



## **Legislative Task Force on Government Efficiency**

Representative Nathan Toman, Chairman

*Pat Traynor, Interim Commissioner | July 30, 2025*



| Health & Human Services

# Agenda

- HHS Overview
- HHS Budget
- Opportunities to Increase Efficiency and Implement Cost Saving Measures





# What does HHS do?

- **Medicaid** and **economic assistance**
- **Disease prevention, state lab, emergency preparedness, and licensing**
- Child **protection**, **kin** caregiving, and **early intervention** and **prevention** services
- **Behavioral Health** Services
- Assisting Older **adults** and **individuals with disabilities**
- Strengthens the economy through improving access to high quality **child care**



# How does HHS deliver services?

## HHS staff providing direct service

- **Therapy services**
- **State operated safety net facilities**
- **Individual Case management**

## HHS staff and technology platforms process financial distributions

- **To individuals** - Child Care, Food, Home Energy assistance, Health care coverage, Training incentives and Loan repayment
- **To businesses** – Reimbursement for healthcare, Skilled Nursing, Intermediate Care Facilities, and other
- **To local governments** – Human Service Zones, Rural Ambulance / EMT, Local Public Health Units, Local Jails, Schools

## Private Partners

- Payments to **health care providers** delivering acute through home-based services
- Provision of **community resources** that serve as infrastructure for North Dakotans
- **Training and professional development** for people working in health and human service fields
- Specialized **operational support** – actuaries
- Specialized **technology services**

# Foundations of Wellbeing are Interconnected



**Economic Health**



**Behavioral Health**



**Physical Health**

The stability that comes from good **economic** health can **improve behavioral** health.  
The stability that comes from good **physical** and **behavioral** health **enables economic** health.  
Relationships and **human connection** provide the support and belonging people need to grow, recover, and thrive.

## Creating a well-lit path

# HHS Vision: The healthiest state in the nation

### Healthiest, Highest Performing Learning Organization

#### Leaders. Managers. Employees.

- Operating at their best
- Leadership training (L.I.G.H.T.)
- Healthy tech use
- Work Force/Succession planning at all levels
- Ignite culture of curiosity, reflection, and discernment
- Spirit of Inquiry at all levels

### Service Delivery Excellence

#### Brilliant Delivery

- Consistent, effective processes
- Key metrics every program
- Customer-centric needs at forefront
- Technology optimization
- Enhance provider partnerships

