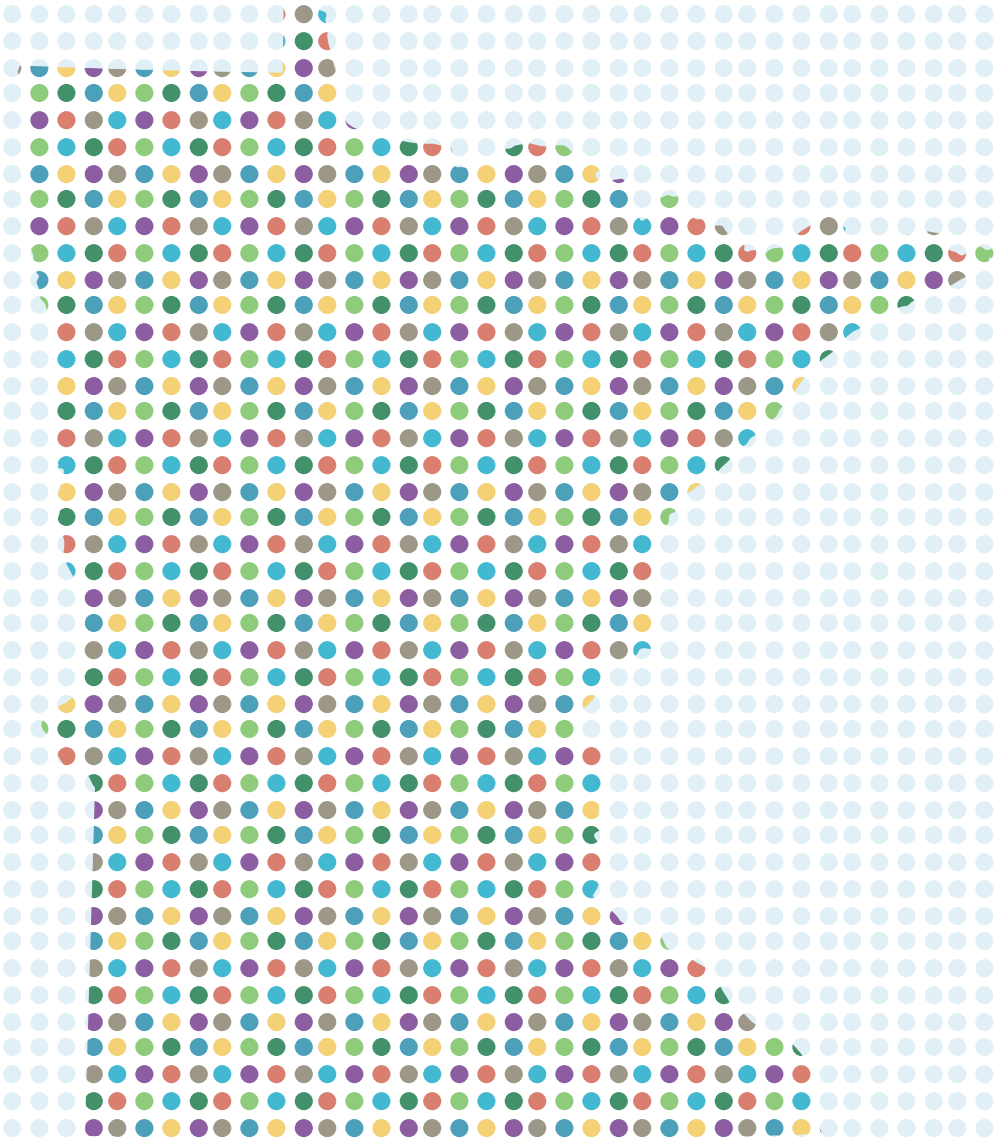

Big Ideas.
Better Outcomes.
Bending The Cost Curve.

Examples of Redesign in Minnesota Presented by:

BEYOND THE
BOTTOM LINE

Dear Friends,

Our state – and our world – is in the midst of an amazing period of change. The face of Minnesota is evolving as more people turn 65 this decade than in the last four combined, and as the children of eager immigrants and hard-working families stand to add new perspectives to our communities and businesses.

