Senate HHS Appropriations Bill

**S.F. 800** (Benson (R-Ham Lake)/Abeler (R-Anoka) was unveiled on Sunday night. Although their proposal reduces the HHS budget by $333 million, around 73% of the reductions do not actually reduce state spending. Rather, there is approximately $243 million in shifts that push expenses into the next fiscal year.

The committee received a negative budget target of $(333.1 million) for FY18-19; $(331.4 million) for FY20-21.

**Source of Reductions:**

- The Senate uses very little of the Health Care Access Fund to reach their target. At the end of FY20-21, they leave $1.2 billion on the bottom line.
- CCAP Integrity; $(16.2 million) (FY18-19); $(30.7 million) (FY20-21).
- Limit Billable Days for Residential Services to 350 days; $(4 million) (FY18-19); $(16.7 million) (FY20-21).
- SIRS and Child Care Financial Fraud and Abuse Investigations Expansion; $(464K) (FY18-19); $(514K) (FY20-21). Increased FTEs, but savings come from MA recoveries.
- Delay Inpatient Hospital Rebasing to 7/1/21; $(15.4 million) (FY18-19); $(38.9 million) (FY20-21).
- Capitation Payment Delay; May 2019 and May 2021; $(173.3 million) (FY18-19); $(23.4 million) (FY20-21). Savings are achieved by delaying payments into the next fiscal year.
- Capitation Partial Delay; $(54.7 million) (FY18-19); $(143 million) (FY20-21). Savings are achieved by delaying payments into the next fiscal year.
- Provider Rate Reduction Basic Care Services; Physician and Professional Services; $(28.2 million) (FY18-19) (2.3% rate decrease); $(48 million) (FY20-21) (3% rate decrease).
- Integrated Health Partnership Project; $(9.4 million) (FY18-19); $(34.1 million) (FY20-21). Pilot projects to target high-risk, high-user population.
- DHS Central Office Reduction; $(17.4 million) (FY18-19); $(19 million) (FY20-21).
- MNCHOICES Administration Reform; $(61.5 million) (FY18-19); $(61.5 million) (FY20-21). Reduces number of assessments based on client need.
- GRH Supplementary Service Rate Reduction to Amount over $300; $(2.8 million) (FY18-19); $(6.2 million) (FY20-21).
- DHS Direct Care and Treatment Operations; $(6 million) (FY18-19); $(6 million) (FY20-21).
- Eliminate Family Planning Special Projects; $(2.3 million) (FY18-19); $(2.3 million (FY20-21).
- MDH Base Reduction of 7%; $(8.9 million) (FY18-19); $(6.6 million) (FY20-21). Note $7.7 million comes from a delay in the Local Public Health grant from FY19 to FY20.
DHS Expenditures:

Mental Health:

- CABHS; $896 million (FY18-19).
- MH Innovation Grant; $4.2 million (FY18-19); $5.2 million (FY20-21). Hospital Association initiative that provides ongoing funding for grants to the mental health continuum.
- State only MA funding for Children’s Residential MH in IMDs; $6.7 million (FY18-19); $8.3 million (FY20-21).
- Children’s Mental Health Collaborative; $1.2 million (FY18-19); rural multi-county services for youth transitioning to adulthood.

Human Trafficking:

- Child Welfare Services for Sexually-Exploited Youth; $152K (FY18-19); $142K (FY20-21).
- Safe Harbor for Sexually-Exploited Youth; $1.3 million (FY18-19); $1.3 million (FY20-21); services.

Chemical Dependency:

- Substance Use Disorder Reform; ($569K) (FY18-19); $6.3 million (FY20-21).

Child-Well Being:

- American Indian Child Welfare Expansion and Early Intervention; $886K (FY18-19).
- Maltreatment Investigations in DOC Children’s Residential Facilities; $147K (FY18-19); $136K (FY20-21).
- Increase At Home Infant Child Care Assistance; $2.3 million (FY18-19); $2.1 million (FY20-21).
- White Earth Nation Child Welfare; $1.6 million (FY18-19); $1.6 million (FY20-21).
- Social Services for Reentering Foster Care (age 18-21) $81K in FY18-19; $85K (FY20-21); into Northstar Grants. Money allocated for state only; local cost share is 83% of non-Federal funds; cost to counties estimated at $200,000 per year statewide.
- Public Health Nurse Home Visiting MA Rate; $614K (FY18-19); $1.16 million (FY20-21); increases MA reimbursement rate to a minimum of $140 for evidence-based nurse home visiting.
- MA Coverage for Non-IV-E Foster Children; $330K (FY18-19); $1.4 million (FY20-21).

