

Testimony
Senate Bill 2012 – Department of Human Services
House Appropriations – Human Resources Division
Representative Pollert, Chairman
March 4, 2011

Chairman Pollert, members of the House Appropriations Committee – Human Resources Division, I am Nancy McKenzie, Director of the Human Service Centers (HSCs) with the Department of Human Services. I am here today to provide you an overview of the budget and program trends in the regional centers.

Human Service Centers

This area of the budget includes the eight (8) Regional Human Service Centers (HSCs), one in each of the geographical regions of the state.

- The HSCs are the network of public outpatient clinics that serve individuals who, because of illness, addiction, or disability are at risk of harm or institutional placement. The centers provide the community safety net for our most vulnerable citizens. Their mission is to provide services that are accessible at the most appropriate and cost-effective level of care.
- We place a high value on alignment across the regions, operating as one system that shares resources as needs and demands shift. Where possible, we implement consistent and systematic processes such as our common electronic medical record and data reporting.
- Services are provided within the clinic setting, rural outreach centers, client homes, or other community settings, and include 24-hour emergency services as well as follow-up services. Response to local community disasters/mental health tragedies are another service provided.

- Telemedicine services are being provided in several rural areas of the state to improve client access, and gradual expansion of this capability is allowing us more flexible use of our medical staff across the state.
- The HSCs are also responsible for program supervision and regulatory oversight of the Child Welfare services provided by county social services, and oversight of the Aging Services programs in their regions.

Caseload / Customer Base

Data regarding those served in State Fiscal Year 2010 include:

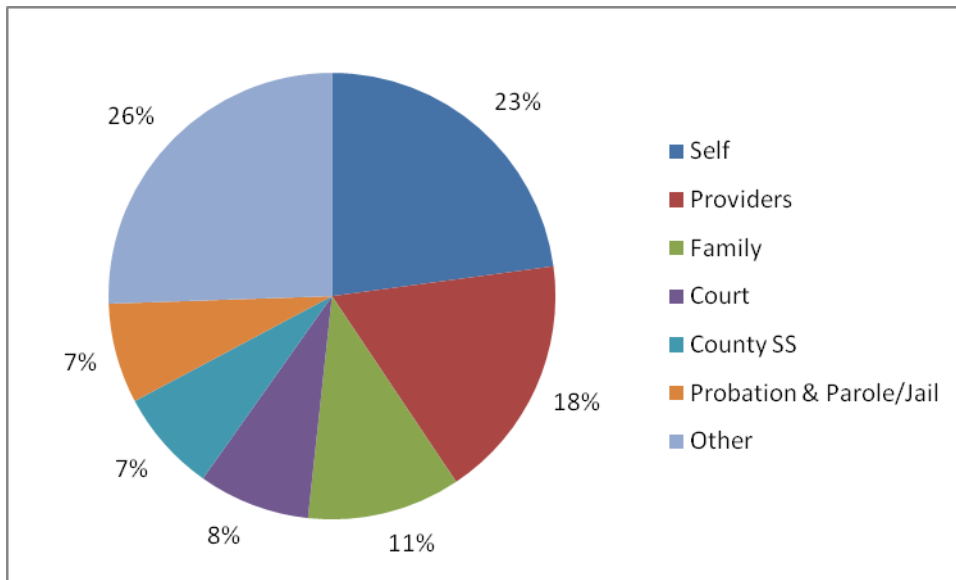
- 26,195 individuals were served excluding Vocational Rehabilitation (VR); this is an increase of 906 individuals served over the prior year (an increase of 3.5 %), and represents 4% of North Dakota's residents.
- Approximately 25% of clients served were children; 75% were adults.
- During the same period, VR served 6,992 individuals, many of whom also received other HSC services. Older Blind programs served 1,074 individuals
- 39% of HSC clients qualified for no fee on the sliding fee scale; of those, 32% had no third party payment source. This compares to 43% and 33%, respectively, in 2008.

Program Trends / Major Program Changes

- Many of the clients served by the HSCs receive multiple services. This is not surprising as many have multiple diagnoses, a tendency to homelessness, and the need for services over time. We work to wrap critical services around these individuals in the community, to support

their stability and recovery, minimize symptoms, and decrease the potential for more costly hospitalization.

- Referral to HSC services came from the following in SFY 2010:



The primary difference seen when compared to referral sources reported during the last session, is a decrease in court referrals and an increase in the miscellaneous "other" category. This provides quicker intervention at the local level before formal commitment may be needed.

- Much work has been done in this interim period to assess local inpatient hospital needs through the Human Service Center contracts, and to plan with our partners in the private sector for needed bed capacity and funding. The budget section of my testimony further describes this part of the funding, which assists in meeting gaps in the current capacity.
- Community residential capacity for clients needing additional supports increased in the current biennium, due to funding supported by the Legislature in previous biennia. This enables us to provide appropriate alternatives to hospitalization and to have available a more complete continuum of community services.

