

# 2009 Presentation

Joint Legislative Committee on Ways and Means

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April 2009

# DHS Administrative Services Division (ASD)

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**ASD Overview**

**EBL**

**Transformation**

**Information Technology**

# DHS Administrative Services Division (ASD)

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## Program summary

- ASD supports the entire department by providing leadership, direction and shared services in key business areas. The division works to increase accountability through consolidation of services, simplifying and standardizing business practices, and continually improving the department's efficiency and effectiveness.

# ASD 2009-2011 offices

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## Director's Office:

- Office of the Director and Policy
- Internal Audit and Consulting Office (IAC)
- Governor's Advocacy Office (GAO)
- Office of Multicultural Health Services
- Legislative and Intergovernmental Relations
- Tribal Relations
- Office of Federal Financial Policy
- Transformation Project Office
- Office of Investigations and Training (OIT)
- Office of Oregon Health Policy and Research; and
- Oregon Health Fund Board

## Finance

- Office of Budget, Planning and Analysis
- Office of Financial Services

## Administrative Services

- Administrative Services Central Office
- Office of Facilities
- Office of Communications
- Office of Information Services
- Office of Human Resources
- Office of Document Management
- Office of Contracts & Procurement
- Information Security Office
- Office of Payment Accuracy and Recovery

# ASD 2009-2011 offices

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## Office of Investigations and Training

Investigates allegations of abuse and neglect for clients with mental health issues or developmental disabilities. Clients may be living in institutions or community settings. Provides training and technical assistance to county staff who are responsible for investigations at the local level.

During the past five years the office averaged 1,276 investigations a year with an average of 902 cases being substantiated.

In December 2007 the office began investigating abuse reports from therapeutic children's out-of-home treatment programs. To date the office has assigned 173 reports for investigation with 47 allegations being substantiated.

The rate of reporting during the past five years has stayed fairly constant, but the complexity of the cases has increased.

# ASD 2009-2011 offices

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## Governor's Advocacy Office

Provides ombudsman functions for all DHS programs and services.

October 2008 through March 2009:

- Total cases opened for research and investigation – 1,863
- 17 percent increase from prior year
- Information and referral calls – 1,477
- 450 percent increase from prior year
  
- Top three issues during the past six months:
  - Calls for crisis services
  - Calls from first-time applicants
  - Oregon Health Plan questions

# ASD 2009-2011 offices

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## Office of Multicultural Health

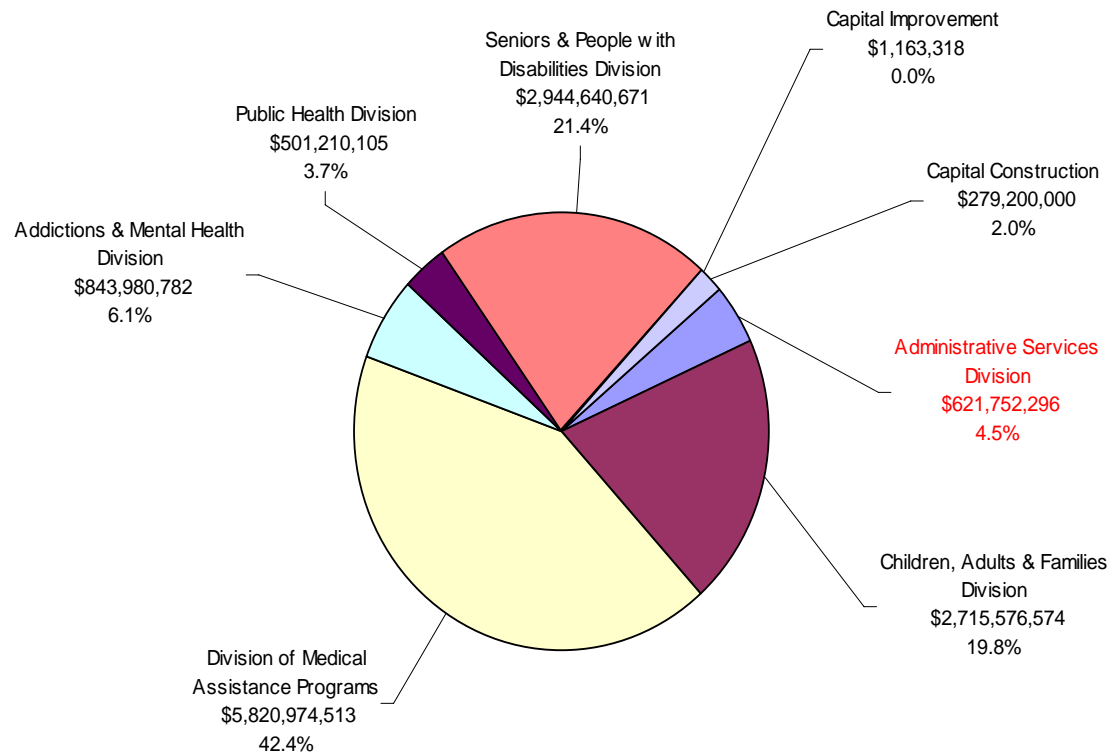
Provides leadership in helping the department work with various communities to address issues of health disparities and access to care.

The office recently was moved from the Public Health Division to the Director's Office.

Diversity, Cultural Competency and Affirmative Action programs are being moved into the office.

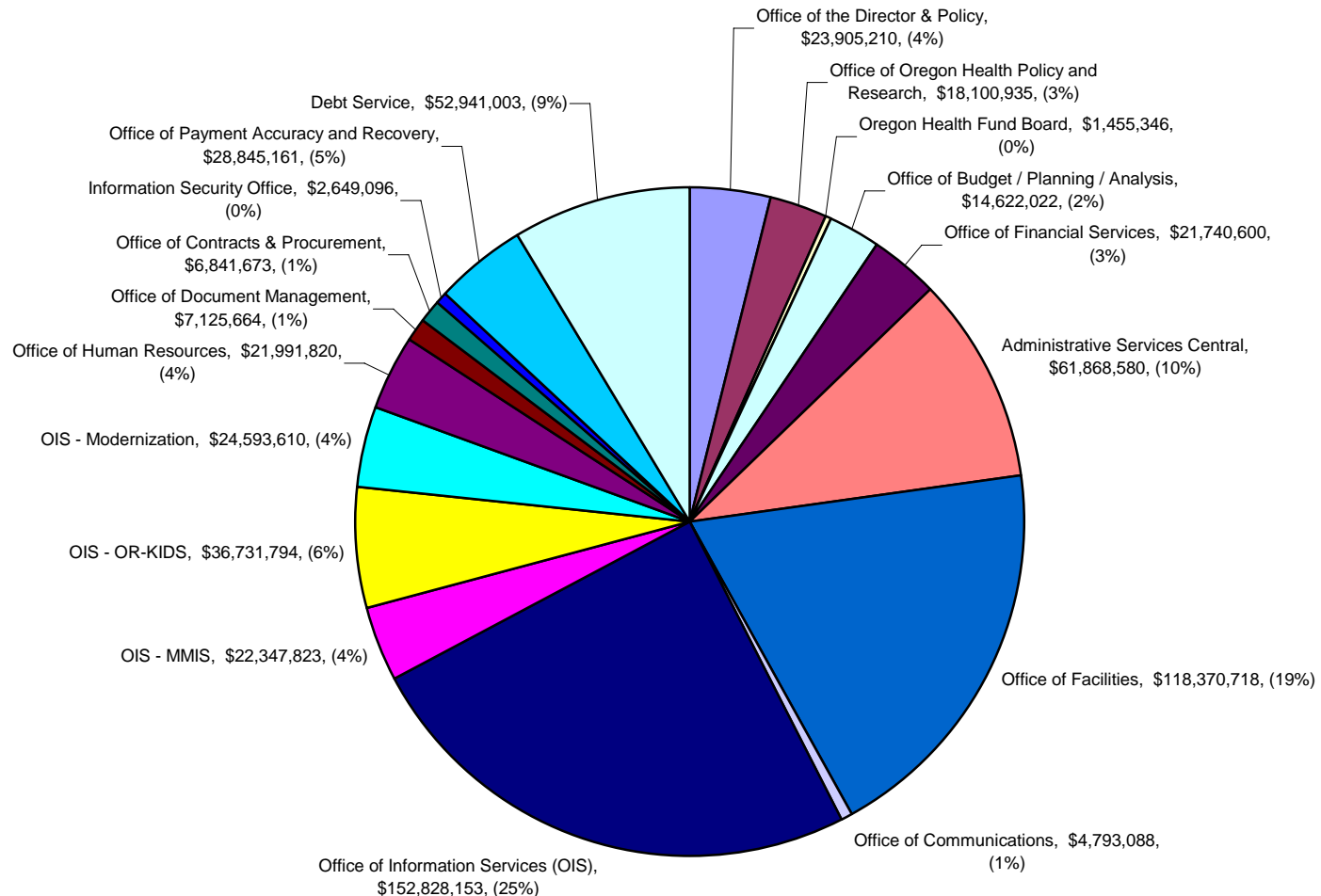
# ASD allocation of DHS

Department of Human Services (DHS)  
2009-2011 Governor's Recommended Budget  
Total Fund by DHS Division  
\$13,728 million



