growing public and private financial sector complexity means more effort is required to ensure that DHS is taking in revenues from all sources and is the payer of last resort.

Block grants

Federal block grants and capped programs in health care mean changes in how services are managed and how computer systems back them up.

Increasing legal needs

Litigation is increasing both because it parallels a societal increase and because of major program changes such as welfare reform.

Use of contractors

Greater use of contracts continues to be made to purchase special expertise, particularly in health care and computer technology.

Space needs

Space and rent continue to be issues. A new DHS building is needed to consolidate the nine Central Office locations.

Federal reimbursement

Title XIX and food stamp federal reimbursement may be capped or reduced by federal action.

Welfare reform administration issues

County administrative cost allocation and distribution for Temporary Assistance for Needy Families (TANF) is an issue that needs to be addressed.

Administration costs

MNASSIST—the statewide system for budget concerns, procurement, payroll, etc.—charges continue to increase.

Electronic commerce

Implementation of the HIPAA Uniform Business Standards is an issue. HIPAA requires national uniform provider identifiers and a standardized series of eight electronic transactions that must be used by all payers and providers with two of the most common transactions being an electronic claim and electronic remittance advice. Renumeration and cross-referencing with all Medicare intermediaries, development of additional electronic transactions and modifications of MMIS will be necessary.

Health Care

Health Care administers the three state-subsidized health care assistance programs, providing high quality, affordable, cost-effective health care coverage for more than 500,000 low-income Minnesotans—many of them families with children, and people who are elderly or disabled. DHS purchases services from health plans and other providers throughout the state. This administration is responsible for purchasing policies, contracting and negotiating between state health care programs and health plans and providing oversight and evaluation of health care programs and participating health plans.

Health Care for Families and Children

This division develops eligibility policy for the three state-subsidized health-care programs—Medical Assistance (MA or Medicaid), General Assistance Medical Care (GAMC) and MinnesotaCare. This division supervises administration of the eligibility programs, performed by counties and MinnesotaCare operations, by providing training and other assistance, and determining enrollment.

- MA, Minnesota's joint federal/state-funded Medicaid program, covers 384,000 low-income or medically needy seniors, children and families and people with disabilities. GAMC, which is state funded, covers 34,000 low-income Minnesotans who don't qualify for MA—primarily adults without dependent children.

- MinnesotaCare is the state's subsidized health insurance program for residents who can't afford private health insurance but earn too much to qualify for MA or GAMC. Eligibility and premiums for the 102,000 enrollees are based on income and family size. MinnesotaCare is central to Minnesota's welfare reform strategy, recognizing that many people can leave welfare and go to work if they can afford health care coverage for their families.

Performance Measurement and Quality Improvement (PMQI)

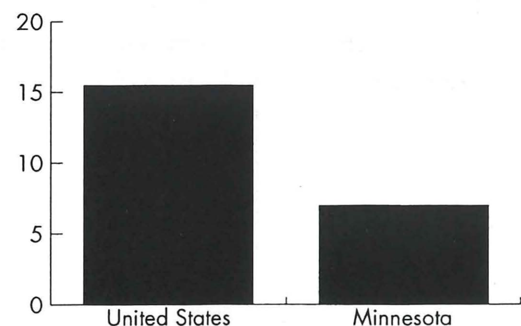
This division researches and develops performance measures to evaluate DHS' health care programs, including developing and maintaining health-care data and information systems, conducting clinical-focus studies, evaluating population health, administering satisfaction surveys and establishing quality assurance and improvement standards for health care purchasing on behalf of public clients. PMQI also monitors Medicaid fraud and abuse, oversees managed-care quality assurance and improvement and administers Minnesota's federal Early Periodic Screening, Diagnosis and Treatment program—comprehensive health screening for children and teens under MA and MinnesotaCare.

Purchasing and Service Delivery

This division administers negotiations, contracting, purchasing and benefits and payment policies for the health care assistance programs, including establishing rates for health services, monitoring and oversight of contracted agencies. Purchasing also oversees customer service and provider help lines and operates a prior authorization unit, a managed care ombudsman unit and provider relations, training and publications.

Percent of Children Uninsured

U.S. vs. Minnesota Average 1994-1996



Source: Number of uninsured children from U.S. Bureau of the Census, Current Population Survey, March 1995, 1996 and 1997 surveys.

