

Testimony
Engrossed House Bill 1012 – Department of Human Services
Senate Appropriations
Senator Holmberg, Chairman
March 15, 2017

Senator Holmberg and members of the Senate Appropriations , I am Brad Brown, Director of West Central Human Service Center (WCHSC) and Badlands Human Service Center (BLHSC) for the Department of Human Services (Department). I am here today to provide an overview of the programs and services that make up the budget request for the WCHSC and BLHSC.

West Central Human Service Center (WCHSC)

WCHSC is the second largest human service center in North Dakota serving the highest overall volume of individuals. This human service center provides community behavioral health and safety net services to individuals who live in McLean, Sheridan, Mercer, Oliver, Burleigh, Kidder, Morton, Grant, Sioux and Emmons counties, in Region VII. This region is comprised of 188,229 residents (24.8% of the state's population) as estimated by the 2015 U.S. Census Bureau.

Program Trends/Program Changes

WCHSC serves adults, adolescents and children with an array of different service needs from individuals with severe and persistent mental illnesses and substance use disorders to individuals with developmental disabilities. WCHSC substance use disorder services continue to train and move forward with the Recovery Management philosophy and Dual Disorder Capability in Addiction Treatment (DDCAT). This will allow for additional client's to be served on an integrated basis center wide.

WCHSC has reduced inpatient behavioral health hospitalization stays with the addition of four beds to the Crisis Residential Unit (CRU) that includes a Withdrawal Management service within a social detox setting. This has resulted in a residential bed utilization increase for our region. WCHSC CRU was also utilized for admissions from other regions within the State allowing those regions to have access to residential beds. In addition, WCHSC Youth Residential Services (YRS) accepts referrals from all regions across the State for adolescent substance use disorder residential treatment.

WCHSC maintains involvement in adult and adolescent drug courts, the jail diversion program, consultation with local law enforcement, and providing mental health assessments and psychiatric services for the County Jail. In addition, WCHSC works in collaboration with Burleigh County Detention Center for identification of needs and assessment of inmates prior to their release to assist with lowering recidivism rates and to coordinate behavioral health services, housing, insurance, and other recovery capital needs. In a similar manner, WCHSC has a release and integration program with the North Dakota State Penitentiary which identifies the behavioral health needs of inmates reintegrating into our region. The human service center participates in the Region VII Mental Health and Justice Coalition to provide strategies to problem solve service delivery and recidivism rates.

WCHSC provides several training opportunities. In conjunction with the University of North Dakota (UND) Medical School, WCHSC continues to function as a psychiatric residency training site. Over the past two years WCHSC has assisted with training six psychiatry residents. This has historically assisted with recruitment of psychiatrists both at WCHSC and within the State. WCHSC has implemented an internship coordination process that has allowed training for 15 interns majoring in Counseling,

Psychology, and Social Work. These interns apply from across the State and Nation to include UND, University of Mary, Minot State University and Florida State University. WCHSC is also part of the Missouri Valley Training Consortium and was able to train seven addiction counselor trainee's over the past two years some of which have been hired as full-time employees of the Department.

WCHSC has struggled with the impact of workforce shortages in the clinical area of psychiatry, psychology, and licensed addiction counselors. Recently WCHSC was able to recruit and fill two vacant prescriber positions with a Nurse Practitioner and a Psychiatrist. The new Psychiatrist holds an Adolescent Specialty and is available for adolescent consultation to all human service centers. WCHSC presently has two vacant psychology positions. This has a significant impact on the number of psychological service hours available to be scheduled with our core populations.

WCHSC will discontinue contracted services at Heritage House, a seven bed sober living residential setting for clients with substance use disorder and will refer to other sober living environments that have become available in Region VII. WCHSC will reduce the contract amount with Youth Residential Services (YRS) a seven bed adolescent residential setting for substance use disorders, based on 2015-2017 current cost of services. The acupuncture services at WCHSC will be discontinued. WCHSC will also reduce the contract amount with Pride, Inc. that provides respite care for clients in the Partnerships program, based on current cost of services.

