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Direct Care and Treatment

Direct Care and Treatment — Agency Profile

https://mn.gov/dhs/people-we-serve/adults/services/direct-care-treatment/

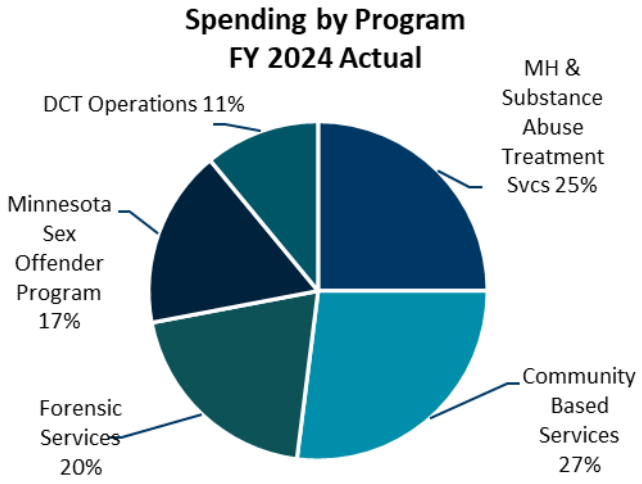
AT A GLANCE

- Direct Care and Treatment (DCT) is the state-operated behavioral health care system.
- The system serves more than 12,000 patients and clients each year that other health care systems cannot or will not serve.
- About 5,000 full- and part-time staff care for patients and clients.
- Services are delivered at about 150 sites statewide.

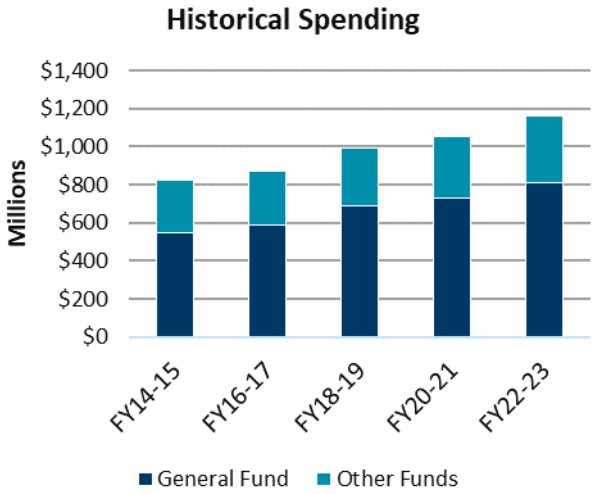
PURPOSE

Direct Care and Treatment (DCT) plays a unique role in Minnesota's continuum of mental health services. It is a highly specialized behavioral health care system that serves people with mental illnesses, substance use disorders, intellectual disabilities, and other serious and often co-occurring conditions. Because these individuals have conditions that are complex and behaviors that can be challenging, other health care systems cannot or will not serve them.

BUDGET



Source: Budget Planning & Analysis System (BPAS) [1]



Source: Consolidated Fund Statement [1]

STRATEGIES

- DCT provides expert behavioral health care in a variety of settings for adults, adolescents and children with serious and persistent mental illnesses, behavior disorders, and intellectual disabilities.
- DCT operates psychiatric hospitals and other inpatient mental health treatment facilities; inpatient substance abuse treatment facilities; special-care dental clinics; group homes and vocational programs; and the nation's largest treatment program for civilly committed sex offenders. The goal is to provide necessary treatment and ongoing support so that patients and clients can safely live, work, and participate in their communities in the least restrictive setting appropriate for their conditions.

[1] Historical financial information provided is DCT program spending at the Department of Human Services (DHS).

- People with mental illnesses, developmental disabilities, substance use disorder, and other behavior disorders have disproportionately poorer health outcomes. DCT has health equity teams embedded in each of its major service lines to monitor health outcomes for the patient population as a whole, as well as focusing on patients and clients who are Black, Indigenous, and People of Color (BIPOC), LGBTQIA+ and other disproportionately affected patients and clients.

Direct Care and Treatment's overall legal authority comes from M.S. 246 (https://www.revisor.mn.gov/statutes/cite/246). We list additional program-specific legal authority at the end of each program/budget activity narrative.

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General					530,962	530,931	560,675	585,270
2000 - Restrict Misc Special Revenue					8,700	8,859	8,700	8,859
2001 - Other Misc Special Revenue					16,879	16,977	16,879	16,977
2403 - Gift					3	3	3	3
4350 - MN State Operated Comm Svcs					185,387	187,002	185,387	187,002
4503 - Minnesota State Industries					2,164	2,164	2,164	2,164
6000 - Miscellaneous Agency					5,582	5,582	5,582	5,582
Total					**749,677**	**751,518**	**779,390**	**805,857**
Biennial Change				0		1,501,195		1,585,247
Biennial % Change								
Governor's Change from Base								84,052
Governor's % Change from Base								6
Expenditures by Program								
Mental Health and Substance Abuse Treatment Svcs					185,022	185,022	189,950	195,029
Community Based Services					203,884	205,658	204,399	206,416
Forensic Services					157,784	157,784	162,898	166,753
Minnesota Sex Offender Program (MSOP)					125,450	125,450	133,806	137,107
DCT Administration					77,537	77,604	88,337	100,552
Total					**749,677**	**751,518**	**779,390**	**805,857**
Expenditures by Category								
Compensation					634,767	636,541	664,480	690,880
Operating Expenses					108,546	108,613	108,546	108,613
Grants, Aids and Subsidies					6,364	6,364	6,364	6,364
Total					**749,677**	**751,518**	**779,390**	**805,857**
Full-Time Equivalents					**5,527.05**	**5,435.51**	**5,734.81**	**5,752.89**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation					547,615	547,682	577,328	602,021
Transfers In					1,799	1,799	1,799	1,799
Transfers Out					18,452	18,550	18,452	18,550
Expenditures					**530,962**	**530,931**	**560,675**	**585,270**
Biennial Change in Expenditures				0		1,061,893		1,145,945
Biennial % Change in Expenditures								
Governor's Change from Base								84,052
Governor's % Change from Base								8
Full-Time Equivalents					3,745.41	3,654.02	3,953.17	3,971.40
2000 - Restrict Misc Special Revenue								
Balance Forward In						2,586		2,586
Receipts					8,632	8,966	8,632	8,966
Transfers In					2,654		2,654	
Balance Forward Out					2,586	2,693	2,586	2,693
Expenditures					**8,700**	**8,859**	**8,700**	**8,859**
Biennial Change in Expenditures				0		17,559		17,559
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents					47.25	47.25	47.25	47.25
2001 - Other Misc Special Revenue								
Balance Forward In						415		415
Receipts					400	400	400	400
Transfers In					16,894	16,698	16,894	16,698
Balance Forward Out					415	536	415	536
Expenditures					**16,879**	**16,977**	**16,879**	**16,977**
Biennial Change in Expenditures				0		33,856		33,856
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
2400 - Endowment								
Balance Forward In						73		73
Receipts					1	1	1	1
Transfers In					72		72	
Balance Forward Out					73	74	73	74
2403 - Gift								
Balance Forward In						200		200
Receipts					2	2	2	2
Transfers In					201		201	
Balance Forward Out					200	199	200	199
Expenditures					**3**	**3**	**3**	**3**
Biennial Change in Expenditures			0			6		6
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
4350 - MN State Operated Comm Svcs								
Balance Forward In						27,513		27,513
Receipts					183,943	185,783	183,943	185,783
Transfers In					28,957		28,957	
Balance Forward Out					27,513	26,294	27,513	26,294
Expenditures					**185,387**	**187,002**	**185,387**	**187,002**
Biennial Change in Expenditures			0			372,389		372,389
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents					1,727.75	1,727.75	1,727.75	1,727.75
4503 - Minnesota State Industries								
Balance Forward In						1,998		1,998
Receipts					1,510	1,510	1,510	1,510

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Transfers In					2,652		2,652	
Balance Forward Out					1,998	1,344	1,998	1,344
Expenditures					**2,164**	**2,164**	**2,164**	**2,164**
Biennial Change in Expenditures				0		4,328		4,328
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents					6.64	6.49	6.64	6.49

6000 - Miscellaneous Agency

Balance Forward In						903		903
Receipts					5,415	5,415	5,415	5,415
Transfers In					1,070		1,070	
Balance Forward Out					903	736	903	736
Expenditures					**5,582**	**5,582**	**5,582**	**5,582**
Biennial Change in Expenditures				0		11,164		11,164
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Direct				
Fund: 1000 - General				
Base Adjustments				
Allocated Reduction		(46)	(46)	(92)
Minnesota Paid Leave Allocation		749	749	1,498
Programs Moving to New Agencies		546,912	546,979	1,093,891
Forecast Base		**547,615**	**547,682**	**1,095,297**
Change Items				
Operating Adjustment		29,713	54,339	84,052
Total Governor's Recommendations		**577,328**	**602,021**	**1,179,349**
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending		**8,700**	**8,859**	**17,559**
Forecast Base		**8,700**	**8,859**	**17,559**
Total Governor's Recommendations		**8,700**	**8,859**	**17,559**
Fund: 2001 - Other Misc Special Revenue				
Planned Spending		**16,879**	**16,977**	**33,856**
Forecast Base		**16,879**	**16,977**	**33,856**
Total Governor's Recommendations		**16,879**	**16,977**	**33,856**
Fund: 2403 - Gift				
Planned Spending		**3**	**3**	**6**
Forecast Base		**3**	**3**	**6**
Total Governor's Recommendations		**3**	**3**	**6**
Fund: 4350 - MN State Operated Comm Svcs				
Planned Spending		**185,387**	**187,002**	**372,389**
Forecast Base		**185,387**	**187,002**	**372,389**
Total Governor's Recommendations		**185,387**	**187,002**	**372,389**
Fund: 4503 - Minnesota State Industries				
Planned Spending		**2,164**	**2,164**	**4,328**
Forecast Base		**2,164**	**2,164**	**4,328**
Total Governor's Recommendations		**2,164**	**2,164**	**4,328**
Fund: 6000 - Miscellaneous Agency				
Planned Spending		**5,582**	**5,582**	**11,164**

