



## **HB 1012 HHS Overview to Human Resources Committee**

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Dirk Wilke – Interim HHS Commissioner  
Donna Aukland – Chief Financial Officer  
Jan. 13, 2025

NORTH  
**Dakota** | Health & Human Services  
Be Legendary.

# Presentation agenda

- HHS overview
- FTE block grant
- Budget overview



## Our Vision

North Dakota is the healthiest state in the nation.

## Our Mission

HHS fosters positive, comprehensive outcomes by promoting economic, behavioral and physical health, ensuring a holistic approach to individual and community well-being.

# Our Strategic Priorities

Support the advancement of strong, stable, healthy families and communities.

Advance the foundations of well-being through access to high-quality services and supports closer to home.

Optimize disaster and epidemic response and recovery.

Advance excellence in agency infrastructure and operations.

Deliver best-in-class, customer-centered experiences.

Foster a culture of excellence where every team member has a voice, adds value and is empowered to make a difference.

# Our diverse and broad-ranging portfolio of programs and services helps meet the health and well-being needs of North Dakotans

- Adult and Aging Services
- Behavioral Health Clinics
- Behavioral Health Policy
- Child Support
- Children and Family Services
- Criminal Background Check Unit
- Intellectual and Developmental Disabilities
- Disability Determination Services
- Disease Control and Forensic Pathology
- Early Childhood
- Economic Assistance
- Health Response and Licensure
- Health Statistics and Performance
- Healthy and Safe Communities
- Human Service Zone Operations
- Laboratory Services
- Life Skills and Transition Center
- Medicaid
- Medical Marijuana
- Ruth Meiers Adolescent Center
- State Council on Developmental Disabilities
- State Hospital
- Office of Refugee Services
- Vocational Rehabilitation



# We deliver services and supports in collaboration with partners and providers



## HHS Team

- 2,581.83 FTE
- 60+ locations across the state



## Providers

- Medicaid providers
- Behavioral health providers
- Contracted human services providers (e.g.: developmental disability and senior nutrition providers)
- Health care providers and facilities (e.g.: hospitals, basic-care and long-term care facilities)



## Partners

- Local public health
- Tribal leaders
- Universities
- 19 human service zone offices

