



Improvement efforts surpass \$100 million in benefits

An initial list of improvement opportunities was created during the first phase of transformation in 2008. These improvement opportunities became transformation initiatives. DHS and OHA have approximately 100 active transformation initiatives. Initiatives are grouped by agency division or transformation theme.

Thirty-five improvement initiatives have been completed resulting in benefits valued at \$106.5 million. Benefit values are tracked and updated monthly. The \$106.5 million benefit value is a cumulative total as of Jan. 25, 2011.

Summaries of completed transformation initiatives are grouped below by agency division or transformation theme. Benefit documents describing in detail how each improvement was made and the results for each completed initiative are posted on our website at www.oregon.gov/dhs/transformation.



Children, Adults and Families Division (CAF)

Initiative: Self-Sufficiency Program intake process

As the increase in demand for food assistance climbed near 30 percent, the CAF division applied Lean process improvement techniques to standardize and streamline the process of scheduling intakes for food stamps, medical and daycare benefits. Before, hungry Oregonians waited an average of nine days to receive food stamps. Today, 92 percent of clients are being seen the same or next day and customer satisfaction stands at 98 percent. With intakes being seen on average nine days sooner, purchases made with food stamps happen faster and generate an additional \$1.6 million in economic activity throughout the state each month. Additionally, the changes made CAF Self-Sufficiency Programs operate more efficiently, saving staff time that equates to 26 full-time positions. This initiative also resulted in benefits valued at \$1.8 million through March 2010.

Initiative: Child Welfare relative search

There are more than 6,500 children in foster care. DHS attempts to locate, contact and place children with suitable relatives to develop family connections for each child. The past relative search process was conducted differently by branches throughout the state and was in need of standardization and streamlining. Efficiencies cut the number of steps in the process from 69 to 32 (54% reduction in steps). Additionally, the improved

process discontinued the use of certified mail saving \$9,265 across the three pilot branches between January and May 2009. Today, relatives are identified more promptly for placement and there is higher stability for children placed in substitute care. Children move less frequently, feel more secure, and are maintaining stable relationships to achieve a higher level of permanency.

Initiative: Terminating benefits for incarcerated individuals

When a Supplemental Nutritional Assistance Program (SNAP) benefit recipient is incarcerated in a penal institution, the individual no longer qualifies for food and medical benefits. DHS had limited access to penal institutions to identify incarcerated clients to create a list for Self-Sufficiency Program (SSP) offices to processes. Adding to the problem were workload increases in the field offices that caused processing delays. SSP staff partnered with the Office of Payment and Recovery's Automated Unit to review the process. They decided to centralize the entire process within the Automation Unit and subscribe to an electronic database which provides information on individuals incarcerated in Oregon every 30 days that can be cross-referenced with SSP databases. Purchasing the electronic database for \$80 a month eliminated a manual process for identifying incarcerated individuals, saving 2,082 hours of staff time a year. In addition, client benefits are inactivated earlier, saving the federal and state governments a combined \$2.1 million in SNAP and \$1.5 million in medical benefits annually. The inactivation of benefits also anecdotally reduces the number of stolen electronic benefit cards or the fraudulent use of benefits.

Initiative: Child Welfare discretionary funding process

Child welfare case workers can request discretionary funds to benefit children in state care or to prevent children from coming into care. Nearly \$700,000 is spent statewide every month for services such as counseling, transportation, therapeutic support or education. The time required for a decision approving a discretionary expenditure varied from branch to branch but typically took eight to 14 days and involved a 20-step process. Some branches used a committee to review discretionary funds requests, reducing the time caseworkers spent working with clients directly.

Branches in Gresham, Oregon City and St. Helens participated in a pilot of the new electronic process designed to cut the discretionary payment request review cycle from between eight and 14 days to between one and two days. The new process reduced steps in the process from 20 to nine and eliminated committees in branches that previously used them. CAF estimates elimination of the committees will save the division the equivalent of approximately 270 employee hours a year, a time savings to be reinvested in face-to-face work with clients.