And the way we interact with technology, businesses and each other is changing at break-neck speeds, too. Just consider: the first smartphone was invented only six years ago. Today people can use this game-changing device to listen to music, get on-point directions when you're lost, or even start a car from miles away. These technologies mean that the way we interact with the world -- and conceive of what's possible -- is evolving faster than ever before.

These big changes have real implications for how our state and local governments meet the public's needs and expectations. In 2009 and 2011, we came together to offer a collection of big ideas for how state government could be redesigned to offer better outcomes while bending the cost-curve toward sustainability. Not our precise prescription for redesign, but examples as illustrations of what's possible.

The pages that follow also show big ideas, but with one key difference: they're examples of redesigns moving forward in Minnesota. Right here. Right now. Local governments across the state have become laboratories of innovation, testing new waters and finding new solutions to vexing problems. This report highlights five examples of big redesigns that span issue-areas and geography.

But for all of their diversity, they each speak to three key principles for redesign:

1. **Start From The Public's Values.** *Effective redesigns of government services are rooted in the public's goals – good health, quality education, and the like – not the boundaries of how the issue is currently addressed.*
2. **Make Strategic Choices.** *Yesterday's solutions can't solve tomorrow's problems. Often leaders must let go of old practices to make spaces for new approaches.*
3. **Focus On Outcomes.** *But, above all, effective redesigns are built around a steadfast commitment to improving outcomes first and foremost.*

These principles are the common thread that unites the examples to follow, and they offer a common barometer for state and local leaders to use in considering future redesigns. Innovation that addresses these principles is never easy. It takes strong leadership, a deep commitment to a collective vision, and perseverance. Our goal in sharing these examples is to illustrate the impact of new approaches on outcomes; to show that new ways of tackling public problems can help create a better Minnesota.

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Big Ideas. Better Outcomes. Bending the Cost Curve.

Redesign. Reform. Innovation. These words are regularly bantered to describe a new way of doing work that rises to the challenges and opportunities of our world today.

Simply put, Minnesota can – and must – do better when it comes to how we deliver public services if we're going to end our structural deficit and create the Minnesota of tomorrow.

That's what Beyond the Bottom Line, as a partnership of foundations, is working to encourage.

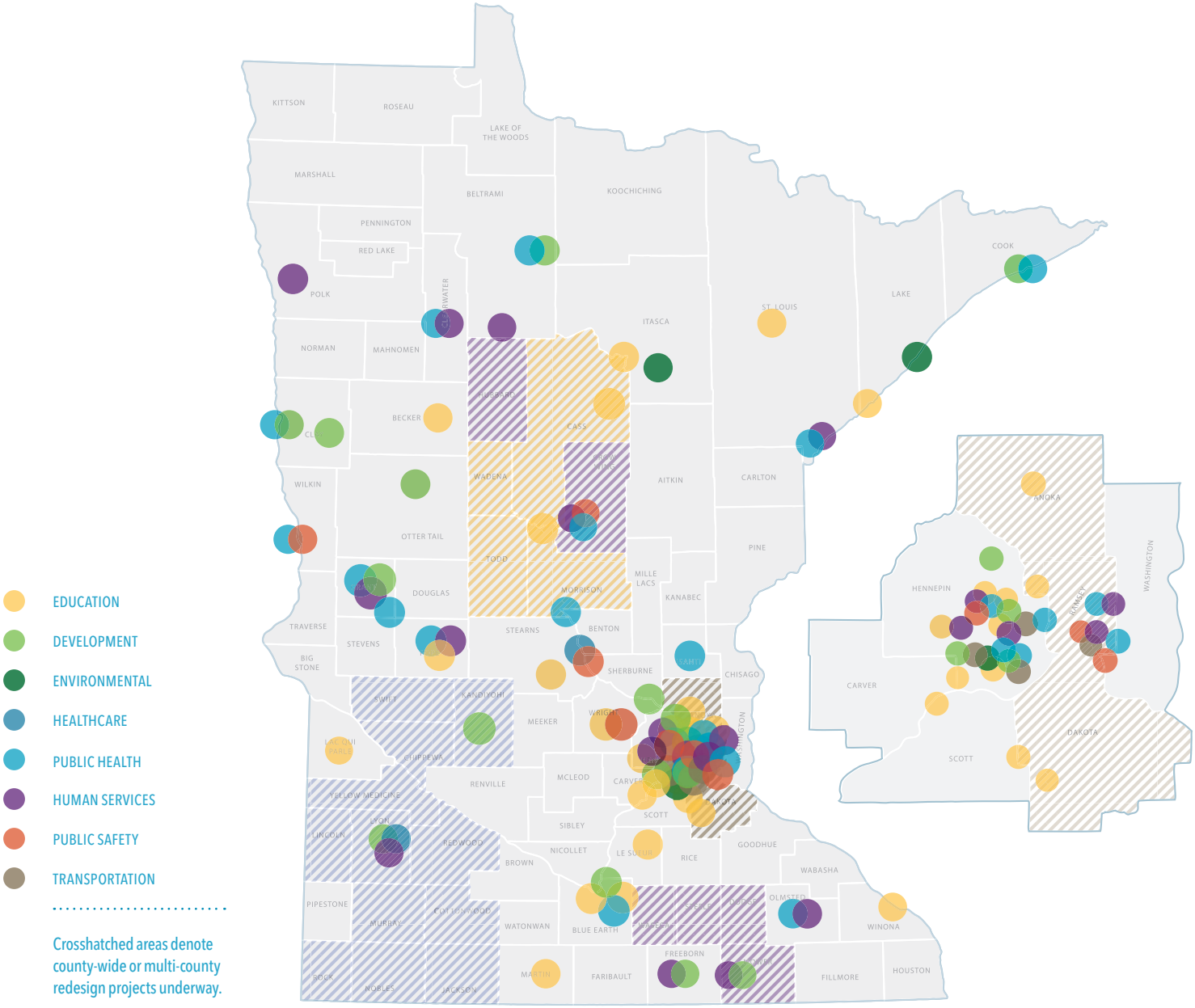
"Doing things better" can take hundreds of forms. New technology that lets human services staff track the needs of their customers more efficiently. Streamlined permitting processes for new business constructions.

