

Testimony
Senate Bill 2012 – Department of Human Services
House Appropriations – Human Resources Division
Representative Pollert, Chairman
March 15, 2011

Chairman Pollert, members of the House Appropriations Committee – Human Resources Division, I am Kate Kenna, Director of the Lake Region Human Service Center (LRHSC) and Northeast Human Service Center (NEHSC) for the Department of Human Services (DHS). I am here today to provide you an overview of both centers' budget requests.

Lake Region Human Service Center

The Lake Region Human Service Center provides services to the six counties of Ramsey, Cavalier, Rolette, Towner, Benson, and Eddy. In 2010 the population estimate in Region III was 40,143, or 6.2% of the total state population. Services are provided throughout Region III with one office in Devils Lake and an outreach office in Rolla. Case managers, clinicians, and program staff travel to other outreach sites in each of our six counties.

Caseload / Customer Base

The Lake Region Human Service Center provided services to 2,484 individuals in State Fiscal Year 2010 - 1,863 adults and 621 children received services. In addition, 407 individuals received Vocational Rehabilitation services and 131 received Older Blind services in Federal Fiscal Year 2010.

Program Trends

- The poverty rate and unemployment rate in Region III remains at essentially twice the state average. Based on data collected over the past decade, the percent of Region III recipients that benefit from DHS Programs (excluding child support, abuse and neglect, and Older American's Act recipients) is about twice the statewide average (one in three residents).
- Data from October, 2010 indicates that Temporary Aid to Needy Families (TANF) continues to be a major resource to low income families. Currently Region III has 2,065 TANF recipients – 42 percent of all TANF recipients in North Dakota. Rolette County alone has 1,500 recipients, essentially equal to the TANF caseloads of Grand Forks, Burleigh, and Cass counties combined (1,500 vs. 1,537 recipients).
- During SFY 2010, LRHSC saw 992 Native American consumers which are 40% of all LRHSC consumers served. This number represents 34% of the total 2,886 Native American consumers seen statewide by the Human Service Centers.
- During SFY 2010, LRHSC provided services to 105 consumers, age 80 and older, which is 32% of the 327 age 80+ consumers seen statewide by the Human Service Centers.
- The flood remains a vexing problem including offering ongoing challenges to human service, faith based organizations, and volunteer agencies active in this disaster. While there continue to be signs of substantial resiliency across the Region, the battle is a sustained one. People are experiencing loss and grief as well as financial losses in many cases.

- Regional population appears to be remaining stable and demand for clinical services has risen moderately by an additional 111 consumers for SFY 2010 compared to the numbers reported during the prior testimony we made before this body. Region III remains a designated Mental Health Professional Shortage area by the National Health Service Corp. All six counties have a shortage score of "18" which are the highest scores in North Dakota.
- Crisis Line calls numbered 460 for SFY 2010 with 70 admissions to the North Dakota State Hospital. These numbers suggest that increased efforts to screen potential NDSH admissions continue to be successful. In the mid-1980's, Region III averaged 322 NDSH admissions per year; in the mid-1990's, the average was 207; and in the early 2000's, this number hovered around 100. In the past three years the number has hovered around 60 to 70 admissions.
- Region III consumers report that transportation is a continuing barrier to accessing services. Outreach is important as part of the solution. One flood-related impact of the flood is that, in addition to the damaged or destroyed township roads affecting consumer access, there are major and long-duration road construction projects on the majority of highways around Devils Lake. Lake Region HSC is in the process of expanding telemedicine as an alternative means to sustain services to some populations served.
- The loan repayment offered by the National Health Service Corp has been helpful in recruitment on the mental health side. Lake Region HSC recently was able to hire two new psychologists allowing us to start to offer psychological evaluations and consultation to our Lake Region Outreach office in Rolla. Addiction counselors continue to be challenging to recruit and retain and do not qualify for this loan repayment.