Seniors and People with Disabilities (SPD) Division

Initiative: Nursing Facilities diversion and transition

This initiative was launched to reduce the number of Medicaid clients unnecessarily entering expensive nursing facilities for long-term care. As a result of the initiative, more than 1,200 people have been transitioned to more appropriate care settings with 41 percent remaining in their own homes. SPD projects a 12-month savings of \$17.6 million from this effort and improved client satisfaction by addressing the preference of most Oregon seniors to live outside of nursing facilities.

Initiative: Complex Medical Add-on

When a Medicaid client needs labor-intensive, medically necessary services beyond the range of normal nursing facility services, they can apply to the state for a Complex Medical Add-on (CMAO). The CMAO process regulates payment of an increased rate to nursing facilities to provide the additional level of care a client needs. An average of 400 individuals each month require this enhanced level of care paid for by the state and
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provided by nursing facilities. Before the CMAO process was improved, there was an 11-month backlog of approvals waiting to be processed which caused a delay in payments to the nursing facilities. The backlog was eliminated in six months, releasing \$6 million in backlogged payments to nursing homes. In addition, the improvements brought a one-time savings of \$16,800 and ongoing savings of \$70,100 a year.

Initiative: Developmental Disability contract amendment process

This initiative focused on streamlining the contract amendment process for the Developmental Disabilities' Contract Administration Unit. The goal was to reduce contract amendment processing time for Financial Assistance Award (FAA) amendments. By June 2009, the FAA contract amendment cycle time improved by 60 percent, dropping from 57 to 23 days. The number of steps in the process dropped from 21 to 14 and the number of decisions made in the process dropped from 11 to five. The improvements helped the unit avoid \$90,500 in costs.

Initiative: Developmental Disabilities Community Housing Unit Maintenance, Repair and Payment Process

The Development Disabilities Community Housing Unit (DDCH) is responsible for annual safety inspections of Community Integration Program (CIP) homes that provide residence for people with developmental disabilities who were institutionalized in the past. CIP homes can apply to DDCH for funding for maintenance and repairs that improve the safety of residents. CIP homes usually make an average of 95 requests a month. Requests typically fall into two categories: appliance requests and standard requests that are more complex and must be evaluated by a DDCH building expert. Improvements include creation of an online application form that checks for duplications, change orders or discrepancies and automatically generates a reply to the applicant. Appliance requests will be automatically approved or denied. Standard requests will be evaluated by the DDCH building expert who now utilizes a laptop and BlackBerry to perform approvals while working in the field. The changes reduced the workload in the appliance request process by 90 percent and by 43 percent for standard requests. The changes cut the cycle time for approval and payment of appliance requests from 24 work days to five minutes and from 24 work days to four work days for standard requests. The initiative also resulted in benefits valued at \$110,734 per year.

Initiative: Corrective Action Unit investigative report processing time

The Corrective Action Unit processes investigative reports on long-term care facilities that fail to meet minimum health and safety requirements. The reports are submitted by Client Care Monitoring Units and local field offices. The unit processes an average of 250 reports a month but struggled to complete processing within a 60-day requirement. The team aimed to produce notices of findings, letters of determinations and civil penalties, on average, within 45 days of receipt of a completed investigatory report. Following a transformation event, the CAU team sped their processing time to meet their target by cutting steps from 21 to nine, a 57 percent reduction. This initiative generated benefits valued at \$193,803.