### Citizen Impact: Health & Well-being

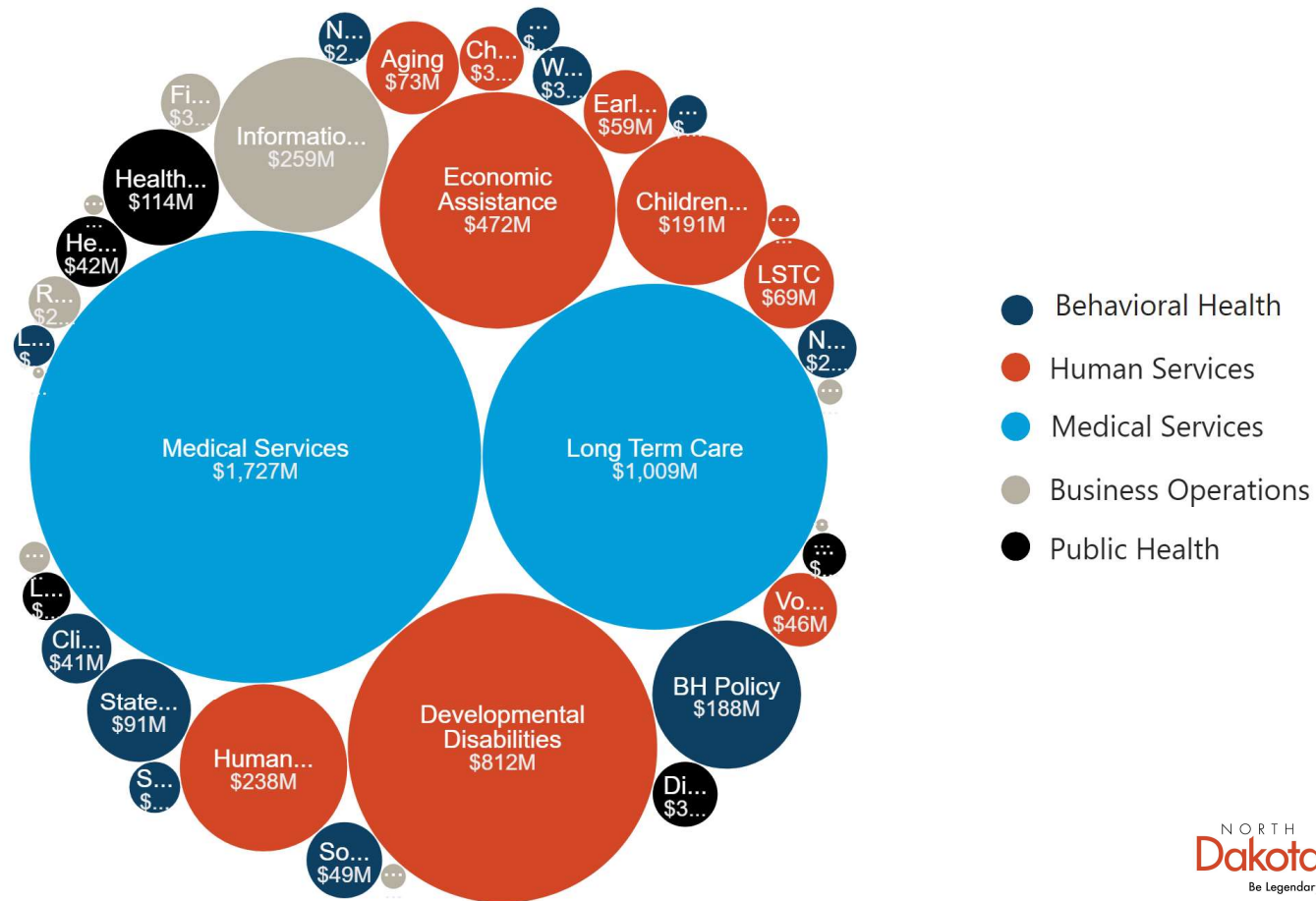
#### Performance Dashboards

- Flow of Dollars by Program: State. Federal. Other.
- Healthy, high performing HHS team metrics
- Effectiveness, efficiency and utilization metrics all programs
- Ultimate impact: Health status metrics/trends of citizens at all ages

#### Prevention

- Effective root cause prevention strategies – Improve health and bend cost curve

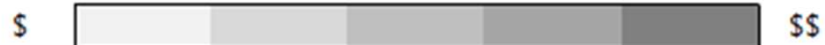
# Continue Tracing the Flow of the Dollar



Includes any budget adjustments, allocated underfunding and other bill appropriations

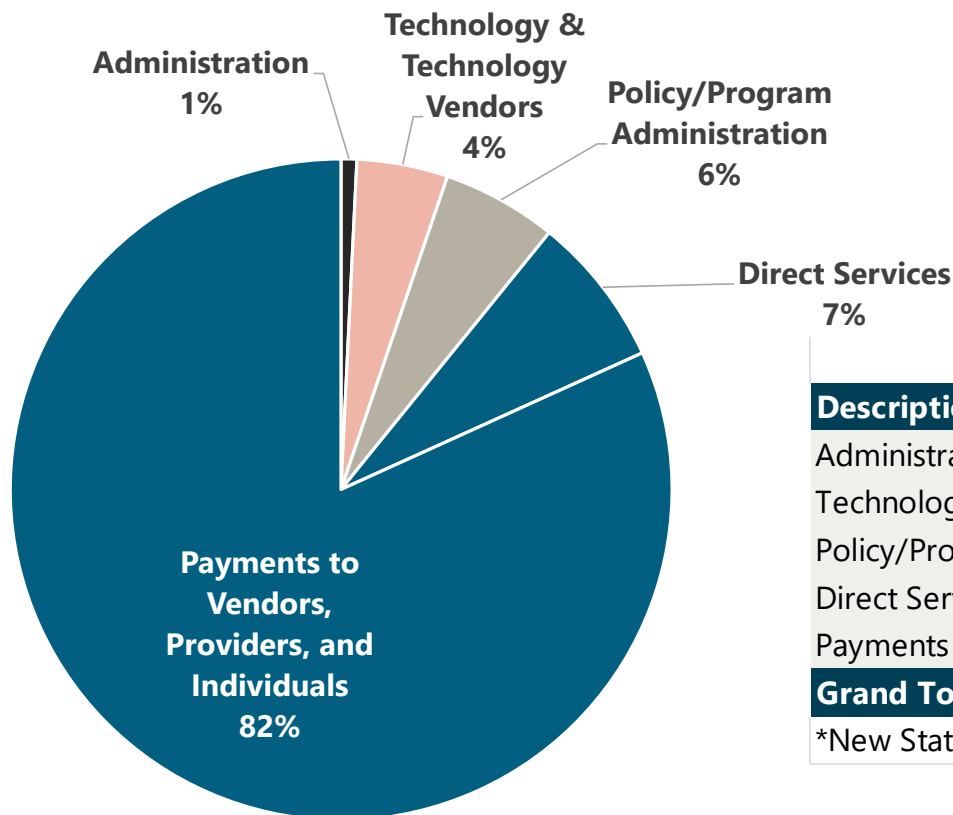
# HHS Funding Overview: Seeing the Big Picture

