

Letter from the DHS Assistant Director for Administrative Services Division

ASD's contributions to the DHS mission

The Administrative Services Division (ASD) provides the critical department-wide shared services needed to help the five operational divisions effectively and efficiently achieve the DHS mission of making it possible for people to lead lives that are independent, healthy and safe. As the state's largest agency, and one that touches the lives of all Oregonians, it is essential to ensure that the department's programs receive the consistent and coordinated support they need to effectively serve Oregonians. Department-wide shared services help ensure the agency's resources are distributed in an efficient and cost-effective manner that most appropriately meets the needs of the operational divisions to support the delivery of health and human services.

ASD is the foundation of the short and long term operations and goals of DHS. Key contributions that ASD focus on include implementing department wide cost-effective, streamlined and standardized business practices; developing and maintaining enterprise-wide information technology services; providing budgeting, forecasting, fiscal management and policy analysis; developing and maintaining department-wide policies and procedures and leading the department's business continuity efforts to ensure agency services.

ASD provides department-wide shared services through the following offices – Communications, Contracts and Procurement, Facilities, Document Management, Human Resources, Information Security, Information Services, Payment Accuracy and Recovery, Budget and Accounting, In addition, ASD encompasses departmentwide policy and strategic offices which include the Director's Office, Oregon Health Fund Board, Office of Oregon Policy and Research, Office of Investigations and Training, Office of Multicultural Health, Governor's Advocacy Office, Internal Audits, Federal Financial Policy, and the Transformation Project Office. All of these functions play an essential role in helping the agency's operational divisions offer efficient and effective services to Oregonians.

Key requests contained within this budget support the following key initiatives.

Ensure vulnerable Oregonians have access to care by:

- Initiating the first steps of comprehensive health care reform recommended by the Oregon Health Fund Board (OHFB), which complement the Governor’s health initiatives, by providing the necessary resources to OHFB for health policy planning, data collection and analysis, and development of a health insurance exchange.
- Establishing a voluntary, electronic registry of patients’ end-of-life medical orders and funding for Medicaid reimbursement of palliative care consultations.
- Supporting key activities and initiatives recommended by OHFB to strengthen the effectiveness of primary care services, improve health outcomes, achieve higher levels of prevention, improve the quality of care delivered, and contribute to reducing the cost of health care.
- Developing common standards for an “integrated health home” and quality outcomes measurement, which would drive the improvements necessary for Oregonians to have efficient, effective health care delivered at the right place, at the right time.
- Coordinating efforts among multiple public purchasers of health care services, and setting standards for health homes and outcomes.
- Improving the accuracy and comprehensiveness of public reporting of health care facility and health plan financial performance.
- Broadening the state’s work for evidence-based clinical improvement assessments by bringing Oregon’s health care providers together to improve the quality and value of the health care they provide.
- Supporting the accelerated adoption of electronic health records and the eventual development of a statewide Oregon Health Information System.
- Enabling collection of accurate data on demographic and practice information to help inform policy recommendations regarding Oregon’s health care workforce, and helping attract and retain primary care providers to Oregon by providing a tax credit.

Ensure children are safe and healthy by:

- Providing funding to enable completion of the OR-Kids Project during the 2009-2011 biennium, to provide Child Welfare caseworkers a single, fully integrated Child Welfare system, allowing more time to be spent with clients.

Ensure DHS has the capacity to meet client needs by:

- Establishing a modern information technology (IT) foundation that is sustainable and compatible with IT industry standards, provides expansion capabilities to meet future legislative and program requirements, and enables DHS employees and partners to easily access the information they need to better serve clients.
- Supporting CAF Self-Sufficiency programs by creating capacity for the Healthy Kids Plan online application and the PHD Office of Family Health Web-based data warehouse.

Summary

These initiatives are designed to improve the department's ability to assist Oregonians and their families to become independent, healthy and safe. They support the valuable work performed by DHS and its partners every day throughout the state to support Oregon's most vulnerable individuals.

Jeremy Emerson
DHS Chief Administrative Officer

ASD program narratives

ASD is organized into three key areas that support the entire department – the Director’s Office, Finance and Administrative Services. In addition, ASD manages the following department-wide functions: Debt Service which includes the Oregon State Hospital Replacement Project, and IT projects funded with Certificates of Participation (COP’S); Agency-wide Assessments; and State Data Center costs.

