



Presentation to House Appropriations Committee

Chris D. Jones, Director

January 7, 2021

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**.

#1

DHS in NDCC, with major statutory responsibilities

DHS AUTHORITY ESTABLISHED IN NDCC 50-06

Administration of human services programs related to:

- Children and families
- Individuals with developmental disabilities
- Aging services
- Behavioral health
- Economic assistance
- Medical service
- General assistance
- Child support

CHAPTER 50-06 DEPARTMENT OF HUMAN SERVICES

50-06-01. Definitions.

As used in this chapter, unless the context otherwise requires:

1. "Behavioral health" means the planning and implementation of preventive, consultative, diagnostic, treatment, crisis intervention, rehabilitative, and suicide prevention services for individuals with mental, emotional, or substance use disorders, and psychiatric conditions.
2. "Behavioral health provider" means any licensed or accredited behavioral health provider in this state.
3. "Department" means the department of human services.
4. "Human services" means:
 - a. A service or assistance provided to an individual or an individual's family in need of services or assistance, including child welfare services, economic assistance programs, medical services programs, and aging services programs, to assist the individual or the individual's family in achieving and maintaining basic self-sufficiency, including physical health, mental health, education, welfare, food and nutrition, and housing.
 - b. A service or assistance provided, administered, or supervised by the department in accordance with chapter 50-06.
 - c. Licensing duties as administered or supervised by the department or delegated by the department to a human service zone.

50-06-01.1. Department of human services to be substituted for public welfare board of North Dakota and social service board of North Dakota, members of board, and executive director.

When the terms "public welfare board of North Dakota", "social service board of North Dakota", "executive director of the public welfare board", "executive director of the social service board", "member of the public welfare board", or "member of the social service board", or any derivative of those terms which, when used in context indicates an intention to refer to those persons or that board, appear in the North Dakota Century Code, the term "department of human services", or the term "executive director of the department of human services", as the case may be, must be substituted therefor. It is the intent of the legislative assembly that the department of human services must be substituted for, shall take any action previously to be taken by, and shall perform any duties previously to be performed by the public welfare board of North Dakota or by the social service board of North Dakota.

#2

Purpose of Agency divisions, including
organizational chart

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

NORTH
Dakota | Human Services
 Be Legendary.™

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 Executive
 Director

ROSALIE ETHERINGTON
 State Hospital
 HSC Clinics Officer

CAPRICE KNAPP
 Medicaid
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PAMELA SAGNESS
 Behavioral Health
 Executive Policy Director

JESSICA THOMASSON
 Family Stability &
 Community Inclusion
 Executive Policy Director

SUE FOERSTER
 Life Skills & Transition
 Center

SARA STOLT
 Chief Operating Officer

ARNOLD STREBE
 Chief Administrative
 Officer/CFO

JEFF STENSETH
 HSC Operations

LAURA KROETSCH
 Medical Director

**Human Service Center
 Directors**
 BLHSC-Jessica Odermann
 LRHSC-Julie Baumgarn
 NCHSC-Laurie Gotvaslee
 NEHSC-Randy Slavens
 NWHSC-Char Ferrell
 SCHSC-Dan Cramer
 SEHSC-Jeff Stenseth
 WCHSC-Brad Brown

NANCY MAIER
 Aging Services

JIM FLEMING
 Child Support

JULIANNE HORNTVEDT
 DD Council

DAMIAN SCHLINGER
 Vocational Rehabilitation

CORY PEDERSEN
 Children & Family Services

TINA BAY
 Developmental Disabilities

MICHELE GEE
 Economic Assistance

KRISTEN HASBARGEN
 Zone Operations

SHERI SEIL
 Disability Determination

TOM SOLBERG
 Operations

19 Zone Directors

MARCIE WUITSCHICK
 Human Resources

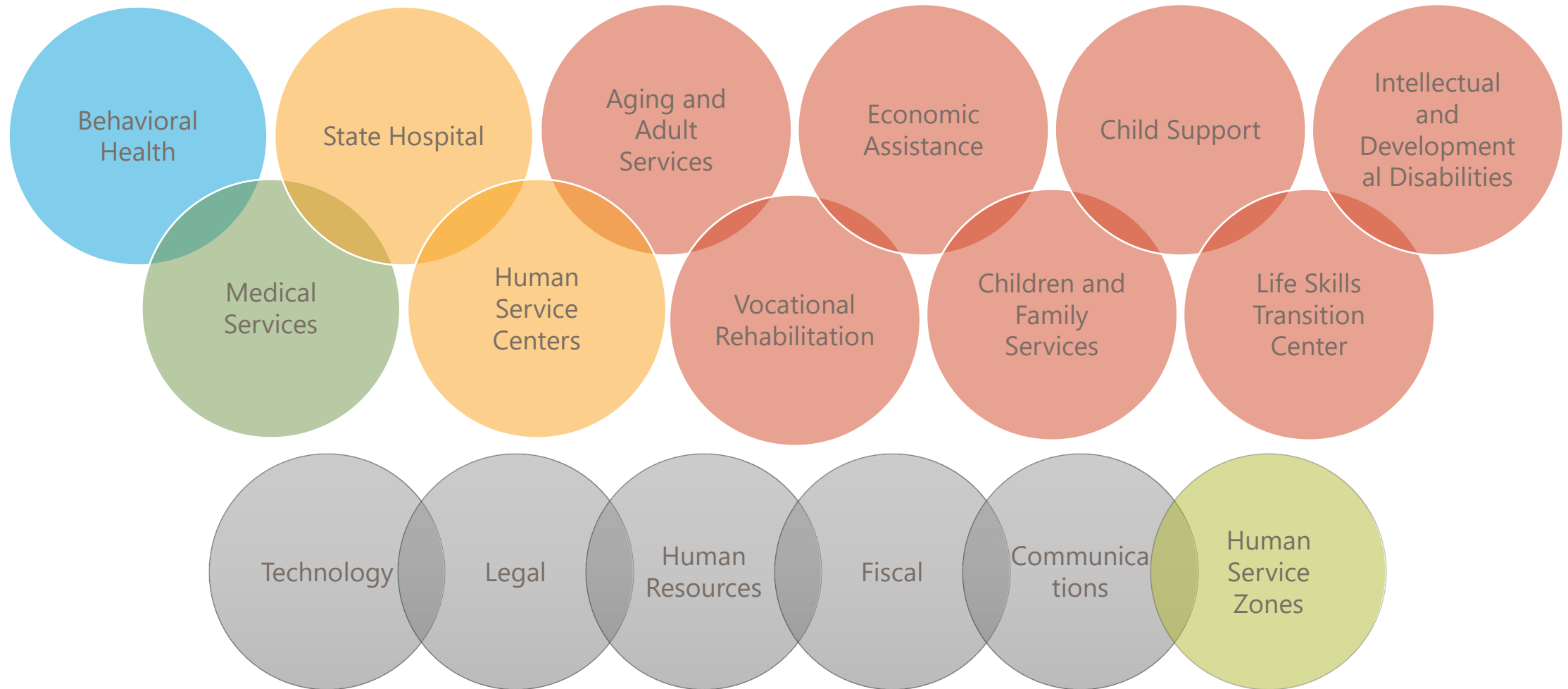
JON ALM
 Legal Advisory

LYNN BARGMANN
 Strategic Communications

Assistant CFOs
 Donna Aukland
 Rhonda Obrigewitch
 Jamie Wilke

ND DEPARTMENT OF HUMAN SERVICES

Helping North Dakotans realize their potential through targeted, evidence-based interventions that deliver meaningful results



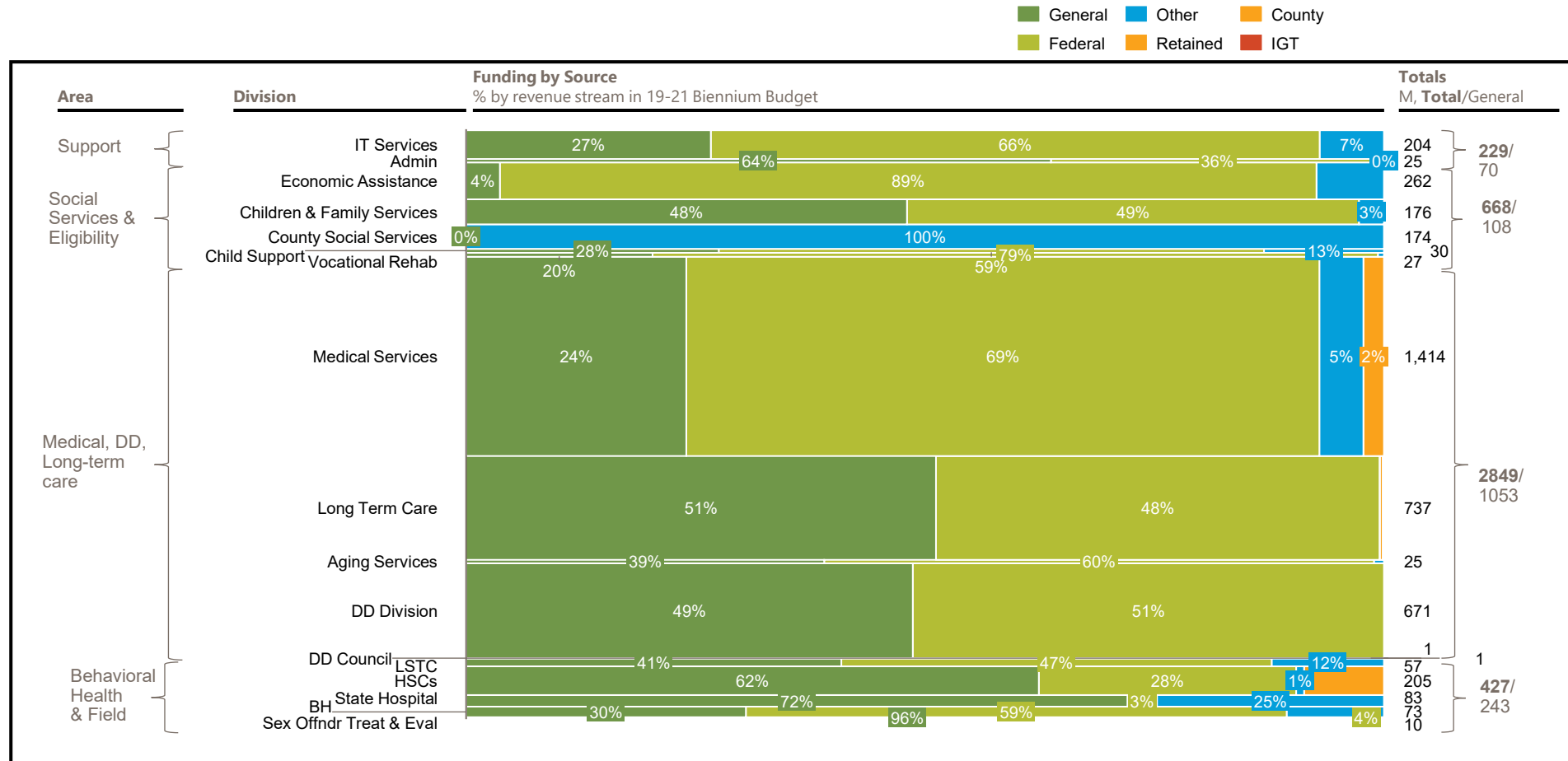
2021-2023 EXECUTIVE BUDGET

Total budget by agency / group



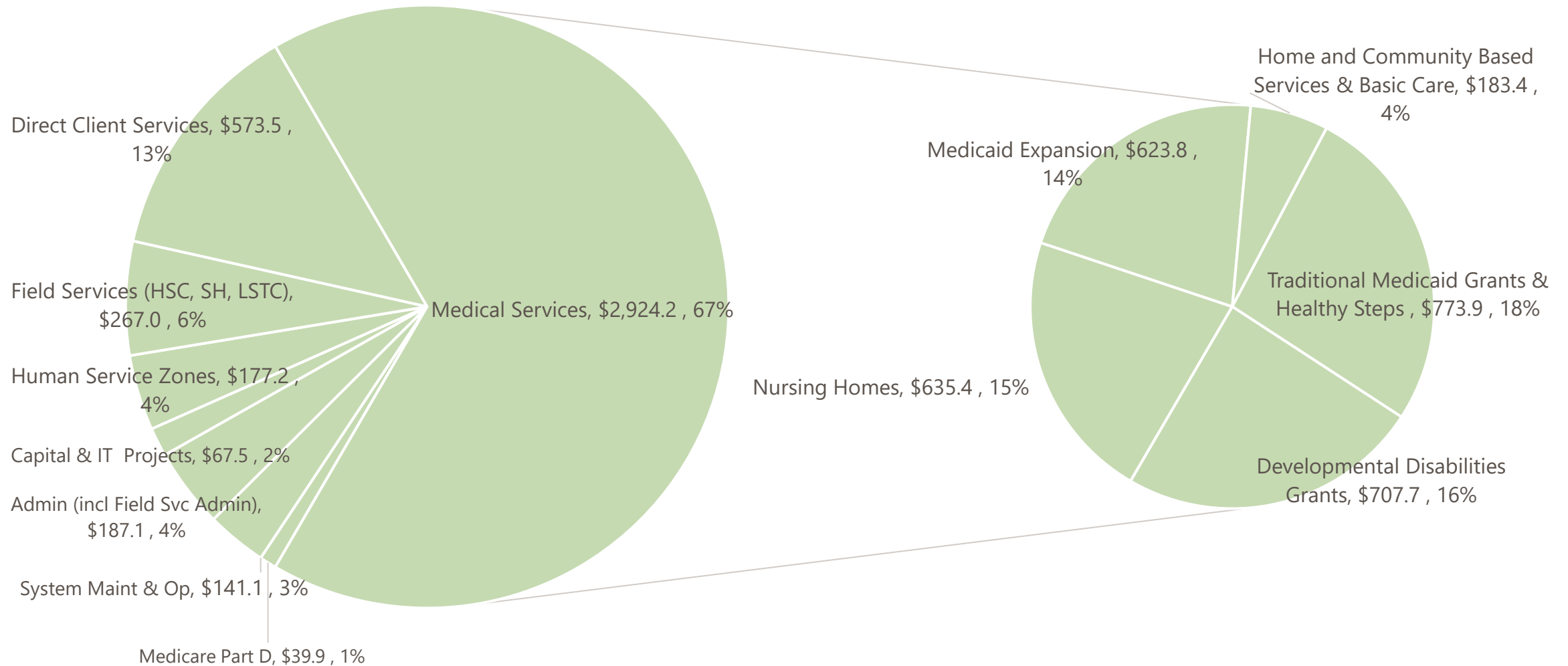
DHS BY FUNCTIONAL AREA

The majority of DHS funds are spent on medical, DD, & long-term care services



2021-2023 EXECUTIVE BUDGET DHS

Total budget \$4.378 billion, by category of expenditure



Direct Client Services include Economic Assistance Programs, Child Welfare Programs, and grants and service contracts for Aging, Behavioral Health, Vocational Rehabilitation, Medical Services, and Developmental Disability.

