



2021 Update
Commissioner Jodi Harpstead
House Human Services Policy and Finance Committee

90-Day Plan – September 4, 2019

One year and a quarter ago, I came to the Department of Human Services and went straight into a hearing with this Committee to present a 90-Day Plan:

“There is nothing more important for the MN Department of Human Services than to be Trustworthy for the people of Minnesota. Trustworthy to the people who depend on our services to live full lives in community. And Trustworthy to the taxpayers of MN whose resources we are entrusted with to use them properly, wisely, and effectively.”

DHS Commissioner's Advisory Panel

- Co-Chairs – Dr. Penny Wheeler and Bill George
- Members - 4 HHS Legislative Chairs
 - Julie Ring, Association of MN Counties
 - Louise Matson, Division of Indian Work
 - Bishop Richard Howell, Pentecostal Assemblies of the World
 - Andrea Falk, current DHS MAPE Employee
 - Tom Moss, former DHS Assistant Commissioner
- Charge – Continue to monitor progress on DHS 90-Day Plan and Report and advise Commissioner

2019 Overpayments

- We have since cleaned all the claims and re-paid CMS for Tribal MAT and County IMD overpayments.
- In lieu of 2020 legislative action to repay these items, we are pursuing our administrative options to recover overpayments.

Process Controls

- My December 2019 90-Day Report added up every error we could find in 2019 and pointed out that they added up to .1% of our payments over 6 years and that the Department was not in “total chaos.”
- AND in order to go after that .1%, we initiated Operations Stop Gap and Swiss Watch, brought in an outside national consultant to review our process control steps, and appointed “Process Control Champions.”
- We also further centralized financial and compliance functions across DHS.

Does the federal govt ever pay us back?

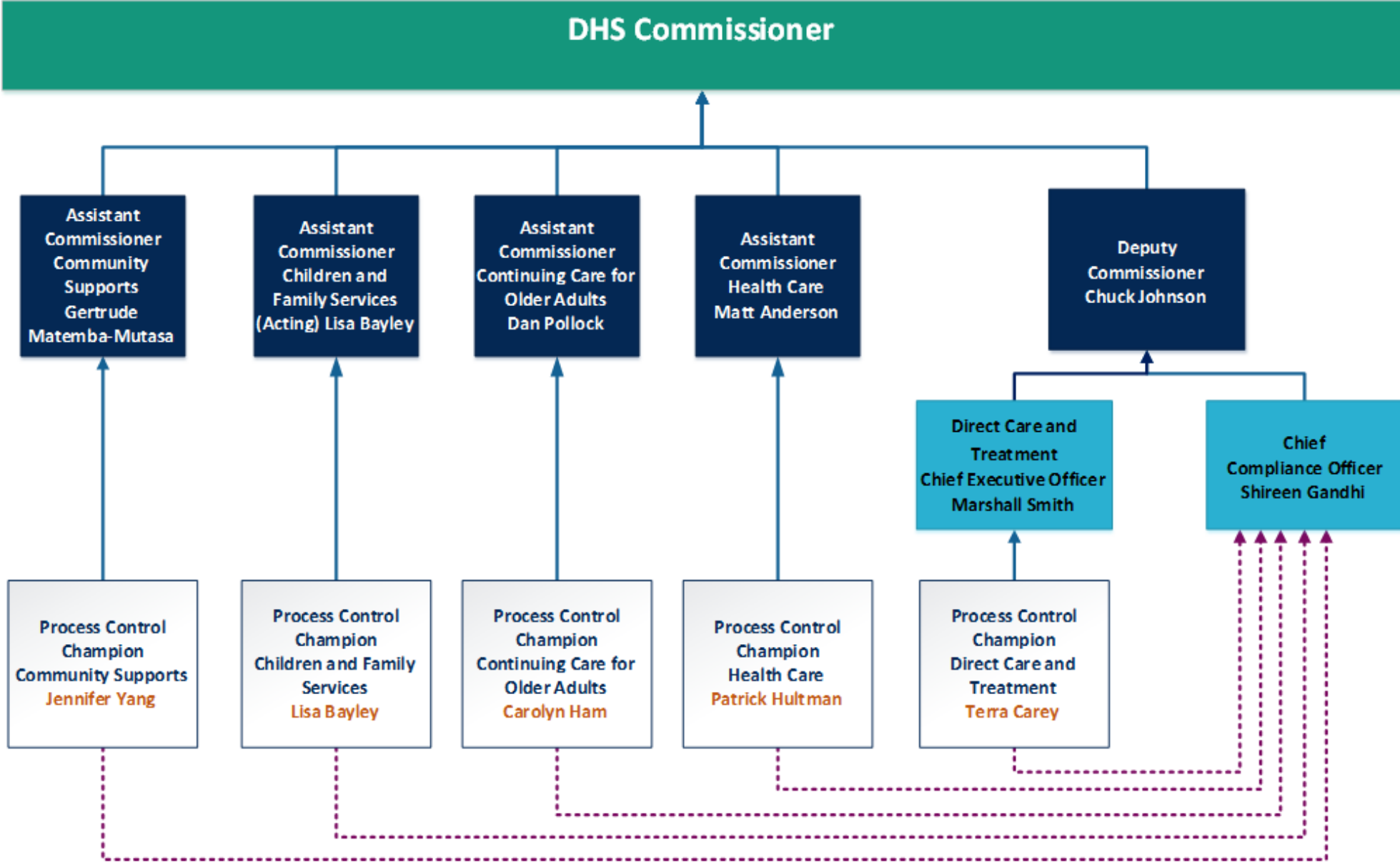
Recent errors for which DHS has to re-pay the federal government **\$ 103.3 Million**

