



Minnesota Department of **Human Services**

Fast Facts: 2013 Legislative Session

2014-15 biennial budget: human services overview

Minnesota's FY 2014-2015 budget makes fundamental reforms to human services, reinvesting resources to improve the lives of vulnerable Minnesotans. The new budget accomplishes the following goals:

Affordable Care Act implementation

\$73.91 million net state investments

- Expand MA eligibility for adults without children, parents and 19- and 20-year-olds to 138 percent of FPG; a net state savings of \$129.37 million due to enhanced federal match
- Streamline MA eligibility processing, enrollment changes: \$138.26 million state investment
- Expand MA to maintain coverage for children and pregnant women to 275 percent FPG: \$28.03 million state investment
- New MinnesotaCare: \$28.96 million net state investment and savings of \$310.75 million in the 2016-17 biennium
- Provide administrative capacity to manage transition to the new and larger Medical Assistance and MinnesotaCare programs, including managing increased enrollment and appeals as well as connections to the new Health Insurance Exchange: \$5.86 million state investment
- Eliminate parental fees for TEFRA eligible children under 275 percent of FPG; \$2.16 million state investment

Reform 2020

\$31.59 million initial net state savings

- Advance a comprehensive effort to restructure long-term care to emphasize consumer choice, quality and sustainability
- Modify existing services, provide new services to targeted groups, and ask the federal government for a waiver to try new ways to deliver and pay for health care services

Safe and healthy development of children

\$52.91 million in state investments

- Establish Northstar Care for Children initiative to support permanent families: \$3.19 million investment
- Rebuild an effective Minnesota Family Investment Program for low-income families: \$6.71 million investment
- Establish future investment in the MFIP program by repealing the family cap effective January, 2015 and establishing a housing assistance payment July 2015; \$1.87 million investment
- Increase Access to Quality Child Care for Children with High Needs: \$19.40 million investment
- Make other improvements to the child care programs including relaxing limits on absent days, allowing eligibility for disabled adoptive caretakers with working spouses and expanding accreditation options; \$3.57 million investment
- Expand the Parent Support Outreach Program statewide: \$4.5 million investment

- Expand school-linked mental health grants (double the number of schools served): \$7.43 million investment
- Restore funding for Family Assets for Independence Minnesota (FAIM), a program providing matched savings to low-wage workers to help them build assets: \$500,000 investment
- Increase grants for food shelves; \$750,000 investment
- Create Homeless Youth Act grants and grants for housing and services for sexually exploited youth; \$5 million investment

Behavioral health services continuum

\$1.78 million net savings after redirecting \$12.1 million to new investments

- Adjust Adult Rehabilitative Mental Health Services payment rate, services: \$1.81 million redirected investment
- Establish a Clinical Care Coordination benefit in MA: \$4.29 million redirected investment and \$694,000 savings
- Expand Mental Health Crisis Response services: \$1.5 million investment
- End and redirect RTC transition grants: \$5.31 million savings
- Substance Abuse Screening, Brief Intervention and Referral to Treatment training: \$600,000 one-time investment
- Allow child mental health treatment services to be delivered in any foster care home: \$231,000 savings
- Creation of certification process for family peer specialists and allow coverage of their services when providing certain MA mental health services; \$250,000 investment
- Grants for mental health first aid training and creating a text message-based crisis/suicide intervention program; \$1.3 million investment
- Grants for outreach and prevention of fetal alcohol syndrome and public education regarding problem gambling; \$810,000 investment

Transition to community

\$4.0 million redirected plus \$8.21 million new investment

- New funding to help ease transitions from state-run treatment centers back to community: \$8.21 million investment
- Fund mental health specialty treatment services: \$2.0 million investment (of dedicated revenues)
- Support new mental health transitions services: \$2.0 million investment (of dedicated revenues)
- Change county share of cost of care rate for Anoka Regional Treatment Center and Minnesota Security Hospital: \$8.18 million state savings

Program integrity

\$1.78 million net new investment

- Implement a new fee schedule for home and community-based service providers: \$1.74 million investment plus \$1.48 million new fee revenues to support new licensing activities
- Application fee for MA provider screening: \$601,000 investment
- Expand various investigation and audit activities (five proposals): \$566,000 net savings
- Improve and expand background studies: paid for by federal grant

Smart health care purchasing

\$51.66 million state savings

- Placing common-sense limits on the kinds of administrative expenditures managed care organizations can allocate to public health care programs: \$25.17 million in savings
- Recognizing federal matching rate incentives for increasing MA rates for primary care services: \$20.15 million in savings
- Smarter purchaser through diabetic test strip rebates, allowing electronic tablets as cost-effective augmentative communications devices, and through adjusting reimbursement rates for prescription medications and Child and Teen Check-up vaccine rates: \$6.34 million savings

Pay for performance in long-term care

\$19.61 million redirected plus \$36.58 million new investment

- Phase-in Nursing Facility Quality Add-On payments in addition to inflation adjustments: \$19.61 million redirected funds plus \$10.79 million new investment
- Establish pay for performance program for home and community based service providers in addition to inflation adjustments: \$25.80 million investment

Make other critical investments

\$107.35 million state investment including \$5.43 million redirected investments

- Increase funding for medical education and research costs (MERC): \$12.81 million investment
- Provide payment rate increases for targeted categories of medical services: \$10.62 million investment
- Modernize DHS Technology Systems: \$28.93 million investment
- County performance management system: \$1.03 million investment
- Fund projected population growth in Minnesota Sex Offender Program: \$7.77 million investment
- Child care licensing and training improvements: \$1.24 million investment
- Quality Initiative – Positive practice and behavior safeguards: \$961,000 investment
- Quality Initiative – Waiver provider standards Phase II, and Waiver management improvements: \$2.12 million investment
- Continue Emergency Medical Assistance coverage for cancer, dialysis: \$3.14 million investment
- Establish MA benefit set for Children with Autism Spectrum Disorder: \$12.74 million investment
- Buyback of 1.67 percent rate reduction that will otherwise affect long-term care home and community based providers in FY2014: \$12.84 million investment
- Continue operations of the MSHS-Willmar site, a 16-bed mental health Intensive Residential Treatment program: \$5.43 million redirected investment
- Expanded programs serving homeless persons including through grant funding for long-term homeless supportive services, transitional housing, emergency funds and outreach activities: \$3.2 million investment

Reduce other spending

\$43.50 million savings

- Restore Planned Closure Rate Adjustment authority: \$335,000 savings
- End payment of Electronic Benefit Transaction (EBT) fee: \$426,000 savings
- Adjust HIV Rebate program funding: \$6.50 million savings
- Match Supportive Service expenditures: \$8.80 million savings
- Adjust Adoption Assistance forecast: \$1.78 million savings

- Reduce one-time carryforward balance in Consolidated CD Treatment Fund: \$18.19 million savings
- Reduce one-time carryforward in Basic Sliding Fee Child Care Assistance underspending; \$5.0 million savings
- Recognize savings impact from all-day kindergarten on MFIP child care assistance: \$1.75 million savings
- Unallocated reduction in DHS administrative capacity: \$740,000 in savings

Health and human services revenue options

\$81.04 million surcharge revenues legislated to support state health and human services appropriations

- HMO surcharge reform; \$39.77 million in revenue
- Realign hospital surcharge; \$36.61 million in revenue
- ICF/DD Surcharge increase; \$4.65 million in revenue

DHS Communications: May 2013