Division	Total General	Total Federal	Total Other	Total All Funds
Medical Services	997,888,369	1,674,501,069	64,422,171	2,736,811,609
Human Services	703,274,552	1,026,773,401	272,756,528	2,002,804,481
Behavioral Health	354,640,639	79,722,744	80,704,449	515,067,832
Business Operations	121,019,394	186,382,163	28,926,573	336,328,130
Public Health	50,961,360	136,267,096	39,796,462	227,024,918
	2,227,784,314	3,103,646,473	486,606,183	5,818,036,970





# 89% of the HHS budget funds vendors, providers, individuals and direct care services



2025-2027 HHS Budget Breakdown

Description	2025-2027 Budget
Administration	\$ 44,550,149
Technology & Technology Vendors	258,654,309
Policy/Program Administration	326,959,773
Direct Services	429,452,209
Payments to Vendors, Providers, and Individuals	4,758,420,530
<strong>Grand Total</strong>	<strong>\$ 5,818,036,970</strong>

\*New State Hospital is in OMB's Budget

# Opportunities to Increase Efficiency and Implement Cost Saving Measures



1

Defining Efficiency & Effectiveness

2

Example Areas for Future Focus

3

Cost Saving Strategies for Future Focus



# Efficiency & Effectiveness are interconnected ideas

## An efficient HHS ...

Achieves measurable outcomes with the least possible cost by:

- ✓ Focusing on what works,
- ✓ Streamlining service delivery,
- ✓ Reducing duplication and delay, and
- ✓ Ensuring every dollar spent contributes to real impact.