#3

Financial Audit findings and corrective actions

SFY19 AUDIT OF DHS

Findings and Programmatic Recommendations

MEDICAID AND SNAP

- Payments After Death. Ensure payments are not made for the benefit of deceased individuals. *New system to be implemented April 2021*
- Child Care Correction Orders Not Resolved. Improve procedures to ensure child care correction orders are resolved at the end of each allowed correction period. *Updated tracking system; new early childhood database to be implemented April 2021*
- Not monitoring child care facilities with MOUs. Perform additional monitoring of child care providers to ensure compliance with memorandum of understanding agreements. *Department no longer uses MOUs*

CHILD PROTECTION SERVICES

- Failure to timely contact suspected victims of child abuse and neglect. Ensure timely face-to-face contact with suspected victims of child abuse and neglect. *Redesign of CPS in process*
- Not performing quality assurance for child protection svc. Ensure consistent and complete quality assurance procedures surrounding reports of child abuse and neglect, investigations, and decisions. *Redesign of QA for CPS implemented Dec 2019; regional field specialists joined QA efforts SFY20*
- Confirmed child abusers not listed on index. Ensure individuals with confirmed child abuse or neglect are properly listed on the Child Abuse and Neglect Index. *Implemented new system reporting March 2019*

OTHER RESULTS

- Financial errors. Strengthen procedures surrounding the CAFR reporting process to ensure accurate amounts are reported to the Office of Management and Budget. *Continued collaboration with OMB and SAO.*
- Medicaid drug rebate system errors. Strengthen controls surrounding the Drug Rebate and Analysis Management System (DRAMS) to ensure receivables balances are properly calculated and interest is properly calculated for overdue drug rebate balances. *System updates in process*

#4

Current Biennium accomplishments and challenges; next biennium goals and plans

DHS 19-21 BIENNIUM ACCOMPLISHMENTS

Optimizing Return on Investment by helping avoid crises

- North Dakotans now receive 50 percent of their behavioral health services from a human service center within a community versus a clinic setting.

Behavioral Health Embedded in Community



- Over the last year, behavioral health clients who received services at a human service center experienced a 53 percent reduction in arrests.

Positive Results from Effective Treatment Delivery



- North Dakotans now have access to 24/7 mobile crisis response. We've provided 5,628 crisis services in the last year, with crisis psychotherapy and triage services doubling in the last three months.

24/7 Crisis Response



- Since updating eligibility criteria for home and community-based services in January 2020, 730 individuals have been able to access services in their home, which is a 25 percent increase from CY2019.

Increased community services to older adults



- We've provided increased access to Medicaid services for pregnant women (increased eligibility from 138 percent to 147 percent of poverty) and children with disabilities (from 225 percent to 250 percent of poverty).

More pregnant women and children with access to health care



- HSC accreditation: The agency's human service centers received four-year national accreditation from the Council on Accreditation for its outpatient behavioral health services.

Accreditation for HSC behavioral health team



- Peer support specialists: DHS provided training to more than 460 individuals, and 30 people are newly certified in delivering behavioral health peer support services.

Peer supports available to more people in more places



DHS 19-21 BIENNIUM ACCOMPLISHMENTS & WORK IN PROGRESS

Improved access to effective services



Process Improvement & Redesign Efforts

- Long term care eligibility team
- Child Protective Service Redesign
- Human Service Zones
- Centralized approach to childcare licensing
- Move to functional teams for child support
- Electronic Visit Verification & case management systems



Treatment & Recovery Supports

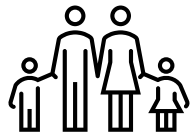
- Medication Assisted Treatment
- Expanded use of SUD voucher
- Behavioral health crisis services



In-Community Services

- Peer supports, Companionship, and Adult Foster Care
- Social Determinants of Health via Medicaid (1915i)
- Centralized connection point for home & community-based svc (ADRL)
- Extended Free Through Recovery

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

#5

Compare agency's request/ recommendation totals, including FTE for next biennium, compared to current biennium

DHS IN THE 21-23 BIENNIUM

Quality services, Proven results, Closer to home

- 1 Invest resources in **prevention** and **early intervention** resulting in a **reduction in foster care** and facility-based placements of children.
- 2 Support for new **small-scale settings** for **children and adults** with **complex needs**.
- 3 Continued investment in **behavioral health** initiatives that **expand access** to vital services.
- 4 Expansion of **home and community-based services** to older adults and people with disabilities.
- 5 Focus on **efficiency and effectiveness** in contracting and service delivery.
- 6 **Expansion** of peer support, supported housing, supported employment, and other **community-based support services**.
- 7 Across the board **cost savings** related to changes in travel, space utilization, and discretionary grant programs.

DHS OVERVIEW OF BUDGET CHANGES

	2019-2021 Budget	Increase/ (Decrease)	2021-2023 Executive Budget
Salaries and Benefits	\$ 383,915,369	\$ 10,643,629	\$ 394,558,998
Operating	333,049,456	91,063,140	424,112,596
Capital	2,339,430	25,000	2,364,430
Grants	3,365,450,810	191,077,380	3,556,528,190
Total	\$ 4,084,755,065	\$ 292,809,150	\$ 4,377,564,215
General Fund	\$ 1,461,150,884	\$ 102,792,973	\$ 1,563,943,857
Federal Funds	2,266,624,651	205,560,722	2,472,185,373
Other Funds	356,979,530	(15,544,545)	341,434,985
Total	\$ 4,084,755,065	\$ 292,809,150	\$ 4,377,564,215

DHS STAFFING / FULL TIME EQUIVALENTS

	2019-2021 Budget	Increase/ (Decrease)	2021-2023 Executive Budget
Management FTE	89.85	8.00	97.85
Program & Policy FTE	640.47	12.00	652.47
Human Service Centers FTE	637.95	-	637.95
Institution FTE	721.96	(31.60)	690.36
County Social Service Financing FTE	140.00	3.00	143.00
Total Regular FTE	2,230.23	(8.60)	2,221.63

HUMAN SERVICE ZONE STAFFING / FTES

	2019-2021 Budget	Increase/ (Decrease)	2021-2023 Executive Budget
FTEs approved	1,207	0	1,207
FTEs budgeted	985	0	985

Total FTEs filled as of Dec 20

(fluctuates to meet HSZ needs)

*only filled if within approved budget (attrition, vacancy, etc)

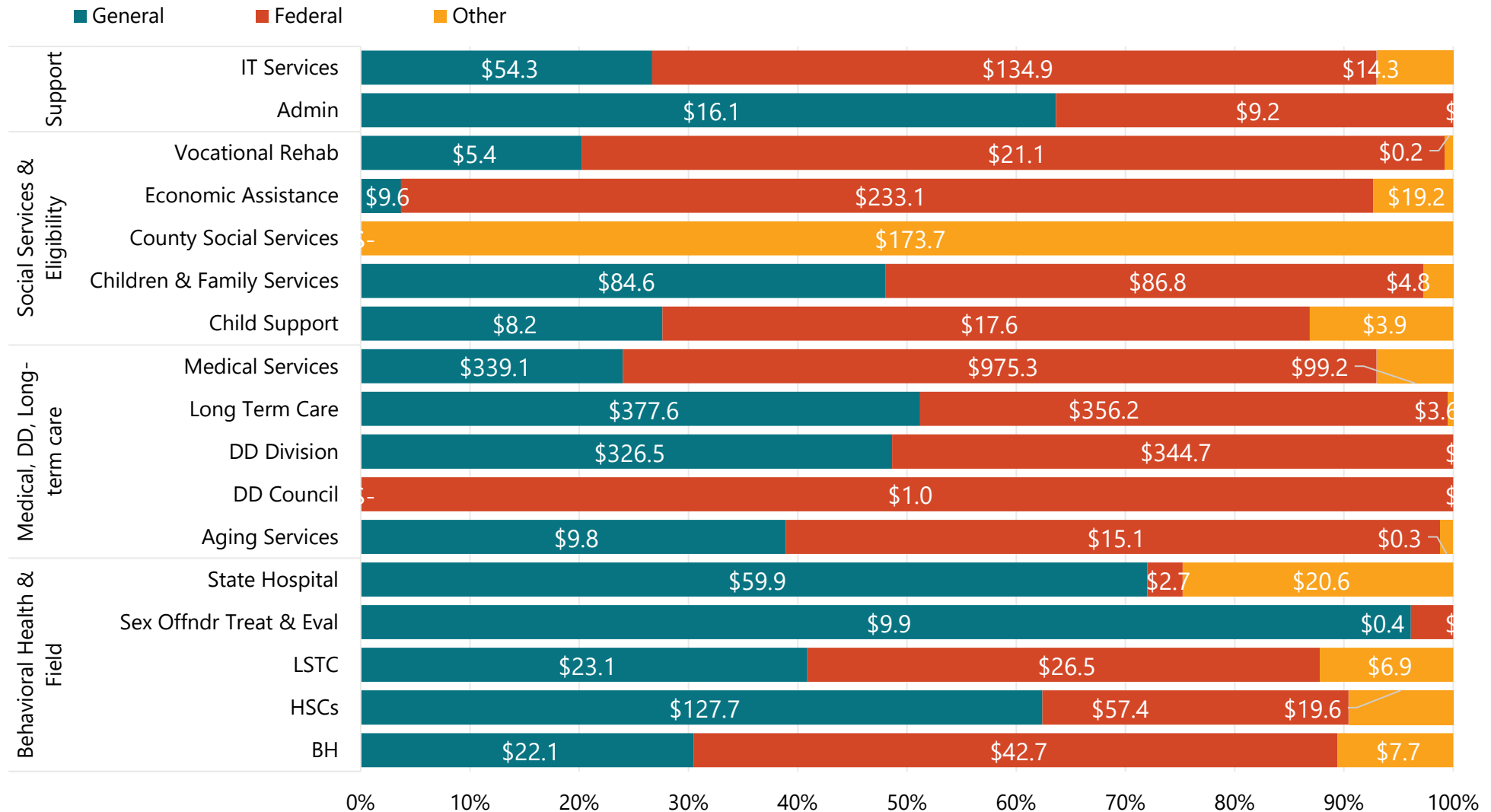
1,030

#6

Explain funding by division including amount in base budget (purpose and use), as well as amount included in request/reco and justification for change from base budget