Initiative: Presumptive Medical Disability Determination team process

This initiative focused on streamlining the financial eligibility process, which includes presumptive Medicaid determinations. A presumptive Medicaid determination is required when an individual applies for medical assistance (Medicaid) stating they have a disability, no medical coverage and will be unable to generate income by way of working for 12 months or longer. Referrals for a determination are sent by local offices. Because of the need to interpret extensive medical information, these determinations are completed by Disability Analysts within the Presumptive Medicaid Disability Determination Team (PMDDT). PMDDT reviews all available documentation, requests further information or medical exams and determines if the person is eligible for Medicaid coverage due to a disabling condition. Since the individual needs continuing medical care, the sooner a decision can be made the sooner a person will receive, or not receive, medical coverage. Cost savings from this event are from the timeliness of clients obtaining medical coverage or care and are not

tracked at this time. Prior to transformation, PMDDT averaged 83 days to make a disability determination with 38 percent of those taking over 90 days to complete. Implementation of a new process is increasing the number of completed determinations made within 90 days. As of April 2009 the average has risen from 62 to 65 percent and is expected to continue to improve as training is provided in field offices.



Addictions and Mental Health Division (AMH)

Initiative: Oregon State Hospital (OSH) nurse hiring process

OSH cut the time it takes to hire nurses to meet goals to strengthen the consistency of patient care; cut costs for overtime and contract nurses; reduce the nursing vacancy rate to 10 percent and meet the industry standard hiring time of seven days. Six months after the initiative was implemented, OSH reduced its vacancy rate from 22.7 to 0 percent and cut the hiring process from 80 to 20 days, moving towards the seven-day goal. Benefits valued at \$711,485 were realized between February 2008 and March 2009.

Initiative: Oregon State Hospital MD billing for Medicare services

OSH streamlined the billing process for services provided by doctors and covered by Medicare to ensure accurate documentation and billing. In the first month of implementation, the percentage of physicians submitting billing increased from 84 to 100 percent. The total amount billed in the first month increased 53 percent, resulting in an additional \$86,934 in reimbursements through March 2010.



Process mapping is a standard transformation tool used to understand the flow of a process to identify and eliminate bottlenecks and unnecessary steps.

Initiative: Oregon State Hospital patient dietary process

OSH dramatically reduced the number of days it takes for a patient to have a dietary consultation. The wait time went from 150 days to 20 days and the dietary consult backlog was eliminated. The number of consults each dietician completes every month has on average doubled since OSH staff improved the process. This initiative resulted in benefits valued at \$138,269 as of March 2010.

Initiative: Transitioning people through the adult mental health system

This initiative addressed how people who need residential services flow through the adult mental health system. The initiative focused on decreasing the amount of time a person is on a wait list for a different level of service. The initiative work concentrates on acute care psychiatric hospital wait-lists for admission to Oregon State Hospital (OSH) and on the OSH "ready-to-place" list for people waiting to be discharged into community residential mental health treatment programs. A Rapid Process Improvement (RPI) event was held to create a streamlined, efficient and more cost effective approach to transitioning people through the system. The new approach is anticipated to decrease the amount of time a person is on the OSH Ready-to-Place List from an average of 197 to 30 days, and decrease the percentage of people on the acute care wait list

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for 21 days or more from 49 to 10 percent. The improvements are expected to save \$296,520 in 2011. Implementation began in September 2010 and progress is being tracked weekly.

Initiative: Adult mental health residential program vacancy payment

Originally, the Vacancy Exception Request (VER) program provided funding to cover adult mental health residential community program costs to hold a space for a resident who leaves the program temporarily for a brief acute care admission. Over time, the practice expanded to cover a variety of mental health program vacancies which decreased provider incentives to admit newly referred adults to their residential programs. AMH created a new policy, procedures and an Oregon Administrative Rule (OAR) that returns the VERs practice to its original intent and encourages the development of a community placement process. The changes took place July 1, 2010 and support people in accessing the level of care and service in their communities that matches their needs. Savings of \$900,000 per year are projected.

Initiative: AMH Electronic document management

Entering a back log of 1200 paper files into an existing electronic filing system was a time-consuming task. Scanning one file could take up to four hours. Through a process improvement event, seven AMH staff streamlined the effort down to a 45-minute process per file, reducing the cycle time by 81 percent. The team set a deadline for entering the back log of files and finished two weeks early. In addition, the initiative resulted in benefits valued at \$2,248.

