



HOUSE BILL 1012

House Appropriations | Human Resources Division
Representative Jon Nelson, Chairman

ADMINISTRATIVE SUPPORT BUDGET OVERVIEW

Arnie Strebe, Chief Administrative Officer / Chief Financial Officer

NORTH
Dakota
Be Legendary.™

| Human Services

DHS MISSION AND OPERATING PRINCIPLES

Provide quality, efficient, and effective human services, which improve the lives of people



- Services and care should be provided **as close to home as possible**
- Services should be **provided consistently across service areas** to promote equity of access and citizen focus of delivery

- Services should be administered to **optimize** for a given cost **the number served** at a service **level aligned to need**
- Investments and funding in DHS should **maximize ROI for the most vulnerable** through safety net services
- Cost-effectiveness should be considered holistically, acknowledging **potential unintended consequences** and **alignment between state and federal priorities**

- Services should help vulnerable North Dakotans of all ages maintain or enhance quality of life by:
- Supporting **access to the social determinants of health**: economic stability, housing, education, food, community, and health care
- **Mitigating threats** to quality of life such as lack of financial resources, emotional crises, disabling conditions, or inability to protect oneself

DEPARTMENT OF HUMAN SERVICES

Quality services, Proven results, Closer to home

- 1 Base decisions on **quality, efficiency**, and **effectiveness**.

Find success in a resource-constrained environment.

Make **reductions** in some areas **and** **investments** in others to optimize outcomes.
- 2 The state has **enough treatment beds**. Investing in **earlier interventions** can help **avoid crisis**.

Right service. Right place. Right time.

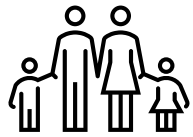
Serving people in **lowest level of care necessary** will return **better outcomes**.

To deliver services closer to home, **all** have to be **willing to change** how they do business – DHS can't do this alone.
- 3 How we **pay** for services should be **fair** and **equitable** across systems.

Inequity in rates **affects** people's ability to **access** services - providers often prioritize more lucrative payment opportunities

Demonstrate value to taxpayers. **Value** equals **high quality cost efficient care**.

DHS 2021-2025 KEY PRIORITIES



Strong Stable Families

- Maintain family connections
- Improve stability and prevent crises
- Promote and support recovery and well-being



Early Childhood Experiences

- Support workforce needs with improved access to childcare
- Help kids realize their potential with top quality early experiences
- Align programs for maximum return on investment



Services Closer to Home

- Create pathways that help people access the right service at the right time
- Engage proactively with providers to expand access to services



Efficiency Through Redesign

- Embrace process redesign to find efficiencies in our work
- Leverage technology to support greater efficiency, quality and customer service



High-Performing Team

- Develop a One DHS Team culture
- Engage team with opportunities for learning and development
- Implement fiscal scorecard to drive efficiency and effectiveness

Reinforce the Foundations of Well-being

Economic Health | Behavioral Health | Physical Health

WHO WE ARE

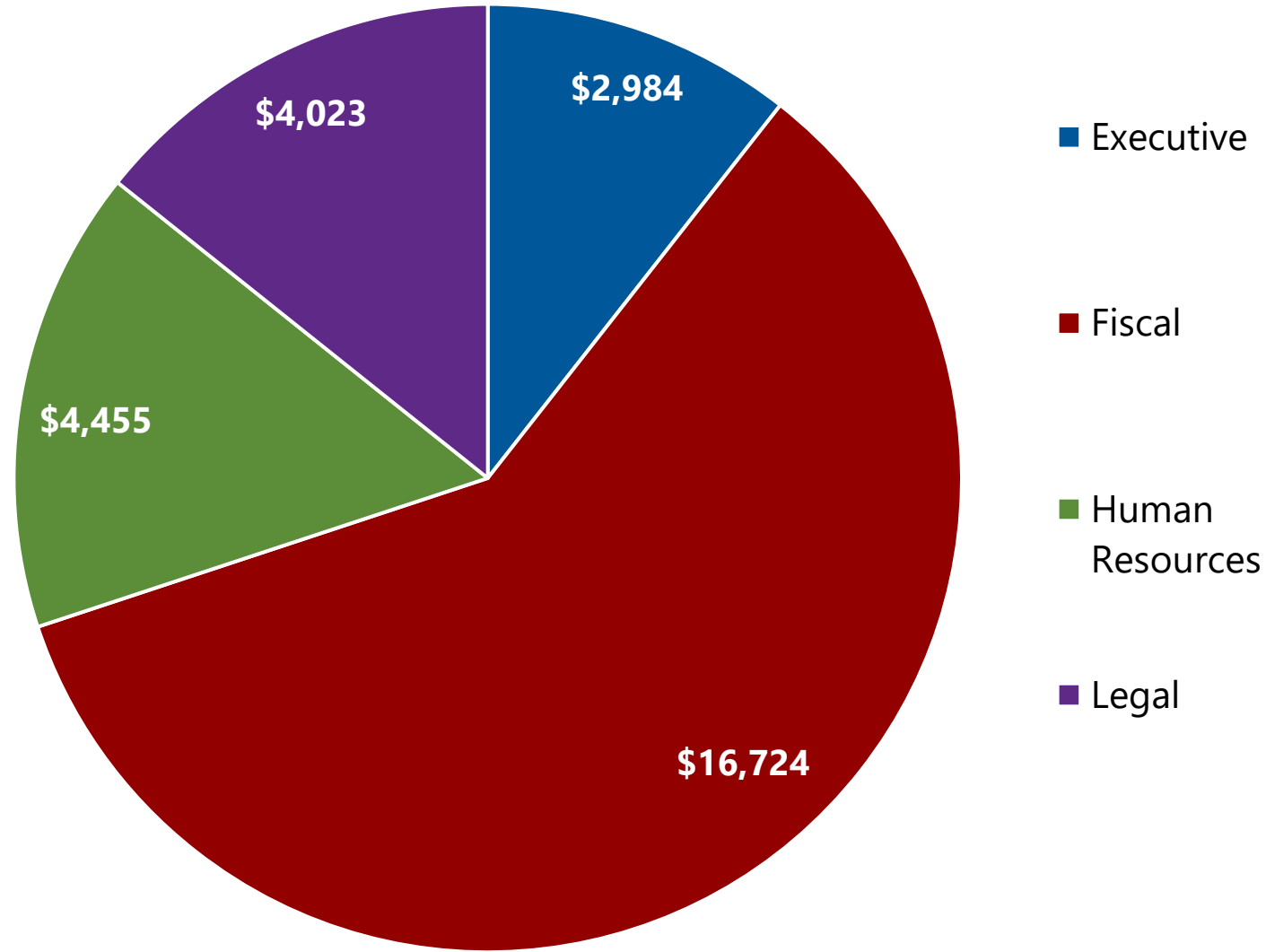
Administration Support

- Human Resources
- Legal Services
- Fiscal
- Logistics Management – New 19-21
- Strategic Communications – New 19-21