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Forecast Base		5,582	5,582	11,164
Total Governor's Recommendations		5,582	5,582	11,164
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues		8,632	8,966	17,598
Total Governor's Recommendations		8,632	8,966	17,598
Fund: 2001 - Other Misc Special Revenue				
Forecast Revenues		400	400	800
Total Governor's Recommendations		400	400	800
Fund: 2400 - Endowment				
Forecast Revenues		1	1	2
Total Governor's Recommendations		1	1	2
Fund: 2403 - Gift				
Forecast Revenues		2	2	4
Total Governor's Recommendations		2	2	4
Fund: 4350 - MN State Operated Comm Svcs				
Forecast Revenues		183,943	185,783	369,726
Total Governor's Recommendations		183,943	185,783	369,726
Fund: 4503 - Minnesota State Industries				
Forecast Revenues		1,510	1,510	3,020
Total Governor's Recommendations		1,510	1,510	3,020
Fund: 6000 - Miscellaneous Agency				
Forecast Revenues		5,415	5,415	10,830
Total Governor's Recommendations		5,415	5,415	10,830
Non-Dedicated				
Fund: 1000 - General				
Forecast Revenues		137,400	135,300	272,700
Change Items				
Operating Adjustment		4,977	9,098	14,075
Inpatient Competency Examination Liability and Data Sharing		8,380	8,380	16,760

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Increase County Cost of Care for Minnesota Sex Offender Program		19,800	19,800	39,600
Total Governor's Recommendations		**170,557**	**172,578**	**343,135**

Direct Care and Treatment

FY 2026-27 Biennial Budget Change Item

Change Item: Operating Adjustment

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	29,713	54,339	54,339	54,339
Revenues	(4,977)	(9,098)	(9,098)	(9,098)
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	24,736	45,241	45,241	45,241
FTEs Maintained	**208**	**317**	**317**	**317**

Recommendation:
The Governor recommends additional funding of $29.713 million in FY 2026 and $54.339 million in each subsequent year from the general fund to help address operating cost increases at Direct Care and Treatment (DCT).

Rationale/Background:
The cost of operations rises each year due to increases in employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related costs. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat year to year.

DCT is a large, highly specialized behavioral health care system that cares for more than 12,000 patients and clients each year. DCT fills a unique and vital role in Minnesota's behavioral health continuum of care by serving people that other behavioral health care systems cannot or will not serve. DCT's patients and clients have complex mental health conditions and behavioral challenges. Because of the nature of their work, DCT facilities are by necessity staff-intensive operations. Personnel costs make up more than 85% of the system's total operating expenditures. When facing fiscal pressures outside its control, the only cost-containment recourse DCT has is to hold vacant positions open, which in turn reduces the ability to serve patients and clients systemwide. As a highly regulated health care system, DCT cannot operate programs without sufficient staffing to provide safe and effective treatment. To do so invites sanctions and penalties from state and federal regulators and accrediting bodies. Without an increase in funding, DCT would have no choice but to scale back and/or suspend services.

Without additional resources to address these cost pressures, both in funding and in flexibility to manage internal budgets, services delivered to Minnesotans will be impacted.

Proposal:
The Governor recommends increasing agency operating budgets to support current services. For DCT, this funding will help cover expected increases in compensation and insurance costs, as well as all other costs associated with operating a health care system 24 hours a day, 365 days a year.

Additionally, the Govenor recommends providing Direct Care and Treatment with additional management tools to address upcoming operating pressures. This includes the ability to carryforward unexpended non-grant operating appropriations for the second year of a biennium into the next beginning in FY 2025 (costs carried in standalone change item in MMB Non-Operating Budget Book).

This new authority will provide agencies with additional flexibility to manage through cost pressures within agency divisions and prioritize needs to help minimize impacts on services to Minnesotans.

Fiscal Impact:

Net Impact by Fund (dollars in thousands)	FY 26	FY 27	FY 26/27	FY 28	FY 29	FY 28/29
General Fund	24,736	45,241	69,977	45,241	45,241	90,482
Total All Funds	**24,736**	**45,241**	**69,977**	**45,241**	**45,241**	**90,482**

Fund	BACT#	Description	FY 26	FY 27	FY 26/27	FY 28	FY 29	FY 28/29
GF	61	MHSATS	4,928	10,007	14,935	10,007	10,007	20,014
GF	62	CBS	515	758	1,273	758	758	1,516
GF	63	Forensics	5,114	8,969	14,083	8,969	8,969	17,938
GF	64	MSOP	8,356	11,657	20,013	11,657	11,657	23,314
GF	65	DCT Admin/Support	10,800	22,948	33,748	22,948	22,948	45,896
		Total Expenditures	29,713	54,339	84,052	54,339	54,339	108,678
GF	Rev2	Cost of Care Collections	(4,977)	(9,098)	(14,075)	(9,098)	(9,098)	(18,196)
		Net GF Impact	24,736	45,241	69,977	45,241	45,241	90,482

FTEs Maintained								
Fund	**BACT#**	**Description**	**FY 26**	**FY 27**	**FY 26/27**	**FY 28**	**FY 29**	**FY 28/29**
GF	61	MHSATS	34.64	68.50		68.50	68.50	
GF	62	CBS	4.76	6.86		6.86	6.86	
GF	63	Forensics	38.46	65.87		65.87	65.87	
GF	64	MSOP	59.39	80.77		80.77	80.77	
GF	65	DCT Admin/Support	70.51	95.38		95.38	95.38	
			207.76	317.38		317.38	317.38	

Impact on Children and Families:

This proposal does not directly relate to this initiative.

Equity and Inclusion:

DCT operates an array of residential and treatment programs serving people with mental illness, developmental disabilities and chemical dependency. Many patients and clients are part of one or more of the following groups: BIPOC, people with disabilities, people in the LGBTQ community, other protected classes, and veterans. Throughout this planning process, DCT will ensure equity and inclusion are central to continued care and services.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐Yes
☒No

Impacts to Counties:

This proposal is not expected to impact counties.

IT Costs
This proposal has no IT impacts.

Results:
This recommendation is intended to help DCT continue to provide services to approximately 12,000 individuals with mental illness, substance use disorder and developmental disabilities.

Statutory Change(s):
No statutory changes are required.

Change Item Title: Inpatient Competency Attainment Examination Liability and Data Sharing

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	8,380	8,380	8,380	8,380
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(8,380)	(8,380)	(8,380)	(8,380)
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends restoring cost of care collections for clients admitted to DCT facilities under Chapter 611 orders. Additionally, the Governor recommends that DCT be enabled to share data with county prosecutors, defense attorneys, and the court in its role as a competency attainment program.

Rationale/Background:

During the 2023 legislative session, sections that address competency proceedings were added to Chapter 611. Under this new process, individuals will be admitted for treatment under this authority rather than being civilly committed or referred for inpatient competency examinations under Rule 20. As of the end of October 2024, DCT has not received referrals under Chapter 611, but DCT anticipates that the 611 client population will essentially be the same as the former "Rule 20" client population. Meaning, the individuals that will comprise Chapter 611 referrals to DCT will have the same or similar mental health treatment needs as the patient population who were civilly committed after being found incompetent to proceed on their criminal charges under Rule 20. Under Chapter 611, patients can now be referred to a DCT program for competency attainment services and mental health treatment without being civilly committed. Without clarification on financial responsibility, DCT may be limited in its ability to collect for cost of care as is current practice for this population. This impact would be reflected as a loss of general fund cost of care collections in the state's revenue forecast.

Current statute does not provide clear authorization for data sharing between competency attainment programs and county prosecutors and defense attorneys litigating criminal cases. Communication between the program and the attorneys is necessary for updating the relevant attorneys on the status of the defendant so that they can update the court accordingly. This is most essential in a discharge-planning context, where the program can only provide limited information to the court around the anticipated discharge needs and timing. Typically, the court and attorneys need more substantive information about a discharge plan to advocate for appropriate conditions of release. Currently, in order to obtain this, prosecutors or defense attorneys that need to get that information from the program can only do that in situations where there is a signed Release of Information (ROI) for each individual by the patient. This can be a barrier to obtaining amended conditional release orders to support a person's discharge once they are determined to no longer need an inpatient level of treatment with DCT.

Additionally, current statute does not permit DCT programs to communicate private patient-related information to the criminal court for 611 purposes. For example, DCT programs are not authorized, absent patient consent or a court order, to disclose whether a patient referred for competency attainment services under Chapter 611 is also civilly committed and already receiving treatment or services from DCT. Another example is that DCT programs do not have clear authorization to inform criminal courts if a patient elopes – and if they're readmitted – to a DCT program while they are there for competency attainment services. DCT programs are authorized to provide notice of discharge and emergency discharge under Chapter 611, but a DCT program may not always want to discharge a patient from the program in an elopement scenario. While courts could include disclosure language in their orders for competency attainment services under Chapter 611, the order templates currently promulgated for court use do not contain such language.

Proposal:

This proposal will clarify the financial responsibility for cost of care for clients admitted through section 611.43/611.46 and restore cost of care collections, allow data sharing related to care coordination and pretrial supervision between competency attainment programs and forensic navigators, and allow data sharing related to private patient information between competency attainment programs, criminal attorneys, and the courts issuing Chapter 611 orders.

Data sharing related to care coordination and pretrial supervision between competency attainment programs and forensic navigators is necessary. For example, forensic navigators are required to report pretrial violations to the court under Chapter 611, but DCT is not authorized under current statutes to share violations with forensic navigators of patients in its programs. Data sharing will also be critical for care coordination and discharge planning. Current statute does not permit data sharing from DCT as a competency attainment program for these purposes. DCT must obtain an ROI from patients or a court order authorizing disclosure of private patient-related information. An ROI can be difficult to obtain from patients. While there are template orders promulgated by the State Court Administrator's Office, many courts do not use them, and the courts that issue their own orders may not include language authorizing DCT programs to disclose protected information to forensic navigators. Without an ROI or court order, DCT will be unable to disclose information that would help inform additional services a forensic navigator should be considering for a patient.

It is important for information to be shared between DCT and the forensic navigator in order to ensure that the individual receives the appropriate assessments and services necessary to determine their competency to stand trial. By coordinating efforts and sharing information, both parties can work together to form a comprehensive understanding of the individual's mental health and abilities. This collaboration can help to ensure that the individual receives the proper care and support needed to effectively participate in the criminal proceedings. Additionally, sharing information between the treating program and the forensic navigator can help to avoid duplication of assessments and services, streamline the evaluation processes, and ultimately help to expedite the determination of the individual's competency to stand trial.