Director’s Office: The Director’s Office provides overall guidance and leadership to the department. Key functions within the Director’s Office include:

- **Federal and Financial Policy (FFP)** – FFP monitors federal and state policies for their impact on the department’s budget and operating requirements, and ensures DHS complies with all statutory requirements.
- **Governor’s Advocacy Office (GAO)** – The Governor’s Advocacy Office provides ombudsman functions for all DHS programs and services; ensures that individuals with disabilities are provided the accessibility and reasonable accommodations they require to equally participate in and benefit from all DHS programs and services; screens, oversees and tracks the DHS Client Complaint and Report of Discrimination process including civil rights investigations; and supports the work of the Pain Management Commission.
- **Health Policy and Research (OHPR)** – The Office for Oregon Health Policy and Research is responsible for the development and analysis of health policy in Oregon, and serves as the policymaking body for the Oregon Health Plan. OHPR carries out specific tasks assigned by the Legislature and the Governor, provides reports, and conducts analyses relating to health care costs, use, quality and access.
- **Internal Audits and Consulting (IAC)** – IAC ensures the reliability and integrity of financial and operational information, and compliance with all laws, contracts and grant awards. IAC reviews all areas of DHS including central and field operations, institutions, and counties and other recipients of state funds.
- **Investigations and Training (OIT)** – This office investigates all allegations of abuse and neglect and ensures protective services are offered or provided within all state-operated mental health treatment facilities and contracted 24-hour residential programs for adults and children with developmental disabilities. OIT

also ensures that technical assistance and training are conducted with integrity, fairness and quality to maximize the safety of people with mental illness and developmental disabilities.

- **Legislative and Intergovernmental Relations** – This office advises the director, DHS leaders and employees on state and federal legislation and department-wide policy issues, and coordinates the agency’s intergovernmental relations and relationships with stakeholder, advocate and advisory groups.
- **Multicultural Health (OMH)** – The Office of Multicultural Health plays a strong leadership role in helping the department focus attention on communities of color, Indian tribal governments and other multicultural groups. OMH’s goal is to improve the health status of under-served and under-represented populations in Oregon through multicultural and culturally-competent approaches that influence the way in which health services are designed and delivered.
- **Oregon Health Fund Board (OHFB)** – The Oregon Health Fund Board is responsible for developing a comprehensive plan that will ensure access to health care for Oregonians, contain health care costs, and address issues of quality in health care.
- **Oregon State Hospital Replacement Project** – This function oversees the multi-year project to replace the aging Oregon State Hospital with two state-of-the art psychiatric treatment facilities in Salem and Junction City, and smaller facilities in central, eastern and southern Oregon.
- **Tribal Relations** – The Tribal Relations Office helps DHS maintain and improve the department’s relationship with the nine federally recognized tribes in Oregon.

Finance: Key functions within the Office of Finance include:

- **Budget Planning and Analysis (BPA)** – BPA provides actuary services and rate setting, budget development and monitoring, and caseload forecasting.
- **Financial Services (OFS)** – OFS provides accounting, federal reporting, payroll, and accounts receivable and payable services, as well as federal reporting and grant tracking and monitoring.

Administrative Services: Key offices and functions within Administrative Services include:

- **Communications (OC)** – The OC helps clients, partners, stakeholders and the general public understand and access the services offered by the Department through researching, developing, disseminating and evaluating information about agency programs; maintaining the department’s Internet and intranet sites; writing, editing and designing publications; conducting information and outreach campaigns; coordinating media relations and internal communications; handling all public records requests; and ensuring all agency communications comply with all state and federal statutes and rules for access including ADA, Section 508 and plain language standards. The OC is also instrumental in providing information to employees so that they are able to continually improve their work in serving the public.
- **Contracts and Procurement (OCP)** – The OCP ensures agreements with providers and partners are cost-effective while promoting the delivery of quality services to clients and the public. The OCP also administers procurement processes on behalf of DHS by preparing, issuing and awarding contracts to qualified vendors; seeking and implementing efficiencies in purchasing processes; and ensuring compliance with all state and federal contracting and procurement laws.
- **Document Management (ODM)** – The ODM ensures that clients receive easily readable and usable forms in multiple languages and formats, as well as that client applications and provider claims are electronically imaged to assist in timely services and payment. The ODM also provides data capture, imaging, electronic workflow, forms design, inventory, print and distribution services; and electronic and physical records archival, retrieval and destruction services for business units and program areas across DHS.
- **Facilities Management (OFM)** – The OFM coordinates the department’s use of buildings throughout the state to minimize operating costs and free money to be used for direct service delivery. The OFM also administers leases and contracts for approximately 165 DHS facilities statewide; coordinates construction, remodeling and modifications of facilities to meet service delivery needs; plans and manages modular furniture installations; monitors energy use; oversees and manages the department’s motor vehicle fleet; manages mail and parcel delivery; plans, develops, installs, repairs and monitors DHS telecommunications systems.
- **Human Resources (OHR)** – The OHR recruits, supports and educates DHS employees to ensure they have the skills and tools they need to deliver quality customer services. The OHR also manages recruitment and

selection; employee and labor relations; affirmative action and diversity; safety, health and wellness programs; classification compensation issues; and employee and organizational development for the agency's approximately 9,600 employees.

- **Information Security (ISO)** – ISO protects the security of all DHS confidential information; educates staff, volunteers and partners about how to protect confidential information; develops and audits processes for protecting information; and ensures the department and its partners meet all federal and state security regulations and contractual obligations.
- **Information Services (OIS)** – OIS deploys and maintains the hardware and software needed by DHS employees to do their jobs; develop, implements and maintains enterprise-wide technology solutions; ensures the back-up and integrity of data used by employees and partners throughout Oregon; and provides the information infrastructure and technical support necessary to maintain the department's business services such as payroll distribution, vendor payments and personnel actions.
- **Payment Accuracy and Recovery (OPAR)** – The OPAR promotes the efficient use of the department's funding by ensuring expenditures are accurate and appropriate, and by recovering funds owed to DHS through audits and investigation of payments made to partners, providers and clients to ensure amounts are accurate; identifies appropriate third-party payer resources to reduce use of state and federal funds; facilitates recovery of assistance from estates of deceased clients and of overpayments made to clients, partners and providers; and educates staff, partners and clients about appropriate benefits and uses of funds.

ASD environmental scan

The largest challenges facing Administrative Services Division (ASD) are Information Technology (IT) systems that are no longer able to support our various program areas and increased demand for support services with limited resources. In an average month, DHS, serves 6,000 clients in various capacities, every client or potential client has an impact on our IT systems. In order to ensure that all clients are receiving timely and quality care, the creation and maintenance of our systems is crucial to operations. For ASD to continue to effectively support the mission of DHS and to increase efficiency and quality of services for our clients and the community, all of the policy options proposed in the Governors Recommended Budget directly support efforts to stabilize and improve business tools. The following policy option packages outline the direct response to challenges that ASD currently faces.

POP 109 IT Core Services

Summary: This policy option package proposes funding to provide DHS with a modern information technology (IT) foundation that is sustainable and compatible with IT industry standards, DHS partners, and clients.

Our clients, providers, and stakeholders require timely and quality service. This package will provide increased business efficiency for end users by updating desktop and infrastructure hardware, network directory services, office applications and operating systems. This will support internal and external electronic collaboration, mobile computing, email and file archiving while improving information security and reducing complexity in managing electronic files and access to applications. If not funded, DHS would keep the current IT infrastructure which would mean, at a minimum: limited ability to integrate and receive support from other mission-critical state applications, increased cost and time for information systems as well as user administration and implementation of new systems and software, continued security vulnerability and limited ability to effectively support mobile computing for a geographically distributed workforce.

POP 149 Public Health System Support

Summary: Corrects a technical error made during 2007-09 Legislative Session. Requires no general funds. Creates permanent staff to support public health systems.

This package is needed to correct a technical error made during the 2007-09 Legislative Session. Sixteen positions designated to support critical Public Health systems were requested and approved by the 2007-09 legislature and approved in the final budget bill, however technical glitches prevented the Department of Administrative Services from maintaining these positions into the Position Inventory Control System (PICS).