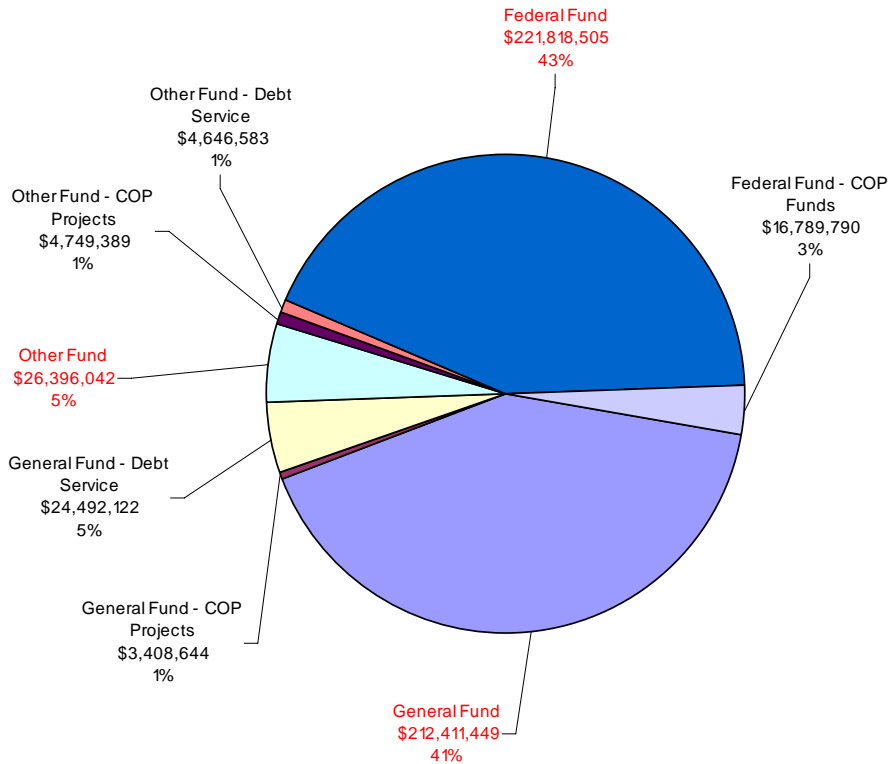
# ASD 2009-2011 GRB budget by office

## Administrative Services Division 2009-11 Governor's Recommended Budget by Office \$621.8 million Total Funds

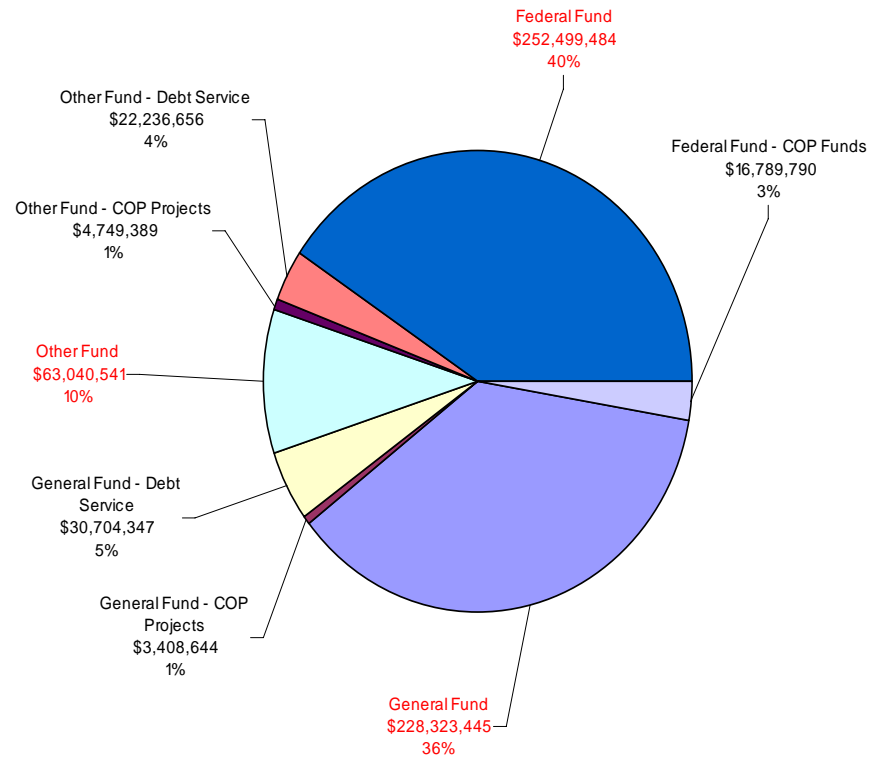


# ASD MEBL and GRB by fund type

Administrative Services Division  
2009-11 Modified Essential Budget Level by Fund Type  
\$514.7 million Total Funds

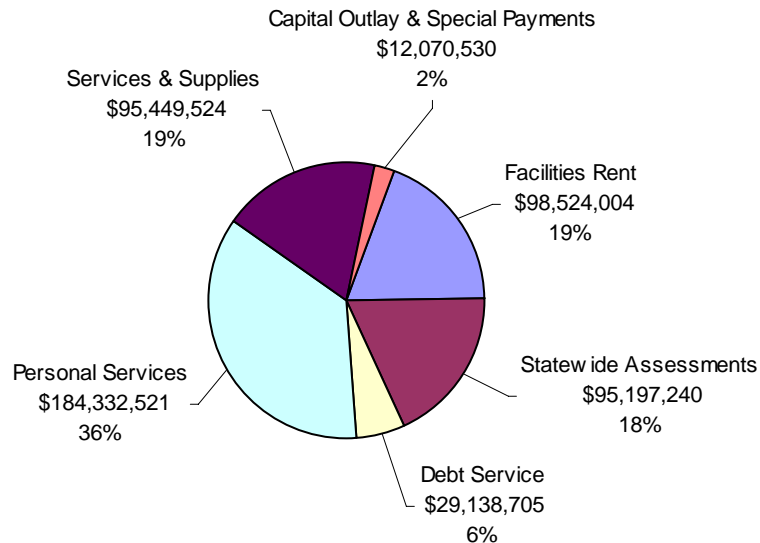


Administrative Services Division  
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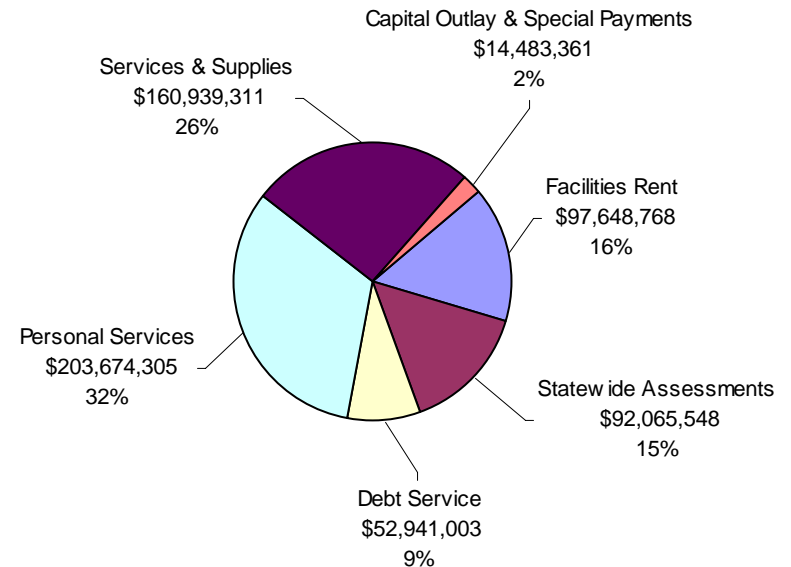


# ASD MEBL and GRB by category

**Administrative Services Division  
2009-11 Modified Essential Budget Level by Category  
\$514.7 million Total Funds**



**Administrative Services Division  
2009-11 Governor's Recommended Budget Level by Category  
\$621.7 million Total Funds**