# North Dakota Century Code chapter(s) and major statutory responsibilities

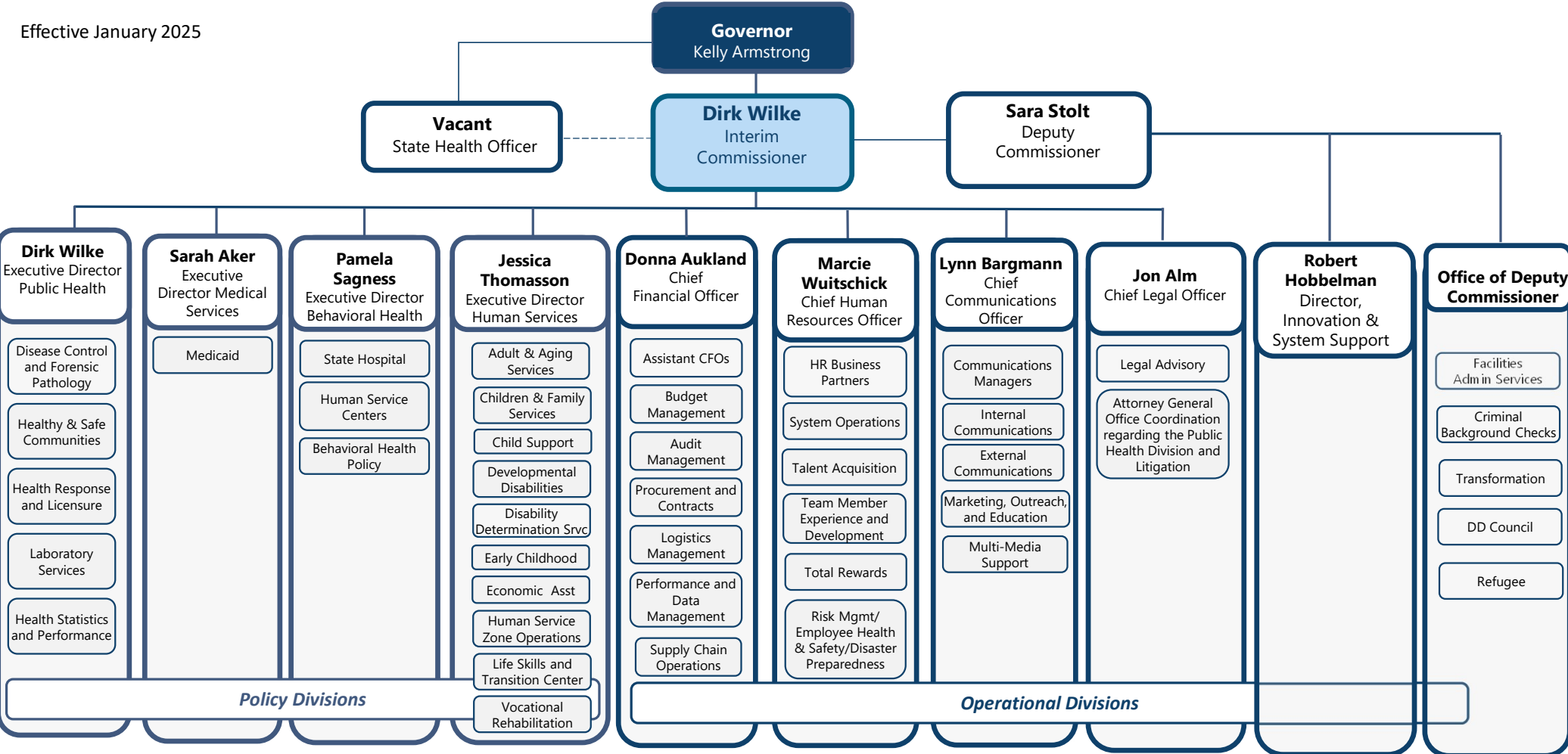
- Public Health
- Behavioral Health
- Medical Services
- Human Services
- Finance
- Human Resources
- Communications
- Legal
- Operations (Deputy Commissioner)

- Chapter 19-24.1: Medical Marijuana
- Various chapters in Title 23: Health and Safety
- Various chapters in Title 25: Mental and Physical Illness of Disability
- Various chapters in Title 50: Public Welfare
- ND Food and Cosmetic Act 19-02.1: Food and Lodging unit

# ND Department of Health & Human Services

Health & Human Services

Effective January 2025





# HHS key accomplishments

**Supported state's workforce with investments** in child care, making it easier for working parents to work and find quality child care for their children.

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**Advanced in-home and community services** in 2024 by transitioning 526 individuals either from nursing homes back to the community or avoiding higher forms of more costly care through diversion services.

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**Began construction on a new ND State Lab** that will preserve and advance the state's ability to protect North Dakota's public health and environment for future generations.



# HHS key accomplishments

**Implementing Functional Family Therapy** at Human Service Centers, an evidence-based therapeutic approach designed to improve family dynamics and address behavioral health challenges in youth.

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**Improved care coordination services** in all eight at Human Service Centers. Care coordinators walk alongside individuals and support them in accessing behavioral health services.

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**Launched Medicaid value-based care in health systems and nursing facilities**, driving quality of life for North Dakotans by incentivizing outcomes and improving care.



# SFY23 audit of HHS

## Findings and programmatic recommendations

### **Developmental Disabilities**

Workforce Retention Grants Not Monitored. Identify whether there were other ineligible payments, and recoup funds for payments made to ineligible caregivers identified in this audit and through the Department's additional procedures. Develop ways to measure whether programs achieve the intended purpose.

### **North Dakota State Hospital**

Internal Controls May Not Safeguard Controlled Substances. Strengthen internal controls to safeguard control substances.

### **Child Protection Services**

Children in Suspected Abuse Situations Not Contracted Timely. Ensure face-to-face contact dates are entered into the Department's tracking system (FRAME) and to make sure those dates are accurate and monitored. Ensure timely face-to-face contract with suspected victims of child abuse or neglect.