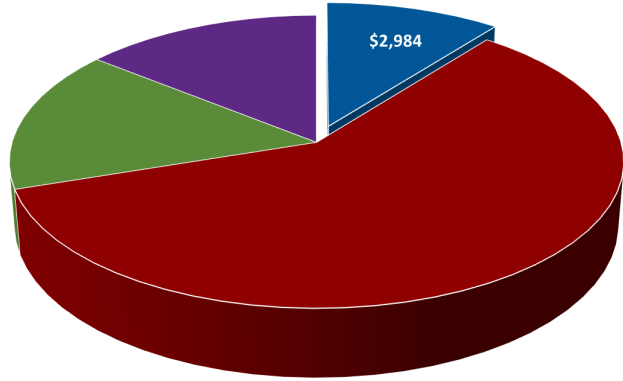


*We support the people who
serve the people*

2021-2023 EXECUTIVE RECOMMENDATION ADMINISTRATION-SUPPORT (THOUSANDS)

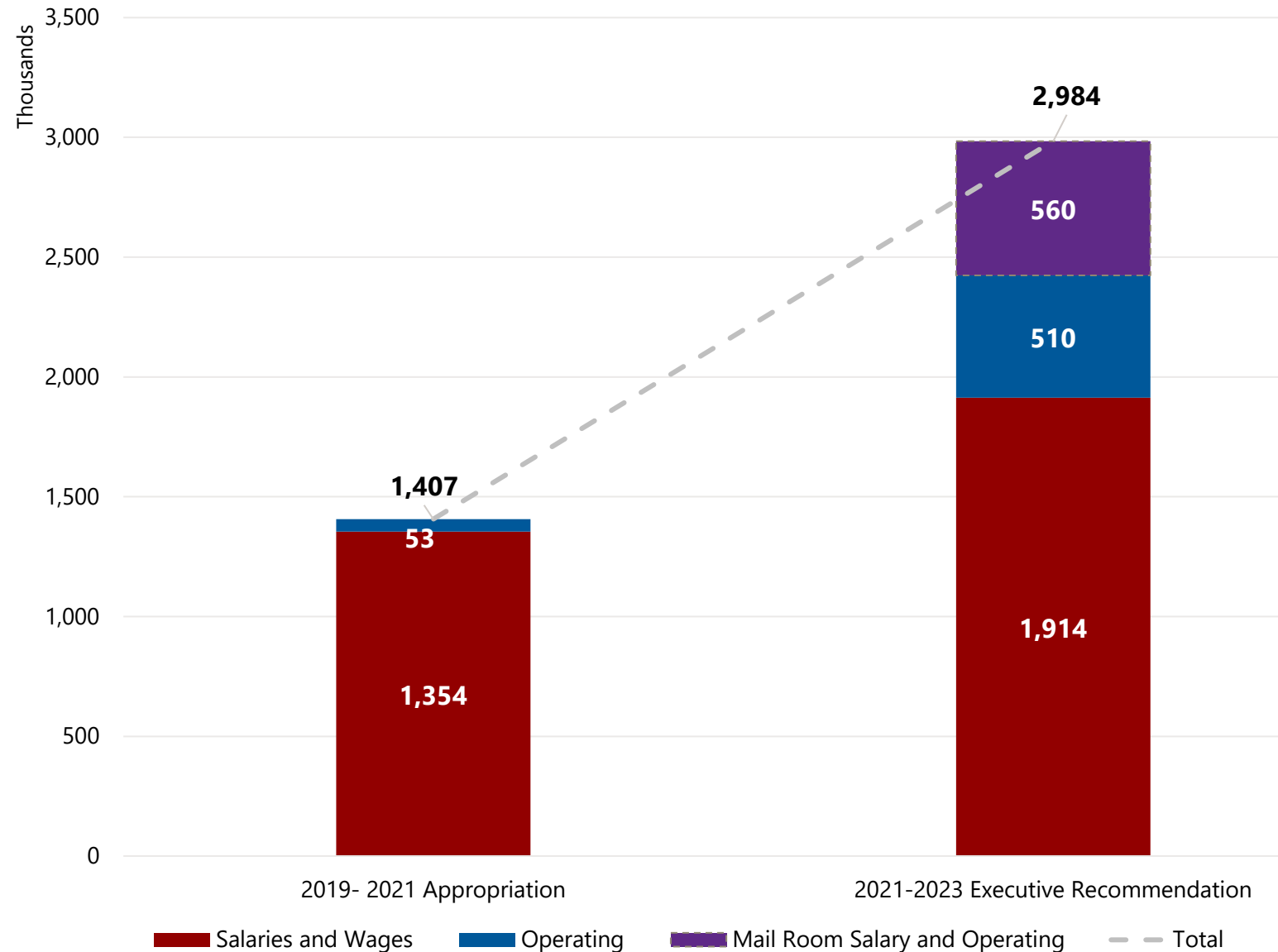


EXECUTIVE OFFICE



- 11.0 FTE
- Provides programmatic direction and oversees operation of:
 - Program and Policy
 - Medical Services
 - Behavioral Health
 - Administration Support
 - Mailing services
- Provides guidance and/or information to:
 - Governor
 - Legislators
 - Congress
 - Political subdivisions and Tribes
 - Public and Mass Media