# ASD 2009-2011 base budget to GRB

	General Funds Debt		Other Funds	Other Funds Debt Service	Federal Funds	Total Funds	Pos	FTE
	General Funds	Service						
Base Budget	191,314,399	24,492,122	45,107,999	4,646,583	258,322,432	523,883,535	1,068	1,038.51
<b>Essential Packages:</b>								
10-Vacancy Factor/Non-PICS	1,140,124	-	(178,981)	-	521,953	1,483,096	-	-
21 - Phase Ins	4,314,782	-	2,151,144	-	17,739,377	24,205,303	18	17.25
22-Phase Outs	(2,738,574)	-	(16,397,912)	-	(34,739,049)	(53,875,535)	-	(1.50)
31-Standard Inflation	7,504,035	-	506,416	-	2,578,034	10,588,485	-	-
32-Above Standard Inflation	2,089,887	-	210,795	-	2,556,229	4,856,911	-	-
40-Mandated Caseload	1,531,407	-	-	-	1,373,086	2,904,493	-	-
50-Fund Shift	9,969,805	-	(115,909)	-	(9,853,896)	-	-	-
60-Technical Adjustments	694,228	-	(138,121)	-	644,957	1,201,064	2	1.95
<b>Total Essential Budget Level (EBL)</b>	<b>215,820,093</b>	<b>24,492,122</b>	<b>31,145,431</b>	<b>4,646,583</b>	<b>239,143,123</b>	<b>515,247,352</b>	<b>1,088</b>	<b>1,056.21</b>
70-Revenue Shortfalls	-	-	-	-	(534,828)	(534,828)	-	-
<b>Total Modified EBL:</b>	<b>215,820,093</b>	<b>24,492,122</b>	<b>31,145,431</b>	<b>4,646,583</b>	<b>238,608,295</b>	<b>514,712,524</b>	<b>1,088</b>	<b>1,056.21</b>
<b>Adjustments to Achieve the Governor's Recommended Budget:</b>								
90-Dec E-Board Adj	1,008,338	-	-	-	1,149,114	2,157,452	-	-
90-Analyst Adj	(5,752,842)	-	(454,395)	-	(5,859,013)	(12,066,250)	3	0.75
<b>Total Adjustments</b>	<b>(4,744,504)</b>	<b>-</b>	<b>(454,395)</b>	<b>-</b>	<b>(4,709,899)</b>	<b>(9,908,798)</b>	<b>3</b>	<b>0.75</b>
<b>Policy Packages included in the Governor's Recommended Budget:</b>								
POP 109 Core IT Services (ASD)	3,375,864	-	140,661	-	3,516,525	7,033,050	-	-
POP 123 Improving Quality of Long Term Care (SPD)	34,377	-	-	-	34,370	68,747	-	-
POP 149 Public Health Support System Support (ASD)	-	-	2,168,020	-	1,408,338	3,576,358	16	16.00
POP 156 Local Public Health System Improvement (PHD)	124,698	-	-	-	(61,983)	62,715	-	-
POP 184 CAF 070 Revenue Shortfall (CAF)	534,828	-	-	-	-	534,828	-	-
POP 188 Patient Treatment and Safety Improvements (AMH)	7,185,584	-	-	-	-	7,185,584	13	13.00
POP 261 Obesity Prevention and Education (PHD)	71,202	-	-	-	-	71,202	-	-
POP 308 OR-KIDS (CAF)	3,079,947	2,879,218	14,425,915	-	16,346,714	36,731,794	30	30.00
POP 316 Health Care Facility Inspections & Oversight (PHD)	-	-	95,605	-	-	95,605	-	-
POP 326 Hospice Agency Licensing & Regulatory Oversight (PHD)	-	-	12,412	-	-	12,412	-	-
POP 328 CAF & PHD Systems Automation & Modernization (CAF/PH)	-	3,333,007	14,249,302	-	7,011,301	24,593,610	29	28.26
POP 346 Admin of EPA Lead-Based Paint Renovation (PHD)	-	-	71,202	-	-	71,202	-	-
POP 356 Public Health Lab Fee Increase (LIMS) (PHD)	-	-	1,783,270	-	-	1,783,270	-	-
POP 378 OSH Replacement Project Next Phase (AMH)	-	-	-	17,590,073	-	17,590,073	-	-
POP 379 DHS Provider Payment/Payroll System (ASD)	1,250,000	-	-	-	1,250,000	2,500,000	-	-
POP 389 Health Policy Planning & Health Fund Board (ASD/OHPR)	5,000,000	-	192,658	-	2,427,694	7,620,352	11	9.03
POP 505 Healthy Kids Program (DMAP)	-	-	3,959,849	-	3,457,919	7,417,768	18	17.50
<b>Total Policy Packages:</b>	<b>20,656,500</b>	<b>6,212,225</b>	<b>37,098,894</b>	<b>17,590,073</b>	<b>35,390,878</b>	<b>116,948,570</b>	<b>117</b>	<b>113.79</b>
<b>Governor's Recommended Budget:</b>	<b>231,732,089</b>	<b>30,704,347</b>	<b>67,789,930</b>	<b>22,236,656</b>	<b>269,289,274</b>	<b>621,752,296</b>	<b>1,208</b>	<b>1,170.75</b>

# Affirmative Action

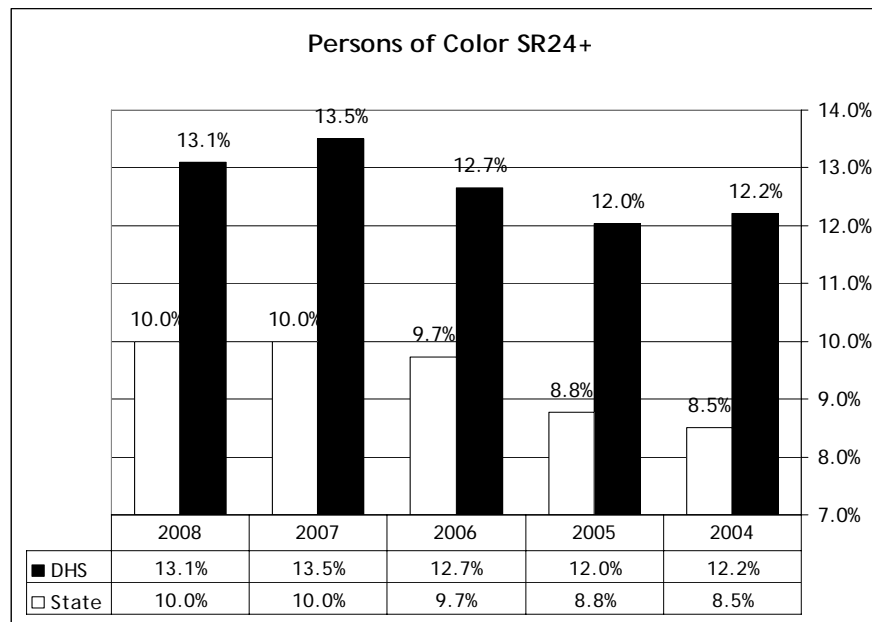
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DHS is a leader in the recruitment and hiring of a diverse workforce in Oregon state government, as gauged by the percentage of “protected-class” workers (i.e., women, people of color and people with disabilities).

DHS has exceeded its goal for women in all job categories, and for all protected groups in the administrative services category.

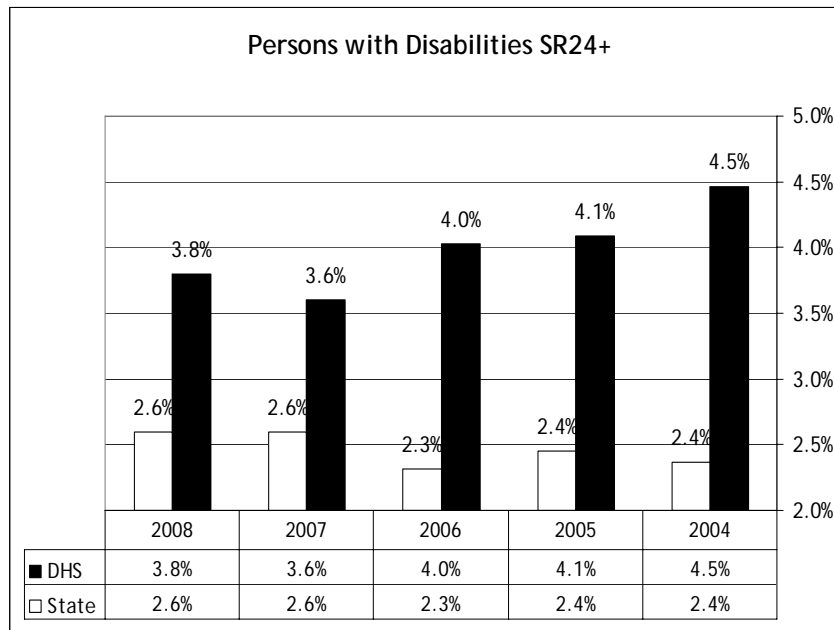
# Affirmative Action

- People of color represented 13.1 percent of all DHS employees at salary range 24 and above, compared to 10.0 percent for state government.



# Affirmative Action

- People with disabilities represented 3.8 percent of all DHS employees at salary range 24 and above, compared to 2.6 percent for state government.