# SFY22 single audit

## Findings and programmatic recommendations

### **Public Health:**

2022-005 Coronavirus Relief Fund. Communicate all required information of 2 CFR 200.332(a) to subrecipients. Develop procedures to ensure that all Coronavirus Relief Fund award information is communicated to subrecipients.

2022-006 Coronavirus Relief Fund. Conduct during-the-award monitoring activities as required for passthrough entities in accordance with 2 CFR 200.332.

2022-007 WIC Special Supplemental Nutrition Program for Woman, Infants and Children. Ensure all subrecipients obtain audits or a certification that an audit is not required in accordance with 2 CFR 200 Subpart F.

### **Medical Services:**

2022-008 Medicaid Cluster. Develop a corrective action plan to address the errors identified in the audit and recover payments made on unsupported claims.

2022-009 Medicaid Cluster. Complete a risk analysis and security review of MMIS biennially.

2022-010 Medicaid Cluster. Ensure the medical loss ratio report is finalized as outlined in the contract and all required documentation is properly maintained.

2022-011 Medicaid Cluster. Review access rights to the Medicaid Management Information System (MMIS) fee schedule and all major Medicaid information systems on a regular basis.

# SFY22 single audit

## Findings and programmatic recommendations

### Human Services:

2022-012 CCDF Cluster. Improve procedures to ensure child care correction orders are resolved before the end of each allowed correction period with accurate tracking of dates.

2022-013 CCDF Cluster. Develop corrective action and perform annual unannounced inspections of child care providers in operation in accordance with 45 CFR 98.42(b)(2)(B) and Department policy.

2022-014 Low-Income Home Energy Assistance. Coordinate with the Department of Commerce to properly report subawards of the state under the LIHEAP program for FFATA reporting.

2022-015 Low-Income Home Energy Assistance. Ensure adequate rental documentation is on file and proper eligibility determinations of the Low-Income Home Energy Assistance Program (LIHEAP) are made.

2022-016 Low-Income Home Energy Assistance. Ensure policies and procedures prevent duplicate payments from being applied to LIHEAP cases. We also recommend the Department of Human Services ensure required documentation is obtained for individuals appearing in multiple cases in accordance with state LIHEAP Policy.

2022-017 Low-Income Home Energy Assistance. Ensure eligibility is verified through the State NDVerify system prior to approval of all LIHEAP applications or revise the State Plan to identify the use of NDVerify as optional for approval by the Federal awarding agency.

# SFY22 single audit

## Findings and programmatic recommendations

### **Human Services continued:**

2022-012 CCDF Cluster. Improve procedures to ensure child care correction orders are resolved before the end of each allowed correction period with accurate tracking of dates.

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# SFY22 single audit

## Findings and programmatic recommendations

### **Human Services:**

2022-018 Emergency Rental Assistance Program. Ensure monthly payment amounts are calculated correctly and reviewed for accuracy. Additionally, we recommend the Department ensure the improper payments are recouped through the ERA program's refunding process.

2022-019 Children's Health Insurance Program. Review the SPACES system edit checks and ensure eligibility determinations made for the CHIP programs are proper. We also recommend corrections to payments and Federal reimbursement of CHIP.

### **Behavioral Health:**

2022-020 Block Grants for Prevention and Treatment of Substance Abuse. Develop corrective action and expend, at a minimum, the amount expended by the State for fiscal year 1994, for the availability of treatment services designed for pregnant women and women with dependent children either by establishing new programs or expanding the capacity of existing programs.

### **Business Operations:**

2022-021 Rehabilitation Services Vocational Rehabilitation Grants to States. Follow its procedures to prevent and detect Vocational Rehabilitation payments from occurring outside the period of performance.

# What is the HHS FTE block grant?

During the 2023 Legislative Session, lawmakers:

- Approved the HHS salary appropriation
- Removed the **total number** of FTE appropriation

**RESULT:** HHS is responsible for staying within our salary appropriation but now has flexibility on total number of FTEs

**NOTE:** Block grant includes all compensation, overtime, bonuses paid, promotional increases, health insurance premiums, etc.







