

Letter from the DHS Assistant Director for Administrative Services Division

ASD's contributions to the DHS/OHA 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 and OHA. 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 has provided 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 has encompassed department-wide policy and strategic offices which include the Director's Office, Office of Investigations and Training, Governor's Advocacy Office, Internal Audits, 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.

Changes in Administrative Services Division

As DHS becomes two departments (DHS and OHA) as a result of HB 2009, there are many changes planned for the way administrative services are provided. While in general the same functions will be provided to both departments, a new approach will be taken to provide ***shared services*** in the most cost effective manner possible. Rather than duplicating service provision for each agency, a new shared service approach will be employed for most department-wide support services (see table below).

Shared Services

One of the unique outcomes from our transition into two agencies will be a new model in state government in which the Oregon Department of Human Services (DHS) and Oregon Health Authority (OHA) share services to save dollars, time and workforce. Shared services include both centralized administrative services and programmatic services used by both agencies. Shared programmatic services such as eligibility processing done by the Children, Adults and Families (CAF) division for food assistance and Oregon Health Plan applicants will continue functioning as they do today.

The business services areas are where changes are being made. Decisions about shared business services were made following one year of analysis and were based on two sets of criteria: The first for whether or not a service should be shared and a second for the agency placement of each service. For accounting reasons, a shared service must be located in one agency. Service-level agreements – formal written contracts – will be created to define the services one agency will provide another, how the services will be paid for and how issues will be resolved.

Business service	Decision	Placement
Audits and Consulting	Shared	DHS
Budget and Analysis	Hybrid – A Budget Shared Services Center in DHS will house centralized support functions for both agencies such as legislative fiscal analysis; other functions will be separated.	DHS/OHA
Communications and Communication Resources	Separate	DHS/OHA
Contracts and Procurement	Shared	DHS
Document Management and Archiving	Shared	DHS
Facilities	Shared	DHS
Financial Services	Shared	DHS
Forecasting	Shared	DHS
Governor’s Advocacy Office	Separate	DHS/OHA
Human Resources	Hybrid – A Human Resources Shared Services Center in DHS will house centralized support functions such as background checks; other functions such as employee recruitment will be separated.	DHS/OHA
Information Security	Shared	OHA
Information Systems	Shared	OHA

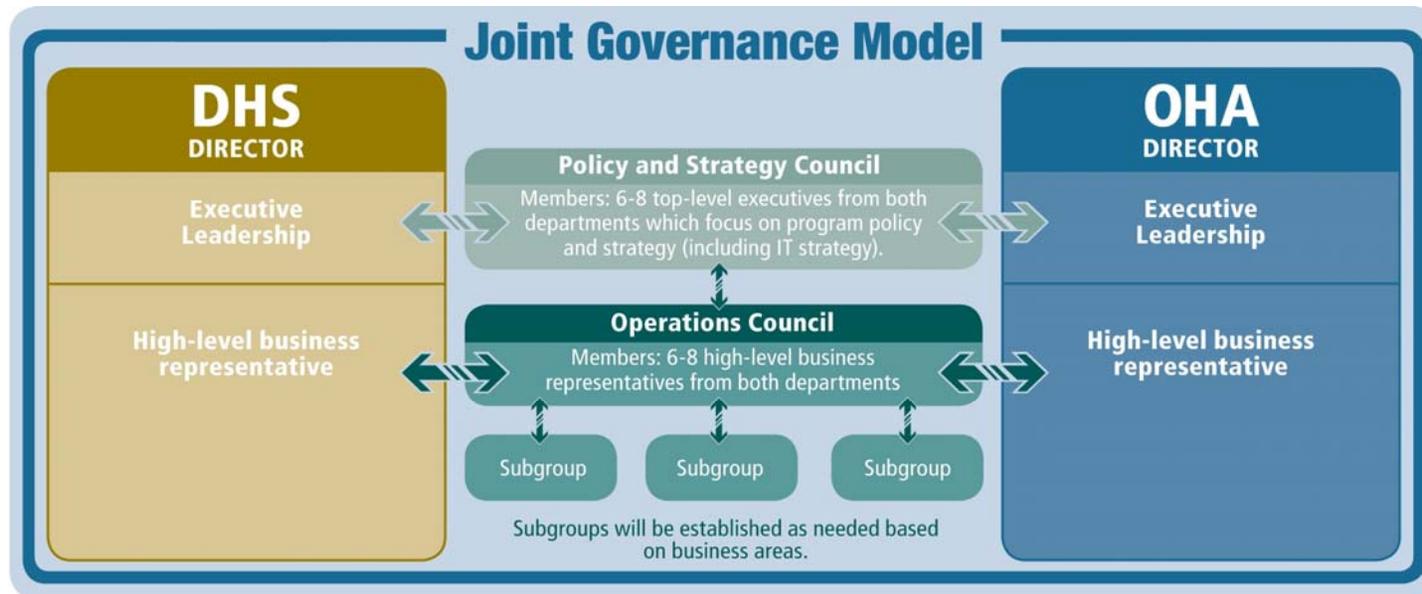
Investigations and Training	Shared	DHS
Medicaid Management Information System (MMIS)	Shared	OHA
Multicultural Health and Services, and ADA compliance	Shared	OHA
Payment, Accuracy and Recovery	Shared <ul style="list-style-type: none"> ▪ Excludes Institutional Revenue Unit to be placed in OHA 	DHS
Transformation Office components	Shared	DHS