County Specific Projects:

- St. Louis County GRH Supplemental Service Rate; $117K (FY18-19); $169K (FY20-21).
- Anoka County Family Foster Care Grant; $75K (FY18).
- Anoka County GHR Supplemental Service Rate; $486K (FY18-19); $486K (FY20-21).
- Olmsted County GRH Supplemental Service Rate; $1.5 million (FY18-19); $2.4 million (FY20-21).

Other DHS Expenditures:

- Expansion of Return to Community Program; $1 million (FY18-19); ($541K) (FY20-21).
- Federal Compliance with Asset Verification Requirements; $645K (FY18-19); ($53K) (FY20-21).
- Rate Increase for Complex PCA Services; $3.4 million (FY18-19); $20 million (FY20-21).
- Elderly Waiver Modifications; $2.3 million (FY18-19); $16.5 million (FY20-21).
• Disability Waiver Rate Setting Methodology Modifications; $904K (FY18-19); ($8.9 million) (FY20-21). Will have fiscal implications in FY22-23 and beyond.
• Deaf and Hard of Hearing Act; $2.7 (FY18-19); $2.7 million (FY20-21). To ensure culturally-affirmative services. DHS would have to ensure the availability of communication supports and work with counties and others regarding the availability of services.
• TEFRA Parental Fee Reduction; $1 million (FY18-19); $1 million (FY20-21).
• Increase Essential Community Supports Monthly Budget Limit; $801K (FY18-19); $1 million (FY20-21); increases the per person maximum from $400 to $600 per month, not to exceed 12 months.
• HCBS Incentive Pool; $3.1 million (FY18-19); $2.1 million (FY20-21).
• GRH Presumptive Eligibility; $370K (FY18-19); $502K (FY20-21); changes GRH formula for residents who have received residential crisis stabilization services.
• Statewide CAP Grants; $1.5 million (FY18-19); $1.5 million (FY20-21).
• Family Assets for Independence (FAIM); $500K (FY18-19).
• Disregard Income of Spouse for Newly-Married Couples for MFIP Eligibility; $651K (FY18-19); $1.5 million (FY20-21).
• Increase Monthly Cash Assistance $13 for MFIP; ($62K) (FY18-19); $2.8 million (FY20-21). Paid for by eliminating MFIP innovation projects.

MDH Expenditures:

Human Trafficking:

• Safe Harbor for Sexually-Exploited Youth; $1.2 million (FY18-19); $1.2 million (FY20-21).
• Statewide Sex Trafficking Victims Strategic Plan; $73K (FY18).

Chemical Dependency:

• Accountable Community for Health Opioid Abuse Prevention Pilot Projects; $2 million (FY18); funded out of SHIP.
• Opioid Abuse Prevention Grants; $1.1 million (FY18-19); $1.1 million (FY20-21).

Other MDH Expenditures:

• Protect Vulnerable Adults in Health Care Settings; $1.2 million (FY18-19); $1.8 million (FY20-21).
• Evidence-Based Nurse Home Visiting; $4 million (FY18-19); $4 million (FY20-21).
• Eliminate Family Planning Special Projects; ($2.3 million) (FY18-19); ($2.3 million) (FY20-21).

The bill contains a number of county concerns that were MICA priorities:

• **Case Management/ITV;** $51K (FY18-19); $18K (FY20-21); would allow the use of interactive video services (ITV) for certain case management services provided by counties.
• **In-Reach:** This would provide MA coverage for community-based service coordination at pre-booking. Due to an unexpectedly large fiscal note, the bill was amended to reflect that counties, who elect to provide the service, would pay the state’s share.
• **Dakota County Child Data Tracking Software Grant for Birth to Eight Project:** $200K (FY18). This would award a grant to Dakota County to develop and implement pilots that will evaluate the impact of a coordinated system and service delivery approach on key developmental milestones and outcomes that ultimately lead to reading proficiency by age eight within the target population.
• **Data modernization sharing provisions:** This would allow limited information to be shared to allow community services to provide coordinated, integrated service delivery within the county system.

