



## **HOUSE BILL 1012**

House Appropriations | Human Resources Division  
*Representative Jon Nelson, Chairman*

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## **ADMINISTRATIVE SUPPORT BUDGET OVERVIEW**

*Arnie Strebe, Chief Administrative Officer / Chief Financial Officer*

NORTH  
**Dakota**  
Be Legendary.™

| Human Services

# DHS MISSION AND OPERATING PRINCIPLES

Provide quality, efficient, and effective human services, which improve the lives of people



- Services and care should be provided **as close to home as possible**
- Services should be **provided consistently across service areas** to promote equity of access and citizen focus of delivery

- Services should be administered to **optimize** for a given cost **the number served** at a service **level aligned to need**
- Investments and funding in DHS should **maximize ROI for the most vulnerable** through safety net services
- Cost-effectiveness should be considered holistically, acknowledging **potential unintended consequences** and **alignment between state and federal priorities**

- Services should help vulnerable North Dakotans of all ages maintain or enhance quality of life by:
- Supporting **access to the social determinants of health**: economic stability, housing, education, food, community, and health care
- **Mitigating threats** to quality of life such as lack of financial resources, emotional crises, disabling conditions, or inability to protect oneself

# DEPARTMENT OF HUMAN SERVICES

Quality services, Proven results, Closer to home

- 1 Base decisions on **quality, efficiency**, and **effectiveness**.

**Find success** in a resource-constrained environment.

Make **reductions** in some areas **and** **investments** in others to optimize outcomes.
- 2 The state has **enough treatment beds**. Investing in **earlier interventions** can help **avoid crisis**.

Right service. Right place. Right time.

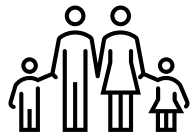
Serving people in **lowest level of care necessary** will return **better outcomes**.

To deliver services closer to home, **all** have to be **willing to change** how they do business – DHS can't do this alone.
- 3 How we **pay** for services should be **fair** and **equitable** across systems.

**Inequity** in rates **affects** people's ability to **access** services - providers often prioritize more lucrative payment opportunities

Demonstrate value to taxpayers. **Value** equals **high quality cost efficient care**.

# DHS 2021-2025 KEY PRIORITIES



## Strong Stable Families

- Maintain family connections
- Improve stability and prevent crises
- Promote and support recovery and well-being



## Early Childhood Experiences

- Support workforce needs with improved access to childcare
- Help kids realize their potential with top quality early experiences
- Align programs for maximum return on investment



## Services Closer to Home

- Create pathways that help people access the right service at the right time
- Engage proactively with providers to expand access to services



## Efficiency Through Redesign

- Embrace process redesign to find efficiencies in our work
- Leverage technology to support greater efficiency, quality and customer service



## High-Performing Team

- Develop a One DHS Team culture
- Engage team with opportunities for learning and development
- Implement fiscal scorecard to drive efficiency and effectiveness

## Reinforce the Foundations of Well-being

Economic Health | Behavioral Health | Physical Health

# WHO WE ARE

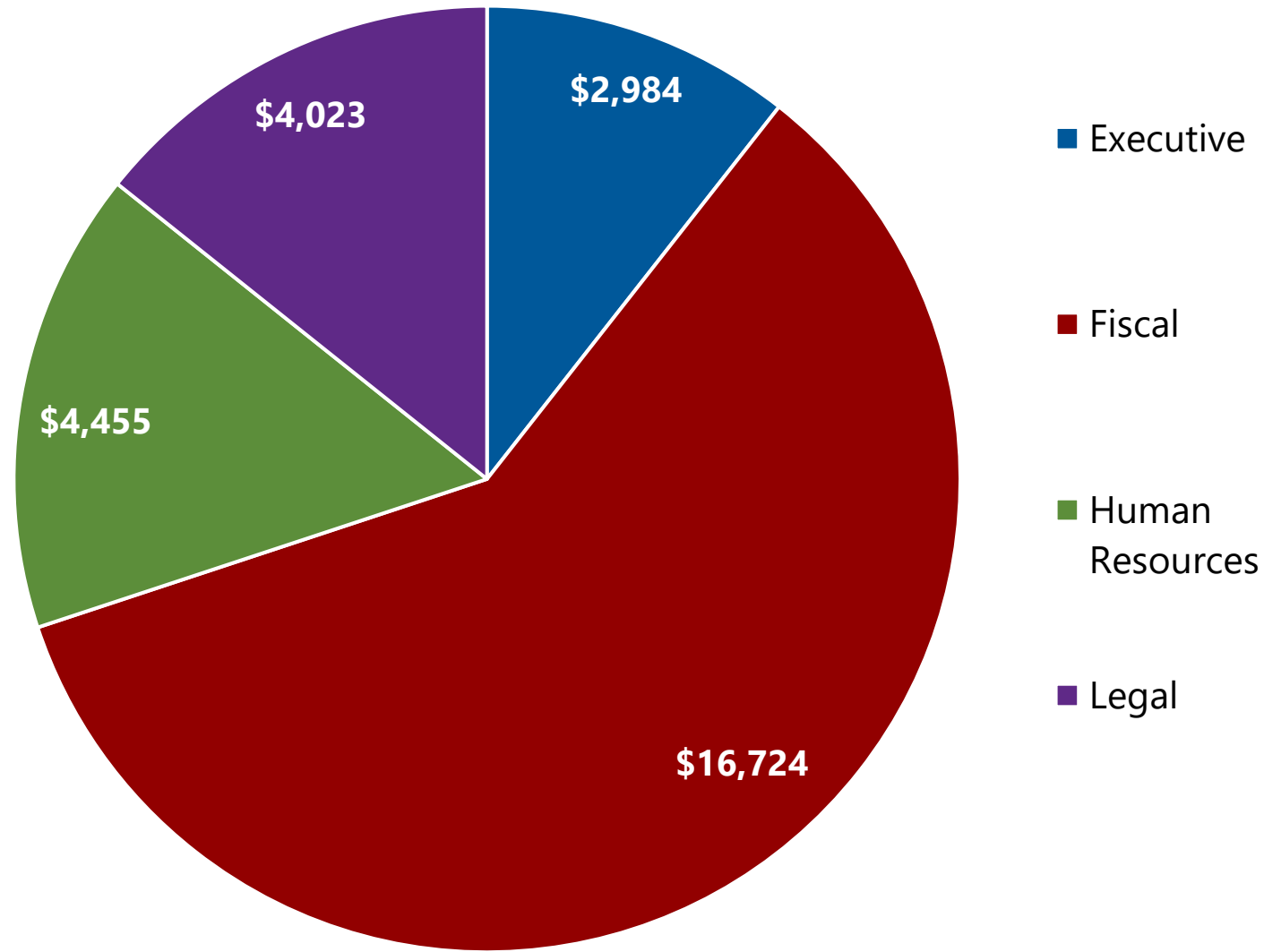
## Administration Support

- Human Resources
- Legal Services
- Fiscal
- Logistics Management – New 19-21
- Strategic Communications – New 19-21

