

DHS AND OHA CENTRAL AND SHARED SERVICES EXECUTIVE SUMMARY

As the Oregon Department of Human Services (DHS) transitions into two agencies — DHS and the Oregon Health Authority (OHA) — there are many changes planned for the way services are provided. In general, the departments within Central and Shared Services will continue to perform the same functions for both agencies, but a new approach will create cost savings. Rather than duplicating services within each agency, a new *shared service* approach will be employed for most support functions required by both agencies.

The Central Services and Shared Services areas are one set of unique outcomes created by our transition into two agencies. As part of this new model in state government, DHS and OHA will share services to save dollars, time and work force. Decisions regarding shared business services were made following one year of analysis and were based on two sets of decision points: whether or not a service should be shared, and the agency placement of each service. For accounting reasons, Shared Services offices must be located in one agency, but the offices will provide services to both agencies. Service-level agreements (SLA) are being created to define the services each agency will receive, how the services will be paid for, and how strategic issues will be resolved. The SLA will be governed by the Joint Operations Steering Committee to ensure that program areas in each agency and offices within Shared Services have the resources needed to meet the goals and objectives of the agencies.

Key contributions that Central and Shared Services focus on include implementing cost-effective, streamlined and standardized business practices across both agencies; 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 departments' business continuity efforts to ensure agency services are provided during a business interruption.

Shared Services will provide support functions for both DHS and OHA through the following offices — Contracts and Procurement, Facilities, Imaging and Records Management Services, Human Resources, Information Security,

Information Services, Payment Accuracy and Recovery, Budget and Accounting, Investigations and Training, Internal Audits and Consulting, and Continuous Improvement. Each agency will have a Central Services department dedicated to functions that serve the overall agency, including the Director’s Office, Human Resources, Budget, and Communications. All of these functions play an essential role in helping the DHS and OHA operational divisions offer efficient and effective services to Oregonians. A few service areas will be hybrids, with some functions served by a shared department housed in one agency or the other, and other functions requiring dedicated staff in each agency.

The table below outlines the placement of each central and shared business service.

Business service	Decision	Placement
Internal Audits and Consulting	Shared	DHS
Budget and Analysis	Hybrid — A Budget Shared Services Center in DHS will house centralized support functions such as budget reporting for both agencies, and assist with legislative fiscal analysis and budget development; Other functions will be separated.	DHS/OHA
Communications	Dedicated	DHS/OHA
Contracts and Procurement	Shared	DHS
Continuous Improvement	Shared	DHS
Imaging and Records Management Services	Shared	DHS
Facilities	Shared	DHS

Business service	Decision	Placement
Financial Services	Shared	DHS
Forecasting	Shared	DHS
Governor's Advocacy Office	Dedicated	DHS
OHA Ombudsman	Dedicated	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 dedicated.	DHS/OHA
Information Security	Shared	OHA
Information Systems	Shared	OHA
Investigations and Training	Shared	DHS
Multicultural Health and Services, and ADA compliance	Dedicated	OHA
Payment, Accuracy and Recovery	Shared (excludes Institutional Revenue Unit to be placed in OHA)	DHS