DHS purchases health care services through both fee-for-service and managed care. To improve access and quality while containing costs DHS increasingly relies on managed-care services, including the Prepaid Medicaid Assistance Program (PMAP), in which the state contracts a capitated monthly rate with prepaid health plans for MA, GAMC and MinnesotaCare recipients. Most of the enrollees in Minnesota's three health care programs are in managed care.

State Medicaid Director

The state Medicaid director administers policy for the federal Medicaid program in Minnesota, including serving as liaison to the Health Care Financing Agency (HCFA) and overseeing tribal and waiver relations.

Key issues for Health Care

Health care access

Increase access to affordable, quality health care coverage for low-income Minnesotans who are still uninsured, including increased outreach and enrollment in MinnesotaCare.

Simplification

Simplify application procedures for health care assistance programs.

Purchasing strategies

Pursue innovative, cost-effective purchasing strategies, including county-based purchasing, that provide counties the option of purchasing their own health care programs for MA and GAMC recipients.

KidCare

Gain access to $28.4 million in federal KidCare (SCHIP—State Children's Health Insurance Program) funding, currently in jeopardy.

Dental access

Increase access to dental services for enrollees in our health care assistance programs.

Managed care

Improve effectiveness of managed care through performance measures and purchasing strategies.

Accountability

Establish benchmarks from which to measure health-plan accountability.

Program integration

Align and integrate MA, GAMC and MinnesotaCare for greater consistency, simplicity and transition between programs.

Programs for seniors

Expand programs, such as MSHO, to improve coordination between acute and long-term care coverage and between MA and Medicare.

Expand benefits

Expand health coverage benefits and eligibility without eroding private-sector incentives, including employer-subsidized insurance.

Information and Technology Strategies

Information and Technology Strategies (ITS) supports the agency's purpose to manage fiscal resources and develop and maintain a workplace that is professionally competent and technologically literate. ITS manages a considerable base of applications and technology to provide the resources necessary to build the department's information infrastructure and six core information systems (MAXIS, MMIS, EBT, PRISM, SSIS and EIS). Information technology initiatives are coordinated within the department and with other agencies.

IT Financing and Commerce

This division is responsible for development and funding of IT operations and procurement, electronic commerce/access to government, contract management and legislative reports.

Information Policy and Special Projects

This division oversees policy development, internet/intranet/extranet management, communication strategies, knowledge management, county relationships and Y2K compliance.

Technical Services

This division is responsible for network architecture, customer support, desktop management, operational support and network integration/planning.

Application Development

This division oversees Executive Information System/data warehousing, small application/development, data standardization and the imaging/document management program.

Electronic Benefits Transfer

This division is responsible for electronic benefits transfer (EBT) procurement and operations, federal benefits, retailer relationships, EBT legislation and smart card (cards that hold a chip capable of much more data than a magnetic stripe card) technology.

System Security

This division oversees technical security, disaster recovery, technology-assisted learning and is the MNASSIST/SSP (the statewide system for budget concerns, MAPS, procurement and payroll) liaison.

Key issues for Information and Technology Strategies

Y2K compliance

Dec. 31, 1998, is the target date to complete work on Y2K compliance for critical systems. Continuation of client services and business processes depend on satisfactory preparation for Y2K.

Systems infrastructure and workforce

Work continues to update the capabilities of the existing infrastructure to support the future work of DHS, to provide maximum availability of services, a foundation for web site development and standard desktop applications.

Next generation of delivery systems

Work has begun to determine the next generation of systems that will support delivery of programs to people. These systems must provide a single point of access that spans traditional boundaries. They also must integrate with nontechnological solutions and shift from controlling to supporting service.

Data management

How we handle data and understand it is a key challenge for not only ITS but also the department as a whole. Transforming data to knowledge, maintaining access and security and collaborative efforts with other state agencies are just some of the issues.

Network and computer maintenance

A base to provide adequate support to more than 2,000 work stations requires a level of support and replacement/updating that currently is not in place. Strategies to centralize this support are a more efficient way of meeting departmentwide demands.

Human Resources Management

The Human Resources Division (HR) provides consultation and services to DHS in the areas of hiring, classification, organization development, safety, health and wellness, workers' compensation, liability, emergency services, employee assistance, compensation, training and labor relations. HR also provides hiring, classification and compensation services to 76 county human and social service agencies through the Minnesota Merit System.