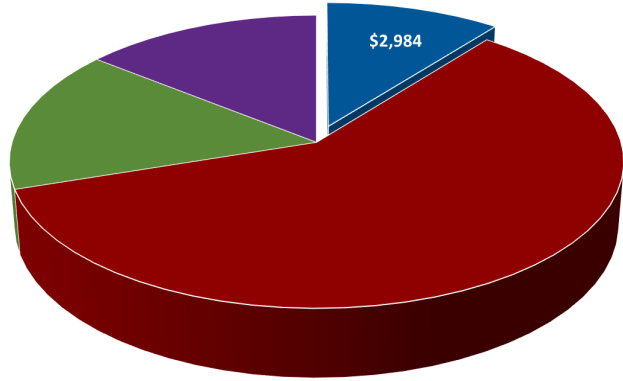


*We support the people who  
serve the people*

# 2021-2023 EXECUTIVE RECOMMENDATION ADMINISTRATION-SUPPORT (THOUSANDS)

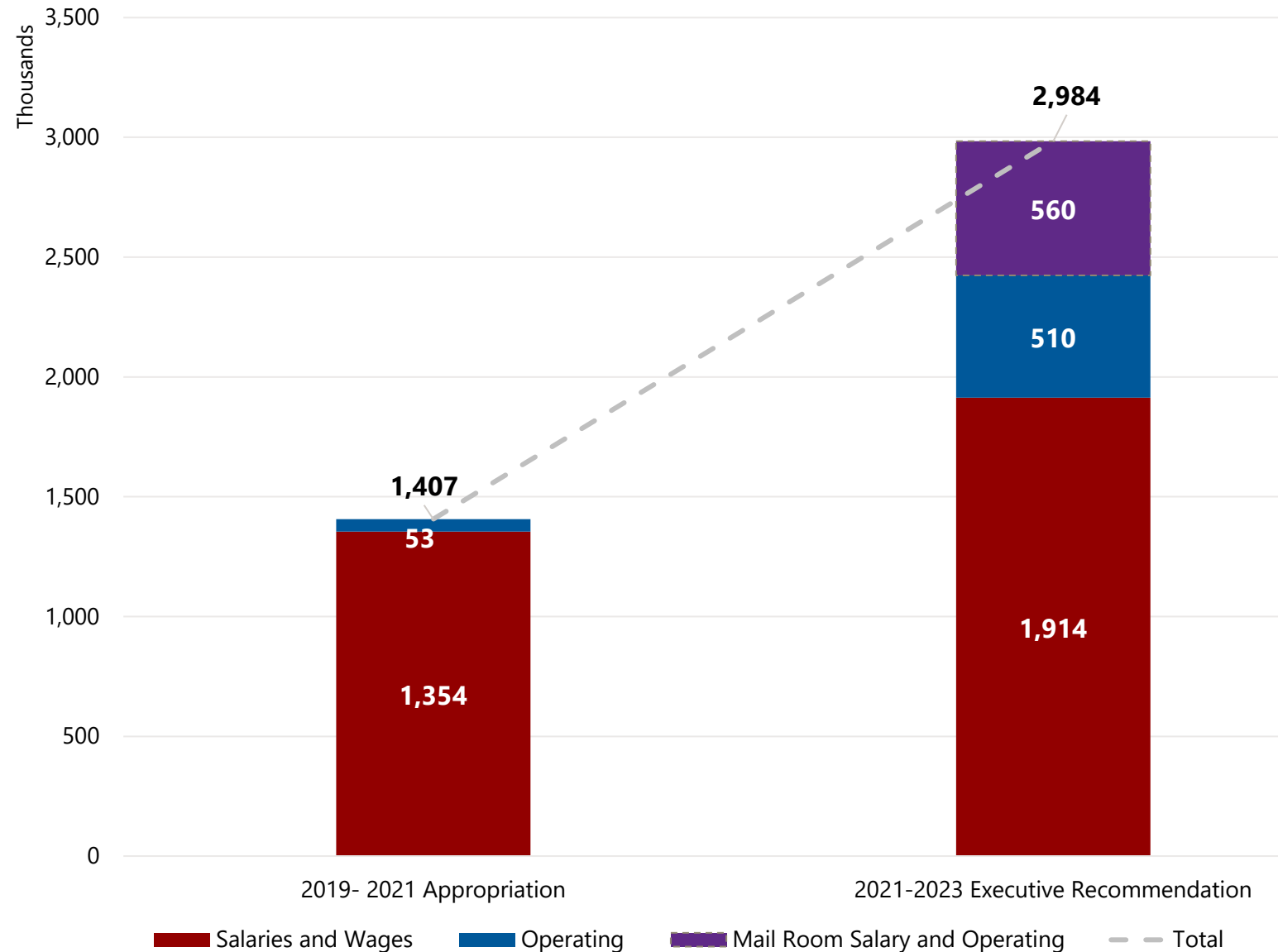


# EXECUTIVE OFFICE



- 11.0 FTE
- Provides programmatic direction and oversees operation of:
  - Program and Policy
  - Medical Services
  - Behavioral Health
  - Administration Support
    - Mailing services
- Provides guidance and/or information to:
  - Governor
  - Legislators
  - Congress
  - Political subdivisions and Tribes
  - Public and Mass Media

## Budget Overview



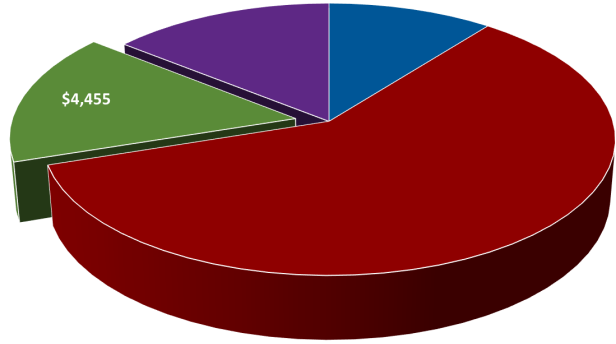
# HUMAN RESOURCES – GOALS

- New Workplace
- Employee engagement
- Recruitment / staffing
- Succession planning
- Automation of processes

