

Testimony
Senate Bill 2012 – Department of Human Services
Senate Appropriations Committee
Senator Holmberg, Chairman
January 8, 2007

Chairman Holmberg and members of the Senate Appropriations Committee, I am Carol K. Olson, Executive Director of the Department of Human Services (DHS). Thank you for the opportunity to appear before you today to present the Department's budget request for the 2007-2009 biennium.

The Department's mission is to provide effective and efficient human services, which improve the lives of people. This biennium the Department held a series of stakeholder meetings across the state to gauge its effectiveness in meeting this mission. Organizations and individuals involved in the delivery of human services in North Dakota, as well as clients and department staff, were invited to discuss community needs, capacity, and resources for the purpose of shaping the Department's budget and strategic planning. This budget reflects many local priorities and needs.

In order to be more responsive to environmental changes in the human services system whether due to federal actions or evolving local issues, the Department established a new cabinet management structure (effective January 1, 2006). This has strengthened collaboration, communication, and long-range planning.

Also, all Medicaid waivers, as well as home and community based services, were consolidated within the Medical Services Division in order to be more inclusive for the populations served. Pooling staff expertise

and placing responsibility and accountability for waivers in one location assures better oversight, greater consistency in policy, and improved responsiveness to clients and providers.

This places a greater focus and awareness on home and community based services and disability services in the continuum of long-term care from birth to death.

Included in the restructuring, the Department refocused its Research Team to utilize data from electronic record systems to provide more outcome and service data. This information helps guide strategic planning and service delivery decisions.

Following my testimony, Brenda Weisz, Chief Financial Officer (CFO) will be providing an overview of the Executive Budget and the changes contained in it.

Allow me to share with you some of the program achievements from the current biennium that have improved the lives of people in North Dakota.

Aging Services

- Received a federal Administration on Aging grant to expand the state's existing legal services to low-income seniors by implementing and marketing a legal assistance hotline. North Dakota was one of six states to receive funding.
- Collaborated with Minot State University on a federal grant to balance resources through the long term care continuum.

- Supported Medicare Part D enrollment assistance efforts by outreach workers at designated senior centers to help elders sign up for appropriate plans.

Children and Family Services

- Surveyed social workers and determined there has been an increase in the percentage of children removed from homes due to parental involvement in the manufacture, use, or sale of methamphetamine. Based on surveys conducted by the Children and Family Services Division in 2003 and 2005, child removal rates due to meth increased from 15% in 2003 to 23.7% in 2005.
- Collaborated with child welfare service providers to fulfill all of the recommendations resulting from the federal Children and Family Services Review. North Dakota raised its score on the 23 performance items from 83% in 2001 to 98.3% in 2005. We anticipate the next federal review of child welfare services in April 2008.
- Increased Kinship Care by 140% from FFY 2000 to FFY 2006. This type of placement, which keeps children in the care of extended family members, now comprises about 26% of all child placements. In comparison, 34% of children are in family foster care, 29% are in facility-based care, and preadoptive homes comprise the remaining 11% of the child welfare placements.

Child Support Enforcement

- Ranked second in the nation on federal child support enforcement performance measures and will receive increased incentive payments in recognition of this accomplishment.
- Received a federal Administration for Children and Families grant that, when matched with other federal funds, will allow the Department to develop a multi-year \$670,000 project strengthening the coordination between child support and child welfare services.
- Expanded the successful Parental Responsibility Initiative for the Development of Employment (PRIDE) program that seeks to increase child support by addressing the unemployment and underemployment of non-custodial parents. Fifty-six percent of the parents participating in the Dickinson pilot program became employed. Increased child support payments typically result in more interaction between children and non-custodial parents, therefore strengthening family relationships.

Economic Assistance Policy

- Developed a Diversion Assistance program to help Temporary Assistance for Needy Families (TANF) clients transition into the workforce and ensure that North Dakota complies with the increased federal work participation rate of 50% required under the Deficit Reduction Act (DRA) of 2005. North Dakota's work participation rate for October 2006 was 71%.