This request is for Other Fund and Federal Fund limitation only and there is no General Fund impact. This limitation is needed in order to expend earmarked Other Fund and Federal Fund revenue sources to maintain permanent staff, which supports critical public health systems.

POP 328 CAF & PHD Systems Automation & Modernization

Summary: Replaces inefficient systems for Self Sufficiency programs (TANF, Food Stamps, Day Care, and Medicaid Support Services).

This POP supports solution development for: Children Adults and Families (CAF) Self Sufficiency (including capacity for the Healthy Kids Online application) and the Public Health Division (PHD) Office of Family Health Web-based Data Warehouse.

CAF Self Sufficiency:

Funding is requested to continue efforts started in the 2007-09 biennium to automate self-sufficiency processes and modernize aging self-sufficiency systems. The Self Sufficiency Modernization effort automates cumbersome, error-prone manual processes, opens new channels of service delivery for client access, provides caseworkers access to productivity tools and provides caseworkers a fully integrated Self Sufficiency system. These solutions will replace multiple outdated, inefficient systems, and improve accuracy in determining eligibility of Oregon's vulnerable citizens for TANF, Food Stamps, Day Care and Medicaid support services.

Most prominently, failure to fund the long-term system replacement objectives places the entire Self-Sufficiency system at risk. As current staff retires, OIS ability to support existing legacy systems continues to diminish. A five to seven year window is projected to fully accomplish the goal of replacing these aging systems.

Failure to fund the full Self Sufficiency Modernization efforts will result in continuation of:

1. Errors due to duplicate data entry into multiple systems;
2. Steep staff learning curve due to complex manual processes;
3. Staff retention challenges due to heavy workload;
4. Errors in medical eligibility assessments;
5. Errors in County, State and Federal reporting;
6. Problems with accuracy and completeness in data forecasting;
7. Loss of federal and state funds due to system inefficiencies;
8. Risk of federal penalties due to non-compliance with federal law;
9. Data security risks from multiple manual workarounds and desktop reporting data storage;
10. Degradation in system response time and increasing costs to implement federal guidelines;
11. High maintenance costs for legacy systems;
12. Lack of interfaces with other state systems;
13. Lack of reliable online eligibility assessment for self sufficiency clients;
14. Lack of online application capabilities for external clients.

Public Health’s FamilyNet:

Funding is requested by the Public Health Division to develop a Data Warehouse. FamilyNet is Oregon’s Child Health Integrated Data System consisting of a suite of application modules supporting services provided by the Office of Family Health (OFH). Funding will provide the staff necessary to develop the web-based data warehouse to link existing Office of Family Health (OFH) child health data systems (TWIST, ALERT, Orchids, and EHDI). The OFH child health systems were developed as stand-alone programs using federal funds. State funds are requested to link these child health systems to support surveillance, evaluation, care coordination and referrals. The

data warehouse will be designed to interface with DHS data marts to maximize efficient use of resources and to streamline processes wherever possible with older legacy systems.

Failure to fund FamilyNet will prevent OFH from being able to provide data that is critical for Oregon to create effective policies and programs to protect our children and will result in continuation of:

1. Duplicate data entry into multiple unrelated systems;
2. Introduction of errors and inconsistent data into different systems;
3. High maintenance costs for legacy systems;
4. Inability to provide program evaluation services in a timely manner;
5. Inability for clients to access or add information online;
6. Inability to share information about clients across programs and with county partners.

POP 379 DHS Provider Payment/Payroll system and Services

Summary: Provides a payroll system for adult foster home providers so that DHS may be in compliance with our collective bargaining agreement.

DHS Provider Payment systems are not intended to deliver ‘payroll’ services. They are designed to pay invoices and fee-for-service claims. These systems are designed to meet the requirements of different funding streams, program requirements, and client population needs. Most current DHS systems (including the new MMIS) do not allow deductions to be withheld (either dues withholdings for Union entities or taxes). Recently there have been several initiatives set forth for these systems to be enhanced to provide these services.

