

**SPD DD Community Housing Community Integrative Program Home
Maintenance, Repair and Payment Process
Benefit Document**

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Executive Summary of the Initiative and Benefits

Senior and People with Disabilities (SPD) oversee the delivery of residential services for individuals with developmental disabilities through the DD Community Housing Unit (DDCH). Part of the unit’s responsibility is to the 203 Non Profit Community Integration Program (CIP) Homes that provide residence for formerly institutionalized individuals with developmental disabilities. The primary purpose for DDCH is to monitor the physical condition and conduct annual inspection to assure the CIP homes meet SPD health and safety standards, to ensure the safety and wellbeing of the residents.

As a result of this event, DDCH created a standardized, streamlined process that increases quality control into the approval and payment process. DDCH partnered with SPD Planning and Rates to develop an online application; SPD Planning and Rates performs small IT projects within SPD. Due to lack of IT resources, the development is scheduled to begin in June 2010. Prior to this event the unit had a lengthy paper process, with a large amount of rework, lack of control points and no standardized request submission and response process.

Over a six month period from November 2008 – April 2009, the CIP Homes have requested an average of 95 approval and payment requests monthly for maintenance and repairs through the DDCH Unit. The current full time employees (FTE) allocated to the CIP Home approval and payment process is 2.33 FTE. One FTE will be re-deployed within SPD in July 2010. After July this will leave only 1.33 FTE to meet current demand.

The financial result of the implementation of this initiative is an estimated, re-deployable annual savings of \$110,734.79, in labor hours, and mailing costs.

Redeployment Plan

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|-------------------------------------------------------------------|-------------------|
| • Redeployment of FTE within SPD (July 2010) | \$53,840.64 |
| • Appliance Request Process cost savings | \$30,585.52 |
| • Streamlined Standard Request cost savings | \$21,919.63 |
| • Electronic Distribution Savings cost savings | <u>\$4,389.00</u> |
| • Total Annual Re-deployable Cost Savings (see phased plan below) | = \$110,734.79 |

Phased Implementation and Redeployment Plan

The project plan is segmented into three phases:

Phase one consists of improvements that can be implemented before the development of the online application; it began October of 2009 and runs through June 2010. Phase one of implementation reduces rework and increases standardization, and will provide a reduction of total touch time to unit; improvements and cost savings are scheduled to be measured in April-May of 2010.

Phase two is from June through September 2010 and begins the development of the online application. Phase 2 will reduce labor cost by \$53,840.64, due to the loss of one FTE.

Phase three begins the implementation of the online application; it begins in September and runs through December 2010. The remaining annual redeployed cost savings of \$56,894.15 will be realized from the date of implementation of phase three through a 12 month period.

Phase One Implemented Improvements

- DDCH invested \$2013.71 to purchase a Laptop and Blackberry for building expert to perform approvals while in field. This investment will eliminate the backlog of requests for approval that accumulate while the building expert is traveling throughout Oregon inspecting CIP homes.
- DDCH GroupWise Mail Box has been set up as the standard single avenue to receive requests
- Request form has been standardized to include all necessary information and attached verification
- Standard denial process has been incorporated for all Incomplete requests received
- Agreement has been reached with SPD Planning and Rates for development of online application
- See attached document C for all completed steps to date and detailed phases of project

Phase One Benefits

To be tracked by metric tracking sheets; scheduled tracking to begin April 1st 2010.

Improvement Summary

DDCH will replace their current paper intense non-standardized request for approval and payment process with a standard web form that is submitted into a database with quality controls that automatically checks the submitted information for duplicates, change orders, or

discrepancies and generates an auto-reply for requests. Requests for approvals or payments received without sufficient information or prior approval will be automatically denied; therefore reducing staff time and re-work considerably.

The future state process distinguishes between simple and more complex approval requests. Simple requests such as an appliance request, make up 40% of all requests and will be automatically approved or denied. Simple requests will enter an automated approval and payment process that will take an estimated 5 minutes cycle time substantially reducing workload for DDCH staff. The standard request process makes up the remaining 60% of requests and will be evaluated by DDCH building expert to approve or deny the request. The estimated time to approve and request payment is one day; this is due to prior approval for all requests for repairs and the staff will have the information needed to authorize payment as the online application will ensure sufficient information is received. Request for payment will be e-mailed to the Payment Unit after authorization is given; reducing delivery time by four days as current process of delivery is through the US mail.

Benefit/Outcome Description

The largest improvements will be increased quality control and decreased labor along with an increased processing speed for each CIP home repair and payment request. These improvements will reduce the workload in both the appliance process by 90% (calculated by subtracting 5 minute future state touch time from 48.51 minute current state touch time and dividing 43.71 saved minutes per request by current state touch time minutes) and the standard request process by 43% (calculated by subtracting 21 minute future state touch time from 48.51 current state touch time and dividing 27.71 minutes touch time saved by 48.51 current state touch time) while providing high quality service to the home owner and residents who rely on these repairs for their safety. The DDCH building expert will have an increased ability to perform required home inspections since he will no longer be burdened by the current un-standardized and time consuming process.

Cost Savings /Productivity

Annual cost savings are an estimated \$110,734.79 savings in labor and mailing costs and are broken down as follows:

- One FTE re-deployable \$53,840.64 annual cost savings in labor hours.
- The simplified appliance request and payment process will provide an estimated re-deployable \$30,585.52 annual cost savings, in FTE labor hrs. Process steps will be reduced from 65 (average current state) to one step.