Budget Overview

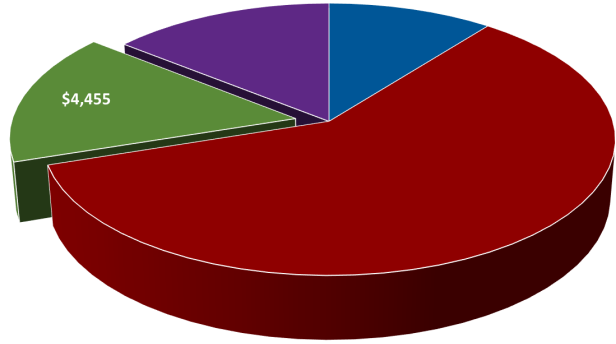


HUMAN RESOURCES – GOALS

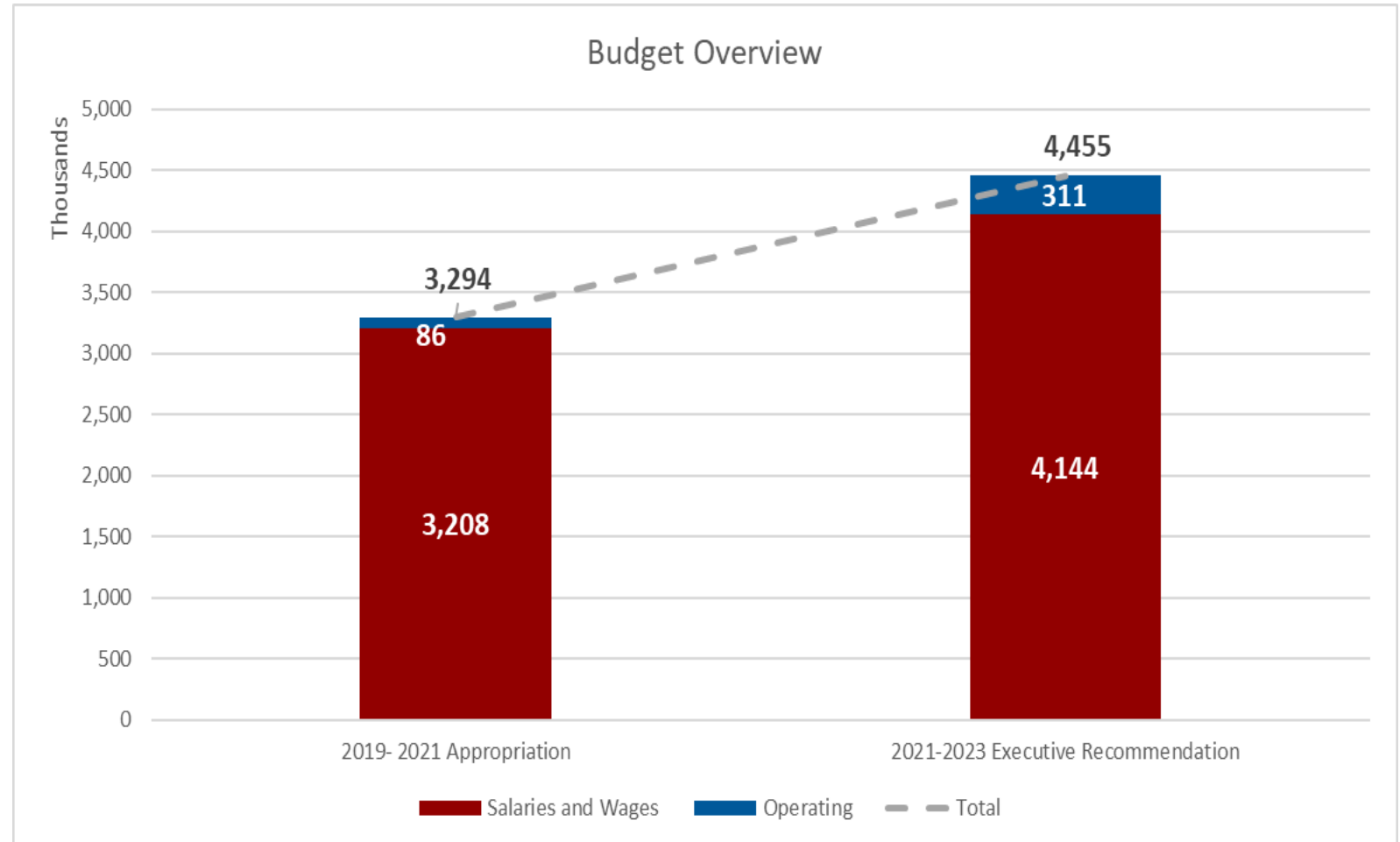
- New Workplace
- Employee engagement
- Recruitment / staffing
- Succession planning
- Automation of processes



HUMAN RESOURCES



- 21.80 FTE
- Talent Acquisition
- Performance Development/Management
- Classification/Compensation
- Position/FTE Management
- Payroll/Data Management
- Learning & Development
- Compliance/Regulation
- Employee Relations
- Risk Management/Safety/Wellness
- Disaster Preparedness
- County Social Service/Zone HR support

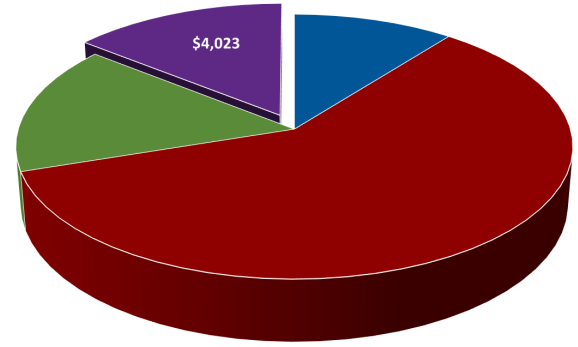


LEGAL – GOALS

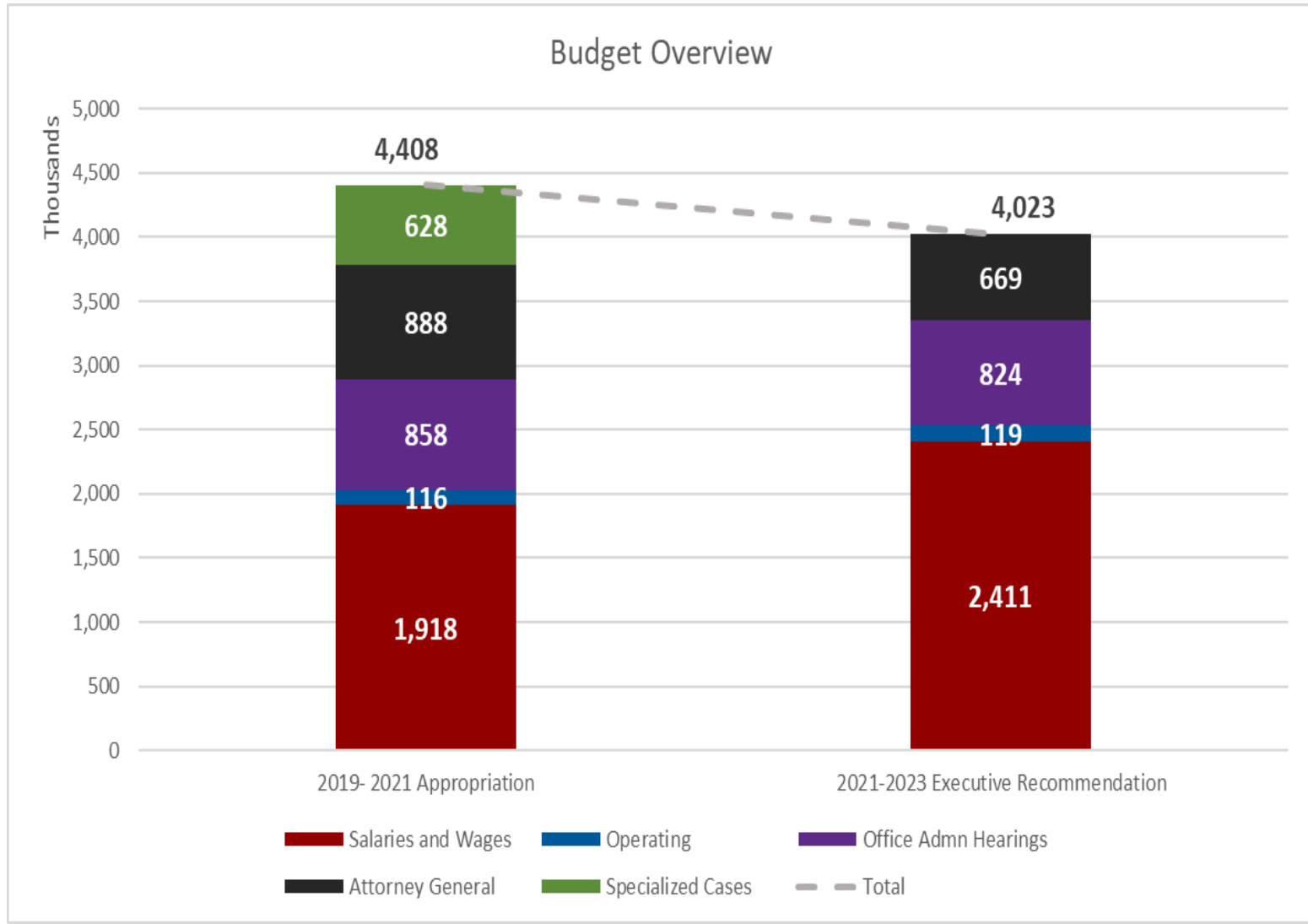
- Provide general counsel and policy analysis
- Process administrative appeals
- Assist with, plan and develop administrative rules
- Implement administrative and program policy
- Draft proposed legislation