But the pages that follow are focused specifically on transformative redesigns. Game-changing approaches that build on bold ideas about how Minnesota's state and local governments achieve the outcomes citizens expect while bending the cost-curve toward sustainability in public safety, healthcare and more. In particular, we would offer this definition:

> ***"Transformative redesign is the pursuit of fundamentally different operating structures, cultures and approaches to providing public services that improve the customer experience, deliver better outcomes, and ultimately bend the cost-curve toward sustainability."***

The following principles for redesign guide our evaluation of new approaches to doing the public's work:

- **Start From the Public's Values.** Minnesotans want to see less partisan fighting, a greater focus on our shared future, and common sense solutions to public problems. Effective government innovations should be grounded in these public values.
- **Make Strategic Choices.** Not every public service offers the same value to Minnesotans. Some programs may be out of date, and others may fit a public need that no longer exists. Effective redesigns will focus on providing essential services at the greatest possible value, and will let go of programs and systems that don't address pressing public needs.
- **Focus on Outcomes.** Minnesotans have a right to expect the best possible outcome for every tax dollar invested in public services, and redesigns should begin with a clear understanding of the outcomes each service is designed to achieve.



MAP: Seeds of Government Innovation

Redesign is happening across Minnesota. The map above plots out the known local government redesigns taking place in Minnesota as collected through submissions to the Humphrey School's 2012 Local Government Innovation Awards. Each dot represents a new approach to delivering on services, and a commitment to creating better outcomes for our future.

Submissions to the Local Government Innovation Awards, examples gathered at the 2011 Local Government Innovation Forums, and conversations with redesign supporters informed the examples highlighted in this report. The map and examples are not exhaustive, and they're not meant to be. Instead, they're a snapshot of the redesign ideas that local government leaders see taking shape in Minnesota in 2013. And the case studies that follow are proof-positive that big ideas and smart collaborations can produce better outcomes at equal or lower costs.

HENNEPIN HEALTH

Untangling Experiences. Transforming Healthcare.

Changing how healthcare is provided in Minneapolis is a difficult task. But fundamentally transforming the system for providing healthcare to Hennepin County's most vulnerable people with the greatest healthcare needs takes a monumental effort: Hennepin Health.