# DHS Transformation overview

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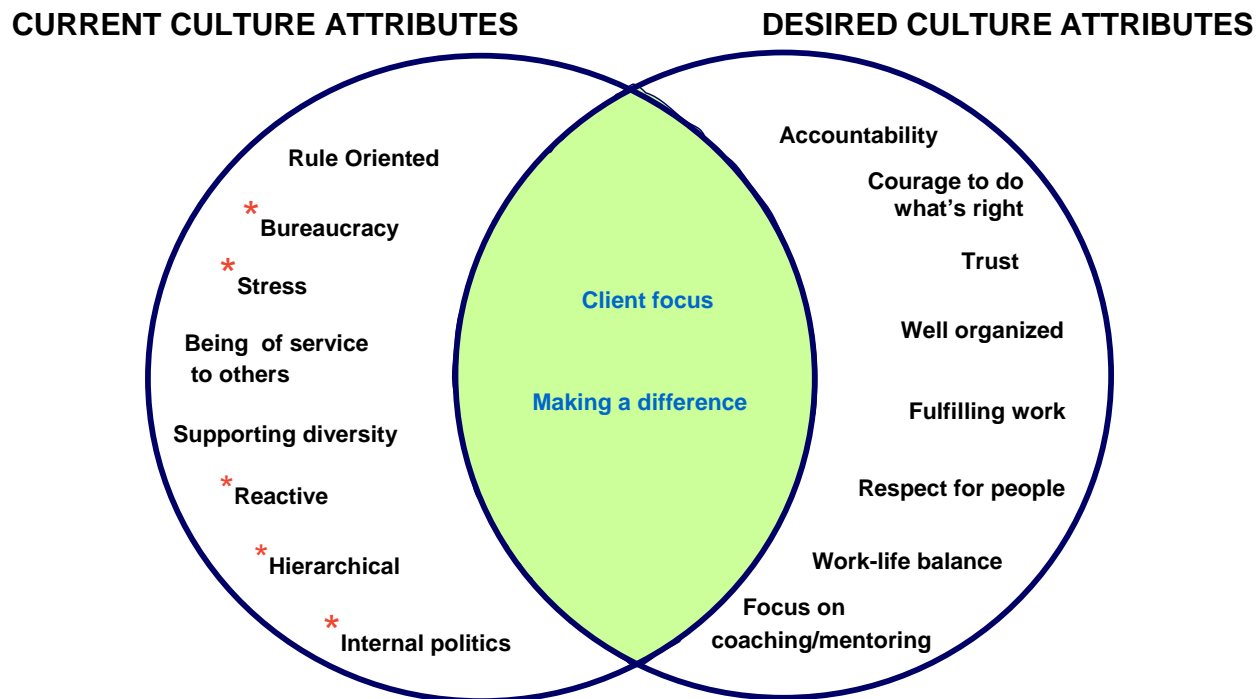
## Presentation topics

- Why are we doing this?
- What is it?
- Where are we?
- How will DHS transform?
- Transformation highlights

# DHS Transformation overview

## Why are we doing this?

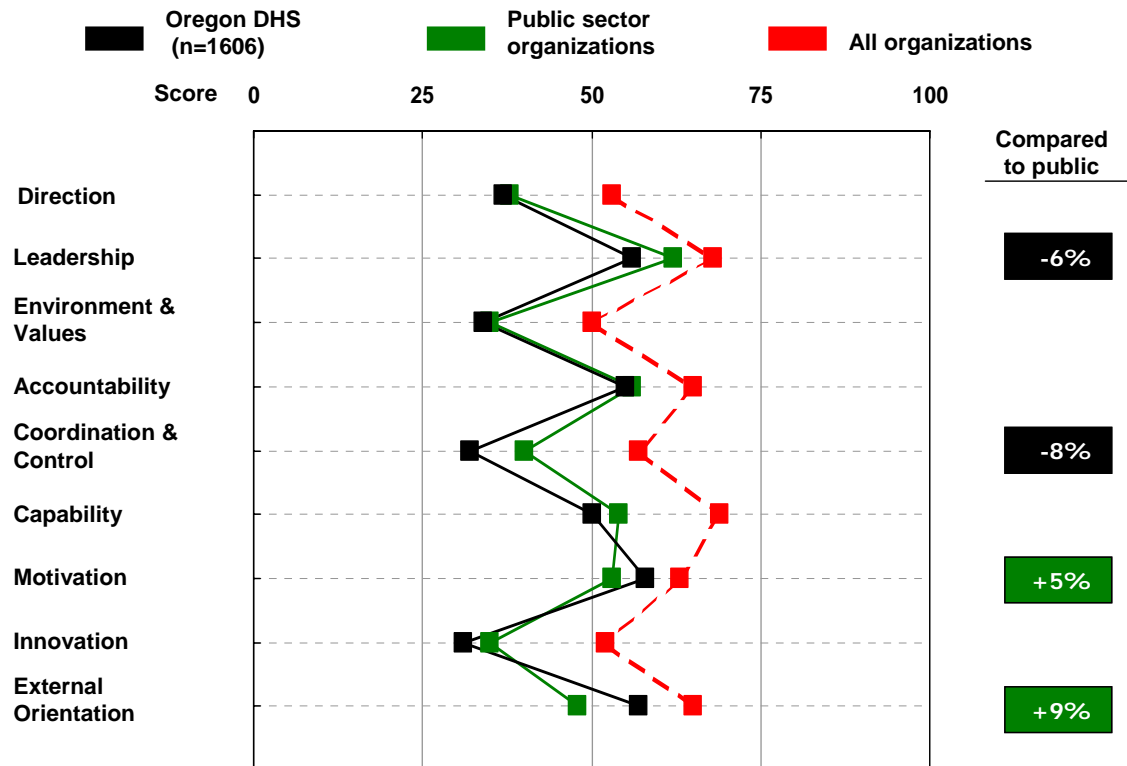
- Because we asked and heard a consistent message from clients, partners, employees, advocates and other stakeholders who want to see fundamental changes to the way DHS does business.



# DHS Transformation overview

## Why are we doing this?

- Because it's possible to change – other organizations have done it.

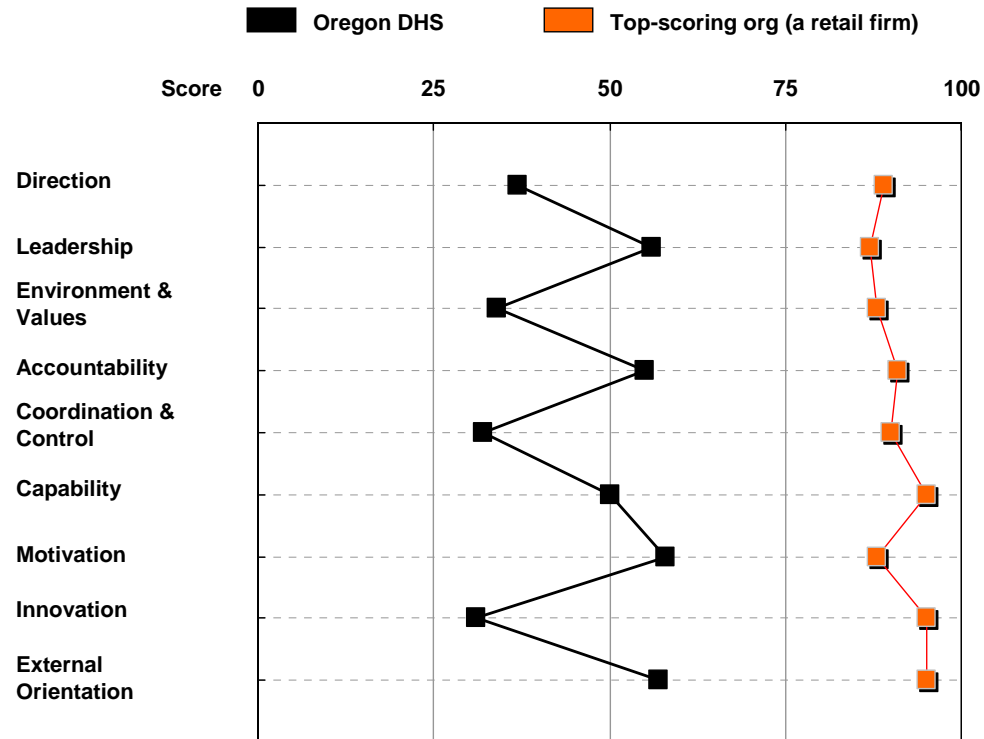


Source: Oregon DHS Performance Leadership Survey (n= 1606)

# DHS Transformation overview

Why are we doing this?

- DHS compared to top-scoring organizations.



Source: Oregon DHS Performance Leadership Survey (n= 1606)

# DHS Transformation overview

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## What is Transformation?

Transformation is the catalyst for changing the way DHS delivers services by:

- Improving service delivery;
- Increasing organizational efficiency; and
- Enhancing effectiveness in meeting the DHS mission.