LEGAL UNIT-ADVISORY

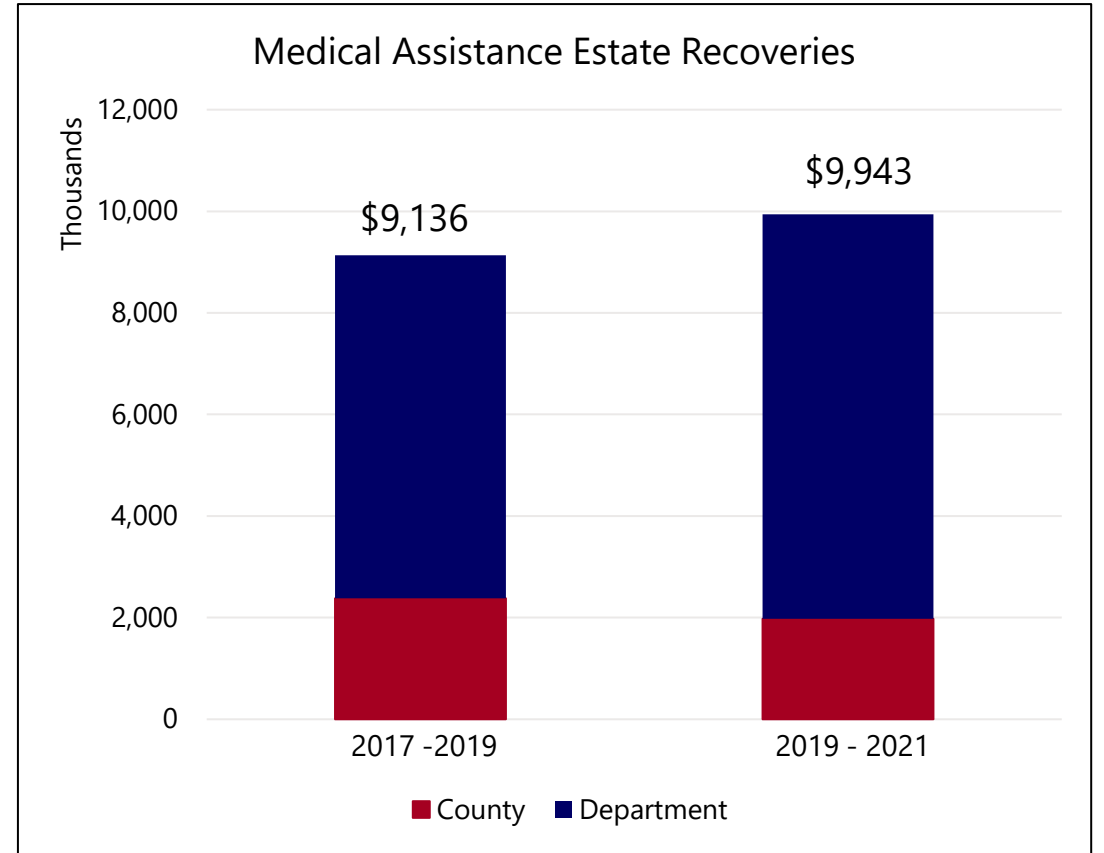


- 10.75 FTE
- Provides assistance in policy analysis, interpretation, development, training, and information
- Provides legal advice to the Department as authorized by the Attorney General
- Coordinates the appeals process for DHS clients and providers so they can obtain final decisions
- Facilitates estate recovery
- Serves as the Department's Civil Rights Office, ADA Compliance Office, and HIPAA Privacy Office
- Draft proposed legislation



LEGAL UNIT-ADVISORY

Number of:	SFY 2019	SFY 2020
Request for Fair Hearings	306	265
Provider Appeals	384	626
Intentional Program Violation	280	173
Civil Rights	18	13
Administrative Rules/ Legislative Process	4	42
Trust Review Files	87	84