2019-2021 LEGISLATIVELY APPROVED BUDGET

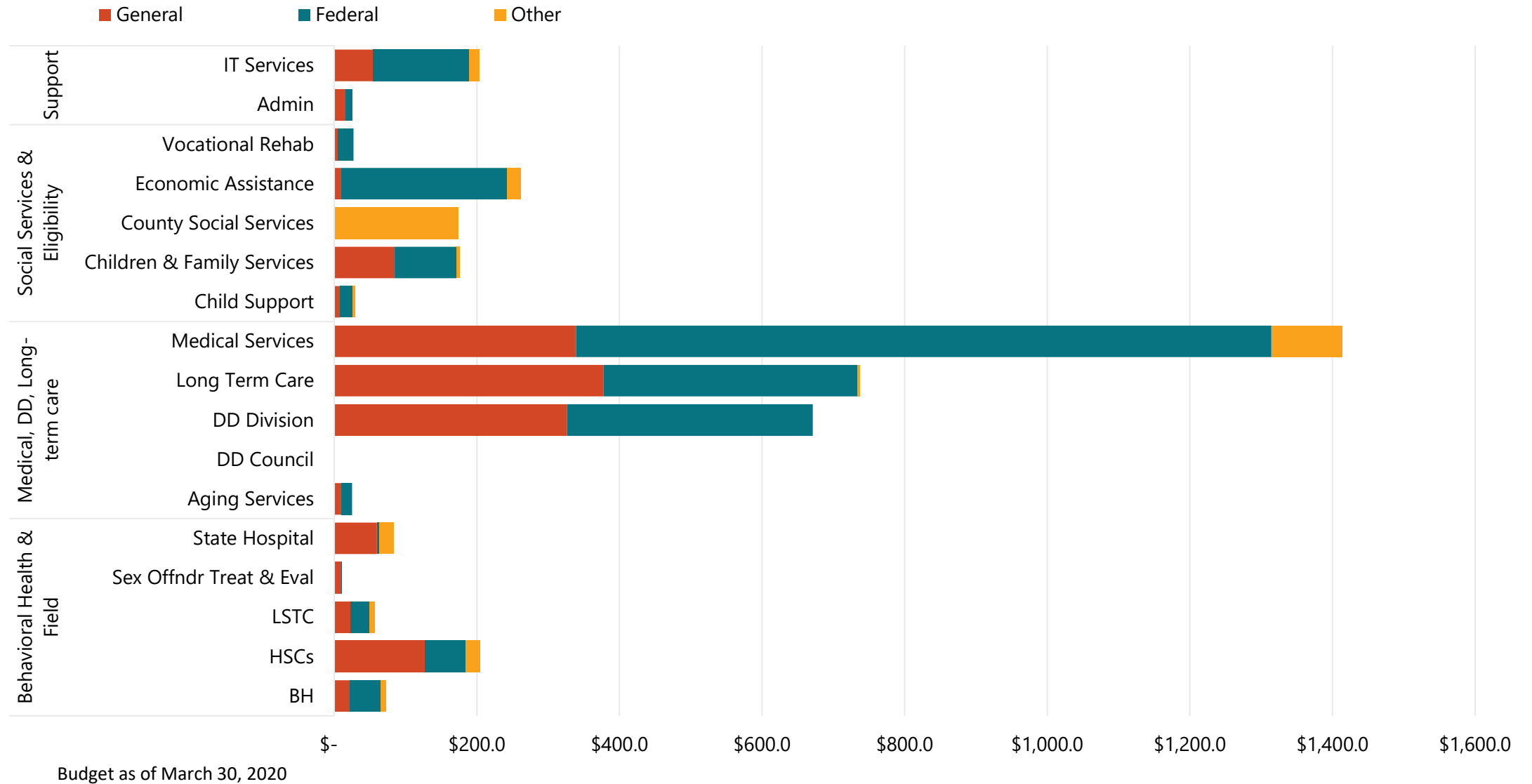
Funding Source, proportional, by division



Budget as of March 30, 2020

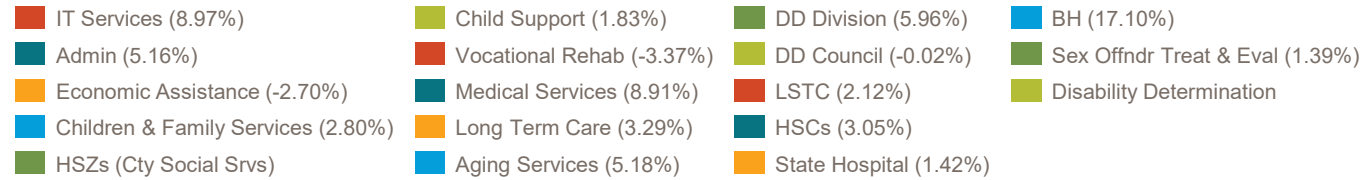
2019-2021 LEGISLATIVELY APPROVED BUDGET

Total budget (millions) by division

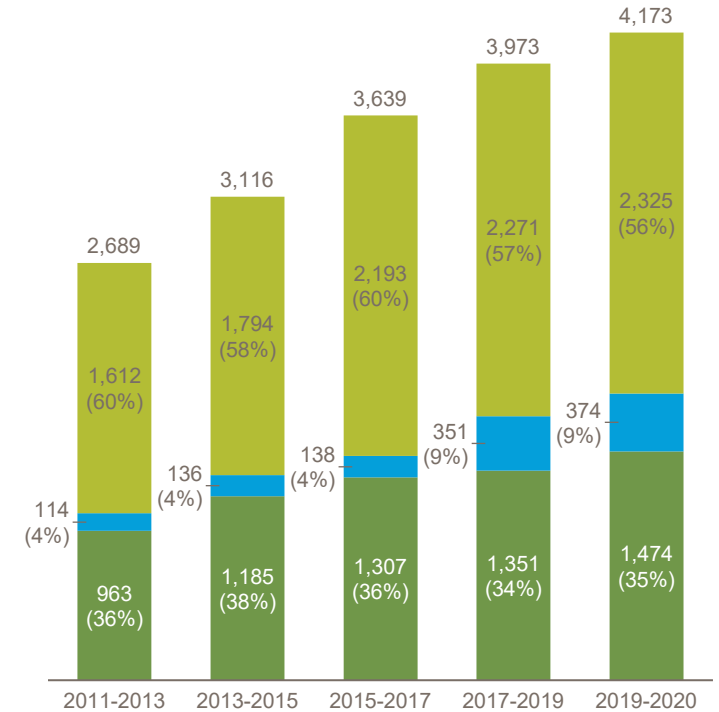
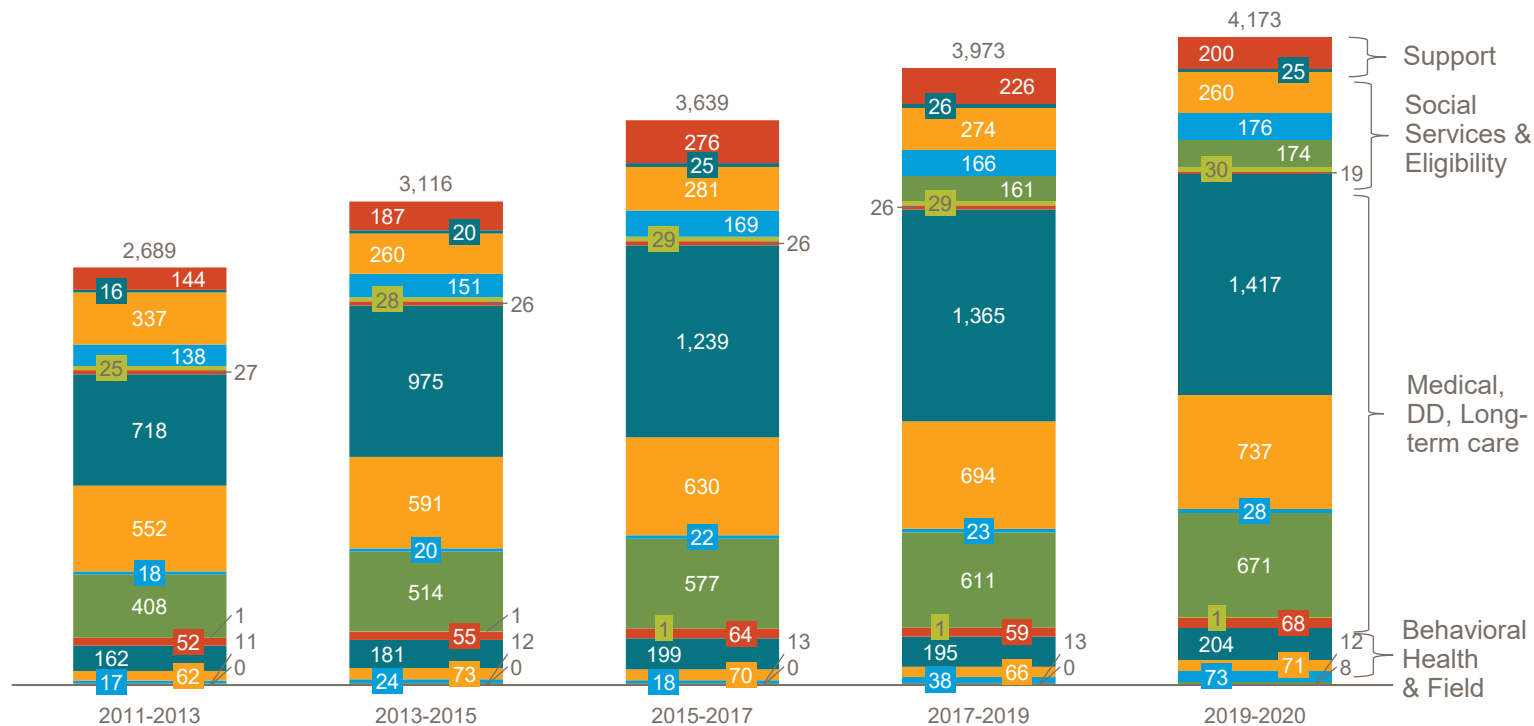
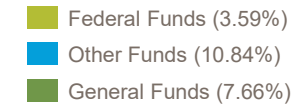


OVER THE LAST 5 BIENNIA, DD, MEDICAL, AND LONG-TERM CARE HAVE DRIVEN GROWTH IN SPENDING

Biennium budget by use division (Compounded Annual Growth Rate (CAGR))
\$M for biennium

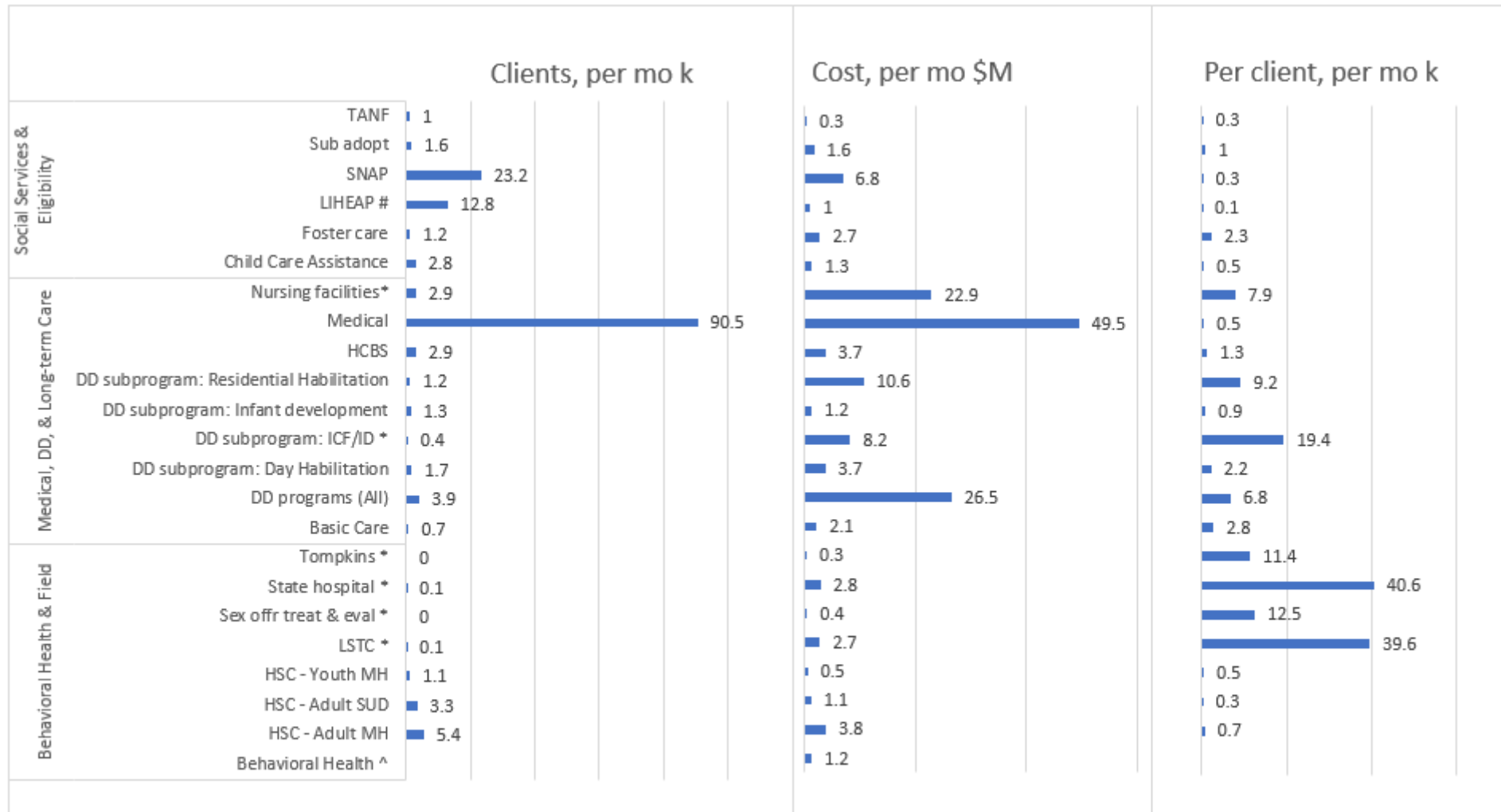


Biennium budget by source (CAGR)
\$M for biennium



HIGHEST PER CLIENT COSTS OCCUR IN INSTITUTIONAL SETTINGS

Expenditures and clients served by program area, SFY20



* Institutional Setting

^ Behavioral Health services are delivered in a manor that does not allow for accurate reporting of clients; reported funds includes administrative dollars.