Next steps:

- Develop service-level agreements to define the relationship between the agency providing service (vendor) and the agency receiving the service (customer).
- Move base positions and funding into the appropriate places in the 2011-13 DHS and OHA budget requests to match the shared business services placements. This is called setting the Current Service Levels (CSL) for the 2011-13 biennium and is required for the agencies to complete their budget requests. *This step does not include placement of employees, only positions.*

Joint Governance Model

The process and guidelines DHS and OHA will follow to make decisions in areas they have in common is known as the joint governance model. The joint governance model concentrates on areas where DHS and OHA share responsibilities – policy and strategy, and operations in shared business service areas. The model includes creation of a DHS/OHA Policy and Strategy Council and a DHS/OHA Operations Council. The agencies plan to be operating within the new model by January, 2011.



Organizational Structure

Care is being taken to structure the two new agencies in ways that help them work effectively as separate entities, and as partners in areas where they have shared responsibilities and interests. An organizational structure shows the design of functions, where responsibilities lie and relationships between divisions and work units. A complete organizational structure is being designed for OHA and changes will be made in the executive leadership section of the DHS organizational structure. The analysis leading to these structures included leadership interviews, an assessment of the current organization and research into the structures of other organizations that might yield useful examples.

Summary

These changes are designed to improve both departments' abilities to assist Oregonians and their families to become independent, healthy and safe. They will support the valuable work performed by DHS and OHA and their partners every day throughout the state to support Oregon's most vulnerable individuals.

Jim Neely
DHS Chief Administrative Officer

ASD program narratives

ASD is organized into key areas that support the entire department, and currently also 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. While the previously displayed table outlines the new placement (and in some instances new structure) of administrative services, what follows is a brief description of each office.

- **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.
- **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.
- **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.
- **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.
- **Forms and Distribution (OFD)** – The OFD helps produce, store and distribute forms and informational materials for all of the divisions. .
- **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 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 Center (HRC)** – The HRC will handle more routine HR services, including benefits administration, reporting, position control, background checks and leave law interpretation.

- **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; develops, 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 (excluding the transition to operating in a two department format) are Information Technology (IT) systems that are no longer able to adequately support our various program areas and increased demand for support services. In any month, DHS serves hundreds of thousands of clients in various capacities, and every client or potential client has an impact on our IT systems, and those systems impact all of those clients. In order to ensure that all clients are receiving timely service and quality care, the maintenance and improvement of our systems is crucial to operations. To continue to effectively support the mission of DHS and to increase efficiency and quality of services for our clients and the community, we must continue to support efforts to stabilize and improve business tools.

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 the standard way of doing business at DHS and OHA. 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.