Transformation uses the best possible expertise available (selected McKinsey & Company through competitive procurement).

# DHS Transformation overview

Where are we?

- Transformation timeline: 18 – 24 month roadmap

Finance Pilot	Milestone Status	Timing
• Baseline & benchmarking	Complete	<b>March – November 2007 (Complete)</b>
• Developed To-Be model	Complete	
• Train Finance staff	Complete	
• Conduct RPI events	Complete	
• Next Steps plan	Complete	
• Recommendations	Complete	
<b>DHS Department Roll-Out</b>		
<b>Phase 1 - Discovery</b>	Complete	<b>January – June 2008 (Complete)</b>
• Articulate a vision	Complete	
• Baseline and benchmark	Complete	
• Opportunity identification	Complete	
• Roadmap development	Complete	
<b>Phase 2 - Implementation</b>		<b>July 2008 – June 2010 (In Process)</b>
• Lean Leader training	Complete	
• Team formation	Complete	
• Transformation work	Implementing	
• Transformation Learning Plan	Implementing	
• Metrics & Benefits training	Implementing	

# DHS Transformation overview

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Transformation requires a “step up” for DHS in the following areas:

- Metrics
- Reporting structure
- Project management
- Leadership support and development
- System architecture

# DHS Transformation overview

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## Transformation pilot accomplishments:

- In December 2008 the pilot reported documented cost avoidance exceeding \$8.4 million through actions such as improved cash management on short-term Treasury loans, decreased staff overtime and increased benefit-overpayment collections.
- DHS budgets were prepared and submitted five months earlier than last biennium.
- Formation of a Lean Daily Management System (LDMS) helped the department achieve the State Controller's Division Gold Star Award for financial reporting.

# DHS Transformation overview

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## Transformation highlights

Recent results from Rapid Process Improvement (RPI) events are promising:

- **CAF:** Food Stamp program intake – this past year the number of families needing food stamps has increased by 25.8 percent. All 59 Self-Sufficiency offices recently implemented a new process enabling workers to provide same-day service to 78 percent of clients. Prior to implementing the new process, clients could wait as long as two weeks to receive service.
- **PHD:** Travel approval process – It used to take 12 days to obtain approval for out-of-state travel requests in PHD. By reducing the cycle time from 12 to five days and the number of process steps from 17 to 11, PHD has realized benefits through March totaling \$34,500. Savings realized result from online booking and early-bird registration discounts. Additional benefits include a reduction in error rate and increased employee satisfaction with the process
- **OSH:** Nurse hiring process – OSH has reduced the time required to recruit a qualified nurse from 80 to seven days. As a result, OSH has added 15 additional nurses, increased the quality of patient care and safety, and improved morale.

# DHS Transformation overview

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## Transformation highlights

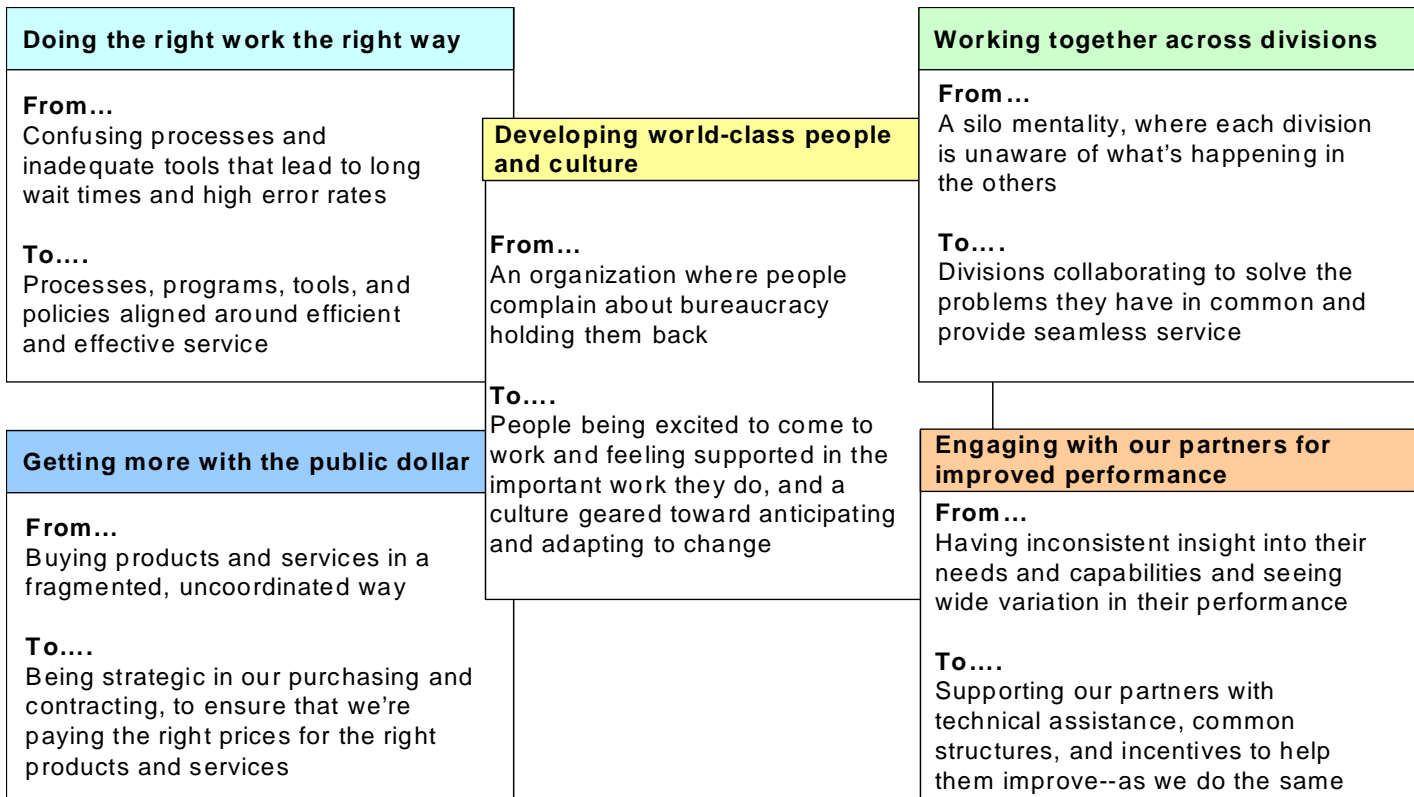
Recent Rapid Process Improvement (RPI) event summary:

- **AMH:** MD billing at OSH – Increase revenue by streamlining the internal process to ensure complete, accurate and consistent health record documentation and billing, with a target of \$500,000 of new income each year.
- **ASD:** Hiring process – Improve and streamline processes, with the goal of reducing the time it takes to fill a vacancy from as long as 90 days to 20 days.
- **SPD:** Corrective Action Unit process – Streamline processes to reduce the number of steps required to process an investigative report from 21 to nine, and reduce the cycle time for initiating a civil penalty from 79 to 45 days. Once implemented, the percentage of reports completed within the required timeframe will increase from 76 percent to 100 percent.

# DHS Transformation overview

## What is Transformation?

- Five Transformation themes



# Office of Information Services

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## Presentation topics

- DHS and OIS overview
- Current state of IT in DHS
- How we got here
- What it means to our stakeholders
- Future state of IT in DHS
- Future technology investments
- Transforming service delivery

# Office of Information Services

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## What business are we in?

Health and human services business architectures...

### **The community well-being business**

- Population-based services (public health)
- Focus on education and prevention
- Services provided through local health department interface

### **The human care management business**

- Individual/family-centered care
- Focus on intervention and assistance
- Case management
- Services provided through partners

...are distinct, yet complementary

# Office of Information Services

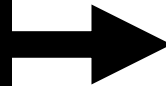
## Overview

### Oregon Department of Human Services

*Assisting people to become independent, healthy and safe*

#### **DHS comprises:**

- 9,700 employees
- 165 offices/locations across the state
- \$11.6B budget for '07-'09



### Office of Information Services

*Providing exceptional information services committed to fulfilling the DHS Mission*