Division	2017-2019 Executive Budget					State Fiscal Year 2016 Actual	
	Salary/Wages and Operating Expenses	Grants & Contracts	Total	HSC FTE's	HSC Temporary Staff	# of Contract Provider Staff *	# of Individuals Served
Behavioral Health	14,873,519	6,975,128	21,848,647	73.50	1.00	86.00	4,426
Developmental Disabilities	3,359,342		3,359,342	19.00	1.00		1,521
Vocational Rehabilitation	2,479,345	8,376	2,487,721	15.00			373**
Child Welfare	713,431	25,125	738,556	3.50		1.00	
Aging Services	688,824		688,824	4.00			
Administration	3,387,124		3,387,124	22.60	0.88		
Total	25,501,585	7,008,629	32,510,214	137.60	2.88	87.00	
* This number is a combination of full and part-time staff.							
** VR applicant data is for FFY 2016							

Overview of Budget Changes – West Central Human Service Center

Description	2015-2017 Budget	Increase / (Decrease)	2017-2019 Executive Budget	House Changes	2017-2019 Budget To Senate
HSCs/Institutions	32,885,898	(375,684)	32,510,214	(348,557)	32,161,657
General Fund	19,170,544	(1,441,099)	17,729,445	(254,979)	17,474,466
Federal Funds	12,168,734	772,637	12,941,371	(83,511)	12,857,860
Other Funds	1,546,620	292,778	1,839,398	(10,067)	1,829,331
Total	32,885,898	(375,684)	32,510,214	(348,557)	32,161,657

Full Time Equivalent (FTE)	137.60	0.00	137.60	(0.00)	137.60
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Budget Changes from Current Budget to Executive Budget:

The overall budget decreased by \$375,684 and can be mainly attributed to the following:

- \$497,667 in total funds, of which \$407,985 is general fund needed to fund the Governor's compensation package for state employees.
- \$251,328 in total funds, of which \$226,229 is general fund needed to sustain the employee increases approved by the last Legislative Assembly.
- The salary underfunding changed from \$342,626 to \$567,813, which is a net change of (\$225,187).
- \$114,117 in total funds, of which \$66,485 is general fund for a temporary Developmental Disabilities Case Manager to meet the required client to staff ratio of 60:1.
- A decrease of \$26,041 in Travel due to the Department-wide process used to develop the Department's savings plan.
- An increase of \$22,794 for Supply/Material-Professional for the increased number of tests processed by lab and testing supplies for addiction clients.
- A decrease of \$22,600 in Office Equipment and Furniture. Office Equipment and Furniture will be replaced as needed.
- A decrease of \$20,057 in Rentals/Leases – Building/Land due to changes in housing assistance within the addiction programming.
- A decrease of \$32,265 in IT-Communications based on historical cost and actual expenditures.
- A decrease of \$22,000 in Medical, Dental and Optical due to a decrease in purchasing of medication and medication supplies as a result of clients receiving healthcare coverage through the Affordable Care Act (ACA), including Medicaid Expansion.

- Grants, Benefits and Claims decreased by \$973,999 and is mainly attributed to the following:
 - A decrease of \$708,883 to discontinue services at Heritage House, a seven bed transitional living facility for clients with chemical dependency as other housing options have opened up in the Bismarck community. West Central Human Service Center will provide case aide services in the client's place of residence.
 - A decrease of \$259,498 for Youth Residential Services based on current cost of services, and a 1% inflationary increase in the second year of the biennium.
 - A decrease of \$33,000 to discontinue acupuncture services as a therapeutic intervention.
 - A decrease of \$26,945 for respite care contract for clients in the Partnerships program based on current cost of services, and a 1% inflationary increase in the second year of the biennium.
 - A decrease in addiction case aide services of \$20,059 due to changes in addiction programming and housing assistance.
 - An increase of \$92,695 due to four additional crisis beds approved by the 2015-2017 Legislative Assembly for chemical dependency and transitional living residential services in January 2016, and a 1% inflationary increase in the second year of the biennium. This additional funding is needed to cover a 24 month period of time.