Recent items for which the federal government has had to re-pay DHS **\$ 94 Million**

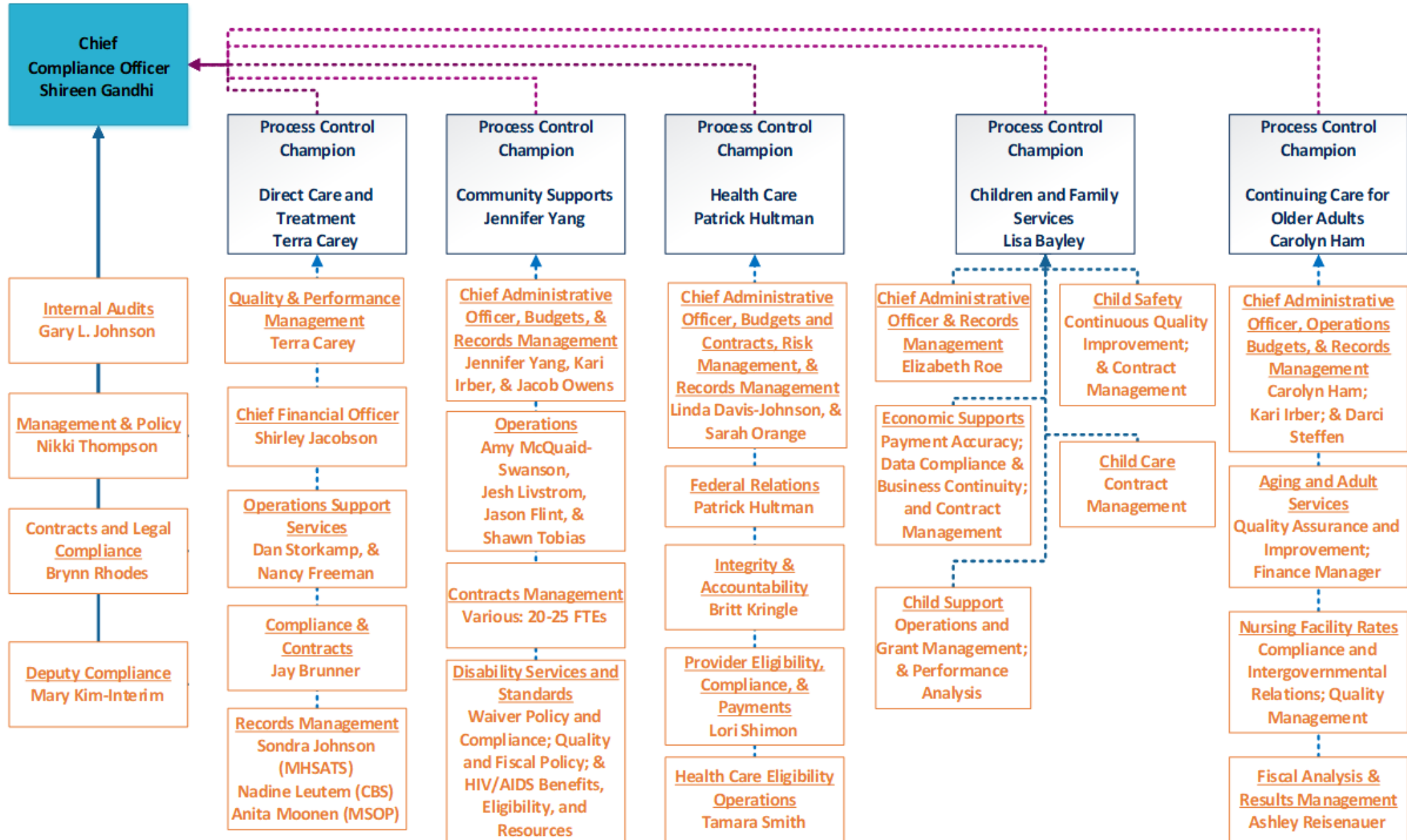
2020 - Working with CMS, drug rebates that DHS recovered from pharma for State Gen. Fund **\$ 74 Million**

