

Testimony
House Bill 1012 – Department of Human Services
House Appropriations – Human Resources Division
Representative Pollert, Chairman
January 22, 2009

Chairman Pollert, members of the House Appropriations Human Resources Committee, I am Candace Fuglesten, 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 centers.

Southeast Human Service Center

SEHSC provides community behavioral health and safety net services to individuals who live primarily in Steele, Traill, Cass, Ransom, Sargent and Richland counties, in Region V of our State. The region is comprised of 173,781 residents (27.2 percent of the state's population) as estimated by the 2007 US Census estimates.

Caseload / Customer Base

- SEHSC provided behavioral health services to 5,029 individuals in SFY 2008 (3,931 adults - 1,098 seventeen years of age or younger). This number increased 1.5 percent since last biennium, but this represents a slowing in the growth of clients from previous years. Fifty-five percent of these individuals qualified to receive services at 100 percent discount due to having incomes that fell 100 percent or more below the poverty index. Forty-one percent of the individuals had no third party payment or insurance coverage of any kind.

- SEHSC provided Vocational Rehabilitation (VR) services to 1,539 individuals. Within the Developmental Disability (DD) service area we served 1,185 individuals in FY 2008.
- SFY 2008 data shows that 13 percent of the behavioral health clients carry dual diagnoses of serious mental illness and chronic addiction. Due to demand issues and capacity limitations, SEHSC provides all of the established human service center core services, but prioritizes serving the most vulnerable individuals who cannot access services elsewhere in the community/region. Our Admission staff assist individuals requesting non-urgent services, who have the potential to access other community providers, by discussing alternative resources with the caller. Many of these individuals then seek those services from other local providers.
- Due to the high demand for case management services for individuals with serious mental illness and/or chronic addiction, we have identified criteria/levels of care to determine those most in need of these services; i.e. individuals at highest risk of rehospitalization or harm to self or others. Individuals who receive case management services require multiple services, and these capacity demands are reflected in our budget.
- Nineteen percent of all admissions to the North Dakota State Hospital (NDSH) in FY 2008 came from this region. This is actually a decrease of four percent from the previous biennium. Short-term inpatient hospitalization for indigent clients is provided at MeritCare Hospital through a contract with SEHSC.
- We also contract for crisis beds for children with severe emotional disorders and crisis/social detox beds for adolescents with substance abuse issues. The addiction crisis beds provide

an intensive level of substance abuse residential care in a family setting. Outcomes in this area have been very positive with increased school attendance, reduction in substance use, and successful reintegration into the parental home.

- Many of our clients are involved in the correctional system either at the local jail and court system or after release from prison and under the supervision of Probation and Parole. We receive a daily census report from the jail, so that we can monitor clients who may be incarcerated and continue to provide psychiatric and medication follow-up. Our regional intervention staff work with the jail to triage and identify new individuals that need immediate psychiatric evaluations that are completed at the jail. Cass County was awarded a Department of Justice grant to work with community partners in a pilot project of a post-booking diversion program for eligible offenders with mental health diagnoses. With this grant the jail has hired a mental health professional and SEHSC receives funds for a 0.75 percent case management FTE who will work with offenders that the court sentences to this program. Both the jail and the prison work with us to plan for aftercare as much as possible with appointments made as often as possible for the day of release.
- The demand for outreach addiction treatment services for both adults and adolescents in our region continues to grow. We have expanded hours in both Lisbon and Wahpeton to meet this demand.

Program Trends

- The impact from New American settlement continues in the Region with West Fargo Schools reporting they have gone from five English Language Learners (ELL) in 1996 to over 500 in the current school year. They represent 21 countries and about 7 percent of the total school population. Fargo school district's ELL speak 113 languages and represent 10 percent of the school's enrollment. SEHSC serves 10 percent minority consumers (not all are ELL) and provides, through contract, translation services in twelve languages.
- The Fargo area has a strong job market with a low unemployment rate. This creates challenges in terms of placing us in a very competitive market for healthcare professionals. Our staff turnover rate for CY 2007 was 14.61 percent, which is an improvement from the last biennium, but still significant. We have had licensed psychologist positions open for over a year and continue to recruit in that area. Turnover of case management staff is also very high, which impacts service delivery in one of the highest need areas.
- The estimated poverty rate in the metropolitan statistical area, which consists of Cass and Clay counties, jumped from 10.1 percent in 2006 to 13.4 percent last year, according to the U.S. Census Bureau's annual American Community Survey.
- Region V has 51 percent (91 individuals) of the long term homeless population in North Dakota according to the latest point in time study conducted in January 2008. "That definition is used to describe individuals or families with disabling conditions who have been homeless continuously for at least

one year, or more than four times in the last three years (ND Interagency Council on Homelessness)."

