

Testimony
Engrossed House Bill 1012 – Department of Human Services
Senate Appropriations
Senator Holmberg, Chairman
March 13, 2013

Chairman Holmberg, members of the Senate Appropriations Committee, I am Jeff Stenseth, Director of Southeast Human Service Center (SEHSC) and South Central Human Service Center (SCHSC) for the Department of Human Services (DHS). I am here today to provide you an overview of the budget for both of these centers.

Southeast Human Service Center

SEHSC provides services to the six counties of Steele, Traill, Cass, Ransom, Sargent, and Richland counties. SEHSC provides outreach services for mental health and substance abuse services in Wahpeton, Lisbon, Hillsboro, and Mayville and provides case management services to rural areas as needed.

Caseload/Customer Base

- 4,949 clients (3,848 adults and 1,101 children) were served, excluding Vocational Rehabilitation Services (VR), at the SEHSC in State Fiscal Year (SFY) 2012.
- 1,135 clients received VR services during SFY 2012.
- The Developmental Disabilities Program caseload has continued to grow and now totals 1,295.

- The region is comprised of 187,911 residents (27.5 percent of the state's population) according to the U.S. Census Bureau 2011 estimate.
- According to the latest Homeless Population Point in Time Survey (January 2012), the region has 56 percent (128 individuals) of the state's long-term homeless population.
- There are between 300-350 children in foster homes in the region during a year, which mirrors the state trend of minimally declining numbers.

Program Trends/Major Program Changes

- The SEHSC accounted for 20 percent of all admissions to the North Dakota State Hospital (NDSH) in SFY 2012. This is a decrease of 13 percent from SFY 2010. This decrease was due in part to improved partnerships with Prairie St. John's for contracted inpatient care and Dacotah Foundation for contracted residential care, and SEHSC's improved access to case management and addiction treatment services.
- Prairie St. John's has become the primary provider of inpatient psychiatric and substance abuse services for indigent adults, children, and adolescents in the region.
- SEHSC continues to partner with the jail, law enforcement, the courts, and probation and parole to provide services to clients with mental illness and substance abuse from the local correctional system.

- DHS is piloting a Mobile Crisis Team in the SEHSC region in a public/private partnership between the Department and Solutions Inc., to address crisis intervention needs in the region.
- DHS is contracting with Clay County's medical detoxification center to provide medical detoxification services to the SEHSC region.
- SEHSC is seeing an increased demand for case management services for individuals with serious mental illness or who are dual diagnosed, with both serious mental illness and chemical dependency. The SEHSC provides these services for individuals who most likely would access higher levels of care such as hospitalization, or experience repeated law enforcement encounters, need social detox and/or pose a harm to themselves or others. Individuals who receive case management services require multiple services and generally more intensive services.
- SEHSC contracts for crisis beds for children with severe emotional disorders and crisis/social detox beds for adolescents with substance abuse issues. Outcomes in this area have been very positive with increased school attendance, reduction in substance use, and successful reintegration into the parental home.
- The demand for addiction treatment services for adults in our region continues to grow. During this biennium, the SEHSC 15-bed crisis residential unit and eight-bed residential units at Dakota Pioneer have consistently remained full. The SEHSC also

has started to phase in the new contracted 15-bed addiction residential facility funded in the last legislative session.

- SEHSC continues to see a high demand for adult psychiatry services which is creating longer wait times for entry into that service.
- In order to serve a larger number of adult addiction treatment clients in a more efficient manner, this past June, SEHSC started to provide a majority of its outpatient addiction treatment services in a Treatment Mall format.
- On June 1, 2012, SEHSC also implemented a Centralized Intake Pilot Project with the goals of reducing wait time for intake appointments, reducing wait time for follow-up appointments and for completing a more comprehensive diagnostic assessment process with clients. Within these first six months, we have successfully reduced both wait time indexes by over 50 percent and are consistently producing a more comprehensive diagnostic assessment which aids in meeting all the clients treatment needs.
- The SEHSC has fully implemented 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.

- In conjunction with the University of North Dakota Medical School, SEHSC continues to provide a psychiatric residency training site for a number of doctors each year and to operate an American Psychological Association (APA) approved internship site for psychologists. We believe this will assist in our recruitment efforts of psychiatrists and psychologists for the region and DHS.
- Fargo-Moorhead continues to have a culturally diverse population which requires interpreters and other special services from the SEHSC.