House Changes From Executive Budget:

- The Department-wide FTE allocation would result in the reduction of three FTE for the behavioral health area of the West Central Human Service Center budget, resulting in a \$459,000 decrease in Salary and Wages, of which \$248,143 is general fund. The FTEs identified will result in an estimated annual loss of revenue of \$114,451 and an estimated annual loss of more than 4,230 hours of behavioral health services. The majority of HSC staff provides interrelated behavioral health, child welfare, aging, vocational rehabilitation, and DD program management services. Cuts to one area adversely impact another.

Each behavioral health FTE loss would reduce client services by 1300 hours annually, the consequences of which would include revenue loss, delays in court-ordered assessments, wait time for specialized services, reduced response to community emergencies and further narrowing of priority population served to ensure resources are not spread so thin so as to render treatment ineffective. Behavioral health service reductions would further contribute to the statewide behavioral health service shortage, the significance of which include the worsening of illnesses left untreated, the severest of which result in lengthy hospitalization, overrepresentation within prison and jails, and violent law enforcement encounters ultimately shifting and increasing costs.

Other consequences to FTE reductions would include the decrease of county social service oversight and the delay of child care licensing, foster care licensing, family permanency planning, adoption facilitation, or child abuse investigation, all of which adversely affect children.

- \$97,793 decrease in Salary and Wages, of which \$53,485 is general fund due to the House Amendments that removed funding for the anticipated retirements of eight FTE in this area.
- \$72,574 decrease in Salary and Wages, of which \$38,662 is general fund due to the removal of the Fair Labor Standards Act (FLSA) overtime funding. This will result in reduced caseloads, creation of a waitlist or clients receiving less services and care. Additional impact results may be staff burnout, turn-over and further complications related to recruitment and retention efforts.
- \$94,273 decrease in Salary and Wages, of which \$78,915 is general fund due to the elimination of the 1% salary increase that had been proposed for the second year of the biennium.
- \$51,645 general fund decrease in Operating expenses will result in an overall operating expense decrease of approximately \$72,303 when federal matching funds are considered. This will result in further reductions in service contracts decreasing residential, case aide, and support services. Reducing capacity to treat at these lower levels of care, already identified as shortage, will result in the limiting of care and drive higher rates of hospitalization and over-incarceration.
- \$32,272 decrease in Grants, of which \$32,272 is general fund due to the elimination of the 1% inflationary increase for providers that had been proposed for the second year of the biennium.

Badlands Human Service Center (BLHSC)

BLHSC provides community behavioral health and safety net services to individuals who live in Golden Valley, Billings, Dunn, Stark, Slope, Hettinger, Bowman and Adams counties, in Region VIII. This region is

comprised of 48,705 residents (6.4% of the state's population) as estimated by the 2015 U.S. Census Bureau.

Program Trends/Program Changes

BLHSC serves adults, adolescents and children with an array of different service needs from individuals with severe and persistent mental illnesses and substance use disorders to individuals with developmental disabilities. BLHSC is one of several HSCs that do not have an inpatient behavioral health hospital within the region and has to rely on resources up to 100+ miles in distance depending on the location of the referral and the availability of statewide inpatient behavioral health beds. BLHSC utilizes the Residential Care Center (RCC) to admit and stabilize adult clients with behavioral health needs who present with acute symptoms of mental illness and substance use. Over the past two years BLHSC has experienced growth in the use of the 15 bed facility.

BLHSC Developmental Disabilities unit provides Case Management to eligible individuals through either the infant development program which brings early intervention services into a family's home, or a range of adult day support and residential services for individuals with a diagnosis of an intellectual disability. Region VIII is experiencing an increase among infant births, the largest since the 1980's with 700 babies expected to be born between 2016 and 2017. The Early Intervention unit is mirroring those statistics with increased numbers resulting in the second largest number of referrals across the State. With the current numbers being served, expected growth, and those awaiting eligibility determination; this unit's services will remain in high demand.

