



## **2014-15 biennial budget proposal: human services overview**

Gov. Mark Dayton's proposed FY 2014-2015 budget for human services builds on past accomplishments, puts the needs of Minnesotans first, and reinvests existing resources more effectively. This budget would accomplish the following goals (numbers reflect proposed FY 2014-15 spending):

### **Implement the ACA**

*Budget neutral (and \$300 million set aside)*

- Streamline MA eligibility processing, enrollment changes: \$166.3 million investment
- Expand Medical Assistance (MA) to 138 percent of FPG: \$373.1 million savings
- Expand MA to maintain coverage for children and pregnant women to 275 percent FPG: \$89.4 million investment
- New MinnesotaCare demonstration waiver: no current fiscal impact; \$300 million set aside

### **Reform 2020 (Long Term Care)**

*(\$18.81) million net savings*

- A package of proposals to reform MA to better meet the challenges of rising health care costs and a growing aging population while still providing the services Minnesotans need to lead fulfilling lives
- Proposals in the package 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
- Aim is to have better outcomes for people by providing the right services at the right time.

### **Children's investments**

*\$48.2 million investments*

- Increase Access to Quality Child Care for Children with High Needs: \$20.2 million investment
- Establish Northstar Care for Children initiative to support permanent families: \$2.4 million investment
- Rebuild an effective Minnesota Family Investment Program for low-income families: \$13.7 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

### **Continue to Improve Behavioral Health Services**

*(\$3.40) million net savings after redirecting \$9.2 million to new investments*

- Adjust Adult Rehabilitative Mental Health Services payment rate, services: \$2.3 million redirected investment
- Establish a Clinical Care Coordination benefit in MA: \$4.3 million redirected investment and \$694 thousand savings

- Expand Mental Health Crisis Response services: \$2.0 million investment
- Eliminate Alternative to Moose Lake grant: \$5.3 million savings
- Substance Abuse Screening, Brief Intervention and Referral to Treatment training: \$600 thousand one-time investment

### **Transition to Community initiative**

*\$6.0 million redirected plus \$8.18 million new investment*

- New funding to help ease transitions from state-run treatment centers back to community: \$8.18 million investment
- Fund mental health specialty treatment services: \$2.0 million investment (of dedicated revenues)
- Support new mental health transitions services: \$4.0 million investment (of dedicated revenues)

### **Program Integrity Initiatives**

*Budget neutral to General Fund*

- Implement a new fee schedule for home and community-based service providers: \$3.2 million new fee revenues to support new licensing activities
- Application fee for MA provider screening: \$601 thousand investment
- Expand various investigation and audit activities (5 proposals): \$601 thousand net savings
- Improve and expand background studies: paid for by federal grant plus \$42 thousand in expanded background study fees

### **Managed Care Contract Savings reinvestments**

*(\$19.14) million net savings*

- Capture savings from negotiating lower-than-projected contracts with managed care organizations (MCOs): \$59.14 million savings
- Increase funding for medical education and research costs (MERC): \$12.81 million investment
- Provide payment rate increases for targeted categories of services: \$27.19 million investment

### **Pay for Performance in nursing homes and HCBS**

*\$18.97 million redirected plus \$6.64 million new investment*

- Provide Nursing Facility Quality Add-On payments instead of inflation adjustments: \$18.97 million redirected investment
- Establish pay for performance program for home and community based service providers: \$6.64 million investment

### **Make other critical investments**

*\$43.75 million investments*

- Modernize DHS Technology Systems: \$29.13 million investment
- County performance management system: \$1.50 million investment
- Fund projected population growth in Minnesota Sex Offender Program: \$7.77 million investment
- Child care licensing & training improvements: \$2.30 million investment
- Quality Initiative – Positive practice & Behavior safeguards: \$784 thousand investment
- Quality Initiative – Waiver provider standards Phase II, and Waiver management improvements: \$2.65 million investment
- Continue Emergency Medical Assistance coverage for cancer, dialysis: \$5.32 million investment
- Establish MA benefit set for Children with Autism Spectrum Disorder: \$12.0 million investment

## **Reduce other spending**

*(\$53.74) million savings*

- Smarter purchaser of health care for diabetic test strip rebates, SMAC for HCPCS drug codes, Child and Teen Check-up vaccine rates, and 340B drug reimbursement rates: \$6.76 million savings
- Restore Planned Closure Rate Adjustment authority: \$3.1 million savings
- End payment of Electronic Benefit Transaction (EBT) fee: \$426 thousand 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
- Change county share of Cost of Care rate for Anoka Regional Treatment Center and Minnesota Security Hospital: \$8.14 million savings

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