Division of Medical Assistance Programs (DMAP)

Initiative: Third-party Liability

The Third Party Liability (TPL) Initiative focused on early identification of Medicaid clients with third-party insurance to make sure DHS is not charged when a third party should be the primary payer for a Medicaid client's care. The improvement project also sought to increase the recovery of funds DHS paid when a third party should have made the payment. The division had a backlog of nearly 11,000 new TPL referral forms which DHS made payments on while waiting for the forms to be verified and processed. By improving the process for third-party insurance identification, verification and processing, the division prevented inappropriate enrollments and payments, and eliminated the backlog of TPL referral forms. These efforts resulted in a cost savings of \$27 million between September 2009 and June 2010.

Initiative: School-based Health Services videoconferencing

The School Based Health Services (SBHS) Program sought a different approach for delivering timely, consistent and reliable information to improve communication to its stakeholders. The program piloted the use of videoconferencing for informational meetings in collaboration with 16 school districts in Oregon between May and December 2008. By participating in the pilot program, school districts estimated a potential annual benefit of \$35,000. Feedback from school districts that reduced staff and travel time by making the change has been overwhelmingly positive. SBHS now hosts monthly informational meetings for school districts via videoconference, increasing the consistency and interactivity of communications.

Initiative: Provider announcement conversion to electronic distribution

Before the implementation of the initiative, DMAP mailed Oregon Health Plan (OHP) Provider Announcements to providers, incurring print and postage costs. Presumably, providers would duplicate and share the provider announcement with their various departments, such as accounting staff or clinicians. Per biennium, DMAP mailed an estimated one million provider announcements about updates and changes to Oregon Health Plan's (OHP) policies, benefits, rules and procedures. When the implementation took place, DMAP was working with

approximately 22,000 providers. DMAP switched to electronic distribution of OHP Provider Announcements on June 1, 2009. The financial result is an estimated biennium savings of \$606,000 or an annual savings of \$303,000 in print and postage costs.

Initiative: Health Service Commission Prioritized List

The Health Services Commission (HSC) Prioritized List of Health Services is the foundation for providing health services for people receiving Oregon Health Plan (OHP) benefits. The Commission prioritizes health services, and the Legislature draws a line somewhere on the list to indicate the funded services; services above the line are funded - those below are not. The list includes more than 700 physical health, dental, chemical dependency and mental health services. Since its inception, more than 1.5 million Oregonians have been covered under the Prioritized List. The list undergoes five revisions during a biennium. In January of every other year, HSC revises the list with changes to the list of services (such as the funding line or the priorities may change), if applicable. Every year in April and October, HSC makes technical changes to the list. Implementation of all changes involves coordination between HSC and various units in DMAP.

This transformation project focused on improving the implementation of the revised list by streamlining the steps involved, clarifying roles and responsibilities and improving the understanding of the interrelationship of the units. The April 1, 2009 implementation was successful in meeting deadlines, individual units involved knew their responsibilities, and individuals followed through with their responsibilities.

Initiative: Videoconference meetings

Every month there are between 15 and 20 work group, committee or other meetings with managed care organizations (MCOs). DMAP is increasing the availability of videoconferencing during these meetings. Prior to this initiative, DMAP did not hold any videoconference meetings with MCO stakeholders. Currently, DMAP offers videoconferencing at six of these meetings. Two MCOs have chosen to participate by videoconference on a regular basis. However, interest and inquiries from other MCOs to participate continues to increase. Participants used existing videoconference applications and did not need to purchase equipment. MCOs that traditionally called into meetings have two benefits from VCON. One is a far better quality of sound, and the second is the benefit of seeing people at the meeting. This will result in higher satisfaction for DMAP's MCO stakeholders and result in more effective meetings. Cost savings are for MCOs for reducing travel requirements.

