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FEBRUARY 15, 2015

Sunday

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State's disabled ask: Where's the money?

Despite long waits and few services, millions in state and federal dollars unspent

By CHRIS SERRES
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Thousands of Minnesotans struggling with physical and mental disabilities have been deprived of basic services and therapy because county governments are failing to spend millions of dollars set aside for disability services.

In the last two years alone,

nearly \$200 million in state and federal money that was allocated by the state for people with disabilities went unspent by counties, state records show. As a result, disabled people were placed on long waiting lists for services and wrongly told that funds were unavailable.

The situation has inflamed advocates and state lawmakers,

who are now pressing the administration of Gov. Mark Dayton to accelerate long-stalled reforms that would expand access to independent housing, transportation and other services for the disabled.

In a letter to Human Services Commissioner Lucinda Jesson last week, Minneapolis attorney Shamus O'Meara accused her agency of mis-

managing at least \$1.1 billion over the last 15 years and threatened a class-action lawsuit on behalf of a large group of disabled clients. If the state had managed the money better, prolonged waits for disability benefits, which can last a decade or more, would have been dramatically reduced or eliminated, O'Meara argues.

Later this month, a coalition of disability rights advocates and providers expect to introduce a bill that would force counties to spend more of the available money or face action by the state. The advocates blame what they see as a series of "perverse incentives" that encourage counties to be overly stingy with Medicaid benefits, known as waivers, See **DISABLED** on A6 ▶

AT A GLANCE

4,983
Number of Minnesotans on disability waiver wait lists*

\$102M
Estimated waiver funds not spent in fiscal year 2013

10%
Total waiver funds not spent

*Includes the Developmental Disability and Community Alternative for Disabled Individuals waivers

Twin Cities front line for oil field casualties

There are no specialty burn centers near Bakken.

By MAYA RAO
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Flames seared the pants off Kyle's legs as he raced across a bed of ruddy red rocks, screaming for help.

A pipe on a machine processing oil at high heat had burst, soaking him in methanol and sparking a fire.

"You could just feel it cooking my legs," he said. "It almost sounded like chicken frying in an oiler."

Hours later, Kyle woke up at Regions Hospital in St. Paul last month, after a 600-mile plane ride from the oil fields of North Dakota. His legs were burned so deeply that the bottom layer of skin would never grow back. It was the worst pain he'd ever felt.

Burn injuries among North Dakota workers have surged to more than 3,100 over the past five years, as the once nearly barren prairies have become the epicenter of a massive oil-drilling boom. Despite the flammability of Bakken crude and the danger of oil-rig work, North Dakota has no burn centers. The Twin Cities is the closest place to go for patients like Kyle, 27, who agreed to be interviewed on the condition that his last name not be used.

While other kinds of injuries may be more common, oil field burns are among the most painful and costly to treat. An oil field worker's treatment at a burn unit can cost \$1 million.

"The burns from the oil fields can be pretty dramatic," See **BURNS** on A6 ▶



MAYA RAO • Star Tribune
Kyle, 27, suffered severe burns in a North Dakota oil field and was sent to Regions Hospital.

"It's a job, but I feel I'm worth more than \$10.75 an hour." **Mark Pilman**, 36, warehouse worker



Photos by DAVID JOLES • djoles@startribune.com

WORKERS' ASPIRATIONS STAGNATE WITH PAY

By ADAM BELZ • adam.belz@startribune.com

WAGES SLOW TO RISE
Average weekly full-time wage, adjusted for inflation.

U.S.
\$940
in 2014

\$924
in 2009

MINN.
\$947
in 2014

\$925
in 2009

WIS.
\$816
in 2014

\$801
in 2009

Don Holzschuh backed a white semitrailer up behind the hardware store in Isanti, Minn., on a gray January morning, slid open the back door with a clatter and got to work unloading pipe, Quikrete, dog food and charcoal.

The 59-year-old earns his living driving a truck to hardware stores from Grand Marais, Minn., to Galesburg, Ill.

He earns 41 cents a mile, exactly what he made 16 years ago.

"I felt comfortable, and I didn't have to worry," Holzschuh said of his life in the 1990s. "Now I have to worry, and that's the sad part about it. You shouldn't have to worry if you're working your butt off."

The unemployment rate has fallen dramatically in the past three years, the nation is adding jobs and economic growth accelerated in 2014. But wages have remained stubbornly stagnant for the average American worker.