Born out of authorizing legislation, Hennepin Health is paid a flat rate per patient, rather than being reimbursed for services. In return, the county is given freedom to go beyond the siloed regulations that define traditional Medical Assistance coverage. This cutting-edge program brings together insurers, providers, nonprofits and county social services in its effort to create a new, more user-friendly and cost-effective model for preserving Minnesota's healthcare safety net.

And Hennepin Health has used this freedom well. Beginning in 2012, project leaders dove deep into the medical experiences of the top 200 Medical Assistance users in the county project – these cases represent the top 5 percent of these Medical Assistance users, and utilize 64 percent of the program's funds each year. This exercise uncovered numerous blips in how Hennepin County (and the healthcare system at large) deals with routine issues -- dental health, mental health, emergency room visits and more.

> Observes Jennifer DeCubellis, director of Hennepin Health, ***"Being able to work together across sectors – insurers, providers and social services – is what's getting the outcomes for us. We don't need new dollars in the health system; we need the freedom to spend the dollars smarter."***

One year into this multi-year, collaborative effort, Hennepin Health is yielding big results. Spending for many of the targeted high utilizers dropped by 40 percent to 95 percent in the first full year of implementation. These savings are being reinvested into new efforts with potential to save even more dollars, and this cycle of reinvestment will continue until Hennepin Health establishes a comprehensive and completely efficient delivery system.

TOP 200 MEDICAL ASSISTANCE USERS

SPENDING ON TARGETED HIGH-UTILIZERS DROPPED BY

UP TO 95%

IN THE FIRST FULL-YEAR OF IMPLEMENTATION

HENNEPIN HEALTH

Starting Simple: Improving Dental Care

So what does this big systems change look like on the ground level? It's new approaches to address each of our most pressing healthcare needs. Take dental care.

Prior to the implementation of Hennepin Health, dental pain was one of the biggest reasons for emergency room visits for this population – an expensive problem the ER could only treat with pain medications and a dental referral, and was ill-equipped to solve. To curb this cost, Hennepin Health worked with the Hennepin County Medical Center (HCMC) to create same-day dental care in the hospital. The small addition reduced the cost of treating this same population by 60 percent. Having a real solution close by also eliminated the need for providing pain medications to these patients, and helped the county flag potential drug-seekers in the process.

The savings generated from new models, like this dental example, are being reinvested in additional system improvements to detoxification treatment, preventative care, workforce therapies and more. In the years to come, Hennepin Health plans to continue reinvesting its savings into such improvements until healthcare in the county reaches the ultimate "triple aim" of high quality, affordable prices and accessible services.

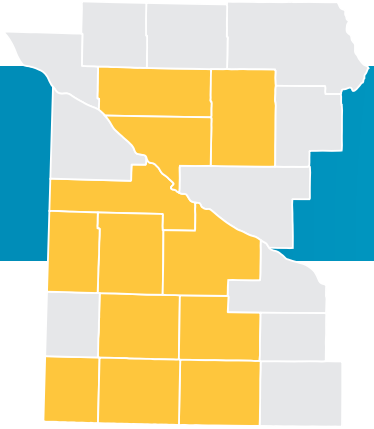
A Lesson For Health Reform

Hennepin Health's outstanding results have already garnered national attention. But DeCubellis also recognizes that it's Hennepin County's unique funding structure that makes these victories possible – and it's a lesson that she hopes others will heed as Minnesota plans for implementation of Accountable Care Organizations and other significant health reforms.

> *"Because we get set dollars each month, rather than reimbursements after service, we're able to approach providers in a real position to negotiate. We can have a real conversation with them about how to do things differently because we can help them make the investments needed to change, and we can create the space for people to talk across sectors. Without these things, it couldn't happen."*

THE RESULTS ARE CLEAR:

Fewer Demands on Emergency Resources
Lasting Solutions for Hennepin County Patients
Better Outcomes Throughout the System
Lower Costs



SOUTHERN PRAIRIE COMMUNITY CARE

County-Led Collaboration For Patient-Centered Care

More than a century ago, agricultural co-ops sprang up across Southwest Minnesota as small, disparate farmers joined forces to give themselves a competitive advantage – or at least a fighting chance – to negotiate with the large mills of major cities. That same spirit of local cooperation for the greater good is in play today on the prairie of southwest Minnesota, as county commissioners, healthcare providers, human service providers and community leaders join together to create Southern Prairie Community Care (SPCC).