Initiative: Provider NetLink Trainings

This transformation project focused on providing electronic training instead of in-person classroom training to the billing staff of health care providers who serve Oregon Health Plan clients. This initiative changed training delivery to electronic mediums, such as NetLink, Webinar, videoconference, Web-based self-tutorials and telephone conferences. It also changed the way training materials are created and reproduced by using CDs rather than hard-copy books.

Public Health Division (PHD)

Initiative: Oregon Environmental Laboratory Accreditation Program (ORELAP)

Oregon accredits environmental testing laboratories that meet national standards. The Oregon State Public Health Lab partners (OSPHL) with the Department of Environmental Quality (DEQ) to conduct the accreditations. Before improvements, the accreditation process was a manual process and its required reports were rarely completed within national standards for timelines, creating delays and risks to labs applying for accreditation. As a solution, the OSPHL and DEC teams partnered to create an online application, established

regular OSPHL and DEQ meetings, and streamlined processes. The change generated \$64,000 a year in savings and brings Oregon's accreditation process steps within national timeline standards.

Initiative: Streamlining expenditure approvals - Out-of-state travel expenditure approval process

This initiative focused on reducing cycle time by streamlining the process and minimizing rework associated with receiving approval to travel out of state. The new process was released division-wide on Nov. 3, 2008. Since then, 100 percent of approval requests are completed within five business days (previously averaged 12 business days). The reduction in cycle time has allowed the division to book 100 percent of airline tickets on line, reducing the cost per booking to \$8 from \$28.50. The changes were projected to save \$12,936 in the first year. Additionally, by reducing processing time by 67 percent, the division saved \$91,000 worth of management and staff time.

Initiative: Out-of-state birth certificate process

Applicants must provide documentation of U.S. citizenship to be eligible for the Family Planning Expansion Project (FPEP), Oregon's family planning Medicaid waiver. FPEP applicants born in Oregon may request an electronic search for their birth record by submitting a Birth Information Form to their local clinic. In March 2008, the Women's and Reproductive Health Section implemented a process to purchase birth certificates for non-Oregon born citizens in an effort to provide equity of access. Since the launch of this program, Oregon has received \$278,545 in federal matching funds for providing family planning services to 939 women who had been born out of Oregon but did not present a birth certificate (non-documented visits do not qualify for federal match).

Without citizenship documentation, clinics can only offer applicants a single 'one-time exception visit' that must be fully paid for with General Fund (GF). Providing birth certificates ensures that this one-time exception is resolved so that FPEP can draw the 90% federal matching funds and applicants can be made eligible for a full year of service. GF budget allocated for one-time exception visits can be freed to provide additional coverage for family planning services.

Additionally, the process enabled continued provision of services to 313 women who may have been turned away after the one-time exception visit.

Initiative: Streamlining expenditure approvals - Non-standard expenditure approval process

This initiative focused on the approval process for non-standard expenditures. Before, requests typically required approval by at least three managers, lacked a standardized documentation of requirements and justification for the expenditure causing a lengthy approval process, taking an average of 16 days. This lengthy cycle time and inconsistent decision-making criteria led to over processing, staff frustration, and possible loss of grant funds. A new process was implemented in July 2009. The cycle time was reduced from 16 days to two days, on average, and error rates decreased from 15 to 8 percent. Overall staff satisfaction with the process increased from 20 to 64 percent. Additionally, savings of \$19,972 were estimated during the first year of implementation with the savings coming from staff spending less time on this process.

Initiative: Web site publishing

PHD created a streamlined and standardized process for authoring, approving and posting content to its division Web site. The purpose of the initiative was to create a Web publishing plan to clearly define roles in the process, ensure accuracy and quality of content posted to the Web and to limit possible negative exposure of the division. The initiative saved PHD \$9,398.56 and 19 staff hours.