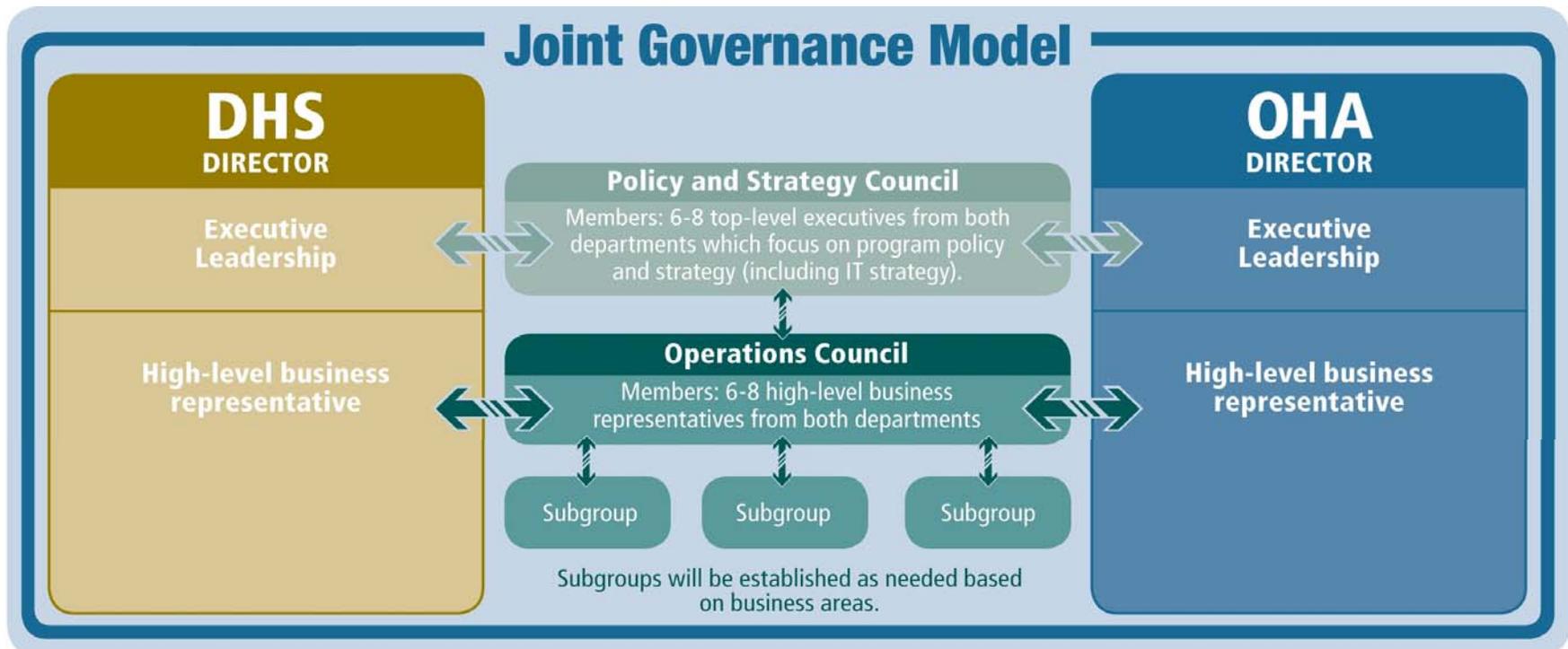
Next steps

As the agencies move forward, base positions and funding will be moved into the appropriate areas of 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 model concentrates on areas where DHS and OHA share responsibilities — policy, strategy and operations in shared business service areas. The model includes creation of a DHS and OHA Policy and Strategy Council and a DHS and OHA Operations Council.



Organizational structure

There has been careful consideration in creating the structure of the two new agencies to help them work effectively as separate entities, and as partners in areas where they have shared responsibilities and interests. An organizational structure has been designed to reflect where responsibilities lie and how relationships between divisions and work units function. The analysis leading to these structures included leadership interviews, an assessment of the current organization, and research into the structures of similar organizations.

Summary

These changes are designed to improve both departments' ability to assist Oregonians and their families to become independent, healthy and safe by providing the right services, at the right place and the right time. Central and Shared Services will assist Oregon's most vulnerable individuals by supporting the critical work performed by DHS and OHA and their partners every day throughout the state.

Program narratives

Central and Shared Services are organized into key areas that support the agencies. While the previously displayed table outlines the new placement (and, in some instances, new structure) of services, what follows is a brief description of each office.

Governor's Advocacy Office (GAO)

This office provides ombudsman functions for all programs and services; ensures individuals with disabilities are provided the accessibility and reasonable accommodations they require to equally participate in and benefit from all DHS programs and services; and screens, oversees and tracks the DHS client complaint and report of discrimination process including civil rights investigations.

Internal Audits and Consulting (IAC)

This office 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 and OHA including central and field operations, institutions and counties, and other recipients of state funds.

Office of Investigations and Training (OIT)

This office investigates 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 technical assistance and training are conducted with integrity, fairness and quality to maximize the safety of people with mental illness and developmental disabilities.

Tribal Relations

This office maintains and improves the department's relationships with the nine federally recognized tribes in Oregon.

Budget Planning and Analysis (BPA)

This office provides actuary services and rate setting, budget development and monitoring, and caseload forecasting.

Office of Financial Services (OFS)

This office provides accounting, federal reporting, payroll, accounts receivable and payable services, federal reporting and grant tracking and monitoring.

Office of Contracts and Procurement (OCP)

This office ensures agreements with providers and partners are cost-effective while promoting the delivery of quality services to clients and the public. OCP also administers procurement processes by preparing, issuing and awarding contracts to qualified vendors; seeking and implementing efficiencies in purchasing processes; and ensuring compliance with all applicable state and federal laws.

Imaging and Records Management Services (IRMS)

This office ensures that clients receive easily readable and usable forms in multiple languages and formats. IRMS also ensures client applications and provider claims are electronically imaged to assist in timely services and payment. This office provides data capture, imaging, electronic workflow and electronic and physical records archival, retrieval and destruction services for business units and program areas across DHS and OHA.

Office of Facilities Management (OFM)

This office 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; and monitors energy use. OFM also oversees and manages the department's motor vehicle fleet and mail and parcel delivery, and plans, develops, installs, repairs and monitors DHS telecommunications systems.

Human Resources Center (HRC)

This office is responsible for routine HR services, including benefits administration, reporting, position control, background checks and legal interpretation related to employee leave.

Information Security Office (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.

Office of Information Services (OIS)

OIS deploys and maintains the hardware and software needed by DHS and OHA 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.

Office of Payment Accuracy and Recovery (OPAR)

This office ensures expenditures are accurate and appropriate by recovering funds owed to DHS and OHA. OPAR audits and investigates payments made to partners, providers and clients; identifies appropriate third-party payer resources to reduce use of state and federal funds; and facilitates recovery of overpayments made to clients, partners and providers and assistance from estates of deceased clients. OPAR also educates staff, partners and clients about appropriate benefits and uses of funds.

Shared Services environmental scan

Two of the largest business challenges are information technology (IT) systems that are unable to adequately support various program areas and increased demand for support services. DHS and OHA serve hundreds of thousands of clients in various capacities, and every client or potential client affects our IT systems; conversely, the systems affect clients. In order to ensure all clients are receiving timely service and quality care, the maintenance and improvement of these systems is crucial to operations. To continue effectively supporting the missions of DHS and OHA and to increase efficiency and quality of services for our clients and the community, we must continue to support efforts to stabilize and improve IT business tools.

Transformation Initiative

In 2008 DHS 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, and 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 and OHA committed to continuing this work through the incremental process of transforming how services are delivered and being more efficient with state funding by taking an in-depth look at how the work is done. Operations have been measured, processes mapped and the transformation into world-class health and human services organizations has begun. There are five key themes that drive the Transformation Initiative:

- Doing the right work the right way;
- Developing world-class employees and culture;
- Working together across divisions;
- Getting more from the public dollar; and
- Engaging with DHS and OHA partners for improved performance.

While DHS and OHA 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 to benefit Oregonians by finding innovative ways to ensure the state's most vulnerable citizens get the services they need.