# Cohesive Contract Landscape



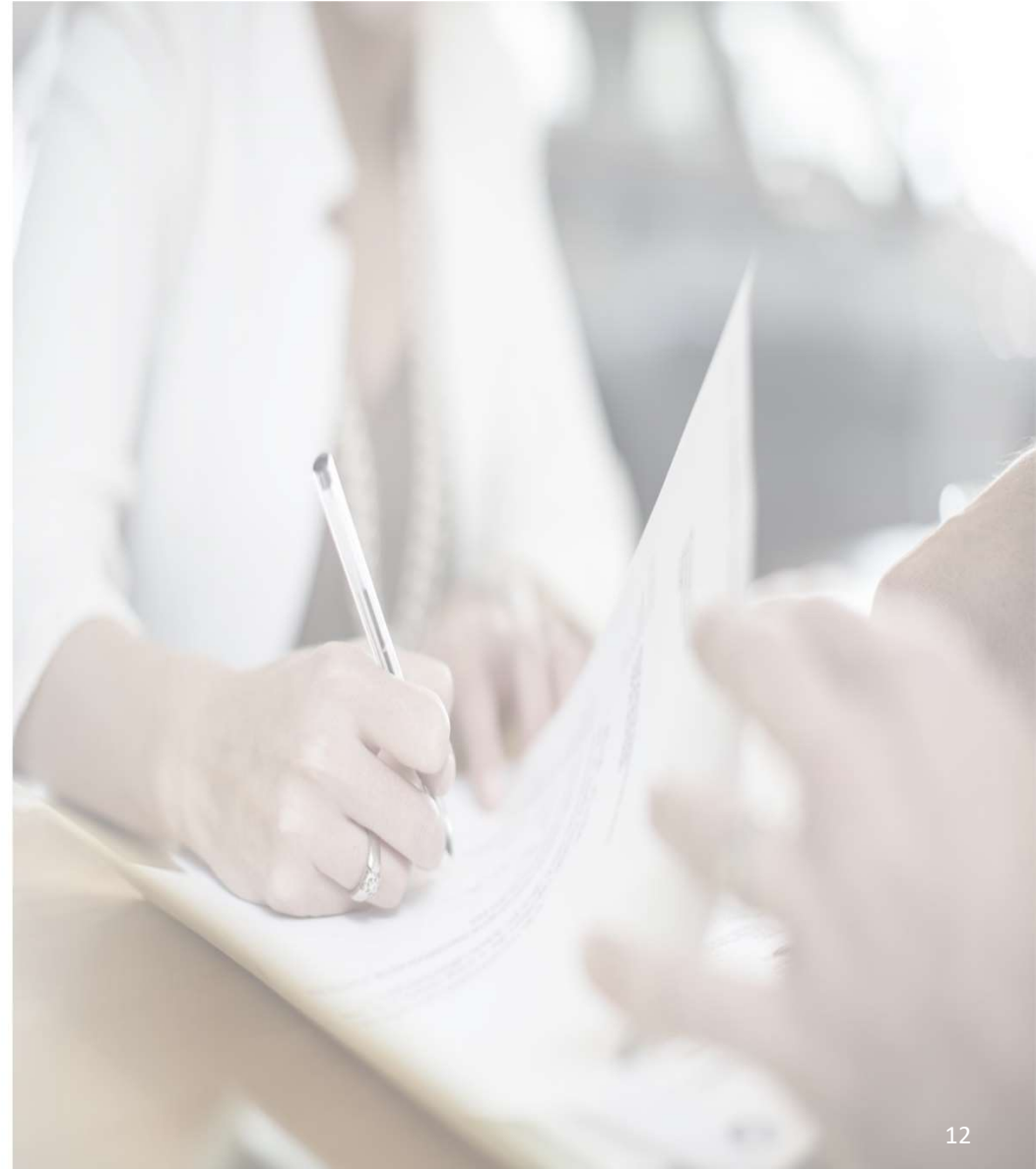
**CONSISTENCY**



**VALUE FOR MONEY &  
FISCAL  
RESPONSIBILITY**



**CONTINUOUS  
IMPROVEMENT**





# Example of Cost Avoidance Free Through Recovery (FTR)

FREE THROUGH  
*Recovery*

## March 2018 - Sept. 2024 Outcomes



- Met 3 or 4 outcomes - 69%
- Met < 3 outcomes- 31%

### Positive outcomes were achieved by:

- **75%** of the participants in the housing domain
- **67%** of the participants in the employment domain
- **71%** of the participants in the recovery domain
- **73%** of the participants in the law enforcement domain