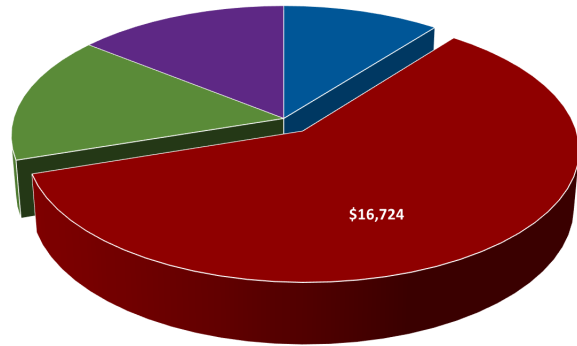


FISCAL ADMINISTRATION – GOALS

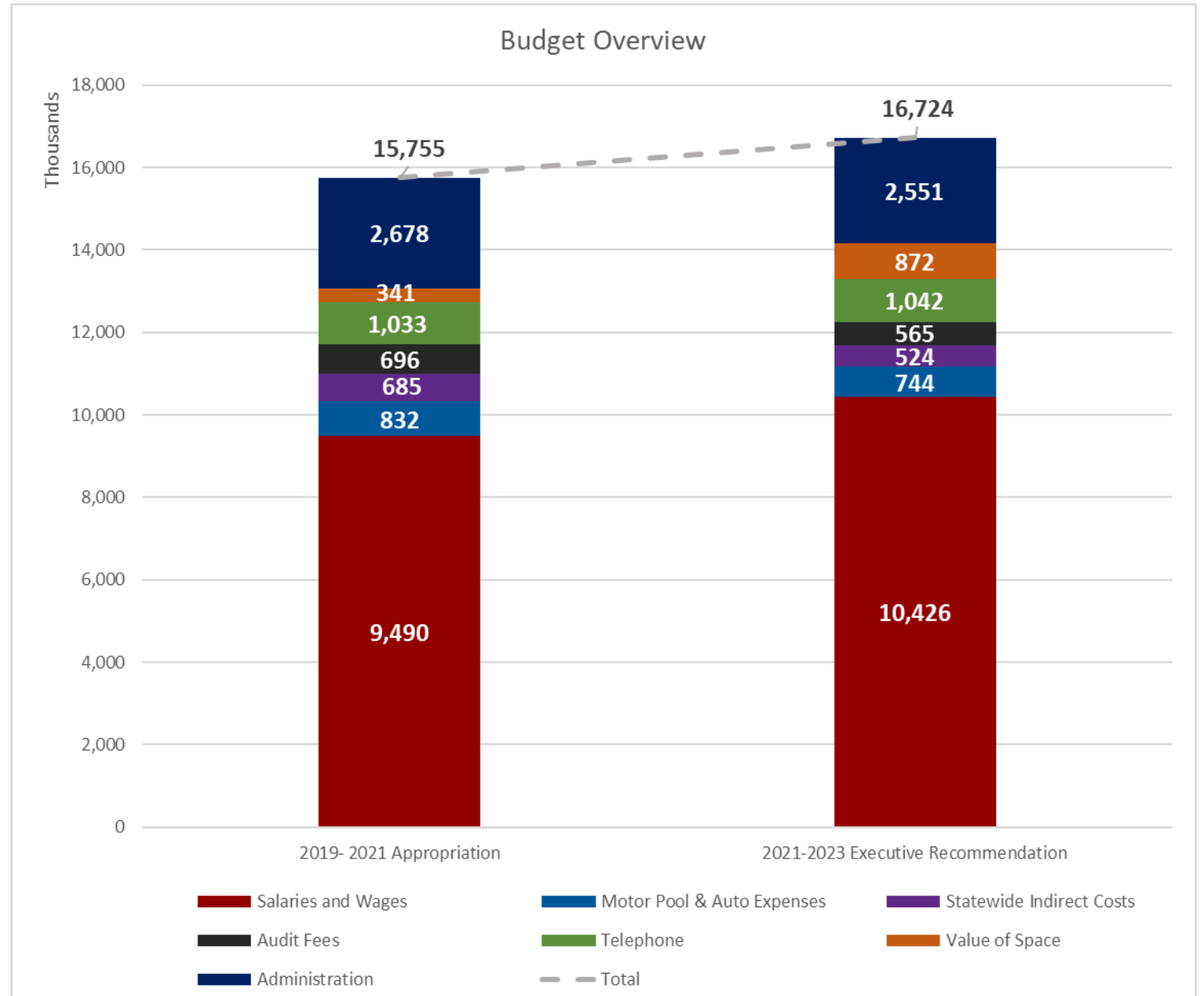
- Train and develop the fiscal team
- Improve fiscal effectiveness and efficiencies
- Develop a fiscal business scorecard
- Improve the fiscal acumen of the department
- Streamline fiscal processes
- Develop logistics



FISCAL ADMINISTRATION



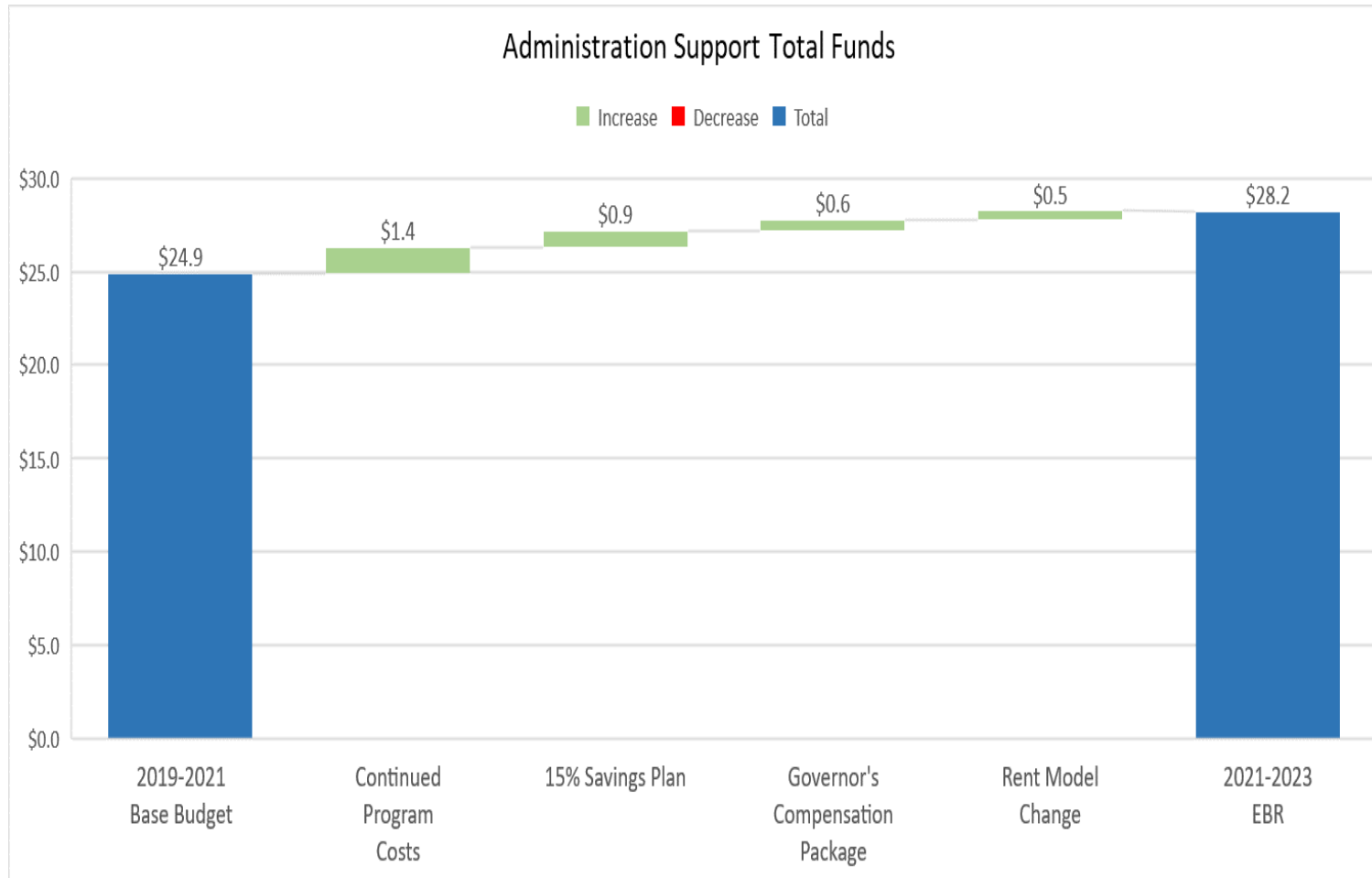
- 54.30 FTE
- Provides the following to program administrators to manage and achieve program results:
 - Budgeting and projection reports
 - Reporting
 - Cash management services
 - Procurement
 - Contract drafting and monitoring
 - Facility management
 - Centralized billing and receivable tracking for field services
 - Internal Controls
 - Audit review assistance
 - Sub-recipient Monitoring