- As of December 1, 2008, there were 80 children from Region V in the custody of the Department of Human Services, which is an increase from last biennium. Sixty-four of the 80 children entered into custody within the last two years with 54 adoptions occurring during that same timeframe. More than 60 percent of the children are 10 years or under, which indicated a trend that children coming into custody of the State from our region are getting younger.

Accomplishments

I am pleased to report a number of significant accomplishments for SEHSC:

- We have just finished our second full year of implementing the evidence -based practice of Integrated Dual Disorder Treatment (IDDT) which has been proven to improve the quality of life for individuals with co-occurring mental and chronic substance use disorders. In February 2007, we started our second IDDT program for individuals who have a primary chronic substance use disorder. In seeking an improved way to work with our growing population of individuals with both serious mental illness and substance abuse, we noted that IDDT research indicated outcomes which 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. This model provides staff with very specific strategies for delivering service. The DHS-Mental Health and Substance Abuse Division is working

with us on the implementation of this practice and has implemented a number of research and data gathering efforts to measure outcomes. Preliminary results are positive, and there are plans to implement the program in other areas of the State.

- SEHSC has continued to increase the number of other evidence-based practices, and to date, in addition to the IDDT program, offers Dialectal Behavioral Treatment, Structured Psychotherapy for Adolescents Responding to Chronic Stress (SPARCS), Trauma Based Focused Cognitive Behavioral Therapy, Matrix, Motivational Interviewing, and Person Centered Treatment Planning.
- In conjunction with the University of North Dakota Medical School, SEHSC provides a psychiatric residency training site for a number of doctors each year. This has assisted with recruitment of psychiatrists both at our Center and within the State.
- SEHSC continues to be approved as a training site for the Association of Psychology Postdoctoral and Internship Centers (APPIC), and each year selects two students from across the country to participate in a nine-month internship program. A number of these trainees have gone on to employment with DHS or within the State. We also are currently in the process of completing an application to be an approved American Psychological Association intern site, so that we can better attract North Dakota graduates to our intern program, which we believe will assist us with recruitment of licensed psychologists.
- In July 2008 we expanded our crisis bed availability to 14 beds (15 when new licensure standards were approved in January 2009). There continues to be high utilization of these beds and a wait list and triage process is used for admission access.

Overview of Budget Changes

Description	2007 - 2009 Budget	2009 - 2011 Budget	Increase / Decrease
SEHSC	26,590,526	32,020,964	5,430,438
General	11,548,288	16,054,906	4,506,618
Federal	13,823,577	14,576,889	753,312
Other	1,218,661	1,389,169	170,508
FTEs	182.35	188.35	6.00

- The Governor’s salary package of 5/5 and the health insurance increase which adds \$2,151,073 in total funds of which \$1,632,355 is general fund.
- Additional increases in the salary area of \$557,870 are a result of the addition of six FTE’s to address capacity concerns for global behavioral health, DD case management and Partnership care coordination which have increased the general fund by \$436,961.
- This budget also includes \$338,039, of which \$239,501 is general funds, to continue the July 2008 salary increases for the entire biennium.
- Operating increases of \$65,436 are the result of increased rent of \$9,010 for the MI/CD facility; \$9,800 increase for computers, travel and supplies for the six additional staff; and an \$18,862 inflationary increase for janitorial and drug testing services. Other increases are \$9,312 for the increased cost of the accreditation survey for our sheltered workshop; \$6,276 in motor pool costs due to the increase in gasoline prices and increased outreach to vulnerable clients in rural areas of the region; \$3,058 for staff training; and \$8,989 increase in building

repair costs for needed upkeep: e.g. carpeting, painting, repairs to parking lot and building. The increases have \$59,813 of general fund.

