

Testimony
HB 1012 – Department of Human Services
House Appropriations – Human Resources Division
Representative Pollert, Chairman
January 28, 2013

Chairman Pollert, members of the House Appropriations Committee – Human Resources Division, I am Tim Sauter, Director of West Central Human Service Center (WCHSC) and Badlands Human Service Center (BLHSC) for the Department of Human Services (DHS). I am here today to provide you an overview of the budget for both of these centers.

West Central Human Service Center

WCHSC serves the residents of Burleigh, Emmons, Grant, Kidder, McLean, Mercer, Morton, Oliver, Sheridan, and Sioux counties. The WCHSC has a regional aging services outreach office in Emmons County.

Caseload/Customer Base

- 5,532 individuals (4,357 adults and 1,175 children) were served, excluding Vocational Rehabilitation Services (VR), at the WCHSC in State Fiscal Year 2012 (SFY).
- 1,486 individuals received VR services during SFY 2012.
- 99 percent of the WCHSC VR clients placed in jobs remain employed after six months.

- WCHSC nurses assist on average 175 clients per month with accessing Patient Assistance Medication Programs.

Program Trends/Major Program Changes

- WCHSC is implementing the evidence-based practice of Integrated Dual Disorder Treatment (IDDT), which has proven to improve the quality of life for individuals with co-occurring mental and chronic substance use disorders. IDDT outcomes include reduced rates of relapse, hospitalization, arrest, incarceration, and utilization of high-cost services while increasing continuity of care, quality of life outcomes, stable housing, employment, and independent living.
- The WCHSC Developmental Disabilities Unit continues to see increases in referrals to Early Intervention Services and in adults seeking services.
- Alcohol continues to be the biggest drug problem for adult clients. The WCHSC is once again seeing an increase in the abuse of methamphetamine by adult clients. In addition, the WCHSC continues to see an increase in the number of adult clients abusing prescription drugs, particularly opiates, and synthetic marijuana. Adolescents are abusing marijuana, prescription drugs, and synthetics in increasing numbers.
- There continues to be a significant number of referrals from the Department of Corrections and Rehabilitation (DOCR). A recent point in time review, reveals that 59 percent of clients in the WCHSC's adult addiction treatment groups are referred from the DOCR.

- The WCHSC region is seeing an increase in the number of foster home placements. For adolescents coming into the foster care system, there appears to be a trend of synthetic drug usage, and children who have been exposed to methamphetamine during pregnancy.
- We continue to have a minimal number of residents from the region enter the North Dakota State Hospital or the North Dakota Developmental Center.
- Housing is a problem for many of the clients served at the WCHSC, especially affordable housing. The WCHSC is seeing more individuals who are homeless.
- The WCHSC's crisis residential facility is at capacity, with an average of two to three individuals on the waiting list at any given time. This results in people being placed in a higher level of care than needed, remaining longer than needed in a higher level of care, or simply not receiving the level of care they need while they are awaiting admission.
- The WCHSC's long-term residential facility for adults with severe and persistent mental illness is always at 100 percent capacity, and the WCHSC's transitional facility is generally at 90 percent or above. Because there are no other long-term beds available, clients stay in the transitional facility longer than necessary creating a bottleneck for new admissions.

Overview of Budget Changes – West Central Human Service Center

Description	2011 - 2013 Budget	2013 - 2015 Budget	Increase / Decrease
HSCs/Institutions	\$27,001,434	\$29,826,746	\$2,825,312
General Fund	\$13,907,335	\$16,557,764	\$2,650,429
Federal Funds	\$11,696,382	\$11,727,264	\$30,882
Other Funds	\$1,397,717	\$1,541,718	\$144,001
Total	\$27,001,434	\$29,826,746	\$2,825,312

FTE	136.10	136.10	0.00
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Budget Changes from Current Budget to Executive Budget:

The Salary and Benefits portion of the budget increased by \$1,277,712 and can be attributed to the following:

- \$440,718 in total funds, of which \$313,355 is general fund needed to fund the Governor’s benefit package for health insurance and retirement for state employees.
- \$576,157 in total funds, of which \$360,332 is general fund, needed to fund the employee increases approved by the last Legislative Assembly.