Initiative: Oregon State Public Health Laboratory specimen tracking process

The Oregon State Public Health Laboratory (OSPHL) provides testing of medical specimens for local health departments, hospitals and clinics primarily for communicable diseases such as Chlamydia, HIV, flu and swine flu, tuberculosis and other illnesses such as salmonella poisoning. Lab processes are being streamlined to cut the turnaround time for test results, speeding medical decision making by clinicians and helping prevent the spread of disease through faster communication of accurate information. Streamlining also provides for increased lab testing capacity and more manageable staff workloads. This initiative focused on OSPHL's specimen receipt process and involved using a courier system to speed transit time of specimens and reduce the packaging requirements for both OSPHL and its clients. As a result of this work, Oregon improved its rating on a national Emergency Health Preparedness scale, meeting eight of 10 key indicators.

Initiative: Oregon Center for Health Statistics data entry

The Oregon Center for Health Statistics improved the quality and accuracy of data submitted by providers and streamlined its processes for faster turnaround of reports and data used for programmatic research at PHD and many outside agencies. This same data also is used by the state to measure progress for Oregon Benchmark No. 39 on teen pregnancy. The average time it took to enter data dropped from an average of five days to 1.4 days and brought a \$779 cost savings.

Shared Services

Initiative: Office of Payment for Accuracy and Recovery transformation pilot

This transformation pilot project was conducted between January and December 2007. It focused on streamlining key areas of the agency's financial operations. By using Lean techniques to define, analyze and improve processes, significant results were quickly realized. In the first 12 months, benefits valued at \$650,000 were realized. The work also enabled the agency to submit its budget five months earlier than the past biennium and contributed to the department achieving the Oregon State Controller's Division Gold Star Award for Financial Reporting. The success of the pilot prompted development of the Transformation Initiative for the entire agency.

Initiative: Office of Information Services (OIS) service desk

This initiative was focused on changing from what was essentially the information technology team's switchboard to a true service desk serving as the single point of contact for all technical issues experienced by DHS staff. The team aimed to increase the rate of resolution in the first contact staff members have with the service desk. Results include a 90 percent increase in volume and a 22 percent improvement in the timeliness of the team's resolution of customer service desk tickets. The cost of a service desk ticket dropped 22 percent or by \$7.70. The initiative resulted in benefits valued at \$719,616 in its first year.

Initiative: Expenditure report automated download process

The purpose of this initiative was to develop a more robust process for production and maintenance, and analysis, of the analytical expenditure reports for programs within the Addictions and Mental Health Division. The reports are created and analyzed by the Budget Planning and Analysis (BPA) staff and are distributed to management, program managers, department heads and others. The old process required two analysts approximately 40 hours each month to complete the maintenance phase and approximately 10 hours each month to complete the analytical research phase. The new process has been automated enabling customers to receive timely budget information and budget staff to spend more time doing analyst work. The improvement resulted in annual savings of \$47,266 for the period February 2008 to February 2009.

Initiative: Wireless communication devices - cell phones

This initiative focused on the effective use of cell phones by eliminating unnecessary features like data and text messaging; changing plans and cancelling devices not actively used. It also involved decentralizing the purchase of devices to make sure business managers have appropriately sized packages that meet their business needs. Policies were updated and a new decentralized cell phone payment process put in place with a monthly bill review by business managers and quarterly analysis of vendor reports. Cost savings were estimated at \$45,739.

Initiative: Wireless communication devices - BlackBerry

The purchase, review and payment process for BlackBerry devices was decentralized to ensure business managers can access billing and usage information to manage device usage and budgets. Rate plans were bundled based on a shared pool of minutes of employee assigned devices and BlackBerry devices not used regularly were deactivated. A pilot was conducted to disconnect 90 landline phones for employees who also had BlackBerry devices. Cost savings are estimated at \$199,739 annually.

Initiative: Stockless Office Supply Program

In October 2008 the Salem Human Services Building switched from stocking centralized office supply rooms to a "stockless purchasing program." The Salem Parkway Building did the same in January 2009. Stockless purchasing means ordering items "just in time" or when needed, rather than maintaining an inventory. As a result of this change, 25 hours of staff time are saved each month, supply rooms have been turned into much-needed meeting rooms and there is an annual savings of \$90,324 in office supply costs.