

Direct Care and Treatment – Support Services Update to the Board of Directors

March 19, 2026

Executive Summary

Direct Care and Treatment (DCT) Support Services continues to advance critical agencywide initiatives that strengthen operations, improve staff experience, and support high-quality care across the system. Key focus areas include communications, compliance, external relations, finance, human resources, health equity, learning and development, legal services, and technology.

Support Services teams are driving improvements in internal communication practices; advancing risk mitigation efforts; supporting legislative engagement; and strengthening financial accuracy, onboarding processes, and workforce development. Significant operational initiatives—including the Baldrige evaluation preparations, Revenue Cycle Management improvements, the Unified Training Plan, and development of an integrated Electronic Health Record—are progressing on schedule. The agency is also modernizing policy frameworks, enhancing equity tools, and investing in data infrastructure to better inform strategy and performance management.

Collectively, these efforts reinforce DCT's commitment to safety, transparency, operational excellence, and a unified identity as One Health System. The work described in this update reflects alignment with mission, regulatory expectations, and long-term service delivery goals across all programs.

Communications (Chris Sprung)

Communications Survey

During the week of March 16, all DCT staff will receive a survey focused on internal communications. The purpose is to better understand the challenges of communicating within a 24/7 environment and to identify how staff prefer to receive information. The survey will assess:

- Barriers to receiving internal communications
- Preferred methods for distributing and receiving information
- How often staff read intranet articles and announcements
- How useful intranet content is to daily work
- Whether staff need information not currently provided
- Effective communication platforms and formats
- Staff familiarity with the intranet and its organization
- Opportunities to improve intranet content and distribution

Following the survey, small-group meetings will be held by service line over the coming months to gather deeper insights.

Baldrige Communications Preparation

Communications staff have played a central role in preparing for the Malcolm Baldrige evaluator visits. Their work includes:

- Drafting, editing, and designing the Baldrige application
- Creating background materials to prepare staff for evaluation activities
- Designing and distributing Mission, Vision, and Values signage across DCT

Legislative Session Support

Communications staff continue to support the Legislative Team by producing fact sheets on DCT's policy and budget proposals, background briefings and other materials.

Event Materials and Support

The team is actively supporting several upcoming events:

- Designing invitations and materials for the April 23 open house at the St. Peter State Hospital Museum, marking its 160th anniversary
- Creating fact sheets, a video presentation, and signage for the Star of the North Dental Conference, a major recruiting event for dental services
- Beginning planning for the groundbreaking of the \$75 million, 50-bed AMRTC expansion

Compliance (Jeshua Livstrom)

Risk Assessment

The Executive Team has finalized its 2026–2027 risk priorities. The next phase includes assigning ownership and defining objectives and strategies to mitigate risks. Jeshua Livstrom will share more about the process later in the meeting.

Addressing Client to Staff Sexual Harassment

DCT is taking targeted action in response to concerns regarding sexual harassment by clients. A continuous improvement initiative is underway to:

- Establish a centralized, transparent process for reporting workplace violence, discrimination, and harassment
- Define leadership expectations and responsibilities in responding to reports
- Create risk management plans for managers that emphasize prevention of retaliation

This work supports DCT's commitment to fostering a safe and respectful environment that protects employee well-being, morale, and trust.

External Relations (Dan Storkamp)

Legislative Updates

- The DCT bonding bill has been heard in both the House and Senate

- DCT policy bills are scheduled for hearings in both chambers
- The DCT budget bill will be released once the Governor's bill is finalized; no major impacts to DCT are anticipated

Government Relations

- DCT provides quarterly updates to the Minnesota Indian Affairs Council
- Monthly meetings with a subset of counties continue to address operational issues and share updates

AMRTC Physical Plant Expansion

The 50-bed expansion at AMRTC remains on schedule and on budget, with expected completion at the end of 2027.

Finance (Lynn Glancey)

Revenue Cycle Management (RCM) Continuous Improvement Project

This project, initiated following Noridian audit and Barrins assessment findings, focuses on improving workflows, documentation, and billing accuracy. Current priorities include:

MSOCS Census Verification: Residential staff must verify census nightly and enter leave of absence documentation to ensure accurate billing. Training is underway and system access issues are being addressed.

Cost of Care Rule Update: Finance and Legal are updating the rule through expedited rulemaking, with completion required by June 30.

Billing Documentation Compliance: Audits currently show 96–98% compliance, but 100% is required for billing. Ongoing concurrent audits and expanded reviews will focus on all payer types.