- Health care reform, if it moves forward, may afford disproportionately higher benefits to the residents within Region III. For example, if implemented as currently proposed, the component that will offer Medicaid to cover single individuals who are at or below the 133 percent of poverty threshold, will include a potentially significant number of individuals particularly from Benson, Ramsey, and Rolette counties.
- Transition from Prison to Community Initiative: Under the local guidance of Judge Donovan Foughty a substantial number of stakeholders have implemented coordinated transition services with the goal of reducing recidivism and increasing community safety. Lake Region HSC is an active participant in this initiative at both the advisory committee and working committee levels and is broadly engaged as a treatment provider, particularly of mental health and substance abuse services. We have also implemented the Commitment to Change Program which is a cognitive behavioral group, known to be effective with populations who have criminal justice issues along with behavioral health problems.
- Both LRHSC and NEHSC continue to gain experience in evidenced-based models of service delivery. The Division of Mental Health and Substance Abuse recently secured and delivered training in Motivational Interviewing to substantial numbers of staff from all eight human service centers which has provided one more tool for the staff member's tool box. Motivational Interviewing is useful in conjunction with a variety of other services and is helpful in assisting consumers in exploring and resolving their ambivalence about facing some problems.
- Two new Suicide Prevention Committees have been formed; one represents the greater Devils Lake area and the other Spirit Lake

Nation. Staff of LRHSC has been very active with both committees. Lake Region HSC continues to participate in an array of community activities. Examples include Teen Maze and the Foster Care Recruitment and Retention Committee, and we have played a lead role in delivering community screenings during National Depression Screening Day.

- Current reports suggest the flooding in the Devils Lake Basin will likely continue in 2011. In partnership with Bonnie Turner, Lutheran Disaster Response, LRHSC coordinated an initial meeting of local representatives of faith-based, VOAD, agricultural, Tribal, and local helping agencies to discuss human service challenges and establish connections that should enhance a coordinated response when the need arises.

Overview of Budget Changes

Description	2009 - 2011 Budget	Increase / Decrease	2011 - 2013 Budget	Senate Changes	To House
Lake Region HSC	10,955,142	463,089	11,418,231		11,418,231
General Funds	6,066,003	816,187	6,882,190		6,882,190
Federal Funds	4,450,221	(386,622)	4,063,599		4,063,599
Other Funds	438,918	33,524	472,442	-	472,442
Total	10,955,142	463,089	11,418,231		11,418,231

FTE	60	0	60		60
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Budget Changes from Current Budget to Executive Budget:

- Salary and Wages related expenses increased by \$479,115 and can be attributed to the following:
 - \$432,484 in total funds of which \$332,923 is general funds to fund the Governor’s salary package for state employees.

- 89,977 in temporary salaries which represents a .7 fte for the Family Caregiver/Adult Protective Services program and a .25 fte for a SMI case manager.
 - An increase of \$73,337 to cover an underfunding of salaries from the 2009-2011 budget.
 - An increase of \$165,099 in total funds of which \$124,747 is general funds needed to fund the second year employee increase to 24 months versus the 12 months that are contained in the current budget.
 - A decrease of 40,856 to underfund the 2011-2013 payplan.
 - The remaining decrease of \$240,926 in the Salaries and Fringe Benefits portion of the budget is a combination of increases and decreases needed to sustain the salary of the 60 FTEs in this area of the budget.
- The Operating cost increased by \$59,287. While most all line items had small inflationary increases, the larger increases consisted of the following items:
 - An increase of \$13,943 in travel related expenses. This increase represents the increased need for outreach services, the increases allowed in lodging rates, personal mileage reimbursement, and increased requests for local mileage reimbursement by staff as a result of increasing gas prices.
 - IT Communications increase of \$8,872 based on projected increased telecommunications costs.
 - An increase of \$2650 in Professional Development to increase the funds available for staff from the current \$100/fte to \$150/fte.