The need for a new model of healthcare delivery is clear: Medicaid, Minnesota Care and other traditional healthcare program costs are unsustainable, and pose a real and serious threat to local government budgets. Through SPCC, 12 counties are banding together to create an integrated Accountable Care Organization (ACO) that redirects county-based purchasing, healthcare payments, and public and nonprofit human services to all focus on better outcomes.

A New Approach to Healthcare

"Our county commissioners have worked together for years, collaborating on mental health, public health and other issues," explained Mary Fischer, executive director for the 12 county project. "They know each other well.

"County commissioners in our area have watched county-based purchasing programs in the regions around us, and have admired how those counties have been able to administer the services locally, while also reinvesting in their communities. It became clear to SPCC county officials that it was time to look at doing things differently here in southwest Minnesota, too."

SPCC will go beyond early county-based purchasing efforts to create a fully integrated healthcare model for the entire region. When up-and-running, SPCC will focus on two primary objectives:

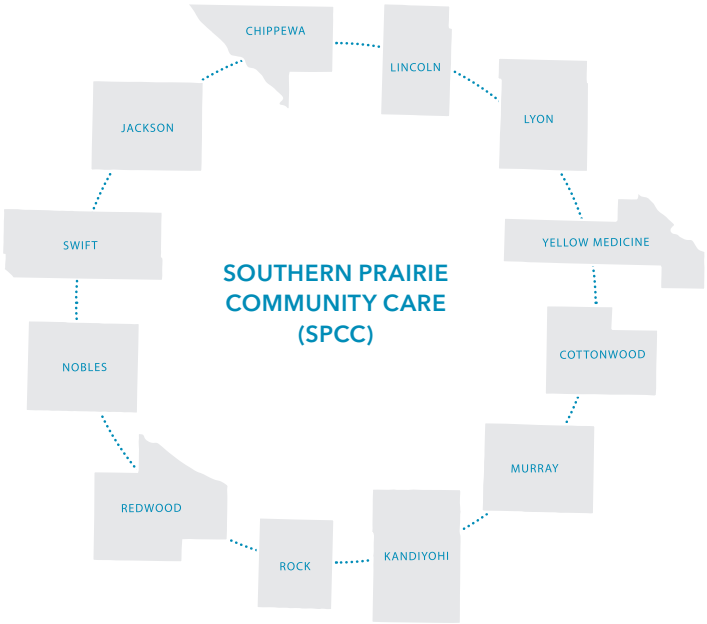
1. Creating a new cross-sector, cross-jurisdiction model for delivering better care at lower cost by focusing on outcomes; and
2. Reinvesting healthcare savings into the community to continuously improve the health of the entire region.

"People have fallen through the cracks within our service delivery system in the past, but viewing the system as a whole and having conversations across disciplines and sectors is opening our eyes to how we can make things better for the end-user, for our colleagues, and for the bottom-line." noted Fischer.

Points of Collaboration

The collaborative hired Fischer in 2012, and five workgroups with representation from a broad swath of county employees, hospitals and clinics, nonprofits, elected officials and others have been hard at work since. Together, these workgroups are focused on:

1. **Identifying populations with specific, significant needs.** These high-end users can offer a starting point for untangling the web of ways that people access the healthcare system, and identifying ways to get better outcomes while lowering costs.
2. **Selecting Operating Models.** Working across organizations and cultures – nonprofits, governments, providers and more – will require a shared approach to generating outcomes, and a shared commitment to means of operation.
3. **Crafting a Single, User-Centric Data Management System.** Creating a single, cloud-based record system to coordinate Medicaid care and ensure transparency across providers and geography will be essential to making the SPCC's collaborative approach successful.
4. **Defining Shared Outcomes.** The health outcomes achieved under this new model will define its success, and defining those outcomes takes time, research and care.
5. **Developing a Clear Financial Model.** Paying for outcomes entails an entirely new approach to healthcare – and a new approach to how care delivery is financed and supported.



The SPCC is in the process of responding to an RFP from the State of Minnesota for the next round of Health Care Delivery System (HCDS) demonstration projects. They hope to work closely with the Minnesota Department of Human Services, as well as the Minnesota Department of Health, as they continue efforts in Accountable Care Organization (ACO) development. This collaboration is on-track to launch its cutting-edge model for rural healthcare in January 2014.