• **Pathways to prosperity welfare reform:** This would provide a pilot to test an alternative financing model for young families receiving public assistance by removing barriers, and priority for Dakota and Olmsted Counties.

• **Minnesota Birth to Eight Pilot Project:** This would award a grant to Dakota County to develop and implement pilots that will evaluate the impact of a coordinated system and service delivery approach on key developmental milestones and outcomes that ultimately lead to reading proficiency by age eight within the target population. The pilot program is from July 1, 2017, to June 30, 2021.

### Senate HHS Policy Provisions:

**Article 6: Direct Care and Treatment:**

- Modifyies the 48-hour rule so that AMRTC is not required to take admissions over the weekends to provide for adequate staffing.
- Report regarding State Operated Services for housing individuals.

**Article 7: Children and Families:**

- Access to data by welfare system: Counties may request access to education data to coordinate services for a student or family.

**Article 10: MDH:**

- Hospital moratorium exception. Allows for additional pediatric psychiatric beds at Prairie Care.

### House HHS Appropriations Bill:

**H.F. 945** (Dean; R-Dellwood) is also proposing some shifts, although not as large as the Senate proposal.

The committee received a negative budget target of ($622.37 million) for FY18-19; ($922.9 million) for FY20-21.

### Source of Reductions:

- The Health Care Access Fund, which currently has a balance of $1 billion, is nearly depleted by the end of the 2021, with an ending balance of $23.6 million.
- MNsure Transition to Federal Exchange; ($19.5 million) (FY18-19); ($75.7 million) (FY20-21).
- Remove MA Forecast Inflation ($150.9 million) (FY18-19); ($463.2 million) (FY20-21).
- Managed Care Payment Delay; ($135 million) (FY18-19). Payments are postponed in FY19 and FY21 into the next fiscal year to achieve savings.
- DHS Technology & Operations for MNsure (due to transition); ($40 million) (FY18-19); ($40 million) (FY20-21).
- Integrated Health Partnership Project; ($9.4 million) (FY18-19); ($34.1 million) (FY20-21). Pilot projects to target high-risk, high-user population.
- MinnesotaCare Premium Savings; ($123K ) (FY18-19); ($145K) (FY20-21); increased premiums and co-pays.
- HealthCare Delivery Systems Pilot Projects; ($142 million) (FY18-19); ($142 million) (FY20-21). Develop and implement a demonstration project to test an alternative health care delivery system for MA and MNcare enrollees; per capita payment to providers for total cost of care; the pilot also includes coordination with counties and other social service agencies.
• Implement Eligibility Verification/MA Audit Activities; ($170 million) (FY18-19); ($180 million) (FY20-21); periodic data match. This provision would require DHS to institute measures that would meet the savings, the work would likely fall to counties without reimbursement for additional work.
• Competitive Bidding Reform; ($50 million) (FY18-19); ($50 million) (FY20-21); sets guidelines regarding the procurement process; clarifies the county board role and allows health plans to appeal. It preserves CBP as sole provider and makes mediation panel appointed by DHS and AMC a binding decision.
• Hospital and MCO Outcomes Program; ($10 million) (FY18-19); ($10 million) (FY20-21); addresses potentially avoidable emergency visits or readmissions.
• CCAP Integrity Changes in MFIP and BSF; ($16.9 million) (FY18-19); ($33.2 million) (FY20-21).

DHS Expenditures:

Mental Health:
• Housing Needs Funding; $3.25 million (FY18-19); $1.5 million available to counties and others to increase housing options for mentally ill adults.
• Suicide Prevention Grants; $657K (FY18-19).
• MH Grant Funding; $6.1 million (FY18-19).
  o Housing Supports; $2.5 million (FY18-19).
  o Assertive Community Supports; $1 million (FY18-19).
  o Respite Services; $564K (FY18-19).
  o MH Crisis Services; $2 million (FY18-19).
• Modify MH Service Provisions (IMD); $6.7 million (FY18-19); $8.3 million (FY20-21).
• School-Linked MH; $4.2 million (FY18-19); $4.2 million (FY20-21).
• First Psychotic Episode; $1.5 million (FY18-19); $1.5 million (FY20-21).
• MH Innovation Grant; $4 million (FY18-19); Hospital Association initiative that provides one-time funding for grants to the mental health continuum.
• CABS Facility Funding; $896K (FY18-19); $982K (FY20-21).