- An increase of \$17,923 in Operating Fees and Services. This increase is largely the result of Federal funding for Aging outreach services in the amount of \$15,848.
- An increase of \$3000 for Fees- Professional Services. This increase is the result of the increased use of sign language interpreters required in serving the deaf population.
- The Grants costs decreased \$75,313. The following items make up this decrease:
 - A transfer of \$111,076 of adolescent alcohol and drug federal funds to the NEHSC's program to fund two beds for Lake Region adolescents.
 - A decrease of \$109,360 in long term A&D residential funding.
 - An increase of \$25,000 to fund the Peer Support program at the Recovery Center for SMI clients.
 - An increase of \$38,090 to fund the second year of last biennium's provider inflationary increases.
 - An increase of \$82,033 to fund the Governors request for a 3% and 3% inflationary increase for the 2011-2013 biennium.
- The general fund request increased by \$816,187 with 66% of that increase (\$539,703) related to the Governors salary package for state employees and the 3% and 3% provider inflationary increases. The remaining increase of \$276,484 is associated largely with the cost to continue the second year of provider inflationary increases from the 2009-2011 biennium, increased operating costs, and a decrease in the Federal Medical Assistance Percentage (FMAP).

Senate Changes

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

Northeast Human Service Center

This area of the budget includes the programs of the Northeast Human Service Center (NEHSC). The NEHSC serves the citizens of Grand Forks, Nelson, Walsh, and Pembina counties. The center is located in Grand Forks with a satellite office in Grafton and an outreach site in Cavalier.

Caseload / Customer Base

- The population in Region IV is approximately 87,733; this represents 14 percent of the state's population. Twelve percent of the state's children, nearly 17,360, reside in our region.
- The Northeast HSC provided clinical services to 3,557 individuals in SFY 2010; 2,570 adults and 987 children received services. This represented a 6 percent increase in clients over SFY 2008. During SFY 2010, we averaged over 49 addiction evaluations per month and 35 clinical intakes per month.
- Vocational Rehabilitation (VR) served 1,174 clients; 135 clients were served through the Older Blind program.
- Other residents of our counties received indirect services provided through Aging Services, Foster Grandparent Program, Child Welfare, and community education.
- Priority is placed on serving the Region's most vulnerable individuals, including those who cannot otherwise access services.

Program Trends

- The Northeast HSC has had difficulty recruiting/retaining a psychologist, community home counselors, and fully qualified mental health clinicians.
- The Northeast Human Service Center has been successful in recruiting an additional full time psychiatrist.
- In addiction services, Northeast HSC continues to see an increased use of prescription medication, a decrease in methamphetamine as a primary substance of use, a need for longer residential stays and an increase in clients from County Social Services and the Department of Corrections and Rehabilitation who require additional case management and more frequent involuntary commitments.
- Northeast's addiction services noticed a significant surge in the use of synthetic marijuana, which is undetectable by traditional drug screening. A number of clients had their treatment impacted by this undetected continued use.
- Northeast has 37 clients involved in adult drug court and 12 clients involved in juvenile drug court.
- In Developmental Disabilities (DD), more families are struggling economically and are requesting assistance in helping meet the excess costs of having a child with a disability. Developmental Disability Program Managers (DDPM) are spending more time helping families meet basic needs. The number of clients in DD program management continues to grow each biennium, currently at 709 active cases. Developmental Disability Program Managers are working with the implementation of the Medicaid autism waiver, a new data system and the implementation of many policy changes for the Medicaid waiver renewal of 2009.

- Ruth Meiers Adolescent Center has experienced an increase in private placements in the facility over the past 2 years, including 42% of placements in 2009. The number of younger youth, ages 11- 13, increased for the second straight year, accounting for 26% of those admitted to the program. The program continues to see an increase in younger youth (ages 11-14) with sub 70 full-scale I.Q.'s referred for treatment. The percentage of youth served that are adopted or have no biological parents actively involved in their life increased to 36% of the youth admitted in the last 18 months. In 2009, 23% of youth admitted to the program were Native American and 42% of the youth discharged from the program were Native Americans, continuing a disproportionate (statistically according to census) number of Native American youth receiving RMAC services. The staff retention rate over the last 18 months was the best in over a decade.
- In Children and Family Services, from December, 2009 to December 2010 there has been an overall increase in licensed child care (primarily Family providers) and a decrease in Self-Declaration providers (a standard below licensing). Self-Declaration is a category that has no monitoring and cares for fewer children. This is the category that we have historically had a high number of revocations and denials, as there were few screening tools or monitoring. The initiation of fingerprinting and criminal background checks appears to be the primary factor in the decrease in numbers and capacity. As it was intended, criminal background checks has served as a screening tool for applications for child care. Consequently, as more screening occurs prior to the license being issued, the number of revocations and denials of child care licenses has decreased this year. Region IV has 265 licensed child

care providers with a capacity of 5,611 children. A trend in child care over the past biennium is the significant increase in the number of New Americans who are applying for child care. A number of these individuals have limited English capacity to communicate.