## Why is this important?

Historically limited by a total cap on FTEs each biennium:

- Prohibits adding necessary positions in a timely manner
- Limits repurposing positions
- Inability to be nimble in addressing staffing needs based on client acuity or need

# The FTE Block Grant has allowed HHS ...



**To quickly respond and hire for immediate or emerging business needs**



**Flexibility to support new work**



**To support state workforce by transitioning long-term temp employees to FTE**



**To address overtime and team member capacity by adding essential positions**

# How does it work?



## Group A: Temporary converting to FTE

- Position is already working 30+ hours per week
- Anticipated to exist for more than 3 years
- Long-term funding is available (now and in future)
- Prioritized within established goals of HHS
- Complete SFN 50



## Group B: Refilling basic vacancies

- Natural turnover
- Positions that are being filled with the same role as the previous incumbent
- Repurpose existing vacant position (1.0 FTE)
- Positions must be currently funded in the division's salary budget
- Hiring can occur within HR-established vacancy thresholds
- Complete SFN 50



## Group C: Short-term needs

- Short-term
- Less than 720 hours (emergency status)
- Interns, summer students, co-op
- Position is budgeted for or sufficient rollup exists to cover cost
- Prioritized within established goals of HHS
- Complete SFN 50



## Group D: Requesting New FTE

- New FTE requests
- Long-term full-time temp request
- Repurposing more than 1.0 existing FTE
- Prioritized based on identified goals of HHS
- Reviewed for approval by a committee including Operations, Program, Finance, HR and Commissioner.
- Established threshold for turnover/vacancy exists for each operations, direct service and program

EXECUTIVE DIRECTOR APPROVAL

COMMITTEE APPROVAL

# Examples

- A full time FTE with benefits is available in a rural city in ND. The position has been posted twice with no candidates applying. Historically we would have limited options in how to address this.
- With the block grant, we can explore two college students with alternate schedules who might be each interested in 20 hours per week. They choose to remain on their parents' health insurance.
- We are then able to hire them at an hourly rate, no benefits are paid out, and the client is still receiving the service locally. We have saved ourselves the cost of health insurance and not utilized an FTE, but utilized the block grant to be creative in filling the role.
- **This FTE can now be utilized for a different programmatic need as long as budgeted dollars still exist.**

# Salary appropriation for 2023-2025 Biennium

- Total HHS Salary + Benefits = \$551,714,842

**NOTE:** Block grant includes all compensation, overtime, promotional increases, health insurance premiums, bonuses, etc.

# Timeline of FTE

## 23-25 Session

Beginning:  
2475.83 FTE  
+ 53 Temp to FTE  
+ 53 New FTE  
  
2581.83 Ending FTE\*

## Beginning of Block Grant + FTE Committee July 2023-Present

- 50 long-term vacancies within the Behavioral Health Division were repurposed to fill new needs within Behavioral Health.
- 50 additional long-term temps were transferred to FTE
- Approved 92.5 new FTE, which are in various phases of being filled
- Approved 56 new FTE in Behavioral Health

## Current State – As of 12/1/24

- 374.63 Vacant FTES
- All requests are reviewed by the FTE committee for need and budget
- HHS churn (turnover) allows us to be flexible in filling positions and utilize the unspent salary budget
- Current filled positions is under 2581.83

\*While the appropriation for the 106 new FTEs was added to the budget bill, the actual number of FTEs were not added because of the conversion to the FTE block grant for HHS.