Human Trafficking:
• Child Welfare Services for Sexually-Exploited Youth; $152K (FY18-19); $142K (FY20-21).
• Safe Harbor Grants; $669K (FY18-19); $664K (FY20-21); services.
• Safe Harbor Grants; $970K (FY18-19); housing.

Chemical Dependency:
• Chemical Dependency (SUD); ($446K) (FY18-19); $6.3 million (FY20-21).
• CD Services Provider Increase; $6.1 million (FY18-19); $6.1 million (FY20-21); represents a 3% rate increase.

Child Well Being:
• Social Services for Reentering Foster Care (age 18-21); $81K in FY18-19; $85K in FY20-21; into Northstar Grants. Money allocated for state only; local cost share is 83% of non-Federal funds; cost to counties estimated at $200,000 per year statewide.
• BSF Child Care Priorities; $11.8 million (FY18-19); $14.8 million (FY20-21); Ensures that the transitional child care funds are more fully utilized for eligible families, which leaves more BSF sliding fee slots for those on waiting list.

Health and Human Services Provisions in the Omnibus Bills – March 31, 2017 | Page 5
• White Earth Nation Child Welfare; $3.2 million (FY18-19); $3.2 million (FY20-21).

• Public Health Nurse Home Visiting MA Rate; $614K (FY18-19); $1.2 million (FY20-21); increases MA reimbursement rate to a minimum of $140 for evidence-based nurse home visiting.

**County Specific Projects:**

- St. Louis County GRH Supplemental Service Rate; $117K (FY18-19); $169K (FY20-21).
- Anoka County GHR Supplemental Service Rate; $486K (FY18-19); $486K (FY20-21).
- Olmsted County GRH Supplemental Service Rate; $1.5 million (FY18-19); $2.4 million (FY20-21).
- Co-Parenting Education (NorthPoint/ Hennepin); $400K (FY18-19).

**Other DHS Expenditures:**

- MFIP Income Exclusions; $940K (FY18-19); $1.5 million (FY20-21).
- DHS Auditing by OLA; $306K (FY18-19); $306K (FY20-21).
- Changes GRH formula for residents who have received residential crisis stabilization services; $370K (FY18-19); $502K (FY20-21).
- TEFRA Parental Fees Reduced; $3.5 million (FY18-19); $4.4 million (FY20-21).
- Family Assets for Independence (FAIM); $500K (FY18-19).
- Statewide CAP Grants; $2 million (FY18-19); one-time partial restoration of previous cut.
- Deaf and Hard of Hearing Act; $2.6 million (FY18-19); $2.6 million (FY20-21); ensures culturally-affirmative services; DHS would have to ensure the availability of communication supports and work with counties and others regarding the availability of services.
- MNsure Transition to Federal Marketplace; $3 million (FY18-19); $2.6 million (FY20-21).
- Maltreatment Investigations in DOC Children’s Residential Facilities; $147K (FY18-19); $136K (FY20-21).

**MDH Expenditures:**

**Human Trafficking:**

- Safe Harbor Grants; $840K (FY18-19); $840K (FY20-21); services.
- Safe Harbor Strategic Plan; $73K (FY18).

**Chemical Dependency:**

- Opioid Disposal Grants; $1 million (FY18-19).
- Opioid Abuse Prevention Pilot Projects; $1 million (FY18).
- Quitline for Tobacco; ($3.4m) (FY18-19); ($6 million) FY20-21; funded from SHIP and dedicates to Quitline.

**Other MDH Expenditures:**

- Protect Vulnerable Adults in Health Care Settings; $1.2 million (FY18-19); $1.8 million (FY20-21).
- Concussion Working Group; $450K (FY18).
- Advance Care Planning Grants; $1 million (FY18-19); $1 million (FY20-21).
- Radon Act Repeal; $162K (FY18-19); $298K (FY20-21).
The bill a number of county concerns that were MICA priorities:

- **Case Management/ITV**: $51K (FY18-19); $18K (FY20-21); would allow the use of interactive video services (ITV) for certain case management services provided by counties.