- An increase of \$143,329 to cover an underfunding of salaries from the 2011-2013 budget, all general fund.
- A decrease of \$305,611 to underfund the 2013-2015 pay plan, all general fund.
- An increase of \$63,837 for health insurance for three FTEs that did not have health insurance included in the budget for the current biennium.
- An increase of \$61,679 for a temporary full-time Support Services position for the Business Office.
- \$146,699 to provide for the annual leave and sick leave lump sum payouts for 18 FTEs expected to retire during the 2013-2015 biennium.
- The remaining increase in salaries and benefits, totaling \$150,904, is a combination of increases and decreases needed to sustain the salary of the 136.10 FTEs.

The Operating portion of the budget increased by \$54,115 or 2.3 percent and is a combination of increases and decreases expected next biennium with a majority of the changes in the following areas:

- An increase in the travel budget based on an increase in motor pool rates and a decrease in projected utilization.
- A decrease in various Supply Categories, Postage, Printing and Repairs based on projected utilization.

- An increase in Office Equipment and Furniture under \$5,000. Funding would be used to replace chairs and office furniture with more functional modular furniture.
- An increase in Rentals/Leases, for office building rent, based on an increase in the projected rental rates.
- A decrease in IT-Communications based on utilization.
- An increase in Professional Development based on specialized training in areas such as supervision, sexual offenders, behavioral health, and tele-pharmacy.
- A decrease in Operating Fees and Services as a result of Options Counseling being administered out of the DHS Aging Services Central Office.
- An increase in Medical, Dental, and Optical related to the procurement of childproof medication bottles used in distributing medication to clients.

The Grants portion of the budget increased by \$1,493,485 and is primarily the result of increases in the following areas.

- \$769,700 for a new 10-bed long term Mentally Ill residential facility, \$407,941 general fund.
- \$324,156 to increase the bed capacity, from 10 beds to 14 beds, for the Adult Crisis Residential facility, all general fund.

- \$379,004 for provider inflationary increases, \$378,628 general fund.
- The remaining increase in grants, totaling \$20,625, is a combination of increases and decreases needed to sustain the existing contracts.

The general fund request increased by \$2,650,429 and can be primarily attributed to the following:

- An increase of \$673,687 for the Governor's benefit package and the employee increases approved by the last Legislative Assembly.
- An increase of \$1,110,725 for the contracted residential facilities and provider increases.
- The remaining increase is related to the reduction in the federal medical assistance percentage (FMAP) and the ongoing costs to continue operations.

The net change in federal and other funds is primarily the result of a decrease in projected Medical Assistance collections, an increase in other client collections, and other changes mentioned previously.

I would be happy to answer any questions about the WCHSC.

Badlands Human Service Center

Badlands Human Service Center (BLHSC) serves the people of Adams, Billings, Bowman, Dunn, Golden Valley, Hettinger, Slope, and Stark counties. BLHSC has outreach offices in Beach, Bowman, Hettinger, and Mott.

Caseload/Customer Base

- 1,871 individuals (1,387 adults and 484 children) were served, excluding Vocational Rehabilitation Services (VR), at BLHSC in State Fiscal Year (SFY) 2012.
- 230 individuals received VR services in SFY 2012.
- 100 percent of BLHSC clients remain employed six months after being placed in a job.
- BLHSC nurses help clients access Patient Medication Assistance Programs. These programs serve 62 individuals per month.

Program Trends/Major Program Changes

- BLHSC is implementing the evidence-based practice of Integrated Dual Disorder Treatment (IDDT), which has proven to improve the quality of life for individuals with co-occurring mental and chronic substance use disorders. IDDT outcomes include reduced rates of relapse, hospitalization, arrest, incarceration, and reduced utilization of high cost services while increasing continuity of care, quality-of-life outcomes, stable housing, employment, and independent living.
- The number of individuals receiving developmental disabilities services has been rising over the past several years. In SFY 2012, 309 individuals were served by the Developmental Disabilities Unit. In the current fiscal year, that number has grown to 370 served. Twenty-one

additional individuals have been referred and we are in the process of determining eligibility.