- The standard request for approval and payment process will provide an estimated re-deployable \$21,919.63 annual cost savings in FTE labor hrs. Process steps will be reduced from 65 to 9 (average future state).
- The Electronic Payment Request will provide an estimated re-deployable \$4,389 annual cost savings in FTE time and mailing cost.

Service /Cycle Time

- Reduce cycle time for the standard request process for approval and payment from an average of 24 work days to 4 work days.
- The touch time for the standard request for approval and payment will be reduced from 58 minutes to 21 minutes.
- The cycle time for the appliance request for approval and payment will be reduced from an average of 24 work days to 5 minutes.
- The touch time for the appliance request for approval and payment will be reduced from 58 minutes to 0-5 minutes as it is a fully automated process.
- Reduce time from 4 days to mail, receive, and deliver payment authorizations to 0 due to electronic distribution.

Quality

- Reduce confusion to both DDCH staff and home owner caused by submission of multiple requests for the same work.
- Database will provided a detailed tracking and documentation system of each request that may provide future opportunities for increased process improvement.
- Increase transparency of authorized payment report delivery to DHS Payment Unit via e-mail date stamps.
- Emphasis on high quality contract work; due to the DDCH building expert increased time in the homes performing inspections and working with contractors.
- Reduce workload to staff to be re-deployed within unit to provide and meet both CIP and Fairview Trust home inspection, policy requirements and resident needs
- Increase compliance to Oregon State Building Codes and Requirements as DDCH building expert will be able to inspect contracted work as required to ensure all building requirements are met.

People

- Improve morale and confidence within the DDCH Unit.
- Improve ability to balance business and service needs.
- Increase confidence by those submitting payment authorization requests that the requests will be received on time.

- Decrease staff frustration and rework caused by requests with insufficient information
- Creates proactive environment that will enable staff to schedule regular inspections to catch potential small repairs before further costly damage incurs; creating a costly crisis driven situation that could have been avoided.
- Positive environmental impact by less paper used.

Logic Description: See Attachment A and B for complete cost savings breakdown.

The DHS “Position Pricing” spreadsheet for ‘09-11’ was used to compute total personal service costs...

Current State

FTE Allocation to CIP Home Repair Approval and Payment Process	100% Annual Total Cost	100% Monthly Labor Cost	FTE Available Annual Hours	Cost to Process a Approval and Payment Request
1 OS2	53,840.64	4,486.72	2,080	
0.5 OS2	26,920.32	2,243.36	1,040	
0.5 OPA2	32,356.98	2,696.41	1,040	
0.33 PEMC	25,682.50	2,140.20	686	
Annual FTE Cost	\$138,800.44	\$11,566.69	4,846 hrs	\$121.67

Future State

DDCH Cost Savings and Efficiency Improvements	100% Annual Total	Future Standard Request (60%) & Payment Process	Future Appliance Request (40%) & Payment Process
Future Loss of 1 FTE - OS2	\$53,840.64 Cost savings	\$32,304.384 Cost savings	\$21,536.26 Cost saving
Future State Annual FTE Cost (loss of OS2)	\$84,959.80		
Future Appliance Request & Payment Cost Savings (90% Savings)	\$30,585.52 Cost savings		\$30,585.52 annual \$2,548.79 monthly Cost savings
Future Standard Request & Payment Process Cost Savings (43% Savings)	\$21,919.63 Cost savings	\$21,919.63 annual \$1,826.63 monthly Cost savings	

Future Redeployed FTE Hrs	2,766.40 annual hrs 231 monthly hrs		
Future Maintenance and Repair/Payment process Total cost of monthly and annual service	\$32,454.65 annual \$2,704.56 monthly		
Future Cost to Process a single request for Approval and Payment (after phase 3 implementation) *See below for calculation	\$28.46 (monthly) future cost/demand)		
Future Electronic Distribution Savings	\$4,389.00 Cost savings		
Future Cost Savings	\$110,734.79		

Assumptions:

- DDCH data was collected from a 6 month case file analysis and from metric tracking sheets, implemented by unit, used to determine cycle time, actual touch time and re-work rate. All info is available upon request
- For the purpose of this initiative, the full annual savings will be realized after implementation of software in June of 2010. However, the unit has completed many steps to standardize their process with available resources.

Sustainability Plan (Oct 2009 through Dec 2010)

The sponsor and team lead will ultimately be responsible for sustaining the improvements as they are implemented. The sponsor will report the status of the implementation progress and sustainability plan to SPD Priorities Team. During each phase of the project, CQIT will support implementation and continue to meet with sponsor and DDCH team lead; Phase 1 (Oct/2009 – June/2010), Phase 2 (June – Sept/2010) and Phase 3 (Sept – Dec/2010).

Ongoing Metrics for the Next 12 Months:

Metrics will be automatically tracked through the data base during phase two and ongoing. Phase one metrics will be measured through DDCH staff completion of metric tracking sheets to be implemented April 1st 2010. The metrics to be tracked include the number of appliance and standard requests, touch time per each, error rate, cycle time, FTE to meet demand,

monthly cost savings, forecasted saving per month to total the estimated \$110,734.79 annual cost savings starting in July 2010.

Attachments:

Attachment A and B Cost Savings Breakdown v [0.7](#)

Attachment C Formula Savings v [0.7](#)

Attachment D Action Plan v [0.7](#)

Attachment E Redeployed Savings Plan v [0.7](#)

Attachment F Staff Satisfaction Survey v [0.7](#)