- **Pathways to prosperity welfare reform**: This would provide a pilot to test an alternative financing model for young families receiving public assistance by removing barriers, a priority for Dakota and Olmsted Counties.

**House HHS Policy Provisions:**

**Article 4: Children and Families:**

- Child Care: Fix-it tickets in lieu of correction order in certain cases that are undefined under this provision.
- Child Care Exit Interviews before leaving profession.
- Child Care licensing posting changes in appeal reversals.
- Exemption for Positive Support Rule for family care providers that are not caring for disabled kids.

**HHS Priority Items Not Included in Either HHS Bill:**

- No additional child protection money.
- No additional BSF funding.
- No Human Services Financing Task Force.
- No Investment in METS Technology.
- No Wage increase for home and community based service providers.
- No increase in spend-down limits for waivered services.

**Other Omnibus Bills Containing Measures of County Interest:**

**Senate Taxes (SF2255; Chamberlain):**

- $2 million for ICWA out-of-home placement costs.

**House Taxes (H.F. 4; Davids):**

- $10 million for ICWA.

**House Jobs (H.F. 2209; Garafalo):**

- $1 million in FY18 is prioritized to complete interim controls or lead abatement measures to reduce the risk of lead exposure in rental housing statewide.
- Child care grants to local communities for women-run child care businesses.
- $50K in FY18 from the workforce development fund for a grant to Fighting Chance for behavioral intervention programs for at-risk youth.

**House Public Safety (H.F. 896; Cornish):**

- $350K was added to budget for legal representation of children in need of protective services.
- Sex Trafficking Prevention Grants; $299K (FY18) and $180K (FY19) for grants to state and local units of government to support new or existing multijurisdictional entities to investigate sex trafficking crimes and to provide technical assistance, including training and case consultation, to law enforcement agencies statewide.
- Mentally ill offenders’ appropriation for security.
• Alternatives to incarceration pilot program to facilitate access to community treatment options; $170K (FY18-19).
• Targeted Domestic Violence Prevention; 200K (FY18-19).

House Education (HF 890; Loon):
• Child Sex Abuse Prevention Education; policy only. A school district may include child sexual abuse prevention instruction in a health curriculum.
• Intermediate School District Mental Health Innovations Grant Program; $2.45m in FY18 and $2.45 million FY19 is appropriated from the General Fund to DHS to fund innovative projects to improve mental health outcomes for youth attending a qualifying school unit.

Senate Education (SF 718; Nelson):
• Education stability for students in foster care; allows for a pilot project for federal funding to provide transportation to children in foster care so they are able to stay in their home school district.
• Parent/Child Home Program Appropriation; $900K for FY18 and $900K for FY19. Must be used for evidence-based and research-validated early childhood literacy and school readiness programs.
• Home Visiting Aid Appropriation; $527K (FY18) and $571K (FY19).

House Higher Ed (HF 2477; Nornes):
• Child Care Grants; $6.7 million (FY18); $6.7 (FY19).

Senate Higher Ed (SF 2214; Fischbach):
• Child Care Grants; $6.7 million (FY18); $6.7 (FY19).

House Environment (HF 888; Fabian):
• Harmful chemicals in children’s products regulated

Senate Housing Finance (SF 780; Westrom):
• Rental Assistance for Mentally Ill; $4.1 (FY18-19); $4.1 (FY20-21).
• Family Homelessness Prevention; $8.5 (FY18-19); $8.5 (FY20-21).

Senate Military and Veterans Affairs (SF 605; Kiffmeyer):
• County Veterans Service Office Grant Program; $1.1 million ongoing

House Transportation (HF 861; Torkelson):
• Safe Routes to Schools; $1 million (FY18-19); $1 million (FY20-21); forecast base; also $2 million for infrastructure grants for FY18.

Senate Transportation (SF 1060; Newman):
• Safe Routes to Schools; $1 million (FY18-19); $1 million (FY20-21); forecast base.

As always, if you have any additional questions or would like more information on any item, please feel free to contact Rochelle Westlund at 651-341-8487 or rwestlund@mncounties.org.