Based on heating year of October 1 to May 31

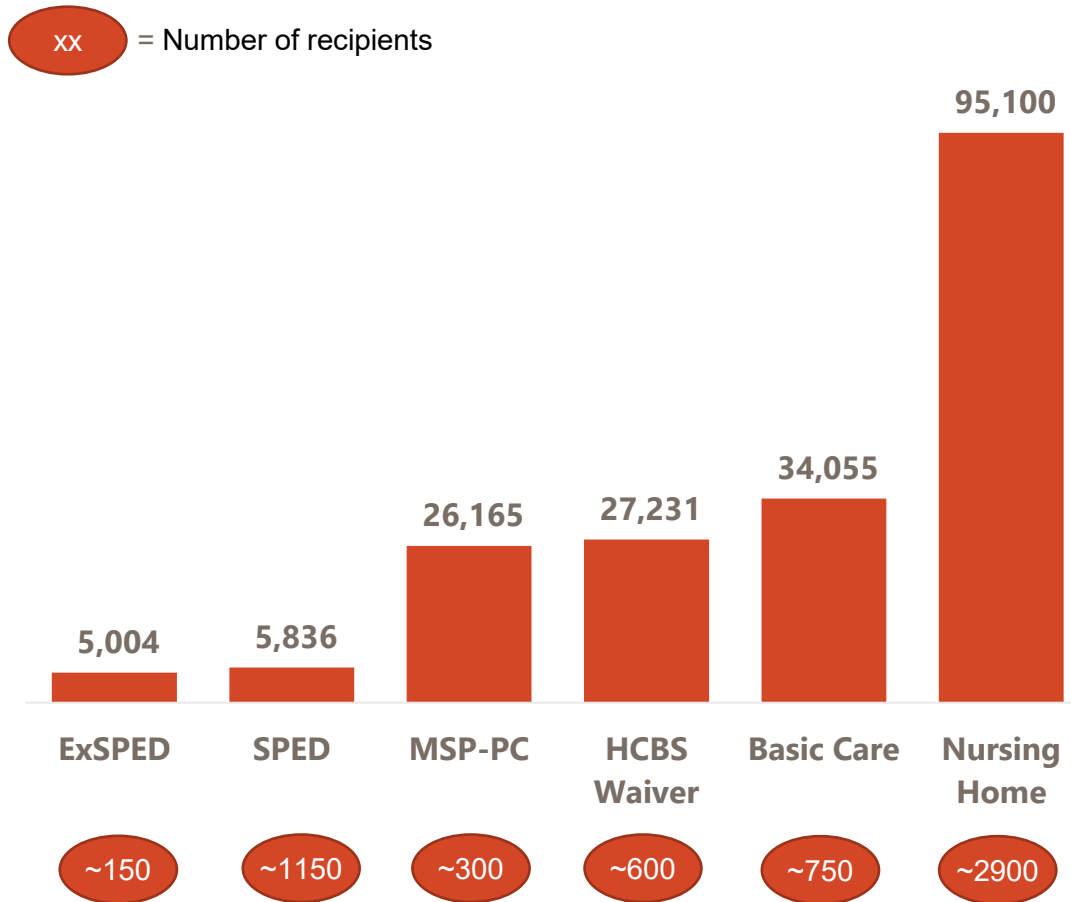
Source: DHS Quarterly Budget Insight, Spend downs, and Institutional Reports

DHS FUNDED LONG TERM CARE AND HCBS SERVICES

Total cost by type of service

Cost Per Recipient Per Year

Cost paid by state by service in \$ in State Fiscal Year 2020



Program Descriptions / Detail

- **Service Payments for the Elderly and Disabled (SPED):** Provides services for people who are older or physically disabled, have limited assets, and who have difficulty completing tasks that enable them to live independently at home.
- **Expanded SPED (Ex-SPED):** Pays for in-home and community-based services for people who would otherwise receive care in a licensed basic care facility.
- **Home and community-based services (HCBS) waiver:** This waiver from the federal government allows the state to use Medicaid funds to provide services enabling eligible individuals who would otherwise require nursing home services to remain in their homes or communities.
- **Medicaid State Plan personal care (MSP-PC):** Personal care services available under the Medicaid state plan and enable persons with disabilities or chronic conditions accomplish tasks they would normally do for themselves if they did not have a disability.
- **Basic Care:** Room and board and personal care services for persons eligible for Medicaid.

MEDICAL SERVICES

Budget Highlights



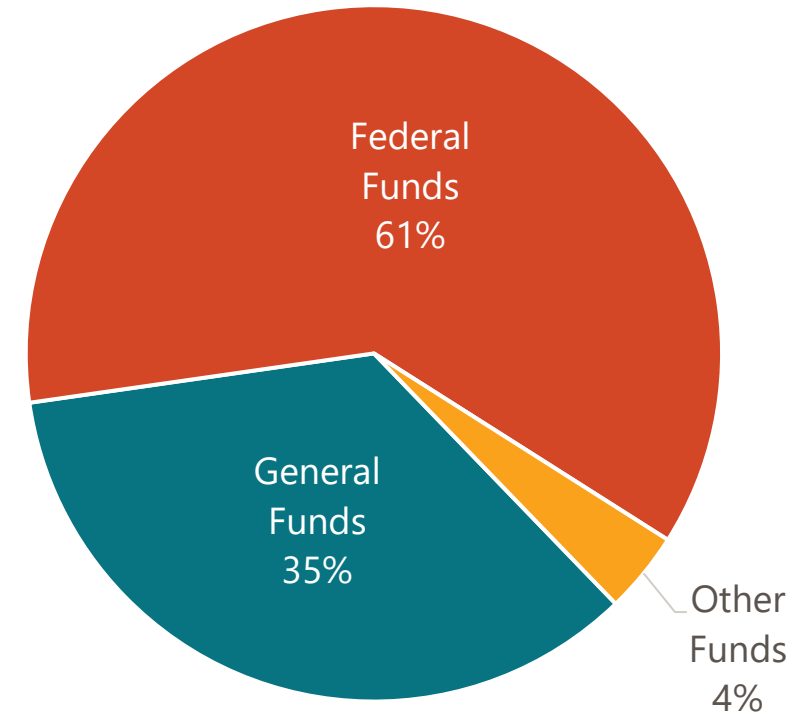
19-21 Budget **\$2,155,696,220**

21-23 Budget (exec) **\$2,238,065,931**

Includes Traditional, LTC & Expansion

98.5 FTE projected (increase of 12 FTEs); \$82.4 million increase in total budget

- Nursing home payment reform and bed buyback
- Reduction in basic care utilization (support study) and increase in HCBS
- Transition administration of Medicaid Expansion to department
- Quality initiative in Medicaid fee for service
- Transition autism voucher to Medicaid program



21-23 Exec Budget

AGING & ADULT SERVICES

Budget Highlights

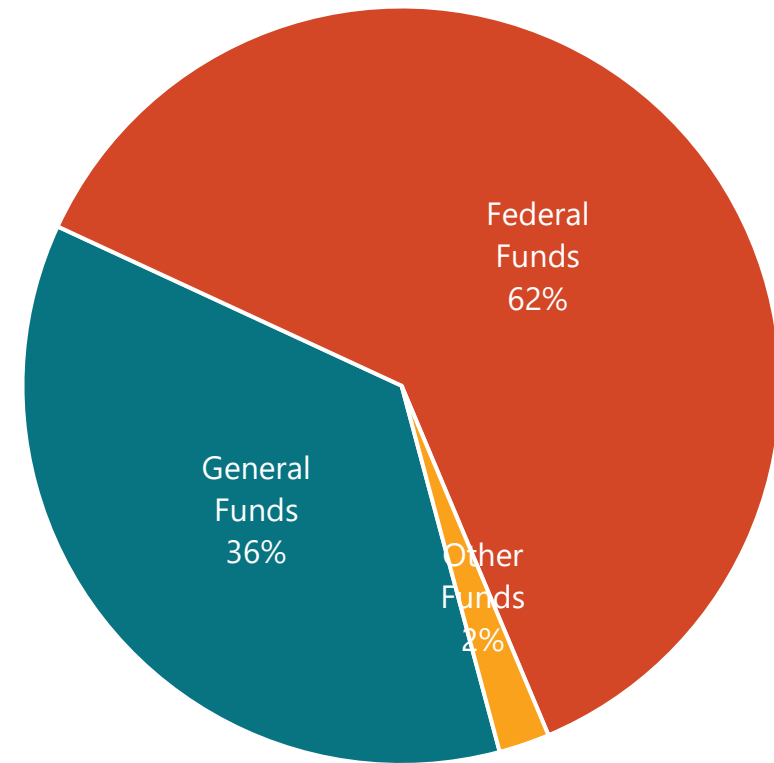


19-21 Budget **\$31,214,295**

21-23 Budget (exec) **\$34,452,766**

44 FTEs; no change in FTEs projected; \$3,238,471 budget increase (98% in federal funds)

- Implementation of in-reach and out-reach and centralized intake for home and community based services
- Continuation of Money Follows the Person
- Eliminate Tech Dependent Waiver
- Various programmatic and operating efficiencies



21-23 Exec Budget

DEVELOPMENTAL DISABILITY SERVICES

Budget Highlights

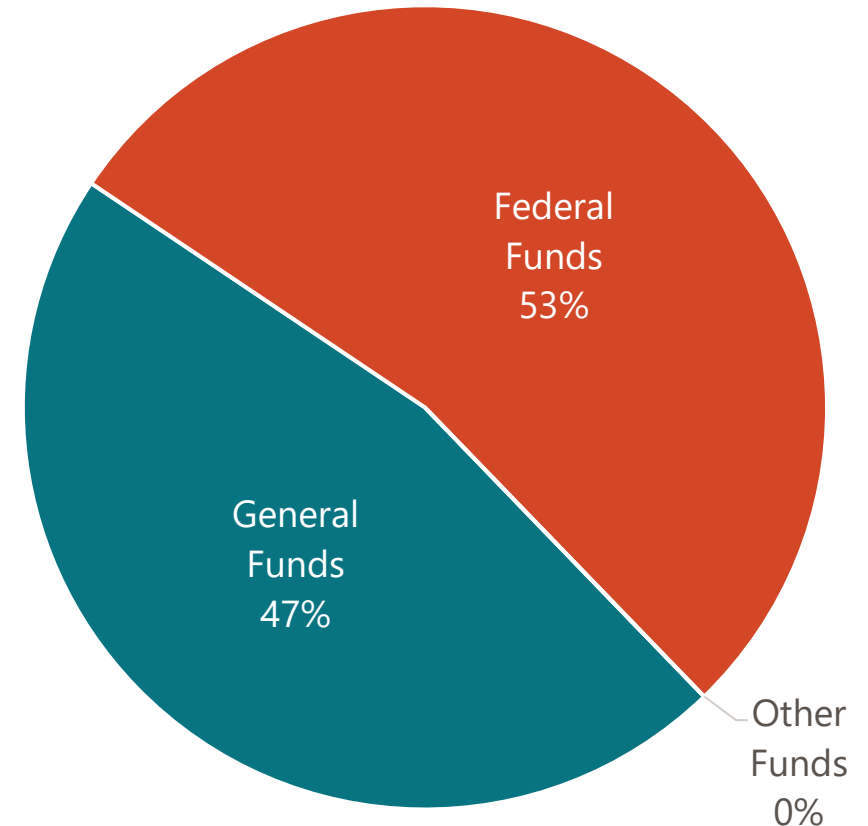


19-21 Budget **\$689,016,522**

21-23 Budget (exec) **\$739,269,819**

125.87 FTEs; no change in FTEs projected; \$50.2 million increase in total budget (83% of increase is from federal funds)

- Diversion/Transition initiative with LSTC
- Payment system adjustments for ICF and Residential Group Homes
- Elimination of recreation and Section 11 grants
- Operating efficiencies related to travel and occupancy