It is a festering problem that undercuts the economic recovery. Five-and-a-half years after the recession ended, workers are still waiting for a significant raise.

Since 2009, inflation-adjusted average pay in the United States has risen only slightly.

And the job market is not as good as the unemployment rate makes it look, Janet Yellen, the chairwoman of the Federal Reserve, has said.

Wages in Minnesota track the national trend. Since 2001, pay has crept upward by only \$24, to \$947 per week, or 0.2 percent annual growth. Any extra money workers get is swallowed by higher prices. What cost \$1 in 1998 costs \$1.45 today.

"I keep hearing how great it is. If you're a multimillionaire, I suppose, or somebody See **WAGES** on A8 ▶



"I'm up to six days a week now. It's to make sure I make the money to survive."
Don Holzschuh, 59, truck driver



"It gets really exhausting to realize that so much time and energy has gone into something so worthless."
Joely Macheel, 44, attorney

Dayton-Bakk rift threatens DFL plans

DFLers hope governor's anger cools, two will talk.

By PATRICK CONDON
and ABBY SIMONS
Star Tribune staff writers

Ambitious DFL plans to improve Minnesota's schools and roads could be wrecked by the sudden, startling public feud that has erupted between Gov. Mark Dayton and Senate Majority Leader Tom Bakk over large pay raises for state commissioners.

Sen. Barb Goodwin is among the DFL lawmakers saying now that the state's top two Democrats need to repair their broken relationship quickly if they expect to get vital work done at the Capitol this legislative session.

"It's like a marriage — to make it work you have to communicate with each other," Goodwin said. The Columbia Heights senator was among a group of DFL senators to meet privately with Dayton just before he laid into Bakk at a Thursday news conference. See **DAYTON** on A7 ▶

ISIL growth could mean wider war

By ERIC SCHMITT
and DAVID D. KIRKPATRICK
New York Times

WASHINGTON — The Islamic State in Iraq and the Levant is expanding beyond its base in Syria and Iraq to establish militant affiliates in Afghanistan, Algeria, Egypt and Libya, U.S. intelligence officials assert, raising the prospect of a new global war on terror.

Intelligence officials estimate that the group's fighters number 20,000 to 31,500 in Syria and Iraq. There are less-formal pledges of support from "probably at least a couple hundred extremists" in countries such as Jordan, Lebanon, Saudi Arabia, See **ISIL** on A7 ▶

In Copenhagen: Two killed, five wounded in shootings. **A4**

NATION + WORLD

Putin takes a political gamble on Ukraine

Will Ukraine deal provide payoff for brinkmanship? **A3**



SCIENCE + HEALTH

Iceland is burying our CO2 problem

Researchers are developing new ways to store carbon. **SH1**



VARIETY

Rare masterpieces debut today at MIA

"The Habsburgs," an Austrian art treasury, runs until May. **E1**



INSIDE

Cruise down to Cuba

Restrictions remain, but travelers are getting ready. **G1**
Sugar label struggle
Food giants fight change. **D1**

State's disabled ask: Where's the money?

◀ **DISABLED** from A1 which represent the largest source of money for social services for disabled Minnesotans.

"This is a blatant mismanagement of public funds that flies in the face of everything government agencies should be doing to serve vulnerable populations," said Sen. John Hoffman, DFL-Champlin, who plans to introduce the waiver legislation. "It simply has to stop."

Human Services officials argue that the advocates are exaggerating the scope of the problem, but say they are preparing to take unprecedented steps to eliminate large disparities among counties in the use of waiver funds. Some counties fail to spend 20 percent to 40 percent of the money allocated to them by the state, while others spend nearly all of what they receive. "Clearly, we need to manage the dollars better," Assistant DHS Commissioner Jennifer DeCubellis said in an interview Friday. "There is a significant need."

At the same time, these officials say critics have failed to grasp the complexities of waiver funding and the challenge of forecasting demand for disability services. In small counties, just one or two complex disability cases could cause overspending. As a result, the state allocates more waiver money than is legislatively mandated to give counties more flexibility.

"It's really hard for counties to hit a number year after year, given their changing needs," said Deputy Human Services Commissioner Charles Johnson.

'Too conservative'

The legislation and threat of legal action are likely to shine a bright light on the arcane but vital process by which counties divvy up more than \$1 billion in annual spending on Medicaid waivers. The waivers pay for an array of services, from personal care assistants to adult day care and integrated work opportunities, which enable thousands of Minnesotans to live in their own homes rather than in institutions, such as nursing homes.