\$250M Federal Hold of Medicaid funding

No current impact to DCT. Impact could occur if DHS reduces MA payments or the legislature reduced agency budgets to support MA programs.

Human Resources (Cindy Jungers)

Transition to Classified Service

When DCT became its own agency on July 1, 2025, special DHS authority allowing managerial and medical specialist positions to be unclassified did not transfer. As a result:

- Incumbents must transition into the classified service by fiscal year-end
- Some will transition directly; others must apply based on hiring circumstances
- Legislation to resolve barriers is being carried by Representative Frederick and Senator Clare Oumou Verbeten

Achievement Award Policy

Minnesota Management and Budget (MMB) has reviewed and approved the agency's Achievement Award Policy. The process for submitting nominations and issuing payments is currently being finalized, and additional guidance will be shared as soon as the workflow is fully established.

Onboarding/Offboarding Continuous Improvement Project

The agency is currently engaged in a continuous improvement initiative focused on enhancing the onboarding and offboarding experience for all employees. This project aims to streamline processes, clarify responsibilities, and ensure consistent communication across all program areas. The work includes evaluating current practices, identifying gaps, and developing standardized procedures that support timely onboarding, smooth transitions, and accurate offboarding. Updates will be shared as new tools and workflows are finalized, with the goal of creating a more efficient and supportive experience for staff and supervisors.

Delegation

DCT HR continues to receive positive feedback from MMB on the provisional delegation process. The final check-in is scheduled for late March, with a full provisional delegation audit planned for August 1, 2026.

Health Equity (Stacy Wells)

Equity Analysis Tools

The equity scan and analysis and tools have been updated, and optional training opportunities will be available for staff to learn how to implement the practice of using the tools in their work.

CLAS Standards

The health equity department is continuing to embed the guidelines to ensure DCT provides culturally and linguistically appropriate health care to all of our patients and clients. This includes projects focused on language access, data collection, and training opportunities.

Learning and Development (Stacy Wells)

Unified Training Plan

Direct Care and Treatment is advancing a Unified Training Plan designed to support our identity as one integrated health system. This approach ensures that all employees receive consistent, mission aligned training while still recognizing the unique needs of different roles, disciplines, and environments. The goal is to eliminate siloed or service line-specific training plans and instead establish a coordinated, agency-wide framework that promotes shared standards, efficiency, and equity across the organization.

The Unified Training Plan will identify which trainings apply universally across DCT and which are tailored to defined audiences based on job function or regulatory requirements. While certain specialty or discipline-specific learning will remain, these components will be incorporated within the single unified

structure rather than developed as separate service line plans. This promotes clarity, consistency, and a shared understanding of workforce expectations throughout the health system.

This work aligns with ongoing efforts in Learning and Development to streamline compliance training, strengthen new employee orientation, and build a cohesive learning infrastructure that supports both operational excellence and staff growth. By bringing our training efforts under one umbrella, we reinforce our commitment to operating as One Health System while ensuring that learning remains relevant, purposeful, and responsive to the needs of the workforce.

Supervisor and Manager Training Academy

A work group with representatives from across the organization developed the training outline and the L&D department will work with subject matter experts to develop the curriculum. The goal is to better prepare and support our supervisors and managers by providing a training curriculum tailored to DCT that includes:

- Leadership fundamentals
- Operational leadership
- People leadership and culture
- Treatment-informed supervision
- Accountability and continuous improvement

Legal (Dale Klitzke)

Immigration Reporting Requirements

Under Minn. Stat. 631.50, state institutions must report individuals committed as mentally ill to U.S. immigration authorities. DCT is:

- Working internally to establish an updated reporting process
- Coordinating with the Department of Corrections, which has maintained consistent reporting practices
- Keeping the Governor's Office General Counsel informed as processes are finalized

Revisions to Rule 9515.1000–2600

Legal is continuing work on revisions to Rule 9515; materials are available through the Revisor of Statutes.

Technology (Nathan Moracco)

Artificial Intelligence

DCT is developing an agencywide framework for the safe and appropriate use of AI that aligns with mission, vision, values, and compliance requirements. Draft policy is expected in May.

Electronic Health Record (EHR)

Work continues on developing an integrated and interoperable EHR system.

- eLab services for MSOP went live March 4 without issues
- Several projects will wrap up by June 30; others will continue into next fiscal year

Data Infrastructure

DCT is building a new data infrastructure (“data lake”) to support analytics, reporting, performance monitoring, and strategy.

- Initial work integrates court data with Avatar
- Early outcomes are positive
- Next steps include integrating additional external datasets and developing final recommendations