21-23 Exec Budget

LIFE SKILLS TRANSITION CENTER

Budget Highlights



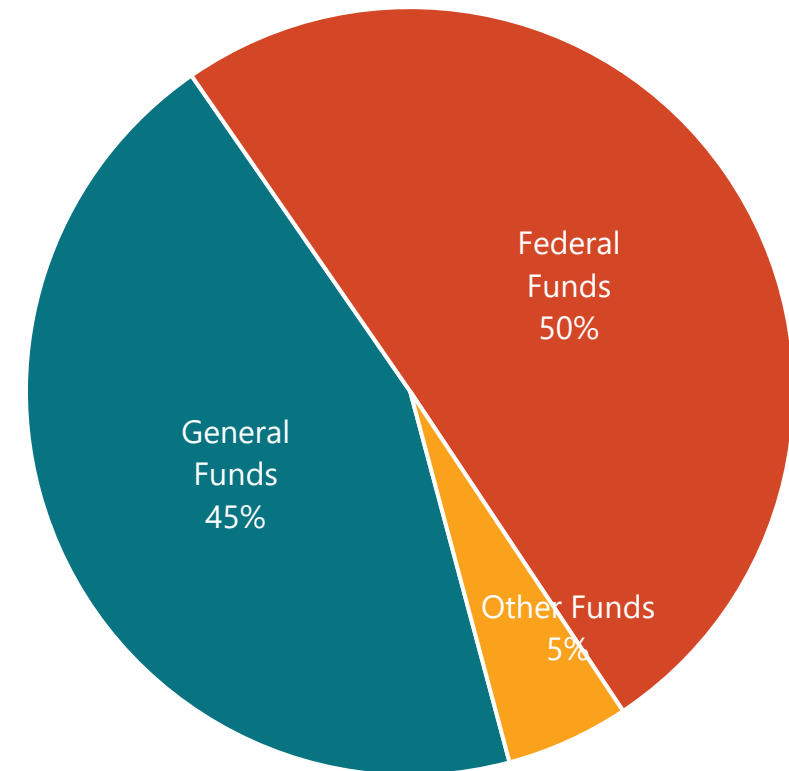
19-21 Budget **\$58,794,948**

21-23 Budget (exec) **\$48,619,605**

308.34 FTEs projected, includes reduction of 14.5 FTEs;
\$10,175,343 budget reduction (50% in federal funds)

- Reduce census by 26 (16 youth, 10 adults) via both transitions and diversions
- Shift operations to re-orient toward crisis and stabilization service
- Reduce general fund contribution to adaptive equipment service, seeking alternate revenue sources

NOTE: Interconnection between LSTC, CFS, and DD budgets as service models shift



21-23 Exec Budget

CHILDREN & FAMILY SERVICES

Budget Highlights

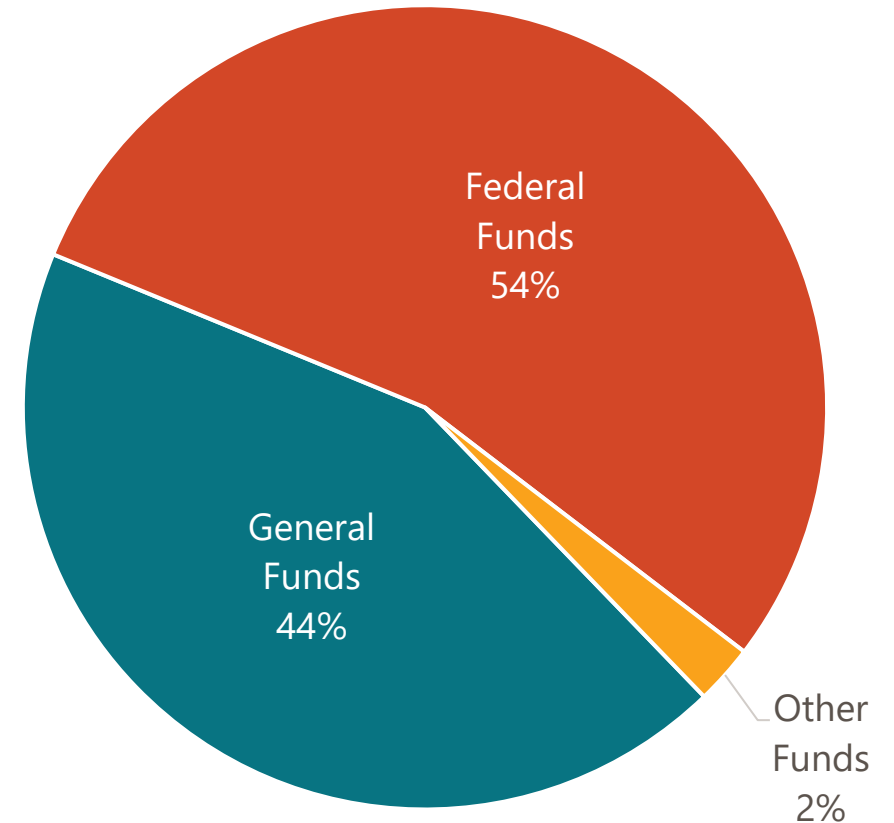


19-21 Budget **\$181,171,041**

21-23 Budget (exec) **\$165,637,720**

41.6 FTEs; no change in FTEs projected; \$15.5 million decrease in total budget (7% of reduction is from federal funds)

- Reduce foster care and residential placements, accomplished in part by investing in evidence-based parent skill building and mental health services to families
- Implement equity in payments for services to families (QRTP, subsidized adoption, targeted case mgmt.)
- Investment in early childhood integrated data system
- Replacement of child welfare technology platform



21-23 Exec Budget

ECONOMIC ASSISTANCE

Budget Highlights

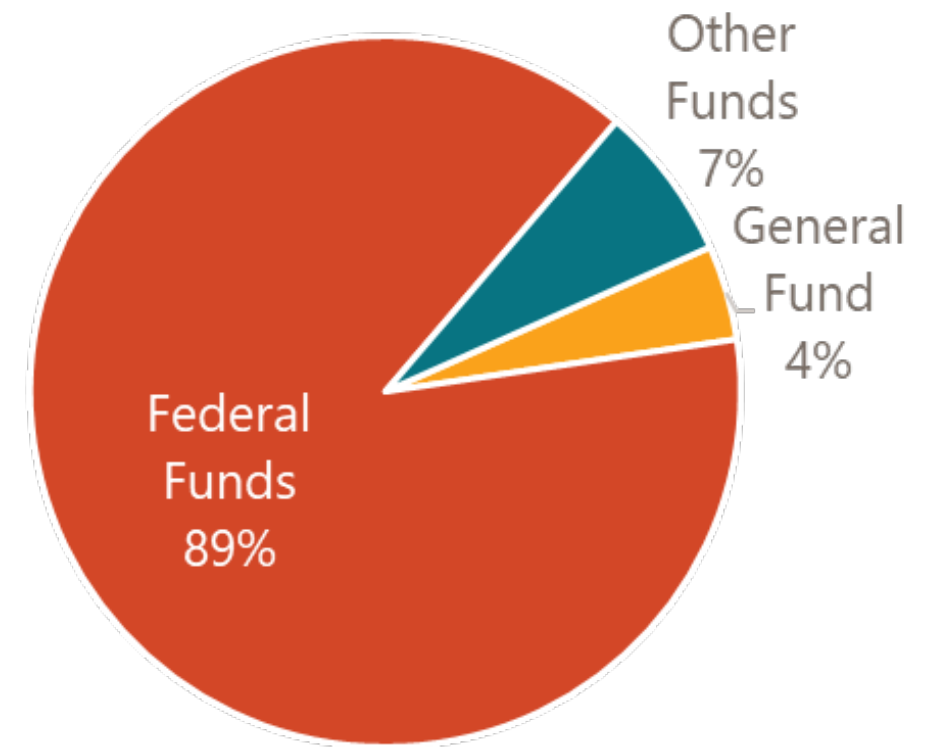


19-21 Budget **\$259,846,264**

21-23 Budget (exec) **\$274,998,084**

39.8 FTEs; no change in FTEs projected; \$15.1 million increase in total budget (77% from federal funding)

- Complete the integration of LIHEAP into integrated eligibility platform
- Finish converting cases from legacy mainframe systems to SPACES
- Administer federal COVID relief funds for low and moderate income households
- Integrate department's housing assistance initiatives into the administration of economic assistance resources



21-23 Exec Budget

CHILD SUPPORT

Budget Highlights

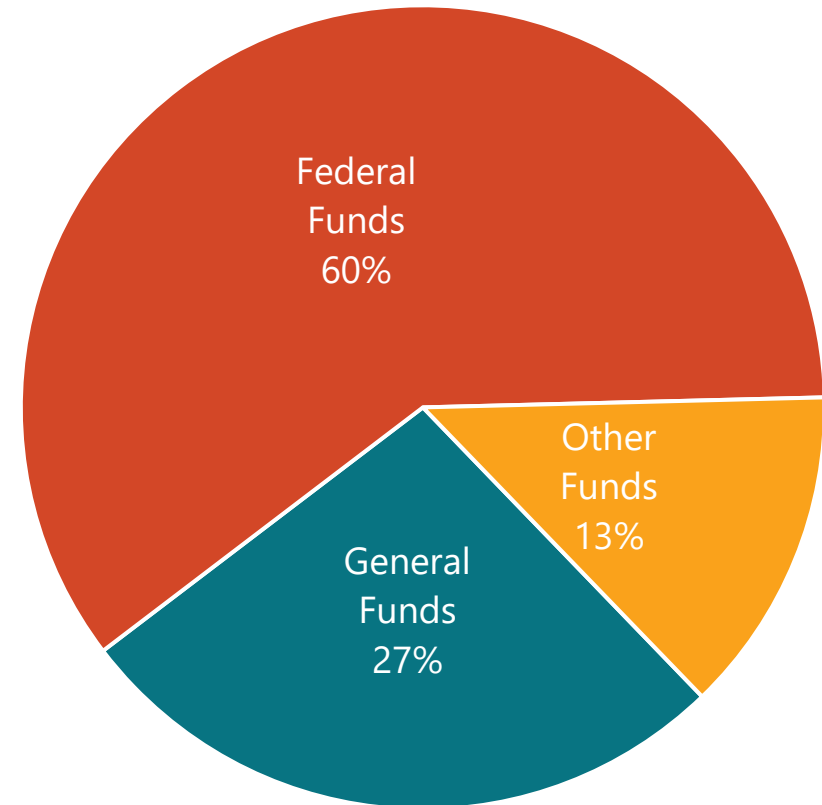


19-21 Budget **\$29,805,507**

21-23 Budget (exec) **\$30,539,102**

157.7 FTEs; no change in FTEs projected;
\$733,595 increase in total budget (60% federal
funds)

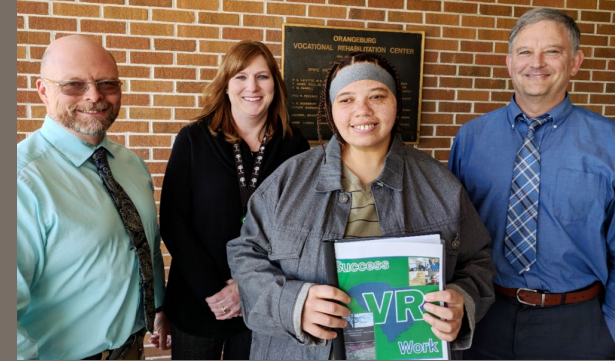
- Operating efficiencies related to travel and occupancy



21-23 Exec Budget

VOCATIONAL REHABILITATION SERVICES

Budget Highlights

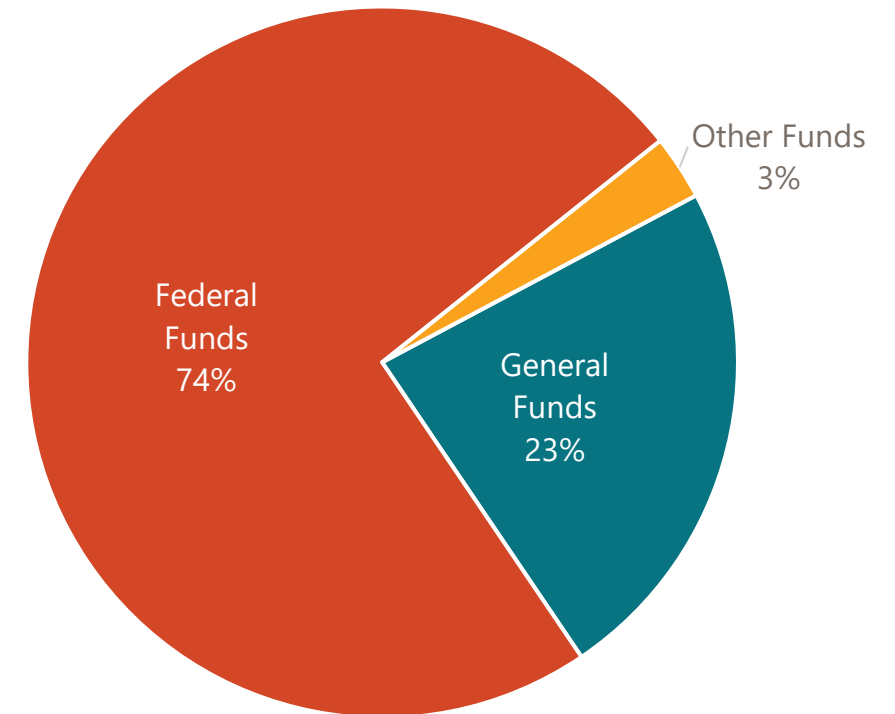


19-21 Budget **\$31,853,039**

21-23 Budget (exec) **\$30,528,323**

85 FTEs; no change in FTEs projected; \$1.3 million decrease in total budget (0% federal funds)

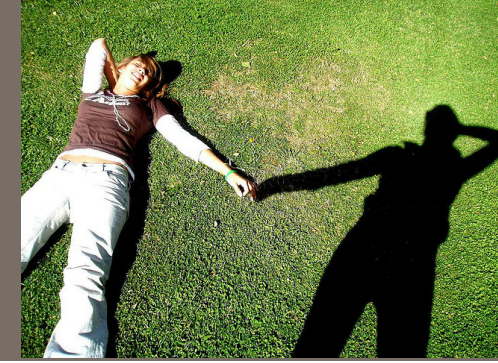
- Operating efficiencies related to travel and occupancy
- Discontinuation of grant to private recreational facility