- An excellent example of effective community supports is the Cooper House “housing first” residence in Region V. This budget includes funding to assist with this community collaborative by providing contract funding to have two front-door staff on duty at all times to ensure client safety and effective operations.
 - The residence is now full, with 42 individuals who were chronically homeless or at risk of homelessness residing there.
 - When Cooper House opened in May of 2010, 4 of these individuals were SEHSC clients. Today, 20 are receiving needed services, and 6 more are in the process of engaging/considering treatment. The remainder either don’t currently need services or are receiving them through the Veteran’s Administration.
 - Fargo law enforcement reports indicate that admissions to the city detoxification facility decreased by nearly 600 for the period of January-November 2010. They believe the opening of Cooper House has contributed significantly to that reduction.
- This budget includes funding to allow for the important crisis care level in Minot, and to better meet demand in Bismarck by adding a few beds to their crisis capacity. Both will impact hospital admissions and give clients better local care.
- Further implementation of evidence-based practices in all of the regions continues. This results in more consistent implementation of services and better outcome tracking for those services.
- We speak often of the benefits to both client care and the budget when the right level of care is provided at the right time. Please refer now to Attachment A for case-specific examples that demonstrate these benefits.

- Telemedicine need and growth is a continued focus across the state. We provide some services through a contract psychiatrist due to staff vacancies, and have also utilized our own psychiatrists to provide telemedicine services across regions. At this time, we are in the testing process of an application hosted by the Information Technology Department (ITD) that will allow even more connectivity (laptop-to-laptop; laptop-to-desktop), which then opens up new opportunities for rural clients to more easily access professional consultation when needed.
- The HSCs continue to work closely with the Department of Corrections & Rehabilitation, who refer a number of individuals with mental illness and/or substance abuse problems who are returning to the community. The joint Release & Integration project, which provides specific release planning with prison staff, Human Service Center staff, Probation & Parole staff and the inmate scheduled for release, has resulted in more smooth transition by ensuring that psychiatric appointments and medication needs are addressed prior to release.
- We have worked hard on internal staff development to assist in filling addiction counselor positions, and continue to have ongoing psychology and psychiatry vacancies. The recent designation of Southeast Human Service Center in Fargo as an approved internship site by the American Psychological Association is a very positive achievement. This will allow more psychology residents to consider that site, including those from the University of North Dakota.

Overview of Budget Changes – Human Service Centers Combined

Description	2009 - 2011 Budget	Increase / Decrease	2011 - 2013 Executive Budget	Senate Changes	To House
HSCs / Institutions	146,717,139	18,015,219	164,732,358	-	164,732,358
General Funds	72,640,149	17,988,727	90,628,876	-	90,628,876
Federal Funds	67,159,214	(1,008,379)	66,150,835	-	66,150,835
Other Funds	6,917,776	1,034,871	7,952,647	-	7,952,647
Total	146,717,139	18,015,219	164,732,358	-	164,732,358

FTE	836.48	1.00	837.48	-	837.48
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Budget Changes from Current Budget to the Executive Budget:

- \$6 million in total funds of which \$4.6 million is general fund needed to fund the Governor's salary package for state employees.
- \$2.2 million in total funds of which \$1.6 million is general fund needed to fund the second year employee increase for 24 months versus the 12 months that are contained in the current budget.
- An increase of \$600,000 to cover an underfunding of salaries from the 2009 – 2011 budget, all general funds.
- A decrease of \$500,000 to underfund the 2011 – 2013 pay plan, all general funds.
- An increase of 1 FTE for a Psychiatrist position at North Central, \$411,000 total, \$269,000 general fund.
- An increase of \$1.0 million for added psychiatry positions at both NEHSC (by replacing two contracted part-time psychiatrists) and at BLHSC (instead of contracting for the service) by utilizing existing FTE.
- The remaining increase of \$270,000 in the Salaries and Fringe Benefits portion of the budget is a combination of increases and decreases needed to sustain the salary of the 837.48 FTEs in this area of the budget.

- \$1.24 million increase, with \$1.09 million in general fund to allow for a 3% inflationary increase for contracted providers each year of the biennium.
- An increase of \$3.4 million (for a total of \$4.26 million among Centers) to provide approximately 4,900 psychiatric inpatient hospital days to be paid at the Medicaid equivalent rate for those who are not eligible for Medicaid but are clients of the department. The department also plans to move forward with a centralized contract allowing for consistent contract terms statewide and allowing flexibility for amounts to be moved from region to region based upon need.
- Includes an additional \$3.35 million to address the following residential capacity issues using general fund.
 - Includes \$1.4 million for a 10 bed Crisis Unit for those who are Seriously Mentally Ill in the Minot region.
 - Includes \$939,000 for a 15 bed Chemical Dependency Residential Unit in the Fargo region.
 - Provides for 4 additional Adult Crisis Beds in the Bismarck region at a cost of \$309,000.
 - Provides for an additional 24/7 contracted staff at the Cooper House in the Fargo region to ensure safety at a cost of \$498,000.
 - Includes \$201,000 to continue the 8 bed short term residential services for alcohol and drug clients in the Fargo region.