A change in the law to allow for the sharing of information between DCT and forensic navigators can lead to improved data and more efficient services in several ways:

1. **Enhanced collaboration:** When information can be shared under statute, it allows for better collaboration between different agencies and professionals involved in the assessment, treatment, and supervision of individuals who are involved with criminal proceedings. This collaboration can lead to a more comprehensive understanding of the individual's needs and enable more coordinated and effective services.
2. **Timely access to information:** Sharing information legally can provide timely access to critical data that may be needed to make informed decisions about an individual's competency to stand trial and their progress in treatment. This can help to expedite the assessment process and ensure that individuals receive the appropriate services, in an appropriate location, in a timely manner.

3. **Improved assessment accuracy:** Access to a broader range of information can lead to more accurate assessments of an individual's mental health and competency. This can help to ensure that individuals are properly evaluated and receive the appropriate services based on their specific needs.
4. **Avoidance of duplication:** Legal sharing of information can help to prevent duplication of assessments and services, which can save time and resources. By having access to a shared database of information, professionals can quickly identify what assessments have already been conducted and what services have already been provided, leading to more efficient service delivery.

Overall, a change in the law to allow sharing of information can lead to improved data, better collaboration, and more efficient services for individuals involved with criminal proceedings and working towards competency attainment. There are also several examiners and examiner sources the courts may choose from, DCT being one of them. The proposed language clarifies DCT's ability to bill and collect for this type of competency examination like any other examiners.

Fiscal Impact

Dollars in Thousands

Net Impact by Fund	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund		(8,380)	(8,380)	(16,760)	(8,380)	(8,380)	(16,760)
Total All Funds		(8,380)	(8,380	(16,760)	(8,380)	(8,380)	(16,760)

Fund	BACT	Description	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
1000	REV2	Cost of care collections		(8,380)	(8,380)	(16,760)	(8,380)	(8,380)	(16,760)

Impact on Children and Families:

This proposal is not related to this initiative.

Equity and Inclusion:

Sharing information between DCT and the forensic navigator promotes equity and inclusion in several ways:

1. **Equal access to information:** By sharing information, all individuals involved in the legal system have equal access to relevant data about their mental health status and competency assessments. This ensures that everyone is on an equal footing and has access to the same resources and support.
2. **Tailored services:** Sharing information allows for a more comprehensive understanding of an individual's needs and challenges. This enables professionals to tailor services and interventions to meet the specific needs of each individual, promoting equity in the delivery of care and placement of individuals in the most appropriate settings.
3. **Collaboration and coordination:** Information sharing encourages collaboration and coordination between different agencies and professionals involved in the assessment and treatment of individuals involved with criminal proceedings. This collaborative approach ensures that all stakeholders are working together towards a common goal, promoting equity in decision-making and service delivery.
4. **Transparency and accountability:** Sharing information promotes transparency and accountability in the assessment and treatment process. This transparency helps to ensure that all individuals are treated fairly and have their needs addressed in a timely and effective manner, and can be placed in the most appropriate settings.

While sharing information between the treating hospital and forensic case manager can have positive impacts on minority groups by increasing access to services and tailored interventions, there are also potential negative impacts related to privacy concerns, discrimination, and lack of cultural competence that need to be carefully considered and addressed. It is important to implement safeguards and protocols to protect the rights and well-being of minority groups in the legal system. Reaching out to minority groups for feedback on data sharing safeguards is crucial to ensuring that their voices are heard and their concerns are addressed. Below is DCT's plan to effectively engage with minority groups:

1. **Community partnerships:** Establish partnerships with community organizations that serve minority populations, such as advocacy groups, cultural centers, or religious organizations. These partnerships can help facilitate outreach to minority groups and provide a platform for gathering feedback.
2. **Virtual town hall meeting:** Host virtual town hall meetings or webinars to engage with a broader audience of minority community members. Use these platforms to present information on data sharing safeguards and solicit feedback and questions from participants.
3. **Consultation with cultural experts:** Seek input from cultural experts or community leaders within minority groups to ensure that the outreach and engagement strategies are culturally sensitive and respectful of people's traditions and values.
4. **Incorporate feedback into policy development:** Use the feedback gathered from minority groups to inform the development of policies and procedures related to data sharing safeguards. Ensure that the concerns and perspectives of minority communities are reflected in the decision-making process.

By implementing this outreach plan, DCT can effectively engage with minority groups to gather feedback on data sharing safeguards and ensure that their voices are included in the development of policies that protect their privacy and rights.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐Yes
☒No

Impacts to Counties:

For the collection authority provision of this proposal, the county of financial responsibility will be responsible for the cost of care for patients referred under Chapter 611. The per diem amounts will be the same as what is in place for patients referred to DCT under civil commitment statutes. The number of individuals for whom cost of care is assessed is not expected to change, as most of the clients that will be referred under Chapter 611 would have historically been referred under civil commitment after a finding of incompetency under Rule 20.

IT Costs

There are no IT costs related to this proposal.

Results:

Part A: Performance Measures

If this proposal became law, it would allow DCT to collect cost of care associated with temporary confinement for inpatient competency examinations, inpatient competency attainment services, and restore general fund collections to current levels under Rule 20. This proposal will also enhance communications from DCT programs to the criminal courts and criminal court participants. This will reduce the challenges associated with instances where there is no language in court orders allowing for data sharing, and it will create efficiencies in communications to the courts and criminal court participants. Finally, this proposal will benefit patients receiving DCT support and services by improving care coordination, particularly related to discharge.

Measure	Measure type	Measure data source	Most recent data	Projected change
Cost of care collections	Result	Billed charges and payments	$113.6M annual collections	Increase collections by 7.4%
Data sharing with forensic navigators	Quantity	Number of data sharing instances between DCT and Forensic Navigators	N/A	Increase
Collaboration with forensic navigators	Quality	Feedback from forensic navigators and DCT staff	N/A	Increase

Part B: Use of Evidence

Not applicable

Part C: Evidence-Based Practices

Not applicable

Statutory Change(s):

Changes are required to sections 611.43, 611.46, 611.55, 256G.01, 256G.08, 256G.09, and 13.46.

Change Item: Increase County Cost of Care for Minnesota Sex Offender Program

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	19,800	19,800	19,800	19,800
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(19,800)	(19,800)	(19,800)	(19,800)
FTEs	**0**	**0**	**0**	**0**

Recommendation:
The Governor recommends increasing the county liability for cost of care for patients admitted to the Direct Care and Treatment (DCT) sex offender program.

Rationale/Background:
DCT is a large, highly specialized behavioral health care system that cares for more than 12,000 patients and clients each year. DCT fills a unique and vital role in Minnesota's behavioral health continuum of care by serving people that other behavioral health care systems cannot or will not serve. DCT's patients and clients have complex mental health conditions and behavioral challenges. Most have been civilly committed as mentally ill, mentally ill and dangerous, chemically dependent, developmentally disabled, or as sexually dangerous or psychopathic. Many are under more than one civil commitment.

DCT provides treatment to individuals who are court-ordered to receive sex offender treatment in a secure setting. The Minnesota Sex Offender Program (MSOP) operates campuses in Moose Lake and St. Peter. MSOP is the nation's largest program for civilly committed sex offenders, with a current population of approximately 742 individuals.

Counties are responsible for a portion of the cost of care for clients admitted to MSOP pursuant to Minnesota Statutes section 246B.10.

Proposal:
This proposal increases general fund revenue by changing the county liability percentage for cost of care as follows:

MSOP - under current statute counties are responsible to pay the cost of care as following:

- 10% for clients admitted prior to August 1, 2011
- 25% for clients admitted on or after August 1, 2011
- 25% for clients while on provisional discharge

The proposal changes the county liability to 40% of the cost of care for all MSOP clients admitted to the MSOP facility and on provisional discharge.

Fiscal Impact:

Net Impact by Fund (dollars in thousands)	FY 26	FY 27	FY 26/27	FY 28	FY 29	FY 28/29
General Fund Receipts	(19,800)	(19,800)	(39,600)	(19,800)	(19,800)	(39,600)
Total All Funds	**(19,800)**	**(19,800)**	**(39,600)**	**(19,800)**	**(19,800)**	**(39,600)**

Fund	BACT#	Description	FY 26	FY 27	FY 26/27	FY 28	FY 29	FY 28/29
GF	Rev2	Cost of Care Collections	(19,800)	(19,800)	(39,600)	(19,800)	(19,800)	(39,600)
		Net GF Impact	(19,800)	(19,800)	(39,600)	(19,800)	(19,800)	(39,600)

Impact on Children and Families:

This proposal does not directly relate to this initiative**.**

Equity and Inclusion:

DCT operates an array of residential and treatment programs serving people with mental illness, developmental disabilities and chemical dependency. Many patients and clients are part of one or more of the following groups: BIPOC, people with disabilities, people in the LGBTQ community, other protected classes, and veterans. Throughout this planning process, DCT will ensure equity and inclusion are central to continued care and services.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

☐Yes
☒No

Impacts to Counties:

Counties will pay increased amounts for clients receiving treatment at MSOP. This may result in counties having less funding available for other priorities.

IT Costs:

N/A

Results:

Part A: Performance Measures

The goal of this proposal is to enhance county support of the Minnesota Sex Offender Program.

Measure	Measure type	Measure data source	Most recent data	Projected change
Number of MSOP clients	*Quantity*	DCT Admissions Information	742	No change projected
% of cost of care collections from counites	*Quality*	Billed charges and payments	10% for clients admitted prior to 08/01/11; 25% for clients admitted on or after 08/01/11; 25% for clients while on provisional discharge	Increase to 40% for all clients
Amount of cost of care collections	*Result*	Billed charges and payments	$19.8M annual collections	Increase of $19.8M in annual collections

Part B: Use of Evidence
Not applicable
Part C: Evidence-Based Practices
Not applicable

Statutory Change(s):

Minnesota Statutes sections 246B.10.

Program: Mental Health & Substance Abuse Treatment Services

https://mn.gov/dhs/people-we-serve/people-with-disabilities/services/direct-care-treatment/

AT A GLANCE

- Mental Health and Substance Abuse Treatment Services (MHSATS) provides inpatient and residential services to approximately 300 patients each day.
- The Anoka-Metro Regional Treatment Center (AMRTC) is the state's largest psychiatric hospital. It operates 96 beds.
- The six Community Behavioral Health Hospitals (CBHHs) are 16-bed psychiatric hospitals located across the state.
- Community Addiction Recovery Enterprise (CARE) program operates 16-bed residential treatment facilities located in Anoka, Carlton, Fergus Falls and St. Peter.
- All-funds spending for this budget activity was approximately $168 million for FY 2024, which represents 25 percent of total DCT all-funds spending.

