

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 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 the budget for both of these centers.

Lake Region Human Service Center

The LRHSC provides services to the six counties of Ramsey, Cavalier, Rolette, Towner, Benson, and Eddy, including the Spirit Lake and Turtle Mountain tribal nations. Services are provided throughout the region with one office in Devils Lake and a full-time outreach office in Rolla. Case managers, clinicians, and program staff travel to deliver outreach services to all of the counties in the region.

Caseload/Customer Base

- 2,373 clients (1,856 adults and 517 children) were served, excluding Vocational Rehabilitation Services (VR), at the LRHSC in State Fiscal Year (SFY) 2012.

- 327 clients received VR services.

- In 2011, the population estimate in the region was 40,964, or 6 percent of the total state population. 14.1 percent of the state's children, nearly 21,388, reside in the region.
- During SFY 2012, LRHSC saw 991 Native American consumers which are 42 percent of all LRHSC consumers served. This number represents 36 percent of the total 2,759 Native American consumers seen statewide by the human service centers.
- During SFY 2012, LRHSC provided services to 84 consumers, age 80 and older.

Program Trends/Major Program Changes

- The poverty rate and unemployment rate in the region remains at essentially twice the state average, and two of the region's counties are identified among the three North Dakota counties deemed "persistent poverty" counties, meaning that poverty rates have remained stable during the time span encompassing the 1990, 2000, and 2010 census years. Based on 2011 data, 38 percent of the region residents relied on one or more DHS economic assistance program, again substantively higher than any other region.
- The water issues in the region continue to offer ongoing challenges to human service, faith based, and volunteer organizations active in this disaster. People are experiencing loss and grief as well as financial losses in many cases. On a positive note, local highway construction is nearing completion, and the lake level has dropped this past year.

- The region remains a designated Mental Health Professional Shortage area by the National Health Service Corp. All six counties had a recent shortage score increase from 18 to 19 which is the highest score in North Dakota. This score recognizes the region's recruitment challenges related to advanced licensed mental health professionals, and allows priority access to loan repayment opportunities for eligible hires, a recruitment resource that has had positive outcomes.
- High demand for substance abuse services continues, and finding addiction counselors remains the region's largest recruitment challenge.
- The region's consumers report that transportation is a continuing barrier to accessing services. Outreach is important as part of the solution and the Devils Lake office maintains office hours four evenings per week to accommodate consumer access. The LRHSC also operates a walk-in clinic two days per week for those in need of addiction treatment who can arrive for evaluation without needing an appointment time. The LRHSC has seen its no-show rates drop significantly because of this effort. The 10-bed crisis residential unit in Rolla and the 15-bed unit in Devils Lake also help reduce travel barriers, particularly for those consumers who are in need of intensive outpatient services.
- The region does not have an inpatient mental health or substance abuse program available, so the region utilizes the North Dakota State Hospital (State Hospital) and private facilities. Admissions to the State Hospital are down, suggesting that the region is managing more of their vulnerable clients locally.

- Rolette County continues to grow and remains the region's most populous county. LRHSC administration has been transferring positions to the Lake Region Outreach Office, and we now have nine staff in Rolla: three masters level mental health staff, three licensed addiction counselors, two developmental disabilities case managers, and one support staff. We additionally have a licensed psychologist traveling to Rolla once per week and offer psychiatric medication management via telemedicine.
- A number of agencies across the Lake Region are noticing an increase in pregnant women who are identified as continuing to abuse substances during pregnancy, and in a number of instances the problem has not been identified until after delivery, thus babies are being born who are in withdrawal.
- Last biennium, two new 8-bed apartments were opened, one in Rolla and one in Belcourt, primarily to address living needs of individuals with developmental disabilities. A sheltered workshop was also opened in each of these communities. The facilities have both remained full or near full, and in particular have provided a resource to Native American consumers.
- The number of children deemed eligible for Infant Development Services have also continued to grow. This program has added a second full-time infant development staff member to the Rolla and Belcourt area, and LRHSC has added a second Developmental Disabilities case manager position to the LRHSC outreach office in Rolla.

- LRHSC is implementing the Integrated Dual Disorder Treatment Program (IDDT), which is an evidence-based practice designed to promote the recovery of adults who have serious co-occurring mental health and substance abuse challenges.
- The Transition to Independence Program (TIP) is now operational in the Lake Region, and is a program designed to assist those young people who struggle along the pathway into adulthood who otherwise do not qualify for transition assistance. TIP provides case management, coordination, referral, and resources that can help to achieve successful transition.
- A transitional living (TL) facility has been a missing component of care for individuals with serious mental illness in the region. A TL facility has been included in the Governor's Executive Budget request and would serve up to eight seriously mentally ill individuals who need an intensive level of care, 24/7, for a period of 12-18 months for the development of skills that allows clients to transition to a less restrictive level of care. This facility could also serve potential State Hospital referrals and reduce hospital stays for the region.