The backlog of unused waiver funds originated, in part, from changes the Legislature adopted nearly a decade ago. Counties were required to reimburse the state if they overspent their waiver funds; as a result, they became overly cautious, say disability advocates.

A coalition of disability advocacy groups, including Arc of Minnesota and the Minnesota Disability Law Center, are preparing legislation that would reverse the payback provision but require counties that overspend to develop a correction plan.

"Right now, too many coun-



Photos by DAVID JOLLES • djolles@startribune.com

DISPARITY: Brianna and Cory are twins with developmental disabilities but have been treated very differently by the system. At top, Brianna braided a doll's hair. At left, Cory got help with his coat from his grandmother, Michelle Robinette, on his way to a birthday party. Brianna had to stay behind.

"[DHS has] failed to ensure that the money gets to the people it was meant to help," attorney Shamus O'Meara

ties are far too conservative," said Bud Rosenfield, a supervising attorney with the Disability Law Center, a state advocacy agency for people with disabilities. "The money is frustratingly unused, while people are not getting access to supports that would help them live better lives."

In pressing for reform, disability rights advocates are emboldened by a 1999 federal civil rights ruling by the U.S. Supreme Court, known as Olmstead, that said states cannot keep disabled people in segregated settings if less-segregated alternatives are available in the community. In recent years, the Justice

Department has applied Olmstead broadly, using it against government agencies with long waiting lists for community services.

Under pressure from a federal court, the state developed a detailed plan in late 2013 to demonstrate that it is complying with the Olmstead ruling. A key piece of the plan called for reduced waiting lists for disability waiver benefits. As of November, nearly 5,000 Minnesotans were on waiting lists for the disability waivers through Medical Assistance, the state's version of Medicaid, the federal-state insurance program for the poor.

A federal judge overseeing

the Olmstead plan has repeatedly admonished DHS for failing to move quickly enough on steps that would reduce the wait lists.

"DHS has ignored the problem ... and now they're forced to explain how they failed to ensure that the money gets to the people it was meant to help," said O'Meara, managing partner with O'Meara Leer Wagner and Kohl and lead counsel for the families.

Candy Hoover, 46, of Cambridge, is among those eager to see reforms. Thirteen years ago, she adopted two children, Cory and Brianna, who have fetal alcohol spectrum disorder (FASD). Both children

have severe cognitive impairments and are prone to occasional bursts of rage.

She said her son, Cory, 18, was approved by Isanti County for a developmental disability waiver after he punched his hand through the window of their kitchen door, cutting a deep gash in his forearm, and was admitted to a psychiatric ward. Because waivers are based on imminent need, the incident moved Cory to the front of the waiver list.

But Cory's twin sister, Brianna, is less prone to violent rages and is still waiting for a disability waiver after more than four years. So while Cory gets to go on recreational out-

ings with his peers after school with a community caregiver, Brianna must stay at home. Cory has learned basic social skills, such as how to order food from a restaurant menu and interact with his peers, while Brianna still looks away nervously when people talk to her.

"It's perverse, but my hope is that my daughter will put her arm through a window just to get bumped up" on the waiting list, Hoover said. "It's so sad that it takes something horrific to get basic social services for my children."

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Burn victims in Bakken oil fields find help hundreds of miles away

◀ **BURNS** from A1 said Bill Mohr, a surgeon at Regions.

Just 17 percent of North Dakota residents can be transported by air or ground to a burn center within two hours — fewer than every state but Alaska and Montana. The extra time it takes to move patients poses a medical challenge, since care administered in the first day factors into burn patients' long-term recovery.

Mohr said oil field burns are three or four times bigger than those of the average patient and that Bakken burn victims who come in to Regions are more likely to need ventilators. One died after arriving with 98 percent of his body burned. Some needed limbs amputated and had burns that bore down into the bone. Many never returned to the oil fields.

Shortage of burn doctors

Hospitals nationwide have been closing burn units and are grappling with a shortage of burn doctors. States with low populations, like the Dakotas, Montana, Wyoming and Idaho, have not been able to justify opening such expensive, specialized facilities.

When a truck carrying

crude crashes and explodes, or an oil rig blows out, burn victims are initially taken to a hospital in the Bakken. The staff assesses whether the burns are severe enough to fly them to burn centers in the Twin Cities, Salt Lake City or Denver.