PURPOSE AND CONTEXT

Direct Care and Treatment (DCT) is a highly specialized behavioral health care system that serves people with mental illness, substance use disorders, intellectual disabilities, and other serious and often co-occurring conditions. DCT operates psychiatric hospitals and other inpatient mental health treatment facilities; inpatient substance abuse treatment facilities; special-care dental clinics; group homes and vocational sites; and the nation's largest treatment program for civilly committed sex offenders. The system cares for more than 12,000 patients and clients each year. Because these individuals have conditions that are complex and behaviors that can be challenging, other health care systems cannot or will not serve them. Some providers do not have the capacity; others do not have the expertise.

Mental Health and Substance Abuse Treatment Services (MHSATS) is one of DCT's five main service lines. MHSATS provides inpatient services in eight psychiatric hospitals, four locked substance-use-disorder treatment facilities, and three short-term residential facilities. Nearly all patients have been civilly committed as mentally ill, chemically dependent or both. The goal is to treat patients as close as possible to their home communities, families, friends, jobs and other supports so that they can make a smooth transition back to life in the community once they are stabilized and ready for discharge.

SERVICES PROVIDED

The following services are funded with general fund appropriations:

- **Anoka-Metro Regional Treatment Center** (**AMRTC):** Inpatient psychiatric services for adults in a secure hospital setting.
- **Community Behavioral Health Hospitals (CBHHs):** Inpatient psychiatric services in a secure hospital setting for adults. Locations are in Alexandria, Annandale, Baxter, Bemidji, Fergus Falls, and Rochester.
- **Child & Adolescent Behavioral Health Hospital (CABHH):** Inpatient psychiatric services in a secure hospital setting in Willmar for children and teens.
- **Minnesota Specialty Health System (MSHS):** Inpatient Intensive Residential Treatment Services (IRTS) for adults, located in Brainerd, Wadena and Willmar.
- **Community Addiction Recovery Enterprise (CARE):** Locked inpatient residential treatment for clients with substance use disorders. Programs operate in Anoka, Carlton, Fergus Falls, and St. Peter. However, CARE St. Peter will close in January of 2025 so the facility can be repurposed to offer long-term mental health

treatment services for people civilly committed as mentally ill and dangerous. The Legislature has instructed DCT to study the possibility of opening an additional CARE facility within 35 miles of St. Peter.

All services are:

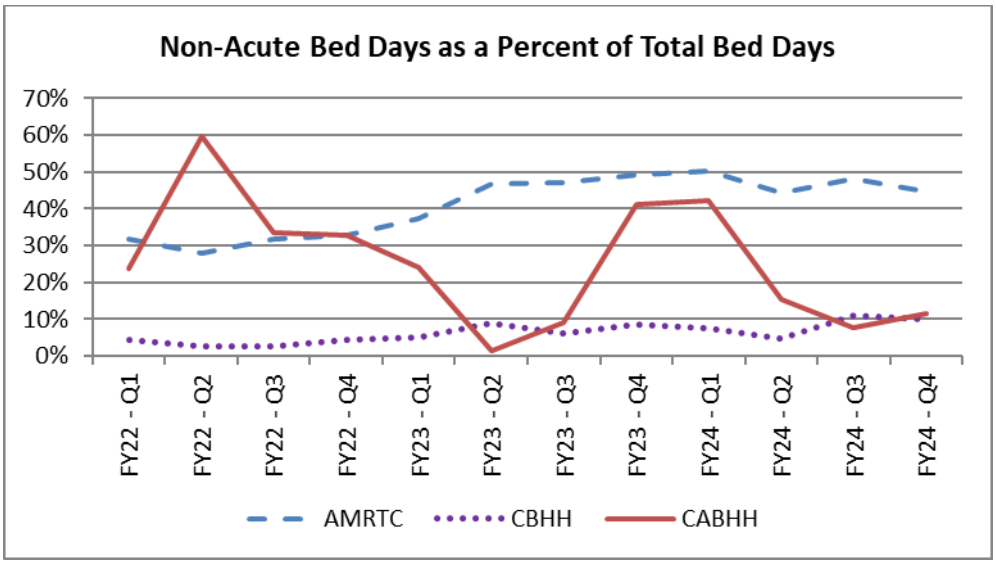
- Patient-centered, focusing on the needs of the individual.
- Provided in a safe environment at the appropriate level of care.
- Designed to allow individuals to move through treatment and into the most integrated setting possible.

To assure a successful transition back to life in the community, MHSATS:

- Collaborates closely with county case managers and community partners to ensure continuity of services and prompt psychiatric follow-up upon an individual's return to a community setting.
- Focuses on reducing the number of medications necessary to control patients' symptoms.

RESULTS

MHSATS measures non-acute bed days. These are days when patients who no longer need a hospital level of care are not discharged in a timely way but remain in the hospital, most often due to a lack of community placement options for continued care. These delays in discharge are costly and they prevent the hospitals from admitting new patients because of a lack of available beds. The industry goal for hospitals is to have less than 10 percent of total bed days be classified as non-acute bed days.



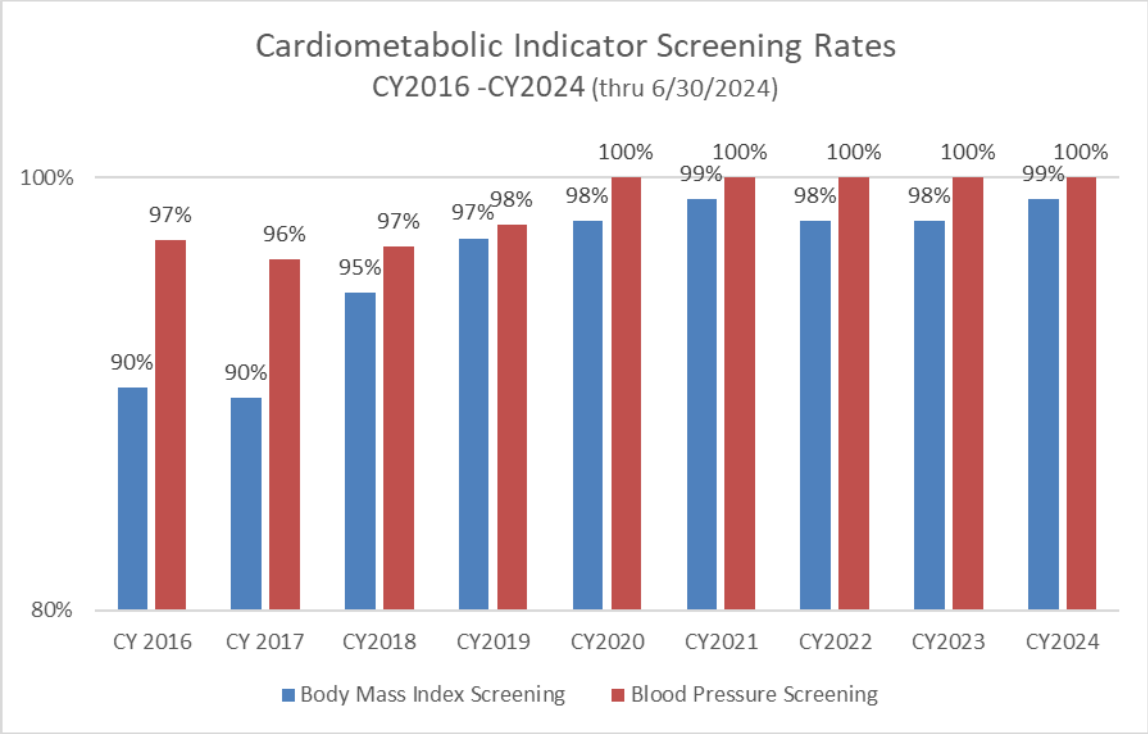
The graph illustrates little change in the trend of non-acute bed days at AMRTC, which is the state's largest psychiatric hospital. On average about 40 percent of bed days at the facility are non-acute bed days.

Non-acute bed days at the CBHHs remain around the 10 percent goal. Because of the lower daily census, non-acute bed days at the CABHH vary widely – or, more directly, one or two clients who do not meet the criteria for hospital level of care greatly impact the non-acute bed day measure.

Another measure of success is the screening for cardiometabolic syndrome indicators. Cardiometabolic syndrome prevention is a key component of improving the lives of patients and mirrors national trends towards improving health care quality systems. Increasing the number of people who are at a healthy weight will help us reduce the incidence of metabolic syndrome and chronic diseases among our patients. These rates also help determine appropriate interventions. Integrating body mass index (BMI) education into existing programming can reduce the likelihood of the onset and progression of obesity and related chronic diseases, as well as increase healthy eating

and physical lifestyle skills. We are collecting and monitoring data closely to help patients maintain an appropriate BMI, reduce incidences of chronic disease, and enable them to live healthier lives.

Managing and maintaining a healthy blood pressure reduces risk of cardiovascular disease and other chronic diseases. Increasing the number of people with a healthy blood pressure will help aid patients in leading healthier lives. Increased screening will also aid in the development of appropriate interventions, increase disease management and prevention, and assist with creating individualized treatment plans.



The graph illustrates the sustained progress that has been made to improve screening for two key components of cardiometabolic syndrome: body mass index (BMI) and blood pressure. MHSATS' goal is to have a 95 percent screening rate for both BMI and blood pressure.

Minnesota Statutes Chapter 246 (https://www.revisor.mn.gov/statutes/?id=246) provides the legal authority for Direct Care and Treatment State Operated Services.