- 49 percent of the individuals in adult addiction programs in this region have been referred by the DOCR.
- Due to oil impact on housing and the cost of living in Dickinson, finding and maintaining housing, especially affordable housing, has become a bigger issue for the people we serve, as well as our employees.
- This past year, we have seen an increase in admissions to the North Dakota State Hospital, and the admissions to the psychiatric units in Bismarck have remained consistent. The numbers of individuals utilizing the medical detoxification contract with St. Joseph's Hospital has increased in the past year.
- The Community Mental Health Council has identified three high priority concerns: homelessness, lack of an appropriate option to supervise individuals awaiting transportation to the North Dakota State Hospital or the two psychiatric units in Bismarck, and a facility to provide social setting detoxification for people who are under the influence but do not need medical detoxification.

Overview of Budget Changes – Badlands Human Service Center

Description	2011 - 2013 Budget	2013 - 2015 Budget	Increase / Decrease
HSCs/Institutions	\$11,757,691	\$12,345,718	\$588,027
General Fund	\$6,497,329	\$7,026,670	\$529,341
Federal Funds	\$4,426,122	\$4,332,504	(\$93,618)
Other Funds	\$834,240	\$986,544	\$152,304
Total	\$11,757,691	\$12,345,718	\$588,027

FTE	74.70	74.70	0.00
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Budget Changes from Current Budget to Executive Budget:

The Salary and Benefits portion of the budget increased by \$574,115 and can be attributed to the following:

- \$237,163 in total funds, of which \$172,964 is general fund needed to fund the Governor’s benefit package for health insurance and retirement for state employees.
- \$304,238 in total funds, of which \$217,166 is general fund needed to fund the employee increases approved by the last Legislative Assembly.
- An increase of \$107,260 to cover an underfunding of salaries from the 2011-2013 budget, all general fund.

- A decrease of \$169,579 to underfund the 2013-2015 pay plan, all general funds.
- \$55,104 to provide for the annual sick leave lump sum payouts for eight FTEs expected to retire in the 2013-2015 biennium.
- The remaining increase in salaries and benefits, totaling \$39,929, is a combination of increases and decreases needed to sustain the salary of the 74.70 FTEs.

The Operating portion of the budget decreased by \$17,018 or 1.1 percent and is a combination of increases and decreases expected next biennium with a majority of the changes in the following areas:

- An increase in the travel budget based primarily on an increase in motor pool rates. A smaller portion of the increase is based on projected utilization.
- An increase in various supply categories, Postage, Repairs and IT-Communications based on projected utilization.
- An increase in Office Equipment and Furniture under \$5,000. Funding would be used to replace office furniture and furnishings at the Transitional Living/Crisis Residential facility.
- A decrease in building rent based on the decision to not relocate the human service center into a new facility. This is due to construction cost of the new facility exceeding the budget approved during the

previous legislative session, and an unwillingness of the contractor to delay the construction until legislative approval of the additional funds.

- A decrease in IT-Data Processing. This was a one-time budget for wiring costs associated with the proposed relocation of the human service center during the 2011-2013 Biennium. This move did not occur.
- An increase in Professional Development based on specialized training in areas such as supervision, domestic violence, Matrix, IDDT, and tele-pharmacy.
- A decrease in Operating Fees and Services based on a decrease in projected utilization associated with Wrap around Services, Respite Care Services and moving expenses, plus an increase in funding associated with the TIP.

The Grants portion of the budget increased by \$30,930 and is primarily the result of increases in the following areas.

- \$30,000 for increased Medical Detoxification services, all general fund.
- \$20,580 for provider inflationary increases, all general fund.
- A decrease of \$19,650 for contracted outreach services.

The general fund request increased by \$529,341 and can be primarily attributed to the following:

- An increase of \$390,130 for the Governor's benefit package and the employee increases approved by the last Legislative Assembly.
- An increase of \$50,580 for Medical Detoxification Services and provider increases.
- The remaining increase is related to the reduction in the federal medical assistance percentage (FMAP) and the ongoing costs to continue operations.

The net change in federal and other funds is primarily the result of a decrease in projected Medical Assistance collections, an increase in other client collections, and other changes mentioned previously.

I would be happy to answer any questions about the BLHSC.