OVERVIEW OF BUDGET CHANGES

Description	2019-2021 Budget	Increase/ (Decrease)	2021-2023 Executive Budget
Salary and Wages	16,939,176	2,509,310	19,448,486
Operating	7,925,303	812,231	8,737,534
Capital			-
Total	24,864,480	3,321,540	28,186,020
			-
General Fund	16,861,917	1,208,046	18,069,964
Federal Funds	6,581,522	3,322,296	9,903,817
Other Funds	1,421,040	(1,208,801)	212,239
Total	24,864,479	3,321,540	28,186,020
Full Time Equivalent (FTE)	89.85	8.00	97.85

OVERVIEW OF BUDGET CHANGES



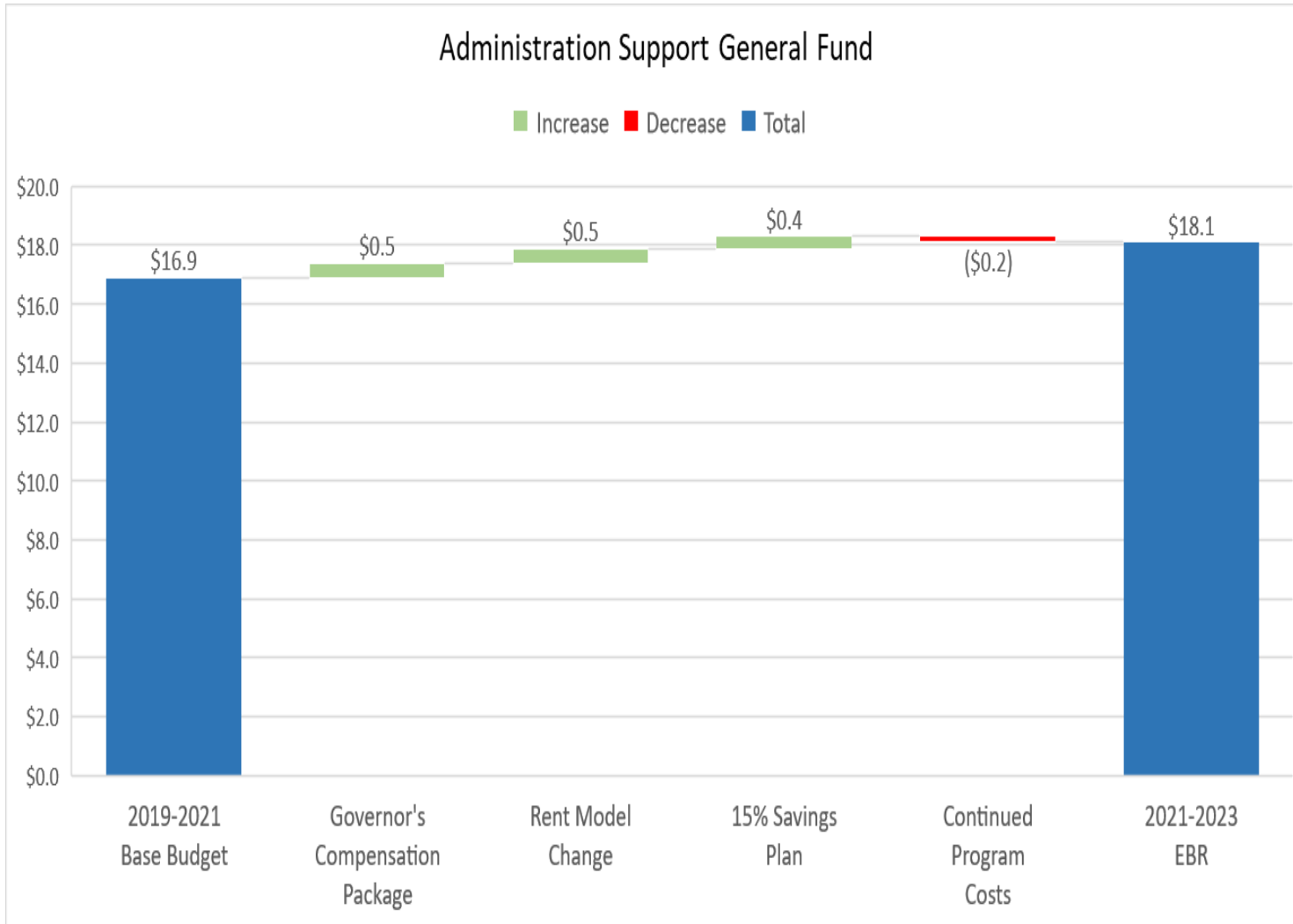
Continued Program Costs

- Wage Adjustments and Lump Sum Payouts for Retirement \$1.2 Million
- Operational Changes \$.2 Million
 - Increases:
 - Kanban Subscription
 - Nexus contract
 - Decreases:
 - Removal of Provider Audit Division
 - Lower audit fees
 - Less motor pool use
 - Lower legal costs for Attorney General and Office of Admin Hearings

15% Savings Plan

- Increases:
 - Addition of 8 FTE \$1.6Million
- Decreases:
 - Removal of funding for Specialized Lawsuits \$628,000
 - Use of State DOT rate vs Federal Rate for Personal Vehicle Travel \$40,000

OVERVIEW OF GENERAL FUND CHANGES



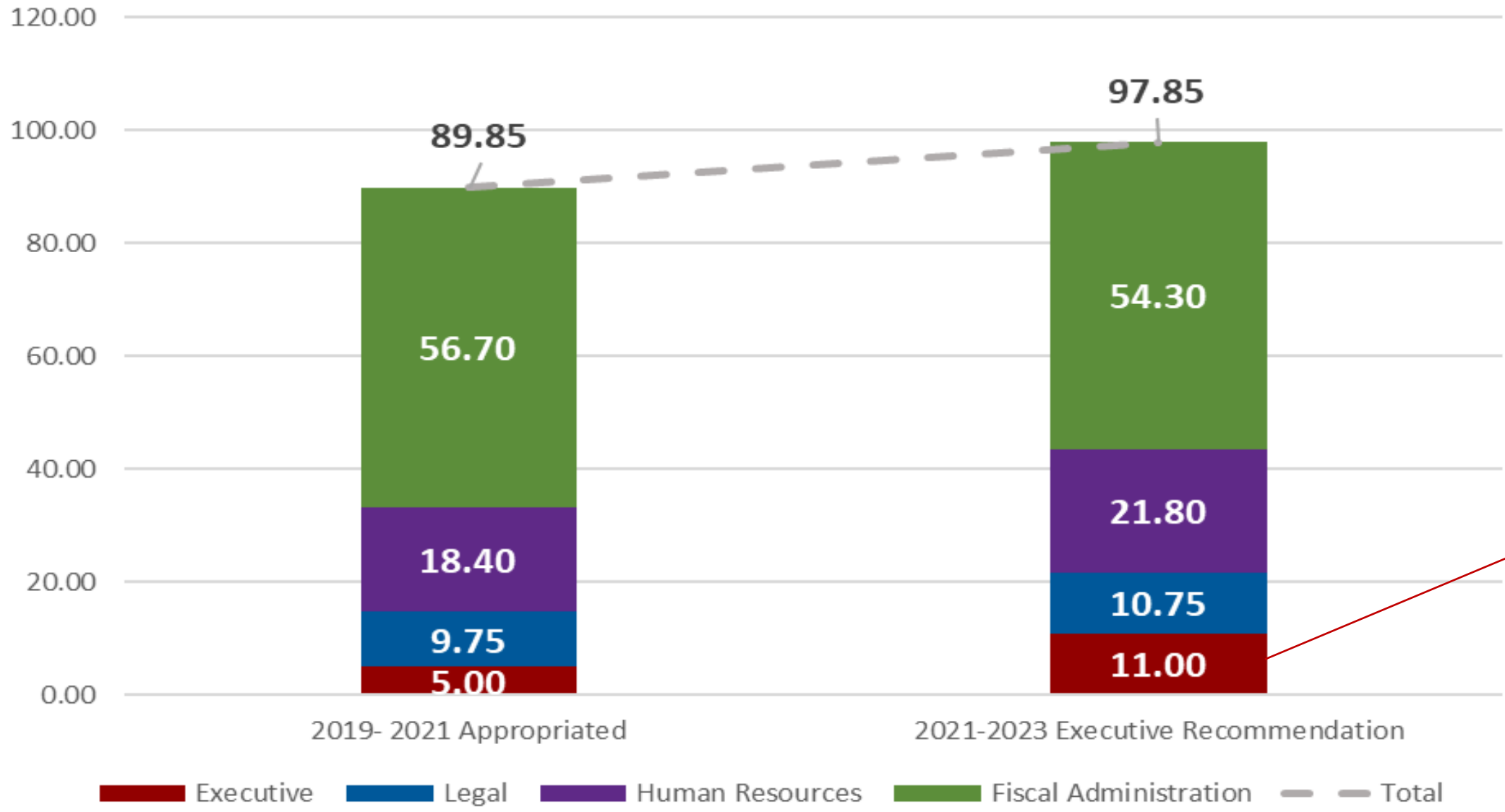
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15% Savings Plan