21-23 Exec Budget

BEHAVIORAL HEALTH

Budget Highlights

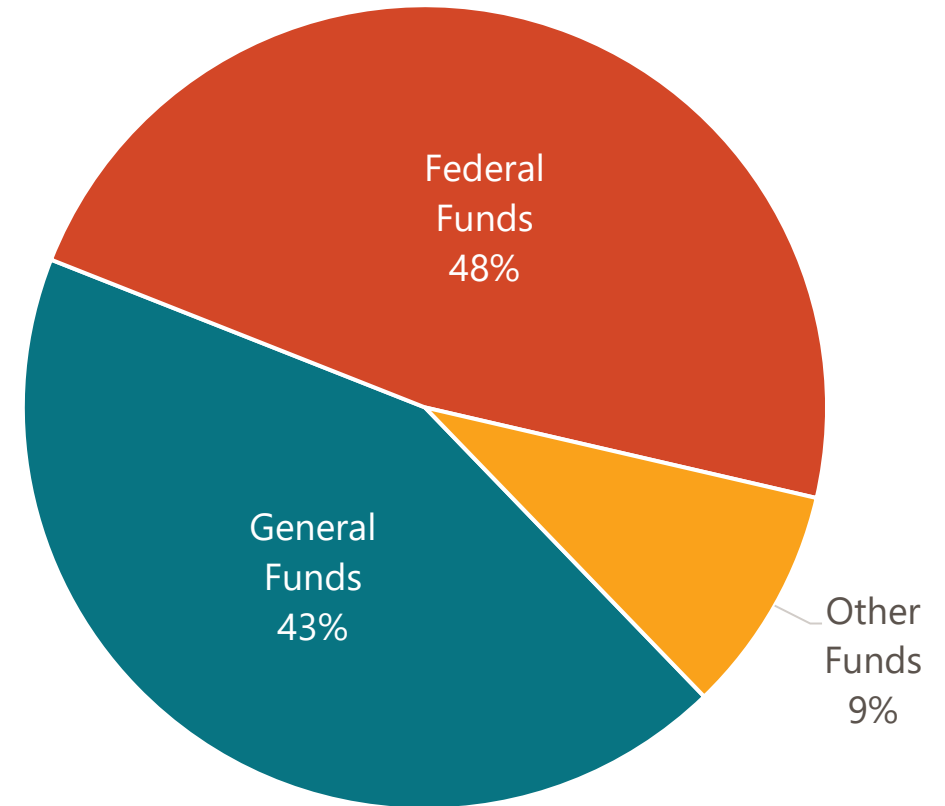


19-21 Budget **\$72,069,770**

21-23 Budget (exec) **\$85,003,305**

36 FTE; no change in FTEs projected; \$12.9 million increase in total budget (0% of reduction from federal funds)

- Substance Use Disorder Voucher
- Expanded Free Through Recovery for non-justice involved families
- Behavioral Health in schools



21-23 Exec Budget

STATE HOSPITAL

Budget Highlights

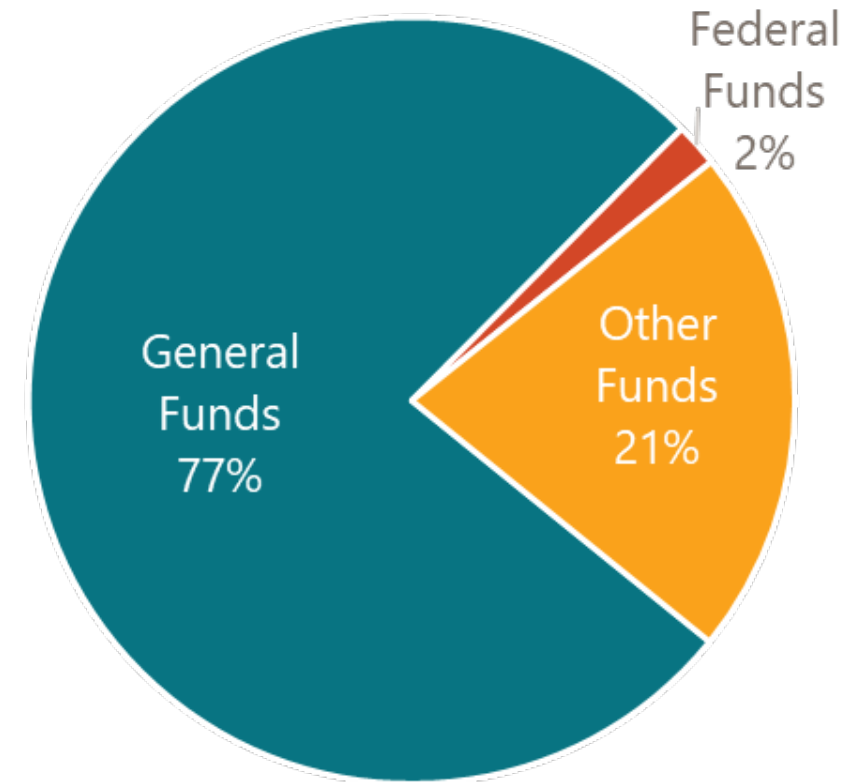


19-21 Budget **\$68,801,489**

21-23 Budget (exec) **\$65,954,923**

310.52 FTEs; includes reduction of 20.1 FTEs; \$2.8 million budget reduction (19% in federal funds)

- Construction of new treatment campus, utilizing operating savings to retire debt service
 - Requires addition of 6-10 hospital beds in western North Dakota
 - Statutory authority to decline admissions when full
 - Reduction of state hospital inpatient services to 75 beds
- Various operating efficiencies at current campus
- Discontinuation of DOCR treatment contract



21-23 Exec Budget

HUMAN SERVICE CENTERS

Budget Highlights

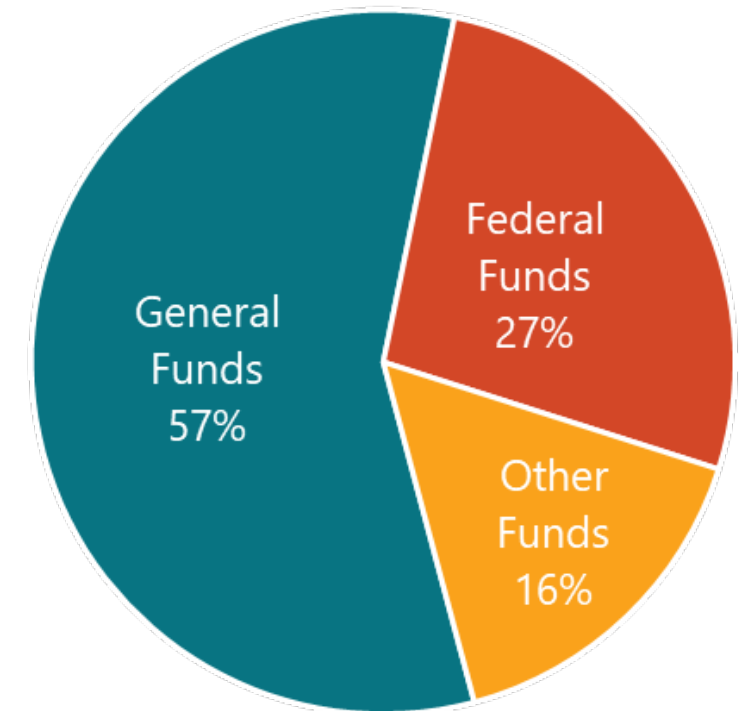


19-21 Budget **\$162,984,547**

21-23 Budget (exec) **\$167,518,311**

637.95 FTEs; no change in FTEs projected; \$4.5 million budget increase (27% in federal funds)

- Operating efficiencies across the network of human service centers
- Reduction in various supported housing and employment contracts to facilitate a shift in payment from general fund to 1915i for services delivered to eligible individuals
- Program efficiencies involving transition of case aid and related service contracts



21-23 Exec Budget

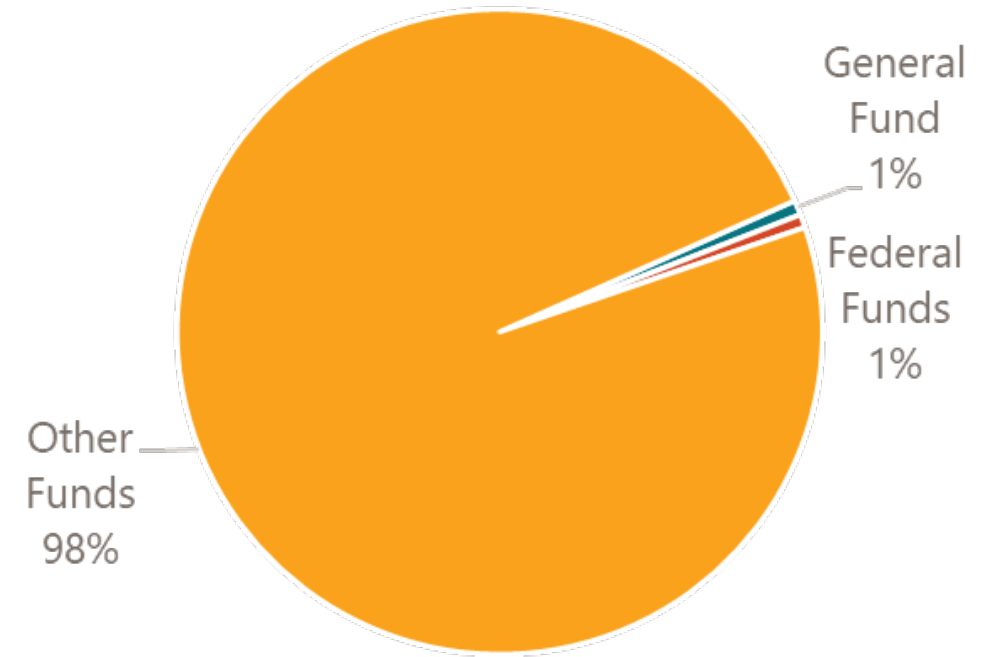
HUMAN SERVICE ZONES

Budget Highlights



19-21 Budget **\$173,700,000**
21-23 Budget (exec) **\$177,158,738**
143 FTEs; includes 3 additional FTEs; \$3.5 million increase in total budget (34% from federal funding)

- Adding authority to include targeted case management in HSZ budgets
- Redesign eligibility processes to improve customer experience and level workloads



21-23 Exec Budget

#7

Purpose and use of one-time funding items for current biennium

DHS ONE TIME FUNDING

Strategic infrastructure investments support delivery of service

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
Technology Projects	\$13,785,658	\$ 0
Capital Projects – Life Skills and Transition Center	4,277,165	0
Capital Projects – State Hospital	2,493,500	0
Medically Complex Children Provider Funding Adjustment	977,603	0
Hyperbaric Oxygen Therapy Grant	335,000	0
State Hospital Study	200,000	0
MMIS Modernization	0	35,000,000
Nursing Facility Payment Reform	0	7,200,000
Nursing Home Bed Buy Back	0	3,300,000
Frame/CCIPS Replacement	<u>0</u>	<u>30,000,000</u>
Total All Funds	\$22,068,926	\$75,500,000
Less Estimated Income	<u>20,556,323</u>	<u>49,525,314</u>
Total General Fund	\$1,512,603	\$25,974,686

#8

Identify and justify the need for any one time funding being requested / recommended

DHS ONE TIME FUNDING

Replacement of FRAME/CCWIPS

DIVISION

Children & Family Services

BUDGET AMOUNT

\$30,000,000

\$15 M general fund
\$15 M federal funds

PURPOSE

Develop and deploy system to manage child protection, foster care, in-home supports to families, and adoption

Supports administrative efficiencies, retirement of mainframe, and requirements for continued federal program compliance



DHS ONE TIME FUNDING

Nursing Home Bed Buyback

DIVISION

Medical Services

BUDGET AMOUNT

\$3,300,000

\$3.3 M general fund

\$0 M federal funds

PURPOSE

Right size and support nursing facilities due to COVID and other changes in state regarding HCBS.