#### **OIS comprises:**

- 385 employees
- \$134M budget for '07-'09

#### **We support:**

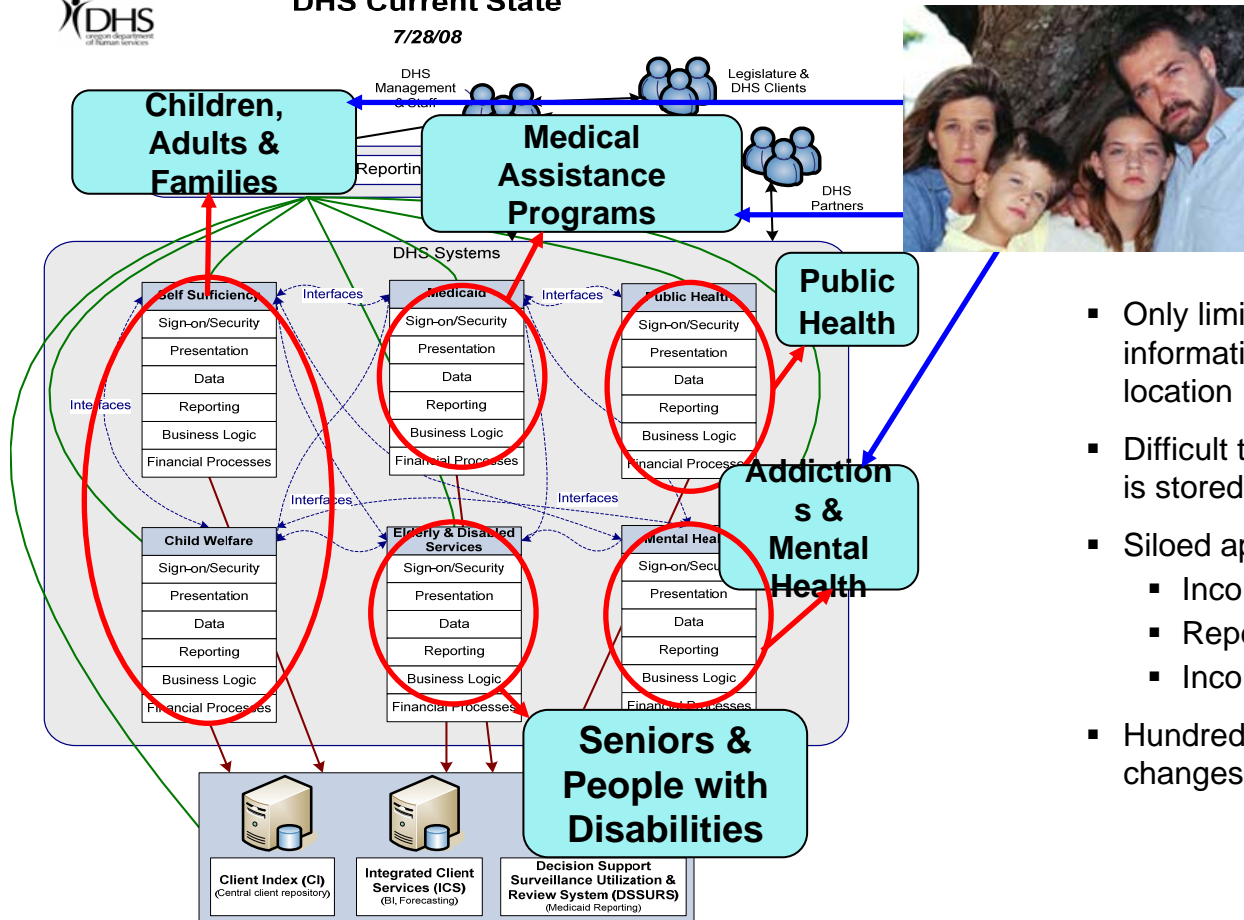
- 9,700 DHS employees
- 20,000 partner staff
- More than 20,000 computers & printers
- 165 locations across the state

# Office of Information Services



## DHS Current State

7/28/08



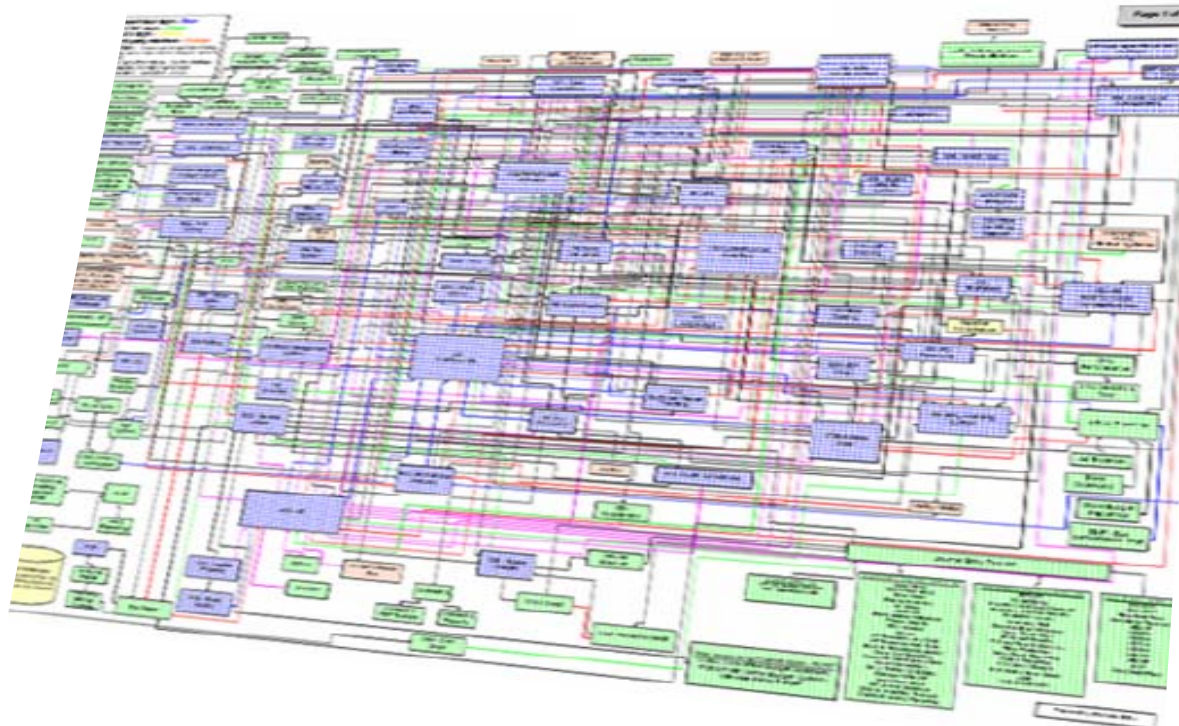
- Only limited amount of client information is accessible in a central location
- Difficult to get to the data because it is stored in individual systems
- Siloed applications
  - Inconsistent and duplicate data
  - Repeated functionality
  - Inconsistent security and access
- Hundreds of custom interfaces make changes complex and expensive

# Office of Information Services

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## Current state of IT in DHS

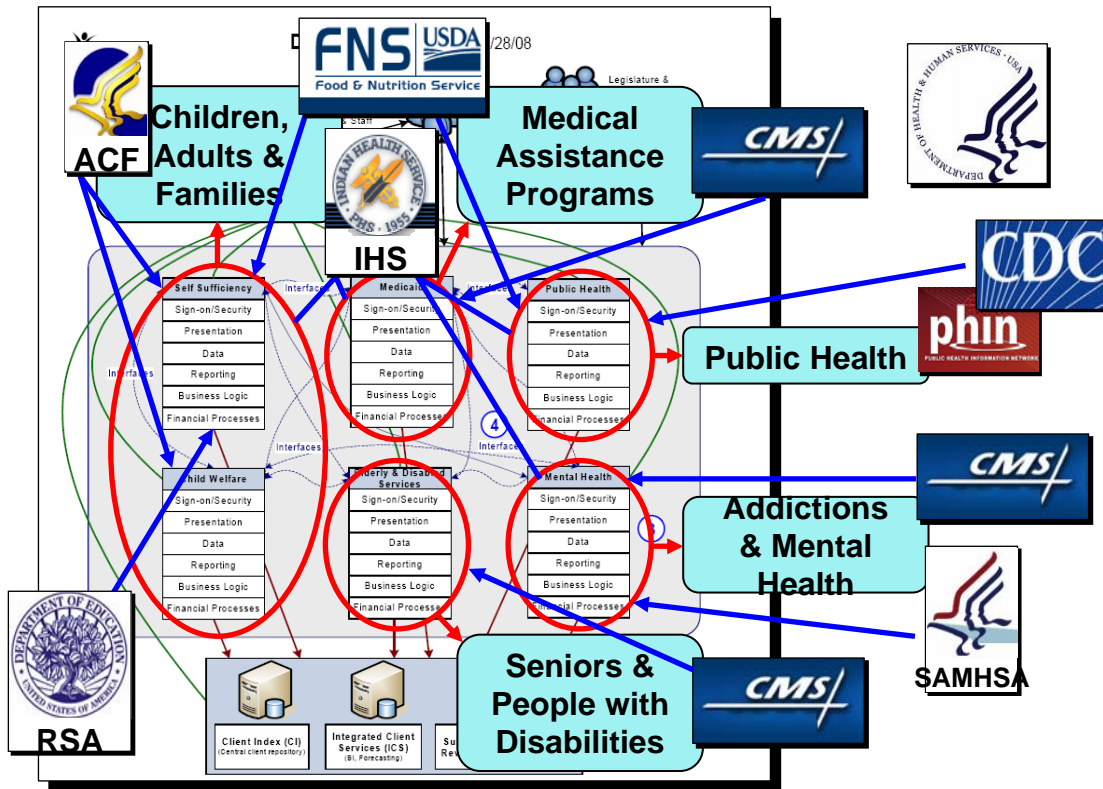
- 30+ years of siloed funding and no technology roadmap results in...