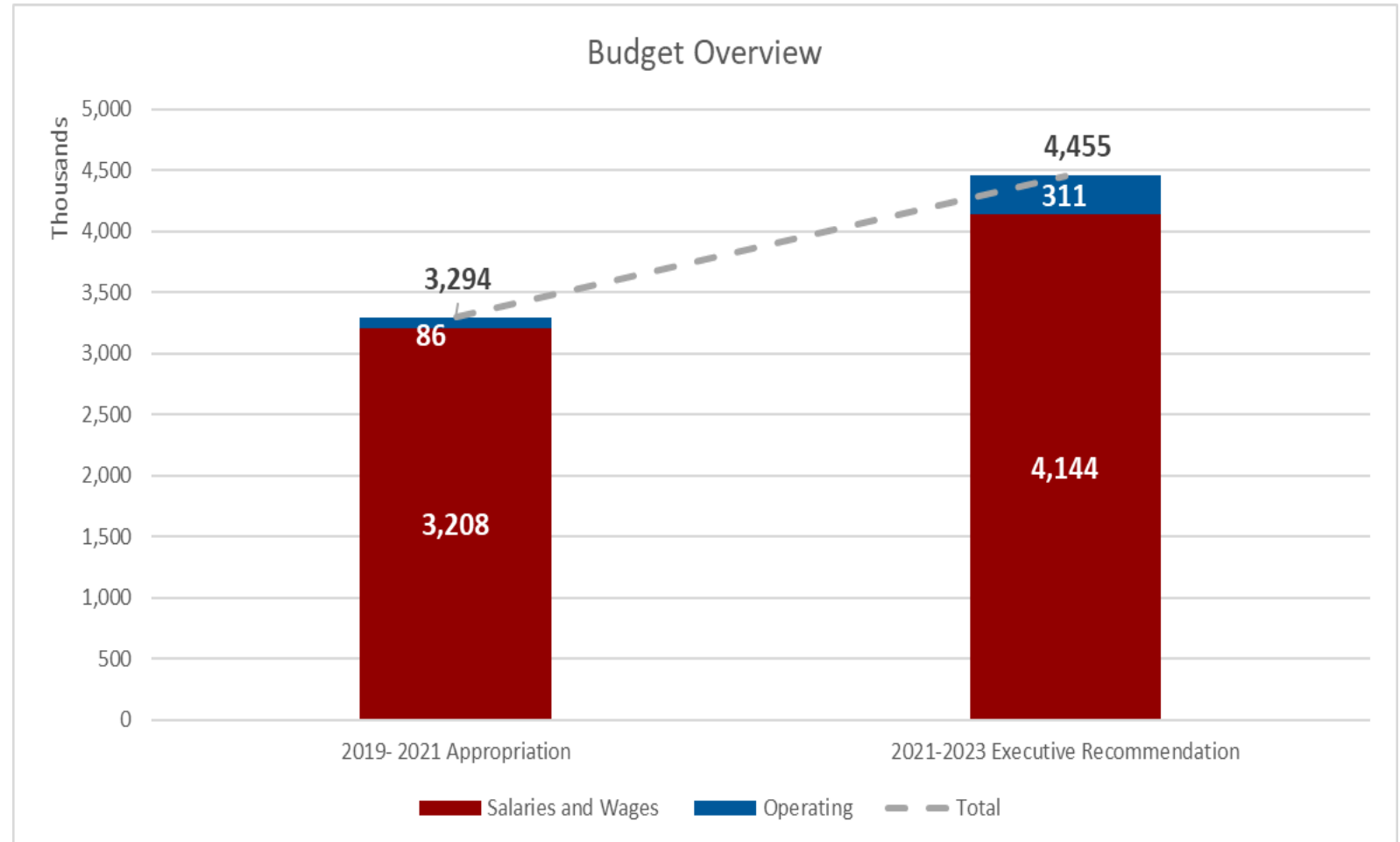




# HUMAN RESOURCES



- 21.80 FTE
- Talent Acquisition
- Performance Development/Management
- Classification/Compensation
- Position/FTE Management
- Payroll/Data Management
- Learning & Development
- Compliance/Regulation
- Employee Relations
- Risk Management/Safety/Wellness
- Disaster Preparedness
- County Social Service/Zone HR support

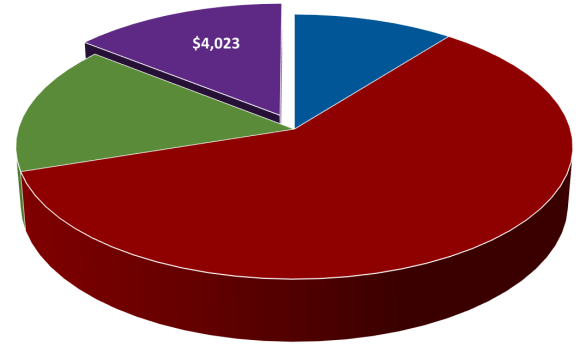


# LEGAL – GOALS

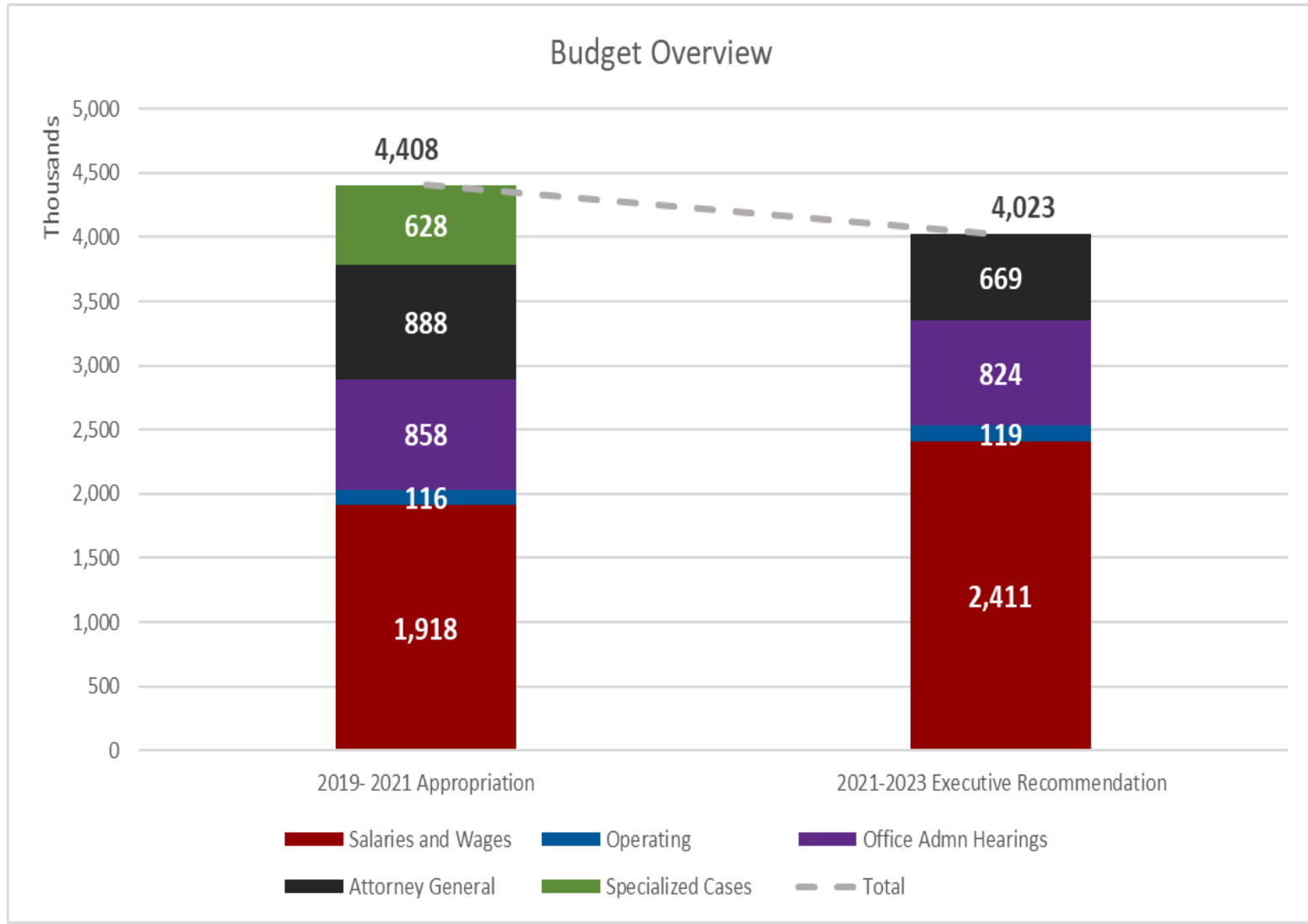
- Provide general counsel and policy analysis
- Process administrative appeals
- Assist with, plan and develop administrative rules
- Implement administrative and program policy
- Draft proposed legislation



