DIRECT CARE AND TREATMENT

DCT Executive Board Meeting
April 16, 2026

DCT Health System CEO Update

Executive Summary

- DCT continues to demonstrate steady progress across our strategic pillars of Quality, Service, People, Financial Stewardship, and Technology.
- This month reflects strong regulatory performance, continued workforce stabilization, advancement of major capital projects, and disciplined financial management. At the same time, we remain focused on operational risks tied to workforce capacity, program transitions, and compliance-related billing interruptions.

Strategic Pillar Overview

Quality

Baldrige & Performance Excellence

- DCT remains actively engaged in the Malcolm Baldrige process, with key milestones occurring in April, including application review outcomes and evaluator engagement.
- Staff participation in national and regional conferences continues to strengthen internal capability in changing and developing leadership, system thinking, and customer experience alignment.
- Planning is underway for the Annual Excellence Conference (September 22), with strong engagement reflected in employee award nominations and Quality Fair submissions.

Regulatory

- Recent reviews across multiple programs (including CARE and MHSATS) resulted in minimal findings and strong overall performance.
- No significant regulatory concerns or inquiries reported in MSOP or CBS this month.

Key Takeaway: Quality systems remain stable and improving, with external validation reinforcing DCT’s performance trajectory.

Service

CARE Anoka Transition & Long-Term Planning

- Services at CARE Anoka will be suspended in May, with all regulatory requirements completed.
- Progress continues toward the St. Paul (Energy Park) facility, with lease execution anticipated in May and completion projected for Fall 2027.
- Interim workforce and patient transition planning is underway, including reassignment to AMRTC.

AMRTC Expansion

- Project remains on schedule, with demolition expected to begin May/June and completion in 2028.
- The organization is awaiting final confirmation regarding regulatory requirements tied to licensed bed capacity.

Key Takeaway: Major service transitions and capital investments are progressing as planned, with careful attention to continuity of care and workforce impact.

People

Workforce Trends

- Vacancy rates continue to improve (429 → 403 month-over-month), with a 12% reduction across critical roles over the past year.
- Time-to-fill remains competitive, though early signs of pressure are emerging in certain labor segments.

Workforce Capacity & Leave

- MN Paid Leave activity remains high, with 681 total applications across statuses.
- March utilization totaled 30,812 FMLA hours, reflecting ongoing workforce strain.

Recruitment Strategy

- Expanded sourcing strategies (digital platforms and direct outreach) are in place to address emerging gaps.

Key Takeaway: Workforce stabilization is trending positively, though sustained pressure from leave utilization and hiring timelines requires continued focus.

Financial

- Financial outlook remains stable and consistent with prior projections.
- Projected year-end balance for core service lines is approximately $3M positive, with personnel cost pressures offset by non-personnel savings.

- MSOCS cash position improved (57 → 62 days), though temporary billing suspension for vocational services due to documentation compliance is being resolved.
- Dental Services exceeded revenue expectations, improving cash reserves to 145 days.
- Continued monitoring of MN Paid Leave impacts, particularly related to overtime.

Key Takeaway: Financial performance remains stable, with manageable risks tied to personnel costs and compliance-related billing interruptions.

Technology

- Continued progress on Electronic Health Record (EHR) implementation, including:
- Alignment with NetSmart on system optimization
- Finalization of the FY27 roadmap focused on user experience and adoption
- Planning underway for a leadership summit (June) to support future legislative strategy (FY28–29)

Key Takeaway: EHR implementation remains on track, with increasing focus on usability and long-term strategic alignment.

Governance, Taskforces & External Engagement

- Priority Admission Report: Draft nearing completion; expected submission within weeks.
- MI & D Taskforce Report: Finalized and anticipated for legislative submission by end of April.
- No new updates in committee or cabinet representation this month.

Legal & Compliance

- Board members may receive Defense & Indemnification requests; guidance provided for review and follow-up.
- A comprehensive legal and risk overview will be presented at the May meeting.
- Compliance continues to focus on contracting and procurement readiness ahead of fiscal year close.

Key Takeaway: There are no immediate legal risks requiring Board action; increased visibility and structured reporting planned.

Closing

- DCT continues to execute effectively against its strategic priorities while navigating workforce pressures and major system transitions. The organization remains well-positioned operationally and financially, with clear focus on sustaining quality outcomes, supporting staff, and advancing long-term infrastructure investments.