



Minnesota Department of Human Services
Elmer L. Andersen Building
Commissioner Tony Lourey
Post Office Box 64998
St. Paul, Minnesota 55164-0998

April 8, 2019

Representative Lyndon Carlson, Chair
Ways and Means
479 State Office Building
St. Paul, Minnesota 55155

Re: H.F. 2414 1st Engrossment: 2019 Health and Human Services Omnibus Budget Bill

Dear Chair Carlson:

As you hear the 2019 Omnibus Health and Human Services (HHS) budget bill this week, I want to take the opportunity to highlight many parts of Chair Liebbling's bill that align with the Governor's budget and also point out a few places where we hope it can improve.

We are very grateful that this omnibus budget package includes many of the Governor's priorities for Minnesota Department of Human Services (DHS) programs and services. These investments will strengthen access to services for the over 1 million Minnesotans served by DHS, and will move us closer to addressing the deep and alarming disparities faced by many communities in Minnesota.

Notably, this bill includes a health care package that aligns with the Governor's recommendation to repeal the provider tax sunset and invest in the ONECare coverage package for Minnesotans. These efforts are critical to stabilizing coverage and the marketplace and to providing more comprehensive and affordable coverage options for thousands of Minnesotans.

We also support the bill's inclusion of the Governor's package of proposals to help protect and improve the quality of care for seniors and other vulnerable adults living in our assisted living and nursing home facilities, including increased staffing for the Ombudsman for Long-Term Care, investments in the Minnesota Adult Abuse Reporting Center (MAARC) system and adjustments to value-based reimbursement to incentivize higher quality care in nursing homes.

Like the Governor's recommended budget, this bill makes significant and needed investments in Minnesota families. These investments will improve the state's Child Care Assistance Program (CCAP), update the rates to child care providers, and eliminate the waiting list for 1,000 families who are eligible for the basic sliding fee program for child care in Minnesota. It also includes a long overdue increase in cash assistance available to lower income children and families through the Minnesota Family Investment Program (MFIP) — the first increase since 1986. This bill prioritizes the welfare and safety of

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children in Minnesota with the establishment of a child welfare training academy, implementation of the federal Family First Preservation Act, expansion of tribal child welfare initiatives to reduce out-of-home placements for American Indian children, and ensuring children in foster care are automatically eligible for Medicaid.

As we commit to greater state investments in human services for families, strengthening program integrity remains a high priority for the Governor and our agency. Proposals are included that will help improve the agency's capability for preventing and detecting fraud, waste and abuse. This includes proposals for the CCAP program, which are needed to help DHS improve its work with providers and families to better detect and eliminate fraud in the system. These additional integrity efforts are needed to prevent and reduce provider and recipient fraud in other programs, such as the state's non-emergency medical transportation program for Medicaid.

Other key investments in this bill will improve the state's system for disability services and behavioral health care. This includes the Governor's recommendations for improving disability service programs with the waiver reimagine proposal, the Disability Waiver Rate System (DWRS) competitive workforce factor, and other workforce-related changes and investments that help address the workforce crisis in this area. This bill includes funding for school-linked mental health programs, children's residential mental health services and the expansion of Certified Community Behavioral Health Clinics in Minnesota, which provides coordinated care for substance use disorder and mental illness. Additionally, it supports critical investments and changes needed to address the opioid epidemic in Minnesota. We look forward to working with the House and Senate on these important issues over the next few weeks

We also support the necessary investments in the state's Direct Care and Treatment program, which serves over 12,000 people annually. We are also glad to see that needed federal compliance proposals are included, like the changes required to comply with the federal outpatient pharmacy drug rule that is critical to ensure Minnesota is not at risk of losing \$190 million in federal funds for our pharmacy program.

Overall, this bill and its significant investments represent a strong commitment to the important benefits and services DHS provides to the people of Minnesota. I hope over the next few weeks we can continue our partnership with you, Chair Liebling and other legislators to move this crucial bill forward. This includes working together to include traditional healing grants for tribes in the final proposal, which are needed to increase the capacity of culturally specific providers in the behavioral health workforce in Minnesota. We also hope the full investment recommended by the Governor of \$20 million for the upcoming biennium to modernize our technology systems at DHS is reconsidered. This is critical to transforming the human services delivery system to one that is more integrated and person centered and this funding will allow us to lay the groundwork for the business planning needed to ensure successful technology systems that support our programs.

Again, thank you for considering our comments and we look forward to continuing our work on this bill as it moves through the process and into conference committee. As always, please do not hesitate to contact me or my staff for additional information or assistance.

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Sincerely,

A handwritten signature in black ink, appearing to read "Tony Lourey". The signature is fluid and cursive, with a large initial "T" and "L".

Tony Lourey
Commissioner

cc: Governor Tim Walz
Representative Pat Garofalo, Minority Lead, Ways and Means Committee
Cassandra Moore, Senior Policy Advisor, Office of the Governor