# LEGAL UNIT-ADVISORY

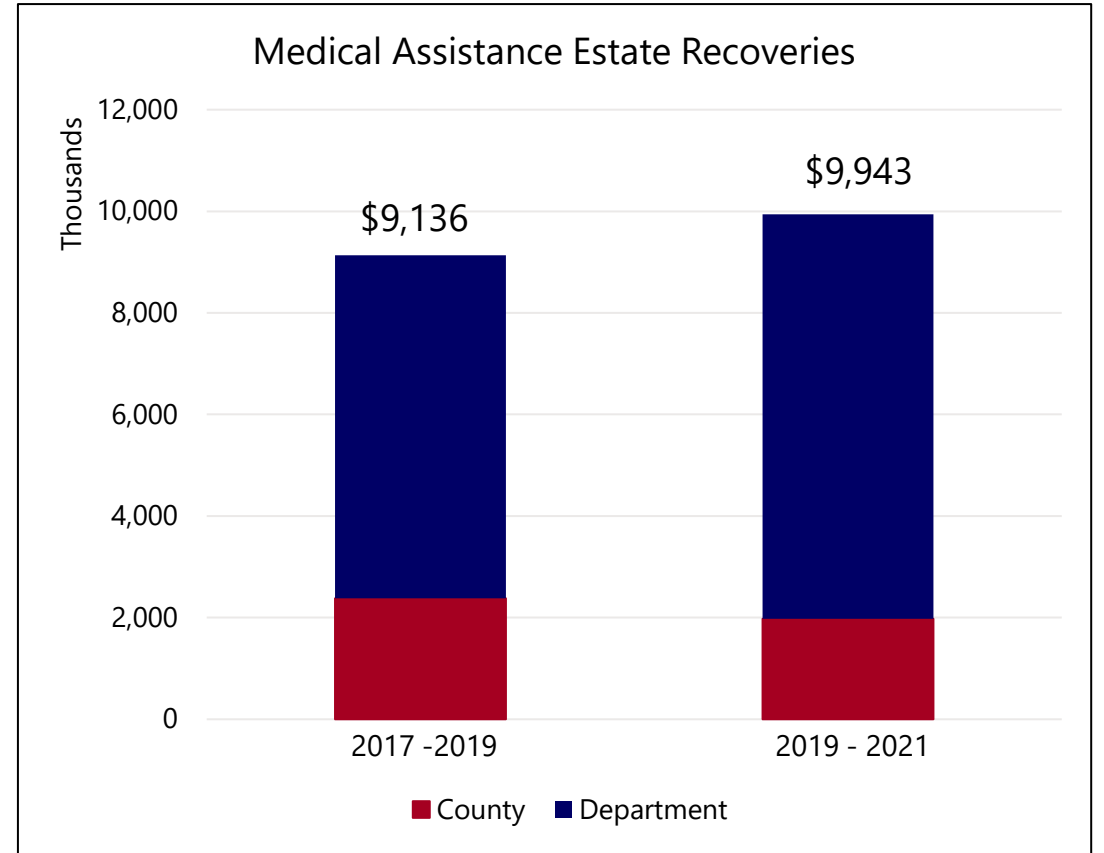


- 10.75 FTE
- Provides assistance in policy analysis, interpretation, development, training, and information
- Provides legal advice to the Department as authorized by the Attorney General
- Coordinates the appeals process for DHS clients and providers so they can obtain final decisions
- Facilitates estate recovery
- Serves as the Department's Civil Rights Office, ADA Compliance Office, and HIPAA Privacy Office
- Draft proposed legislation



# LEGAL UNIT-ADVISORY

Number of:	SFY 2019	SFY 2020
Request for Fair Hearings	306	265
Provider Appeals	384	626
Intentional Program Violation	280	173
Civil Rights	18	13
Administrative Rules/ Legislative Process	4	42
Trust Review Files	87	84