# Current FTE vacancies - point in time (12-1-24)

374.63 Vacant Positions – Phases summarized as follows:

Phase	Description	Number
1	Part of current budget, position number established, job description completed and in process of being classified then posted	109.00
2	Position posted; actively recruiting and has not yet closed	112.52
3	Position posting closed; applications being reviewed and interviews scheduled	42.9
4	Position has been offered and offer is pending	16
5	Position is filled; new team member not started as of 12/1/24	79.5
Remove	Not budgeted for in 23-25 and/or can be deleted	11.71
Freeze	Federal Hiring Freeze does not allow for filling position(s)	3.0
	<b>TOTAL</b>	<b>374.63</b>

# Budget review to support FTE pool process

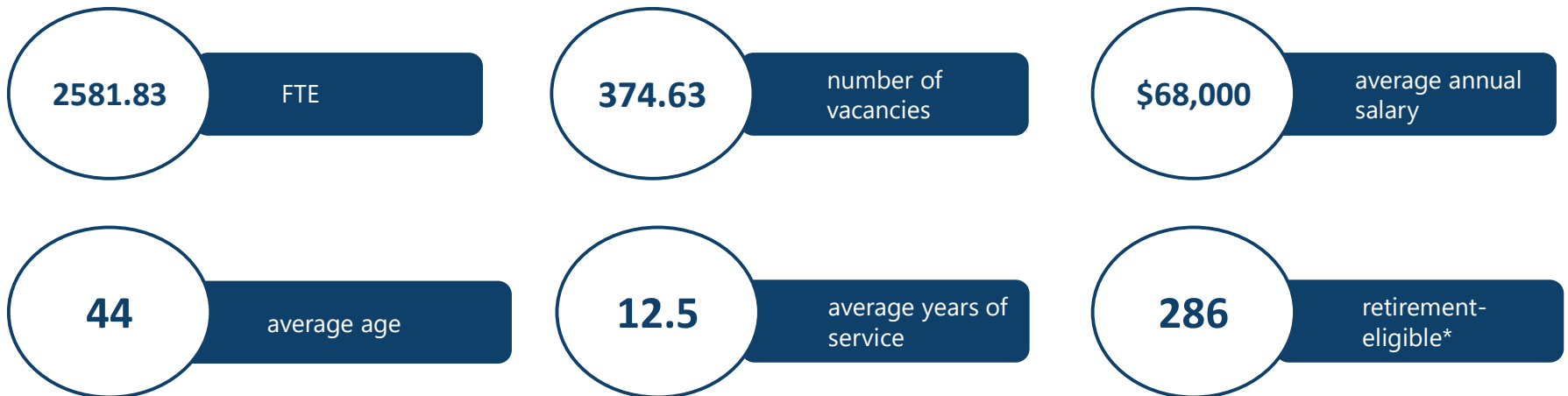
Process to reconcile the headcount with the dollars being spent:

- Actual Expenditures analyzed month by HHS leadership
- Compared to budgets for each section and by HHS as a whole
- Projections are established and then modified by trends over the biennium
- Finance reports are available by the fourth week of every month
- Section Director reviews monthly with Finance team accountant