Mental Health and Substance Abuse Treatment Svcs

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General					184,833	184,833	189,761	194,840
6000 - Miscellaneous Agency					189	189	189	189
Total					**185,022**	**185,022**	**189,950**	**195,029**
Biennial Change				0		370,044		384,979
Biennial % Change								
Governor's Change from Base								14,935
Governor's % Change from Base								4
Expenditures by Activity								
Mental Health & Substance Abuse Treatment Svcs					185,022	185,022	189,950	195,029
Total					**185,022**	**185,022**	**189,950**	**195,029**
Expenditures by Category								
Compensation					158,730	158,730	163,658	168,737
Operating Expenses					26,074	26,074	26,074	26,074
Grants, Aids and Subsidies					218	218	218	218
Total					**185,022**	**185,022**	**189,950**	**195,029**
Full-Time Equivalents					**1,300.32**	**1,266.43**	**1,334.96**	**1,334.93**

Mental Health and Substance Abuse Treatment Svcs

Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation					184,833	184,833	189,761	194,840
Expenditures					**184,833**	**184,833**	**189,761**	**194,840**
Biennial Change in Expenditures				0		369,666		384,601
Biennial % Change in Expenditures								
Governor's Change from Base								14,935
Governor's % Change from Base								4
Full-Time Equivalents					1,300.32	1,266.43	1,334.96	1,334.93
6000 - Miscellaneous Agency								
Balance Forward In						42		42
Receipts					191	191	191	191
Transfers In					40		40	
Balance Forward Out					42	44	42	44
Expenditures					**189**	**189**	**189**	**189**
Biennial Change in Expenditures				0		378		378
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Community Based Services

https://mn.gov/dhs/people-we-serve/people-with-disabilities/services/direct-care-treatment/

AT A GLANCE

- Community Based Services (CBS) provided residential, vocational, and other support services for 1,200 people with developmental disabilities and other complex behavioral needs in FY 2024.
- Community Support Services mobile teams provided support to 353 people in FY 2024.
- CBS residential programs served 285 clients in FY 2024.
- CBS vocational program served 473 clients in FY 2024.
- All-funds spending for this budget activity was approximately $177 million for FY2024. This represents 27 percent of total Direct Care and Treatment (DCT) all-funds spending.

PURPOSE AND CONTEXT

Direct Care and Treatment (DCT) is a highly specialized behavioral health care system that serves people with mental illness, substance use disorders, intellectual disabilities, and other serious and often co-occurring conditions. DCT operates psychiatric hospitals and other inpatient mental health treatment facilities; inpatient substance abuse treatment facilities; special-care dental clinics; group homes and vocational sites; and the nation's largest treatment program for civilly committed sex offenders. The system cares for more than 12,000 patients and clients each year. Because these individuals have conditions that are complex and behaviors that can be challenging, other health care systems cannot or will not serve them. Some providers do not have the capacity; others do not have the expertise.

Community Based Services (CBS) is one of DCT's five main service lines. CBS provides treatment and residential supports to individuals with developmental disabilities and complex behavioral health needs for whom no other providers are available. The majority of CBS programs operate as enterprise services, which means funding relies on the revenues generated from services provided to clients. Revenues are collected from third-party payment sources such as Medical Assistance, private insurance, and the clients themselves.

SERVICES PROVIDED

Service programs within this activity include:

- **Community Support Services (CSS)**: Specialized mobile teams provide crisis support services statewide to individuals with mental illness and/or disabilities who are living in their home community or transitioning back to their home community. The goal is to support people in the most integrated setting by addressing behavior associated with mental illness or intellectual disabilities that would cause individuals to be admitted to inpatient treatment settings.
- **Crisis Residential Services and Minnesota Life Bridge (CRS and MLB)**: CRS and MLB operate short-term residential programs throughout the state. The goal is to support clients in the most integrated setting close to their home communities or near families, friends, and other supportive people while addressing behavior associated with mental illness or intellectual disabilities that could cause individuals to lose their residential placements or be admitted to a less integrated setting.
- **Child and Adolescent Services (CAS):** These services for youth range from short-term crisis residential placements to foster care. Short-term crisis residential programs provide support to youth exhibiting behaviors related to intellectual disabilities and/or mental illness with a goal of finding long-term placement. The Minnesota Intensive Therapeutic Homes (MITH) program provides foster care to children and adolescents who have severe emotional disturbances and challenging behaviors. Homes are located

throughout the state. Treatment is tailored to the needs of each child and is based on a combination of multidimensional treatment, wrap-around services and specialized behavior therapy.

- **CBS Residential Services**: Operates about 100 small group homes (typically four beds) located throughout Minnesota for individuals with mental illness and/or developmental disabilities. Staff assist clients with activities of daily living, provide therapeutic support and help them live, work and be involved in their local communities. Service rates are set through the Rate Management System (RMS) for each client based on individual needs. The program is a transitional service that keeps clients from being placed in less integrated settings such as jails, hospitals, and institutions. It also helps transition clients out of segregated or secure settings and into community life. As clients improve and no longer require the level of care they receive in a CBS-operated home, they move to homes operated by private entities. Many clients (and entire CBS-operated homes) have been successfully transitioned to private care providers. This allows CBS to continue serving the most behaviorally complex individuals.
- **CBS Vocational Services**: Provides vocational support services to help people with developmental disabilities prepare for, find and keep employment. Services include evaluations, training, and onsite coaching and assistance for clients working jobs in the community. Service rates are generated for each client based on individual needs.
- **Ambulatory Services**: Operates five special care dental clinics that provide a full range of services for people with developmental disabilities and mental illnesses. The Southern Cities Clinic in Faribault also provides outpatient psychiatric care, primary care and telehealth services.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
The percentage of survey respondents who said support from CSS mobile teams prevented placement in a less integrated setting (jails, hospitals, institutional settings, etc).	Quality	DCT - CBS Satisfaction Survey	91% - 2022	81% - 2023
The percentage of vocational services clients employed in their communities.	Result	DCT- CBS Satisfaction Survey	88% - June 2023	92% - June 2024
Clients who no longer required CBS services and were transitioned to other providers.	Quantity	DCT Electronic Health Records	FY23 – 32	FY24 – 38
Clients admitted who have complex behavioral needs that cannot be supported by other providers.	Quantity	DCT Electronic Health Records	FY23 – 16	FY24 - 39
Crisis Residential Services and Minnesota Life Bridge admissions and discharges	Quantity	DCT Electronic Health Records	Transitions/ Discharges FY23 - 12 Admissions FY23 – 13	Transitions/ Discharges FY24 - 16 Admissions FY24 - 13

Minnesota Statutes Chapter 246 (https://www.revisor.mn.gov/statutes/?id=246) provide the legal authority for Direct Care and Treatment State Operated Services.

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General					11,613	11,613	12,128	12,371
2000 - Restrict Misc Special Revenue					6,881	7,040	6,881	7,040
2403 - Gift					3	3	3	3
4350 - MN State Operated Comm Svcs					185,387	187,002	185,387	187,002
Total					**203,884**	**205,658**	**204,399**	**206,416**
Biennial Change				0		409,542		410,815
Biennial % Change								
Governor's Change from Base								1,273
Governor's % Change from Base								0
Expenditures by Activity								
Community Based Services					203,884	205,658	204,399	206,416
Total					**203,884**	**205,658**	**204,399**	**206,416**
Expenditures by Category								
Compensation					178,421	180,195	178,936	180,953
Operating Expenses					25,147	25,147	25,147	25,147
Grants, Aids and Subsidies					316	316	316	316
Total					**203,884**	**205,658**	**204,399**	**206,416**
Full-Time Equivalents					**1,864.14**	**1,862.22**	**1,868.90**	**1,869.08**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation					13,412	13,412	13,927	14,170
Transfers Out					1,799	1,799	1,799	1,799
Expenditures					**11,613**	**11,613**	**12,128**	**12,371**
Biennial Change in Expenditures				0		23,226		24,499
Biennial % Change in Expenditures								
Governor's Change from Base								1,273
Governor's % Change from Base								5
Full-Time Equivalents					97.49	95.57	102.25	102.43
2000 - Restrict Misc Special Revenue								
Balance Forward In						29		29
Receipts					6,706	7,040	6,706	7,040
Transfers In					204		204	
Balance Forward Out					29	29	29	29
Expenditures					**6,881**	**7,040**	**6,881**	**7,040**
Biennial Change in Expenditures				0		13,921		13,921
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents					38.90	38.90	38.90	38.90
2403 - Gift								
Balance Forward In						118		118
Receipts					1	1	1	1
Transfers In					120		120	
Balance Forward Out					118	116	118	116
Expenditures					**3**	**3**	**3**	**3**
Biennial Change in Expenditures				0		6		6
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
4350 - MN State Operated Comm Svcs								

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Balance Forward In						27,513		27,513
Receipts					183,943	185,783	183,943	185,783
Transfers In					28,957		28,957	
Balance Forward Out					27,513	26,294	27,513	26,294
Expenditures					**185,387**	**187,002**	**185,387**	**187,002**
Biennial Change in Expenditures				0		372,389		372,389
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents					1,727.75	1,727.75	1,727.75	1,727.75

Program: Forensic Services

https://mn.gov/dhs/people-we-serve/people-with-disabilities/services/direct-care-treatment/

AT A GLANCE

- Forensic Services provided mental health treatment, evaluation or support services to nearly 2,300 people during FY 2024.
- The Forensic Mental Health Program (FMHP) served 402 patients.
- The Forensic Nursing Home cared for 45 patients during FY 2024.
- Forensic examiners completed more than 1,185 court-ordered competency and pre-sentencing evaluations and 409 outpatient evaluations during FY 2024.
- Currently, 245 individuals civilly committed as mentally ill and dangerous (MI&D) are on provisional discharge from Forensic Services and living successfully in Minnesota communities with support from the Community Integrated Services team.
- As of June 30, 2024, 49 patients civilly committed by the court as MI&D were on a waiting list for admission to the FMHP.
- All-funds spending for this budget activity was approximately $133 million for FY 2024. This represents 20 percent of the total Direct Care and Treatment (DCT) all-funds spending.

PURPOSE AND CONTEXT

Direct Care and Treatment (DCT) is a highly specialized behavioral health care system that serves people with mental illness, substance use disorders, intellectual disabilities, and other serious and often co-occurring conditions. DCT operates psychiatric hospitals and other inpatient mental health treatment facilities; inpatient substance abuse treatment facilities; special-care dental clinics; group homes and vocational sites; and the nation's largest treatment program for civilly committed sex offenders. The system cares for more than 12,000 patients and clients each year. Because these individuals have conditions that are complex and behaviors that can be challenging, other health care systems cannot or will not serve them. Some providers do not have the capacity; others do not have the expertise.

Forensic Services (FS) is one of DCT's five main service lines. At secure and non-secure facilities in St. Peter, MN, Forensic Services provides evaluation and specialized mental health treatment services to adults with severe and persistent mental illness whom the courts have civilly committed as mentally ill and dangerous, often because they have committed a serious crime. It is the only state-operated facility in specifically designated to care for MI&D patients.