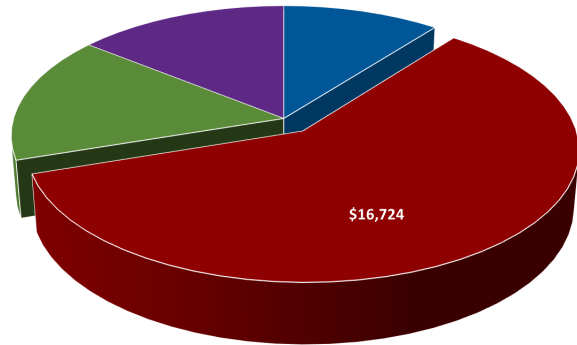


# FISCAL ADMINISTRATION – GOALS

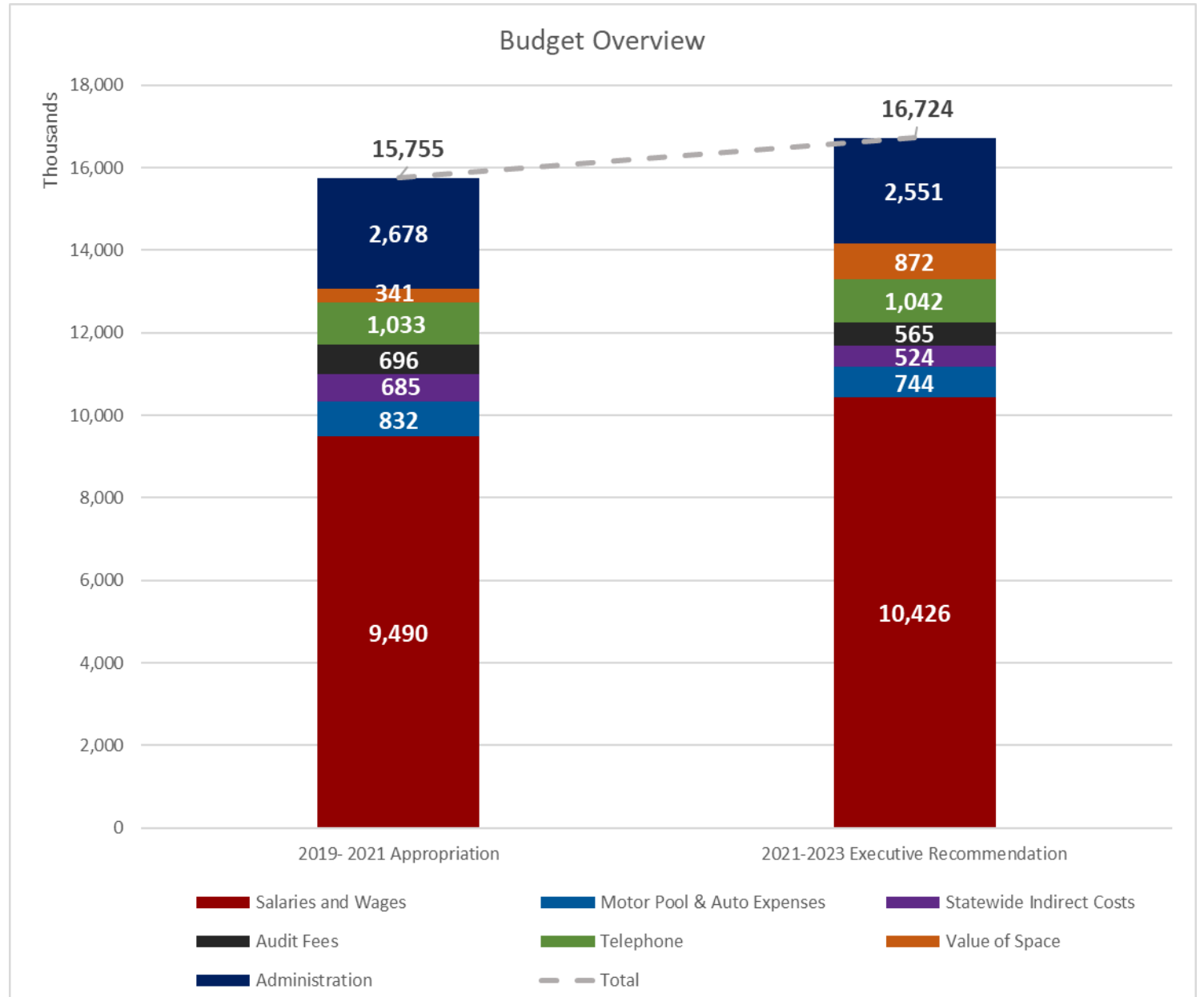
- Train and develop the fiscal team
- Improve fiscal effectiveness and efficiencies
- Develop a fiscal business scorecard
- Improve the fiscal acumen of the department
- Streamline fiscal processes
- Develop logistics



# FISCAL ADMINISTRATION



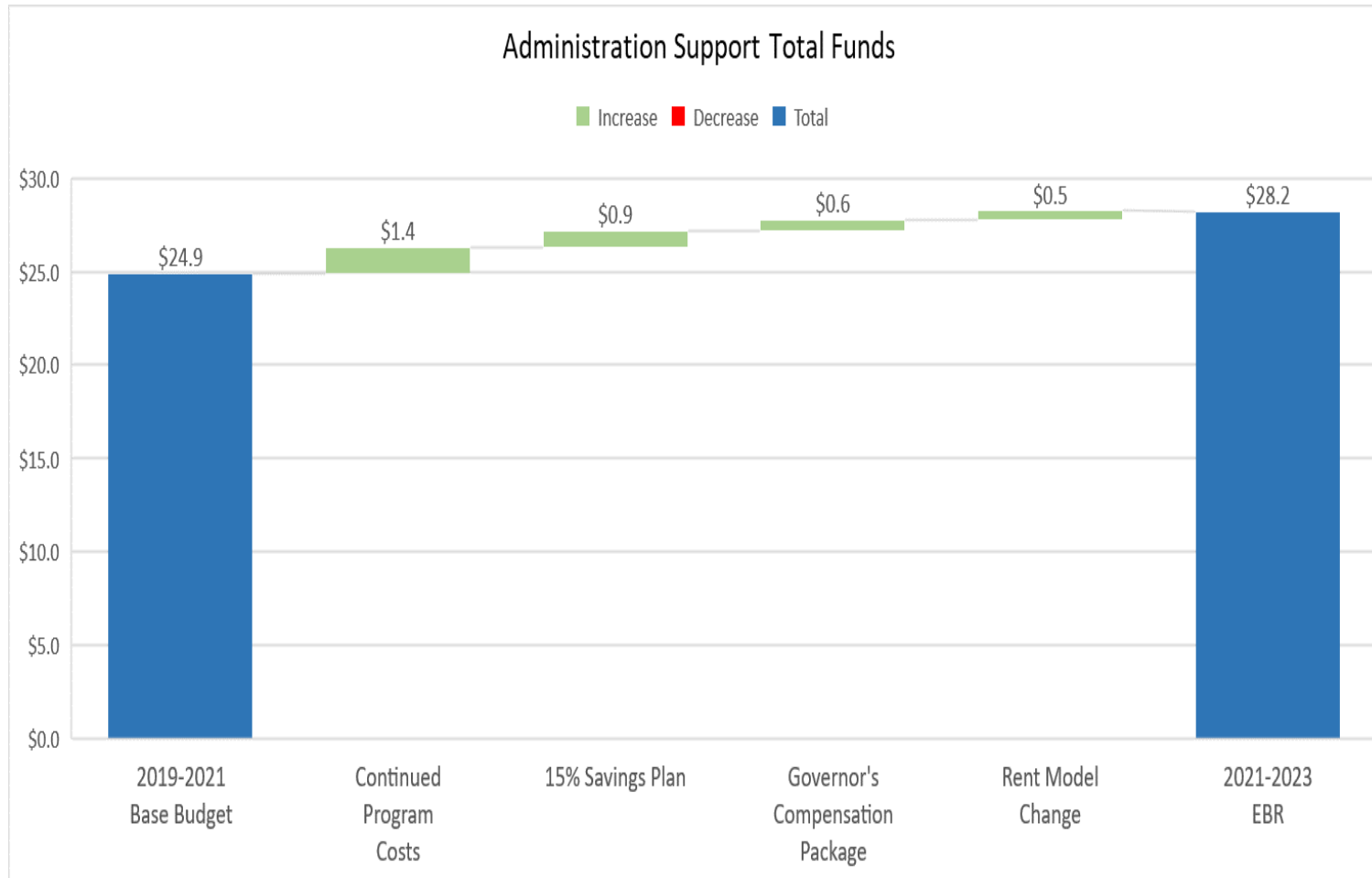
- 54.30 FTE
- Provides the following to program administrators to manage and achieve program results:
  - Budgeting and projection reports
  - Reporting
  - Cash management services
  - Procurement
  - Contract drafting and monitoring
  - Facility management
  - Centralized billing and receivable tracking for field services
  - Internal Controls
  - Audit review assistance
  - Sub-recipient Monitoring



# OVERVIEW OF BUDGET CHANGES

Description	2019-2021 Budget	Increase/ (Decrease)	2021-2023 Executive Budget
<b>Salary and Wages</b>	16,939,176	2,509,310	19,448,486
<b>Operating</b>	7,925,303	812,231	8,737,534
<b>Capital</b>			-
<b>Total</b>	24,864,480	3,321,540	28,186,020
			-
<b>General Fund</b>	16,861,917	1,208,046	18,069,964
<b>Federal Funds</b>	6,581,522	3,322,296	9,903,817
<b>Other Funds</b>	1,421,040	(1,208,801)	212,239
<b>Total</b>	24,864,479	3,321,540	28,186,020
<b>Full Time Equivalent (FTE)</b>	89.85	8.00	97.85