2020 errors for which DHS has to re-pay the federal government **\$ 0**

Compliance Oversight and Reporting Structure



Process Champions: Work Alignment



Operation Stop Gap Contract Reviews: Informed Process Control Project

| Grant Contracts | Status |
|--------------------------------------|-------------------------|
| 1. Community Supports | <u>Completed</u> |
| 2. Community Supports | <u>Completed</u> |
| 3. Community Supports | <u>Completed</u> |
| 4. Community Supports | <u>Completed</u> |
| 5. Children and Family Services | <u>Completed</u> |
| 6. Children and Family Services | <u>Completed</u> |
| 7. Children and Family Services | <u>Completed</u> |
| 8. Children and Family Services | <u>Completed</u> |
| 9. Continuing Care for Older Adults | <u>Completed</u> |
| 10. Continuing Care for Older Adults | <u>Completed</u> |

| Professional/Technical Contracts | Status |
|--------------------------------------|-------------------------|
| 1. Health Care | <u>Completed</u> |
| 2. Health Care | <u>Completed</u> |
| 3. Health Care | <u>Completed</u> |
| 4. Health Care | <u>Completed</u> |
| 5. Health Care | <u>Completed</u> |
| 6. Health Care | <u>Completed</u> |
| 7. Children and Family Services | <u>Completed</u> |
| 8. Children and Family Services | <u>Completed</u> |
| 9. Children and Family Services | <u>Completed</u> |
| 10. Continuing Care for Older Adults | <u>Completed</u> |



Recommendations:

1. Coordination and communication
2. Standard processes and forms
3. Central Function
4. Centralized system

Behavioral Health Division Turnaround

- Gertrude Matemba Mutasa, Assistant Commissioner for Community Supports, came to us after a successful turnaround of the Phyllis Wheatley Center.
- Paul Fleissner has come to lead the Behavioral Health Division via an Intergovernmental Agreement with Olmsted County where he was well-respected as Deputy County Administrator.
- Jennifer Yang joined the Community Supports Administration from her role as one of the strongest leaders in our Compliance Department.
- They are implementing a solid plan to fix the Division's approach to Grants and Contracts.

Operation Stop Gap – Contract Reviews: CSA Process Control Project Actions & Accomplishments

Enhanced coordination and communication

- Establish a multi-disciplinary team across several departments: Contracts, Finance, Program/Policy, and Information Technology.
- Develop standard workflows to ensure effective coordination across Finance, Contracts, and Program Areas.

A collaborative safety environment and a culture of accountability

- Examine systemic issues with staff using the collaborative safety approach.
- Collect and analyze pertinent data and make improvements on a continuous basis.

Strengthen financial management, oversight and internal controls

- Reduce 16A/C violations by integrating the encumbrance process into the central system.
- Have a single location for documents and information, increasing capacity for oversight and improving internal controls.
- Conduct trainings.

Hardwire improvements; standardize processes

- Automate and create hard stops for required data fields.
- Set up reminders in the system to help staff with the process.

Integrated approach and streamlined process

- Develop forms and data fields that standardize the overall process to help eliminate variation where possible.
- The entire life cycle of a contract will be reflected in a single, central system.