Housing



Employment



Recovery

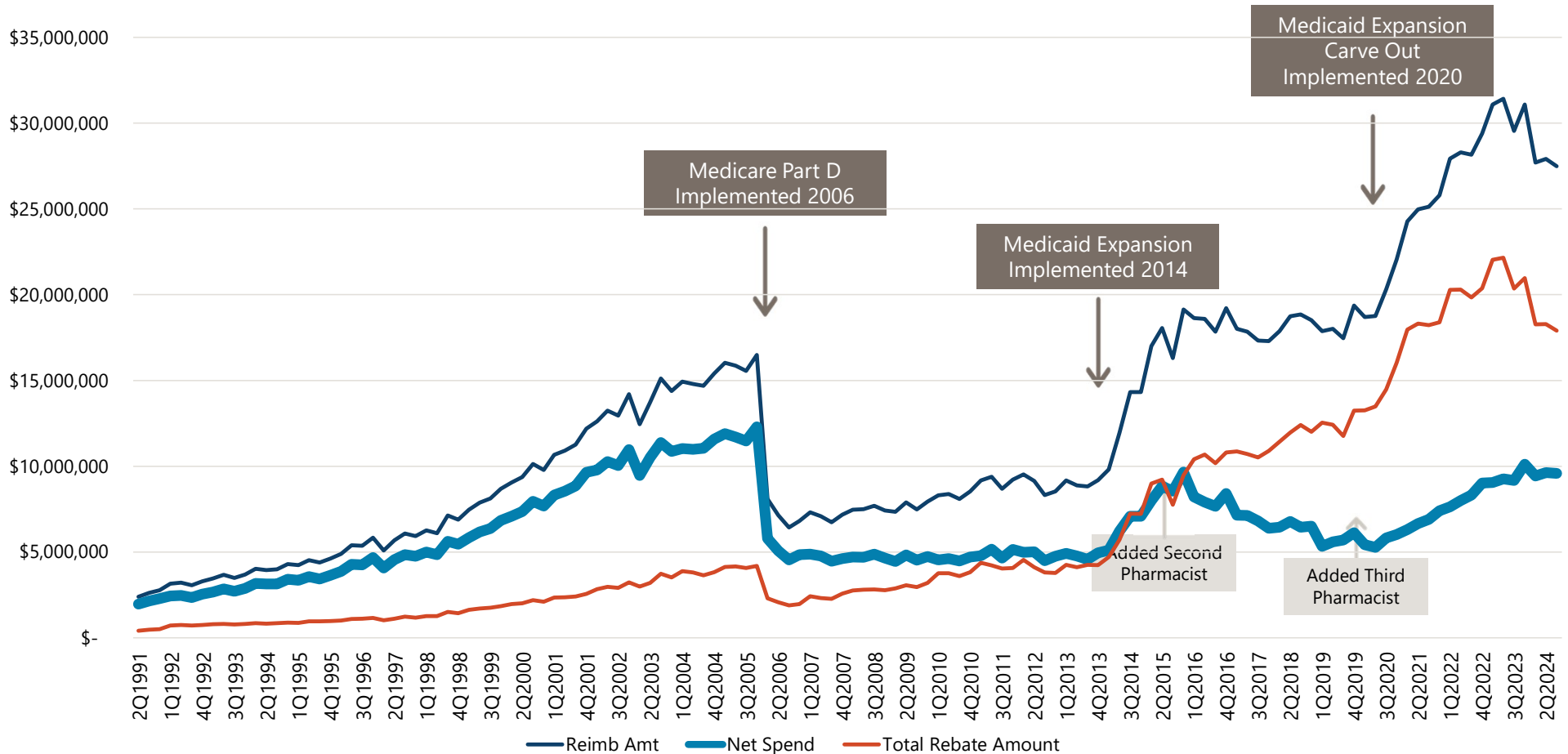


Involvement with  
Law Enforcement

- Individuals in the community can maintain employment, family obligations, housing, and continue developing recovery skills.
- 10% of the cost of incarceration.
- A few days in jail is equal to the monthly cost of FTR.
- Outcome based payment incentivizes the achievement of goals.