# OVERVIEW OF BUDGET CHANGES



## Continued Program Costs

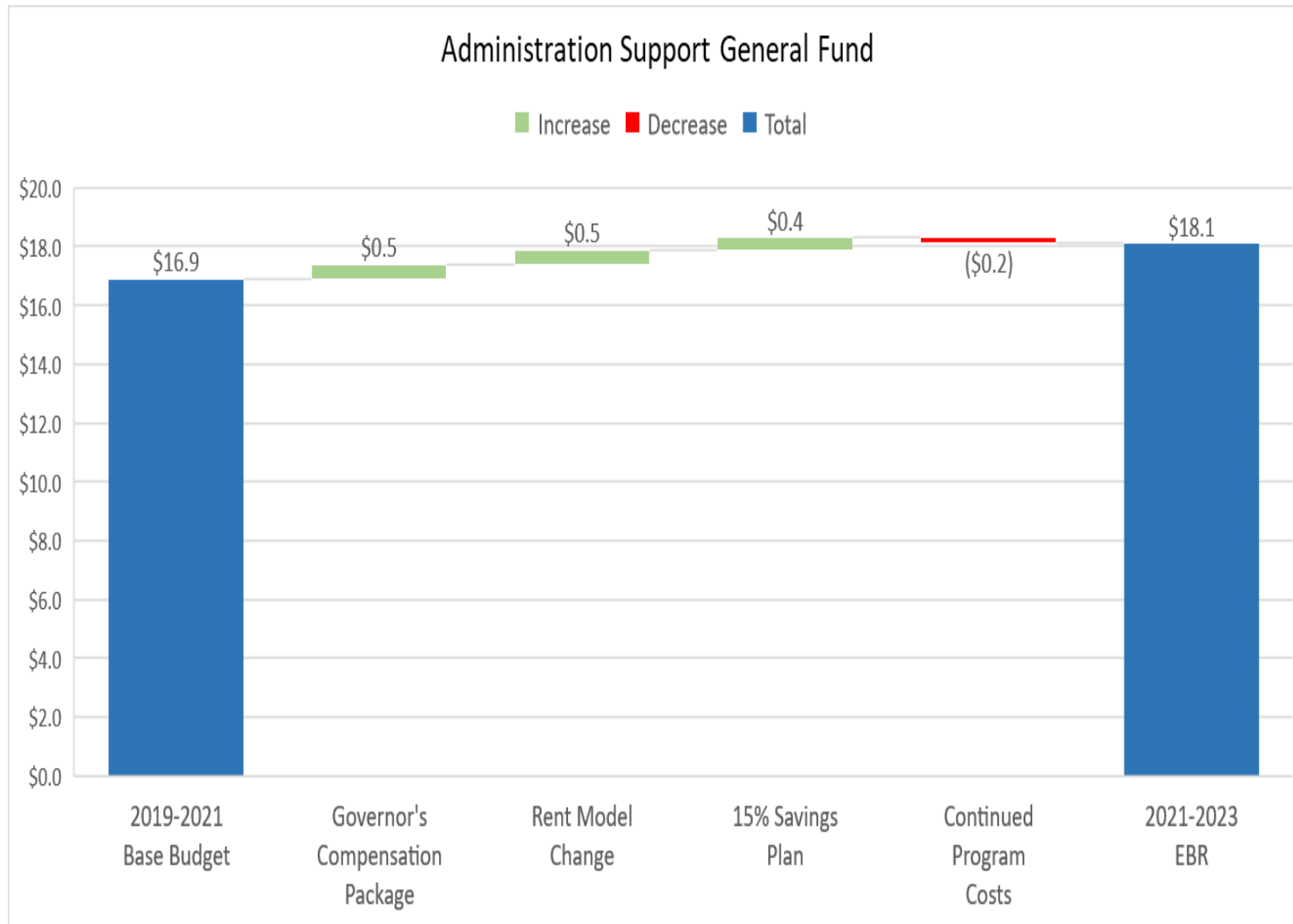
- Wage Adjustments and Lump Sum Payouts for Retirement \$1.2 Million
- Operational Changes \$.2 Million
  - Increases:
    - Kanban Subscription
    - Nexus contract
  - Decreases:
    - Removal of Provider Audit Division
    - Lower audit fees
    - Less motor pool use
    - Lower legal costs for Attorney General and Office of Admin Hearings

## 15% Savings Plan

- Increases:
  - Addition of 8 FTE \$1.6Million
- Decreases:
  - Removal of funding for Specialized Lawsuits \$628,000
  - Use of State DOT rate vs Federal Rate for Personal Vehicle Travel \$40,000



# OVERVIEW OF GENERAL FUND CHANGES



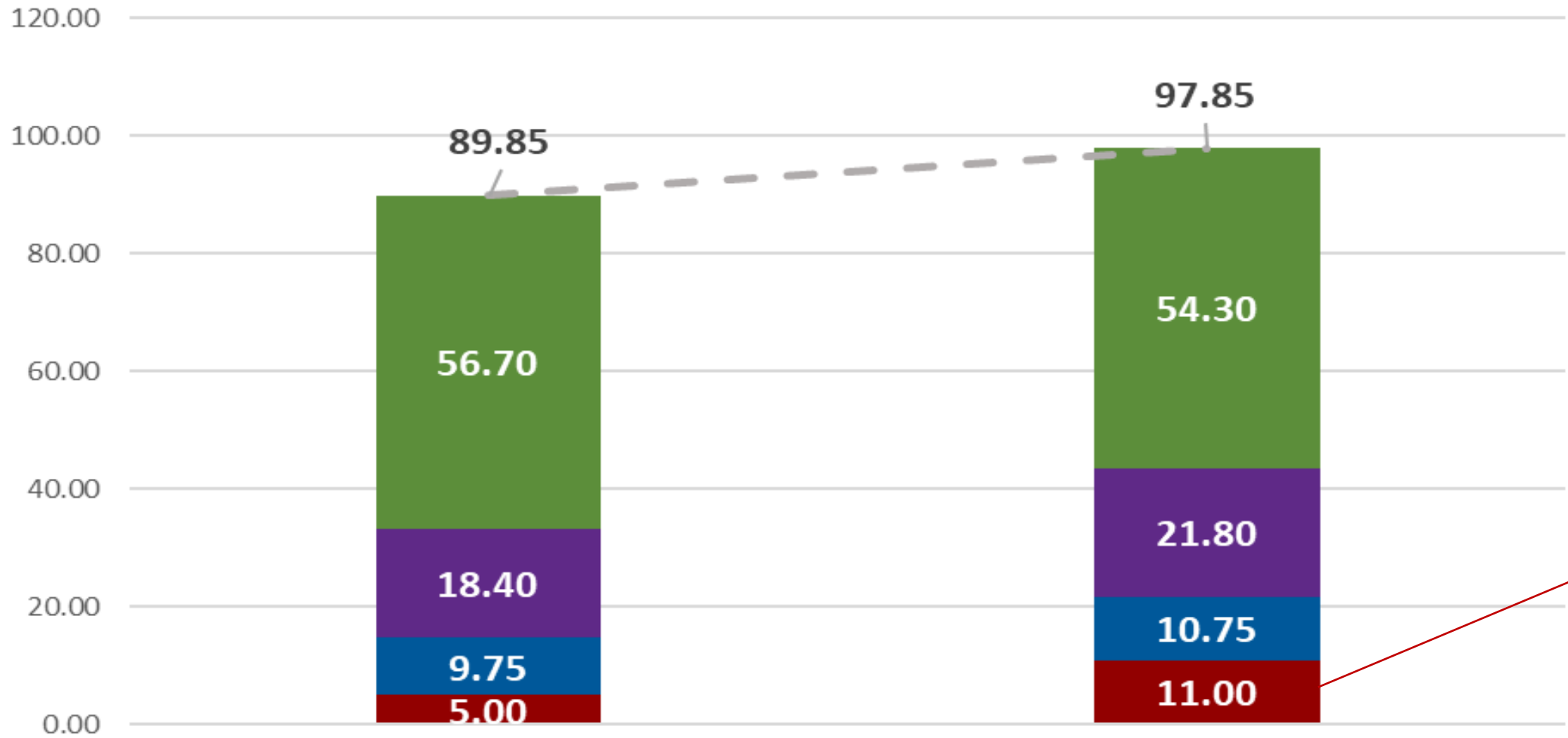
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## 15% Savings Plan