- Increases:
 - Addition of 8 FTE \$1 Million
- Decreases:
 - Removal of funding for Specialized Lawsuits \$628,000
 - Use of State DOT rate vs Federal Rate for Personal Vehicle Travel \$16,000

Full Time Equivalent (FTE) Changes



Large increase due to Mailroom staff moving from Fiscal to Executive Office

LOGISTICS – GOALS

- Manage procurement of personal protective equipment (PPE) and critical supplies
- Centralized purchasing for DHS facilities
- Develop logistics program for internal audit and analysis for spending processes
- Develop logistics capability for procurement activities
- Provide liaison with partner agency logistics POCs and programs
- Develop logistics capabilities for management of property and facilities



STRATEGIC COMMUNICATIONS – GOALS

- Develop communication strategy in support of DHS's key priorities
- Enhance and strengthen internal communications processes and tools, with a focus on manager support
- Build awareness and capabilities related to change management
- Streamline and drive efficiencies in standard processes and measure results
- Update citizen-facing DHS website
- Improve the communication and change management acumen of the department



IT SERVICES

HUMAN SERVICES AND IT PARTNERSHIP

As a collaborative team, we work together to:

- Improve the citizen experience
- Enable and support our team members
- Focus on continuous improvement
- Deliver return on investment
- **Our approach to the human services IT budget:**
- Improving technology is a critical action now – not in a distant future state
- IT services and projects have been under-funded in past sessions
- IT enables us to do our work
- IT is a force multiplier



IT SERVICES PROVIDED

- **Information Technology Strategic Planning**
 - Customer Success
 - Strategic Planning, Direction
- **Business Applications**
 - Business Analysis
 - Project Management
 - Business Application Support
 - Application Development
- **Security**
 - Governance, Risk, Compliance
 - Operations

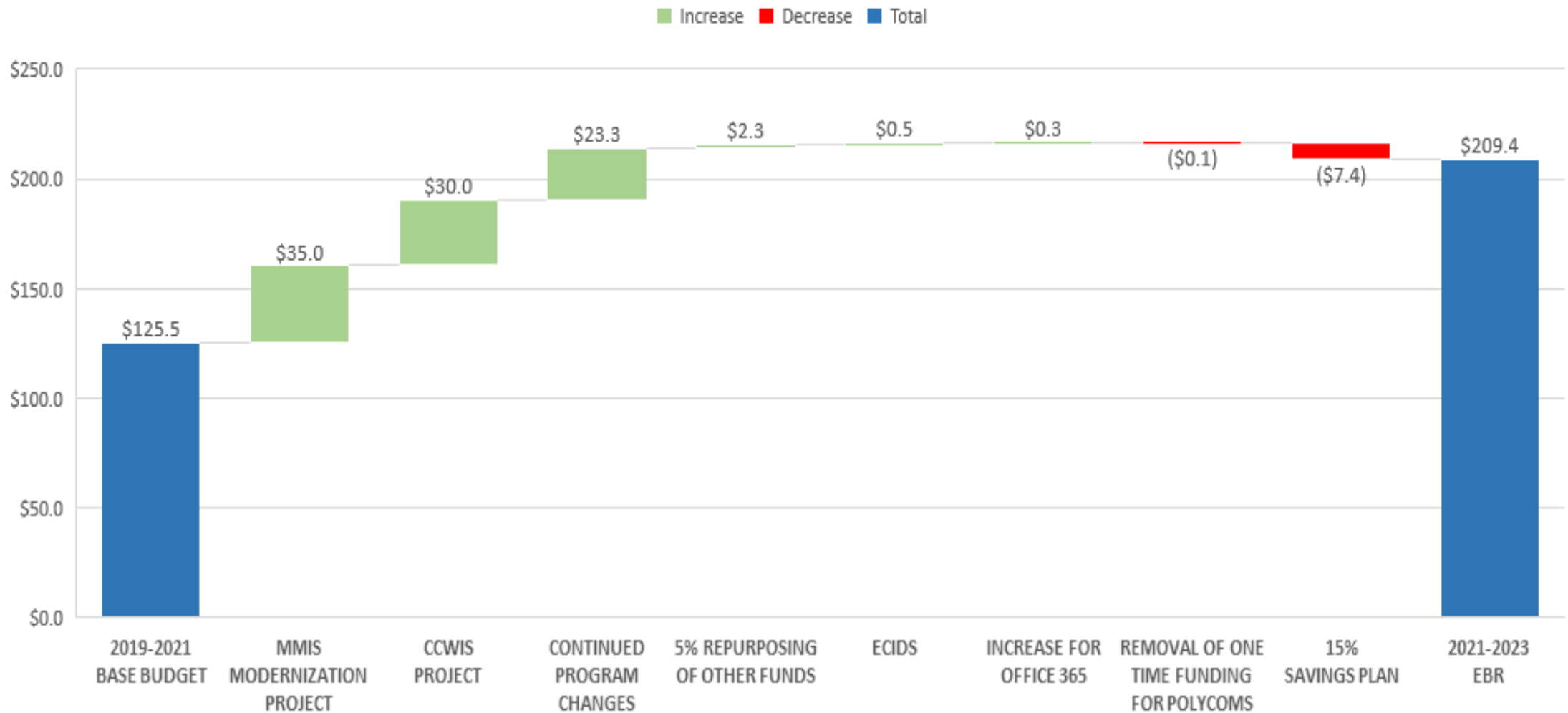


- **Information Management**
 - Business Intelligence
 - Electronic Document Management
- **Infrastructure**
 - Desktop | Hosting | Network
- **Communication**
 - Voice and video