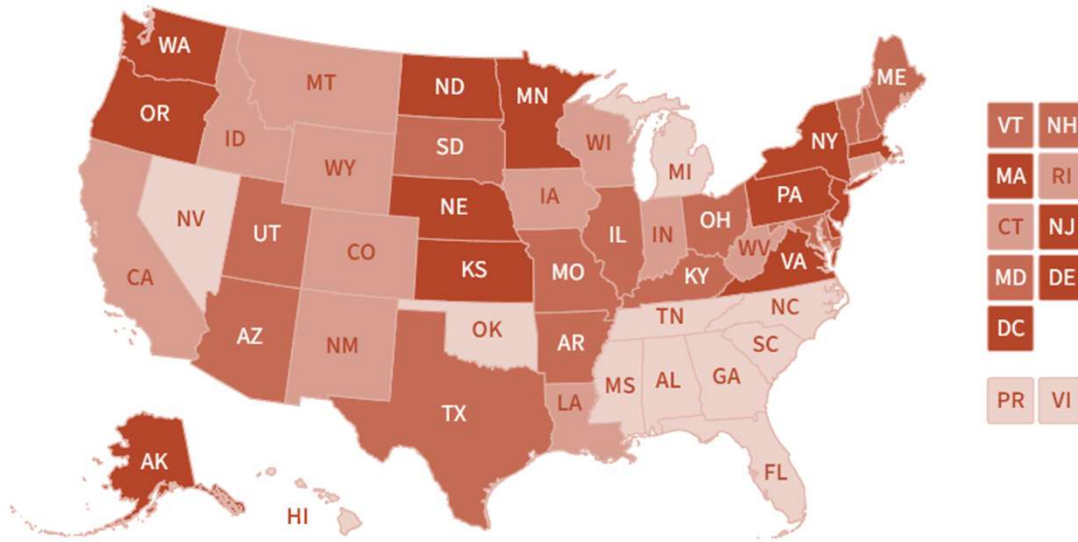
# Example of Bending the Cost Curve

## Prescription Drug Spend 1991 - 2024



# Example Area for Future Focus

## Per Capita Expenditures: CY 2022



- North Dakota ranked **2<sup>nd</sup>** in the nation for highest total per capita expenditures.
- North Dakota ranked **1<sup>st</sup> for Medicaid Expansion** per capita expenditures
- ND Medicaid ranked **1<sup>st</sup> for Aged** per capita expenditures.
- ND Medicaid ranked **7<sup>th</sup> for People with Disabilities** per capita expenditures.

	Total	Children	Traditional Adults	Medicaid Expansion	Aged	People with Disabilities
<b>North Dakota</b>	<b>\$13,097</b>	<b>\$4,003</b>	<b>\$6,207</b>	<b>\$14,120</b>	<b>\$36,020</b>	<b>\$35,311</b>
National Median	\$9,108	\$3,822	\$6,207	\$7,818	\$19,079	\$25,639
Difference	\$3,989	\$181	\$0	\$6,302	\$16,941	\$9,672

# Cost Saving Strategies | Short Term

1. Utilization Management
  - Medical Necessity | Alignment to need
  - Levels of care | eligibility thresholds
  - One Assessment for Children's Behavioral Health
2. Program Integrity
  - Automation to Prevent Errors
  - Preventing & Identifying Fraud, Waste, Abuse
  - Strategies for coach-to-success and stepped-down enforcement of health and safety oversight
  - Vendor Accountability
3. Reduce Administrative Burden
  - Unified application processes | portal and notice design
  - Streamline licensing frameworks | align to quality strategy
4. Streamline Operations | Leveraging Existing Infrastructure
  - Eligibility determination and processing
  - Technology infrastructure and service delivery
  - Revenue cycle strategies (ex. behavioral health)
5. Reducing Regulation | Red Tape Reduction
  - Easier access for system professionals who need to verify individual benefit/program participation
  - Accessing 1915(i) behavioral health services
6. Rightsizing Physical Footprint
  - Strategic decommissioning of property at Life Skills Transition Center
  - Evaluation of existing office space | aligning to service delivery
  - Evaluation of space needs for delivery of direct services



# Cost Saving Strategies | Long Term

## 1. Care Coordination | Whole Person Care

- Assessing state of care coordination / navigation resources across systems

## 2. Prevention

- Investments that improve health, wellbeing and independence for older adults (to delay onset of disabling conditions, prevent need for higher levels of care)
- Evidence-based services for families with young children (to prevent future system involvement)
- Maternal health strategies (to prevent ER use, child welfare involvement, developmental delays)
- Strategies to reduce chronic disease (obesity, heart disease, diabetes)

## 3. Quality Based | Value Based Payments

- Residential services | institutional to community based
- Health care services | outpatient to 24/7 care