Overview of Budget Changes – Southeast Human Service Center

| Description | 2011 - 2013 Budget | Increase/ Decrease | 2013 - 2015 Executive Budget | House Changes | To Senate |
|-------------------|--------------------|--------------------|------------------------------|---------------|------------|
| HSCs/Institutions | 34,746,335 | 4,284,137 | 39,030,472 | (1,340,000) | 37,690,472 |
| General Fund | 18,343,446 | 5,004,800 | 23,348,246 | (1,015,000) | 22,333,246 |
| Federal Funds | 15,227,364 | (767,521) | 14,459,843 | (325,000) | 14,134,843 |
| Other Funds | 1,175,525 | 46,858 | 1,222,383 | - | 1,222,383 |
| Total | 34,746,335 | 4,284,137 | 39,030,472 | (1,340,000) | 37,690,472 |
| FTE | 185.15 | - | 185.15 | - | 185.15 |

Budget Changes from Current Budget to the Executive Budget:

The salary and benefits portion of the budget line increased by \$2,466,715, which is primarily attributed to the following:

- \$626,753 in total funds of which \$446,380 is general fund to fund the Governor's benefit package for health insurance and retirement for state employees.
- \$752,268 in total funds of which \$493,806 is general fund needed to fund the employee increases approved by the last legislative assembly.
- An increase of \$191,179 to cover an underfunding from the 2011–2013 budget, all general fund.
- A decrease of \$422,179 to underfund the 2013–2015 pay plan, all general fund.
- An increase of \$240,952 to fund two additional FTE for Developmental Disabilities Case Management to maintain the required staff to client ratio, \$137,341 is general fund. The Department must find the FTE's within their current authorized FTEs.
- An increase of \$222,649, all general fund, to convert four existing temp staff to regular FTEs. These include two in SMI case management and two in the partnership children's mental health program. The Department must find the FTE's within their current authorized FTEs.

- An increase of \$14,544 to cover staff for on-call pay for face-to-face hours.
- \$55,219 to provide for the annual and sick leave lump sum payouts for seven FTEs expected to retire.
- An increase of \$404,896 in total funds of which \$399,753 is general fund for 7.5 temporary employees.
- A decrease of \$17,519 in the budget for overtime.
- The remaining increase of \$397,953 is a combination of increases and decreases needed to sustain the salary of the 185.15 FTEs and temporary employees in this area of the budget.

The operating portion of the budget decreased by \$70,631 and is a combination of increases and decreases expected next biennium. The majority of changes in the following areas:

- \$24,038 decrease in motor pool costs due to removing the budget for the former Field Services Director position, which is no longer a part of the SEHSC budget.
- An increase of \$40,000 in miscellaneous supplies for the TIP for youth.
- Increased rent of \$5,898 for the Off Main facility (dual diagnosis mental health/substance abuse).

- A decrease of \$21,625 for staff training due to standardizing training costs per staff across the Department.
- A decrease of \$62,829 of federal funds, in operating fees, for the Options Counseling being administered out of the DHS Aging Services Central Office.

The grants portion of the budget increased by \$1,888,053 primarily based on the following:

- Inflationary increases of 4 percent each year for providers for a total of \$400,974, all general fund.
- An increase of \$221,149 to continue a 15-bed short term substance abuse residential facility for 24 months at 95 percent occupancy.
- An increase of \$1,300,000 for a new 15-bed Transitional living facility for the mentally ill and chemically dependent (MI/CD) population, \$975,000 is general fund.

In summary, the general fund request increased by \$5,004,800 with \$1,699,829 or 34 percent of that increase is related to salary and fringe benefit increases. The grants portion accounts for \$1,563,053 of the increase which is 31 percent of the increase. The remaining increase of \$1,741,918 is associated with the decrease in the federal medical assistance percentage (FMAP) and the ongoing costs to continue operations.

House Changes:

- A \$40,000 decrease due to the removal of funding for the Transition to Independence Program (TIP).
- A decrease of \$1,300,000 for a new 15-bed Transitional living facility for the mentally ill and chemically dependent (MI/CD) population, \$975,000 is general fund.

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

South Central Human Service Center

- SCHSC provides services to the nine counties of Foster, Wells, Griggs, Barnes, Stutsman, LaMoure, Dickey, McIntosh, and Logan counties. In addition, SCHSC provides services at satellite locations in Valley City, Oakes, Carrington, Cooperstown, Wishek, and Fessenden.

Caseload/Customer Base

- 3,182 clients (2,444 adults and 738 children) were served, excluding Vocational Rehabilitation Services (VR), at the SCHSC in State Fiscal Year (SFY) 2012.
- 620 clients received VR services during SFY 2012.
- The population of the region is approximately 56,244 residents. This represents 8.2 percent of the state's population according to the U.S. Census Bureau 2011 estimate.