BLHSC Child Welfare Services unit provides region wide services that include regulatory duties for licensing foster care homes and facilities, and

licensing early child care facilities and providers. They provide program supervision and technical assistance for foster care services, child protection services, and family preservation services, they also provide early childhood childcare licensing. Since 2013 BLHSC Child Welfare unit has experienced a 46% increase in foster care cases and a 68% increase in Child Protective Services assessments. To assist with the continued growth in services in Region VIII, the Executive Budget includes an additional .5 FTE for Child Welfare Services.

BLHSC Outpatient Services unit provides outreach services throughout Southwest ND to rural communities that function with limited professional and community supports. The outreach services continue to serve the rural population and have at times been greeted with requests for additional providers. BLHSC continues to work with stakeholders throughout Region VIII to establish networking and explore options for additional rural supports through technology and staff resources.

BLHSC continues to partner with local law enforcement, jail, the courts, and probation and parole to provide services to clients with mental illness and substance use disorders that are involved with the local correctional system. BLHSC is piloting the Bond Hearing Pilot project in conjunction with Southwest District Court. This collaborative effort began in January 2016 in which the Judge determines who, amongst the individuals incarcerated for substance use charges, is likely to desire substance use disorder treatment. During the hearing, part of their bond agreement is to meet with a BLHSC staff at the jail to discuss resources in the community for receiving their substance use disorder assessment. Upon release they are given three business days to report back to the court regarding their follow up status. Southwest District Court Judge reports an effective success rate from this program that has generated favorable

and positive results in regards to compliance results for individuals participating in treatment and become non-repeat offenders.

BLHSC has struggled with the impact of workforce shortages related to psychiatric, licensed addiction counselor (LAC) and psychology coverage. BLHSC has only one psychiatrist and this is also the only psychiatrist in the entire region. LAC positions are currently staffed; however, two positions remained open for a significant amount of time, which required additional staff time and consultation with licensed staff from WCHSC. In the area of psychology BLHSC has one vacancy that has been open for over one year. This has a significant impact on the number of psychological service hours available to be scheduled with our core populations.

The acupuncture services at BLHSC will be discontinued. BLHSC will discontinue the transportation contract with Stark County Council on Aging that was used for adult clients at the RCC. The Direct Care staff at RCC will be utilized to meet future transportation needs.

Division	2017-2019 Executive Budget					State Fiscal Year 2016 Actual	
	Salary/Wages and Operating Expenses	Grants & Contracts	Total	HSC FTE's	HSC Temporary Staff	# of Contract Provider Staff *	# of Individuals Served
Behavioral Health	8,055,842	365,781	8,421,623	40.20	2.80	6.00	1,437
Developmental Disabilities	1,522,407		1,522,407	9.00			618
Vocational Rehabilitation	935,491		935,491	5.00			87**
Child Welfare	494,427		494,427	2.50			
Aging Services	456,898		456,898	2.50			
Administration	1,819,635		1,819,635	13.50			
Total	13,284,700	365,781	13,650,481	72.70	2.80	6.00	
* This number is a combination of full and part-time staff.							
** VR applicant data is for FFY 2016							

Overview of Budget Changes – Badlands Human Service Center

Description	2015-2017 Budget	Increase / (Decrease)	2017-2019 Executive Budget	House Changes	2017-2019 Budget To Senate
HSCs/Institutions	13,859,553	(209,072)	13,650,481	(185,931)	13,464,550
General Fund	8,431,713	120,058	8,551,771	(133,085)	8,418,686
Federal Funds	4,441,884	(466,302)	3,975,582	(40,035)	3,935,547
Other Funds	985,956	137,172	1,123,128	(12,811)	1,110,317
Total	13,859,553	(209,072)	13,650,481	(185,931)	13,464,550