SERVICES PROVIDED

Forensics Services provides a continuum of care:

- **Forensic Mental Health Program (FMHP)**: Provides psychiatric treatment that focuses on long-term stabilization and prepares patients for eventual provisional discharge and re-entry into the community. The FMHP also includes a 34-bed facility off the main campus in St. Peter which houses patients who have received permission from the Special Review Board to reside in a non-secure treatment facility. In 2025, the FMHP will begin repurposing another facility in St. Peter to add another 16 beds to the program.
- **Forensic Nursing Home (FNH):** Minnesota's only state-operated nursing home, the FNH provides a secure licensed nursing home setting for individuals who are committed as MI&D, sexual psychopathic personality (SPP), and sexually dangerous person (SDP), and prison inmates on a medical release from the

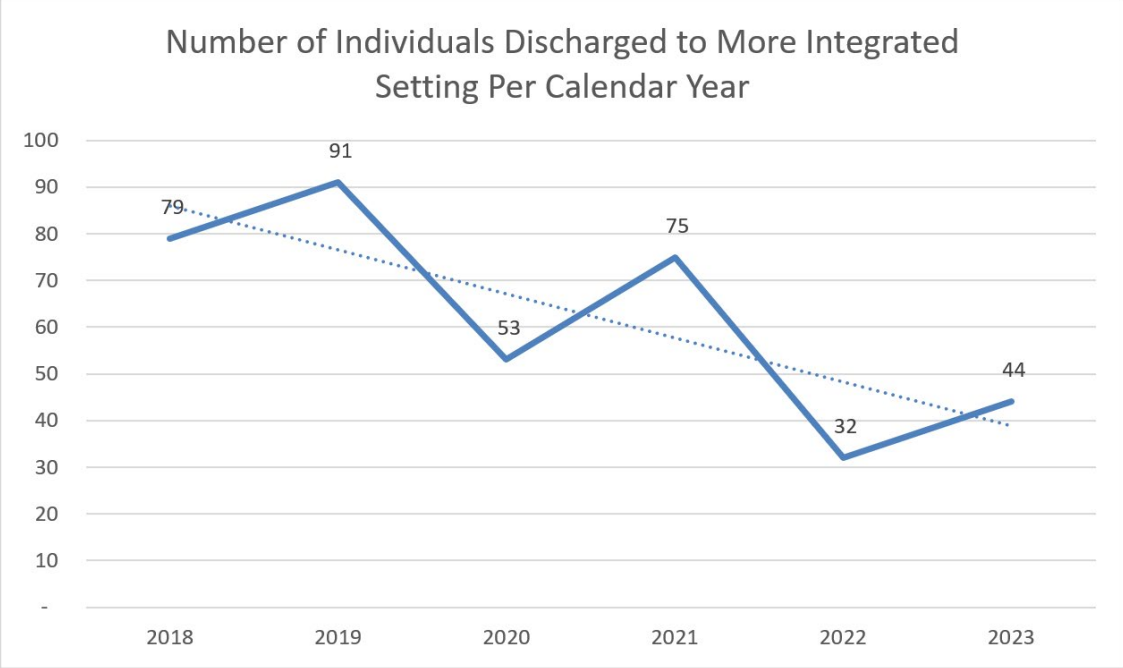
Department of Corrections. Treatment focus is similar to all nursing homes with provision activities of daily living care, rehabilitation services, and end of life care.

- **Community Integrated Services:** A specialized team provides support services for patients who have been provisionally discharged to live in a variety of community settings. The services are designed to help patients live happy, stable, successful lives and avoid the need for return stays at the FMHP.
- **Court-ordered Evaluations:** A team of forensic examiners provides competency and pre-sentencing mental health evaluations. These can be done on either an inpatient basis within Forensic Services or in a community setting, including jails.

All of these services are provided through a direct general fund appropriation except for court-ordered evaluations, which are funded with other revenues.

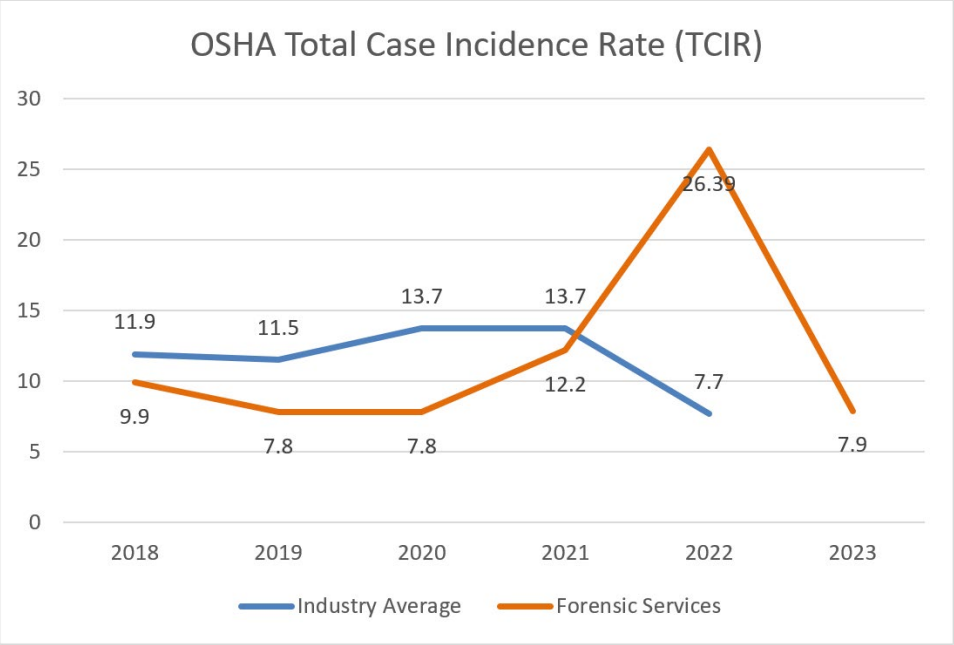
RESULTS

One measure of success is the number of individuals discharged from Forensic Services programs to more integrated settings in the community, consistent with Minnesota's Olmstead Plan. This plan refers to the state's overarching initiative to transform service delivery systems by reducing reliance on institutional care and offering people with disabilities greater independence and choice of community-based services. In the chart below, the solid line is the average number of discharges. The dotted line is the trend line over time.



The reduction in the number of individuals discharged to more integrated settings is driven by clinical factors for individual patients and a significant reduction in community provider capacity due to staffing shortages and the lingering effects of COVID.

The safety of our clients and staff is our top priority. One measure of safety is the Occupational Safety and Health Administration (OSHA) Total Case Incidence Rate (TCIR). The OSHA Total Case Incident Rate is the total number of workplace injuries or illnesses per 100 full-time employees (FTE) working in a year. This is a metric used nationally to compare rates of workplace injuries with national averages of similar industries, which in the case of Forensic Services is state health care nursing and residential facilities. In the chart below, the orange line is the annual data for Forensic Treatment Services (FTS). The blue line denotes the industry code average rate for state government nursing and residential facilities.



Since 2016, the TCIR at Forensic Services has been below – often, well below – the industry average. However, significant spikes in 2021 and 2022 are outliers, largely due to an increase in workplace illness during the COVID pandemic, during which a high proportion of staff came down with the virus. If the COVID outliers are removed, the TCIR falls back to levels recorded in 2019 and 2020. In 2023, TCIR numbers returned to the more normal range of 7.9 illnesses or injuries per 100 staff. The industry average for 2023 has not yet been released.

Several factors have contributed to the general trend toward lower TCIRs since 2016, including:

- Facilities have a more therapeutic environment that is safer for patients and the staff who care for them.
- Clinical, nursing and support staff provide person-centered clinical direction that takes the unique needs of individual patients into account and guides more effective treatment.
- Strong and consistent medical leadership.
- Increase in programming such as group therapy, social skill development through recreational and occupational therapies, music and art therapy, medication education, spiritual services, reintegration activities and vocational skills development.
- Support staff work with patients and reinforce skills practiced in groups and strategies for managing stressors, mental health crisis, free time, completion of normal day activities.
- Training and retraining staff and ongoing monitoring how staff follow and implement training.
- Monthly Safety Committee meetings with staff who work on all shifts to review all staff and patient injuries from the previous month. The committee focuses on what went well, what didn't go well, training needs and opportunities for improvement.

Minnesota Statutes Chapter 246 (https://www.revisor.mn.gov/statutes/?id=246) provides the legal authority for State Operated Services. See also, Minnesota Statutes Chapter 253 (https://www.revisor.mn.gov/statutes/?id=253) for additional authority that is specific to Forensic Services.

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General					155,125	155,125	160,239	164,094
2000 - Restrict Misc Special Revenue					858	858	858	858
6000 - Miscellaneous Agency					1,801	1,801	1,801	1,801
Total					**157,784**	**157,784**	**162,898**	**166,753**
Biennial Change				0		315,568		329,651
Biennial % Change								
Governor's Change from Base								14,083
Governor's % Change from Base								4
Expenditures by Activity								
Forensic Services					157,784	157,784	162,898	166,753
Total					**157,784**	**157,784**	**162,898**	**166,753**
Expenditures by Category								
Compensation					145,592	145,592	150,706	154,561
Operating Expenses					10,171	10,171	10,171	10,171
Grants, Aids and Subsidies					2,021	2,021	2,021	2,021
Total					**157,784**	**157,784**	**162,898**	**166,753**
Full-Time Equivalents					**1,160.85**	**1,133.65**	**1,199.31**	**1,199.52**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation					155,125	155,125	160,239	164,094
Expenditures					**155,125**	**155,125**	**160,239**	**164,094**
Biennial Change in Expenditures				0		310,250		324,333
Biennial % Change in Expenditures								
Governor's Change from Base								14,083
Governor's % Change from Base								5
Full-Time Equivalents					1,157.95	1,130.75	1,196.41	1,196.62
2000 - Restrict Misc Special Revenue								
Balance Forward In						892		892
Receipts					900	900	900	900
Transfers In					850		850	
Balance Forward Out					892	934	892	934
Expenditures					**858**	**858**	**858**	**858**
Biennial Change in Expenditures				0		1,716		1,716
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents					2.90	2.90	2.90	2.90
6000 - Miscellaneous Agency								
Balance Forward In						536		536
Receipts					1,729	1,729	1,729	1,729
Transfers In					608		608	
Balance Forward Out					536	464	536	464
Expenditures					**1,801**	**1,801**	**1,801**	**1,801**
Biennial Change in Expenditures				0		3,602		3,602
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Minnesota Sex Offender Program

https://mn.gov/dhs/people-we-serve/adults/services/sex-offender-treatment/

AT A GLANCE

- Clients progress through three phases of sex-offender-specific treatment.
- As of July 1, 2024:
  - Minnesota Sex Offender Program (MSOP) client population was 734.
  - 63 MSOP clients were on provisional discharge and living in the communities under MSOP supervision. Another 10 had been granted provisional discharge and were waiting for community placement.
  - 109 MSOP clients have received a provisional discharge order in the history of the program.
  - 25 MSOP clients have been fully discharged from their commitment.
  - About 85 percent of MSOP clients voluntarily participated in treatment.
- All-funds spending for this budget activity was approximately $114 million for FY 2024. This represents 17 percent of the total Direct Care and Treatment all-funds spending.