CSA Contracts System Integration Project 2020-2021

1 - CONTRACT PROCESS

- a. **By Dec. 31, 2020:** complete current state process map.
- b. **By Jan. 31, 2021:** assess the distribution of grant portfolios and overall team structure; develop future state process map.
- c. **By Feb. 28, 2021:** develop a plan to implement the improved process/resources/structure.
- d. **March 1, 2021:** pilot test starts.
- e. **By April 1, 2021:** new process starts for BHD, using a staggered approach.
- f. **By Oct. 31, 2021:** internal controls will be developed and rolled up into one control plan across CSA.

2 - CONTRACT SYSTEM

- a. **By February 1, 2021:** first preliminary draft of Agile Apps application.
- b. **By March 1, 2021:** final draft of Agile Apps application.
- c. **By April 1, 2021:** BHD pilot test starts with 25 contracts.
- d. **By May 31, 2021:** BHD pilot test concludes; improvements are made.
- e. **By June 15, 2021:** Across CSA new system is rolled out using a staggered approach.
- f. **By Oct. 31, 2021:** internal controls will be developed and rolled up into one control plan across CSA.

3 - CONTRACT POLICY & TRAINING

- a. **By January 1, 2021:** Preliminary assessment is completed and inventory is developed.
- b. **By March 31, 2021:** all policies and trainings are sorted and refined; organized in an intuitive manner; and centralized in one location with owners identified.
- c. **Starting April 1, 2021:** the new policies/trainings location, schedule, and maintenance plan are implemented in BHD.
- d. **By Oct. 31, 2021:** internal controls will be developed and rolled up into one control plan across CSA.

Our Other Audit Findings 2020

- **Federal Medicaid Payments to MCOs:** No significant findings
- **Federal Pharmacy Rebates:** Going on since early 2010s, helping us find drug rebates we should be getting, adding \$ 74 million to State General Fund this fall.
- **IT System Penetration Test:** NO DHS employee “clicked the link!”
- **Federal Dual Eligibility:** Determined we could more accurately identify beneficiaries concurrently enrolled in two states if we only used a database to which we do not have legal access.
- **MN OLA MCO Dental and Mental Health Encounters:** Minor issues found and corrected.

Operation Swiss Watch: Objectives and Goals

- Identify root causes for 2019 billing/payment issues.
- Implement business process improvements and controls to increase and maintain the accuracy of eligibility determinations.
- Develop an ongoing agency-wide monitoring plan to effectively mitigate risks and address issues.

Operation Swiss Watch Discovery Activities: Work Completed

Health Care Discovery

- Completed: PSC initial interview with Health Care Policy subject matter experts (SMEs) and Health Care and Behavioral Health Communications SMEs
- Completed: DHS OCI led and completed a total of 18 interviews with SMEs throughout Health Care , including interviews with DSD communications and Health Care rate setting SMEs
- Completed: Analyzed data from internal interviews to identify discoveries and potential portfolio projects for the next phase of Operation Swiss Watch and exploration
- Completed: 5 leaders have completed CI Yellow Belt for Leaders training
- Completed: MA-EPD process-mapping session with DHS OCI and SMEs in Health Care, Community Supports, and Financial Operations

PSC Interviews | OCI Interviews | Validation | Prioritization | Discoveries

Operations (OPS) and Oversight Functions Discovery

- Completed: PSC interviews with OIP, County Relations, MNIT, DHS technology leaders, and compliance leaders are complete; PSC did not conduct interviews with OIG due to scope of external contractor
- Completed: DHS OCI has completed a total of 28 Discovery interviews with leaders in Compliance, FOD, Chief of Staff, County Relations, OIG and the OIP
- Completed: Analyzed data from internal interviews to identify discoveries and potential portfolio projects for the next phase of Operation Swiss Watch and exploration
- Completed: 16 leaders have completed CI Yellow Belt for Leaders training

PSC Interviews | OCI Interviews | Validation | Prioritization | Discoveries

Community Supports (CSA) and Continuing Care for Older Adults (CCOA) Discovery

- Completed: PSC interviews completed with SMEs in BHD and Aging and Adult Services
- Completed: DHS OCI led and completed a total of 29 interviews with SMEs throughout CSA and 5 interviews were completed with CCOA SMEs
- Completed: Analyzed data from internal interviews to identify discoveries and potential portfolio projects for the next phase of Operation Swiss Watch and exploration
- Completed: 8 leaders have completed CI Yellow Belt for Leaders training