# Office of Information Services

How we got here ....

*Siloed funding = Siloed systems*



- “...good rules 20 years ago because they made sense in a highly distributed computing environment. But today, they perpetuate silos.”
- “...my hope is that the federal government would be aware of the reality and not perpetuate the silos. It defeats the whole purpose of enterprise architecture.”

# Office of Information Services

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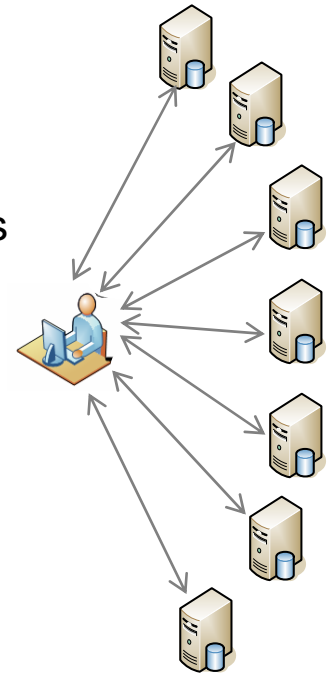
## What it means to our stakeholders

### For the people we serve...

- **Limited online services frustrate citizens** who have access to services only available during DHS business hours.
- **Lack of coordinated services** means citizens may visit multiple offices and caseworkers to receive services, provide the same information over and over again, and receive potentially conflicting instructions and appointments.

### For the staff we support...

- **Frustration and lost productivity** over manual entry of information into multiple systems, multiple user logins and passwords to remember, and slow response times of older technology.
- **Systems that don't share data** mean duplicate data entry, lack of ability to get a single view of client information making it difficult to provide coordinated services to clients and measure outcomes, and a potential risk to client safety.



# Office of Information Services

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## What it means to our stakeholders

### For our technical staff...

#### Expensive and time-consuming to deliver solutions

- New technology difficult to “plug into” old environment
- Maintenance of old technology requires skills that can be hard to find and expensive to acquire
- Increased risk of technology failure when using outdated technology not supported by vendors
- Labor- and cost-intensive “workarounds” have been used for years as short-term fixes, but do not offer long-term solutions

#### Lack of standard environment

- Requires IT staff to acquire and maintain knowledge about many tools and technologies
- Increases costs to make so many different technologies work together
- Limits options for new solutions – new technology and functionality require more modern environment

# Office of Information Services

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## Future state of IT in DHS

### A vision for DHS IT

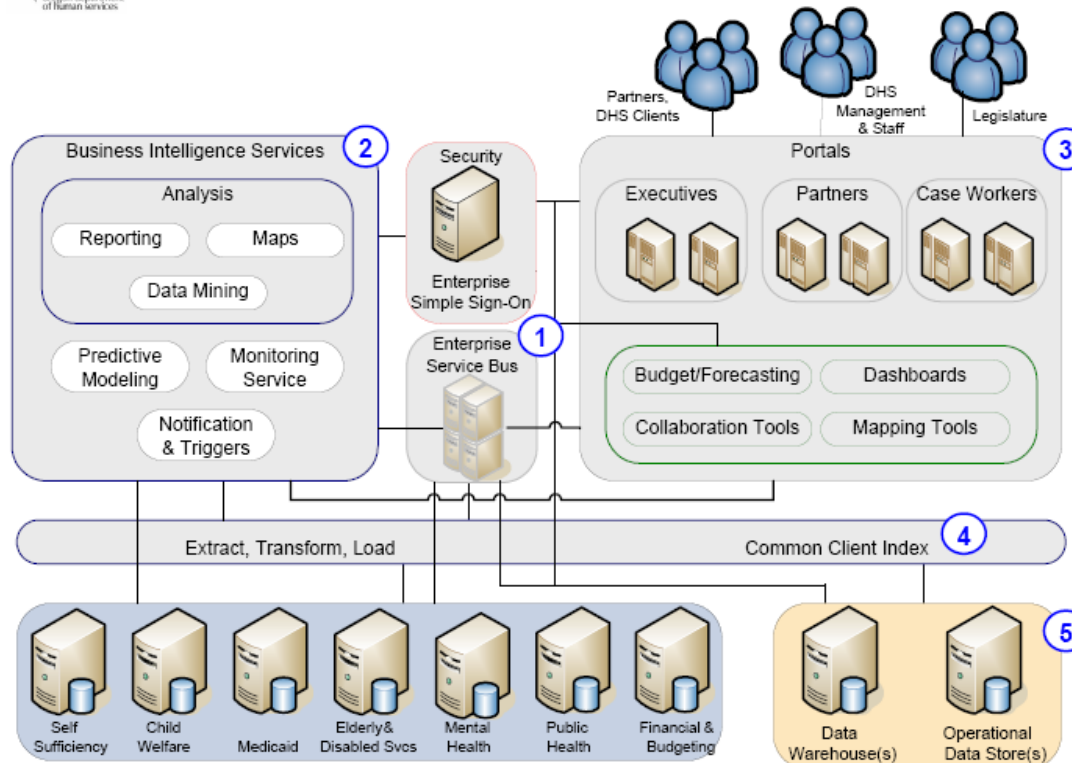
- By 2015 the coordinated, consistent delivery of health and human services in Oregon will be enabled by an IT infrastructure that supports improved outcomes by providing a comprehensive view of the clients and populations we serve.

# Office of Information Services

## Future state of IT in DHS



DHS Future State – 7/28/08



1. **Enterprise service bus** to link dissimilar systems and provide translation of data between systems
2. **Configurable business tools** for user collaboration and reporting
3. **Portals** to provide users customized, secure views of data and applications
4. **Common client index** creates a single view of a client across systems
5. **Data warehouses and data stores** provide easy access to data from multiple sources

# Office of Information Services

## Future state of IT in DHS

### 2013-2015

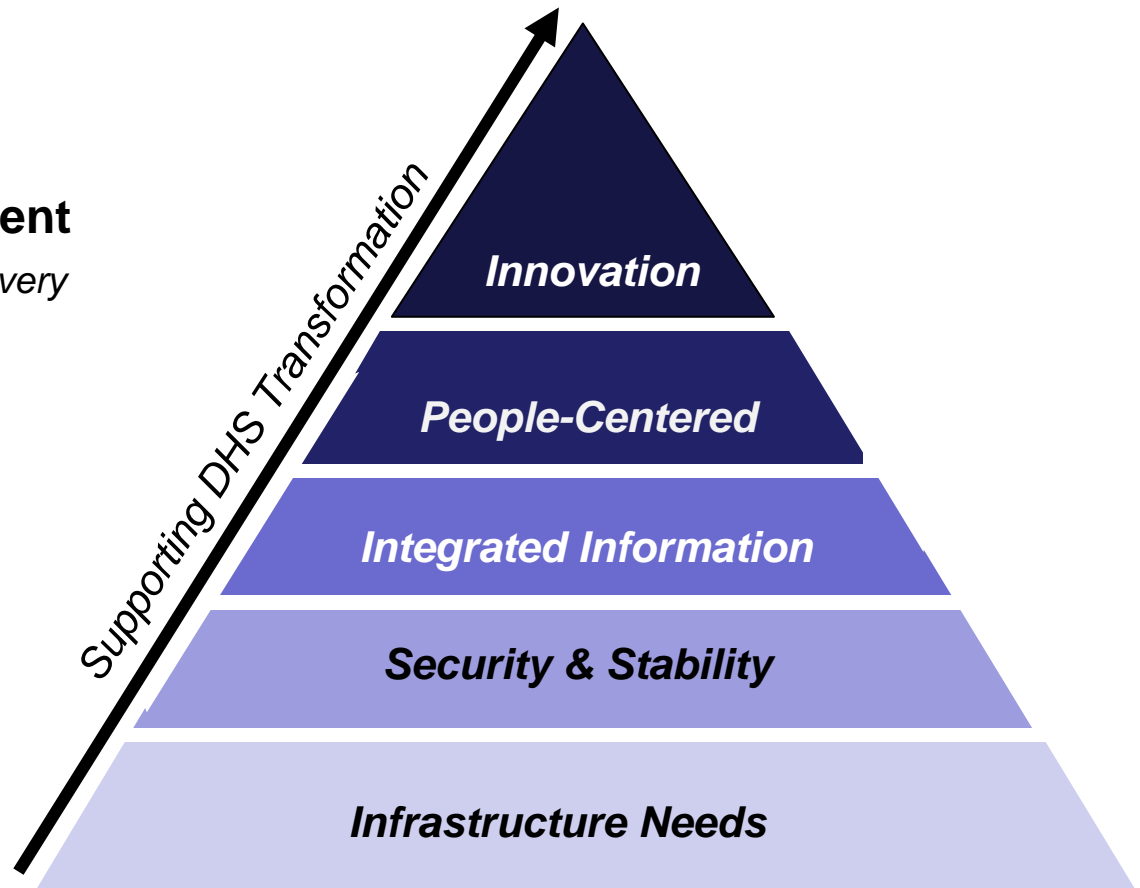
- **Unified case management**  
*Improved tracking of service delivery*