PURPOSE AND CONTEXT

Direct Care and Treatment (DCT) is a highly specialized behavioral health care system that serves people with mental illness, substance use disorders, intellectual disabilities, and other serious and often co-occurring conditions. DCT operates psychiatric hospitals and other inpatient mental health treatment facilities; inpatient substance abuse treatment facilities; special-care dental clinics; group homes and vocational sites; and the nation's largest treatment program for civilly committed sex offenders. The system cares for more than 12,000 patients and clients each year. Because these individuals have conditions that are complex and behaviors that can be challenging, other healthcare systems cannot or will not serve them. Some providers do not have the capacity; others do not have the expertise.

The Minnesota Sex Offender Program (MSOP) is one of DCT's five main service lines. MSOP operates secure treatment facilities in Moose Lake and St. Peter for civilly committed sex offenders. It also operates Community Preparation Services, a less restrictive treatment setting on the St. Peter campus, and Reintegration Services, which monitors and supervises clients who have been provisionally discharged by the court.

- Only a court has the authority to commit or discharge someone from MSOP.
- MSOP's mission is to promote public safety by providing comprehensive sex offender treatment and reintegration opportunities for sexual abusers.
- Minnesota is one of 20 states with civil commitment laws for sex offenders and is the largest program of its kind in the country.
- There are about 23 new commitments annually.
- Most MSOP clients have served prison sentences prior to their civil commitment.
- Transfer to less restrictive settings, such as Community Preparation Services, provisional discharge, or full discharge, may only occur by court order from a three-judge panel.

SERVICES PROVIDED

The program accomplishes its mission by:

- Providing core group therapy, psycho-educational modules, and other treatment. Clients also participate in rehabilitative services that include education, therapeutic recreation, and vocational program work assignments.

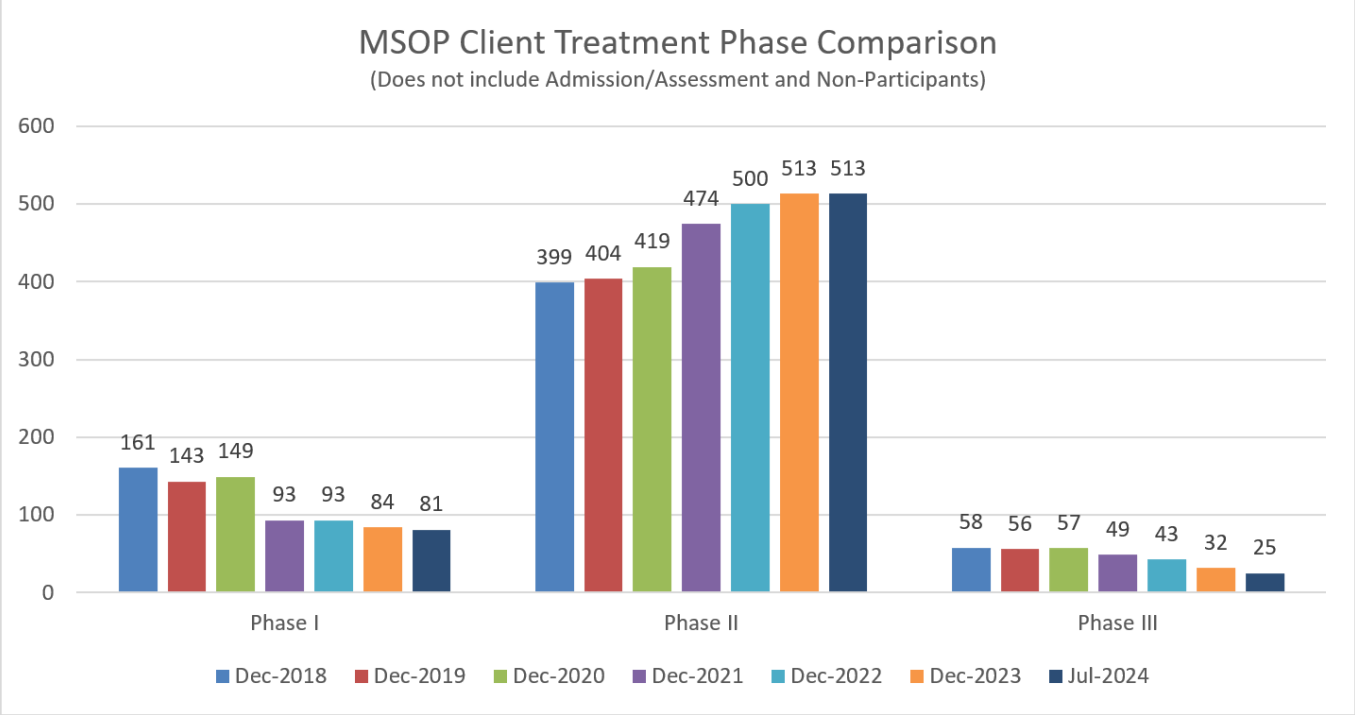
- Providing risk assessments, treatment reports, and testimony that inform the courts.
- Maintaining a therapeutic treatment environment that is safe and conducive to making positive behavioral change.
- Providing supervision and resources to help provisionally discharged clients succeed in the community.
- Working together with communities, policymakers, and other governmental agencies.

MSOP is a three-phase treatment program. In Phase I, clients initially address treatment-interfering behaviors and attitudes. Phase II focuses on clients' patterns of abuse and identifying and resolving the underlying issues in their offenses. Clients in Phase III focus on deinstitutionalization and reintegration, applying the skills they acquired in treatment and maintaining the changes they have made while managing their risk for re-offense.

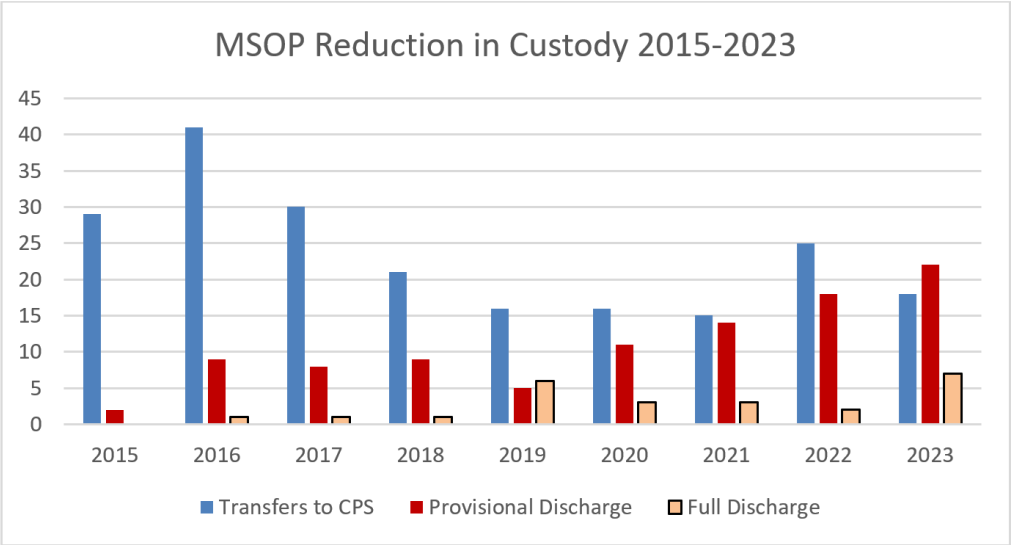
MSOP is funded by general fund appropriations. When a court commits someone to the program, the county in which they are committed is responsible for part of the cost of care. For commitments initiated before August 2011, the county share is 10 percent. For commitments after that date, the county share is 25 percent. When a client is court-ordered to provisional discharge (during which there is continued monitoring and community supervision by MSOP), there is a 25-percent county share.

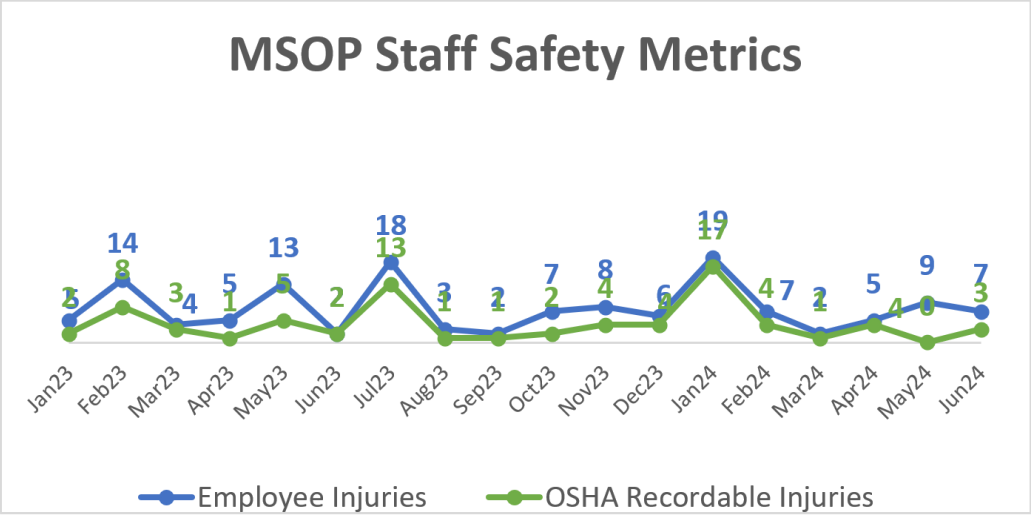
RESULTS

As more clients move through the program, we expect to see increases in the number of clients participating in the latter stages of treatment. The chart below shows the treatment progression of clients since 2014.