PSC Interviews | OCI Interviews | Validation | Prioritization | Discoveries

Children and Family Services (CFS) Discovery

- Completed: PSC did not conduct any initial interviews in this administration due to scope of the external contractor
- Completed: DHS OCI led and completed a total of 12 interviews with SMEs throughout CFS and HCA subject matter experts in the areas of Medicaid, grants/contracts work in CFS, and contract legal review
- Completed: Analyzed data from internal interviews to identify discoveries and potential portfolio projects for the next phase of Operation Swiss Watch and exploration
- Completed: 5 leaders have completed CI Yellow Belt for Leaders training

PSC Interviews | OCI Interviews | Validation | Prioritization | Discoveries

Operation Swiss Watch Discovery Activities: Milestones and Next Steps

| Milestone | Target Date | Completion Date |
|--|-------------|-----------------|
| External Contractor kickoff meeting with DHS SMEs | 06/01/2020 | 05/27/2020 |
| External Contractor completes internal DHS interviews | 08/14/2020 | 08/19/2020 |
| External Contractor provides external research plan to DHS | 08/31/2020 | 08/31/2020 |
| External Contractor completes external interviews | 11/20/2020 | 11/12/2020 |
| DHS OCI completes DHS Discovery Interviews | 10/31/2020 | 10/16/2020 |
| DHS OCI completes preliminary draft of discoveries and recommendations for internal review and edits | 12/31/2020 | 12/30/2020 |
| External Contractor provides verbal summary of interviews and documentation review to DHS Leadership | 12/18/2020 | 01/05/2021 |
| DHS OCI completes final draft of discoveries and recommendations for internal review and edits | 01/29/2021 | |
| External Contractor sends final reports to DHS Leadership | 02/26/2021 | |
| DHS OCI finalizes internal discovery report to encompass External Contractor recommendations | 03/19/2021 | |

And, COVID...

- Operation Stop Gap continued uninterrupted by the pandemic, while Operation Swiss Watch was delayed by a few months.
- On the other hand, COVID gave us an unprecedented opportunity to run every COVID waiver through a Policy Review Committee of Commissioner's direct reports.
- Every Assistant Commissioner and team who wanted to waive rules and regulations saw us modeling firsthand our process of crossing all the t's and dotting all the i's before approving waivers, especially checking for accurate legal, financial and CMS implications every time.

Strategic plan

for Minnesotans working to achieve their

advances equitable outcomes for

ncy.

So our biggest issue was Process Controls, right?

2020/21 Crises:

- **COVID-19**
- **George Floyd ---> Ongoing Racism in Minnesota**
- **State Budget Deficit**
- **Federal Health Care Policy**

Lessons from 2019

- Democracy isn't easy – when we run billions of dollars of taxpayer money and every Minnesotan has an opinion about how that should be spent, we quickly become the Department everyone loves to criticize.
- I have now worked for a year with some of the most caring, competent leaders I have ever worked with. I am astounded at the capacity of this Department to keep its regular work going on top of its COVID response and I've been impressed with their ability to embrace new thinking like Breakthrough Goals, our Anti-Racism Initiative, and Process Control Champions.
- As we work to further develop a culture of anti-racism, collaborative safety, and responsiveness to community, I would ask Minnesotans to look at the Department's overall results, read the stories of the lives supported with their tax dollars through DHS's work and make a fair judgment of the total picture.

The Silver Linings of COVID

- DHS senior team bonding and modeling “crossing t’s and dotting i’s”
- Closer-than-ever collaboration between DHS and HHS Legislative Chairs
- Closer-than-ever collaboration/responsiveness with Counties/Tribes
- Closer-than-ever collaboration/responsiveness with other State Commissioners, Governor’s Office, COVID workgroups
- Testing of waivers that should be permanent policy
- Developing the capacity and possibility of remote work and remote services – the emergence of “tele-everything”

Proud to be a Minnesotan!

- In every sector in which I've worked, we all come home from national conferences thrilled to be working in Minnesota.
- I have learned that Minnesotans uniquely believe:
 - We have an obligation to care for our neighbors
 - If we apply ourselves, we can make things right
- Minnesotans love and excel at the art of democracy.
- Bring on the conversation!