- Children and Family Services notes that there were 20 adoptions of foster care children in 2010, compared to 39 in 2008. There are currently 70 foster homes in Region IV and the number of therapeutic foster homes is 24. In the past 11 months, there have been 996 administrative and full Child Protective Services assessments.
- The Northeast HSC has been working with Network for the Improvement of Addiction Treatment (NIATx) to improve services to clients. We have focused on reducing wait time, increased customer satisfaction, and efficiency. This process looks at evaluating services and using a rapid change cycle in the delivery of services. We are currently working on a statewide effort for paperwork reduction.

Overview of Budget Changes

Description	2009 - 2011 Budget	Increase / Decrease	2011 - 2013 Executive Budget	Senate Changes	To House
Northeast HSC	25,967,419	2,215,190	28,182,609		28,182,609
General	11,259,927	1,949,796	13,209,723		13,209,723
Federal	13,557,216	(589,308)	12,967,908		12,967,908
Other	1,150,276	854,702	2,004,978		2,004,978
Total	25,967,419	2,215,190	28,182,609		28,182,609
FTEs	138.1	0.2	138.3		138.3

The FTE increase of .20 was a transfer from Southeast HSC to Northeast to add to a .80 FTE creating a 1.0 FTE for a psychiatrist.

Salary and Wages increased by \$1,987,716 and can be attributed to the following:

- \$990,524 in total funds of which \$685,880 is general fund needed to fund the Governor's salary package for state employees.
- \$320,108 in total funds of which \$212,712 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 \$44,145 to cover an underfunding of salaries from the 2009 – 2011 budget.
- A decrease of \$79,177 to underfund the 2011 – 2013 payplan.
- Temporary salaries are increased by \$59,308 to meet additional staffing needs in our Ruth Meiers Psychiatric Residential Facility and an additional 50% FTE case aide for adults with Serious Mental Illness.
- Northeast hired an additional full time psychiatrist to replace two contracted part time psychiatrists. The salaries and benefits increase to cover this cost was \$505,812.
- The remaining increase of \$ 146,996 is a combination of increases and decreases needed to sustain the salary of the 138.3 FTE in this area of the budget.

The Operating budget increased by \$82,529 (2.7%) and is a combination of the increases expected next biennium which are offset by decreases as follows:

- An increase of \$ 93,054 in the Northeast's travel budget. This increase results from Northeast using actual motor pool rates and

utilization history in establishing the 2009-11 budget, then using the State Fleet Budget guideline rates for 2011-13. Northeast is also projecting a 52,720 mile increase in utilization for the 11-13 biennium, based on a projection of our current utilization. This increase in utilization results in about \$ 19,500 of the budget increase. In addition, the increased costs of the changes to lodging rates and personal mileage rates are included in the budget increase.

- IT Communications increase of \$19,863 based on new IT phone rates and increased use of communication devices.

Northeast's Grants cost includes a net increase of \$144,945. This includes an increase of \$268,856 to cover an inflationary increase of 3% each year offset by decreases of \$94,458 from our psychiatry contract budget, \$ 3,977 from our Adult Protective Services contract, and \$ 25,476 from our SMI Supported Residential contract.

The general fund request increased by \$1,949,796 with 35% of that increase (\$685,880) related to the Governor's salary package for state employees. \$212,712 of the increase is related to continuing 2nd year salary increases for 24 months. \$217,111 of the increase is related to the contracted provider increases of 3% for each year of the biennium.

The remaining increase in general funds of \$834,093 is a result of reductions in the federal medical assistance percentage (FMAP) and changes in the operating budget described above.

Northeast HSC is projecting an increase in other funding of \$ 854,702, largely from increased 3rd party collections for our psychiatric residential treatment program and our CD adolescent treatment program.

Senate Changes

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

This concludes my testimony on the 2011 – 2013 budget requests for Lake Region Human Service Center and Northeast Human Service Center. I would be happy to answer any questions.