- Increases:
  - Addition of 8 FTE \$1 Million
- Decreases:
  - Removal of funding for Specialized Lawsuits \$628,000
  - Use of State DOT rate vs Federal Rate for Personal Vehicle Travel \$16,000

# Full Time Equivalent (FTE) Changes



Large increase due to Mailroom staff moving from Fiscal to Executive Office

Executive   Legal   Human Resources   Fiscal Administration   Total

# LOGISTICS – GOALS

- Manage procurement of personal protective equipment (PPE) and critical supplies
- Centralized purchasing for DHS facilities
- Develop logistics program for internal audit and analysis for spending processes
- Develop logistics capability for procurement activities
- Provide liaison with partner agency logistics POCs and programs
- Develop logistics capabilities for management of property and facilities



# STRATEGIC COMMUNICATIONS – GOALS

- Develop communication strategy in support of DHS's key priorities
- Enhance and strengthen internal communications processes and tools, with a focus on manager support
- Build awareness and capabilities related to change management
- Streamline and drive efficiencies in standard processes and measure results
- Update citizen-facing DHS website
- Improve the communication and change management acumen of the department



# IT SERVICES

# HUMAN SERVICES AND IT PARTNERSHIP

## **As a collaborative team, we work together to:**

- Improve the citizen experience
- Enable and support our team members
- Focus on continuous improvement
- Deliver return on investment
- **Our approach to the human services IT budget:**
- Improving technology is a critical action now – not in a distant future state
- IT services and projects have been under-funded in past sessions
- IT enables us to do our work
- IT is a force multiplier



# IT SERVICES PROVIDED

- **Information Technology Strategic Planning**
  - Customer Success
  - Strategic Planning, Direction
- **Business Applications**
  - Business Analysis
  - Project Management
  - Business Application Support
  - Application Development
- **Security**
  - Governance, Risk, Compliance
  - Operations



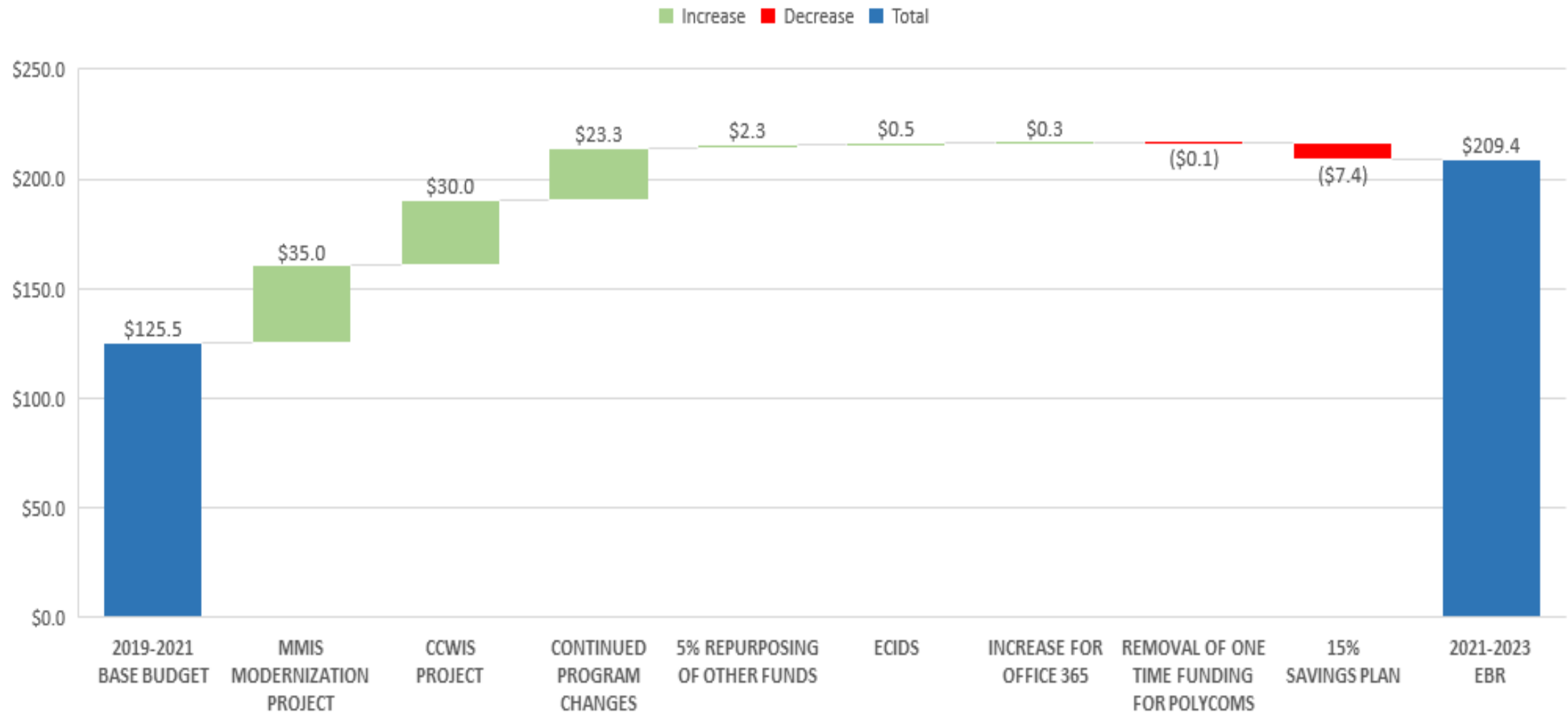
- **Information Management**
  - Business Intelligence
  - Electronic Document Management
- **Infrastructure**
  - Desktop | Hosting | Network
- **Communication**
  - Voice and video