Overview of Budget Changes – Lake Region Human Service Center

Description	2011 - 2013 Budget	Increase/ Decrease	2013 - 2015 Executive Budget	House Changes	To Senate
HSCs/Institutions	11,244,306	1,491,827	12,736,133	(40,000)	12,696,133
General Fund	6,760,312	813,474	7,573,786	(40,000)	7,533,786
Federal Funds	4,011,552	570,140	4,581,692	-	4,581,692
Other Funds	472,442	108,213	580,655	-	580,655
Total	11,244,306	1,491,827	12,736,133	(40,000)	12,696,133
FTE	61.00	-	61.00	-	61.00

Budget Changes from Current Budget to the Executive Budget:

The salary and fringe benefits portion of the budget increased by \$530,615 and the majority of the changes can be attributed to the following:

- \$198,643 in total funds, of which \$146,302 is general fund needed to fund the Governor’s Benefit package for health insurance and retirement for state employees.
- \$222,901 in total funds, of which \$158,078 is general fund needed to fund the employee increases approved by the last Legislative Assembly.
- \$19,267 in temporary salary increases due mainly to a contracted psychiatrist becoming a temporary employee due to IRS regulations.
- An increase of \$116,176 to cover an underfunding of salaries from the 2011-2013 budget, all general fund.

- A decrease of \$134,837 to underfund the 2013-2015 pay plan, all general fund.
- The remaining \$108,465 increase is a combination of increases and decreases needed to sustain the salaries of the LRHSC's 61 FTEs.

The operating portion of the budget increased by \$110,786 and is a combination of the increases and decreases expected next biennium with a majority of the changes in the following areas:

- An increase of \$67,165 in travel costs of which \$48,737 is due to increased anticipated state fleet costs and higher per diem costs allowed in the 2011-2013 biennium without additional funding. The remaining increase of \$20,828 is due to increased travel largely for outreach in the areas of Developmental Disabilities case management, Serious Mentally Ill case management, and other client-related needs areas.
- An increase of \$29,395 in Operating Fees and Services of which there is a \$40,000 increase for the TIP program, a \$5,000 increase for funds to assist clients in the IDDT program, and a decrease of \$15,848 due to the Options Counseling being administered out of the DHS Aging Services Central Office.

The grants portion of the budget increased by \$850,426. This increase is the result of the following items:

- A decrease of \$24,495 in grants as the result of a contracted psychiatrist being properly classified as a temporary employee as mentioned above.
- An increase of \$26,665 to continue the second year of the provider increases given in the current biennium for the entire 2013-2015 biennium.
- An increase of \$118,516 for a 4 percent and 4 percent increase to contracted providers as requested by the Governor.
- An increase of \$729,740 of which \$401,414 is general fund to add an 8-bed Transitional Living Program in the region.

General fund increases total \$813,474.

- An increase of \$304,380 for the Governor's benefit package and the employee increases approved by the last Legislative Assembly.
- An increase of \$519,930 for the contracted TL residential facility and provider increases.
- The remaining decrease is related to the reduction in the federal medical assistance percentage (FMAP) and the ongoing costs to continue operations.

Other funds increased by approximately \$108,000 due to projected increases in client and third party collections.

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 LRHSC.

Northeast Human Service Center

The NEHSC serves Grand Forks, Nelson, Walsh, and Pembina counties. The NEHSC is located in Grand Forks with a satellite office in Grafton and an outreach site in Cavalier.

Caseload/Customer Base

- 3,356 clients were served, excluding Vocational Rehabilitation Services (VR), at the NEHSC in State Fiscal Year (SFY) 2012, 2,602 adults and 754 children.
- 725 clients received VR Services.
- The population of the region is approximately 88,029. This represents 13.2 percent of the state's population. 12.5 percent of the state's children, nearly 17,561, reside in this region.
- NEHSC is experiencing an increase in admissions and services to individuals age 60 and older, 18 percent increase since 2010.

- From October 2011 through September 2012 the region received 1,554 reports of Suspected Child Abuse and Neglect as compared to 1,353 reports in the prior federal fiscal year, a 15 percent increase.

Program Trends/Major Program Changes

- The NEHSC has three fully licensed psychologists despite a history of difficulty recruiting and retaining psychologists. We have also filled all positions for community home counselors, and mental health clinicians.
- In addiction services, NEHSC continues to see an increased abuse of prescription medication, methamphetamine and heroin, more IV users including pregnant women, 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. We are seeing more transient and homeless clients, often with dual diagnosis issues.
- NEHSC addiction services noticed a significant increase 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.
- We are seeing an increase in clients accessing our services through our Grafton satellite clinic.