RAMSEY 911:

Combining Communications to Improve Service, Cap Costs

Shared emergency communications efforts in Ramsey County had been talked about for generations. But in 2004, Ramsey County Board Chairman Jim McDonough and St. Paul Mayor Randy Kelly led efforts finally make it happen.

The discussion began simply enough: two of the four centers in Ramsey County had become outdated, and one was notably understaffed. With a new emergency radio responder communication system set for implementation across the county, looking for new and more efficient ways to dispatch emergency services made sense.

In the two years that followed, elected officials took time to understand the costs and implications of merging systems and giving up some jurisdiction. But once they saw the benefits of the proposal, they quickly championed the collaboration between Ramsey County, St. Paul and Maplewood's emergency management systems to bring all partners under one roof with state-of-the art technology.

Managing Transition and Improving Services

Make no mistake: achieving this collaboration took hard work. Small communities feared that their needs would be lost in the process. Employees raised questions about the impact on their work. The combined Ramsey County Emergency Communications Center (ECC), which completed its merger in 2007, covers 16 communities in Ramsey County, and works with nine police departments and nine fire departments to complete its dispatching work. According to ECC director Scott Williams, city and county leaders and ECC management and staff worked through three important issues to complete the merger:

- **Aligning Language and Metrics.** Each emergency communications center in Ramsey County had its own nuances in how data was tracked, how calls were processed, and how emergency responders expected to receive information from dispatchers. The ECC leadership had to develop consistent measures of which information the organization would track, and consistent language and processes for working with emergency responders.
- **Blending Organizations and Cultures.** Helping distinct groups of people to work together seamlessly requires meticulous planning, thoughtful coaching and careful management.
- **Sustaining Momentum for Outcomes.** Working through the merging of three organizations is a lengthy endeavor. In Ramsey County, staff worked to keep elected officials supportive of the project through regular updates about project progress, and proactive efforts to remind leaders of the benefits that would result from the completed project.

Combining Efforts For Long-Term Emergency Response Success

Today the ECC is the largest public safety dispatch center in Minnesota, handling approximately one million calls each year.

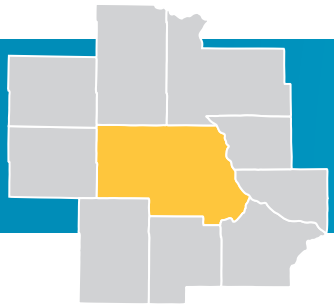
Williams is quick to point out that the benefits of this shared dispatching go far deeper than dollars.

> ***"Public Safety Communications is becoming more complex and technology driven. Centralizing resources is critical for keeping technology up-to-date at a sustainable cost, and now Ramsey County is well positioned to keep up with evolving technology and industry best practices."***

For Ramsey County, the benefits are far reaching:

- **Greater Access to Better Training.** The ECC's larger staff size provides staff-members with greater access to training and shadowing opportunities on unique and important emergency calls. This training helps ensure that Ramsey County responders are equipped to deal with high-stress cases, and improves the chances of the best safety outcomes for rare but dramatic incidents.
- **Streamlined Technology Processes.** The ECC relies on cutting-edge technology to see where a caller is located and so much more, and the field of emergency communications is becoming increasingly technology reliant. The ECC is capable of keeping up with the technology, in part, because the organization only has to invest in technology updates once rather than three times over, freeing up the combined budget to make the investments needed.
- **Equal or Better Response Times for Emergencies.** After working through initial hiccups, Ramsey County's ECC dispatches now provide streamlined and consistent emergency communications services to people in need across the county.

"The process wasn't without its challenges," notes Williams, "but now we can say that the merger was absolutely the right choice for our communities and the public of Ramsey County."



STEARNS COUNTY REPEAT FELONY DOMESTIC VIOLENCE COURT

Saving Lives, Saving Resources

Housing criminals is one of the most expensive, least gratifying expenses that county governments must manage. So when jail crowding threatened Stearns County officials with the threat of building a new jail, local leaders took note.