- Ranked sixth best in Food Stamp Program accuracy and received almost \$461,000 in a high performance bonus from the United States Department of Agriculture (USDA).
 - North Dakota achieved a 96.4% accuracy rate.
 - Placed in the top 10 among states for the second year in a row.

Disabilities Services

- Reported that people with disabilities who became employed through vocational rehabilitation during FFY 2006 saw their average weekly wages rise from \$88 to \$347.
- Determined that for every \$1 Vocational Rehabilitation spent in FFY 2006, clients will earn \$11.49 and will pay back \$2.30 in taxes.
- Assisted 1,045 visually impaired individuals age 55 and older to remain in their homes during FFY 2006 through Vocational Rehabilitation – Older Blind Services Program.

Mental Health and Substance Abuse

- Implemented evidence-based practices such as the Matrix Model, a national treatment model for methamphetamine (meth) addiction, at the Department's eight regional human service centers. All of the Department's addiction treatment professionals have been trained in the Matrix Model. Also some private treatment providers in North Dakota, including the Robinson Recovery Center, have adopted this model.

- Contracted with the Robinson Recovery Center for residential meth treatment services. This has been a successful partnership resulting in 44% of participants completing the program successfully, a 58% reduction in homelessness following treatment and a 55% increase in employment. The average length of treatment is 3.4 months.
- Contracted with a private provider to make community based treatment services available to sex offenders already living in communities under the supervision of the Department of Corrections and Rehabilitation. This new service is provided to offenders with high risk levels involving children and any risk level involving adults.
- Collaborated with NDSU in training natural (informal) caregivers in aging/mental health needs.

Medical Services

- Received approval from the Centers for Medicare & Medicaid Services (CMS) to implement an Independence Plus Self-Directed Supports Waiver for children and adults with developmental disabilities (effective April 1, 2006). This gives individuals and their families more choice and control in making decisions and obtaining support, and allows them to direct a fixed amount of public dollars through an individual budget.
- Received a \$372,315 grant from the U.S. Department of Justice to help implement a prescription drug-monitoring program in compliance

with the 2005-2007 legislation (HB 1459). The Board of Pharmacy will implement the program.

- As directed by Governor Hoeven, the Department stepped in to assure that Medicaid clients impacted by the transition of their prescription drug coverage to Medicare Part D received their needed medications. (This assistance continued through February 15, 2006.)
- Signed a contract with Affiliated Computer Services Inc. (ACS) to complete phase one of the design, development and implementation of a new Medicaid Management Information System (MMIS) and a Pharmacy Point of Sales System, as authorized by the legislature.

Regional Human Service Centers

- Partnered with community providers to expand placement options for individuals needing residential care for addiction and/or mental health treatment (to help ease the capacity issues at the ND State Hospital and at local hospitals).
- Initiated a pilot program using the Integrated Dual Disorder Treatment Model at Southeast Human Service Center. This is an evidence-based model for those with chronic substance abuse and serious and persistent mental illness. It is designed to decrease hospitalizations and crisis response, and to increase employment and client satisfaction with services. We are collecting outcome information and could expand to other sites.

- Continued piloting different uses of telemedicine to increase access to mental health and substance abuse assessment and treatment in rural areas. An example is the Northwood Clinic – Northeast Human Service Center Pilot that provides mental health counseling services from a therapist in Grand Forks to individuals at the rural clinic.

North Dakota State Hospital

- Continued to strengthen security at the sex offender unit at the ND State Hospital and added additional beds to meet increased demand.
- Continued to collaborate with the Department of Corrections and Rehabilitation (DOCR) on service planning for alternatives to incarceration and/or post-incarceration treatment.

North Dakota Developmental Center

- Worked with providers and advocates on long-range planning to transition individuals from the Developmental Center to community placements.

Thank you for your time. I would like to introduce Brenda Weisz, CFO for the Department, who will be presenting the overview of the Department's 2007-2009 Budget.