# Agency team member statistics



\*approximation based on available data

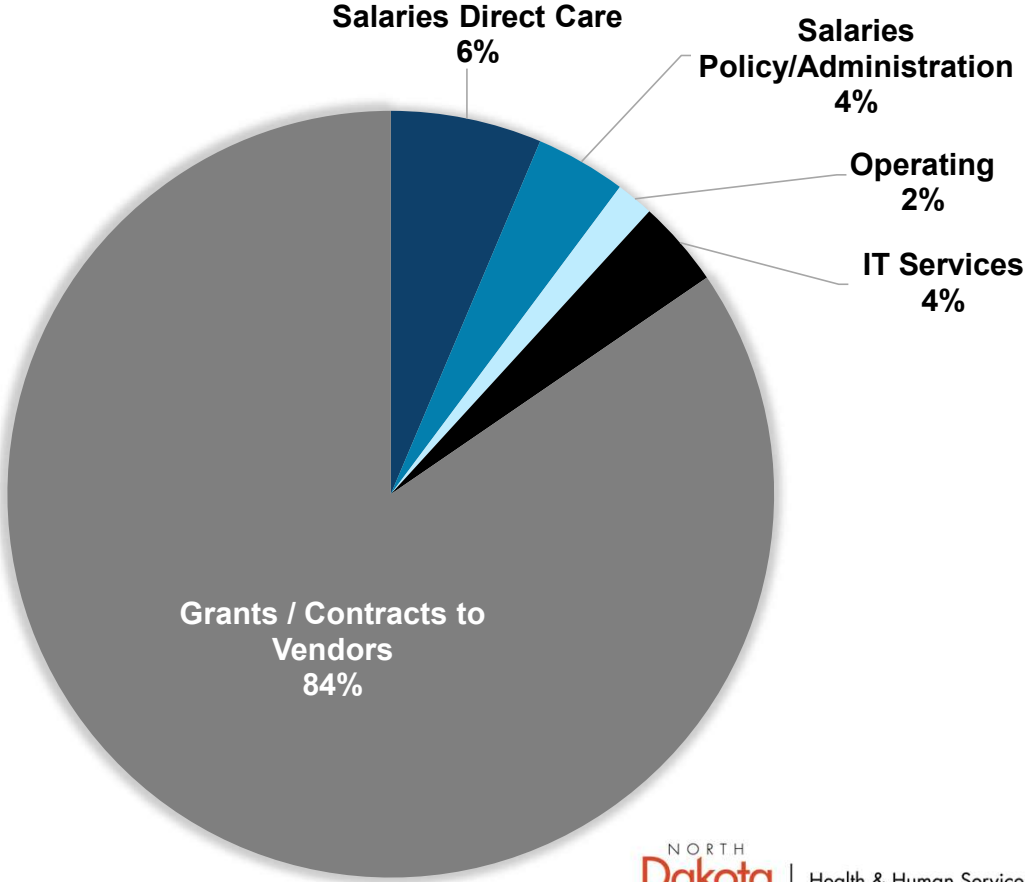
# Overview of HHS 2025-2027 base budget

Description	2023-25 Budget Base	Increase/ (Decrease)	2025-27 Executive Base Budget
Salaries and Benefits	\$ 547,374,810	\$ 33,668,554	\$ 581,043,364
Operating	389,851,984	88,054,163	477,906,147
IT Services	182,757,553	27,761,561	210,519,114
Capital Asset Expense	2,244,478	(47,185)	2,197,293
Capital Assets	2,173,666	(301,703)	1,871,963
Grants	4,431,009,184	(64,257,590)	4,366,751,594
<b>Total</b>	<b>\$ 5,555,411,675</b>	<b>\$ 84,877,800</b>	<b>\$ 5,640,289,475</b>

<b>General Fund</b>	<b>\$ 2,011,826,795</b>	<b>\$ 115,395,668</b>	<b>\$ 2,127,222,463</b>
<b>Federal Funds</b>	<b>3,144,926,499</b>	<b>(17,895,967)</b>	<b>3,127,030,532</b>
<b>Other Funds</b>	<b>398,658,381</b>	<b>(12,621,901)</b>	<b>386,036,480</b>
<b>Total Funds</b>	<b>\$ 5,555,411,675</b>	<b>\$ 84,877,800</b>	<b>\$ 5,640,289,475</b>

# 2025-2027 base budget breakdown continued

Description	2025-2027 Base Budget	
Salaries Direct Care	\$	363,622,995
Salaries Policy/Administration		217,420,369
Operating		90,503,532
IT Services		208,471,638
Grants / Contracts to Vendors		4,818,607,768
<b>Total</b>	<b>\$</b>	<b>5,698,626,301</b>



# 2023-2025 One-time funding

<u>One-Time Funding Description</u>	<u>Funding</u>
Public health laboratory capital project	\$55,120,000
Technology projects	71,000,000
Human service center projects	735,154
State hospital design	12,500,000
Service grants	585,000
Cross-disability advisory council	1,400,000
Behavioral health facility grants	10,200,000
Base care payment study	600,000
Health care task force	750,000
Operating inflation	20,564,344
Program integrity audits	4,500,000
Pregnant and parenting residential	1,000,000
Law enforcement telehealth	2,650,000



# Takeaways heading into legislative session

- Our vision is for **ND to be the healthiest state in the nation.**
- **A strategic investment in North Dakotans** is an investment in the foundations of well-being: physical, behavioral and economic health.

# Contact Information

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