Gary Ramage, medical director at McKenzie County Healthcare Systems in North Dakota, said he sends patients out of state if the burns affect their respiratory system, face or hands — the most difficult areas to treat — and at least 10 percent of their body.

Oilfield workers are brought to Regions almost once a month, including a patient last month who had been working on an oil heater near Mandaree, N.D., that ignited. He died.

Another dozen Bakken burn victims have been treated at the Hennepin County Medical Center in the last three or so years, according to its burn unit director, Ryan Fey.

HCMC paid closer attention to oil field burns after a train carrying Bakken crude derailed in Casselton, N.D., 13 months ago. While no one was injured, members of the medical staff are examining how they would address an

oil train accident that caused mass burn injuries.

"That's become more and more of an issue because we have all these Bakken oil trains that come rolling through just one after another," Fey said.

Bakken hospitals are looking at how to improve burn care. Two nurses at St. Joseph's Hospital in Dickinson, N.D., recently traveled to a Galveston, Texas, hospital to learn burn management techniques. And doctors at Regions regularly travel to the Bakken to talk to medical staff about treating burns in the early stages.

Serious oil field burns destroy what's known as the dermis, or the thicker, second layer of skin that contains blood vessels and sweat glands. Burn doctors excise the damaged skin to prevent infections. Then they apply bioengineered tissue made of cow collagen and shark cartilage to function as the new dermis. They harvest the top layer of skin from a healthy part of the body and graft it over the artificial skin tissue.

Even after recovering from those surgeries, patients must still do months or years of physical therapy to fix the loss of flexibility in their skin. And

then there is the emotional recovery: Severe burn patients can face post-traumatic stress disorder on par with soldiers.

Lighting a cigar

Advances in burn treatment mean that some oil workers who would have died a decade or two ago now have a chance.

One is Casey Malmquist. The head of a Whitefish, Mont., construction company, Malmquist came to the Bakken to build housing for oil workers. In July 2013, he stepped onto the deck of one of the newly finished homes for Halliburton employees and leaned over to light a cigar.

There was a whoosh and then an explosion. He flew off the deck. His shirt, he recalled, lit up like a lantern.

The cause appeared to be leaking propane gas that had not been properly odorized to alert him that he was near a flammable substance. He fell into a coma and woke up three weeks later at Regions, 68 percent of his body burned. The Bemidji native, then 56, seemed destined to die.

But after three months at Regions and many surgeries, Malmquist returned to Montana. He still goes to physi-

cal therapy daily and hasn't returned to some of the activities he once loved, like hockey, because his skin is fragile and managing his body temperature is difficult.

He said living in his new body "is like wearing a wet suit that's five times too small, and there's ground glass between you and the wet suit."

In November, Minneapolis attorney Fred Pritzker sued Horizontal Resources on Malmquist's behalf, claiming the company was negligent in not odorizing the propane.

Nightmares

Kyle moved to Williston, N.D., in 2011 with his pregnant wife, Shawna, after he was laid off as a plumber in Helena, Mont.

He found work as a maintenance roustabout, checking oil tanks, pumping units, well heads and other equipment.

Last month, Kyle and a co-worker went to an oil pad just south of Ross, N.D., and noticed a unit by the oil treater was frozen. Oil treaters separate oil from water and gas before it moves to storage tanks. After they worked to thaw it with water from a hot oil truck, Kyle said he tried to

fix a misplaced valve.

A pipe blew out and soaked him with gas. It was so uncomfortable that he took off the flame-retardant pants over his jeans just before a fire ignited.

Several men who saw Kyle ablaze tackled him and blasted him with a fire extinguisher, ordering him to roll on the ground.

As the ambulance took him to a hospital in Stanley to be stabilized, Kyle said he thought, "How am I going to support my family now?"

He woke up in Regions with a breathing tube, his legs stapled and wrapped in casts.

Kyle can walk; he strode down the hall to pick up Forrest Gump from the hospital's movie selection after his wife joked that she'd make him watch Titanic. But it hurts.

As OSHA investigates, Kyle said he doesn't blame his company and considers it a freak accident. He hopes to get his old job back one day.

Memories of the fire shake him. "I keep having nightmares about it," Kyle said. "I've been trying to take a nap all day and ... I jump and think that I'm back in the fire."

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