DEPARTMENT OF HUMAN SERVICES

FAST FACTS:

2017 Legislative Session

Better government: Improve oversight, challenges ahead

Minnesota made important investments in the 2017 session to upgrade information technology (IT) systems that help us deliver human services, including health care and economic assistance programs. Other changes will allow us to better enforce health, safety and licensing standards, and strengthen efforts to find and stop fraud in public programs.

However, decisions were made this year that will destabilize future human services budgets. These include: shifting Medical Assistance spending to the Health Care Access Fund without any action to extend the provider tax, the fund's main source of revenue; using one-time funds, including Child Care Development Block Grant funds; and shifting managed care capitation payments into the next fiscal year, a measure previously used when our state had a budget deficit, not a healthy surplus.

2017 legislation

Department of Human Services operating adjustment. This maintains staffing levels and compensation for Central Office, including Deaf and Hard of Hearing Services, and for Direct Care and Treatment to cover rising labor costs while continuing to serve vulnerable Minnesotans. *SFY 2018-19: $31.3 million; SFY 2020-21: $31.4 million*

IT systems modernization. Development of an Integrated Service Delivery System (ISDS) and modernization of the Medicaid Management Information System (MMIS) will help us continue to serve over 1 million Minnesotans and distribute over $12 billion to providers, counties, tribes and managed care organizations. *SFY 2018-19: $17.3 million; SFY 2020-21: $11.7 million*

Child care health, safety and licensing requirements. New legislation brings us into compliance with the federal 2014 Child Care Development Block Grant reauthorization and supports annual state inspections of child care centers. It requires fingerprint-based background studies for child care providers and certification of license-exempt centers in the Child Care Assistance Program. *SFY 2018-19: $6.35 million; SFY 2020-21: $5.5 million*

Self-directed workforce negotiations. With a shortage of personal care assistants, funding will meet contract obligations for personal care assistants and other workers. *SFY 2018-19: $24 million; SFY 2020-21: $24 million*

Repeal of funding transfer for managed care audits. An unnecessary requirement for DHS to transfer funding to the Office of the Legislative Auditor is eliminated. *No fiscal impact*

Expanded Medical Assistance and child care fraud investigations. Two investigative units in the Office of the Inspector General will get more staff to prevent fraud and abuse. *SFY 2018-19: $464,000 net savings; SFY 2020-21: $514,000 net savings*

Increased maltreatment fines. In the most serious maltreatment cases, fines for providers will increase to $5,000. *SFY 2018-19: $90,000 net savings; SFY 2020-21: $90,000 net savings*

Transfer of maltreatment investigations for children's residential treatment facilities. Maltreatment investigations for children's residential treatment facilities licensed by the Department of Corrections are transferred to DHS. Counties previously did these investigations. *SFY 2018-19: $147,000; SFY 2020-21: $136,000*