The Stearns County Criminal Justice Coordinating Committee dove deep into understanding the county's jailed population. A study by the National Institute of Corrections showed that the county was incarcerating people it was "angry with" as well as offenders the county was "afraid of". After changing policies to focus on incarcerating those the county should be "afraid of" County Attorney Janelle Kendall looked at the remaining jail population and made a significant discovery: a substantial portion of the most dangerous prisoners were repeatedly jailed because of domestic violence.

If Stearns County wanted to manage its jail crowding while protecting the welfare of its residents, domestic violence had to be better handled.

Identifying Pitfalls to Imagine Solutions

Kendall convened a group of 30 stakeholders from the city, county, state and nonprofit community – each working with victims of domestic violence in some way – to map out the services and supports available to families escaping violence. Their exploration was both illuminating and troubling: about 30 repeat offenders were committing almost 100 new felonies per year. Worse still, 85 percent of these repeat offenders had children in their homes. Simply prosecuting these men and returning them to their homes, with no proactive support for the women they abused, wouldn't break the cycle the cycle of violence.

The group devised a new way to deal with repeat felony domestic violence in Stearns County. Monitoring of the identified group of repeat felony domestic violence perpetrators went up significantly, with probation staff making thousands of contacts with the top 40 offenders over a six month period. Random visits from probation staff, random drug and alcohol tests and ongoing mental health services helped ensure these contacts are keeping domestic violence offenders under control – and giving abusers the tools and support to reform in the process.

Most importantly, under the new system support for victims of domestic violence and the prosecutors handling cases worked together for the safety of victims. The collaboration helps to ensure victims have help with child protection, child support enforcement, or any other legal needs that could impact a family's safety and stability. Additional support to help victims find housing, access medical assistance and gain transportation ensures that women have access to the tools they need to support their families and escape their abusers.

Focusing Resources to End Abuse

More important than the processes, however, are the results.

> *"We've gone from this one group of guys each averaging three new felony crimes per year to 136 guys being charged with five assaults over a period of the first three years. That's a dramatic difference."*

With a plethora of resources available to abusers and stiff penalties for those who refuse to change their ways, the Stearns County Domestic Violence Court is putting abusers' futures in their own hands. This new mode of handling domestic violence is supporting and freeing women to find safe futures for themselves and their children.

The Stearns County Domestic Violence Court is making a lasting impact and becoming a national model. In the picture above, Stearns County Attorney Janelle Kendall and Mark Sizer, Stearns County Human Services Director are recognized at the 2012 Local Government Innovation Awards with Joe Vene, chair of the Association of Minnesota Counties, and Jennifer Ford Reedy, President of the Bush Foundation. The Domsetic Violence Court has also been recognized nationally for it's innovative approach, collaborative process and high-impact outcomes protecting and supporting women and children.

CROW WING COUNTY HUMAN SERVICES

Putting People at the Center of Human Services

In 2009, Crow Wing County Administrator Tim Houle received a call from his director of Public Health that no administrator wants to receive. A public health nurse had called a new mother to schedule a visit to check on the baby and parents' adjustment to life at home, only to learn that child protection services had been to the house the day before and taken the baby.

That simple phone call from a public health nurse reopened a painful wound for a hurting family. And it happened because the government systems weren't set up to communicate across departments.

> *"For too long our systems – the systems of county governments across Minnesota – have been incrementally designed to face the state, as if they're our customer, and that's not the case," observed Houle. "What that family and that nurse experienced was the final straw for us. We knew we had to turn our system around to focus on the citizens of Crow Wing County. "*

With support and leadership from the Crow Wing County Board of Commissioners, Houle and his department heads dove head-first into an ambitious effort that redesigned the health, veterans and human services departments to put people at the center of operations.

To start the process, Houle convened all health, veterans and human services staff to act out the customer experience of a high-user case. One-by-one, staff acted out amongst themselves how someone seeking help in medical assistance, housing, transportation, and other support told their story to caseworkers, completed paperwork and more. By the end of the example, more than 40 county staff lined the wall – each having a touch-point on this one case.

The exercise helped galvanize county staff and illuminated how to best change the system.

Today, Crow Wing County has nearly completed the back-end work of transforming to a citizen-centric model of delivering health, veterans and human services. Clients only have to tell their story once, and the redundancy in programs has given way to proactive case management that's focusing on prevention. This new approach is helping the county move into a preventative model focused on improving the well-being of citizens, rather than simply delivering programs. And the new approach is saving significant dollars -- more than $1 million in 2012.