- Citizens age 65 and older comprised 25 percent of the total population of the region. The south central region has the oldest average age in the state.
- In the child welfare area, the region has experienced an increase in the number of child protection service assessments done in response to reports of child abuse and neglect. There were 501 completed in CY 2010 and 557 in CY 2011.

Program Trends/Major Program Changes

- SCHSC accounted for 36 percent of the total admissions to the North Dakota State Hospital (NDSH) in FY 2012. As this region has no private inpatient mental health treatment facility, the NDSH is utilized for acute inpatient needs, as well as for longer term hospitalization needs. Individuals from the region also access out-of-region private psychiatric hospitals.
- The increasing senior population in the region as Baby Boomers age has implications for both the caregiver program and adult abuse and neglect reporting and interventions.
- SCHSC is seeing an increase in emergent intervention contacts for clients with serious mental illness and substance abuse in the region. It should be noted, that 42 percent of emergency contacts and screenings received during calendar years 2011 and 2012 occurred after regular business hours at SCHSC.
- The SCHSC medical unit is currently piloting two new practices to increase efficiencies including the Order Connect software and

the Tele-pharmacy Initiative in collaboration with the North Dakota State Hospital.

- SCHSC has the only full-time community psychiatrist.
- SCHSC 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.
- SCHSC has continued to work in community collaboration, with efforts to partner in the development of the IDDT program, leadership for the James River Addiction Training Consortium, active participation in the Jamestown Housing Coalition, and partnering in the community Health and Safety Coalition, all in an effort to improve the lives of the consumers we serve.
- Jamestown currently has an available rental occupancy rate of .75 or less than 1%. Available housing resources for our most vulnerable residents are very limited and are likely to further constrict in the coming months.
- SCHSC continues to have challenges recruiting licensed addiction counselors and licensed medical providers.

Overview of Budget Changes - South Central Human Service Center

| Description | 2011 - 2013 Budget | Increase/Decrease | 2013 - 2015 Executive Budget | House Changes | To Senate |
|-------------------|--------------------|-------------------|------------------------------|---------------|------------|
| HSCs/Institutions | 16,470,290 | 323,593 | 16,793,883 | (40,000) | 16,753,883 |
| General Fund | 8,860,138 | 120,455 | 8,980,593 | (40,000) | 8,940,593 |
| Federal Funds | 6,691,551 | 22,170 | 6,713,721 | - | 6,713,721 |
| Other Funds | 918,601 | 180,968 | 1,099,569 | - | 1,099,569 |
| Total | 16,470,290 | 323,593 | 16,793,883 | (40,000) | 16,753,883 |
| FTE | 83.50 | - | 83.50 | - | 83.50 |

Budget Changes from Current Budget to the Executive Budget:

The major changes can be explained as follows:

The salaries and fringe benefits portion of the budget increased by \$71,107 which is primarily attributed to the following:

- \$268,597 in total funds of which \$185,043 is general fund to fund the Governor’s benefit package for health insurance and the retirement for state employees.
- \$353,385 in total funds of which \$244,470 is general fund needed to fund the employee increases approved by the last Legislative Assembly.
- An increase of \$142,063 to cover an underfunding from the 2011–2013 budget, all general fund.

- A decrease of \$180,411 to underfund the 2013–2015 pay plan, all general fund.
- A decrease of \$260,048 from reclassifying a position from a psychiatrist to a certified nurse specialist.
- An increase of \$31,073 to cover staff for on-call pay due to paying the staff for face-to-face time.
- An increase of \$22,282 to cover the current temporary staff which will include a part-time case manager starting in February of 2013.
- A decrease of \$7,448 in overtime.
- \$46,603 to provide for the annual and sick leave lump sum payouts for six FTEs expected to retire.
- A decrease of \$110,661 caused by long term staff retiring and the replacements hired at a lower salary.
- The remaining decrease of \$234,328 in the salaries and fringe benefits portion of the budget is a combination of increases and decreases needed to sustain the salary of the 83.50 FTEs in this area of the budget.

The operating portion of the budget increased by \$31,938 and is a combination of increases and decreases expected next biennium with a majority of the changes in the following areas:

- An increase in operating fees and services of \$21,647 consisting of an increase for flexible funding for TIP, an increase in contracted services for Adult Protective Services, and a decrease for Options Counseling being administered out of the DHS Aging Services Central Office.

The grants portion of the budget increased by \$220,548, primarily due to inflationary increases of 4 percent each year for providers.

The general fund request increased by \$120,455 with 100 percent of that increase related to the Governor's salary package of fringe benefit increases for state employees.

The other funds increased by \$180,968 based on a projected increase in collections for services both in self pay and third party insurance payments.

House Changes:

- A \$40,000 decrease due to the removal of funding for the Transition to Independence Program (TIP).

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