

Position Statement

2020

State/County Financial Shifts

Proposal

Issue:

There have been recent issues with the Department of Human Services that have resulted in billing and program errors that either require paybacks to the federal government, or the county engaging in work to assist the State in addressing their errors. While we want to partner with DHS, counties are not responsible for the State's billing errors, oversight of the federal billing system, or interpreting federal rules as it relates to programs and payment. The Department's requests to do so put the counties budget at risk, thus putting at risk the services that we provide for vulnerable people.

Counties recognize that DHS is looking at all of their system issues related to billing and payments. Counties want to support DHS in making the necessary changes to their system. In doing that we should not be held financially accountable for any errors or payment issues they uncover in their internal process.

These issues significantly impact counties budget and staff time. Addressing and responding to these challenges take time and focus away from the core mission of delivering necessary services locally. Counties, and the services available in our counties, should not be negatively impacted by issues outside of our control.

Implementation Strategy:

In a state supervised, county-administered system such as Minnesota, counties rely on the state to implement and communicate federal regulations, provide billing systems and other technology, offer training, and oversee compliance with federal regulations. Counties should not be expected to be financially responsible for errors within these systems – in particular because counties are not at fault regarding these errors and have no ability to plan or prepare for these unexpected costs.

Fixing the errors uncovered by DHS will take financial resources. Counties will prioritize working alongside DHS to get the state funding necessary to reimburse the federal government. Counties are committed to a health and human service system that delivers with integrity and meets the needs of Minnesotans.

We also expect that as additional work is done rooting out billing and payment problems at DHS, more issues that financially impact counties are likely to arise. MACSSA will seek funds from the state to not only hold county resources and services financially harmless regarding currently identified issues, but also advocate for the creation of a Hold Harmless Fund to administer appropriate funds in future financial challenges that may arise from the current continuous improvement process at DHS.

Systemic Priority Alignment (check all that apply and explain why)

Equity Service Integration Fiscal Framework

Comments:

**Operational Priority Alignment
(check all that apply and explain why)**

- Behavioral Health Case Management Child Well Being Community Based Settings & Services
- Health Care Housing & Transportation Modernization Self Sufficiency

Comments:

Rationale/Background:

From 2014-2019 the State used federal Medicaid dollars to pay for substance use disorder treatment in IMD settings. Federal law requires DHS to pay back the funds they mistakenly collected. DHS underestimated the county share for those dollars and argues that they have to ask the county for those funds, totaling approximately \$9 million dollars. The counties are not in a position to absorb this, and want to be clear that they are not responsible for the billing practices and interpretation of federal law.

Additional Information:



Submitted by: [insert the name of the person who wrote the position]
Approved on: [insert date position was approved]