DHS operates within a statewide HR system described in statute and administered by the Department of Employee Relations (DOER). DOER has a great deal of authority, although DHS has obtained delegated authority for many activities related to hiring, job classification and starting salaries. DHS also has statutory authority to experiment with civil service pilot projects as long as those projects are approved by a joint labor-management committee.

Classified employees

Employees are either *classified* or *unclassified,* with 90 percent being classified. *Classified* employees generally compete through a formal selection process and, after serving a probationary period, they acquire permanent status, which means that they cannot be discharged except for *just cause.* Case law has established several tests that must be met to justify and sustain disciplinary action based on the statutory definition of just cause.

A key component of a just cause case is *progressive discipline*, which consists of the following sequence of actions: (a) coaching and counseling, (b) warning, (c) oral reprimand, (d) written reprimand, (e) suspension/temporary reduction in pay (some contracts only), (f) demotion and (g) discharge. One or more of the actions at each step may occur before moving on to the next level of discipline. A lower level of discipline may be skipped if the nature of the offense is so severe as to warrant the harsher action.

Unclassified employees

Unclassified employees are "at will" employees, meaning that they can be hired and fired at the pleasure of the appointing authority. Three types of unclassified employees exist at DHS:

- Statutory Unclassifieds. These are as defined by Minn. Stat. §43A.08, Subd. 1 and a department's own enabling legislation. At DHS, they include the commissioner, commissioner's secretary, deputy commissioner and six assistant commissioners. They also include the chief executive officers at the regional centers. The CEOs, however, can be removed from their positions only for just cause.

- Policy-making Unclassifieds. These are additional positions that a commissioner can establish if they meet the criteria contained in Minn. Stat. §43A,08, Subd. 1a which, in short, says that the jobs must be policy-making positions reporting to either the commissioner or the deputy commissioner and must be part of the commissioner's senior management team. Commissioners typically use this authority to establish aides and assistants in the commissioner's office.

DHS employees statewide

As of September 1998, DHS had about 6,700 employees in these areas:

Area	Employees
Central Office	1,715
Eastern MN State Operated Services	731
Ah Gwah Ching Center	307
Fergus Falls RTC	558
Anoka-Metro RTC	652
St. Peter RTC	760
Brainerd RHSC	651
Willmar RTC	556
Cambridge RHSC/METO	299
Moose Lake SPPTC	439

- Temporary Unclassifieds ("Rule 10"). These are temporary professional, supervisory or managerial positions established pursuant to Minn. Stat. §43A.08, Subd. 2a for a maximum of three years. They are usually used for short-term special projects or jobs for which there is limited-time funding. As of July 1998, DHS had 277 temporary unclassified positions in Central Office and a handful in the RTCs.

A new position or a vacant classified position can be placed in the unclassified service using the appropriate statutory authority. An occupied classified position also can be placed in the unclassified service, but the incumbent of the position has rights to remain in the position for 12 months. They can be removed anytime thereafter with 30 days' notice. See Minn. Stat. §43A.07, Subd. 6.

Labor relations

Almost all executive branch jobs are assigned to bargaining units exclusively represented by a union. Exceptions are managerial jobs and jobs defined as confidential solely because they have an active role in bargaining (or preparing for bargaining). The state labor negotiator at DOER is the chief "spokesperson" for management, although DHS has 19 supplemental agreements for which the DHS labor relations manager is the chief spokesperson under delegated authority from DOER. DHS employees are represented by these unions: American Federation of State, County and Municipal Employees (AFSCME); Minnesota Association of Professional Employees (MAPE); Middle Management Association (MMA); State Residential School Employees Association (SRSEA); and the Minnesota Nurses Association (MNA).

Job security is a major issue for the unions. DHS has a major memorandum of understanding (MoU) with its unions that provides for no layoffs in the regional centers under certain conditions. If employees whose jobs are being abolished want to stay with DHS, they can do so provided that they are willing to relocate to wherever a job is available. They also may take a cash option of $7,500 to leave or an early retirement option. This MoU has a major impact on how we do business in the state-operated services.

Other significant labor issues include:

- The expiration of all current contracts on June 30, 1999 (and, thus, the possibility of a strike by one or more of our bargaining units).
- Strong union opposition to outsourcing and contracting out state work.
- The proliferation of unclassified positions.