A change must be made to the Community Based Care (CBC) system in order to properly withhold Union withholdings, as set forth in the collective bargaining agreement. DHS is required to deduct Union withholdings by 1/1/2010. Funding must be secured so that systems changes can be made to fulfill this requirement. If no funding were obtained, then current staff would be pulled off of other critical operations and projects and would have direct impacts on MMIS and other operational tasks.

This POP will secure the funding for those changes, but also allow for analysis to take place to determine if DHS should make modifications to the existing CBC system OR implement a new, department wide payment/payroll system. The full spectrum of options should be analyzed to determine the best approach, balancing the requirements of the individual programs against the advantages of shared operations. This could be one system, individual systems with duplication, or a shared component model.

The selected solution must adhere to the laws and regulations by which DHS must adhere to when paying providers.

POP 389 Health Policy Planning and Health Fund Board

Summary: Provides the first step of health care reform in support of the Governor's health initiatives.

This package initiates some of the first steps of comprehensive health care reform recommended by the Oregon Health Fund Board (OHFB) and that complement the Governor's health initiatives. It also continues the Board's work to further develop the subsequent stages for reform by providing essential support to the Oregon Health Fund Board (OHFB), necessary resources for health policy planning, data collection and analysis, which are essential to the success of healthcare reform in Oregon. If not funded, there will be limited ability to begin key design pieces of the plan, including developing cost containment strategies and delivery system redesign: e.g., payment reform, primary care revitalization, as well as the fundamental area of better public information about cost and quality of healthcare in Oregon. . The Board's recommendations also address end of life and further development of a health insurance exchange. These are all keystone building blocks for the foundation of health care reform in Oregon. While this package focuses on the initial steps of reform, implementation of the progression are also future areas that DHS will continue to promote and have involvement in.

POP 308 OR-Kids (Child Welfare Information System)

Provides COP funding for implementation phase of the child welfare information system project "OR-Kids" which will address challenges in assisting families served by CAF.

The purpose of this POP is to provide project funding enabling completion in 09-11 of the OR-Kids Project. This project will give Child Welfare caseworkers a single, fully integrated Child Welfare system, replacing multiple outdated, inefficient systems that do not meet the needs of caseworkers and continually put Oregon's children at risk. CGI Technologies and Solutions Inc., which has successfully implemented Child Welfare systems in several other states, was awarded the system implementation contract in Oregon, and has been on-site at the DHS Parkway facility since March 2008.

Failure to fund the completion of the Child Welfare system may result in:

1. Increased risk of Child Welfare incidents in Oregon;
2. Repayment of \$15 million to the Administration for Children and Families (ACF) for an enhanced match for development of the system;
3. Loss of federal and state funds due to system inefficiencies;
4. Risk of federal penalties due to non-compliance with federal law;
Litigation liabilities (tort claims and settlements for damages to families).

ASD works closely with the DHS program divisions, Oregon Legislature, advocates, partners and stakeholders to identify the challenges facing the agency and find opportunities for addressing those challenges to improve services to Oregonians.

Transformation Initiative

DHS has embarked on an ambitious process to transform itself into a leading health and human services organization. Known as the DHS Transformation Initiative, the purpose of this work is to enable the department to leverage the experience of its employees, advance technological solutions, execute better data collection and monitoring capabilities in order to deliver high-quality, efficient and effective health and human services to Oregonians in the years ahead.

DHS has begun the incremental process of transforming the way we deliver services and being more efficient with state dollars by taking an in depth look at how we do our work. We have measured our operations, mapped our processes and begun to transform ourselves into a world-class human services organization. There are five key themes that drive our Transformation Initiative:

1. Doing the right work the right way,
2. Developing world-class employees and culture,
3. Working together across divisions,
4. Getting more from the public dollar, and
5. Engaging with DHS partners for improved performance.

While DHS has started by targeting processes that can achieve the most benefits and savings at the lowest cost, some initiatives will take longer to implement. Savings from the first process improvements will be used to fund additional changes that have higher related costs. This self-funded continuous improvement process is expected to become a way of doing business at DHS. It is about changing the way government works for the benefit of Oregonians, being innovative to ensure that Oregon's most vulnerable citizens get the services they need and are buffered from the fluctuation in state resources.