OVERVIEW OF BUDGET CHANGES

Description	2019-2021 Budget	Increase/ (Decrease)	2021-2023 Executive Budget
Operating	125,404,448	83,876,845	209,281,293
Capital	50,000	25,000	75,000
Total	125,454,448	83,901,845	209,356,293
General Fund	46,989,576	34,464,456	81,454,032
Federal Funds	74,426,552	51,056,184	125,482,736
Other Funds	4,038,320	(1,618,795)	2,419,525
Total	125,454,448	83,901,845	209,356,293
Full Time Equivalent (FTE)	0.00	0.00	0.00

OVERVIEW OF BUDGET CHANGES (IN MILLIONS)



IT DIFFERENCES (IN MILLIONS)

- **Medicare Management Information System (MMIS) Modernization Project - \$35.0**
 - Collaborated with other states that have a mature modularization model for the estimated budget.
 - Budget includes estimates for systems integrator, solution vendors, project management and CMS IV&V.



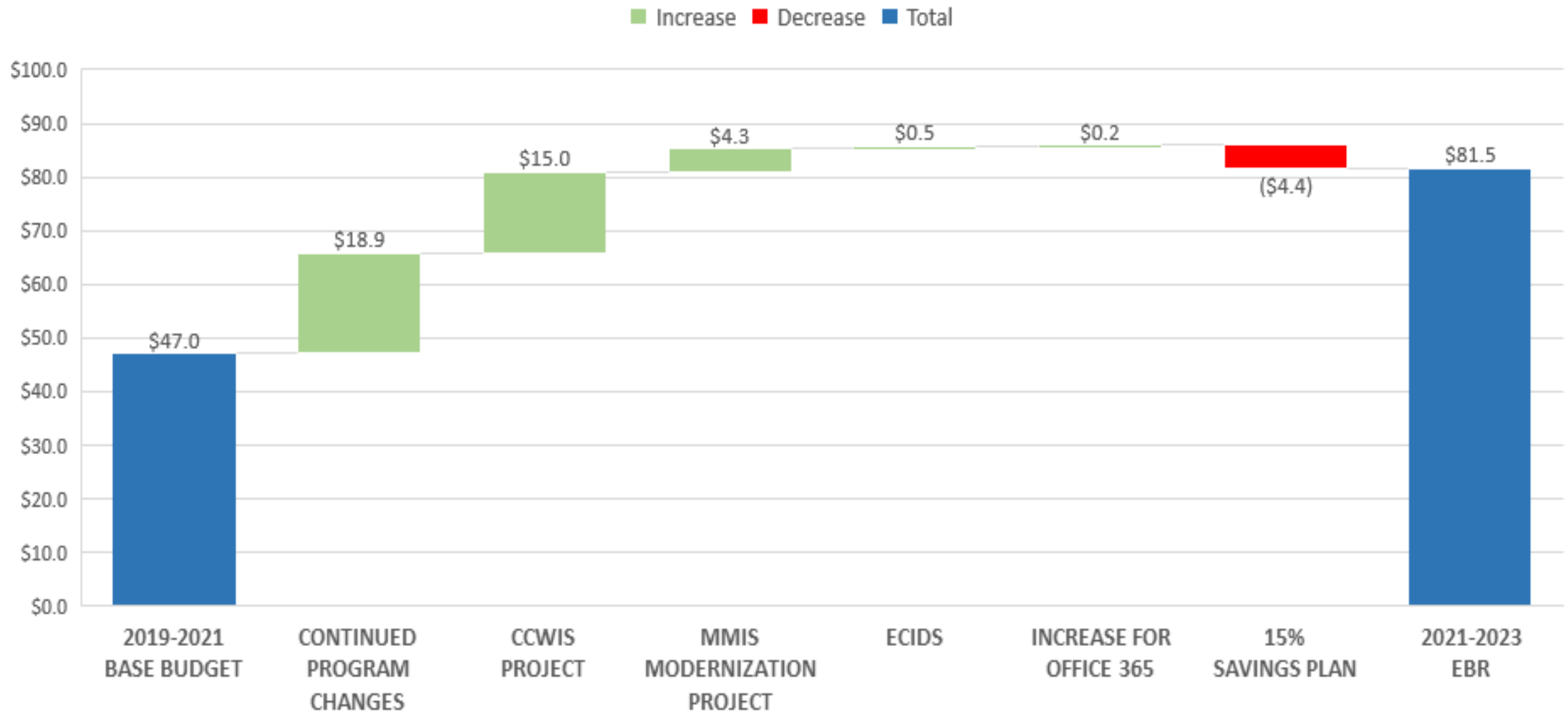
- **Comprehensive Child Welfare Information System (CCWIS) Project - \$30.0**
 - Collaborated with other states that recently implemented for the estimated budget.
 - Budget includes estimates for solution vendor and project management.
- **Continued Program Changes - \$23.3**
 - \$17.3 for SPACES M&O
 - \$3.4 for Field Services M&O
 - \$2.2 for NDHIN
 - \$1.5 for MMIS M&O
 - \$1.0 for Child Support M&O
 - \$1.0 for Aging M&O
 - (\$1.9) for CFS M&O
 - (\$1.2) for other

IT DIFFERENCES (IN MILLIONS)

- **5% Repurposing of other funds – \$2.3**
 - Other funds were reduced from Basic Care Room and Board and were repurposed to Information Technology Services for supporting SPACES Maintenance and Operations (M&O).
- **15% Savings plan – (\$7.4)**
 - (\$4.7) related to NDIT
 - (\$3) for Application Development and Support
 - (\$1.7) for Mainframe Processing
 - (\$2.3) for SPACES G.F. due to 5% Other Funds Increase
 - (\$0.4) DHS North Rent



GENERAL FUND CHANGES (IN MILLIONS)



INFORMATION TECHNOLOGY CONTRACTS

Division	Project	19-21 Budget	21-23 Budget	Inc/(dec)
Medical	Advantage Suite/Datawarehouse	\$3,031,626	\$3,172,618	\$140,992
Medical	Postproduction support for MMIS (M&O)	26,824,581	30,889,658	4,065,077
EA	Deloitte- M&O	15,952,342	12,816,150	(3,136,192)
SH/HSC	Netsmart - Hosting	1,678,080	1,720,032	41,952
SH/HSC	Netsmart - Subscription	1,337,384	1,913,559	576,175
SH/HSC	Davinci - Data Warehouse	0	1,000,000	1,000,000
DD	Therap	1,652,679	2,047,316	394,637
Multiple	Other contracts less than \$1,000,000	7,085,143	5,007,854	(2,077,289)
	Total	\$57,561,835	\$58,567,186	\$1,005,351



Contact Information

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