Houle offers another example to highlight the difference redesign has made for Crow Wing County and the people it serves.

One family in the county had fallen on hard times. The mother was unable to work or even care for her children due to illness, and the father was losing his ability to maintain work as he took on both parents' duties. When the father came in to apply for transportation assistance, a team approach helped county staff discover a knot of services that weren't working. And, more importantly, the county staff was equipped to do something about it.

It turned out that the family needed transportation assistance to take the mother to the emergency room for treatment. The health staff was able to intervene and connect the mother with a primary care physician, who was then able to treat the symptoms and prevent the need for an emergency room. Because of the team-based approach, Crow Wing County was able to take one request for transportation assistance and uncover a need for preventative healthcare.

By treating this mother's ailments early, she's gone from 16 emergency room visits in 20 months to 0, she's better equipped to care for her children and her husband has been able to reenter the workforce and better provide for the family. And all of these savings are possible because of team-based services model for someone who sought transportation assistance.

Human services redesigned to holistically support people and advance well-being can make a big impact. Houle adds, "We couldn't make this impact without the support of our board of commissioners. They're always encouraging us to find better ways of doing things and get the best value from everything we do, and that's what we aimed to do with this health and human services redesign.

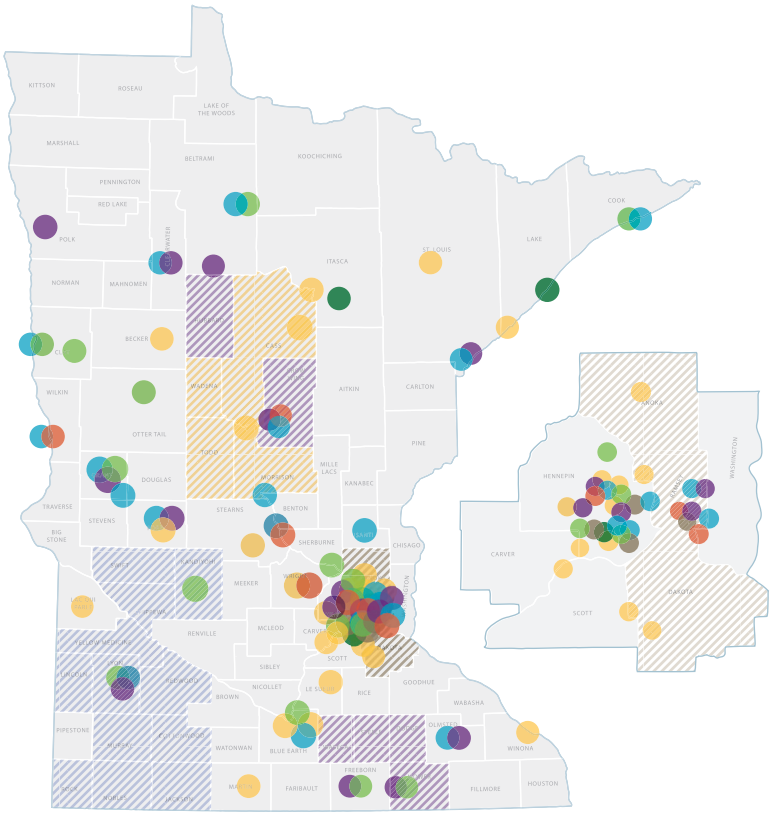
CONCLUSION

Redesign is Possible in Minnesota

Fundamentally changing the way a service is delivered is incredibly difficult – whether healthcare, human services, public safety or something else. It takes bold vision to imagine new ways of conducting business, strong leadership to move a collaborative process forward, and the commitment of staff and stakeholders to see that vision through.

And the cases highlighted in this report show that transformative redesign is possible in Minnesota. In each community, local leaders have stepped forward to cast a new vision for how to do business, and they've built the allies and partnerships needed to see that vision through to reality. Each case illustrates the time and investments needed to develop new means of operating and see the redesign through to delivering on the promise of improved outcomes.

They are outstanding examples of big ideas for better outcomes that bend the cost-curve toward sustainability.



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