MSOP Reduction in Custody 2015-2023





Results Notes

- Treatment progression graph is produced by the MSOP Research Department.
- Employee injury data is maintained by MSOP Operations department

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Minnesota Statutes, chapter 246B (https://www.revisor.mn.gov/statutes/cite/246B) governs the operation of the Sex Offender Program and chapter https://www.revisor.mn.gov/statutes/cite/253D governs the civil commitment and treatment of sex offenders.

Minnesota Sex Offender Program (MSOP)

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General					119,694	119,694	128,050	131,351
4503 - Minnesota State Industries					2,164	2,164	2,164	2,164
6000 - Miscellaneous Agency					3,592	3,592	3,592	3,592
Total					**125,450**	**125,450**	**133,806**	**137,107**
Biennial Change				0		250,900		270,913
Biennial % Change								
Governor's Change from Base								20,013
Governor's % Change from Base								8
Expenditures by Activity								
Minnesota Sex Offender Program (MSOP)					125,450	125,450	133,806	137,107
Total					**125,450**	**125,450**	**133,806**	**137,107**
Expenditures by Category								
Compensation					99,588	99,588	107,944	111,245
Operating Expenses					22,053	22,053	22,053	22,053
Grants, Aids and Subsidies					3,809	3,809	3,809	3,809
Total					**125,450**	**125,450**	**133,806**	**137,107**
Full-Time Equivalents					**844.69**	**823.48**	**904.08**	**904.25**

Minnesota Sex Offender Program (MSOP)

Program Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation					119,694	119,694	128,050	131,351
Expenditures					**119,694**	**119,694**	**128,050**	**131,351**
Biennial Change in Expenditures				0		239,388		259,401
Biennial % Change in Expenditures								
Governor's Change from Base								20,013
Governor's % Change from Base								8
Full-Time Equivalents					838.05	816.99	897.44	897.76
4503 - Minnesota State Industries								
Balance Forward In						1,998		1,998
Receipts					1,510	1,510	1,510	1,510
Transfers In					2,652		2,652	
Balance Forward Out					1,998	1,344	1,998	1,344
Expenditures					**2,164**	**2,164**	**2,164**	**2,164**
Biennial Change in Expenditures				0		4,328		4,328
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents					6.64	6.49	6.64	6.49
6000 - Miscellaneous Agency								
Balance Forward In						325		325
Receipts					3,495	3,495	3,495	3,495
Transfers In					422		422	
Balance Forward Out					325	228	325	228
Expenditures					**3,592**	**3,592**	**3,592**	**3,592**
Biennial Change in Expenditures				0		7,184		7,184
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0

Program: DCT Administration

https://mn.gov/dhs/people-we-serve/people-with-disabilities/services/direct-care-treatment/

AT A GLANCE

- Direct Care and Treatment (DCT) cares for more than 12,000 people annually at about 150 sites throughout Minnesota.
- DCT has nearly 5,000 employees and an annual budget of more than $650 million.
- All-funds spending for DCT Administration was approximately $70 million for FY 2024. This represents 11 percent of the total DCT all-funds spending.

PURPOSE AND CONTEXT

Direct Care and Treatment (DCT) is a highly specialized behavioral health care system that serves people with mental illnesses, substance use disorders, intellectual disabilities, and other serious and often co-occurring conditions. DCT operates psychiatric hospitals and other inpatient mental health treatment facilities; inpatient substance abuse treatment facilities; special-care dental clinics; group homes and vocational sites; and the nation's largest treatment program for civilly committed sex offenders. The system cares for more than 12,000 patients and clients each year. Because these individuals have conditions that are complex and behaviors that can be challenging, other health care systems cannot or will not serve them. Some providers do not have the capacity; others do not have the expertise. DCT programs and services are provided statewide, with most operating 24 hours a day, seven days a week. DCT Administration provides basic support for all service lines, including:

- Oversight of all fiscal and business processes
- Management all operational functions
- Strategic direction, planning and implementation

ADMINISTRATIVE SUPPORT SERVICES PROVIDED

DCT Administration provides leadership and direction across the entire behavioral health system. It also works in collaboration with MNIT and DHS central office and has service-level agreements in place for additional support services such as IT, HR, Legislative, Communications, Legal, and other DHS-wide services. The costs for these additional support services are included in the overall $70 million budget for DCT Administration. DCT Administration support services include, but are not limited to:

- **Chief Quality Officer (CQO):** Responsible for managing relationships with several state and federal regulatory bodies that oversee DCT programs. The CQO works to ensure that staff understand regulatory requirements and that all standards are being followed. This department also aligns quality, safety, and security across each service line to ensure compliance.
- **Chief Compliance Officer (CCO):** Oversees risk assessment and contract management services that directly impact DCT operations. Through internal auditing and monitoring, the CCO ensures proper processes are in place and are followed.
- **Health Information Management Services (HIMS):** Manages all patient and client records to assure that information is properly documented and protected. HIMS provides support to the direct care staff to assure medical records are accurate, timely, and up-to-date; records are properly stored; and staff access to a patient's private health information is appropriate and documented.
- **Learning and Development (L&D):** Provides ongoing training essential to the delivery of high-quality care. L&D ensures that DCT staff have the training they need to meet regulatory requirements and standards and to best serve patients and clients. Currently, 5 percent of all DCT staff time (a total of 450,000 hours) in any year is devoted to training to ensure compliance with regulatory standards and skill development.

- **Financial Management Office**: Provides DCT-specific fiscal services and manages the financial transactions and reporting to assure prudent use of public resources. Core functions include preparing operating and Legislative budget requests, patient services billing and accounts receivable, contract management support, accounts payable, Medicare and/or Medicaid Cost reporting for DCT's hospitals and clinics, financial reporting, and resident trust services for our institutional patients and clients.
- **DCT IT/MNIT Administrative Services:** Works in collaboration with MNIT to understand DCT's unique technological needs and to develop and implement an electronic health record system that provides access to each patient chart and gives clinical staff the ability to document every aspect of patient care to ensure compliance to care delivery, financial/billing, and expected clinical outcomes.
- **Health Equity Department:** Provides an integrated approach to ensure that all DCT staff have the education, skills, and tools they need to work effectively across DCT, nurture a culture of inclusion, and have a positive impact on equity, diversity, and anti-racism efforts.
- **Facilities Management (FM)**: Responsible for overseeing the care and maintenance of all DCT-owned and leased buildings, including maintaining a 10-year facility plan. FM also does all of the planning necessary to prepare DCT's capital budget requests. Core functions include leasing, design and management of construction projects, asset management, procurement, conditional facility assessment, department sustainability activities and strategic planning to meet the ongoing needs of DCT programs.
- **Office of Special Investigations (OSI):** Provides investigative services upon request that work in tandem with DCT-wide event reviews and root cause analyses. OSI works in collaboration with local law enforcement agencies when needed on patient-client elopements, deaths, drug and alcohol violations, assaults to staff or patients, and other events that require investigation.
- **Business Process Services:** Provides support to direct care staff on consistent and standardized business processes across all DCT programs and divisions for documenting admissions, assessments, treatment progress, discharge, etc. Another core function is to ensure these standardized business processes are incorporated into the DCT Behavioral Health Medical Record.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
The number of new contracts executed[1]	Quantity	*DCT SharePoint Site*	185 - FY23	353 - FY24
The number of background checks completed for handgun permits[2]	Quantity	*Inquiries received by the department*	14,302 - FY23	17,203 - FY24
The number of unique claims processed for client billings	Quantity	*DCT Electronic Health Record*	151,793 - FY23	125,622 - FY24

Minnesota Statutes Chapter 246 (https://www.revisor.mn.gov/statutes/cite/246) provides the legal authority for Direct Care and Treatment State Operated Services.

[1] The number of new contracts with a start date in each fiscal year across DCT. Some contracts may have been formally executed or initiated in a different fiscal year. This measure does not include executed contract amendments or extensions.
[2] DCT HIMS staff complete the process as required under Minnesota Statutes section 245.041 to provide commitment information to local law enforcement agencies for the sole purpose of facilitating a firearms background check.

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General					59,697	59,666	70,497	82,614
2000 - Restrict Misc Special Revenue					961	961	961	961
2001 - Other Misc Special Revenue					16,879	16,977	16,879	16,977
Total					**77,537**	**77,604**	**88,337**	**100,552**
Biennial Change				0		155,141		188,889
Biennial % Change								
Governor's Change from Base								33,748
Governor's % Change from Base								22
Expenditures by Activity								
Administration Support					77,537	77,604	88,337	100,552
Total					**77,537**	**77,604**	**88,337**	**100,552**
Expenditures by Category								
Compensation					52,436	52,436	63,236	75,384
Operating Expenses					25,101	25,168	25,101	25,168
Total					**77,537**	**77,604**	**88,337**	**100,552**
Full-Time Equivalents					**357.05**	**349.73**	**427.56**	**445.11**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation					74,551	74,618	85,351	97,566
Transfers In					1,799	1,799	1,799	1,799
Transfers Out					16,653	16,751	16,653	16,751
Expenditures					**59,697**	**59,666**	**70,497**	**82,614**
Biennial Change in Expenditures				0		119,363		153,111
Biennial % Change in Expenditures								
Governor's Change from Base								33,748
Governor's % Change from Base								28
Full-Time Equivalents					351.60	344.28	422.11	439.66
2000 - Restrict Misc Special Revenue								
Balance Forward In						1,665		1,665
Receipts					1,026	1,026	1,026	1,026
Transfers In					1,600		1,600	
Balance Forward Out					1,665	1,730	1,665	1,730
Expenditures					**961**	**961**	**961**	**961**
Biennial Change in Expenditures				0		1,922		1,922
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents					5.45	5.45	5.45	5.45
2001 - Other Misc Special Revenue								
Balance Forward In						415		415
Receipts					400	400	400	400
Transfers In					16,894	16,698	16,894	16,698
Balance Forward Out					415	536	415	536
Expenditures					**16,879**	**16,977**	**16,879**	**16,977**
Biennial Change in Expenditures				0		33,856		33,856
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
2400 - Endowment								
Balance Forward In						73		73
Receipts					1	1	1	1
Transfers In					72		72	
Balance Forward Out					73	74	73	74
2403 - Gift								
Balance Forward In						82		82
Receipts					1	1	1	1
Transfers In					81		81	
Balance Forward Out					82	83	82	83