- Capital assets decreased by \$55,897, due the bonds for the Southeast facility being fully paid off in December of 2007. This decreased the general fund by \$41,069.
- Grants increased by \$2,028,067, primarily based on the following: inflationary increases for providers of \$387,427; an increase of \$426,844 for an eight bed youth transitional housing facility; \$315,360 for a twenty-four hour program coordinator contract for the Cooper House; \$192,000 for an adult drug court budget that was moved from Corrections to DHS-SEHSC; \$50,000 for respite care expansion; \$100,000 for a supported employment project for individuals with mental illness; and \$644,135 for the increased need of hospital services for HSC clients who are indigent, along with an increased rate for those services, which is now consistent among all HSCs. These increases account for \$1,643,635 of general funds.
- Other changes in the general fund include an increase of \$91,734 due to a decrease in the FMAP percentage for Medicaid reimbursement. General fund was also increased by \$443,688 due to federal fund limitations required to maintain services in the hold-even budget.

South Central Human Service Center

SCHSC provides community services to individuals who live primarily in Foster, Wells, Griggs, Barnes, Stutsman, LaMoure, Dickey, McIntosh and Logan Counties. This region is comprised of 55,593 residents (8.7 percent of the State's population) as estimated by the 2007 US Census estimates and covers 10,441 square miles.

Caseload / Customer Base

- SCHSC continues to provide clinical services in Valley City, Oakes, Carrington, Cooperstown, LaMoure, Wishek and Fessenden. In addition, clinicians who work with individuals with serious mental illness, vocational rehabilitation needs and developmental disabilities travel to each of the nine counties in Region VI providing services.
- SCHSC provided behavioral health services to 2,958 individuals in SFY 2008 (2,220 adults and 738 children received services). This represents a three percent overall increase in numbers served from last biennium. In addition, 605 individuals received Vocational Rehabilitation Services and 166 individuals received Older Blind Services.
- SCHSC has the only full-time community psychiatrist in Region VI.
- Admissions to the North Dakota State Hospital (NDSH) remain in the 25-30 per month range. As Region VI 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 Region VI also access out-of-region private psychiatric hospitals.
- Referrals for services for individuals from the Court and Correction sectors continue to be high.

- Admissions to the Crisis Residential Unit dipped slightly in CY 2007, but increased in CY 2008 and are currently projected to be approximately 224 admissions for the year.
- Requests for emergency service interventions continued to increase over the course of the last SFY. SCHSC provided 584 emergent interventions in SFY 2008, which was the highest number in the State. In corresponding efforts to reduce potential NDSH admissions, SCHSC developed a formal Regional Intervention Unit (RIS) in an effort to have more highly skilled screeners with increased knowledge of treatment alternatives to assist in consumer treatment and reduction of admissions to the NDSH.
- 27.4 percent (122 of 444) of North Dakota's reported adult abuse and neglect incidents during FFY 2007 occurred within Region VI.
- SCHSC Family Caregiver Support Program has consistently served the largest number of caregivers in the state, with a caseload range of 65-70 at any one time. SCHSC utilizes both in-home and inpatient respite for our caregivers. As of today, 40 percent of our families are in-home care providers for someone with Alzheimer's or related dementia. The Family Caregiver Support Program allows families to delay transitioning of a loved one to a care facility. We can anticipate with a growing population of adults age 60 and over within Region VI that program needs will continue to grow and be impacted by the availability of staffing resources and programmatic funds in the future.

Program Trends

- Citizens (age 60+) comprised 27.2 percent of the total population in Region VI. The South Central region has the oldest average age in the state.
- The baby boomers, the large cohort of individuals born between 1946 and 1964, will continue to create a sizable bulge in the region's future age distribution. Projections indicate that between 2010 and 2015, 34 percent of the region's residents will be age 60 and over.
- The changing age profile of Region VI will have important implications for both the Caregiver Program and Adult Abuse and Neglect reporting and interventions. Requests for interventions can be anticipated to remain strong due to several factors. Declining health status of older adults; poverty which hits certain old age subgroups the hardest; and advanced age adds to this group's vulnerability. These factors, in conjunction with our strong desire to assist this population to remain independent as long as possible, will impact referrals and workloads of SCHSC staff.