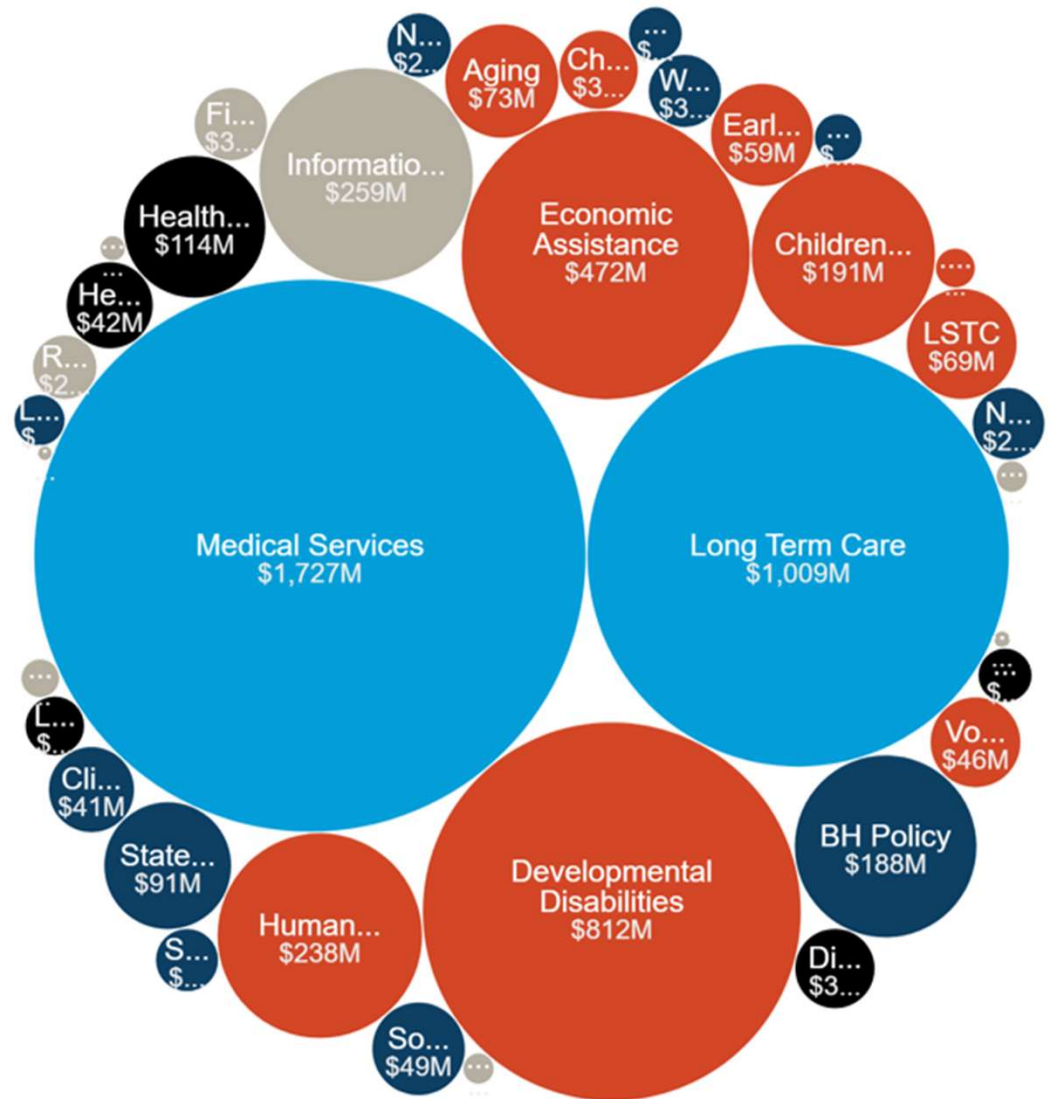
## 4. Cost Avoidance in Service Continuum

- Residential options for youth requiring out of home care
- Community-based services designed to prevent system involvement | Family First, Juvenile Justice diversion
- Family caregiving as core informal support structure
- Connecting services and housing across range of alternatives | Assistive technology and Environmental modifications

## 5. Data Driven Programmatic Revisions

- Child and family-level outcomes (neglect, reunification) and relationship to economic / employment / recovery supports
- Long term impact of comprehensive Community Behavioral Health Clinic (CCBHC) model of care
- Incorporating transition and diversion from deep end services into core systems

# Potential Next Steps / Areas for Future Focus





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