Equal Opportunity, Affirmative Action and Civil Rights

The Equal Opportunity, Affirmative Action and Civil Rights Office develops and administers plans and programs to ensure equal access to human services and to provide for a diverse workforce. These programs extend to the department, county welfare and human services agencies and local and county public health and emergency offices covered under the provisions of the Minnesota Merit System.

Workplace mediation

The office developed a peer mediation program that was piloted in two DHS sites in 1998. In the workplace, mediation is recognized as an effective and cost-efficient way of resolving issues between employees that might otherwise lead to litigation or negatively impact the workplace. Twenty DHS employees were trained in mediation principles and techniques.

During the program's first six months, nine disputes were successfully resolved, confirming that mediation offers employees a chance to resolve issues at the earliest possible stage. As a result, its use will be expanded throughout DHS.

Executive Pathways

The office coordinates a "hands-on" internship opportunity called the Executive Pathways program. It is an affirmative effort that focuses on providing job and learning experience to students of color who are pursuing careers in public service. Students are placed in internships in a variety of DHS program areas. The internships include practical career preparation and mentoring through job duties and interaction with department staff, supervisors and managers who are engaged in carrying out DHS' mission.

Feedback from both students and supervisors has been positive. In fiscal years 1998 and 1999, seven students were selected. Following their internships, five of those individuals were offered other, ongoing positions at DHS, attesting to the program's success.

External Relations

Several special offices direct and coordinate the relationships the department has with various external organizations, including the media, counties, federal government, the Legislature and sovereign tribal governments. These offices have a number of objectives, some of which are interrelated, including to:

- Provide counties with necessary feedback for improved management of services, and make information available regarding their performance.
- Determine when to seek remedies—and whether remedies are legislative or administrative—to federal policy that has a negative impact on Minnesotans.
- Support tribal governments that exercise their rights to implement federal programs for their citizens rather than having counties provide services, while remaining supportive of the 87 counties through which most human services have traditionally been delivered and many continue to be.
- Coordinate DHS' legislative program as well as departmental response to outside legislative proposals, ensuring consensus around a single position despite different initial views from various departmental divisions.
- Capitalize on opportunities to communicate department messages and advance policy objectives through the media while being responsive to media requests for public information.

County relations

The county relations representative takes a lead role in the department's relationships with Minnesota's 87 counties, which provide most of the services the department administers.

Federal relations

The federal relations representative is responsible for developing an agency framework for responding to federal human services reforms.

Legislative relations

The legislative relations coordinator manages the procedures and follows the sequence of human services related legislation through work with agency staff, the Department of Finance, the Governor's Office, Minnesota Planning, the Legislature and the Revisor of Statutes.

Tribal relations

The tribal relations representative is responsible for providing coordination of ongoing consultation with tribal governments and, where appropriate, state and federal agencies, relating to the implementation of DHS services on Indian reservations.

Communications

The Communications Office coordinates department communications efforts. Communications responds to inquiries from the news media and prepares information that helps the general public understand department services and human services policies.

Glossary of commonly used terms

GA—General Assistance, a state-funded cash assistance program serving about 9,500 adults without children in an average month.

GAMC—General Assistance Medical Care, a state-funded program that covers 34,000 low-income Minnesotans who don't qualify for MA—primarily adults without dependent children.

MA—Medical Assistance, Minnesota's joint federal/state-funded Medicaid program, which covers low-income or medically needy seniors, children and families, and people with disabilities.

MAXIS—Computer system that determines eligibility for cash assistance, Medical Assistance and food stamps.

MoU—Memorandum of Understanding, an important agreement between DHS and its bargaining units regarding staff in the State Operated Services.

MFIP—Minnesota Family Investment Program, the state's welfare reform program, which serves a monthly average of 49,000 families.

MMIS—Medicaid Management Information System, the computer system for health care programs.

MSHO—Minnesota Senior Health Options, a demonstration project for people eligible for both Medical Assistance and Medicare.

PRISM—Child support enforcement computer system.

RTCs—Regional Treatment Centers, the state's safety net for people with disabilities who are unable to receive services in any other way.

SOS—State Operated Services, the collective term for Regional Treatment Centers and community-based services that are run by DHS.

SSIS—Social Services Information System, a computer system currently being developed by the Children's Initiative.

TANF—Temporary Assistance for Needy Families, replaced Aid to Families with Dependent Children (AFDC).