### 2011-2013

- **Common client index**  
*Single view of clients*

### 2009-2011

- **Core IT services**  
*Foundation for simplified sign-on and mobile computing in a secure environment*



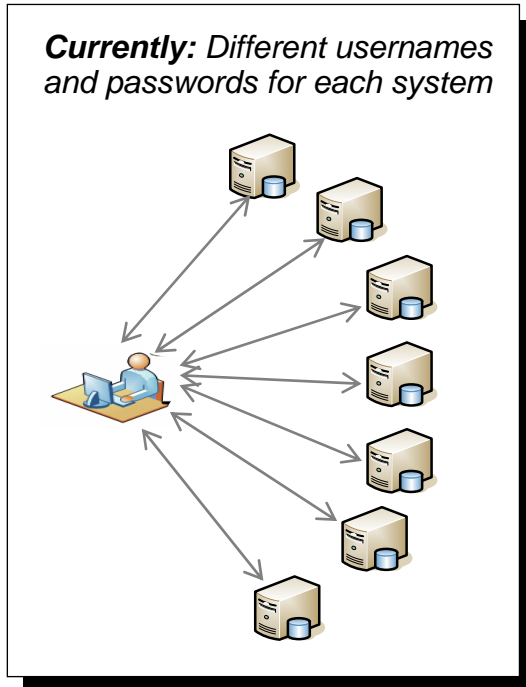
**DHS Technology Needs Hierarchy**

# Office of Information Services

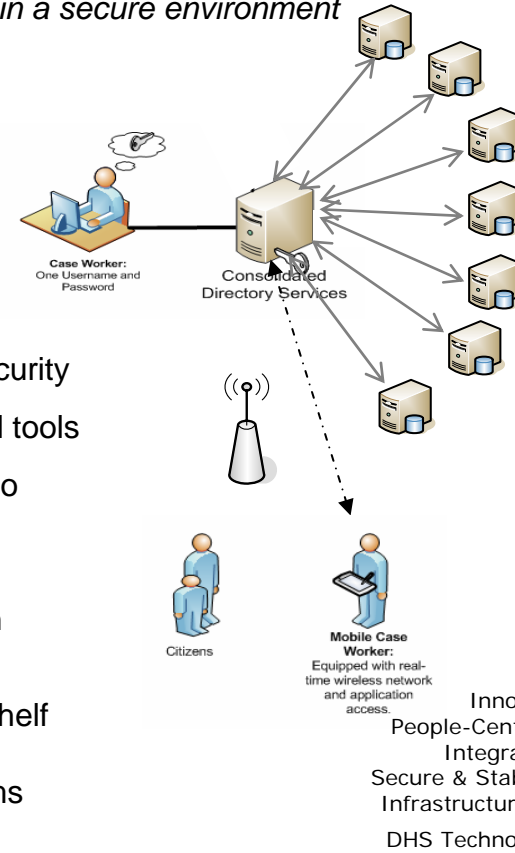
## Future technology investments

2009-2011 core IT services

*Foundation for simplified sign-on and mobile computing in a secure environment*



- Increase data and access security
- Standardize environment and tools
- Simplify sign-on and access to applications
- Support mobile computing to provide access to information anywhere anytime
- Easier integration of off-the-shelf solutions resulting in quicker solutions to business problems



# Office of Information Services

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## Future technology investments

2009-2011 Self-Sufficiency modernization

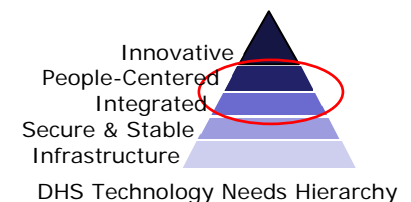
*Providing online services for clients and caseworker efficiencies*

### **For the people we serve...**

- Improves client services with 24/7 access to eligibility prescreening tools and online applications for benefits.
- Results in convenient access to services, preservation of client dignity and improved knowledge of benefits.

### **For the staff we support...**

- Improves caseworker efficiency by automating client application and eligibility determination.
- Results in increased accuracy and time savings for eligibility determination, reduced duplicate data entry, and reduced workload by providing more self-service options for clients.



# Office of Information Services

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## Future technology investments 2009-2011 OR-KIDS

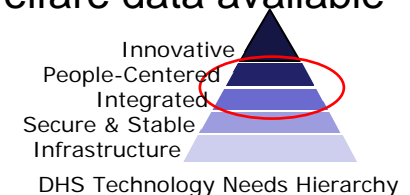
*Improving delivery of services for Oregon's  
abused, neglected and dependent children*

### **For the people we serve...**

- Improves access to online services and enhanced security of client information.
- Results in improved child safety, easier access to child welfare services, increased confidentiality and client privacy, more caseworker face-to-face time with families, and improved accuracy and timeliness of service delivery.

### **For the staff we support...**

- Improves caseworker efficiency by providing a single system for recording child/family information, calendaring system and reminders; automating currently manual processes; and establishing electronic records, replacing paper records.
- Results in reduced administrative workload, reduced duplicate data entry, more effective management of child welfare caseloads, and child welfare data available across the entire state.

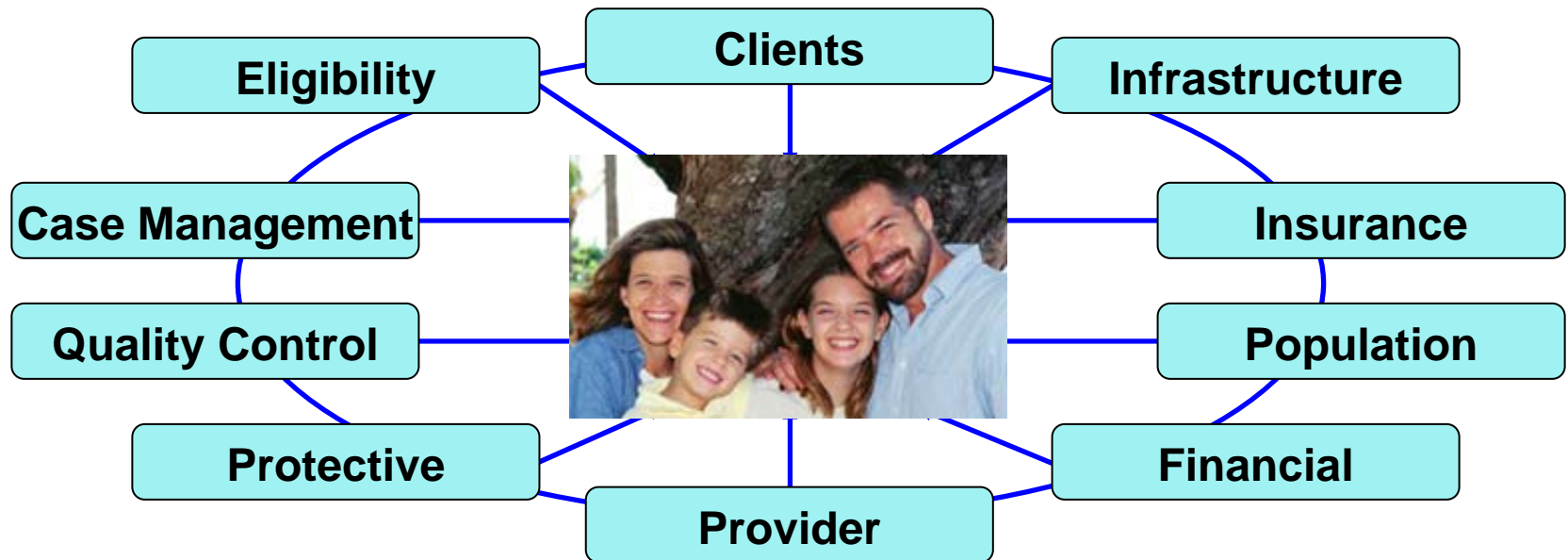




# Office of Information Services

## Transforming service delivery

- Viewing health and human services as a portfolio of interrelated services rather than a collection of discrete programs
- Providing person-centered service delivery



# Office of Information Services

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## Questions and discussion

Policy makers and administrators have long envisioned the seamless, coordinated and citizen-centric delivery of social services. That vision is now technically possible.

The Oregon Department of Human Services Technology Plan for 2009-2015 outlines a series of incremental investments that will transform business operations from data silos to connected systems of care. In so doing, the department will develop an infrastructure that improves outcomes by placing people at the center of every transaction.