Full Time Equivalent (FTE)	72.20	0.50	72.70	(0.00)	72.70
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Budget Changes from Current Budget to Executive Budget:

The overall budget decreased by \$209,072 and can be attributed to the following:

- \$261,257 in total funds, of which \$225,646 is general fund needed to fund the Governor's compensation package for state employees.
- \$142,882 in total funds, of which \$133,956 is general fund needed to sustain the employee increases approved by the last Legislative Assembly.
- The salary underfunding changed from \$186,279 to \$299,309, which is a net change of (\$113,030).
- A decrease in Salaries-Other of \$326,788 mainly attributed to no longer providing oil-impact dollars for staff.
- An increase of \$92,300 in total funds, of which \$69,003 is general fund for the transfer of a 0.5 FTE Social Worker III to meet increased demand in child protective services and institutional abuse and neglect reports.
- The remaining decrease in Salaries and Wages, totaling \$113,707, is a combination of increases and decreases needed to sustain the salary of 72.7 FTE.
- A decrease of \$70,062 in Travel due to the Department-wide process used to develop the Department's savings plan.
- A decrease of \$13,302 in IT-Communications based on historical cost and actual expenditures.
- Grants, Benefits and Claims decreased by \$49,531 and is mainly attributed to the following:
 - A decrease of \$31,800 to discontinue acupuncture services as a therapeutic intervention.

- A decrease of \$15,954 to no longer contract for transportation services as transportation will be provided by human service center staff.

House Changes From Executive Budget:

- The Department-wide FTE allocation would result in the reduction of two FTE for the behavioral health area of the Badlands Human Service Center budget, resulting in a \$306,000 decrease in Salary and Wages, of which \$189,997 is general fund. The majority of HSC staff provides interrelated behavioral health, child welfare, aging, vocational rehabilitation, and DD program management services. Cuts to one area adversely impact another.

Each behavioral health FTE loss would reduce client services by 1300 hours annually, the consequences of which would include revenue loss, delays in court-ordered assessments, wait time for specialized services, reduced response to community emergencies and further narrowing of priority population served to ensure resources are not spread so thin so as to render treatment ineffective. Behavioral health service reductions would further contribute to the statewide behavioral health service shortage, the significance of which include the worsening of illnesses left untreated, the severest of which result in lengthy hospitalization, overrepresentation within prison and jails, and violent law enforcement encounters ultimately shifting and increasing costs.

Other consequences to FTE reductions would include the decrease of county social service oversight and the delay of child care licensing, foster care licensing, family permanency planning, adoption

facilitation, or child abuse investigation, all of which adversely affect children.

- \$89,126 decrease in Salary and Wages, of which \$53,663 is general fund due to the House Amendments that removed funding for the anticipated retirements of nine FTE in this area.
- \$23,470 decrease in Salary and Wages, of which \$12,322 is general fund due to the removal of the Fair Labor Standards Act (FLSA) overtime funding. This would result in reduced caseloads, creation of a waitlist or clients receiving less services and care. Additional impact results may be staff burnout, turn-over and further complications related to recruitment and retention efforts.
- \$46,607 decrease in Salary and Wages, of which \$40,372 is general fund due to the elimination of the 1% salary increase that had been proposed for the second year of the biennium.
- \$24,909 general fund decrease in Operating expenses will result in an overall operating expense decrease of approximately \$32,133 when federal matching funds are considered. This will result in further reductions in service contracts decreasing residential, case aide, and support services. Reducing capacity to treat at these lower levels of care, already identified as shortage, will result in the limiting of care and drive higher rates of hospitalization and over-incarceration.
- \$1,819 decrease in Grants, of which \$1,819 is general fund due to the elimination of the 1% inflationary increase for providers that had been proposed for the second year of the biennium.

This concludes my testimony on the 2017-2019 budget requests for West Central and Badlands Human Service Center.