DHS ONE TIME FUNDING

Nursing Home Payment Reform

DIVISION

Medical Services

BUDGET AMOUNT

\$7,200,000

\$3.35 M general fund

\$3.85 M federal funds

PURPOSE

Modify the nursing home payment system to reward and promote efficiency and support renovation of properties



DHS ONE TIME FUNDING

State Hospital

DIVISION

State Hospital

BUDGET AMOUNT

\$0

\$0 M general fund

\$0 M federal funds

PURPOSE

Build new treatment campus is Jamestown to replace aging infrastructure and realize operational savings; finance via public private partnership that applies operational savings to debt service



#9

Agency collections deposited in the general fund or a special fund, and anticipated changes from 2019-21

DHS AGENCY COLLECTIONS

Anticipating increase in fee for service collections at HSCs

2019-21
\$20,556,323

2021-23
\$26,659,485



\$6.1 million

#10

Discuss need for other sections that are included or recommended to be included in agency appropriation bill

SECTIONS IN AGENCY BUDGET BILL

References support quality and efficient service delivery

1. Amendment to section 50-24.1-37 to extend Medicaid expansion and to transition administration of Medicaid expansion to DHS
2. Repeal section 50-24.1-18.1 relating to consumer-directed health maintenance service.
3. Nursing home bed reduction authorization and appropriation
4. Medicaid expansion and nursing home rates expenditures may not exceed appropriation language.
5. Develop a plan to implement health homes and report to legislative management
6. Exemptions to carry-over 2019-23 funds
7. Authorization to convey land at Life Skills and Transition Center and to enter into an agreement to lease state hospital land to the national guard
8. Capital projects and payment language, including authorization to construct a new state hospital
9. Provider process and outcome measures
10. A requirement to the department to establish a new rate setting process and requirements for qualified residential treatment providers

#11

Any other bills being considered by legislative assembly and their potential budgetary impact on agency

OTHER DHS-RELATED BILLS

As of 1-5-21

HB1015 – OMB's appropriation; guardianship grants

HB1034 – Preliminary treatment and involuntary treatment hearings

HB1035 – Juvenile Justice reform bill

HB1048 – Allowance for guardians to be required by Court to furnish a bond

HB1065 – Nursing home operating costs

HB1066 – Accreditation of Human Service Centers

HB1089 – Seclusion, restraint, and prohibition of shock treatment and aversive reinforcement

HB1090 – Nursing home rates

HB1091 – Use of ACH for foster care and shelter care payments

OTHER DHS-RELATED BILLS

As of 1-5-21

- SB2004 – Dept of Health appropriation; prevention and behavioral health
- SB2015 – DOCR's appropriation; Free Through Recovery / community behavioral health program
- SB2082 – Transferring Child Support responsibilities from Court to Department
- SB2083 – Child abuse and neglect
- SB2084 – Involuntary treatment and emergency detention
- SB2085 – Utilization of ACH for medical assistance providers
- SB2086 – Operation and financing of Human Service Zones
- SB2087 – Medical assistance prior authorization program
- SB2088 – Adoption assistance and utilization of ACH for adoptive parents
- SB2089 – DHS authority and housing stabilization

OTHER DHS-RELATED BILLS

Un-assigned bills (DHS pre-filed)

- Bill relating to the repeal of section 50-06-32.1 regarding autism spectrum disorder voucher program; and
- Bill relating to the remedial eye care (within limits of legislative appropriation) and Medicaid waivers – In-home services (extending the waiver by two additional years - up to the age of sixteen).

#12

Impact of any budget changes made to meet the Governor's budget guidelines

2021-2023 Budget Development Framework

DHS asked to provide a 15% reduction in general fund spending

Identified total of \$218 million in reductions to achieve targeted general fund savings

30% general fund
70% federal/other





Strong Stable Families

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

21-23 Executive Budget

- Reduced utilization of out-of-home placements, including foster care
- Utilize and support Kinship care for at-risk kids
- Redesign child welfare processes to incorporate improved safety planning practices
- Intensive in-home and evidence-based behavioral health supports for kids and families
- Care coordination for families struggling with mental health and substance abuse
- Optimize opportunity for Title IV-E to become a means to upstream reinvestment
- Substance Use Disorder voucher
- Free Through Recovery



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

21-23 Executive Budget

- Integrate data sets to facilitate decision making via Early Childhood Integrated Data System
- Evidence based in-home support for young families through Families First Prevention Plan implementation
- Maintenance of state investment in infant development and early intervention services for children with developmental delays
- Maintenance of child care inclusion specialists to support access to child care for children with special needs

21-23 Executive Budget

- Connect in-reach/out-reach with timely follow up to connect individuals to services that can be provided outside of institutional settings
- Centralized intake for home and community based services
- Develop non-institutional residential options for behaviorally complex and medically fragile children and adults
- Build HCBS provider capacity for private pay, MA, waivers and SPED
- Streamline provider enrollment processes
- Connect housing and support services to create scattered site supported housing
- Integrate Social Determinants of Health into Medicaid model via 1915i and other Medicaid



**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

21-23 Executive Budget

- Re-design eligibility model from policy through determination, focusing on the systemic changes that will improve both access and quality
- Incorporate Tech Dependent and Autism waivers into existing MA framework
- Re-focus HSCs as Community Behavioral Health
- Create focused TANF statewide eligibility team
- Embed HSC behavioral health staff in community settings
- Replace technology platform that supports child welfare and child protective services
- Invest in modernization of MMIS
- Integrate LIHEAP into integrated eligibility platform



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

21-23 Executive Budget

- Reduce our agency's physical footprint
- Integrate person-centered practices into DHS administrative framework
- Increase Leadership Everywhere by 50%,
- Deploy Gallup Employee Engagement Survey and improve scores by .25 in the second year
- Develop DHS Succession plan



Safety Net Services & System Supports

- Operate Medicaid as public health insurance provider
- Deliver behavioral health services to hardest-to-serve populations
- Support service delivery infrastructure
- Administer federal programs, contracts and payment systems

21-23 Executive Budget

- Administer programs that are delivered privately via contract
- Reform Long Term Care payment system to create incentives toward home and community-based services
- Shift contractual services to 1915i
- Transition administration of Medicaid Expansion to DHS
- Reduce extended services contracts
- Rate and payment adjustments for PACE services, telehealth, targeted case management, and I/D Disability services
- Eliminate PCCM provider payment
- Quality Initiative in Medicaid fee for service

#13

One-page itemized listing of changes your agency is requesting the committee make to the executive recommendation

CHANGES FROM EXECUTIVE BUDGET RECOMMENDATION

Adjustments

N/A

We anticipate that there will be adjustments needed as we move through the budget process.

#14

Comparison of agency Optional Adjustment Requests to those recommended in executive budget

OPTIONAL ADJUSTMENT REQUESTS

Comparison of proposed and approved

IBARS Description	To OMB				Executive Budget			
	FTE	General	Federal	Other	FTE	General	Federal	Other
15% Savings		(63,335,882)	(155,923,691)	(467,184)		(55,084,020)	(101,024,656)	(467,184)
5% Other funds reprioritization decrease				(2,429,283)				(2,429,283)
5% Other funds reprioritization increase				2,429,283				2,429,283
Nursing Home Bed Buy Back		6,000,000				3,300,000		
Nursing Facility Payment Reform		3,348,000	3,852,000			3,348,000	3,852,000	
Increase Supervision rate (in State Plan)		566,683	651,991					
Building Maintenance - Heat Pump Replacement		455,000						
Building Maintenance - Base Energy Management System		453,600						
Building Maintenance - Carpet Replacement		269,000						
Building Maintenance - Lighting Retrofit		116,000						
Sex Offender		917,004				917,004		
Duct Cleaning - All Patient Care Buildings		605,000						
Roof - New Horizons Building		575,000						
Door Upgrades/Card Access - LaHaug Building		105,000						
SUD Voucher		9,000,000				9,000,000		
MMIS Module replacement		4,326,686	30,673,314			4,326,686	30,673,314	
New State Hospital		3,366,000						
Early Childhood Integrated Data System (ECIDS)		500,000				500,000		
VAPS Workers from contract to state	6	163,959			(6)			
HCBS Case Management/ ADRL staff	3			498,673	3			498,673
FRAME/CCWIPS Replacement		18,000,000	18,000,000			15,000,000	15,000,000	
Random Moment Time Study (RMTS) system		150,000						
Contract, Payment, and Reporting System		2,000,000						
Inflation for Providers						13,883,837	14,417,097	
Inflation for Employee Compensation		(6,139,260)	2,412,077	12,846,105		2,598,447	4,703,702	13,202,364
Total	9	111,027,839	136,578,541	(39,893,596)	(3)	102,792,972	205,560,725	(15,544,546)

Executive Budget fully supported
Executive Budget partially supported
Executive Budget did not support
Executive Budget supported, adjustment for timing
Fully supported in OMB budget

#15

Amount of federal funding available to agency related to COVID-19 pandemic, actual amount spent and for what purpose

FEDERAL FUNDS AVAILABLE TO DHS FOR COVID RESPONSE

Topical summary of emergency assistance to support basic needs

Child Care

Child Care Em Op Grnt \$48.9 MM (CRF)
Child Care Assistance \$6 MM (CCDBG-CV)

Behavioral Health

Mental Health Grant \$2 MM (SAMHSA)
Crisis Counseling \$1.1MM (SAMHSA)
Community BH \$1.7 MM (CRF)
HSC/Rural \$3.5 MM

Food Assistance

P-EBT \$10 MM (USDA-CV)
P-SNAP \$25.7 MM (USDA FNS)
Sr Meals \$3.6 MM (OAA-CV)
Sr Meals \$1.1 MM (CRF)
Food Bank \$430k (FEMA)

Housing

ERB \$2.9 MM (CRF)
Homeless Coord \$xxx
Rent Assistance \$6.5 MM (CDBG-CV)

Energy Assistance

P-LIHEAP \$5.2 MM (ACF)

Child Welfare

IV-E FMAP \$2.5 MM (ACF)
Violence Prev \$80k
CW Svcs \$76k

Medical Services

FMAP \$85 MM (CMS)
Family caregiver \$500k

Aging Services

Fam Caregiver \$500k
ADRL ACL \$305k
Supportive svc \$1 MM
Ombudsman \$100k
Sr Employ \$889k (SECEP)
SNF Air Pur \$2.6 MM (CRF)

Ops & PPE

Connect Karts \$100k (CRF)
QSP PPE \$50k (CRF)
SNAP Access \$250k (CRF)
Data tools/Ops \$3.5 MM (CRF)

Total Available	\$215,678,868
Total Spent	\$142,181,611
<i>(thru 12/21/20)</i>	

DHS COVID RELATED FEDERAL AWARDS & EXPENSE (thru 12-21-20)

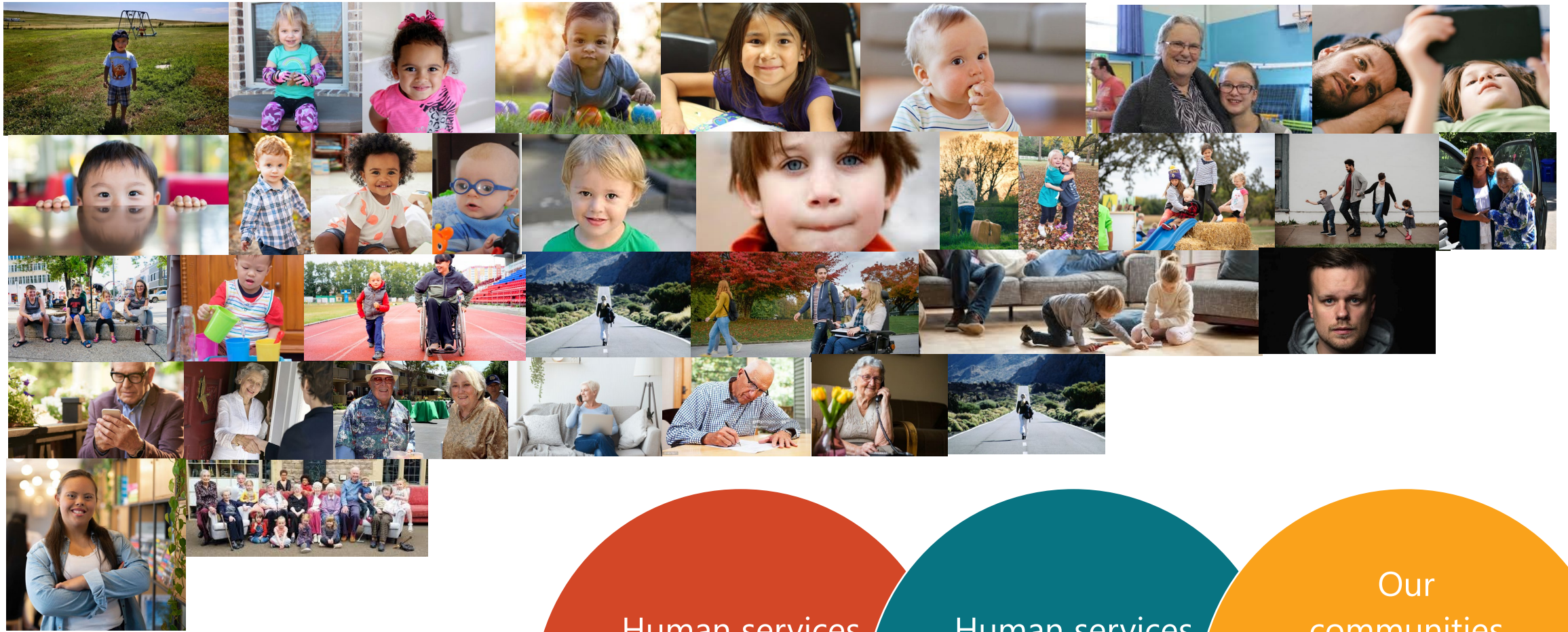
Majority of unspent funds as of 12-21-20 related to authorized FMAP