# OVERVIEW OF BUDGET CHANGES

Description	2019-2021 Budget	Increase/ (Decrease)	2021-2023 Executive Budget
<b>Operating</b>	125,404,448	83,876,845	209,281,293
<b>Capital</b>	50,000	25,000	75,000
<b>Total</b>	125,454,448	83,901,845	209,356,293
<b>General Fund</b>	46,989,576	34,464,456	81,454,032
<b>Federal Funds</b>	74,426,552	51,056,184	125,482,736
<b>Other Funds</b>	4,038,320	(1,618,795)	2,419,525
<b>Total</b>	125,454,448	83,901,845	209,356,293
<b>Full Time Equivalent (FTE)</b>	0.00	0.00	0.00



# OVERVIEW OF BUDGET CHANGES (IN MILLIONS)



# IT DIFFERENCES (IN MILLIONS)

- **Medicare Management Information System (MMIS) Modernization Project - \$35.0**
  - Collaborated with other states that have a mature modularization model for the estimated budget.
  - Budget includes estimates for systems integrator, solution vendors, project management and CMS IV&V.



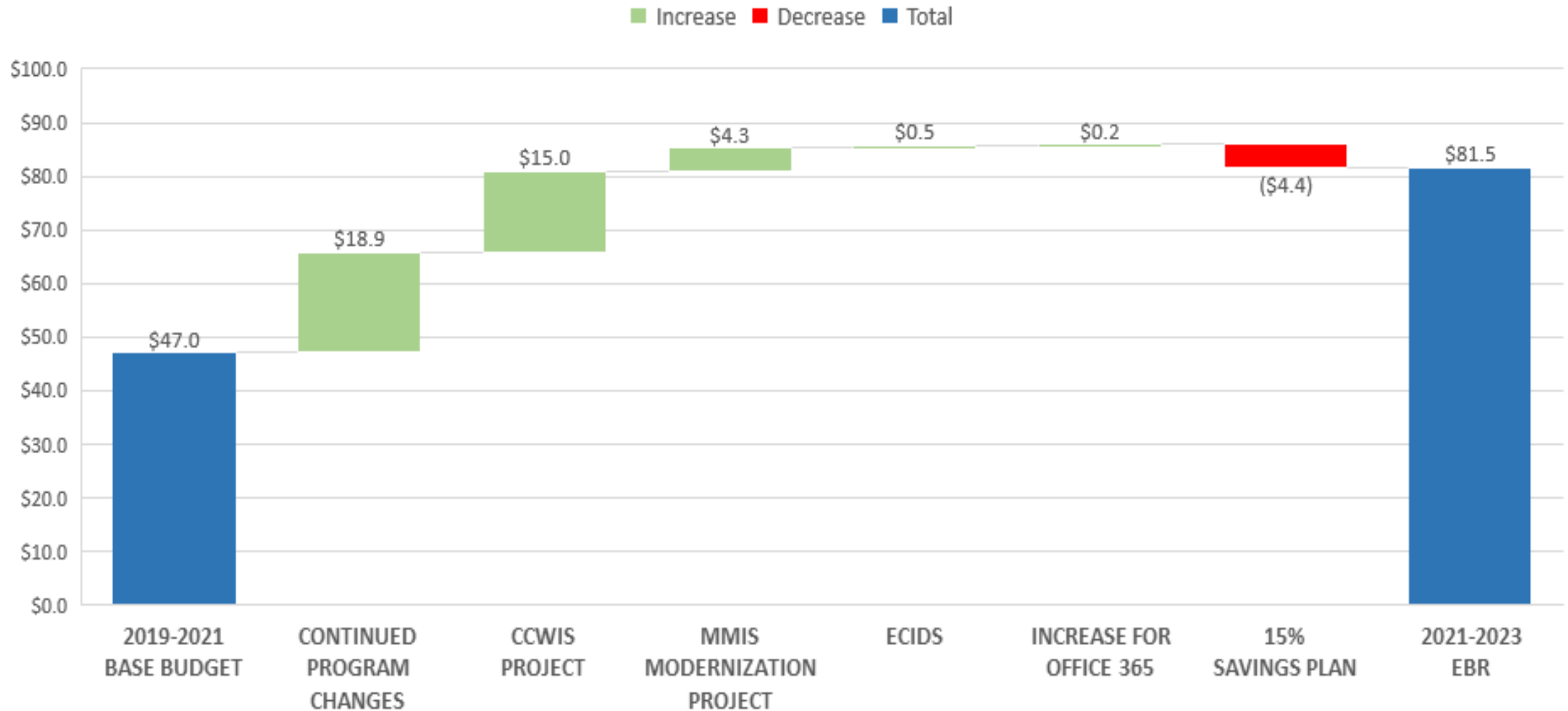
- **Comprehensive Child Welfare Information System (CCWIS) Project - \$30.0**
  - Collaborated with other states that recently implemented for the estimated budget.
  - Budget includes estimates for solution vendor and project management.
- **Continued Program Changes - \$23.3**
  - \$17.3 for SPACES M&O
  - \$3.4 for Field Services M&O
  - \$2.2 for NDHIN
  - \$1.5 for MMIS M&O
  - \$1.0 for Child Support M&O
  - \$1.0 for Aging M&O
  - (\$1.9) for CFS M&O
  - (\$1.2) for other

# IT DIFFERENCES (IN MILLIONS)

- **5% Repurposing of other funds – \$2.3**
  - Other funds were reduced from Basic Care Room and Board and were repurposed to Information Technology Services for supporting SPACES Maintenance and Operations (M&O).
- **15% Savings plan – (\$7.4)**
  - (\$4.7) related to NDIT
    - (\$3) for Application Development and Support
    - (\$1.7) for Mainframe Processing
  - (\$2.3) for SPACES G.F. due to 5% Other Funds Increase
  - (\$0.4) DHS North Rent



# GENERAL FUND CHANGES (IN MILLIONS)



# INFORMATION TECHNOLOGY CONTRACTS

Division	Project	19-21 Budget	21-23 Budget	Inc/(dec)
Medical	Advantage Suite/Datawarehouse	\$3,031,626	\$3,172,618	\$140,992
Medical	Postproduction support for MMIS (M&O)	26,824,581	30,889,658	4,065,077
EA	Deloitte- M&O	15,952,342	12,816,150	(3,136,192)
SH/HSC	Netsmart - Hosting	1,678,080	1,720,032	41,952
SH/HSC	Netsmart - Subscription	1,337,384	1,913,559	576,175
SH/HSC	Davinci - Data Warehouse	0	1,000,000	1,000,000
DD	Therap	1,652,679	2,047,316	394,637
Multiple	Other contracts less than \$1,000,000	7,085,143	5,007,854	(2,077,289)
	Total	\$57,561,835	\$58,567,186	\$1,005,351



## Contact Information

Arnie Strebe, Chief Administrative  
Officer / CFO

Department of Human Services

Phone: 701.328.3695

Email: [astrebe@nd.gov](mailto:astrebe@nd.gov)