Accomplishments

- In conjunction with the NDSH and Progress Enterprises, Inc., the 15 bed Bridgepointe transitional living facility was established. The residential program is providing community-based living and treatment for 15 long-term hospital patients with serious mental illness. This program development has resulted in more availability of bed space at the NDSH for treatment of individuals with acute and long-term mental health treatment needs.

- “Grow our own” efforts associated with training and filling addiction counselor positions have resulted in South Central’s Addiction Unit being fully staffed, thus reducing consumer wait times for evaluation and treatment services. The demand for addiction services is high in this region, and there are a large number of consumers with chronic treatment issues.
- An essential new element in the South Central region’s recovery oriented mental health system has been the introduction and development of the Peer Support Program. As a means to model recovery and resiliency in overcoming everyday obstacles common to those who live with serious mental illness (SMI), three trained peer support volunteers (individuals who have experienced SMI) coordinate a weekly peer support group for 15-20 consumers and between 70-80 consumers actively participate in recovery-based activities. The Peer Support Program is an integral and growing part of the South Central mental health system as the provision of support by persons who have experienced mental illness is the essence of empowerment and ultimately recovery.
- South Central has continued to increase the number of evidence-based practices, and to date, offers Dialectal Behavioral Treatment, Structured Psychotherapy for Adolescents Responding to Chronic Stress (SPARCS), Trauma Based Focused Cognitive Behavioral Therapy, Matrix, and Person Centered Treatment.
- In ongoing efforts to maximize staffing resources, South Central has successfully reduced consumer “no shows” for psychiatric evaluations and medication reviews through utilization of a Retired Senior Volunteer Program (RSVP) volunteer to complete follow up or “reminder calls” to consumers with scheduled medical appointments. Due to these cue reminder calls, the no show rates

have trended downward by 7.9 percent over the latter months of CY 2008 thus improving program efficiency.

- A workforce analysis of staff at SCHSC was completed which indicated a labor force of skilled experienced individuals with a great number of years of service in their current positions. A high percentage of individuals will reach the rule of 85 within next few years and will be eligible for State retirement. For succession planning purposes, we have made administrative and supervisory training available to interested staff to minimize impact of retirements and to prepare individuals to compete and perform in the near future in leadership roles.
- South Central continued to strengthen consumer care through multiple collaborative efforts with local inpatient and outpatient facilities on such issues as social detoxification, transportation, consumer medication distribution efforts, homelessness, licensed addiction counselor development and recruitment, outpatient sex offender evaluations, expansion of the Sheyenne Care geropsychiatric unit, and substance abuse prevention efforts.

Overview of Budget Changes

Description	2007 - 2009 Budget	2009 - 2011 Budget	Increase / (Decrease)
SCHSC	14,635,176	15,913,332	1,278,156
General	8,005,783	8,943,330	937,547
Federal	5,860,748	6,216,353	355,605
Other	768,645	753,649	(14,996)
FTEs	85.50	87.50	2.00

The major changes can be explained as follows:

- The Governor's salary package recommendation requires a total increase of \$1,013,085 with \$788,746 being from the general fund.
- Other increases in the salary and fringe benefits portion of the budget include the addition of two FTE's, one for Vulnerable Adult Services and one for Addiction Services (all \$152,182 from the general fund).
- The cost to continue the July 2008 salary increase for the entire biennium is \$153,858 total funds (\$117,147 general funds).
- The Operating portion of the budget increased by \$5,733, mainly due to the addition of the two new FTE's. All of the increase was from the general fund.
- The Grants portion of the budget decreased by \$160,363. This is due to a decrease in the amount needed for the operation of our contracted Transitional Living facility, which was a new facility that became operational just before the start of the current biennium. This decrease was offset by the 7 percent inflationary increases for contracted providers, which totaled \$325,991 for the biennium. All of the decrease is from the general fund.

This concludes my testimony on the 2009–2011 budget request for the SEHSC and SCHSC portions of the DHS budgets. I would be happy to answer any questions.