Subdivision	Program	Federal Award/EC Approval	Paid as of 12/21/2020	Notes
Aging Services	Supportive Services	1,000,000	312	Project period ends 9/30/2021
Aging Services	Nutrition Services under Title III-C of the Older Americans Act	1,200,000	1,195,618	Project period ends 9/30/2021
Aging Services	Nutrition Services under Title III-C of the Older Americans Act	2,400,000	2,385,440	Project period ends 9/30/2021
Aging Services	Family Caregiver Support Program	500,000	460,574	Project period ends 9/30/2021
Aging Services	ADRL ACL Grant	305,454	41,094	Project period ends 9/30/2021
Aging Services	Ombudsman Program	100,000	62,388	Project period ends 9/30/2021
Aging Services	Senior Community Services Employment Program (SCSEP)	889,285	-	Project period ends 12/31/2022
Aging Services	Coronavirus Relief Funds from OMB: Nutrition Services	1,131,800	1,001,729	Coronavirus Relief Funds
Behavioral Health	Emergency Grant to Address Mental & Substance Use Disorders COVID-19 (SAMHSA)	2,000,000	135,136	Project period ends 8/19/2021
Behavioral Health	Crisis, Counseling, and Training Program (SAMHSA)	835,629	-	Project period ends 6/8/2021
Behavioral Health	Crisis Counseling Assistance and Training Program Grant, ISP	251,053	226,738	Project period ends 9/7/2020
Behavioral Health	Coronavirus Relief Funds from OMB: Community-based behavioral health services	1,700,000	-	Coronavirus Relief Funds
Children and Family Services	FMAP IV-E Foster Care & Sub Adopt	2,500,000	1,412,772	Paid is through 9/30/2020 - 6.2% increase
Children and Family Services	Family Violence Prevention and Services Grant	79,837	-	Project period ends 9/30/2021
Children and Family Services	Child Welfare Services State Grant	76,858	-	Project period ends 9/30/2021
Economic Assistance	SNAP - School Meals USDA Replacement	10,058,706	9,543,681	Paid is through Nov. 2020
Economic Assistance	SNAP Increased Benefits	25,752,708	23,795,212	Paid is through Nov. 2020
Economic Assistance	Child Care Development Fund (CCDF)	6,037,905	-	Project period ends 9/30/2023
Economic Assistance	Low Income Home Energy Assistance Program (LIHEAP)	5,176,454	2,144,286	Project period ends 9/30/2021
Economic Assistance	FEMA Share: Great Plains Food Bank pass through	430,200	464,670	FEMA is open ended during the declared emergency
Economic Assistance	Emergency Rent Bridge (Community Development Block Grant)	6,534,942	6,919	Awarded to Department of Commerce
Economic Assistance	Coronavirus Relief Funds from OMB: Childcare Emergency Operating Grant (CEOG)	48,850,000	46,758,287	Coronavirus Relief Funds
Economic Assistance	Coronavirus Relief Funds from OMB: Emergency Rent Bridge (Dept. ID 3080)	2,900,000	2,738,939	Coronavirus Relief Funds
HSC/Institution	Rural Stimulus Payment	3,445,927	1,875	
Management	Coronavirus Relief Funds from OMB: HVAC Air Purification systems for Skilled Nursing Facilities	2,600,000	738,387	Coronavirus Relief Funds
Medicaid Grants	FMAP for Traditional Medicaid, Long-Term Care, and Developmental Disabilities	85,000,000	47,520,244	Paid is through 9/30/2020 - 6.2% increase
Department of Human Services	Coronavirus Relief Funds from OMB: Human Service Zones expenses, agency PPE and telework expenses, temporary staff, Connect Karts, Consultants, LTC portable air purifiers, QSP PPE grants, Grocer EBT Grant, Great Plain Food Bank, Telehealth upgrades	3,922,111	1,477,906	Coronavirus Relief Funds
Department of Human Services	FEMA Share: Agency Expenses	-	69,403	FEMA is open ended during the declared emergency
		<u>215,678,868.99</u>	<u>142,181,611</u>	

Final award different than estimated award approved by Emergency Commission and Budget Section

#16

Additional Information



DHS Invests in People

Human services
is the
infrastructure of
well being.

Human services
can help people
realize their full
potential.

Our
communities
are stronger
when all people
can realize their
full potential.

NORTH
Dakota
Be Legendary.™

| Human Services

Appendix

DHS Division Budget Summary Tables

MEDICAL SERVICES – LONG TERM CARE

Budget Summary

Description	Budget 2019-2021	Increase/ (Decrease)	Executive Budget 2021-2023
Grants	853,200	(330,000)	523,200
Medical Grants	736,510,531	85,531,242	822,041,773
Total	737,363,731	85,201,242	822,564,973
General Fund	377,567,931	26,612,730	404,180,661
Federal Funds	356,199,438	61,872,874	418,072,312
Other Funds	3,596,362	(3,284,362)	312,000
Total	737,363,731	85,201,242	822,564,973
Full Time Equivalent (FTE)	0.00	0.00	0.00

MEDICAL SERVICES – TRADITIONAL AND EXPANSION

Budget Summary

Description	2013-2015 Appropriation	2015-2017 Appropriation	2017-2019 Appropriation	2019-2021 Appropriation	Changes	2021-2023 Executive Budget
Salary and Wages	9,361,167	11,006,399	9,217,240	17,631,821	798,183	18,422,004
Operating	39,355,085	44,241,160	53,320,237	48,290,789	8,712,126	57,002,915
Grants						
Medical Grants	806,717,552	1,215,896,867	1,303,690,959	1,352,417,879	(12,341,840)	1,340,076,039
Total	855,433,804	1,271,144,426	1,366,228,436	1,418,332,489	(2,831,531)	1,415,500,958
General Fund	289,891,636	313,547,595	284,162,440	342,465,788	35,847,622	378,194,515
Federal Funds	514,107,184	914,467,704	962,268,730	977,292,683	(24,294,880)	952,997,802
Other Funds	51,434,984	43,129,127	119,797,266	98,574,018	(14,265,377)	84,308,641
Total	855,433,804	1,271,144,426	1,366,228,436	1,418,332,489	(2,831,531)	1,415,500,958
Full Time Equivalent (FTE)	59.50	59.50	48.00	86.50	12.00	98.50

AGING & ADULT SERVICES

Budget Summary

Description	2019-2021 Budget	Increase/ (Decrease)	2021-2023 Executive Budget
Salary and Wages	7,531,996	1,115,342	8,647,338
Operating	20,507,197	1,178,638	21,685,835
Grants	3,175,102	944,491	4,119,593
Total	31,214,295	3,238,471	34,452,766
General Fund	12,128,232	297,546	12,425,778
Federal Funds	18,109,325	3,171,725	21,281,050
Other Funds	976,739	(230,800)	745,938
Total	31,214,295	3,238,471	34,452,766
Full Time Equivalent (FTE)	44.00	0.00	44.00

DEVELOPMENTAL DISABILITIES

Budget Summary

	2019- 2021 Budget	Increase/ (Decrease)	2021-2023 Executive Budget
Salary and Wages	21,041,554	2,147,049	23,188,603
Operating	8,402,117	(562,834)	7,839,283
Capital	10,000	-	10,000
Grants	672,928	(150,000)	522,928
DD Grants	658,889,923	48,819,082	707,709,005
Total	689,016,522	50,253,297	739,269,819
General Fund	336,131,217	8,629,327	344,760,545
Federal Funds	352,885,305	41,623,970	394,509,274
Other Funds	-	-	-
Total	689,016,522	50,253,297	739,269,819
Full Time Equivalent (FTE)	125.87	0.99	125.87

LIFE SKILLS TRANSITION CENTER

Budget Summary

Description	2019-2021 Budget	Increase/ (Decrease)	2021-2023 Executive Budget
Salary and Wages	48,807,542	(8,851,333)	39,956,209
Operating	9,141,275	(1,324,010)	7,817,265
Capital	846,131	0	846,131
Total	58,794,948	(10,175,343)	48,619,605
General Fund	29,426,161	(7,777,688)	21,648,473
Federal Funds	26,880,105	(2,430,575)	24,449,530
Other Funds	2,488,682	32,920	2,521,602
Total	58,794,948	(10,175,343)	48,619,605
Full Time Equivalent (FTE)	322.84	(14.50)	308.34

CHILDREN AND FAMILY SERVICES

Budget Summary

	2019-2021 Budget	Increase/ (Decrease)	2021-2023 Executive Budget
Salaries and Benefits	8,346,639	153,632	8,500,271
Operating	6,531,727	396,770	6,928,497
Grants	166,292,675	(16,083,723)	150,208,952
Total	181,171,041	(15,533,321)	165,637,720
General Fund	87,651,918	(15,698,254)	71,953,664
Federal Funds	88,707,220	1,028,817	89,736,037
Other Funds	4,811,903	(863,884)	3,948,019
Total	181,171,041	(15,533,321)	165,637,720
Full Time Equivalent (FTE)	41.60	0	41.60

ECONOMIC ASSISTANCE

Budget Summary

	2019-2021 Budget	Increase/ (Decrease)	2021-2023 Executive Budget
Salary and Wages	6,777,828	750,224	7,528,052
Operating	10,183,362	(129,940)	10,053,422
Grants	242,885,074	14,531,536	257,416,610
Total	259,846,264	15,151,820	274,998,084
General Fund	8,605,617	3,256,938	11,862,555
Federal Funds	231,997,094	11,701,119	243,698,213
Other Funds	19,243,553	193,764	19,437,317
Total	259,846,264	15,151,820	274,998,084
Full Time Equivalent (FTE)	39.80	0.0	39.80

CHILD SUPPORT

Budget Summary

	2019-2021 Budget	Increase/ (Decrease)	2021-2023 Executive Budget
Salaries and Benefits	25,753,469	1,250,677	27,004,146
Operating	4,052,038	(517,082)	3,534,956
Total	29,805,507	733,595	30,539,102
General Fund	8,088,500	117,317	8,205,817
Federal Funds	17,605,475	704,203	18,309,678
Other Funds	4,111,532	(87,925)	4,023,607
Total	29,805,507	733,595	30,539,102
Full Time Equivalent (FTE)	157.70	0	157.70

VOCATIONAL REHABILITATION

Budget Summary

Description	2019-2021 Budget	Increase/ (Decrease)	2021-2023 Executive Budget
Salary and Wages	14,101,052	687,464	14,788,516
Operating	7,533,223	(144,686)	7,388,537
Grants	10,218,764	(1,867,494)	8,351,270
Total	31,853,039	(1,324,716)	30,528,323
General Fund	9,308,268	(2,024,678)	7,283,590
Federal Funds	22,370,770	678,961	23,049,731
Other Funds	174,001	21,001	195,002
Total	31,853,039	(1,324,716)	30,528,323
Full Time Equivalent (FTE)	85.00	0.00	85.00

BEHAVIORAL HEALTH

Budget Summary

Description	2019-2021 Budget	Increase/ (Decrease)	2021-2023 Executive Budget
Salaries and Benefits	6,317,092	745,543	7,062,635
Operating	48,314,144	1,523,449	49,837,593
Grants	17,438,534	10,664,543	28,103,077
Total	72,069,770	12,933,535	85,003,305
General Fund	21,655,789	15,075,517	36,731,306
Federal Funds	42,723,467	(2,236,632)	40,486,835
Other Funds	7,690,514	94,650	7,785,164
Total	72,069,770	12,933,535	85,003,305
Full Time Equivalent (FTE)	36.00	0.00	36.00

STATE HOSPITAL

Budget Summary

	2019-2021 Budget	Increase/ (Decrease)	2021-2023 Executive Budget
Salaries	55,100,672	(1,670,825)	53,429,847
Operating	12,367,468	(1,195,691)	11,171,777
Capital	1,333,349	19,950	1,353,299
Total	68,801,489	(2,846,566)	65,954,923
General Fund	48,936,041	1,594,398	50,530,439
Federal Funds	1,759,125	(543,618)	1,215,507
Other Funds	18,106,323	(3,897,346)	14,208,977
Total	68,801,489	(2,846,566)	65,954,923
Full Time Equivalent (FTE)	330.62	(20.10)	310.52

HUMAN SERVICE CENTERS

Budget Summary

	2019-2021 Budget	Increase/ (Decrease)	2021-2023 Executive Budget
Salaries and Benefits	117,595,353	6,901,854	124,497,207
Operating	16,435,561	(969,915)	15,465,646
Capital	80,000	\$0	80,000
Grants	28,873,633	(1,398,175)	27,475,458
Total	162,984,547	4,533,764	167,518,311
General Fund	104,546,617	(8,374,845)	96,171,772
Federal Funds	40,391,387	4,295,666	44,687,053
Other Funds	18,046,543	8,612,944	26,659,487
Total	162,984,547	4,533,764	167,518,311
Full Time Equivalent (FTE)	637.95	0	637.95

HUMAN SERVICE ZONES

Budget Summary

	2019-2021 Budget	Increase/ (Decrease)	2021-2023 Executive Budget
Salaries & Benefits	24,186,261	2,934,741	27,121,002
Operating	4,621,303	(432,414)	4,188,889
Grants	144,892,436	956,411	145,848,847
Total	173,700,000	3,458,738	177,158,738
General Fund	0	1,323,223	1,323,223
Federal Funds	0	1,176,874	1,176,874
Other Funds	173,700,000	958,641	174,658,641
Total	173,700,000	3,458,738	177,158,738
Full Time Equivalent (FTE)	140	3	143