- Referrals for early intervention services, children 0-3 years of age continue to increase. Referrals are coming from hospitals, clinics, Early Head Start, and parental referrals.
- In adult Developmental Disabilities services, the NEHSC is seeing a trend of many clients aging in their own homes. These clients are living into their 70s and 80s. As they grow older, their need for assistance and supervision increases.
- The NEHSC continues to work with many families whose children or young adults have been diagnosed with Autism and have been working with families to access the autism waiver in North Dakota.
- NEHSC is currently working with 12 different licensed developmental disabilities provider agencies to meet the needs of developmentally disabled individuals in the region.
- Ruth Meiers Adolescent Psychiatric Residential Treatment Facility continues to serve adolescents from across North Dakota that are experiencing serious mental health issues. Trends impacting the delivery of services include a steady increase in the number of referrals where the adolescents are more aggressive and assaultive and those that have significant cognitive impairments.
- Children and Family Services have noted a decrease of child care providers. Some of this decrease is because the school system operates their own after-school program which does not require licensing. In the past, the YMCA provided this service and they were licensed. The NEHSC, however, has noted a trend of longer term

providers retiring, and there are fewer coming into the field of child care.

- NEHSC has also noted a decrease in the number of foster care homes. This is despite a very active recruitment effort.
- The NEHSC has been working with Network for the Improvement of Addiction Treatment (NIATx) to improve services to clients. This process looks at evaluating services and using a rapid change cycle in the delivery of services. We have focused on reducing wait time, increased customer satisfaction, and efficiency. We also have been working on a risk of suicide protocol to more effectively react to those situations.

Overview of Budget Changes – Northeast Human Service Center

Description	2011 - 2013 Budget	Increase / Decrease	2013 - 2015 Executive Budget	House Changes	To Senate
HSCs / Institutions	26,677,328	1,205,447	27,882,775	(40,000)	27,842,775
General	12,366,839	1,377,594	13,744,433	(40,000)	13,704,433
Federal	12,540,280	(356,495)	12,183,785	-	12,183,785
Other	1,770,209	184,348	1,954,557	-	1,954,557
Total	26,677,328	1,205,447	27,882,775	(40,000)	27,842,775
FTEs	138.50	-	138.50	-	138.50

Budget Changes from Current Budget to the Executive Budget:

Salary and benefits increased by \$996,374 and can be attributed to the following:

- \$452,942 in total funds, of which \$301,215 is general fund needed to fund the Governor's benefit package for health insurance and retirement for state employees.
- \$500,741 in total funds, of which \$298,771 is general fund needed to fund the employee increases approved by the last Legislative Assembly.
- An increase of \$151,897 to cover an underfunding of salaries from the 2011-2013 budget, all general fund.
- A decrease of \$266,495 to underfund the 2013–2015 pay plan, all general fund.
- Temporary salaries are increased by \$43,359 to meet staffing needs in the Ruth Meiers Psychiatric Residential Treatment Facility and a part-time temporary case aide for adults with serious mental illness.
- The remaining increase of \$113,930 is a combination of increases and decreases needed to sustain the salary and benefits of the 138.5 FTEs in this area of the budget.

The Operating budget decreased by \$782 and is a combination of the increases and decreases expected next biennium with a majority of the changes in the following areas:

- An increase of \$32,194 in NEHSC's travel budget. DOT Motor Pool rates for 2013-2015 biennium increased by 27 percent for state cars and 22 percent for mini-vans.
- A decrease of \$31,512 in Fees – Professional Services, primarily due to a reduction in the number of foster grandparents in the Foster Grandparent Program.
- A small increase, \$2,462, in the budget for office rental, less than one percent. There are no changes in any of Northeast's office lease rates or space leased for the 2013-2015 biennium.
- IT Communications decrease of \$6,789, approximately a 3 percent reduction.

The Grants portion of the budget includes a net increase of \$209,855. This includes an increase of \$303,275 of which \$214,156 is general fund to cover inflationary increases of 4 percent each year for the contracted providers. An increase of \$73,796 for the cost to continue the second year of the provider increases that were given in the current biennium. These increases were offset by decreases in detoxification services and nurturing parent services.

The general fund request increased by \$1,377,594.

- An increase of \$599,986 for the Governor's benefit package and the employee increases approved by the last Legislative Assembly.

- An increase of \$214,156 for the contracted provider increases.
- The remaining increase is related to the reduction in the federal medical assistance percentage (FMAP) and the ongoing costs to continue operations.

NEHSC is projecting an \$184,348 increase in other funding, primarily from client and third party collections.

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 NEHSC.