Summary of General Fund Changes

- \$4.6 million to fund the Governor's salary package for state employees.
- \$3.9 million for the decrease in the FMAP.
- \$3.4 million is to increase the inpatient hospitalization days provided under contract throughout the state.

- \$3.4 million to address the residential capacity issues at 3 of the human service centers.
- \$1.6 million to fund the second year employee increase for 24 months versus the 12 months that are contained in the current budget.
- \$1.1 million for the 3% / 3% provider inflationary increase.
- \$269,000 for the full-time psychiatrist position at NCHSC.
- \$174,000 to relocate the human service center in the Dickinson region.
- (\$454,000) is a combination of miscellaneous decreases and increases at the human service centers.

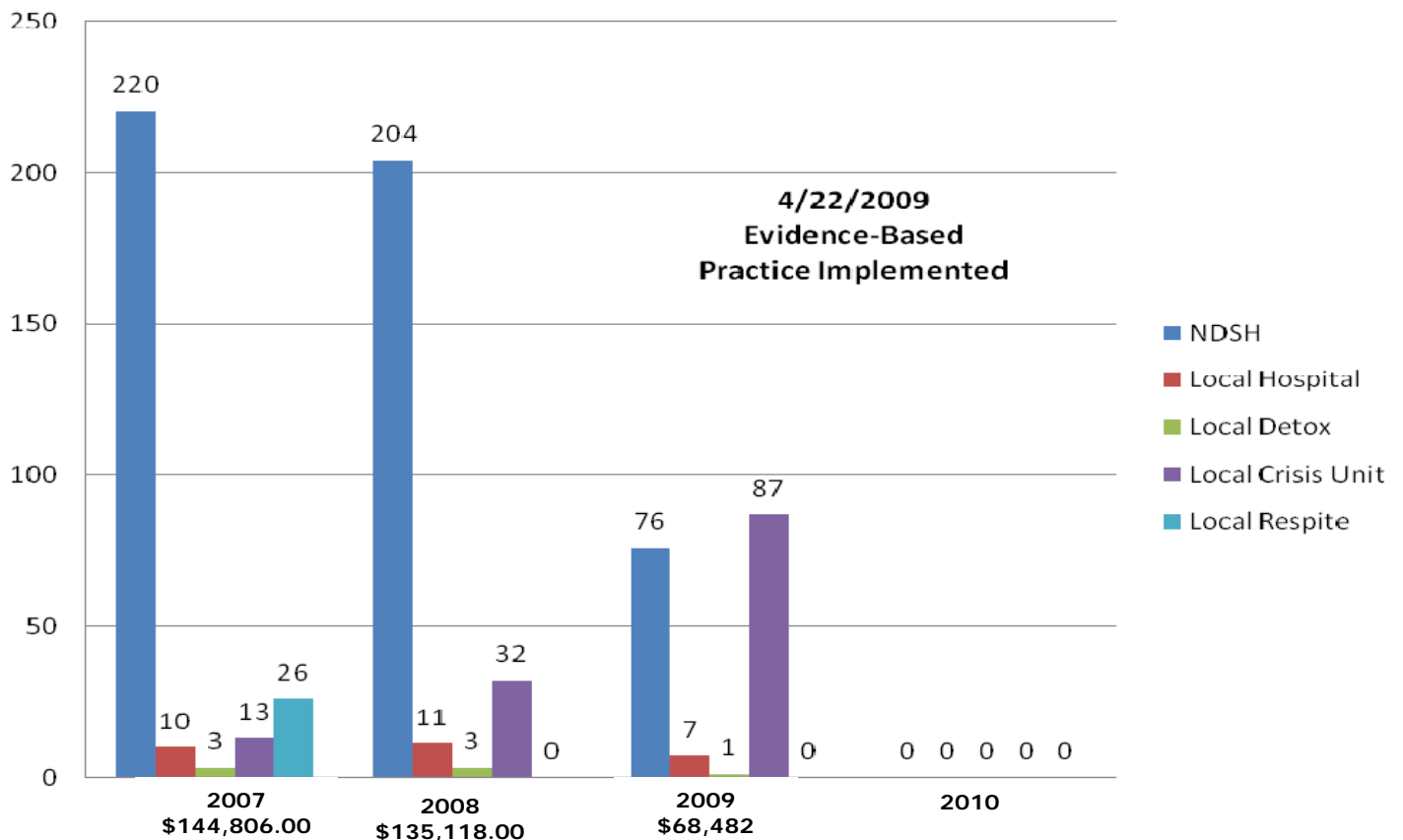
Senate Changes:

The Senate made no changes to this section of the Department's budget.

This concludes my formal testimony I would be glad to answer any questions you may have. Thank you.

Attachment A

Client #1



Client #2

